



Shipment to the UK after Brexit

GLS customer information | December 28, 2020

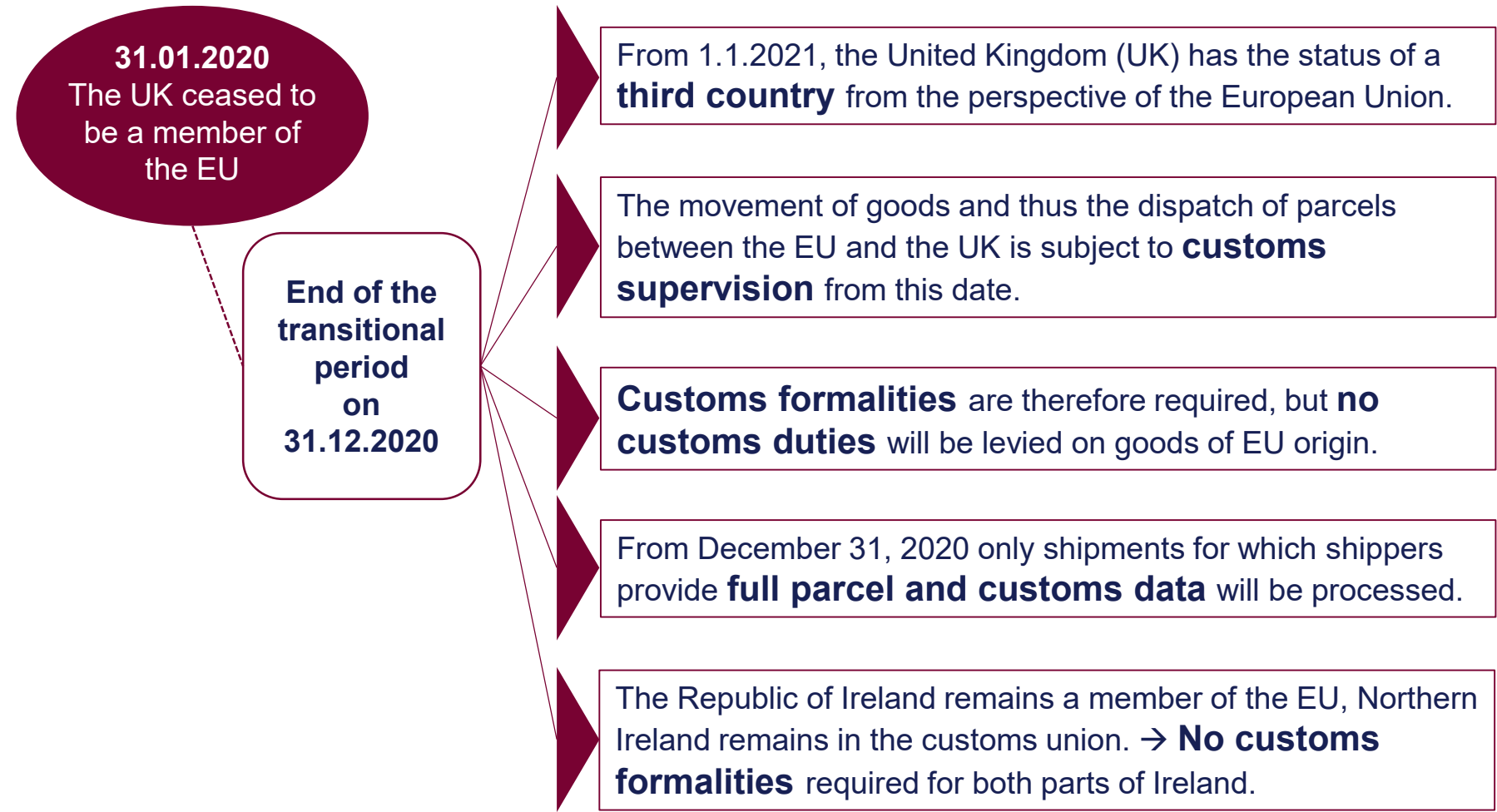
Information overview

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- ▶ Why **GLS** is the right partner
- ▶ **Process changes** at a glance
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 - EORI number
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What the Brexit agreement means for goods traffic between EU and UK

The UK has the status of a third country from 1.1.2021



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.



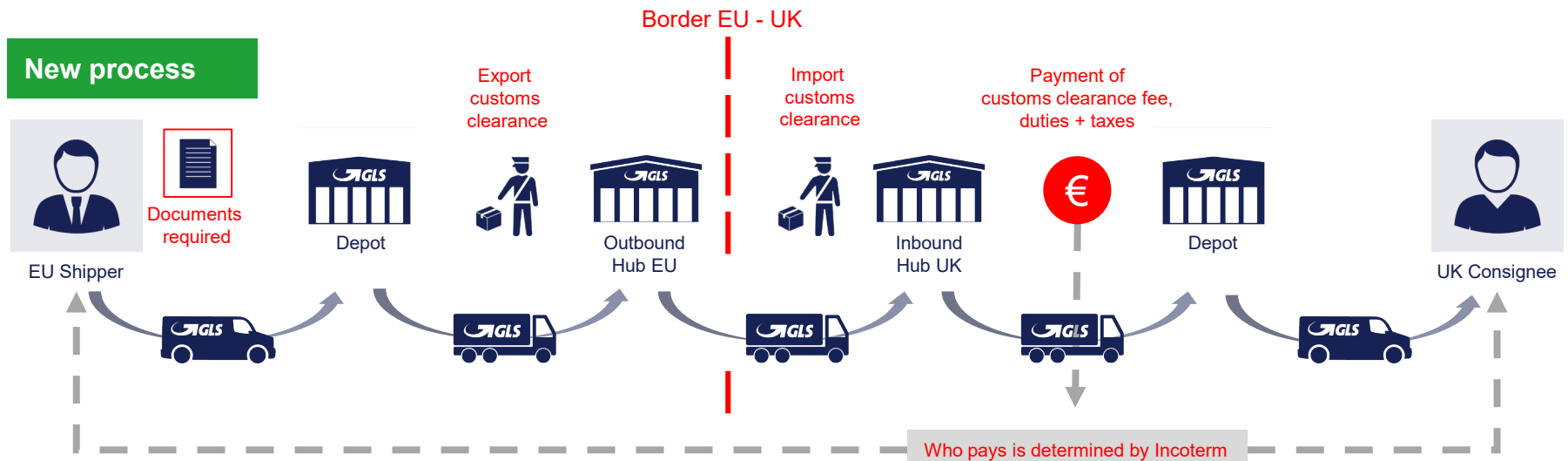
Process changes at a glance

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

Process so far



New process



Useful tips for exporters

Well prepared for trade with the UK in a few steps



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 parcels 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

- For shipping to a non-EU country, a customs clearance fee, customs duties and taxes are incurred alongside the shipping costs:
 - **Customs clearance fee:** Covering additional work incurring because of the customs clearance process
 - **Customs duties:** Depending on the type of goods to be shipped and on the tariff rates set by the British government (if no origin-related customs exemption exists)
 - **Taxes:** Including at least the Import VAT which is currently 20% in the UK
- **Incoterms define** which of those costs are borne by the shipper and which are borne by the importer.

Select the appropriate Incoterm:

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



3 | Incoterms: Incoterms for commercial customs clearance

Select the appropriate Incoterm

- When exporting with GLS to the UK, shippers can choose between various Incoterms.
- But if the shipment value is below GBP135, the “VAT Registration Scheme” is mandatory.

Incoterm	Shipment value ≤ GBP135 net	Shipment value > GBP135 net				
	18 DDP VAT Registration Scheme	10 DDP	20 DAP	30 DDP VAT unpaid	40 DDU cleared	60 Pick&Ship
Clearance borne by	Shipper	Shipper	Importer	Shipper	Shipper	Requester
Duties borne by	No duties incur	Shipper	Importer	Shipper	Importer	Requester
Taxes borne by	Owner of UK VAT number	Shipper	Importer	Importer	Importer	Requester

Please note:

For VAT Registration Scheme a UK VAT number is needed and must be indicated on the invoice and in customs data

- The shipper can register in the UK and receives such VAT number, or
- may use the VAT number of the importer (Statement on invoice required: „Use Importer account for VAT to HMRC“)

3 | Incoterms: 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 possible if the following requirements are met:
 - UK branch of the shipping company, or
 - Fiscal representation of a company located in the EU, licensed in the UK with a UK tax number, or
 - General UK importer
- In these cases, customs clearance for different delivery addresses can be 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.
- Shipments intended for bulk customs clearance must not contain parcels to be shipped to Northern Ireland!



4 | Documents: Commercial or pro forma invoice

Documents required for customs

- For shipments to the UK a commercial or pro forma invoice **in English** language is required:
 - **Commercial** invoice is required for goods with commercial value
 - **Pro forma** invoice is for goods without commercial value, e.g. sample or gift shipments
- In any case, the invoice must either be placed in a shipping envelope on the outside of the parcel or must be transmitted electronically with the customs data.
- Each invoice must **contain the following information**:

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

4 | Documents: Make sure invoices contain 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.



4 | Documents: Export declaration

Export declarations are required for shipping to the UK, in Germany and France only for a goods value of €1,000 or more

- Shippers in the EU need an export declaration for parcel transportation to the UK (in Germany and France only when the goods value of €1,000 is reached).
- 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**:
GLS completes the electronic export declaration for you. Just provide your GLS depot with the customs invoice by e-mail or fax.

5 | Shipping systems: Adjustments needed for shipping to the UK

Make sure your shipping systems are prepared

GLS shipping systems

- All **GLS shipping systems** are 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 parcels to the UK. All you need is a computer with Internet connection.
- You will receive your access data from your GLS contact person.

GLS Customs Portal and API

- Customs data for export shipments to non EU destinations need to be provided.
- For easier processing GLS has developed an **API and the GLS Customs Portal** (allows manual customs data entry as well as uploading various file formats).
- For further information and access rights please contact your GLS contact person.

What else is good to know for exporters shipping 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 shipper, 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 in case of unforeseen events at the borders.



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 shipper, **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.



Thank you!

Can we give you further support?