



The FedEx and TNT Brexit Checklist

How to prepare your business for Brexit



Introduction

Brexit is expected to have significant implications for logistics across the EU and UK.

FedEx Express and TNT are well positioned to support your cross-border shipping needs today and in the future. Trade is our business, and we're well prepared to take on the future of global trade, whatever changes it may hold.

Our systems are able to support any additional data that may be required after Brexit, and will be updated as needed.

While no one can predict with certainty what will change, we want to help our customers plan ahead. This simple guide details the steps you can be taking now to help get your business ready for Brexit.

How Brexit could affect your business

With the post-Brexit relationship between the United Kingdom and the EU remaining uncertain, we are prepared for a number of potential outcomes. Two of these are an agreed Withdrawal Deal, with a transition period until the end of 2020 (or longer if extended) or a No Deal.

- **Withdrawal Agreement (Deal):** There will be no changes until the end of a Transition Period, which will be in place from the point the UK leaves the EU until the end of 2020 (or longer if extended). During this period, EU businesses will be able to import and export under existing arrangements, free of tariffs. After this period, it is envisaged that the terms of a yet to be negotiated trade deal will come into effect. These could include the introduction of new duties, customs declarations and documentation.
- **No Deal:** With no Withdrawal Agreement in place, the UK will leave the EU on January 31, 2020* and World Trade Organisation (WTO) rules will apply. Goods will be subject to customs clearance and inspections, while tariffs are expected to be imposed on goods that the UK sends to EU countries and on goods EU countries send to the UK.





Checklist: How to prepare for Brexit

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1 Learn what a No Deal could mean to your business

Exporters and importers should understand what the likely changes to customs and excise procedures will be to their businesses if there is No Deal.

This means the UK would leave the European Union (EU) immediately on January 31, 2020*, with no agreements in place about what the EU-UK trading relationship would be like in the future. Imports and exports will be subject to WTO rules.

Get to know current rules and regulations concerning exports to countries outside the EU, many of which could apply after Brexit.

We advise all customers to familiarise themselves with the European Commission preparedness notices [here](#) or see the UK Government's Brexit guidance [here](#). Please also review our 'No Deal need-to-know' guide [here](#).

You can find information about FedEx's preparations [here](#) and TNT's preparations [here](#).



2 Register for an EORI number

An Economic Operator Registration and Identification number (EORI) is a European Union requirement for businesses which import or export goods to and from the EU.

If the UK leaves the EU with no agreement in place, traders will need an EU EORI number to import or export from the EU to the UK. If you currently trade outside of the EU, you will already have an EORI number. If you only trade within the EU, you will need to register.

EORI numbers are given to importers and exporters by EU country authorities for free. In the future, to trade between the EU and UK, both shipper and receiver will need to be EORI registered in their own respective countries.

If you are shipping from Germany to the UK for example, you will need to register with the authorities in Germany. Your receiver will need to register with the UK authorities.

UK EORI numbers will not be recognised in the EU.
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We advise all customers to register for an EORI in your own country as soon as possible.

It only takes 10 minutes to apply.

Applications can be made through your country's Government website.





3 Agree Incoterms with your customers

Different countries have different business cultures and languages. It's a good idea to make sure you have a clear written contract to minimise the risk of misunderstandings.

The Incoterms rules or International Commercial Terms are a series of pre-defined commercial terms widely used in international commercial transactions.

These include:

- Where the goods will be delivered
- Who arranges and pays for the transport
- Who is responsible for insuring the goods and who pays the insurance premium
- Who handles customs procedures and who pays duties and taxes

In the event of a No Deal Brexit, Incoterms will be an important piece of information on the commercial invoice.

We advise all customers to understand Incoterms and agree them now.

For more information visit [here](#) for FedEx or [here](#) for TNT.

4 Know how to describe and classify your goods

HS Codes

The Harmonized System (commonly known as the HS code) is a list of numbers used to classify a product for taxes and duties and any necessary restrictions. A Harmonized System (HS) code consists of at least six digits. When you have classified your goods, customs authorities all over the world are able to identify the contents of your package.

The system is used by more than 200 countries and covers 98% of traded goods.

You can classify your goods on your country's government website. You can also use an online HS code search – just type in a detailed goods description and you'll get your code.

If you don't include the HS code on the commercial invoice and other shipping documents, it could delay the shipment and you risk the receiver paying the incorrect duties and VAT.

Description of goods

The key to smooth shipping is providing clear and accurate information on every shipping document. This includes detailing the type of goods you're shipping correctly. For example, instead of just 'clothing' put 'men's T-shirts 80% cotton, 20% polyester'. And don't just use company product codes to describe the goods. If the package contains branded items, include the brand name as well as the model number and description.

Origin of goods

You will have to confirm the origin of goods, including all components or ingredients which make up your product. Where your products were originally manufactured may be different from the country the shipment is being sent from. Remember that some goods may originate from countries subject to special safeguards or anti-dumping duties.

Value of goods

State the true value of the shipment. This should be the market price of the goods, along with the currency. If the value doesn't seem reasonable, customs authorities may ask you or your receiver for evidence of the value you've declared on the invoice.

We advise all customers to understand the correct classification, description and value of your goods.

UK businesses can find out more about classifying their goods [here](#). Other countries will have similar sites available for their businesses to use.



5 Know how to complete commercial invoices, licences and certificates

In the event of a No Deal Brexit, goods traded between the EU and the UK will be subject to the same requirements as non-EU country goods under the World Trade Organisation (WTO) rules.

Every shipment will need a commercial invoice with information for customs authorities. This helps the authorities assess if the goods can move in or out of a country and what, if any, controls are needed. It also helps the authorities determine duties and taxes. It is vital to supply an invoice with the right information as it reduces the potential for delay.

6 Submit your commercial invoice electronically

FedEx customers can avoid customs delays, speed up delivery and reduce paperwork by registering for ETD (Electronic Trade Documents) to submit commercial invoices electronically at the point of preparing shipments.

With [FedEx ETD Post-Shipment Document Upload \(PSDU\)](#), you can now upload customs documents by your shipping solution after the label has been created. This is ideal for shippers who create their own Commercial Invoices.

For more information, see our [webpage](#), visit our [YouTube channel](#) or register for [FedEx Global Trade Manager](#). This provides a comprehensive resource for simplifying international shipping and includes an online shipping assistant, a tool to estimate duties and taxes, and the ability to locate and print import and export documentation for more than 220 countries.





7 Understand customs & clearance requirements

Businesses may also need to apply for an export licence or provide supporting documentation to export specific types of goods from the EU to the UK. For more information on requirements for exporting goods from the EU, visit [here](#).

We advise all customers to understand how to complete a commercial invoice and the required associated paperwork for all your goods.

8 Make sure your customers/importers know about potential changes

Do your customers and importers know what the local requirements for imports are in their country? Are they aware of the potential import tax & duty that they may have to pay? How are you working with your customers to ensure there are no delays at the point of importation? Do you have all the correct details for the completion of export and import declarations?

It is important to include your correct address, contact details, phone/mobile number and email details on the commercial invoice, and most importantly to provide the same information for your receiver.

We advise all businesses to speak to their receivers/customers so they understand what the potential impact is for them and are prepared.





9 Importers should consider opening a Deferment Account

Some countries in Europe offer a Deferment Account where you can pay duties efficiently and cost-effectively. You can also help to ensure that your high-value shipments are cleared quickly and efficiently.

What is a Deferment Account?

When goods are imported, they may be subjected to import sales tax and customs duties. These duties are paid in full to the customs authorities at the time of import. A Deferment Account is an account authorised by your local customs office through which your payable duties can be paid directly to the authorities for a certain accounting period on a predetermined due date.

More information can be found on country Government websites.



10 Talk to us

We understand that customers are preparing their own plans for Brexit. If you are considering changes to your supply chain and are looking for expertise and support, please talk to us.

We advise all customers to contact their Sales Executive in the first instance to discuss your plans for Brexit and how we can support you.

Brexit resources

UK and European papers

The UK Government and the European Commission have both published a series of papers outlining official guidance on how to prepare if the UK leaves with No Deal. Find out more from the the EU preparedness notices [here](#) and see [here](#) for the UK Government information for businesses.

Supporting customers through Brexit

FedEx and TNT are helping customers navigate through Brexit. Use our Brexit toolkit to prepare your business for the changes. Find out more [here](#) for FedEx or [here](#) for TNT.

Completing commercial invoices

It is important you understand how to complete a commercial invoice. Use our free tools [here](#) for FedEx or [here](#) for TNT.

FedEx Electronic Trade Documents

For a smoother customs clearance process, you can transmit your customs documentation electronically with FedEx Electronic Trade Documents. Learn how this can help you avoid customs delays, speed up delivery and reduce paperwork. Find out more [here](#).

Export Growth Brexit toolkit

Export Growth has developed a tool that produces an indicative calculation of tariffs under WTO rules. Find out more [here](#).



Contact

Please contact us at brexitquestions@fedex.com or brexit@tnt.com
or visit our website fedex.com/brexit or tnt.com/brexit

*Correct at time of publishing but subject to change.