

Nova Express International Shipping Guide

Exporting from the UK

Part & Full Loads, Groupage and Dedicated
Vehicles

Introduction

On 31st January 2020, the UK left the EU and the transition period as stated in the Withdrawal Agreement began.

The current transitional agreement between the UK and the EU ends on 1st January 2021, the UK will no longer be part of the EU and customs formalities will apply for all movements of goods between the UK and [EU27](#)¹ (in both directions). Export declarations will be required when goods leave the customs territory of the UK and import declarations when they arrive to the EU.

At this stage it is not clear whether the UK and the EU will agree a Free Trade Agreement (“FTA”) or whether the trading relationship will revert to World Trade Organisation (WTO) rules. If trade between the UK and the EU does revert to WTO terms, this means that import duties will potentially be due on UK to EU and EU to UK movements.

What does this mean for you?

- A customs declaration will be required for every shipment leaving the UK
- Shipping costs will increase as a result of customs processes
- Transit times may increase
- A record of all exports must be kept for a minimum of 6 years for HMRC
- Your customer may need to pay duty and VAT before they receive their goods

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¹ <https://www.gov.uk/eu-eea>

The Brexit checklist along with the next few pages will outline key areas that will help you get your business ready for Brexit and continue to trade successfully with the EU27 and Northern Ireland.

Brexit Checklist

- 1. Register with HMRC for both a GB and XI EORI number (Required for shipments to/from Northern Ireland)
- 2. Determine the Commodity Code(s) for your goods
- 3. Check product descriptions are accurate and compliant
- 4. Determine the Reasons for Export
- 5. Determine the Country of Origin for your goods
- 6. Agree the Terms of Trade / Incoterms with your customers
- 7. Ensure customer contact details are accurate
- 8. Provide licences and certificates (where appropriate)
- 9. Make sure your wood packaging meets requirements
- 10. Know who is carrying out customs formalities
- 11. A record of all exports must be kept for HMRC
- 12. Decide how you will produce a commercial invoice
- 13. Consider your new workflow

Brexit Checklist Guide

1. Register with HMRC for both a GB and XI EORI number

If you haven't traded outside the EU before, you should [apply for an Economic Operator Registration and Identification \(EOR\) number](#)². You'll need an EORI number that starts with GB to let Customs process declarations and clearances for exports and imports between the UK and the EU.

For exports and imports between non-EU countries (which will include GB from 1st January) and Northern Ireland, you will also need an EORI number that starts with XI. To get an EORI number that starts with XI, you must already have an EORI number that starts with GB. For more information please visit the [HMRC website](#)³ and the Gov.uk website which outlines the purpose of the [Trader Support Service](#)⁴.

Please ensure your account manager has a copy of your EORI and VAT numbers. If you don't know who your account manager is, please email these to info@novaexpress.co.uk

2. Determine the Commodity Code for your goods

UK Customs commodity codes are used to classify your goods in customs declarations. To declare your goods, you'll need to provide the commodity code for each. You can make sure that you're using the correct commodity code for your goods by using the [UK Trade Tariff Tool](#)⁵.

3. Check product descriptions are accurate and compliant

Product descriptions now need to be more detailed to ensure there's no ambiguity about what you are sending. If customs teams are in any doubt about the contents of your parcels, your goods may be subject to delays. Descriptions must be specific, accurate and compliant with the commodity code entered.

Example below:

Product category: Apparel

Unacceptable Descriptions: "Clothes" OR "Clothing" OR "Clothing Apparel"

Acceptable Descriptions: "Men's black leather jacket"

² <https://www.gov.uk/eori>

³ <https://www.gov.uk/eori>

⁴ <https://www.gov.uk/guidance/trader-support-service>

⁵ <https://www.gov.uk/guidance/using-the-trade-tariff-tool-to-find-a-commodity-code>

4. Determine the Reasons for Export

Also known as Customs Procedure Codes (CPCs), Reasons for Export identify the customs and/or excise regimes that goods are being entered into and removed from, where applicable. The Reason for Export is required at the time of export as well as import.

Reasons for Export include the following.

- Permanent
- Temporary
- Re-Export

5. Determine the Country of Origin for your goods

You will need to declare the Country of Origin for all of the goods you are sending. Some carriers may also require the Country of Manufacture. This information has an impact on duty and VAT rates, and security checks if required. If your goods have been manufactured in more than one country, you'll need to know the EU rules for defining their origin. This will let you know the rate of duty that will be applied to your goods. You can [find guidance on the rules of origin here](#)⁶.

6. Agree the Terms of Trade / Incoterms with your customers

If we leave the Customs Union without a free-trade agreement, the country you're sending goods to will expect duty and VAT to be paid on the shipment.

There are choice of incoterms available, which you will need to agree with your customer.

CFR	CIP	CPT	DPU
DAP	DAT	DDP	FAS
FCA			

It is expected that most businesses will choose to send goods to the EU using the incoterm DAP - formerly DDU (Delivered Duty Unpaid). Your sales invoice to your customer may or may not charge for carriage or insurance, but all goods sold to the EU are likely to be zero rated for VAT. Depending on the value of the shipment, delivery country and commodity type, local duty and VAT will be payable by your customer.

⁶ <https://www.gov.uk/guidance/rules-of-origin>

If you choose to send DDP (Delivered Duty Paid), which some carriers offer, the duty and VAT will be charged back to you along with a surcharge from the carrier. If you're considering using the DDP option, we advise that you seek VAT advice first of all, as you may not be able to reclaim the VAT.

7. Ensure customer contact details are accurate

Contact information for the recipient of your goods is more important than ever. Please provide an accurate telephone number (and email address if you're able to) – this may mean altering your own systems / websites / sales process, to ensure this data is collected. For certain carriers, this information is required for in-flight delivery options and more importantly it'll now be used for the collection of duty and VAT.

8. Provide licences and certificates (where appropriate)

To export restricted goods or to sell certain types of product, you may need special licences or to follow specific rules. Make sure your chosen carrier can carry your goods to the requested country. Speak to your account manager or check on the carrier's own website if you're unsure about any of the goods you're sending.

9. Make sure wood packaging meets requirements (such as pallets)

Until January, any pallet can be used or re-used for exporting goods to the EU. From January onwards, all wooden pallets, crates and boxes used to export to the EU (at the moment, excluding Ireland), will need to comply with ISPM15. You should [make sure any solid wood packaging used, meets the requirements](#)⁷

10. Know who is carrying out customs formalities

Nova Express will handle the export entry / clearance for the shipment leaving the UK under Direct Representation. The buyer in the EU will be required to appoint a customs agent to handle the clearance of the shipment as it arrives into the destination country.

⁷ <https://www.gov.uk/wood-packaging-import-export>

11. A record of all exports must be kept for HMRC

A record of all exports must be kept for a minimum of 6 years, for HMRC. We recommend you seek VAT advice if you're unsure how your business will be affected.

If you're selling goods to customers in the EU, the VAT on your sales invoices is likely to be zero-rated. The buyer will pay local duty and VAT rates, unless you have opted to ship DDP, in which case these charges will be billed back to you as the shipper.

12. Decide how you will produce a commercial invoice

From January, you'll need to provide commercial invoice data for all exports from the UK.

The following page shows a sample commercial invoice template. If you're already accustomed to generating sales invoices, you may have a lot of the below information. If not, the below is a useful template for you to use when altering your own systems to gather the required information.

Suggested Customs Document Template

A	Shipment Ref:		Sales Invoice No:		Invoice Date (Tax Point):	
	Ship From (Consignor): B			Seller (If Different): D		
F	Ship To (Consignee): C			Sold To/Buyer (If Different): E		
	VAT No:					
G	Incoterms/Terms of Trade:		Quantity:		Description:	
	Description of Goods		Commodity Code	Quantity	Unit Price	Sub Total Price
H	Freight Cost:		Insurance Cost:		Total Net Weight (Kg):	
					Total Gross Weight (Kg):	
I	Comments:			Invoice Total (GBP):		
				Name of Signatory:		
				Position:		
				Date of Signature:		
				Signature:		

A – Invoice Data

Shipment Ref No – Your unique shipment reference. Can be your purchase order number for example.

Sales Invoice No – Your Sales Invoice No for the order/shipment

Invoice Date – Date Invoice was raised for the goods

B – Ship From (Consignor)

Within this section all information regarding the seller of the goods is captured.

The following information is needed where applicable:

Mandatory	Optional
Company Name	Address Line 2
Address Line 1	
Town/City	
Post/Zip Code	
Country	
EORI No	

C – Ship To (Consignee)

Within this section all information regarding the buyer of the goods is captured.

The following information is needed where applicable:

Mandatory	Optional
Company Name	Address Line 2
Address Line 1	EORI No
Town/City	
Post/Zip Code	
Country	

D – Seller (If Different)

Within this section all information regarding the buyer of the goods is captured if they are not the consignee.

The following information is needed where applicable:

Mandatory	Optional
Company Name	Address Line 2
Address Line 1	EORI No
Town/City	
Post/Zip Code	
Country	

E – Buyer (If Different)

Within this section all information regarding the buyer of the goods is captured if they are not the consignee.

The following information is needed where applicable:

Mandatory	Optional
Company Name	Address Line 2
Address Line 1	EORI No
Town/City	
Post/Zip Code	
Country	

F – Incoterms and Consignment Information

Incoterms/Terms of Trade -

There are many Incoterms which can be used. Below is a list of possibilities:

CFR	CIP	CPT	DPU
DAP	DAT	DDP	FAS
FCA			

Quantity – No of packages being sent

Description – Description of packages being sent (E.g. Pallets)

G – Product Data

In this section you will need to provide information for every item/product contained within the shipment.

Description of Goods - Name of Product used within your business (eg BMW Alloy Wheels).

Commodity Code - Each of your product must have a commodity code aligned to them for customs purposes. These are generally 10 characters long but in some scenarios may be up to 14 characters.

All available commodity codes can be viewed here: <https://www.gov.uk/trade-tariff>.

Please note it is your responsibility to ensure you have provided the correct commodity codes for your products otherwise this could result in a delay at customs.

Quantity - Quantity of the specific product included within the shipment – Please note this may be required depending on the commodity code of the product.

Unit Price – Price per unit of the product being shipped provided by you

Sub Total Price – Total amount/price for the product being shipped provided by you

****Please Note****

Where your products require a licence for exporting you will be required to provide the following information in order for the shipment to be processed:

- Licence Name
- Licence Number

H – Costs and Weights

Freight Costs – If the buyer is paying for the freight, the cost should be entered.

Declaring the freight cost is optional. However, when declaring the freight cost please ensure it is as accurate possible as this can have an impact of the level of duty and VAT for the shipment. Please ensure that this is included separately from the total value of goods in the shipment.

Insurance Costs – If the buyer is paying for insurance, the cost should be entered.

Declaring the cost of insurance is optional and only applicable when additional insurance has been paid for. When declaring this please ensure it is as accurate as possible as this can have an impact on the level of duty and VAT for the shipment. Please ensure that this is included separately from the total value of goods in the shipment.

Total Net Weight (Kg) – Total Net Weight for the shipment declared by you

Total Gross Weight (Kg) – Total Gross Weight for the shipment declared by you

I – Invoice Declaration

In this section you will need to provide information regarding the signatory and total value of the invoice. Please note Nova Express only require the Invoice total from this section and the rest are for your use only.

Invoice Total – Total value of all goods being shipped as part of the shipment including the applicable currency code reference. Please note this should exclude the cost of freight and insurance when applicable

Name of Signatory - – Name of Individual within your organisation who is declaring this shipment

Place & Date of Issue – Place and date that this invoice was issued

Signature – Signature of the individual declaring the shipment.

13. Consider your new workflow

All shipments to the EU, including Northern Ireland will now require a commercial invoice.

The commercial invoice must be made available to Nova Express at the time of booking. You must consider the impact this will have on your workflow for your EU and NI shipments.

Due to the volume of trade between the UK and the EU, Nova Express will be required to create the export entry electronically on your behalf, under Direct Representation.

When sending your booking to Nova Express, the commercial invoice must be provided. On receipt, we'll create the entry on the appropriate export system and confirm the booking with the appropriate supplier.

Please bear in mind that this process is new to everyone, so there could be delays to bookings and shipments as a result of the process changes.

Contact Us

If you have any questions relating to this document, please contact your account manager in the first instance or email our team using the following email address and we'll respond to you as quickly as possible.

Email: info@novaexpress.co.uk

Appendix

Some useful links from the [GOV.UK](https://www.gov.uk) website about the Brexit Transition

Countries in the EU and EEA - <https://www.gov.uk/eu-eea>

Get an EORI number - <https://www.gov.uk/eori>

Using the Trade Tariff to find a commodity code - <https://www.gov.uk/guidance/using-the-trade-tariff-tool-to-find-a-commodity-code>

Wood packing goods for import and export - <https://www.gov.uk/wood-packaging-import-export>

Sign up for the Trader Support Service - <https://www.gov.uk/guidance/trader-support-service>

Trade Tariff: look up commodity codes, duty and VAT rates - <https://www.gov.uk/trade-tariff>

Nova Express can help you reduce your costs and grow by focusing on four key areas of your business...



**Reducing
your logistics
spend**



**Improving
your warehouse
activity**



**Improving
your customer
service experience**



**Improving
your cart
conversion**

For more information, please contact your account manager or give us a call

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