CCL Brexit Guide

Exporting from the UK

Parcel Carriers

Introduction

On 31st January 2020, the UK left the EU and the transition period as stated in the Withdrawal Agreement began.

The current transitional agreement between the UK and the EU ends on 1st January 2021, the UK will no longer be part of the EU and customs formalities will apply for all movements of goods between the UK and [EU27](#)[1] (in both directions). Export declarations will be required when goods leave the customs territory of the UK and import declarations when they arrive to the EU.

At this stage it is not clear whether the UK and the EU will agree a Free Trade Agreement ("FTA") or whether the trading relationship will revert to World Trade Organisation (WTO) rules. The last potential date for presentation of a draft text to the European Parliament for ratification we understand is at the end of November 2020. If trade between the UK and the EU does revert to WTO terms, this means that import duties will potentially be due on UK to EU and EU to UK movements.

What does this mean for you?

- A customs declaration will be required for every shipment leaving the UK

- Shipping costs will increase as a result of customs processes

- Transit times may increase should the goods be subject to inspection at customs

- A record of all exports must be kept for a minimum of 6 years for HMRC

- Your customer may need to pay duty and VAT before they receive their goods

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[1] https://www.gov.uk/eu-eea

The Brexit checklist along with the next few pages will outline key areas that will help you get your business ready for Brexit and continue to trade successfully with the EU27.

Brexit Checklist

Steps you MUST take to get Brexit ready:

☐ 1. **Register with HMRC for both a GB and XI EORI number**

☐ 2. **A record of all exports must be kept for HMRC**

☐ 3. **Determine the Commodity Code for your goods**

☐ 4. **Check product descriptions are accurate and compliant**

☐ 5. **Determine the Reasons for Export**

☐ 6. **Determine the Country of Origin for your goods**

☐ 7. **Agree the Terms of Trade / Incoterms with your customers**

☐ 8. **Ensure recipient contact details are captured**

☐ 9. **Provide licences and certificates where appropriate**

☐ 10. **Make sure wood packaging meets requirements**

☐ 11. **Commercial invoice preparation**

☐ 12. **Consider your new workflow**

Brexit Checklist Guide

1. **Register with HMRC for both a GB and XI EORI number**

   If you haven't traded outside the EU before, you should apply for an Economic Operator Registration and Identification (EORI) number[2]. You'll need an EORI number that starts with GB to let Customs process declarations and clearances for exports and imports between the UK and the EU.

   For exports and imports between non-EU countries (which will include GB from 1st January) and Northern Ireland, you will also need an EORI number that starts with XI. To get an EORI number that starts with XI, you must already have an EORI number that starts with GB. For more information please visit the HMRC website[3] and the Gov.uk website which outlines the purpose of the Trader Support Service[4].

   Please ensure your account manager has a copy of your EORI and VAT numbers. If you don't know who your account manager is, please email these to brexit@ccl-logistics.com.

2. **A record of all exports must be kept for HMRC**

   A record of all exports must be kept for a minimum of 6 years, for HMRC. We recommend you seek VAT advice if you're unsure how your business will be affected.

   If you're selling goods to customers in the EU, the VAT on your sales invoices is likely to be zero-rated. The buyer will pay local duty and VAT rates, unless you have opted to ship DDP, in which case these charges will be billed back to you as the shipper. *Please see section 7 for more information.*

3. **Determine the Commodity Code for your goods**

   UK Customs commodity codes are used to classify your goods in customs declarations. To declare your goods, you'll need to provide the commodity code for each. You can make sure that you're using the correct commodity code for your goods by using the UK Trade Tariff Tool[5].

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[2] https://www.gov.uk/eori
[3] https://www.gov.uk/eori
[4] https://www.gov.uk/guidance/trader-support-service
[5] https://www.gov.uk/guidance/using-the-trade-tariff-tool-to-find-a-commodity-code

4. Check product descriptions are accurate and compliant

Product descriptions now need to be more detailed to ensure there's no ambiguity about what you are sending. If customs teams are in any doubt about the contents of your parcels, your goods may be subject to delays. Descriptions must be specific, accurate and compliant with the commodity code entered.

Example below:

Product category: *Apparel*

Unacceptable Descriptions: *"Clothes" OR "Clothing" OR "Clothing Apparel"*

Acceptable Descriptions: *"Men's black leather jacket"*

5. Determine the Reasons for Export

Also known as Customs Procedure Codes (CPCs), Reasons for Export identify the customs and/or excise regimes that goods are being entered into and removed from, where applicable. The Reason for Export is required at the time of export as well as import.

Reasons for Export include the following. The available options vary by carrier.

- Sale
- Return/Replacement
- Gift
- Sample
- Item for Repair

- Documents
- Permanent
- Temporary
- Re-Export

6. Determine the Country of Origin for your goods

You will need to declare the Country of Origin for all of the goods you are sending. Some carriers may also require the Country of Manufacture. This information has an impact on duty and VAT rates, and security checks if required. If your goods have been manufactured in more than one country, you'll need to know the EU rules for defining their origin. This will let you know the rate of duty that will be applied to your goods. You can [find guidance on the rules of origin here][6].

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[6] https://www.gov.uk/guidance/rules-of-origin

7. Agree the Terms of Trade / Incoterms with your customers

If we leave the Customs Union without a free-trade agreement, the country you're sending goods to will expect duty and VAT to be paid on the shipment.

It is expected that most businesses will choose to send goods to the EU using the incoterm DAP - formerly DDU (Delivered Duty Unpaid). Your sales invoice to your customer may or may not charge for carriage or insurance, but all goods sold to the EU are likely to be zero rated for VAT. Depending on the value of the shipment, delivery country and commodity type, local duty and VAT will be payable by your customer.

If you choose to send DDP (Delivered Duty Paid), which some carriers offer, the duty and VAT will be charged back to you along with a surcharge from the carrier. If you're considering using the DDP option, we advise that you seek VAT advice first of all, as you may not be able to reclaim the VAT. If you still wish to proceed with this option afterwards, please speak to your account manager to discuss the surcharges involved.

8. Ensure recipient contact details are captured

Contact information for the recipient of your goods is more important than ever. Please provide an accurate telephone number (and email address if you're able to) – this may mean altering your own systems / websites / sales process, to ensure this data is collected. For certain carriers, this information is required for in-flight delivery options and more importantly it'll now be used for the collection of duty and VAT.

9. Provide licences and certificates (where appropriate)

To export restricted goods or to sell certain types of product, you may need special licences or to follow specific rules. Make sure your chosen carrier can carry your goods to the requested country. Speak to your account manager or check on the carrier's own website if you're unsure about any of the goods you're sending.

10. Make sure wood packaging meets requirements (such as pallets)

Until January, any pallet can be used or re-used for exporting goods to the EU. From January onwards, all wooden pallets, crates and boxes used to export to the EU (at the moment, excluding Ireland), will need to comply with ISPM15. You should make sure any solid wood packaging used, meets the requirements[7].

11. Commercial invoice preparation

From January, you'll need to provide commercial invoice data for all exports from the UK. The majority of the parcel carriers are moving to electronic customs data submission (paperless) which means you'll no longer be able to use paper copies of commercial invoices.

The following page shows a sample commercial invoice template. If you're already accustomed to generating sales invoices, you may have a lot of the below information. If not, the below is a useful template for you to use when altering your own systems to gather the required information.

Please note, the required information may vary by carrier.

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[7] https://www.gov.uk/wood-packaging-import-export

Suggested Customs Document Template

A	Tracking Number:	Carrier:	Shipment Ref: PO1234	Sales Invoice No: 100267	Date: 07/10/2020

B **Ship From (Consignor):** Prestige Motor Parts 27 Burnside Place Troon KA10 6LZ United Kingdom Tel: 01292310510 Email: sales@pmpltd.co.uk EORI: GB987654321000 VAT NO: 987654321	C **Seller (If Different):**
D **Ship To (Consignee):** Deutsche Bahn Auto Parts Kaiserswerther Str. 16-18 Berlin 14195 Germany Tel: 01292 310 510 Email: parts@dbapplc.com EORI: DE45678912300000 VAT No: 456789123	E **Sold To/Buyer (If Different):**

F	**Incoterms/Terms of Trade:** DAP	**Reason for Export:** Sale	**Currency Code:** GBP

G	Description	Commodity Code	Country of Origin	No of Units	Unit Weight (Kg)	Sub Total Weight (Kg)	Unit Price	Sub Total Price
	BMW Stainless Steel Exhaust Cover	9908765432	GB	2	2.5	5	150.00	300.00
	Saab Brake Calipers	1234567809	GB	4	1.1	4.4	75.00	300.00

H	Freight Cost:	Insurance Cost:	No of Packages: 1	Total Weight (Kg): 9.4

I	**Declaration:** It is hereby certified that this invoice shows the actual price of the goods described, that no other invoice has been or will be issued and that all particulars are true and correct.	**Invoice Total (GBP):** 600.00

Name of Signatory:	John Smith
Position:	Distribution Manager
Date of Signature:	07/10/2020
Signature:	

Commercial Invoice Template Guide

In this guide, "M" stands for Mandatory and "O" for Optional.

A – Carrier Details

Tracking Number - Tracking number of the shipment generated by the carrier once shipment has been booked via myCCL

Carrier Name - Name of carrier used for the shipment. Generated from myCCL at the point of booking

Shipment Ref No - Your unique shipment reference. Can be your purchase order number

Sales Invoice No – Your Sales Invoice No for the order / shipment

B – Ship From (Consignor)

This element is mandatory and must be provided for all shipments.

Outline of mandatory and optional fields for each available carrier below:

Field Name	DHL	UPS	DPD & DPD Local
Company/Contact Name	M	M	M
Address Line 1	M	M	M
Address Line 2	O	O	O
Address Line 3	O	O	O
Town	M	M	M
Postcode	M	M	M
Country	M	M	M
Tel No	M	M	M
Email	O	O	O
EORI	M	M	M
VAT No	O	O	O

C – Ship To (Consignee)

This element is mandatory and must be provided for all shipments.

Outline of mandatory and optional fields for each available carrier below:

Field Name	DHL	UPS	DPD & DPD Local
Company/Contact Name	M	M	M
Address Line 1	M	M	M
Address Line 2	O	O	O
Address Line 3	O	O	O
Town/City	M	M	M
Postcode	M	M	M
Country	M	M	M
Tel No	M	M	M
Email	O	O	O
EORI	O*	O*	O*
VAT No	O	O	O

* - Required if the delivery address is a Business

D – Seller (If Different)

This element is optional and only needs to be provided when the seller is different from the information provided in section B (Ship From).

Outline of mandatory and optional fields for each available carrier below when this element is declared:

Field Name	DHL	UPS	DPD & DPD Local
Company/Contact Name	N/A	M	M
Address Line 1	N/A	M	M
Address Line 2	N/A	O	O
Address Line 3	N/A	O	O
Town/City	N/A	M	M
Postcode	N/A	M	M
Country	N/A	M	M
Tel No	N/A	M	M
Email	O	O	N/A
EORI	N/A	M	N/A
VAT No	N/A	O	N/A

E – Sold To/Buyer (If Different)

This element is optional and only needs to be provided when the buyer is different from the information provided in section C (Ship To).

Outline of mandatory and optional fields for each available carrier below when this element is declared:

Field Name	DHL	UPS	DPD & DPD Local
Company/Contact Name	M	M	M
Address Line 1	M	M	M
Address Line 2	O	O	O
Address Line 3	O	O	O
Town/City	M	M	M
Postcode	M	M	M
Country	M	M	M
Tel No	M	M	O
Email	O	O	O
EORI	O	O	N/A
VAT No	O	O	N/A

F – Billing Information

Terms of Trade / Incoterms / Billing of Duty and VAT - You will need to know who is going to be responsible for the payment of the relevant duty and VAT in the destination country for the shipments at the time of booking.

By default, the billing of the duty and VAT will be payable by the recipient of the shipment (DAP). By agreement with CCL we can also support the billing of duty and VAT to you (DDP) as the shipper or a nominated 3rd party account number (DHL and UPS only).

Please note additional charges apply when sending DDP (either billing to the shipper or a third party). Please speak to your account manager if you'd like to discuss the options available.

myCCL can support the following Incoterms that are specified for each carrier below:

Incoterm	DHL	UPS	DPD & DPD Local
DAP* (Delivered at Place) *Bill to Receiver*	✓	✓	✓
DDP (Delivered Duty Paid) *Bill to CCL (invoiced to you, the Shipper)* *Bill to 3rd Party account number*	✓	✓	

*Formerly known as DDU (Delivered Duty Unpaid)

Billing of Freight – You will need to know who is going to be responsible for the payment of the freight charges for the shipment at the time of booking.

By default, the freight charges will be charged to your account with CCL. However, it's also possible to bill the freight charges directly to the consignee if they have account with UPS or DHL.

Reasons for Export – myCCL supports multiple Reasons for Export for each carrier as outlined below:

Reason for Export	DHL	UPS	DPD & DPD Local
Permanent	✓		
Temporary	✓		
Re-Export	✓		
Sale		✓	✓
Return/Replacement		✓	✓
Gift		✓	✓
Sample		✓	
Item for Repair		✓	
Documents		✓	

G – Product Data

In this section you will need to provide information for every item/product contained within the shipment.

SKU (O) – Stock Keeping Unit (SKU) used for the selected product. Generally, these are anywhere from 8 – 12 characters long. This field is only for your reference and use within myCCL and won't be passed to the carrier. Field can be used for saving product into your product library in myCCL.

Product Name (O) – Name of Product used within your business (eg Men's Hoodie). Similar to the SKU field this is only for your reference and use within myCCL and won't be passed to the carrier. Field can be used for saving product into your product library in myCCL.

Description (M) – A detailed description of the product being shipped (eg Green Hoodie Size L)

Commodity Code (M) – Each of your product must have a commodity code aligned to them for customs purposes. These are generally 10 characters long but in some scenarios may be up to 14 characters.

All available commodity codes can be viewed here: https://www.gov.uk/trade-tariff

Please note it is your responsibility to ensure you have provided the correct commodity codes for your products otherwise this could result in a delay at customs.

Country of Origin (M) – Country of Origin for the selected product

Country of Manufacture (If Different) (O) – County of Manufacture for the selected product if different from Country of Origin

No of Units (M) – No of units of the product being shipped

Unit Weight (Kg) (M) – Individual unit weight of the product being shipped

Total Unit Weight (Kg) (M) – Auto calculated field in myCCL based on the Quantity and Unit Weight

Unit Price (M) – Price per unit of the product

Total Unit Price (M) – Auto calculated field in myCCL based on the Quantity and Unit Price

Each carrier will require the following fields from the above list (Note the last Sub Total Weight and Sub Total Price are auto calculated upon submission in myCCL).

Product Field	DHL	UPS	DPD & DPD Local
SKU	N/A	N/A	N/A
Product Name	N/A	N/A	N/A
Description	M	M	M
Commodity Code	M	M	M
Country of Origin	N/A	M	M
Country of Manufacture	Optional	N/A	N/A
Quantity	M	M	M
Unit Weight	M	M	M
Sub Total Weight (Kg)	Auto Calculated by myCCL		
Unit Price	M	M	M
Sub Total Price	Auto Calculated by myCCL		

H – Costs Summary

Freight Cost (O) – Declaring the freight cost is optional. However, when declaring the freight cost please ensure it is as accurate possible as this can have an impact of the level of duty and VAT for the shipment. Please ensure that this is included separately from the total value of goods in the shipment.

Insurance Cost (O) – Declaring the cost of insurance is optional and only applicable when additional insurance has been paid for. When declaring this please ensure it is as accurate as possible as this can have an impact on the level of duty and VAT for the shipment. Please ensure that is this is included separately from the total value of goods in the shipment. Additional insurance is only available for shipments with DHL and UPS.

No of Packages – Auto calculated field from myCCL based on the quantity provided

Total Weight (Kg) – Auto calculated field from myCCL based on the declared weight

I – Declaration Statement

The below fields are required only for the carriers DHL and UPS. These can all be configured within the Commercial Invoice Settings in myCCL so that they are selectable at the time of booking.

Declaration Statement – A statement affirming that all the customs information provided is true and accurate. For some of your products you may need to have very specific declarations

Name of Signatory – Name of individual within your organisation who is declaring this shipment

Position – Position held by the signatory in your organisation

Date of Signature – Auto filled based on date of shipment

Signature – Signature image displayed on the invoice

The below field is required for all carriers.

Invoice Total – Auto calculated field from myCCL. Will also include the currency of the shipment value

12. Consider your new workflow

You may remember processing shipments for Worldwide destinations and having to prepare five signed copies of a commercial invoice. Due to the volume of trade between the UK and the EU, the carriers have moved from this paper based process to a new electronic, paperless one, which means the commercial invoice data has to be provided at the time of creating a booking / printing carrier labels.

This potentially means a big change to your workflow, as the commercial invoice must be available at the time of booking (see Workflow 1).

To help with this we have modified our myCCL platform to give you an easier workflow for each booking method (Quote & Book, One Click Dispatch and Manage Orders). See Workflow 2.

Note: if you are integrated with our Shipment Booking API or are electronically sending us your commercial invoice data for One Click Dispatch, the below workflows do not apply. Please contact your account manager for further information about automating your processes, or email brexit@ccl-logistics.com.
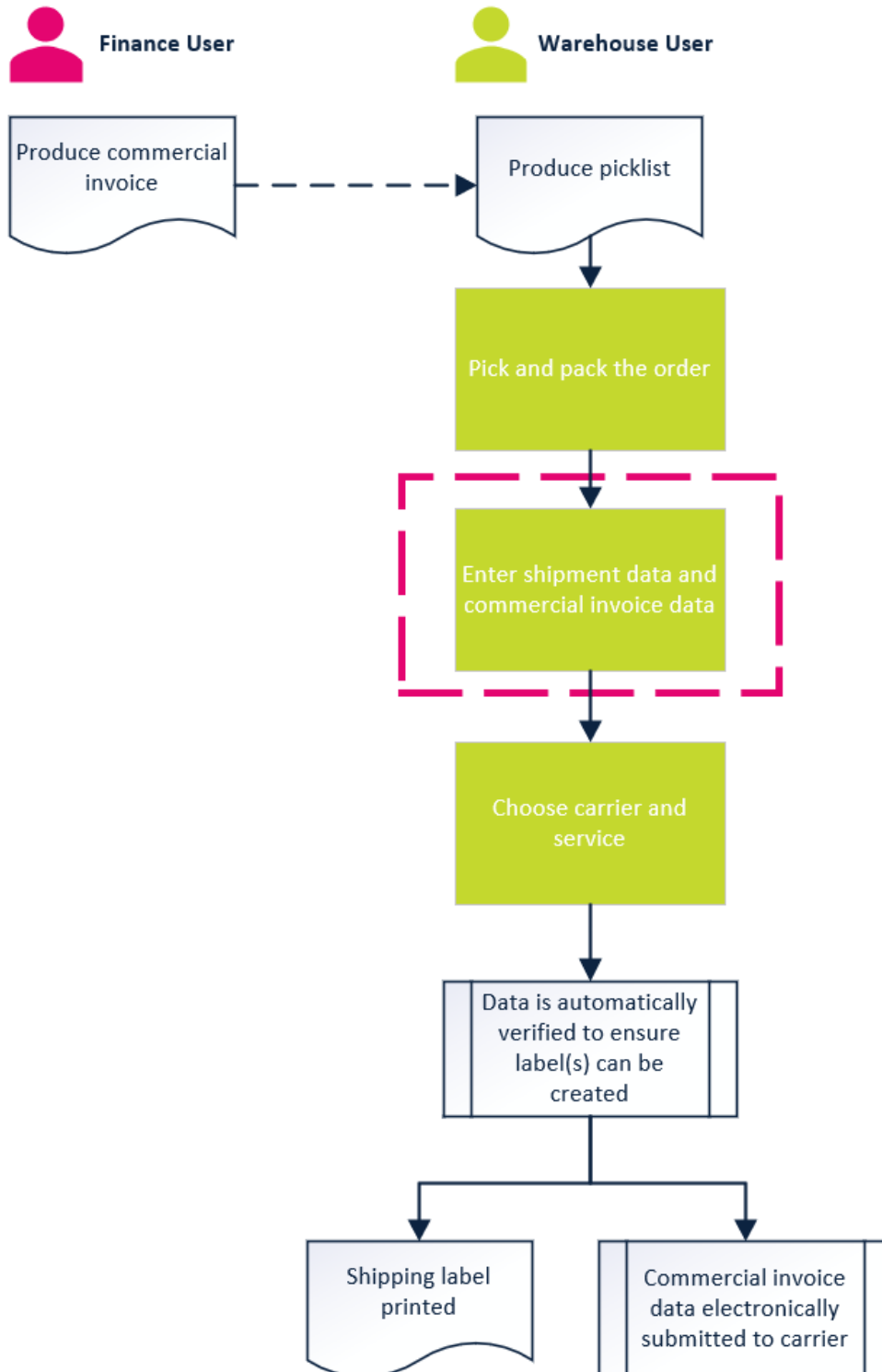
Workflow 1

Your current process for Worldwide shipments will see the warehouse user having to enter basic commercial invoice data at the time of booking. With the new requirement for this data when sending to the EU and the move by the parcel carriers to electronic data submissions instead of paper, your warehouse team will now have to enter **a lot more information** at the time of booking. Using the commercial invoice provided by Finance, they will enter the relevant data on screen.

This workflow:

- Will both interrupt and slow down the current warehouse process
- Could lead to data entry errors
- Could result in delays at Customs

The pink box in the diagram below highlights where the commercial invoice data entry is required.

Finance User

Produce commercial invoice

Warehouse User

Produce picklist

Pick and pack the order

Enter shipment data and commercial invoice data

Choose carrier and service

Data is automatically verified to ensure label(s) can be created

Shipping label printed

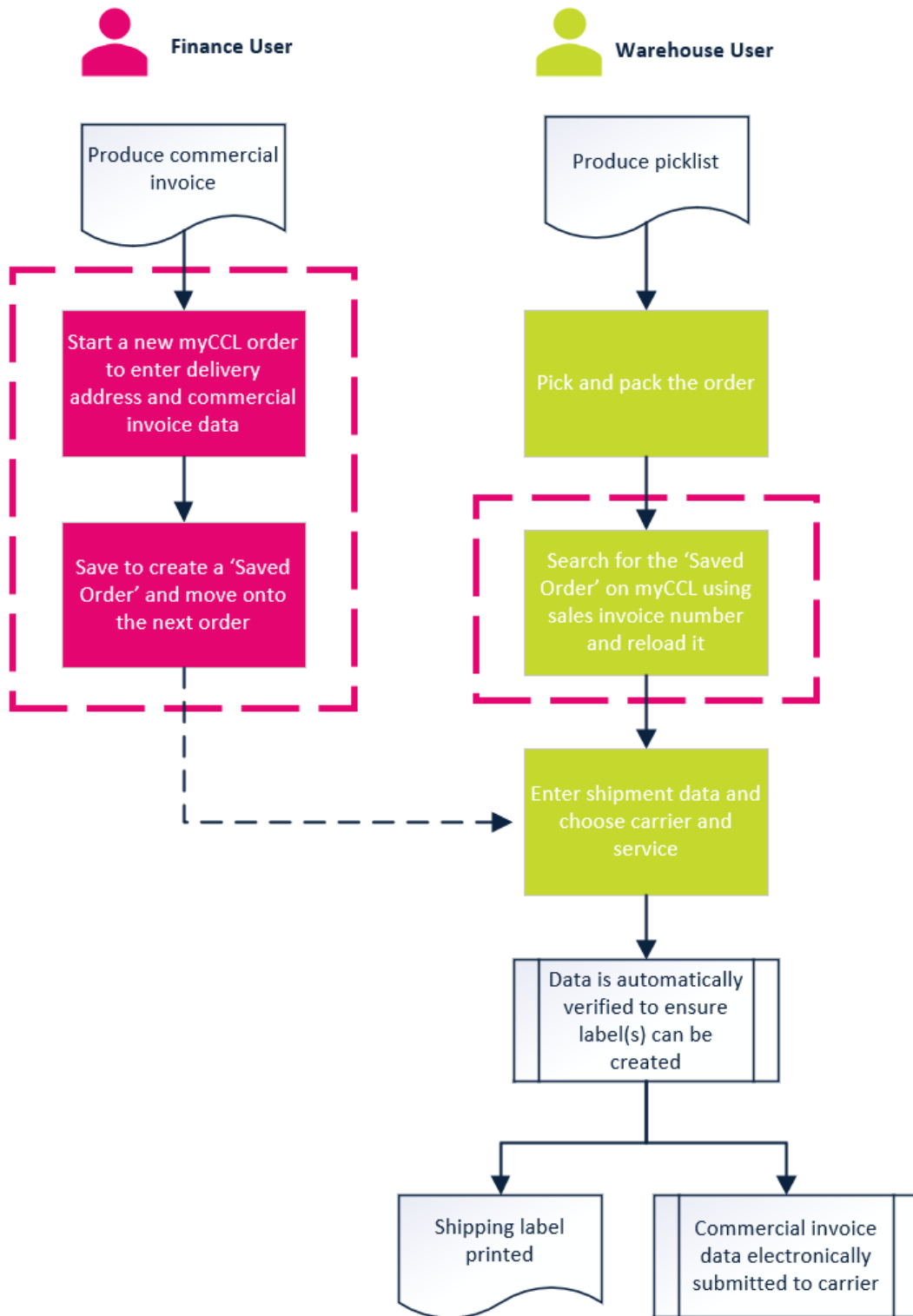Commercial invoice data electronically submitted to carrier

Workflow 2

To minimise the impact on the warehouse processes, we have created a second workflow option which is supported in each of the myCCL booking methods.

Someone, probably in Finance, will now be able to start the order by entering the required commercial invoice data, then saving it (creating a 'saved order') for the warehouse user to finish later in the process. The warehouse user then reloads the 'saved order' and enters the number of boxes, weight, size, carrier and service to produce the shipping labels (as per their existing process).

This workflow:

- Enables a Finance user to enter the commercial invoice data, instead of the warehouse user
- Reduces the impact on the current processes in the warehouse
- Will reduce data entry errors and therefore reduce the chance of delays at Customs

The pink boxes in the diagram below highlight the new processes.

Finance User

Produce commercial invoice

Start a new myCCL order to enter delivery address and commercial invoice data

Save to create a 'Saved Order' and move onto the next order

Warehouse User

Produce picklist

Pick and pack the order

Search for the 'Saved Order' on myCCL using sales invoice number and reload it

Enter shipment data and choose carrier and service

Data is automatically verified to ensure label(s) can be created

Shipping label printed

Commercial invoice data electronically submitted to carrier

Contact Us

If you have any questions relating to this document, please contact your account manager in the first instance or email our team using the following email address and we'll respond to you as quickly as possible.

Email: brexit@ccl-logistics.com

Appendix

Some useful links from the GOV.UK website about the Brexit Transition

Countries in the EU and EEA - https://www.gov.uk/eu-eea

Get an EORI number - https://www.gov.uk/eori

Using the Trade Tariff to find a commodity code - https://www.gov.uk/guidance/using-the-trade-tariff-tool-to-find-a-commodity-code

Wood packing goods for import and export - https://www.gov.uk/wood-packaging-import-export

Sign up for the Trader Support Service - https://www.gov.uk/guidance/trader-support-service

CCL can help you reduce your costs and grow by focusing on four key areas of your business...

Reducing your logistics spend

Improving your warehouse productivity

Improving your customer service experience

Improving your cart conversion

For more information, please contact your account manager or give us a call

Troon 01292 310 510
Derby 01332 865 656
Aylesbury 01296 427 100