

Press Release

Brexit: Plan for three months' lead time to transition to Customs processes

08/24/2020 - **Beginning 1 January 2021, Brexit will make Great Britain a European third country and thus subject to the relevant import and export regulations. "Anyone who suddenly finds themselves in the export business as a result of the conversion should allow two to three months to adapt to Customs processes," recommends Lutz Hagen, consultant for Customs matters at DAKOSY. Automation helps to optimize all processes and to avoid mistakes.**

It is uncertain whether Great Britain and the EU will agree on a free trade zone in the course of the Brexit negotiations and waive Customs duties and quotas for the exchange of goods. What is certain is that the United Kingdom will become a "third country" on 1 January 2021, and that the corresponding Customs formalities will apply. In day-to-day import handling, these include above all entry summary declarations and electronic Customs declarations, and for export handling, exit summary declarations as well as electronic export declarations.

Requirement: Mapping classic import and export tasks

Companies that maintain business relations with Great Britain will be confronted with classic import and export tasks in the future. This is new for those companies that are currently only active in intra-Community trade. "They need to prepare themselves as soon as possible for the configuration of Customs processes," Hagen points out. In his experience, newcomers to the import and export business should calculate two to three months for the introduction of Customs processes.

First of all, a fundamental decision has to be made. If the Customs clearances are to be carried out by the company itself, it will require not only the technical connections but also the acquisition of specialist Customs knowledge. Alternatively, a Customs service provider can be entrusted with the task. The German Freight Forwarding and Logistics Association (DSLVL) points out that many German Customs forwarders and Customs agents operating throughout the EU have connections to the software systems of other EU member states.

Partners support through technology and development of Customs expertise

If the company decides to handle Customs clearance in-house, it will require certified Customs software and sound knowledge of Customs and foreign trade law. When choosing a software partner, the company should make sure that both aspects are covered. "Our concept includes both Customs-specific and software training. With us, even newcomers to the Customs business will be optimally prepared for the new situation," explains Hagen. DAKOSY uses the tried-and-tested product ZODIAK GE as its Customs software, which is certified for all ATLAS Customs procedures in Germany – import, export, NCTS and bonded Customs warehouse. It is also certified for Austria, Switzerland, the Netherlands and Belgium.

Additional features increase efficiency and reduce errors

A further deciding factor in the choice of software is having additional functions that simplify work processes and prevent errors. "Looking at the 50 article positions, it is clear whether they have been entered manually or automatically transferred from the previous system," explains Hagen. That's why he recommends solutions such as ZODIAK GE, which can be seamlessly integrated via an interface to the in-house system, or which can transfer data from file formats such as CSV or Excel.

Another helpful feature is the automated plausibility check, which checks the content against Customs law and eliminates errors before processing begins. These features are examples of how automation can simultaneously increase efficiency in Customs processes.

Additional Tips

- EU companies exporting to or importing from the UK need an EORI number. This can be applied for free-of-charge at the General Customs Directorate (Generalzolldirektion, Dresden office).
- According to the EU Commission, the originating status of goods traded must be examined to determine whether they are eligible for any agreed preferential treatment.
- When goods are imported from the UK into the EU, import VAT is payable at the rate applicable to the supply of such goods within the Union. Excise duties may also be required.
- Inspections will check that the products concerned comply with relevant regulations and standards.

Further information on Customs requirements for the import and export of goods from/to the UK as of 1 January 2021:

- https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/future-partnership/getting-ready-end-transition-period_de
(information from the EU Commission on changes for individual economic sectors)
- <https://www.gov.uk/government/publications/the-border-operating-model>
(document from the government of Great Britain with import and export requirements and future border controls between Great Britain and the EU)