

October 2018



dpd

Guide to Getting Brexit ready

Keeping our customers informed



Introduction and background

DPD is fully engaged in the Brexit process and has detailed plans in place.

Since the Brexit vote DPD has:

- Formed a dedicated Brexit working group
- Hired political affairs and customs experts
- Lobbied the governments and authorities to keep trade agreements
- Worked with key departments and authorities – Customs, EU Commission, UK Treasury – to have our say on behalf of our customers

The diagram on the page opposite shows the five potential scenarios the UK and EU currently face. Of the five scenarios only the first includes a deal being agreed by all parties and would enable a seamless orderly Brexit with trading remaining as it is today.

While DPD is working extremely hard towards and remains committed to helping the governments achieve a trade deal, we have to plan for the scenarios in which the UK leaves the EU without a deal in place. To this end we have produced a short guide outlining the key changes that would be required in order for our customers to continue cross-border trading.

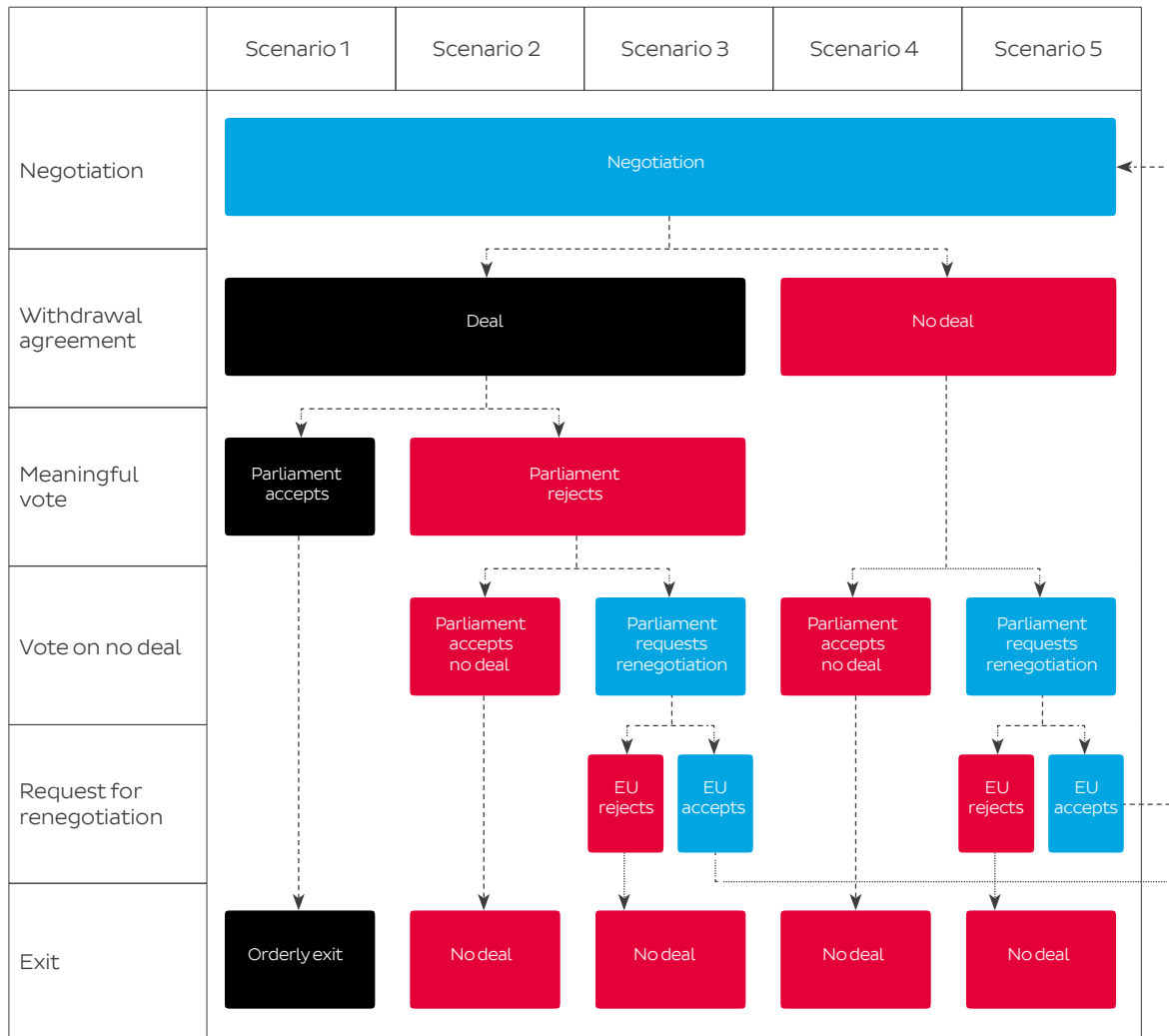
What will DPD do next?

- Remain fully engaged in the Brexit process
- Publish regular updates to our customers
- Ensure our interests are taken into account – no tariffs and free movement of goods





Possible scenarios for the next phase of Brexit



Our thanks and acknowledgment go to the Institute for Government (UK think tank) for the above diagram

- Of the five likely Brexit scenarios, only one leads to an orderly Brexit.
- Four scenarios lead to a no-deal Brexit.
- No-deal Brexit will impact international trade and cross-border parcel movement.
- DPD has therefore prepared contingency plans, which are outlined in the following sections

Working with our customers in the no-deal Brexit world

With no trade agreement in place DPD would need to treat your UK-bound parcels the same way we currently treat your rest of world (ROW) parcels.

Exporting to and importing from UK

Businesses are advised to:

Put steps in place to renegotiate commercial terms to reflect any changes in customs excise procedures and any new tariffs that may apply to UK-EU terms.

DPD has already started to amend contracts to reflect this clause, and we recommend that our customers do the same with their customers.

Businesses should consider acquiring customs software and/or engage a customs broker. DPD has already put measures in place to accommodate the customs clearance process and our customers can also rest assured that being AEO accredited for both customs and security, we are well placed to handle your exports into Europe and UK.

Businesses must use product classification codes and check whether any of their goods need an export licence. This will be essential to ensure your customers pay the right amount of duty and we recommend that you start the process early by contacting Customs authorities.

In the event of no trade agreement being in place, you will need to provide commercial or pro forma invoices in the form of data for us to be able to export your goods.



Typically the data required includes:

- Description of goods and classification code
- Value of goods
- Where the goods have been manufactured
- Shipper address and EORI number* in EU and/or UK
- Receiver's address and telephone number



If you already use DPD for non-European countries, then this process will already be familiar to you.

If you are an EDI customer, DPD will provide you with the file format for the additional data fields required. Your DPD Account Manager can help you with this.

If you print your labels via a third party such as Metapack, GFS, Sorted etc., we are engaging with all connected suppliers to ensure they will be ready to generate invoices post-Brexit, however we would recommend contacting your account manager to ensure your particular account will be ready should this be necessary.

For our customers selling to UK-based consumers, it's important to capture a valid mobile phone number and email address and to check that this information is passed to us in your data.

As with all shipping data, it is important to check all elements of the address, telephone number and email address and ensure these are sent to DPD so we can give the best delivery experience to your customers.

In a post-Brexit no-deal scenario, DPD would also need this information in order to contact the recipient to pay **Duties** and **Taxes** where applicable. This would have to be done before goods can be cleared by **Customs** and subsequently delivered to your customers.

Alternatively, DPD could offer you a Delivered Duty Paid (DDP) service, where you pay the duties on behalf of your customers.

Finally, in all cases we will require your Economic Operator Registration and Identification (EORI) number in the data. All businesses involved in international export or import require an EORI number* in EU and/or UK.

*What is an EORI number?

The EORI system started on 1 July 2009. In EU, an EORI number is assigned to importers and exporters by local Customs, and is used in the process of customs entry declarations and customs clearance for both import and export shipments travelling to or from the EU and countries outside the EU.

Businesses can call [the Customs authorities on XXXXXXXXXXXXXXXX](#) for more information.



Conclusion

At the time of writing, negotiations between the UK and EU continue and it is impossible to know whether or not a trade agreement will be reached.

However at DPD we are clear on what would be required in the event of a no-deal scenario.

This document is intended to give you an overall guide to that and we will publish further papers and advice on a regular basis as the negotiations move forward.

We will closely monitor progress on the negotiations with the EU27, the Irish border options, the likely future

framework, and update you, our customers, on how these factors could impact or benefit our businesses.

The key questions of 'will it cost more to send parcels to UK post-Brexit' and 'will it take longer for parcels to be delivered' still remain unanswerable, but we can assume that in case of Hard Brexit transport rates and transit times may change. We will monitor and report back regularly.

If you need more help or wish to receive email updates, please simply contact [\[email or phone number\]](#)



DPD Guide to Brexit Jargon

No Deal or Hard Brexit

Britain leaving the EU with no formal agreement on the terms of the UK's withdrawal or new trade relations. The UK will default to WTO rules.

Note:

A no-deal scenario is one where the UK leaves the EU and becomes a third country at 11pm GMT on 29 March 2019 without a Withdrawal Agreement and framework for a future relationship in place between the UK and the EU.

Soft Brexit

Leaving the EU but staying as closely aligned to the EU as possible. It could keep the UK in the single market or the customs union or both. It could involve British compromises on free movement of people, allowing EU citizens rights to settle in the UK with access to public services and benefits. Three examples of Soft Brexit exist:

Soft Brexit - Norway Model

An arrangement in which the UK would have to allow freedom of movement of people, make a contribution to the EU budget – smaller than it currently makes – and abide by the rulings of the European Court of Justice, in exchange for remaining in the single market.

Soft Brexit - Canada Model

Refers to a free-trade agreement between the EU and Canada which removes lots of barriers to trade between the two, but not as many as the Norway model – which involves signing up to more EU rules, contributing to the EU budget. Very limited Duties and Taxes applicable.

Soft Brexit - Customs Partnership (Chequers plan)

This proposal, also known as the hybrid model, would enable trade in goods between the UK and Europe without the need for customs checks. Some say it would help solve the Irish border question too, as the UK would collect the EU's tariffs on goods coming from other countries on the EU's behalf. If those goods stayed in the UK and UK tariffs were lower, companies could then claim back the difference. Duties and Taxes with reduced rates applicable on specific goods only.

Sources

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