

How to navigate the Brexit scenarios





The DFDS Brexit Team:

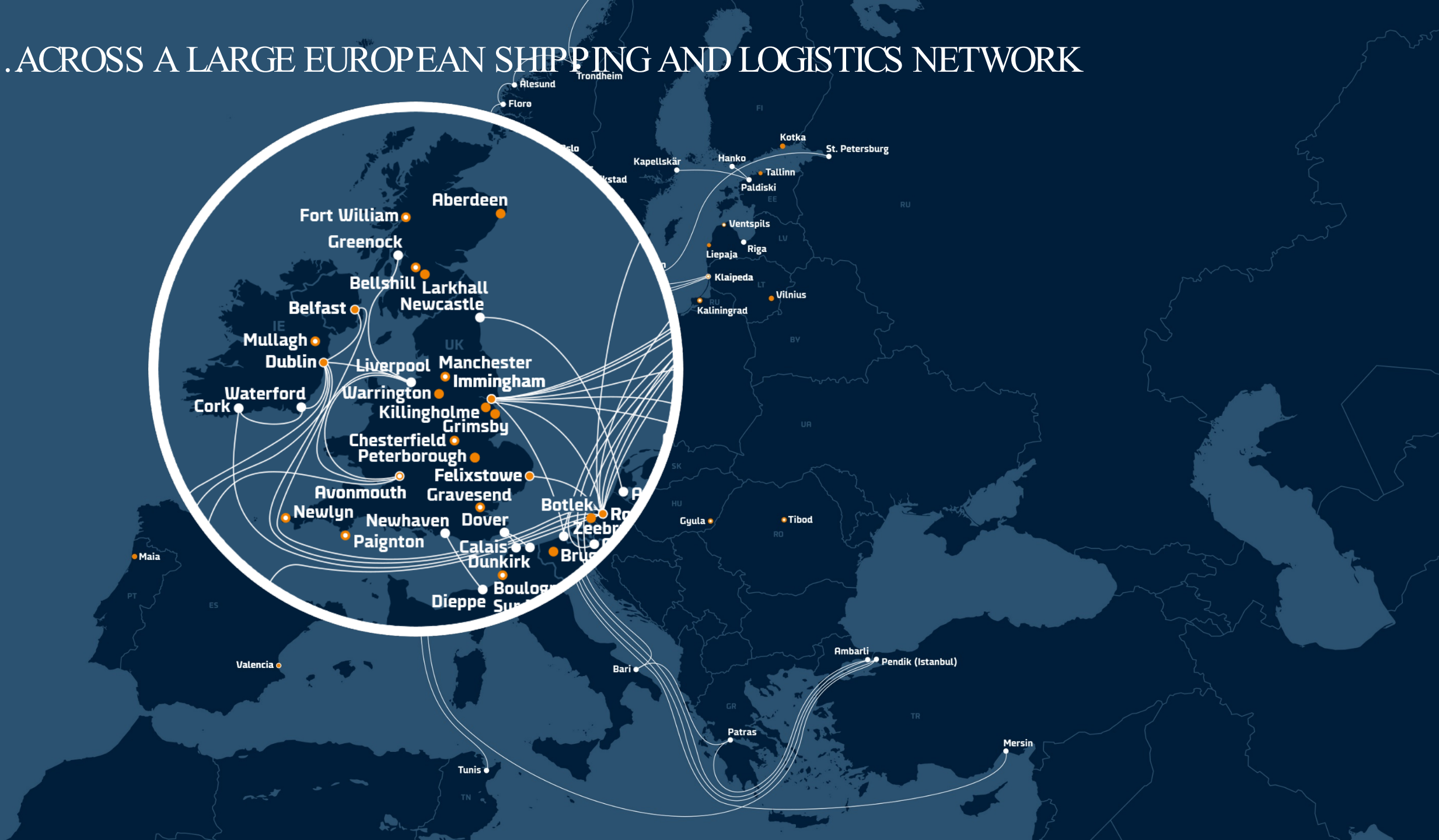
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Brexit

DFDS OFFER SHIPPING AND LOGISTICS SOLUTIONS



..ACROSS A LARGE EUROPEAN SHIPPING AND LOGISTICS NETWORK



PREPARATION IS VITAL

As we do not build on hopes and beliefs, we are preparing intensely for a no-deal Brexit under the guidance of our Brexit team.

To be able to support our customers, we are:

- *Preparing to offer a customs service for our customers*
- *Locating space for trucks and trailers that will be waiting for customs clearance*
- *Hiring and training people to build expertise and do customs clearance*
- *Applying to become an Authorized Economic Operator to achieve much smoother processes*
- *Looking at how we can offer new services such as warehouse capacity to customers who want to be able to deliver quickly on both sides of a border*
- *Adapting and integrating IT systems*
- *Cooperating with customers, partners and authorities*

We do this to be able to continue living up to our role of ensuring as smooth a transportation service as possible to support growth for our customers, even after Brexit.

Niels Smedegaard President & CEO





HOW TO PREPARE FOR A NO DEAL BREXIT

- BY THE DFDS BREXIT TEAM

Under current assumptions following many discussions with authorities throughout the European Union and the UK, we expect more than

90% of cargo to flow smoothly

without additional delay using

the tools that exist today.

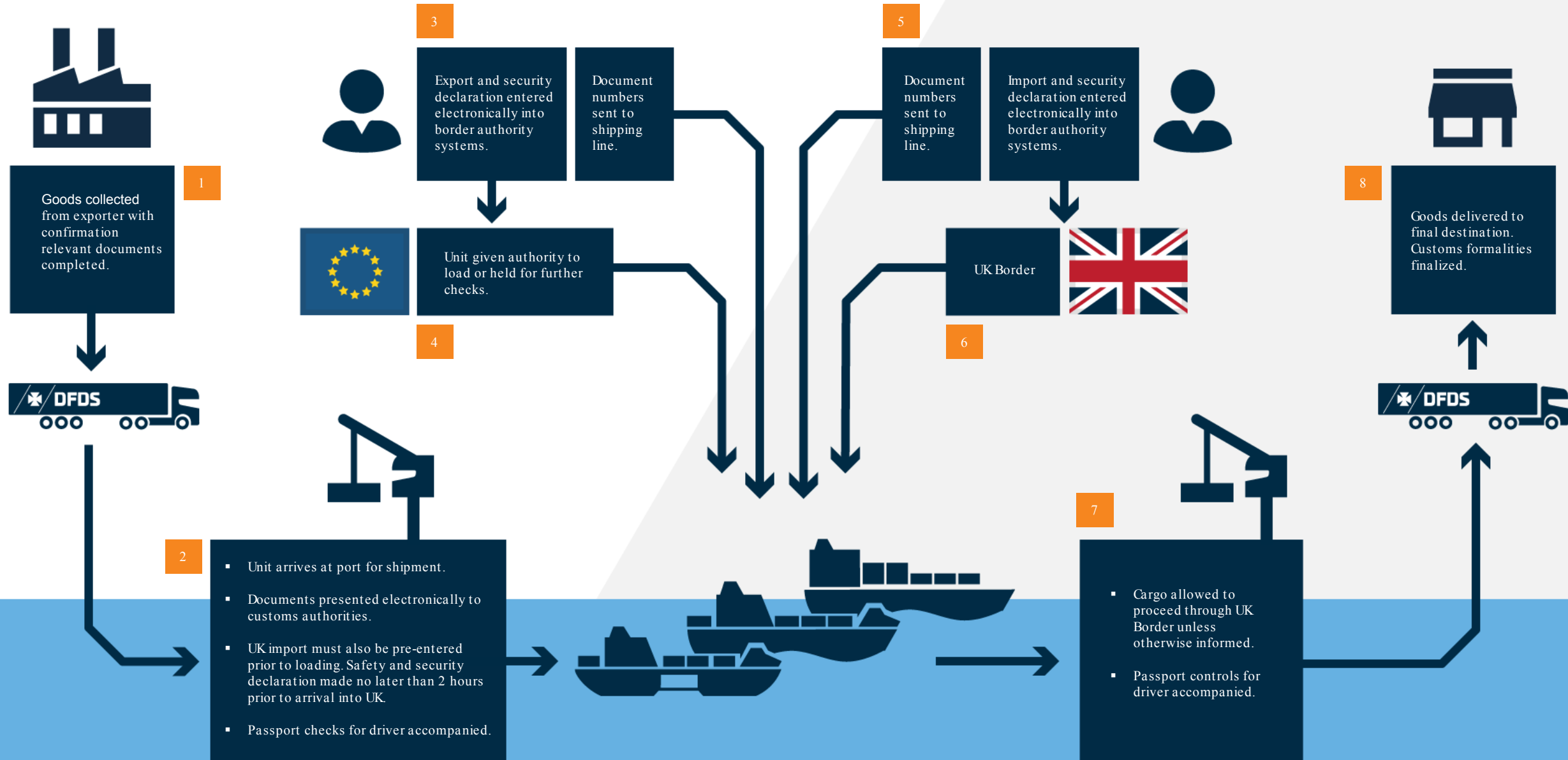
It will require

preparation

and implementation of processes to accommodate new declaration requirements prior to 29th March 2019

‘Health Warning’: Discussions are continuing with authorities and ports with regards to requirements, systems and processes. However, there is still work to be done, which is especially significant for the high volume short sea routes.

TRAFFIC FLOW EU TO UK – DAY 1 NO DEAL



5 TIPS FOR GENERAL PREPARATIONS

1. Advice to traders
2. Get an EORI number
3. Submit Entry Summary Declarations (ENS)
4. Be aware of import duties
5. Customs declarations

5 TIPS FOR GENERAL PREPARATIONS



Advice to traders

EU and UK authorities have issued numerous documents and partnership packs with guidelines for a no deal scenario.

E.g. UK

<https://www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit/how-to-find-what-you-need-in-this-partnership-pack>

EU

https://ec.europa.eu/info/brexit/brexit-preparedness_en

Get an EORI number

- If you haven't yet applied for your EORI number it would be wise to do it now. Visit your local customs website for further information.
- You should note that if you intend to be an importer in the UK, then you will need a UK EORI number, you cannot use your non-UK one.
- You do not need to have a registered company in the UK but you may need to apply for UK VAT registration. If the case arises you should appoint a VAT representative.

Submit Entry Summary Declarations (ENS)

Safety and security (S&S) declarations:

- Many will be unfamiliar with this process (incl. many international hauliers!). For goods crossing a border there is a requirement for an EXIT declaration and a corresponding ENTRY declaration.
- This 'warns' the authorities that a border crossing is due to take place. In most cases this needs to be lodged at least 2 hours before the actual crossing. In most cases the export declaration automatically creates an EXIT S&S declaration.
- The process is not linked when it comes to imports.

Be aware of import duties

- Worst case scenario is that the current full 3rd country tariff will be applied to all imports between the EU and UK. UK are currently looking for ways to avoid this situation whilst respecting WTO MFN rules. This is still a very tight negotiation.

Customs declarations

- You may wish to undertake customs clearance yourself or appoint a customs clearance agent. For process of requirements you or your agent will require access to customs IT system. This may either be web based or through a Community Service Provider.
- Credit facilities with customs for payment of duties will be required. Your agent may facilitate this on your behalf.
- Proof of origin of the goods will be required along with correct commodity code classification.
- DFDS offer these services through your local DFDS office.

SUMMARY OF REQUIREMENT FOR UNITS NOT REQUIRING BIP INTERVENTION

EU → UK



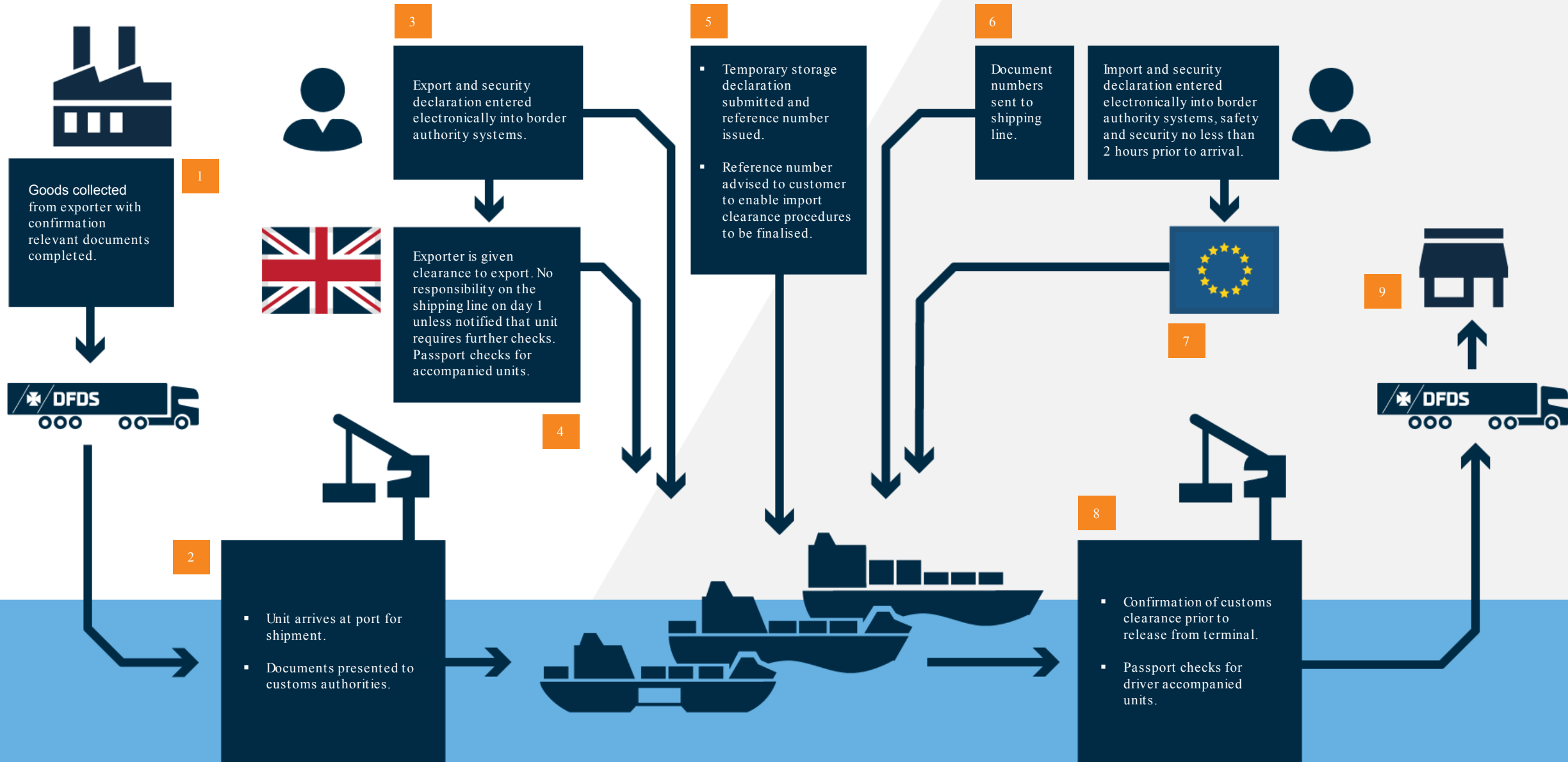
EU Requirement

- Export declaration submitted to authorities
- Export declaration number supplied to shipping line prior to arrival at terminal
- Permission to load

UK Requirement

- Entry summary declaration to be submitted within allotted time frame
- Import customs declaration to be submitted prior to loading on vessel

TRAFFIC FLOW UK TO EU – DAY 1 NO DEAL



SUMMARY OF REQUIREMENT FOR UNITS NOT REQUIRING BIP INTERVENTION

UK → EU



UK Requirement

- Export declaration submitted to HMR&C
- Export declaration number supplied to shipping line prior to arrival at terminal

EU Requirement

- Declaration for Temporary Storage
- Entry summary declaration to be submitted
- Import customs declaration to be submitted and clearance granted prior to release from terminal



CHALLENGES TO OVERCOME

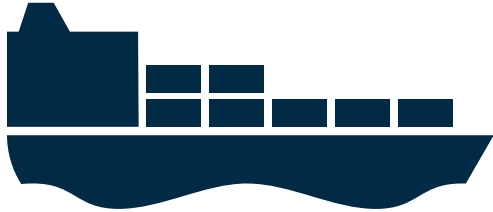
CHALLENGE: BORDER INSPECTION POINTS (BIP)



Products requiring BIP	Certificate required
- Products from animal origin - Animal feed of non-animal origin - Plants subject to phytosanitary controls - Live animals	- The Agreement on the Application of Veterinary Sanitary and Phytosanitary Measures, is an international treaty of the WTO. - The certificate accompanies the products for export. It certifies that goods are compliant with the phytosanitary regulations of the EU and/or importing country. - In some EU Member State, the original certificate needs to be presented. Which requires decision on declarant or representation.
BIP UK	BIP EU
- EU originating goods likely to not require BIP intervention with the exception of high risk goods - Third country originating goods travelling through the EU will require BIP - Limited BIP facilities in the UK	- BIPs have to be approved at the European level - BIP present in some ports, other ports it needs to be build up - Opportunity to have in-land BIP, but needs to be approved from the EU
BIPs are NOT open 24/7 and might have capacity constraints and/or waiting time	

DFDS are actively engaging with authorities to enable solutions to be developed.

CHALLENGE: TEMPORARY STORAGE DECLARATION



Master Consignment Level: (Ships manifest)

1. Previous Document *in case of NCTS (Transit TT1 document)*
2. Freight manifest code 785
3. Reference number (release number)
4. Code 10 and IMO number of vessel



House Consignment Level: (Unit level)

1. Previous Document type and MRN (e.g. 355 and 16GB9876AB889012T1) *for transit only*
2. Unit marks, number of packages and package type
3. Container/Unit number
4. Seal Number
5. Gross weight



House Consignment Level: (Item level)

1. Marking, number of packages and package type
2. Gross Weight
3. Description of goods
4. CUS Code or UN Number, Haz class, Flashpoint, Packing Group
5. HS code: Commodity code (6 digits) *(from 2021)*

* Note there are some regional requirements for example, SCAC in Netherlands

CHALLENGE: ENTRY SUMMARY DECLARATIONS (SAFETY AND SECURITY)



- | | | |
|---|---|--|
| 1. Number of items declared | 14. Date and time of arrival at first place of arrival in the customs territory | 26. Seal number |
| 2. Unique consignment reference number (e.g. release number) | 15. Place of loading | 27. Transport charges method of payment code |
| 3. Transport document number | 16. Place of unloading code | 28. Declaration date |
| 4. Consignor | 17. Goods description | 29. Signature/Authentication |
| 5. Person lodging summary declaration | 18. Type of packages code | |
| 6. Consignee | 19. Number of packages | |
| 7. Carrier | 20. Shipping Marks & Numbers of Packages | |
| 8. Country(ies) of routing | 21. Equipment identification number, if containerised | |
| 9. Party to Notified of Entry of Goods into the UK | 22. Goods item number | |
| 10. Mode of transport at the border | 23. Commodity code | |
| 11. Identity and nationality of active means of transport crossing the border | 24. Gross mass (kg) | |
| 12. Conveyance number | 25. UN Dangerous goods code (if applicable) | |
| 13. First place of arrival code | | |



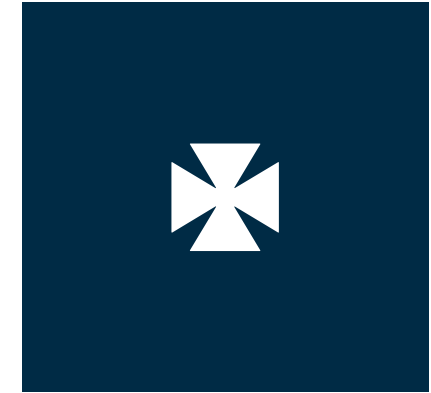
Ensure you have the right setup and authorizations.

- EORI number and other basic things needs to be in place
- Have the right competences internally or team up to make sure declarations are done and transportation company is ready to handle your documents



Ensure good house keeping know and optimize your process and data, origin of goods etc.

- If you are in control and deliver the right quality information you minimize risk of delays in the cargo flow



DFDS are here to help!

- DFDS are continuously engaging with authorities to reduce any impact e.g. BIP availability
- We can provide customs documentation services
- With the upcoming changes DFDS will be happy to engage and assist on your specific requirement
- Contact your local DFDS office or our Brexit team



Q&A