

# ASENDIA'S PRACTICAL APPROACH TO BREXIT



## What is the status of BREXIT?

The UK left the EU, including the Customs Union on January 1st 2020.

Several scenarios remain a possibility. A deal, no deal, or an extension to the deadline. However an extension looks unlikely.



## If there is no customs agreement, what would this mean for my cross-border shipments?

Today, the UK is classed as an EU country, so mail, parcels and express items shipped to the UK from other EU countries require no formal customs declarations or clearance.

If there is no customs agreement, the movement of goods via the Mail, Parcels and Express distribution channels will no longer enjoy duty exempt status and will require customs clearance.

\* <https://www.gov.uk/government/publications/changes-to-vat-treatment-of-overseas-goods-sold-to-customers-from-1-january-2021>



## What about “No Deal”?

If the UK leaves the EU without a deal, current guidance from HMRC is that from January 1st 2021:

- The same rules will apply to EU businesses exporting to the UK as to non-EU countries.
- Abolition of the Low Value Consignment Relief.
- Seller will be required to register and account for the VAT (max £135 per consignment)\*



## How will these changes impact my daily business?

Asendia's view is that in the event of a no deal BREXIT, UPU (Universal Postal Union) customs conventions will apply to goods for postal items shipped into the EU in the same way they do for non EU destinations. Shipments to the UK by parcel and express services will also have to be treated like other non-EU shipments.



## What customs paperwork will I need for UK Goods shipments after BREXIT?

You will need to treat UK Goods shipments in the same way you treat other non-EU shipments. Goods with a commercial value sent through the postal channel (maximum weight of 2kg) will require a CN22/23 customs declaration (see example below). If sending Goods via a Parcel or Express carrier a commercial invoice will be required.



## How does this affect printed material (mail and publications)?

Currently Printed Matter and Publications (i.e. direct mail, invoices, documents and magazines) do not require CN22/23 customs declarations when sent on a postal service to the UK (apart from sold books and items including gifts or samples). We are confident current postage rules will remain as they are today with regards to these mailings from EU and Non-EU countries post BREXIT.

However where an alternative to the national postal operator is used, these shipments must be declared and export/import customs cleared based on a commercial invoice, including production costs of the mailing and transport costs to the partner facility. We expect these not to incur duties/VAT though, but await confirmation from HMRC.

You will need to make a customs declaration in the form of either:

**CN 22**  
goods with a maximum  
**VALUE OF £270**

Or

**CN 23**  
goods with a  
**VALUE OVER £270**

Also required:

- EORI number of seller
- Description of the goods
  - HS code
  - Value
  - Weight
- Country of Origin

### CN 22 declaration form

CUSTOMS DECLARATION DÉCLARATION EN DOUANE		CN 22 May be opened officially Peut être ouvert d'office	
United Kingdom			
<input type="checkbox"/> Gift / Cadeau Documents	<input checked="" type="checkbox"/> Commercial sample / Échantillon commercial Other / Autre		
Quantity and detailed description of contents Description détaillée Quantité et du contenu		Weight Poids (Kg)	Value Valeur
1 x Pair of Shoes		3.40	£99
For commercial items only if known, HS tariff number and country of origin of goods N° tarifaire du SH et pays d'origine des marchandises (si connu)		Total Weight Poids total (Kg)	Total Value Valeur totale
123412 United Kingdom		3.40	£99
I, the undersigned whose name and address are given on the item, certify that the particulars given in this Declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations.			
Date and sender's signature		16/02/2017 @ Shiptheory	

### CN 23 declaration form

CUSTOMS DECLARATION DÉCLARATION EN DOUANE		CN 23 Important! See instructions on the back	
No. of item (barcode, if any) N° de l'article (code à barres, s'il existe)		May be opened officially Peut être ouvert d'office	
Importer's reference (if any) (tax code/VAT No./importer code) (optional) Référence de l'importateur (si elle existe) (code fiscal/N° de l'importateur) (facultatif)			
Importer's telephone/fax/e-mail (if known) N° de téléphone/fax/e-mail de l'importateur (si connu)			
Net Weight (g) Poids net (g)	Value (€) Valeur	For commercial items only Pour les envois commerciaux seulement HS tariff number (7) N° tarifaire du SH	Country of origin of goods (8) Pays d'origine des marchandises



## Cross-Border Postal Distribution Documents Summary (Goods)

From	To	Pre Brexit documents required	Post Brexit documents required
EU	EU	None	None
EU	Non EU	CN22/CN23	CN22/CN23 (UK)
Non EU	EU	CN22/CN23	CN22/CN23
UK	EU	None	CN22/CN23
UK	Non EU	CN22/CN23	CN22/CN23



## Cross-Border Parcel & Express Distribution Documents Summary

From	To	Pre Brexit documents required	Post Brexit documents required
EU	EU	None	None
EU	Non EU	Commercial invoice	Commercial invoice (UK)
Non EU	EU	Commercial invoice	Commercial invoice
UK	EU	None	Commercial invoice
UK	Non EU	Commercial invoice	Commercial invoice



Of course this information is provided as a guide and is subject to change dependant on the outcome of BREXIT negotiations. Asendia continue to monitor this situation closely. In the meantime we believe the solutions offered above ensure Goods and Printed Matter will continue to enjoy fast and safe passage to the 27 remaining EU countries and beyond.



## What impact will BREXIT have on Asendia's Goods delivery services and how are we preparing?

For our Goods services that use the mail channel (Standard Goods, Fully-Tracked Goods and Country-Tracked Goods), each item will need to have a CN22/23 attached but the physical movement of these packages will remain unchanged, except they will go through Royal Mail's customs office in the UK before being released for delivery.

For Premium Goods, we are working on the option to inject parcels into the UK through a UK customs broker. We will have options to collect all taxes and duties from the shopper in country on import, or they can be charged back to the sender in the country of export.

### **S10 barcodes/ITMATT requirements**

In order to be compliant with future changes in regulation and experience easier customs clearance and import processes (leading to faster delivery times), you should prepare each parcel with a unique S10 barcode and provide electronic customs pre-advice to the postal operator (ITMATT). This includes goods sent by our Standard Goods service.

### **Will there be changes in delivery times?**

As you may have seen in the news, delays are anticipated at the border between the UK and the EU. But with a tested process and contingency routes we are trying to minimise delays. This includes different vehicle routing options in place from Europe in the event that significant delays are encountered at some of the ports.

There may be some changes to transit times, depending on the routing and we will be monitoring it closely.

### **What about costs?**

There will be additional costs for customs handling for Premium Goods services, but we are working closely with our partners to keep these to a minimum.



## What about fulfilment options in the UK?

For any clients with goods of value wishing to explore storage, fulfilment & distribution solutions from within the UK, Asendia will be able to consult and assist you.

Asendia has a 100,000 sq ft Fulfilment Centre north of London that fulfills a wide variety of products for online retailers and brands, from clothing and beauty products to consumer electronics and books.

Asendia also has fulfilment capabilities in Singapore, Italy, USA, Australia and New Zealand. For some clients, operating a two centre fulfilment model may not be commercially viable, but for others it could be.