

Are you Brexit Ready?

BREXIT UPDATE

21st August, 2020

Woodside Global

As part of the Woodside Logistics Group we have been handling Customs Clearance work for clients since 1975. We are very experienced in all aspects of Custom work and have been providing advice and support to Importers and Exporters on cargo arriving into UK and departing from both International & EU Countries. Brexit means these processes will now apply to cargo moving from/to NI/GB & ROI especially in relation to cargo being Imported. Our clearance Division can assist with all your Customs requirements post Brexit and are available to discuss your specific requirements irrespective of the cargo being imported or exported. It is fair to say that Brexit has been a prolonged process for everyone, never far out of the news and certainly providing plenty of conversation. One area we hope to provide some clarity on are some of the Acronyms that Brexit has provided for us all. We hope the below will assist by providing a guide to what these might mean and whether or not they would apply to your business?

Authorised Economic Operator (AEO)

This is an Internationally recognised mark of quality that gives firms a 'Trusted Trade' status.

- AEC-C focuses on Customs Compliance and internal quality controls for quality management of all Customs processes.
- AEO-S indicates Safety & Security which indicates a focus on supply chain security measures.
- The UK & EU are expected to recognise each others AEO schemes in the post-Brexit environment.
- After Brexit, AEO Certification will still be a viable and desirable Internationally recognised tool to keep cargo moving.

Woodside Global – as part of the Woodside Logistics Group have AEO

Customs Comprehensive Guarantee (CCG)

This is used to set up a deferment account to cover Customs Duty & Import VAT when you regularly import goods. A guarantor (Bank) is usually required to cover the Customs Comprehensive Guarantor amount.

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Customs Freight Simplified Procedures (CFSP)

This is an electronic system for imported third country goods. It allows faster release of cargo at the frontier or inland, the use of simpler customs declarations and cash-flow benefits.

In order to qualify for use, the business or agent must have access to the electronic recording system, also must have a unique trading reference number and a good record of compliance and be able to use it's duty deferment facility. Although to begin with it allows a simplified entry, initially a full declaration must be made within 20 days.

From the 1st January, 2021 all traders (of non-controlled goods) will be able to declare imports using CFSP process for 6 months, but will need authorisation to continue to use from 1st July, 2021.



Economic Operators Registration and Identification Number (EORI)

EORI number allows Customs to recognise the trader and is required to carry out customs activities in the European Union/UK.

- All traders will require an EORI number from 1st January, 2021 and this will also be needed to move goods between the UK and the EU. Anyone can apply for an EORI number free of charge and this can be done through the GOV.UK website.

Goods Vehicles Movement Service (GVMS)

This is the Government's new platform called the Goods Vehicle Movement Service, placing two possible models before the Port Operators.

- A temporary storage model where goods are stored at frontiers for up to 90 days before being declared to Customs.
- A pre-lodgment model, where goods arriving at Port will have already made a Customs declaration. Under this model, trucks that arrive without clearance would be prevented from reaching Ports. The GVMS supports this model for both imports and exports and to facilitate transit movements.
- The Government has previously advised that the GVMS will, by July 2010, allow the UK to;
- Enable declaration references to be linked together so that the person moving the goods only has to present a goods movement reference at the frontier to prove that their goods have pre-lodged and all the required declarations.
- Allow the linking of the movement of the goods to declarations, enabling the automatic arrival/departure of goods in HMRC so that goods boarding the EU side can be processed en-route.

Export/Import Entries

To enable us to complete your Customs entry we require as a minimum the following information:

- Commodity or Harmonised Codes for the products being moved. These are the codes applicable to the movement of cargo and identify your cargo from a Customs perspective.
- If you do not have the commodity code you can search using www.gov.uk/trade-tariff
- Quantity of goods being moved – number of packages and items, net weight, gross weight
- Sales invoice
- Packing List, might be part of or the same as your sales invoice
- EORI Number
- Terms of Sales – Incoterms (important that all parties understand and ensure they know what these are with the client concerned)
- If you have a Deferment account you will also need to advise us of this.

New Computerised Transit System (NCTS)

Woodside Global currently have in place NCTS in the UK which allows us to move cargo under T1 control (Bond) to anywhere in the EU from the UK. This also covers any internal UK moves to or from NI or to ROI. This movement would be used if cargo under Customs control for example IPR or under any other Customs controlled regime.

TAN (Trader Account Number)

This is the equivalent to the UK Deferment Account and anyone Importing cargo from GB to ROI might be responsible for Duty & VAT payments. It is important to note that these payments will need to be made before release of the cargo, this can be done by paying the Customs Agent directly or arrange to pay the Revenue Service directly through a FAS payment. If you wish to utilise the TAN account of the Clearing agent an additional fee would usually apply in addition to the Clearance cost. The use of a TAN account registered to an agent allows the cargo to clear immediately whereas payment directly by FAS (Flexible Accounting System) would mean the cargo wouldn't clear until the funds hit the Revenue Service account.

Controlled or Excise Goods

These would include but not limited to items such as Foodstuffs, Alcohol, or any item fit for human consumption will have other Government Departments involved. Processes involving the movement of these goods are yet to be decided especially in relation to cargo moving from UK to NI? We will keep you further advised on this as further clarification is given in the weeks ahead.

Summary

To ensure you are Brexit ready it is important to take on board some of the changes now. Make sure you have an EORI number and also that you have information pertaining to the commodity codes for the cargo being moved. By making these small changes now it will assist everyone in the future and we are here to provide further updates when this information is available. If you have any queries please contact your local representative in Woodside Logistics Group.

