

SUPPORTING OUR CUSTOMERS THROUGH BREXIT



AGENDA

- Current Situation
- Political Engagement
- How DHL Express is Preparing
- Preparing Your Business



CURRENT SITUATION

BRITAIN

A 3D puzzle with the word 'BRITAIN' on it, set against a background of the European Union flag. The puzzle pieces are blue with yellow stars. The letters of 'BRITAIN' are 3D and have a red, white, and blue striped pattern. The puzzle is partially assembled, with some pieces missing, particularly the 'I' and 'N'.

DHL Express is preparing

Our expert taskforces in the UK and Europe have been assessing every aspect of Brexit for more than 30 months, considering all implications for international trade. As international specialists, we're already in a strong position with our existing customs teams, network capabilities and experience of international trade.

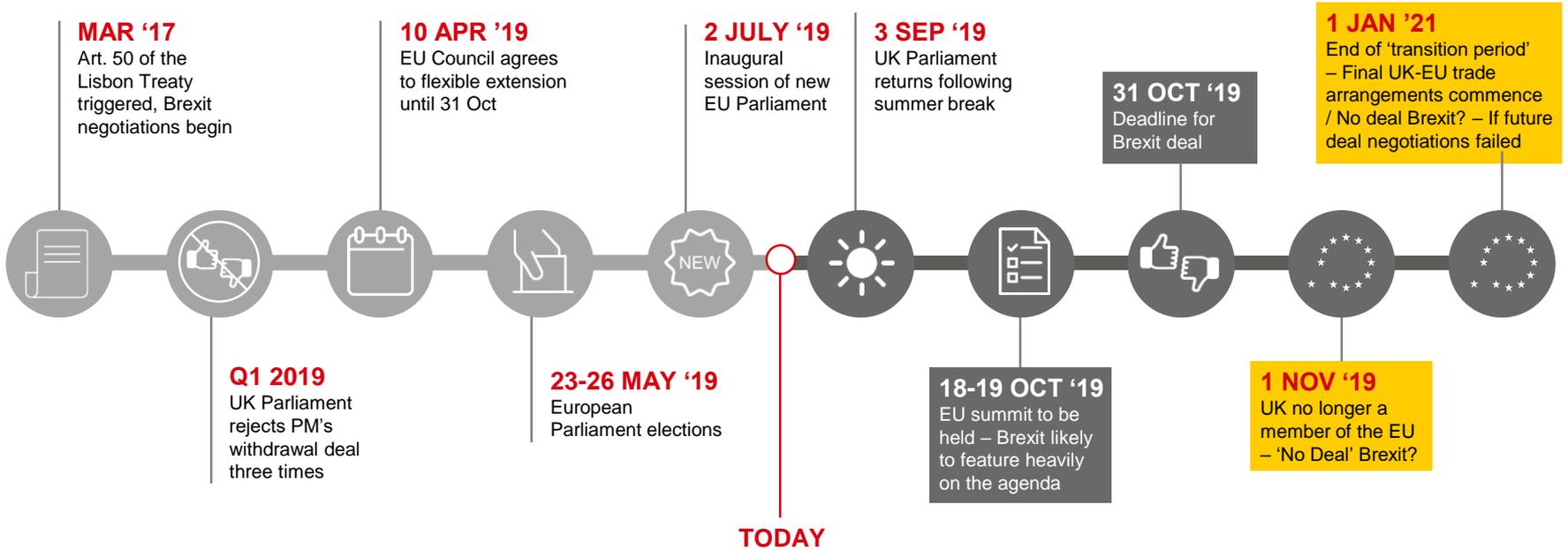
Across the business we are making significant and continued investment with the aim of maintaining service post-Brexit, in what will potentially be challenging circumstances.

We are planning for a 'No Deal' scenario, based on the information available around post-Brexit trade requirements. If these requirements change, we will adapt, but some elements will inevitably be beyond our control and will have an impact across our industry. There may be delays at the ports, for example, and specific customs procedures that have yet to be confirmed by the Government may also lead to disruption.

We will all need to work together to overcome the challenges of Brexit, and we will continue to inform you of any developments. In the meantime, please be assured that our determination to maintain an excellent service for all our customers remains unchanged.



Current timeline

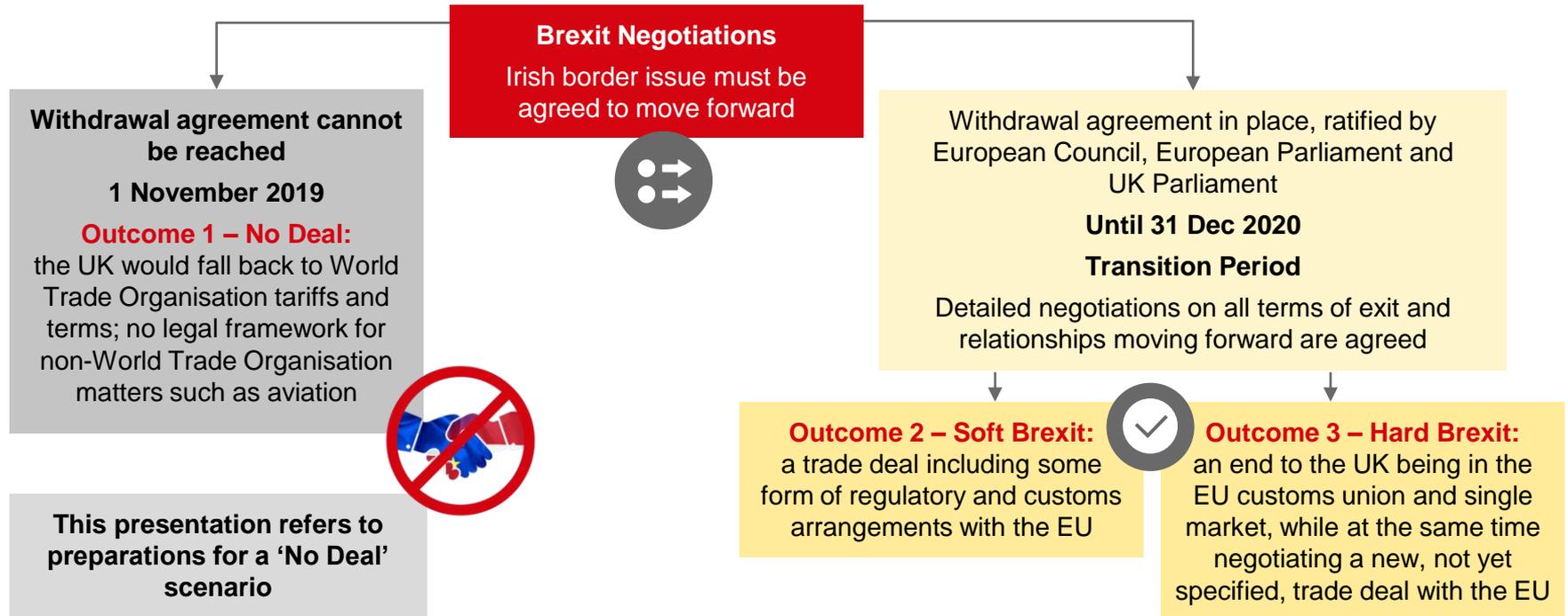


As of August 2019

■ Fix date/event ■ Uncertain event/date



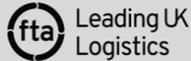
Brexit: Possible outcomes



FTA and trade associations – concern growing...



“The FTA has consistently warned that it will be **extremely challenging for logistics companies to operate post Brexit in a no deal situation**. With no clarity on the adequacy of customs and border arrangements, **probable delays at the border and extensive investments being required** – it will be **very difficult for businesses to prepare for every situation**.”



**Head of Global & European Policy
Freight Transport Association**

FTA advises new Conservative Party leader against no deal to keep Britain trading

“We remain hugely concerned at the fragility of these plans and the state of readiness of traders, carriers and agencies on both sides of the border to implement them flawlessly as early as 31 October.

“As an apolitical organisation, we do not dispute the decision of the Referendum but we are convinced by our Members that a ‘No Deal’ Brexit would be the worst possible outcome for the economy and is to be avoided at all costs. We are however encouraging our members to prepare for all eventualities, but in order to do so, they need urgent action from Government, starting with the extension of easements previously conceded for 29 March, some of which will have expired before 31 October. We have offered FTA’s support to both candidates in the Tory party leadership election to provide advice and guidance moving into such a crucial period for the future success of the British economy.”

(Published Monday 22 July 2019 – ahead of new Conservative Party leadership contest result)

SOURCE: <https://fta.co.uk/media/press-releases/2019/july/fta-advises-new-conservative-party-leader-against>

PUBLIC

POLITICAL ENGAGEMENT



DHL is active with political engagement

DHL is working closely with EU and UK legislators, and has been since the referendum in June 2016, to help them understand the complexity and implications of the exit terms on businesses, highlighting issues and calling for terms that are in the interest of our organisation and our customers.



CUSTOMS

Simplified declarations & automatic release for Authorised Economic Operators (AEOs) / Inland pre-clearance / Use of periodic payments / Maintenance of special customs procedures post-Brexit



ROAD HAULAGE

Maintenance of current road market access with no rationing of international freight permits / Mutual recognition of driving licences and driver qualifications & vehicle standards / Light touch international trailer registration



PORTS INFRASTRUCTURE

No border inspection / Reduction in checks for agrifood on both sides of the border



AVIATION

European Aviation Safety Agency (EASA) membership / Maintenance of existing rules for airlines and existing EU and US market access rights / Security agreement for cargo



IMMIGRATION

Simple visa requirements for key workers

Progress is being made across all topics listed above, however the outcomes remain subject to final notification.

WHAT WE ARE DOING AND HOW WE CAN HELP



As international specialists, we're already in a strong position

We already have a number of key differentiators and all the expertise needed to support you through Brexit:



300+

dedicated customs professionals



5+ million

customs transactions each year



7+

bonded or customs warehouses in the UK / plus at least one per EU country



AEO

DHL is an Authorised Economic Operator



WHAT IS AEO?

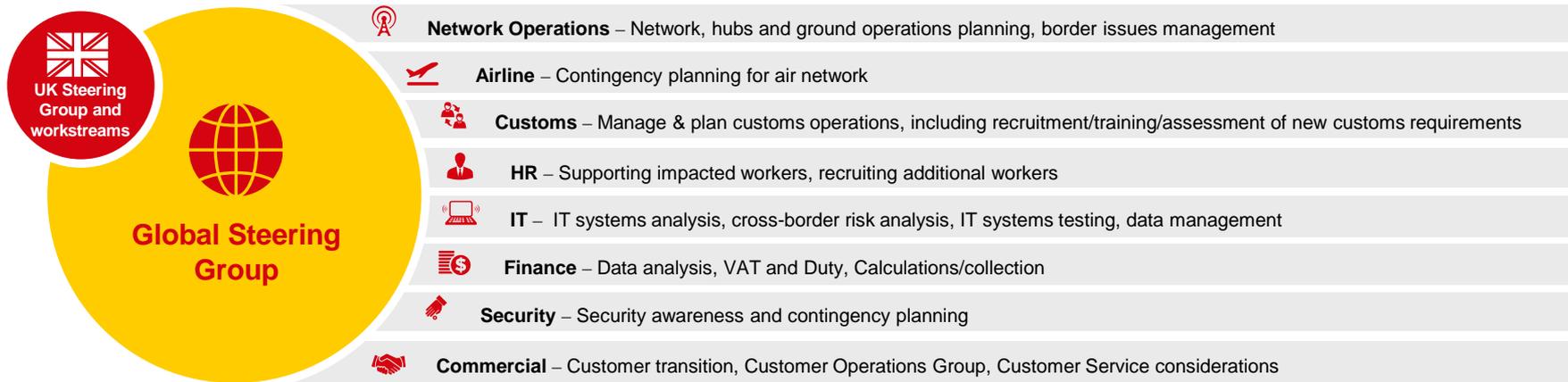
- Authorised Economic Operator (AEO) status is an international quality mark for companies whose customs processes are secure and efficient
- AEO enables us to leverage Customs Freight Simplified Procedure (CFSP), which speeds goods release from Customs and allows deferred payments

Figures quoted are for DHL Express in the UK

What is DHL doing to prepare for Brexit?

Our expert taskforces in the UK and Europe have been assessing every aspect of Brexit for more than 30 months, considering all implications for international trade.

DHL Express – Workstreams



DHL Express Contingency Planning



PUBLIC

WHAT ABOUT YOUR BUSINESS?



Preparing for Customs in the EU

It is likely that some form of customs procedures will apply when trading with the EU after Brexit.

Already trading outside the EU?

If you're currently trading outside the EU, you'll be familiar with customs requirements. The information in this section could still be useful in helping you prepare, please review the content on Paperless Trade, EORI numbers, Returns and Delivery Duty Paid in particular.

Only trading with the EU?

If you're currently only shipping within the EU, now is the time to familiarise yourself with customs procedures. The following checklist is designed to highlight areas where you can make customs clearance a smoother process post-Brexit. There are lots of help materials available in addition to this guide. We suggest reaching out to your local Chambers of Commerce for advice on any specific paperwork required for your products – they can produce Certificates of Origin (COO) or ATA Carnets, for example.

DHL Express will submit customs paperwork directly to Customs on your behalf as we send your shipments. Providing the relevant documents via our Paperless Trade option will help ensure swift customs processing.



UK Small Parcels Legislation (£0-135)

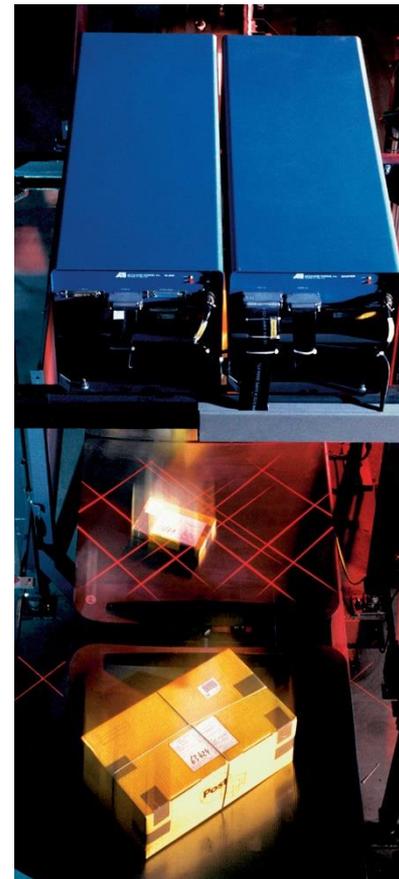
For parcel consignments valued up to and including £135, **which do not contain excise goods and are customs-declared for release to free circulation**, a technology-based solution will allow Value Added Tax (VAT) to be collected from the overseas business selling the goods into the UK.

If you are outside of the UK and sell goods to UK buyers, you may need to register with HMRC to pay import VAT – and as the shipper you will be liable for the UK VAT.

- Have you registered?
- Do you understand the impact?

FIND OUT MORE INFORMATION AT

- 1- <https://www.gov.uk/guidance/register-for-import-vat-on-parcels-you-sell-to-uk-buyers>
- 2- <https://www.gov.uk/guidance/import-vat-on-parcels-you-sell-to-uk-buyers-vat-notice-1003>



Preparing for Customs in the EU

Are you using Paperless Trade (PLT)?

Yes Sometimes No

PLT is a service incorporated within our Electronic Shipping Tools to support electronic transmission of customs documents, preventing the need for paper copies to be supplied with the shipment, and helping speed up the customs clearance process.

We would recommend setting up and using PLT within your shipping tool immediately for any current trade outside the EU where PLT is accepted by Customs.

It is also worth getting ready now for post-Brexit shipments to the EU, as it provides a two-fold benefit: It reduces potential delays as our data-entry team have earlier visibility; and it removes the requirement for physical paperwork.

Post-Brexit, PLT will provide you with a stable platform to work from when shipping from the UK to the EU.

Please note that if original certificates or licences are required, you will need to include the original paperwork with your shipment and not use the PLT option.



Preparing for Customs in the EU

Do you have an EORI number?

Yes No

What is an EORI number?

An EORI number is an Economic Operator Registration and Identification number.

You currently only need an EORI number when trading with countries outside the EU, as its required to release goods from Customs, however, post-Brexit you will need this to trade with all countries beyond the UK.

Apply via www.gov.uk/eori. You'll get your EORI number by email, usually within 3 working days.

In addition, **it is likely that UK-issued EORI numbers will not be accepted by EU countries post-Brexit**, so register for an EU EORI number at the EU Commission to ensure your goods can also clear customs in the country of origin/destination. [Register for EU issued EORI number](#)

If you currently have an EORI number issued by another EU Member State, you'll need to obtain a UK EORI number for use post-Brexit for UK imports and exports.

Inform our Customs team of the number(s) via email emahubcmfupdate@dhl.com and ukexpcmf@dhl.com. **Please also include your EORI number(s) on the Commercial Invoice and Waybill to promote smooth and fast customs processing and clearance.**



Preparing for Customs in the EU

Have you checked if your shipments are classed as a document or non-document?

Yes No

When shipping internationally it is important to consider the content of your shipment, as documents and non documents are treated differently. It isn't always obvious which category your shipment falls in to, so please review our guide at [DHLGuide.co.uk/Brexit](https://www.dhl.co.uk/Brexit) or speak with your account manager.

Do you know the commodity code for your product?

Yes No

The goods you are sending should be identified via a precise, internationally-recognised commodity code as this will ensure the correct duties and taxes are applied by Customs. This code is also known as a Harmonised System (HS) code. To identify the commodity code for your product(s) visit [Gov.UK](https://www.gov.uk)

You can also contact HMRC directly to identify your commodity code(s) via:

<https://www.gov.uk/guidance/ask-hmrc-for-advice-on-classifying-your-goods>

Ensure the commodity code is included on your commercial / pro-forma invoice.

The commodity code can be used to identify the duties and taxes applicable in each country you're sending to. The rates that will apply in the EU for UK shipments are yet to be agreed.



Preparing for Customs in the EU

Are additional licences or certification needed for your product?

Yes No

Licences are required in a number of cases:

- For goods considered to be military or potentially have a dual use. More information at [Gov.uk](https://www.gov.uk)
- Goods subject to control due to trade conventions, such as Washington Convention or Kimberley Process. CITES documentation is required for any movement of endangered species
- If goods are being temporarily exported/imported, an ATA Carnet is required to prevent customs charges
- Certificates of Origin can be required in destination country, see below

If your goods do not need a licence, please confirm that to us in writing at emahubcmfupdate@dhl.com and ukexpcmf@dhl.com

Have you checked on the restrictions in the EU countries you're sending to?

Yes No

Check if restrictions apply to the product you're sending to using our country profile guidance at [DHL.co.uk](https://www.dhl.co.uk)
Use the filters on the right hand side to select the country. If your products are on the list returned, contact Customer Service on 0844 248 0844 to confirm the details of the regulation in place.



Preparing for Customs in the EU

Do you provide a declaration for controlled exports?

Yes No

Goods that are deemed to be military or dual-use are subject to export controls.

This also applies to antiques and some other items. Though this is aimed primarily toward the export of goods or technology that can be used for military purposes, sometimes the same commodity codes can apply to un-controlled goods like clothing, textiles, or even books.

To conform with HMRC regulations, we ask exporters to provide a blanket declaration to confirm that their goods are not controlled status.

In cases where goods are subject to controls, we ask for an email pre-alert in advance. This can also apply to other exports, including duty suspended items.



Preparing for Customs in the EU

Have you completed a commercial or pro-forma invoice?

Yes No

This is essential paperwork in order for your goods to clear Customs in the destination country.

If you need advice on what this paperwork should look like, go to [DHLGuide.co.uk/Brexit](https://www.dhl.co.uk/Brexit)

You have the option to produce a standard commercial or pro-forma invoice within our shipping tools, for example within MyDHL+

For DHL Express to clear shipments through customs on your behalf, the following should accompany your shipment. These documents can be submitted electronically using Paperless Trade (PLT) – or attached to your shipment where PLT is not accepted in the destination country:

Commercial or Pro-forma Invoice

Any relevant licences or certificates

A packing list is often required by destination Customs

The Waybill (generated by the shipping tool) is also essential as Customs will compare your shipping paperwork to the waybill details, so ensure all information is correct and corresponds.



Preparing for Customs in the EU

Have you confirmed your VAT number?

Yes No

HMRC has announced that postponed VAT accounting will be applied to imports by VAT registered traders when Brexit takes place. If you are importing, please confirm your VAT number and that you wish to postpone accounting to emahubcmfupdate@dhl.com.

The UK Small Parcels Legislation is also being introduced, where a technology-based solution will collect VAT from overseas sellers who sell goods into the UK at a value of up to £135. More information is available at Gov.UK. To cover all eventualities, please consider asking your suppliers to register for the scheme.

Do you have a deferment account for Import Duties & VAT?

Yes No

Opening a deferment account allows you to postpone the payment of import duties and VAT on goods imported by up to 46 days. Apply via Gov.uk.

Please authorise us to clear your shipments using your deferment account with form C1207N available from Gov.UK.

Advise us of your deferment account and if appropriate your CCG (Customs Comprehensive Guarantee) reference by emailing emahubcmfupdate@dhl.com

You will need to increase your deferment guarantee if you expect to pay higher duty amounts.



Preparing for Customs in the EU

Do you offer a simple e-commerce returns process?

Yes No

Your returns policy for your customers could be impacted by Brexit. Shipping an order to your customer pre Brexit would fall under current EU free trade agreements, however if your customer then returns an item post Brexit, it may need to have a commercial invoice to facilitate Customs.

DHL can support you with understanding the commercial invoice requirements for shipping cross border, non-EU, shipments back to the UK.

Depending on how many days your returns policy is will dictate how long the solution would need to remain in place.

Do you offer your customers a Delivery Duties Paid (DDP) service?

Yes No

By offering a DDP service, you can bill all duty and taxes back to your account instead of your customer being charged on receipt of their parcel. Research shows retailers who send DDP are growing at double the rate of those that choose for duty to be paid by the customer on delivery, with the impact being 70 per cent of online shoppers choosing to prepay duties and taxes at checkout.



Government & British Chambers of Commerce Support

The latest information from DHL Express can be found at [DHLGuide.co.uk/Brexit](https://www.dhl.co.uk/Brexit)

The Government has published support material, including the following:

[Partnership pack: Preparing for a 'no deal' EU Exit Guide](#)

[Preparing for a 'no deal' EU Exit: Step by Step Guide to Exporting](#)

[Preparing for a 'no deal' EU Exit: Step by Step Guide to Importing](#)



The British Chambers of Commerce [Brexit Hub](#) also provides guidance on preparing your business for Brexit.

This is our field of expertise and our Certified International Specialists are here to support you.

By increasing the number of countries you trade with, you will reduce risk and increase the opportunities for growth.

We'll be with you every step of the way.

