



U.K. EXITS THE EUROPEAN UNION

PRESENTED BY AIT WORLDWIDE LOGISTICS

Brexit Overview

In June 2020, the U.K. government announced its approach to border controls regarding European Union trade in 2021, having formally notified the European Union that it would not extend the transition period, which ended Dec. 31, 2020. After months of negotiations, in late 2020, the United Kingdom and the European Union agreed to a deal that will shape their future relationship.

The Agreement: UK & EU Trade in 2021 and Beyond

The new free trade agreement—which took effect at midnight on Jan. 1, 2021—allows for the movement of goods between the United Kingdom and European Union with zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin.

Traders in England, Wales and Scotland, however, will require customs declarations for both import and exports, just as if they were dealing with countries elsewhere in the world.

Shippers will also require special licenses for some products, including plants, live animals and some foods.

Discover what AIT can do for you

For more information about AIT's Global Compliance, contact Regional Director of Sales – UK, Lee Purdy at globalcompliance@aitworldwide.com or +44 1 753 680300.

www.aitworldwide.com 800-669-4AIT (4248)

JUNE 2020

United Kingdom formally rejects extension of the transition period

DEC. 31, 2020

United Kingdom leaves the European Union

JAN. 1, 2021

Customs declarations required for U.K. exports and imports within the EU

Importing to the United Kingdom

Consignments to the United Kingdom from the European Union for import will require a pre-logged/advanced import declaration and supply of entry acceptance details/MRNs prior to transport to the United Kingdom.

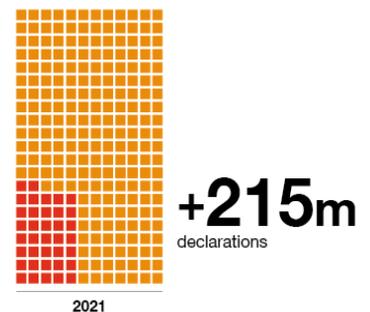
Exporting from the United Kingdom

When exporting from the United Kingdom, prior to transport to the European Union, consignments will require a pre-logged receipt in the destination system with a U.K. customs reference number.

Postponed Import VAT Accounting

As of Jan. 1, 2020, postponed VAT accounting (PVA) will be available for imports. This means that U.K. VAT-registered persons will account for the import VAT on goods imported into the United Kingdom on their VAT returns, and both pay and recover import VAT on the same VAT return. This measure will apply to goods imported from all countries.

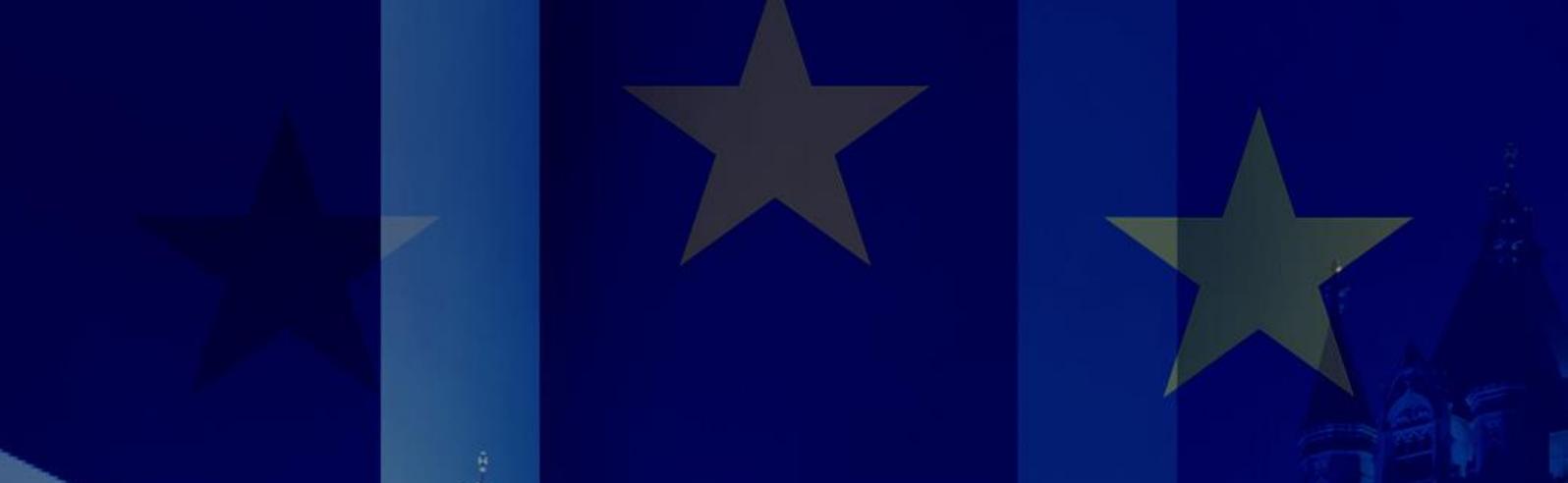
PVA will not be mandatory, and it will be possible for importers to continue to use the current process to pay, defer or (if appropriate) secure the VAT on importation if they so wish.



Source: HMRC - Impact assessment for the movement of goods if the UK leaves the EU without a deal (final edition)

Significant increase in the volume of customs declaration required.

From Jan. 1, 2021, to move goods across this new UK-EU border, a customs declaration for imports or exports will have to be submitted to HM Revenue & Customs.



Information Required

- EORI and VAT registrations
- Commercial invoices and supporting data (i.e., packing lists and applicable licenses)
- Agreed Incoterms
- CMR, House Bill of Lading/House Air Waybill
- Tariff classification for export and import
- Valuation process
- Transportation costs
- Deferment account for payment of duties and taxes
- Transport identification (full trailer and cab registration details)
- Customs process
- Import and export entry information and/or Movement Reference Numbers
- CFSP authorizations
- Transit guarantees and declarations
- Instruction to use PVA upon Import

Wooden Pallets – ISPM15 Phytosanitary Requirement

As of Jan. 1, 2021, all wood packing material moving between the United Kingdom and European Union are legally required to comply with international phytosanitary standards.

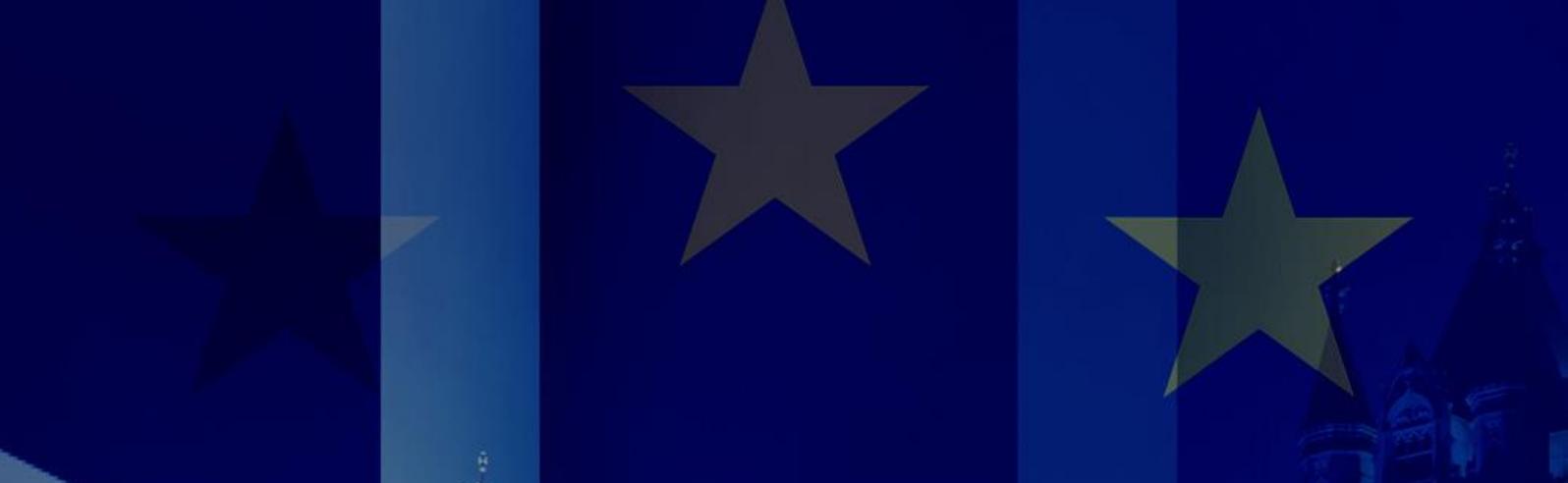
Irish Border

Following Brexit, the 310-mile border between Northern Ireland and the Republic of Ireland is the only land border between the United Kingdom and the European Union.

Under the NI Protocol, which took effect Jan. 1, 2021, Northern Ireland will continue to follow some EU rules—making border checks unnecessary. However, the arrangement means that certain goods arriving in Northern Ireland from other parts of the United Kingdom (England, Scotland and Wales) need to be checked to ensure they comply with EU standards.

Any taxes (tariffs) paid will be refunded if the goods remain in Northern Ireland and there is no onward movement to the Republic of Ireland.





How customs might work

Example scenario: If a firm in Northern Ireland orders goods from the United Kingdom deemed “at risk.”

Either 1) the tax is paid by the firm receiving the goods in Northern Ireland and the goods are dispatched, or 2) the goods stay in Northern Ireland and the firm gets a refund or 3) the goods are moved to the Irish Republic, and no refund is issued.

How AIT can support your business

AIT has managed U.K. and European customs brokerage activities since 1985, completing 650 U.K. customs declarations per month, on average.

During this time, we’ve adapted to ensure we provide our customers with a full complement of brokerage services in line with the ever-changing complexities of legislative and regulatory compliance.

AIT has already modified staffing and functionality to manage any increase in volumes expected due to Brexit, including customs requirements for all modes of transportation, such as air, ocean and ground.

Across the United Kingdom, we have import and export team members in place to handle all customs formalities. AIT’s Authorized Economic Operators certification (AEO), also provides further security assurances.

And AIT’s deferment account allows seamless payment to HMRC of any of our customers’ potential duties or taxes.

Customers can easily access customs declaration online via the secure MyAIT portal, which provides full visibility across the shipment and customs, including the option to view and download customs entries.





Earn our **customers'**
trust



Passionately value **co-**
workers



Actively engage in our
communities



Always conduct
ourselves **ethically**



High performance at a
world-class level

Why AIT?

At AIT, we vigorously seek opportunities to earn our customers' trust by delivering exceptional worldwide logistics solutions, while passionately valuing our co-workers, partners and communities.

Customer Service

A global network of AIT offices, providing full end-to-end support and customer service. Our operations specialists provide the personal touch to each shipment, from point of origin to point of destination.

Additional comfort knowing that full communication will be completed by a UK control tower providing key centralized communication throughout the process.

Partnerships

We believe in the value of partnership. You can rely on AIT as a sound financial and business partner.

Service and Performance

AIT drives the complexity out of transportation. From our domestic services to import and export options, with AIT, one call does it all.

The AIT solution not only provides a full door-to-door service within the required time frames, but furthermore we can proactively switch carriers should delays be foreseen.

Technology

AIT's in-house programming team provides comprehensive EDI support, supply chain visibility and e-business integration solutions

Stability

Our financial strength enables AIT to make all financial decisions without constraint, but with responsibility and accountability.

Shipment Visibility

Our dedicated staff makes sure your shipments and their statuses are monitored 24 hours a day, 7 days a week.