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Membre de :



Newhaven, the 23.01.2019

Dear ,

It would seem that the possibility for a No-deal scenario, leading to the UK leaving the Customs Union at 2300 on 29th March, continues to be a looming possibility.

With around 10 weeks to prepare, it has become important that we all do everything possible to ensure the continuation of the flow of both exports and imports.

At this stage, many of the details of how we will be affected are still to be determined. There are however some things which can be done, which will mitigate the inevitable disruption which will occur.

At Euro Channel, we have been building towards this possible situation for the past six months. We had expected that the preparations would be necessary, but ultimately not needed. Now, with the situation unresolved, we feel that now is the right time to send some information.

First of all, we have made customs clearance arrangements in both Newhaven and in Dieppe. This should ensure the continued flow of our trailers through the ferry route. There is a large unanswered question, about how the customs authorities in both countries are going to cope with the increased workload. Equally questions remain over how the ports can adapt their infrastructure, to implement the necessary vehicles controls. Those aspects are beyond our control, and we hope that solutions will manifest themselves, through the appropriate channels in due course.

Our customs arrangements will also be available for any shipments via other harbours, other than our preferred Dieppe to Newhaven route.

HMRC wrote to VAT holders in December, advising that any companies which have not yet done so, register as an Economic Operator. This is essential for all traders which either export or import and are required to submit entries to Customs. The process is actually very simple and can be done via this link

<https://www.gov.uk/eori>.

It is also a wise step for traders to register for a Government Gateway access. This will enable you to have better visibility, of the various stages of cargo being processed by HMRC.

Our customer base includes a huge range of business types. The larger organisations are often already equipped to deal with non-European Union trade. In which case, please forgive us for taking your time. On the other hand, we deal with many SME's and small traders, who haven't found it necessary to include customs procedures in their overseas trading experience.

It may well be necessary for you to examine the trading terms, which you operate under with your foreign customers or suppliers. Because clearance hasn't been an issue since 1993, your trading terms may only include an agreement on the cost of goods and the transport terms. We are suggesting that the responsibility for customs charges should now be considered. Whether that will apply in March 2019, or a later date, will depend upon how the matter is resolved politically. It will however become a matter for discussion at whichever time we leave the Customs Union.

Arrangements for import cargo

Cargo being shipped from the EU will be subject to an export entry prior to leaving the EU. There will usually be a charge for this. It has yet to be agreed how this charge will be raised, whether as part of the transport cost, or as a stand-alone invoice. The party responsible for the cost will be determined by the trading terms, as mentioned above.

In order for the clearance to be performed, the supplier will have to produce a customs invoice, in the first instance an arrangement will have to be made for this to be sent either to ourselves or to an agent, whether our clearance branch, or one of your choosing. The invoice should then accompany the goods during the onward journey to this country.

Imports into the UK will be subject to a customs entry. Again this can be prepared by us, or by your nominated agent. We shall, in due course have to learn which clearance method you wish to work with.

The agent will be responsible for preparing a declaration for customs. This will be done through a computerised system. The VAT payable and any duty which may be payable will be calculated and notified to you by the agent. Unless a deferment account is in existence, you may have to pay the amount due immediately. The latest briefing from HMRC suggests that, import VAT will be dealt with through your periodic VAT return. There will also be a charge for the agent's activity. Again the party with responsibility for the agency charge will be decided once the terms have been agreed. From past experience, this most usually is payable by the importer.

For details of how a deferment account functions, and how to apply for one, you may wish to visit

<https://www.gov.uk/government/publications/notice-101-deferring-duty-vat-and-other-charges/notice-101-deferring-duty-vat-and-other-charges>.

HMRC may, on occasions wish to make a physical examination of your cargo. This function again comes at a cost, which will be payable to the agent before the cargo can be released. This potential additional charge, has not been applicable in recent years. It will now become part of the costs to your business, of international trade. It is far too early to know how much the scale of charges will be, no doubt this will become clearer in time.

Arrangement for export cargo

Exporters will be responsible for producing and supplying invoices at the time of loading. These are to be sent to ourselves, or your nominated agent and should accompany the goods. One aspect which we have not yet clearly established is how the export shipment will be treated for VAT. Currently exports to the EU are zero rated, whilst we don't expect that this position will alter, it will have to be clearly established nearer to the time.

We can produce the UK export declaration, or it can be done by your nominated agent. Once again a charge will apply.

EU import clearance can be completed by our customs branch in France, or by an agent nominated by the responsible party. Who pays will depend upon the trading terms, but is most likely to be the importing company. Once again EU VAT and possibly duty will be calculated and may be payable subject to the locally laid down terms. And again, a clearance charge will be payable to the nominated agent.

At this stage, we have no news on examination charges, but for the time being will resume that the same situation is likely to apply.

All of the above information has been prepared using the best information currently available. It is not intended to be definitive. Adaptations and additions are almost certainly going to apply. No responsibility is accepted for any errors which may have been included in this text, which has been produced for guidance only.

With regards
Andy WELLS

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