

FAQ on Brexit and customs

**All information
is supplied
without liability!**

1. When will Brexit take place and what are the different scenarios?

The completion of the British withdrawal from the EU by January 31, 2020 at the latest is now considered certain. On February 1, 2020, the 11-month transition phase will begin, during which relations between the UK and the EU will have to be renegotiated.

During this period, the existing regulations will continue to apply. If no agreement can be reached, there remains the risk of a "hard BREXIT" scenario on December 31, 2020.

2. What impact could Brexit have on my organization's shipments?

Your organization may anticipate some/all of the following points as a consequence of Brexit:

- Additional Customs checks and additional documentation
 - See paragraph # 6 on documentation
- Additional costs
 - Schenker will seek to recover costs directly associated with the consequences of Brexit. Increased
- transit times
 - Delays are currently unpredictable. Ireland may be affected as well, though it is too soon to predict the exact effects.

3. What do I need to watch out for?

Be aware that Brexit regulations could change at any time. Here are some points you should keep an eye on:

- Changes to easements (simplifications) being offered by the UK Government
- Do you need Customs Guarantees, or uplift to your current guarantee amount i.e. deferment / TAN
- Impact of the use of incoterms - the terms that are most suitable for your future trading conditions i.e. consider if EXW (Export) or DDP (Import) is still appropriate.

4. What steps and precautions can I take to prepare for Brexit?

The following steps will help you prepare to minimize possible Brexit ramifications:

- Review your business, if you have not already done so, to understand what impact Brexit will have on your EU supply chain.
- Keep up to date with the political situation regarding Brexit and the effects it will have on your Brexit planning.
- Share client/consignee Proof of Attorney with Schenker, or generate in designated local customs system as soon as possible (this is a legal requirement in many Countries)
- Make sure your partners are providing the required information on their commercial documentation to allow a Customs declaration to be made.
- Review your own commercial documentation and ensure it provides the information required to allow a Customs declaration to be made.
- For IE into the UK, check what UK procedures your Importer is intending to use.
- Advise Schenker of Authorizations you have in place with Customs.
- Advise Schenker of potential Modal shifts that you are considering i.e. from the road to airfreight.
- Speak to your trading partners about the information they supply on their documentation (relevant to Customs requirements).
- Advise Schenker if you intend to use postponed VAT accounting to account for your VAT in a hard Brexit scenario.

5. What information about my shipments do I need to prepare?

To make the transportation of goods as smooth as possible we recommend you keep the following information on your goods at hand:

Value of Goods:

The value of the goods is necessary to determine the level of customs duty applicable. The value is also used for trade statistics. You can determine the value of your goods by using one of six 'methods'. It is important to note that you must try Method 1 before going on to Method 2 and so on. Method 1 is based upon the transaction value. This is the price paid or payable by the buyer to the seller for the goods when sold for export in accordance with specific rules. These rules, along with the other methods of valuation, can be found in the World Trade Organization website [here](#).

Prohibited or restricted Goods:

Prohibited Goods are not allowed to be imported into countries. Restricted Goods will require a special license for import. Licenses are often needed for the import and export of military and para -military goods, dual-use and technology, artworks, plants and animals, medicines and chemicals.

For more information, please see the current guidance on prohibited and restricted goods, Import and Export Licenses on your local Customs or Government website.

Origin of the Goods

Establishing the origin of the goods will help to identify whether they qualify for lower or nil customs duty. There are two main categories of origin in the rules:

- Goods wholly obtained or produced in a single country
- Chemicals whose production involved materials from more than one country

Once you have clarified the origin of the goods, you can find out if they qualify for preferential treatment under a tariff preference scheme.

6. Which documents will I need for customs?

We recommend you keep the following documents at the ready:

T1/T2 documents:

T1 (= non-EU character) means non-Community goods; however, in the EU to the destination customs office / an authorized consignee to be transported.

T2 relates to Community goods (= EU-character) which are to be transported in non-EU countries on the European continent with the CTP connected countries to the destination customs office / authorized consignee.

HS Classification Code:

Commodity codes classify goods so you or your Broker can fill in import declarations. Classifying your goods correctly means that you:

- Pay the correct amount of duty.
- Know if duty is suspended on any of your goods.
- Know if any preferential duty rates can be applied.
- Know if you need to obtain an import or export license.

EORI Number:

Both Importer and Exporter will require an EORI number, the exporter will be required to produce an invoice clearly showing both EORI numbers, the value, commodity codes and countries of origin for all the goods.

The EORI number demonstrates that you or your Customs representative are registered to submit relevant declarations to the relevant Revenue & Customs systems.

Movement or Master Reference Number (MRN):

The MRN is issued after the full customs declaration is made; you will need to supply this to your carrier prior to setting off on the journey.

Why: Our drivers need to carry proof that a customs declaration has been made, so they'll need both an EORI and an MRN number for each customs declaration submitted.

Duty Deferment Scheme or Flexible Accounting System (DDS/FAS):

Are you registered to facilitate payment of duties where applicable?

Product Conformity, Safety & Standards:

Where relevant classes of goods are involved, are you now using UKCA marking to indicate conformity and providing Company name address on accompanying documentation. In some cases, e.g. medicines, cosmetics, chemical companies may need to appoint new UK representatives.

Type approvals:

Is your product UN-ECE type approved?

Goods in Transit:

Will your goods cross the UK to/from IE? If so, have you prepared to submit Transit Accompanying Document (TAD, sometimes also known as EAD or Export Accompanying Document)?

ATA Carnet (Admission Temporaire):

Goods imported temporarily into the UK require the ATA Carnet

7. Can I book PREMIUM shipments to/from the UK or Ireland?

Yes, it is possible at the moment. The application of the Money Back Guarantee associated with premium shipments will be reviewed nearer to the time of Brexit.

8. Can I book the option fix day for shipments to/from UK or Ireland?

Yes, possible at the moment. The application every time definite option e.g. Fix Day/Fix Day To Be Agreed/Fix10/13 Delivery & SchenkerSYSTEM Premium for System freight and Fix Day delivery for Direct freight around the time of Brexit.

9. Despite Security & Safety Document (SSD) being suspended for 6 months for shipments to the UK, have necessary preparations been made for SSD's on moves arriving in EU?

If you are a UK customer, then the necessary SSD declaration may be required for arrivals in EU post no-deal Brexit.

10. How is DB Schenker currently preparing for Brexit to ensure the smoothest transition possible?

'Despite the uncertainty, a ramp-up to Brexit has been foreseen since the end of last year. The preparations made by the Brexit Taskforce are designed to ease the transition post-Brexit. The team are covering a wide range of themes within four main business areas: Customs, Operations, Communications and Commercial. In order to help us to prepare we'll need to understand your requirements in more detail. Your account contact will be your main point of contact in this respect.'

11. Can DB Schenker offer alternative routes to/from the UK and Ireland if we experience significant delays on our regular routes?

We've investigated this in the main trading countries with the UK and whilst we've identified a number of contingency options, we foresee associated service and cost implications. We'll need to ask you to guide us regarding your willingness to switch routings and accept the associated costs/service risks before any changes are implemented.

12. What preparations should I make together with Schenker if shipments depart pre-Brexit and arrive post-Brexit?

Our latest information suggests that shipments leaving the EU before a hard-Brexit, arriving after to the UK should proceed as an Intra-EU move (i.e. no change). Those leaving the UK and arriving in the EU over the same period will require comprehensive papers including Invoice, Bill of Lading, Commodity Code, Certificate of Origin/Conformity, etc. If in doubt we highly recommend that you check with your Schenker contacts if the necessary papers are completed and available. Failure to adhere to the requisite Customs procedures may lead to delay & further cost being incurred by you.

13. Who can I contact at DB Schenker in case of further questions?

The main points of contact in the first instance are our (Key-) Account Managers. They have been updated with all the latest developments regarding Brexit, and where particular expertise is needed, they will reach out internally to our team of Customs specialists

14. Where can I get more information on Brexit?

For more information on Brexit you can visit the following pages:

Citizenship: <https://www.gov.uk/settled-status-eu-citizens-families>

Travel: <https://www.gov.uk/guidance/passport-rules-for-travel-to-europe-after-brexit>

Transporting goods from the EU to the UK: <https://www.gov.uk/prepare-import-to-uk-after-brexit>

Transporting goods from the UK to the EU: <https://www.gov.uk/prepare-export-from-uk-after-brexit>

News Updates on Brexit: <https://www.bbc.com/news/uk-politics-46393399>