



Shipment to the UK after Brexit

GLS customer information | November 16, 2020

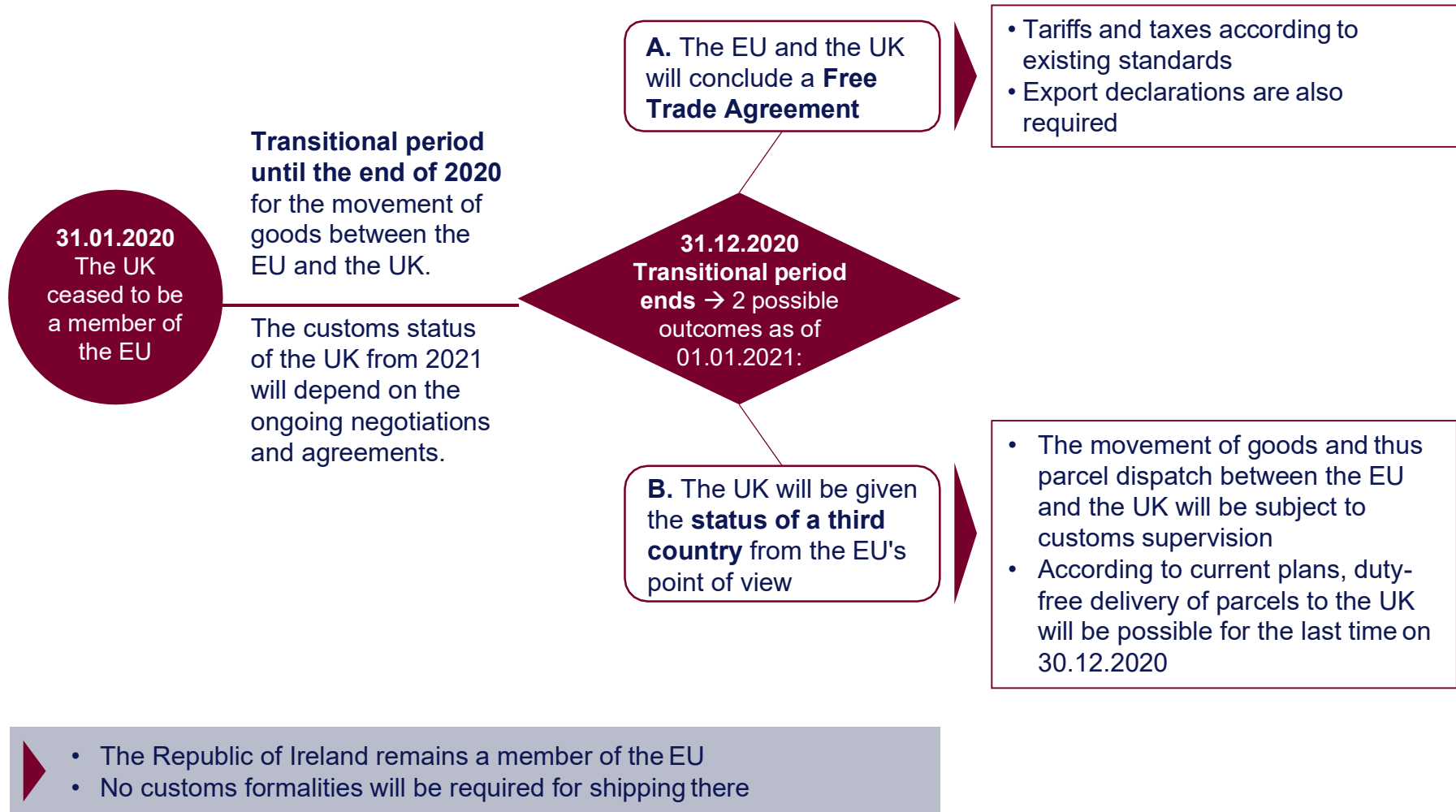
Information overview

- ▶ **Current situation**
- ▶ **Useful tips for exporters**
 - EORI number
 - Goods classification
 - Incoterms
 - Documents
 - Adjustment of shipping systems
- ▶ **Process changes at a glance**
- ▶ **Why GLS is the right partner**



The EU and UK negotiate on the customs status as of 2021

The final status has not yet been defined and depends on the ongoing negotiations



What exporters need to prepare

Well prepared for future trade with UK in a few steps

EORI-number

Make sure you have a valid EORI number

Goods classification

Classify your goods

Incoterms

Agree incoterms with your importers

Required documents

Prepare the necessary documents

Shipping systems

Make sure your shipping systems are adjusted

1 | EORI number

EORI Number = Economic Operators' Registration and Identification



2 | Goods classification – Customs tariff numbers

Goods classification with customs tariff numbers

- Goods shipments to non-EU countries must be classified
 - For this, customs use goods or customs tariff numbers, so-called HS code numbers
 - This defines which goods are included in your shipment and how high the import duties and other import taxes are
- In addition to the goods description, the corresponding goods / customs tariff number must also be provided for packages to the UK
- Detailed information regarding the HS code numbers can be found at <https://www.tariffnumber.com/>



3 | Incoterms (International Commercial Terms)

Incoterms specify who pays for which shipping costs

- **Incoterms define** which costs incurred within the framework of customs clearance are borne by the dispatcher and which by the importer.
- For shipping to a non-EU country, **taxes, customs duties and a customs clearance** fee are incurred alongside the shipping costs.
 - **Import VAT** in the UK is currently 20%.
 - The payable **customs duties** will depend on the type of goods to be shipped and the tariff rates set by the British government if no origin-related customs exemptions exist.
 - The **customs clearance fee** will be fixed by GLS and covers the additional work incurred because of the customs clearance process.

Select the appropriate Incoterm

GLS offers various incoterms. Please agree with the importer in the UK which incoterm is to be selected.

Note: The incoterm determines who will pay duties, import taxes and customs clearance fee.



Possible Incoterms for commercial customs clearance

When exporting with GLS to the UK, dispatchers can choose between these Incoterms

	Shipment value ≤ GBP135 net		Shipment value > GBP135 net				
	B2C: Importer private	B2B: Importer commercial					
Incoterm	18 DDP VAT Registration Scheme Mandatory if shipment value ≤ GBP135		10 DDP	20 DAP	30 DDP VAT unpaid	40 DDU cleared	60 Pick&Ship Pick&Return
Description	Freight costs, customs clearance costs + taxes paid The import sales tax is paid directly to the British tax authorities (HMRC)		Freight costs, customs clearance costs, customs duties + taxes paid	Freight costs paid, customs clearance costs, customs duties + taxes unpaid	Freight costs, customs clearance costs + customs duties paid, taxes unpaid	Freight costs + customs clearance costs paid, customs duties + taxes unpaid.	Freight costs, customs clearance costs, customs duties + taxes paid
Clearance borne by	Shipper	Shipper	Shipper	Importer	Shipper	Shipper	Requester
Duties borne by	No duties incur		Shipper	Importer	Shipper	Importer	Requester
Taxes borne by	Shipper	Shipper or Importer	Shipper	Importer	Importer	Importer	Requester
Please note	Shipper must register in UK and receives a UK VAT number → This must be indicated in the invoice and customs data	Shipper may use his own or the importer's UK VAT number (self-registration) → The respective VAT number must be indicated in the invoice and customs data → If the importer's number is used, the invoice must state: "Use importer account for VAT to HMRC"	<ul style="list-style-type: none"> For B2B shipment, the shipper needs a UK EORI number. This must be indicated in the invoice and customs data. Bulk customs clearance is possible for shipments to the UK consisting of several packages for different recipients. <ul style="list-style-type: none"> In this case, the customs clearance for different delivery addresses is conducted on the basis of a single invoice via one importer. There is only one customs clearance fee (depending on the quantity of customs tariff numbers), which can be broken down across all packages. Bulk customs clearance is, for example, possible via a branch of the shipping company in the UK, a fiscal representation of a company located in the EU, licensed in England, with an English tax number or a general importer in the UK. 				
	Shipments go through a customs clearance and inspection process; GLS will charge fees for this. There are no customs duties.						

Bulk customs clearance for multiple parcels

Bulk customs clearance may reduce the effort

- Bulk customs clearance is possible for shipments to the UK consisting of several parcels for different recipients.
- Bulk customs clearance is, for example, possible via
 - a branch of the shipping company in the UK,
 - a fiscal representation of a company located in the EU, licensed in England, with an English tax number or
 - a general importer in the UK.
- In this case, customs clearance for different delivery addresses is conducted on the basis of a single invoice via one importer.
- There is only one customs clearance fee (depending on the quantity of customs tariff numbers), which can be broken down across all parcels.



4 | Commercial or pro forma invoice

Documents required for customs

- For shipments to the UK a commercial or pro forma invoice **in English** is required
- A **commercial** invoice is required for goods **with** commercial value
- A **pro forma** invoice is for goods **without** commercial value
→ e.g. sample or gift shipments
- The invoice must either be placed in a shipping envelope on the outside of the parcel or transmitted electronically with the customs data and must **contain the following information:**

✓ Complete importer data if this is not the same as the recipient: name, address, phone number, e-mail address	✓ Name and address of the dispatcher with phone number and e-mail address
✓ EORI numbers of the dispatcher, the commercial exporter in the EU and the commercial importer in the UK	✓ Name and address of the recipient with phone number, e-mail address and contact person
✓ Delivery address if it differs from the invoice address	✓ Invoice date, number and location
✓ Designation and quantity of goods with associated customs tariff numbers and resp. values	✓ Value of goods (with currency specification)
✓ Delivery condition / incoterm	✓ GLS parcel number(s)
✓ Weight (gross/net)	✓ Declaration of origin
✓ Company stamp, signature and name in plain text	✓ UK VAT number when using Incoterm 18 (VAT Registration Scheme)

Make sure your invoices contain all necessary information

Rules to be followed when preparing invoices

- For each line of the invoice, the following must be indicated:
 - All goods tariff numbers (summed)
 - The gross and net weight
 - The exact description of the goods
 - The origin
 - The value declaration incl. currency
- If the same goods tariff numbers with the same origin/the same country of provenance are listed several times on an invoice, a grand total for
 - the gross and net weight,
 - the value declaration and
 - the quantity of the goodsmust be recorded for these goods tariff numbers.



Export declaration

For a goods value of €1,000 or more

- When a goods value of €1,000 is reached (in some countries regardless of the goods value), shippers in the EU need an export declaration for parcel transportation to the UK.
- GLS only accepts the “two-stage procedure” for the export declaration.
- Customs authorities require export declarations to be submitted electronically.
- GLS customers can choose the ***eDeclarationService***. Then GLS completes the electronic export declaration for you. Just provide your GLS depot with the customs invoice by e-mail or fax.

5 | Customise your shipping systems

Shipping systems must be adapted for shipping to UK

GLS shipping systems

- If required, all **GLS shipping systems** will be able to process the United Kingdom (UK) as a customs destination with commercial customs clearance.
- If adjustments should be required on the part of the dispatcher, your GLS contact person will get in touch with you.

Dispatchers using own ERP system

- Dispatchers who use their **own ERP systems** to control the GLS shipping system must add UK as a customs destination.
- Dispatchers who wish to use the Incoterm 18 tariff option must also add this new Incoterm to their systems.

You cannot customise your ERP system?

- Via our GLS web portal you can easily create export packages to the UK. All you need is a computer with Internet connection.
- You will receive your access data from your GLS contact person.

What else is good to know for exporters working with GLS



Your conditions and shipping rates

- GLS charges a fee for the customs clearance service, which covers the additional work involved in the **customs clearance process**.
- Depending on the **Incoterm** selected by the dispatcher, the charges will fall on the consignor or the recipient.



Lead times to the UK

- The **standard lead times** to the UK will remain basically **unchanged** if the customs data have been provided prior to parcel handover to GLS (possibly longer lead times for unforeseen events at the borders).
- The use of **express** services to the UK is still possible.



Additional information

- You will find further information on exports to EFTA countries and third countries on the **GLS website of your country**.
- Your contact at the GLS depot will be happy to answer any further questions you may have and, if necessary, will consult **experts on shipping to the UK** for the clarification of specific details.



Please note:

- As a shipping customer, **you are responsible** for the proper implementation and observance of all legal provisions.
- GLS can only provide **information and advice**, but this should in no way be seen as recommendations for action or as legal or tax advice.

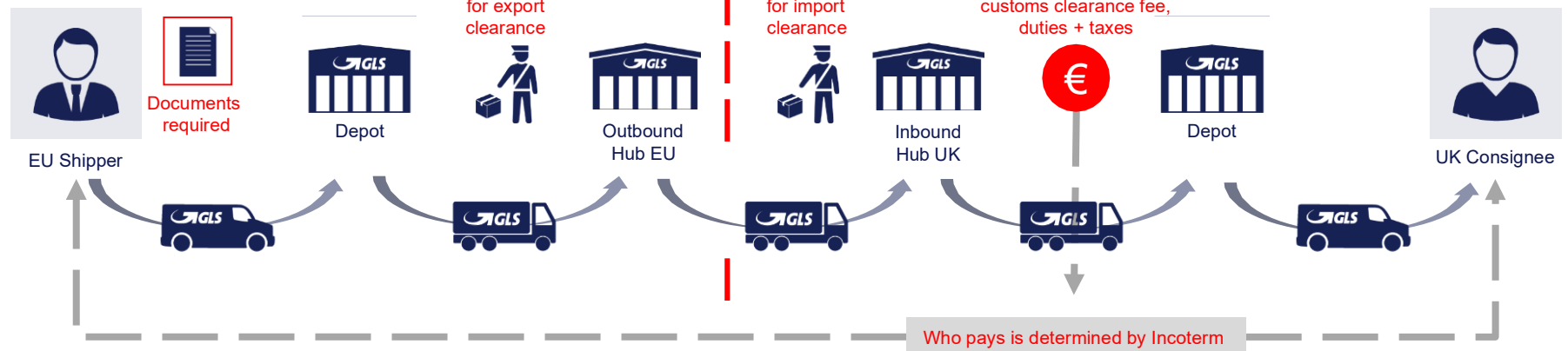
Process changes at a glance

How exports from the EU to the UK work today and after the Brexit

Current process



Future process



Why GLS is the right partner for your business with the UK

Your **export to the UK** is always in safe hands with GLS - as a subsidiary of the British Royal Mail we are specialists in UK business!

- GLS has **for many years** been customers' reliable partner for parcel deliveries across Europe and the world.
- GLS customers rely on existing, **proven processes** for smooth imports and exports, including of deliveries requiring customs clearance.
- **Specialists** in export and customs issues take care of the particular needs of customers trading internationally.
- GLS will give its customers **extensive support** for shipments to the UK also from 2021.





Thank you!

Can we give you further support?