



## **Brexit: How to Ship from the UK to the EU**

**31 December 2020**

# Brexit: How to Ship from the UK to the EU

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# What is the Deal?

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On 24 December 2020, the United Kingdom and the European Union reached a post-Brexit trade agreement. But the deal **doesn't mean 'business as usual' for shipping** between the UK and the EU.

Most tariffs, such as import duty, will be eliminated on trade between the UK and the EU from 1 January 2021. However, **customs clearance will now be required** for all goods moving between the UK and the EU.

This means that you will need to **declare the goods** you are sending by **completing a commercial invoice**. You will also need to follow the **rules of the importing country**.

This material is designed for commercial transactions between the EU and the UK. Please contact us for the rules on non-commercial transactions.

# What is the Deal?

The implications for shippers

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Even with this deal in place, businesses will now face **more paperwork and administration** when shipping, meaning **increased costs** and **adjustments to supply chains**. Carriers such as UPS will incur costs to process these cross-border shipments and as a result may need to charge **additional fees**.

While most tariffs will be eliminated, it depends on the **proof of origin of the goods**. If you are importing goods from outside the UK and shipping them to the EU, you will not benefit from the no-tariff deal.

Agri-food consignments will require health certificates and undergo **sanitary and phytosanitary controls** at border inspection posts.

# What is the Deal?

The implications for shippers

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**Returns** across the UK-EU border are permitted, but you will need to attach a **commercial invoice** to these shipments, as they will also require customs declaration.

**Ground movements and aviation will continue** between the EU and the UK. However, **special rules will apply** for goods moving between the EU and **Northern Ireland**. These special rules have not yet been officially communicated by the authorities.

# What is the Deal?

The implications for shippers

	Shipping within the EU	Shipping to/from UK as from January 2021
Free movement of goods	Yes	No
Import tariffs and quotas	No	No*
Customs formalities including commercial invoice and classification	No	Yes
Sanitary and phytosanitary checks	No	Yes
Rules of origin procedures	No	Yes

\* Subject to proof of origin



# How to Ship from the UK to the EU



# Obtain an Economic Operator's Registration and Identification (EORI)

Shipping goods from the UK to the EU

## Do I need an EORI number for every EU country?

No, a company will only have one EORI number per legal entity and this EORI number will be used for Customs in every EU country.

## How do I request an EORI number?

An EORI number can be requested from the local Customs website. In the EU, the EORI number is usually requested from the EU country that the company's goods will first arrive in, or the EU country the company wants to export out of.

## What if I don't have one?

Your goods will not be cleared through customs, but will be held until you supply the complete paperwork, which could mean significant delays and additional charges.

Click on country link where you would like to register:

[Austria](#)

[France](#)

[Poland](#)

[Belgium](#)

[Germany](#)

[Portugal](#)

[Croatia](#)

[Ireland](#)

[Romania](#)

[Czech Republic](#)

[Italy](#)

[Slovenia](#)

[Estonia](#)

[Latvia](#)

[Spain](#)

[Finland](#)

[Netherlands](#)

[Sweden](#)



# Complete a commercial invoice

Shipping goods from the UK to the EU

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A commercial invoice is the primary documentation used for import control, valuation and duty determination when shipping across customs borders.

It is **required for all cross-border shipments**, except documents of no commercial value. It is required even if there is no sale.

Recognised worldwide, it contains **important information about your shipment**, including:

- The sender
- The destination
- The contents, including the quantity and what it's made from
- Its value
- Harmonized System (HS) Codes

Check out our **[guide to completing a commercial invoice](#)**, which is available on ups.com. These instructions will explain how to give your shipment the best chance of clearing customs smoothly.

# Proof of origin of goods

Shipping goods from the UK to the EU

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To benefit from preferential tariffs, you must hold proof that the goods comply with the rules of origin. This means that your product **must originate in the UK**.

You will need to include a certificate or **proof of origin of goods** in or with the commercial invoice or other commercial documentation (excluding a bill of lading). You can self-declare the origin of goods for the first year.

Proof of origin of goods means you must have either:

- a **statement of origin** by the exporter
- evidence of the **importer's knowledge** about the product's originating status

A **certificate of origin** is issued by a competent authority of the exporting country.

Self-issued certificates of origin and proof of origin may be issued by the producer, manufacturer, exporter or importer.



# Proof of origin of goods

Shipping goods from the UK to the EU

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## **How does proof of origin help when trading internationally?**

It certifies that goods in a particular export shipment are wholly obtained, produced, manufactured or processed in a particular country; it declares the 'nationality' of the product and also serves as a declaration by the exporter to satisfy customs or trade requirements.

## **Would a certificate of origin issued by the EU be valid for export shipments to non-EU countries?**

For shipments from the UK, in this instance, a new certificate would need to be issued by the UK Chamber of Commerce.

## **What happens if I cannot prove that my goods meet the rules of origin requirements?**

If you cannot prove that your goods meet the rules of origin requirements, you will still need to pay customs duty. To find out the rate of duty, you'll need to classify your goods correctly.

If the consignee is to pay the duty, we suggest you inform them of this before the transaction, particularly if they are consumers, to avoid any nasty surprises.

# Assign Harmonized System (HS) Codes to your goods

Shipping goods from the UK to the EU

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Harmonized System (HS) Codes are required on official cross-border shipping documents for tax assessment purposes. They ensure uniformity of product classification worldwide.

HS Codes are necessary to:

- Classify physical goods for shipment across a customs border
- Complete required shipping documentation such as shipper's letter of instructions, **commercial invoice** or certificate of origin
- Determine import tariff (duty) rates and determine if your goods qualify for preferential tariffs

HS Codes are now required for shipments from the UK to the EU, whether or not the goods originate in the UK.

**Using incorrect HS codes can result in products being held in customs and heavy fines.**

For more information, you can visit [World Customs Organization \(WCO\) website](#).

# Obtain a Value Added Tax (VAT) number

Shipping goods from the UK to the EU

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A VAT number is required to import goods into the EU. See [the European Commission's VAT identification numbers page](#) for more information on who needs a VAT number.

## Do I need a VAT number for every EU country?

Yes. VAT numbers are country specific, so if a company is importing or exporting to multiple EU countries, it will need a VAT number for each country.

## How do I request a VAT number?

VAT numbers can be requested from the local government of EU Member states.

## When do I pay the import VAT?

VAT will need to be paid upon import into the EU unless the importer has a VAT deferment license in the importing country.

# Identify the Customs declarant / Importer of record (IOR)

Shipping goods from the UK to the EU

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A customs declarant needs to be identified on the customs declaration.

Customs declarant refers to the entity or individual who is responsible for all entry documents required by the EU customs authorities.

## **What are the liabilities of the customs declarant:**

- Payment of duties
- Misclassified commodities
- Undervalued goods
- Fines & penalties
- Any other import obligations

## **Who is the IOR for a non-EU importer?**

If a company is importing to the EU but is not established in the EU, a third party will need to act as the IOR. This third party could be a third-party service provider, or the non-EU company could arrange for the EU client (the EU party receiving the goods) to act as the IOR.

# Check if your goods are subject to inspections at the border

## Inspections and limitations for agri-food consignments

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**Agri-food consignments** will require health certificates and undergo sanitary and phytosanitary controls at border inspection posts.



In order to avoid disruption at the border, UPS will accept these restricted commodities **only with UPS Express services**.



UPS will suspend the carriage by UPS Standard of goods that are subject to veterinary, phytosanitary or any other inspections of a restricted goods category at the UK border.








It is **your responsibility** as the shipper to check the regulations and whether the products you are shipping will require inspection.



# Check if your goods are subject to inspections at the border

## Examples of restricted commodities

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-  Live animals and products of animal origin
  - *including fish and crustaceans, molluscs and other aquatic invertebrates and milk powder*
-  Medical and pharmaceutical products and preparations that include human or animal blood
-  All products manufactured from endangered species
  - *including alligator skin, coral, ivory*
-  Plants, bulbs, seeds, fruits and vegetables
-  Wood and articles of wood
  - *including wood charcoal*

# Return shipments

## Shipping goods from the UK to the EU

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Your consignee in the EU may need to return the shipment to you, or your goods may be rejected upon import. What happens then?

The requirements to have these goods returned to you will depend on:

- Whether the goods have been in free circulation in the EU prior to being exported
- Whether the goods were in free circulation in the EU prior to being returned
- Whether the goods have been rejected upon import to the EU
- Whether the goods are subject to additional requirements before they can be imported to the EU

All return shipments from the UK to the EU will now require a **commercial invoice**. You can find out more about returns in our [guide to completing a commercial invoice](#).

# Shipping to Northern Ireland

## The Northern Ireland Protocol

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Special rules will apply for goods moving from Northern Ireland to the EU.

The Northern Ireland Protocol is a practical solution to avoid a hard border with Ireland, while ensuring Northern Ireland benefits from the UK's deal with the EU.

Northern Ireland will remain aligned to a limited set of EU rules.

Goods shipped between the EU to Northern Ireland will move as an intra-EU movement. This means there will be no customs supervision, controls or formalities.

Special rules will apply for shipments between the UK and Northern Ireland but these have not yet been communicated.

You can find more information on the [Gov.UK website](#).

# UPS Paperless™ Invoice

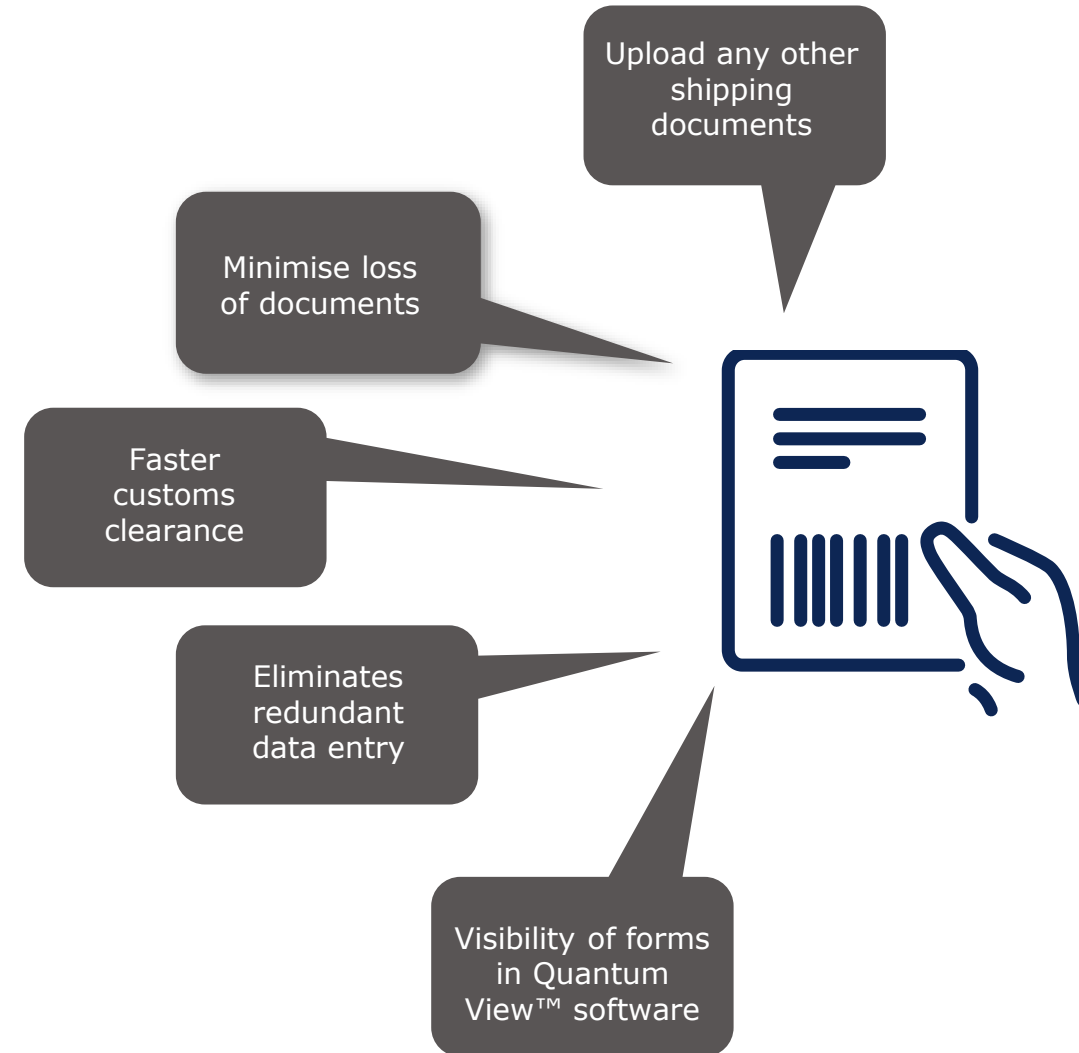
Shipping goods from the EK to the EU

In an industry first, UPS has **eliminated the need for paper commercial invoices** and other documentation required by customs in many countries.

With UPS Paperless™ Invoice, you can **file** your commercial invoices, certificates of origin and other export documentation **electronically** while processing your shipments.

It works seamlessly with UPS's shipping systems – there's no additional software needed.

If you complete your international paperwork outside of the UPS shipping system, the **Upload My Forms** feature allows you to upload your own trade documents that can then **travel electronically with your shipment**.





# A Useful Checklist

# A Useful Checklist

## Shipping goods from the UK to the EU

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- Register for an **EORI number**
- Complete your **commercial invoice** correctly
- Include **proof of the origin of goods**
- Assign Harmonized System (HS) Codes to your goods
- Comply with the new **Import VAT rules of the importing country**
- Appoint a **customs declarant or IOR** in the EU if you are importing on your own
- Check if your goods are **subject to inspections** at the border
- Consider requirements for **return shipments**, if applicable
- Consider using UPS Paperless™ Invoice



**THANK YOU**