



# What Asian Shippers Need to Know: Six steps to prepare for trade with the UK and the EU post-Brexit

## Understand

## Prepare

1.

### THE DEADLINE

#### Watch Out for the Dates

- On March 29, 2017 the United Kingdom triggered the start of the departure process from the EU. As a result of this, the UK would cease to be part of the EU by October 31, 2019.
- If the UK leaves the EU without a ratified deal, trade between the UK and EU will be subject to WTO terms. The UK will no longer be part of the EU's Free Trade Agreements (FTAs).

#### Be Ready

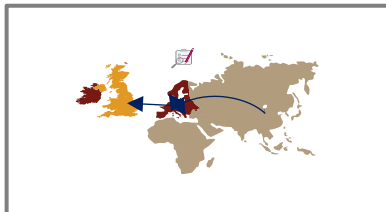
In this dynamic and uncertain situation, it is paramount to prepare for the worst case scenario of a no-deal to avoid disruptions.

2.

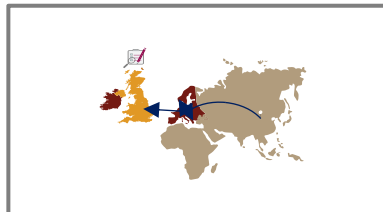
### YOUR SUPPLY CHAIN

#### Get to Know Your Supply Chain Better

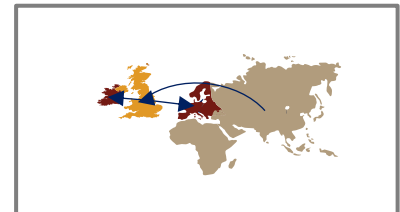
#### Harmonize UK Goods With EU laws



**Import into the EU where part of the volume is going to the UK**



**Import clearance in Germany where the importer is a UK entity**



**Import via the UK with distribution to the other EU27**

- Responsibilities could change depending on where you are situated in the supply chain (e.g. manufacturer, importer, wholesale distributor, etc).
- If you are importing into a EU27 country and distributing to the UK, or using a UK registration for formalities for shipments going into the EU or vice versa, you might be required to fulfill additional customs & VAT requirements.

- Map out your supply chain and understand where your goods come from and what categories they fall into.
- Familiarise yourself with your responsibilities under EU law if you receive products from the UK.

3.

### THE PAPERWORK

#### Check Your Documents

- If your business relies on certificates, licenses, or authorisations issued by UK authorities or by bodies based in the UK they may no longer be valid in the EU post-Brexit, and vice versa.
- Even though the UK has similar administrative requirements, there might be some divergence in the near future.

#### Update Documents as Needed

Take all necessary steps to transfer certificates, licences or authorisations issued in the UK to the EU27, or obtain new ones.

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## 4. CUSTOMS

### Assess Customs Impact

- Doing business between Asia and the EU, with the UK as first point of entry, will become more complex post-Brexit in terms of customs and VAT procedures. Assess the impact of additional paperwork and formalities on your supply chain and your resources.
  - For shipments below £135, as a shipper, you will need to register online with HMRC in order to report and pay the import VAT due yourself.
  - For shipments above £135, postponed accounting applies, with different processes for B2C and B2B transactions.

### Define Roles and Responsibilities

Inform yourself of the EU and UK customs procedures and rules that will apply post-Brexit. If you have intra-EU contracts, check that they include legal provisions defining who is responsible for shipping goods across borders, and how VAT is dealt with.

## 5. RULES OF ORIGINS

### Research Applicable Rules of Origins

- If the products you export to countries with which the EU has an FTA have enough EU content, preferential tariffs may apply.
- Post-Brexit, UK input to your finished EU-destined products may no longer be considered EU content and could alter the tariff your products face when exported worldwide. The UK will no longer be part of the EU FTAs and might negotiate its own FTAs, which could benefit your UK products.

### Update Status for UK Input

Check your supply chain for UK input and treat it as “non-originating” – that way you’ll ensure EU preferential origin for your goods.

## 6. RESTRICTIONS

### Understand Prohibitions and Restrictions

- Post-Brexit, goods destined for the UK will be subject to new UK rules around health, safety, and the environment. These rules could be different.
- Certain goods in transit to the EU from the UK or vice versa, could be restricted (such as live animals, plants, and products of plant or animal origin).
- Some commodities could require specific permits or notifications.

### Comply with Changes

Take steps to ensure compliance with the EU’s and UK’s import/export prohibitions and restrictions.

## AND SOME ADDITIONAL TIPS...

**Data:** Your clearance data will need to be submitted to changing or new digital customs systems. Update your databases so that you’re sure any standards that apply to you are covered

**Trusted trader schemes and exporter status:** Consider participating in trusted trader schemes (such as Authorised Economic Operator (AEO)), or becoming a Registered Exporter (REX), and getting an Economic Operators’ Registration and Identification (EORI) number.

This document is for informational purposes only. It does not constitute legal advice - please consult with your own legal counsel for such advice.

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