

Getting to know the new UK Export Documentation

Wednesday 16th December 2020

WHAT IS STAYING THE SAME?

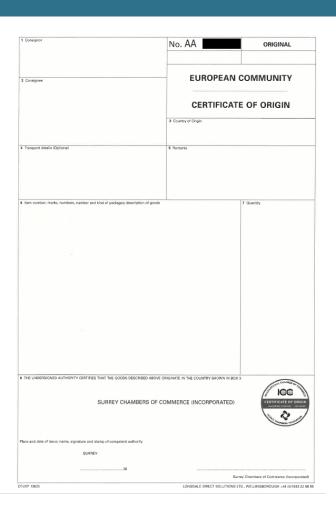
- The application process does not change you can still apply online (via eCert), by post or in person.
- You can apply for Standards (Chamber prints Certificate) or eXpress (you print on pre-ordered blank COO)
- Layout and required content of the Certificates remain the same as EC COOs
- Supporting Evidence requirements Must include a Commercial Invoice and evidence of weight
- If goods are of non-UK origin, evidence of foreign manufacturer must be provided
- Only authorised signatories based on your valid formal undertaking will be permitted to use eCert
- Standard Rules governing Certificates of Origin do not change.
- No changes to Arab Certificates of Origin

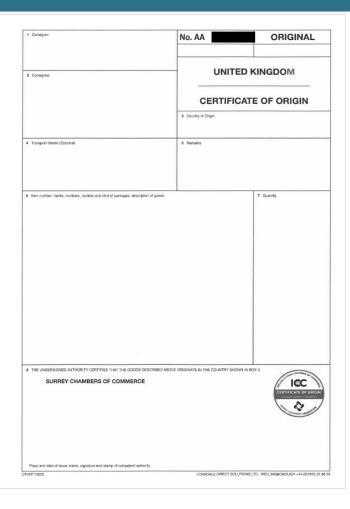


CERTIFICATES OF ORIGIN

Current Certificate
of OriginEUROPEAN
COMMUNITY

WILL NO LONGER BE ISSUED FROM 31ST DECEMBER 2020





New Certificate of Origin-UNITED KINGDOM

WILL COME INTO EFFECT FROM 1ST JANUARY 2021



TRANSITION FROM EC TO UK COO

The EU has asked every country to honour any EC COO that was issued on behalf of a UK Company for a short period of time (expected to be 4 weeks) AFTER 1st January 2021.

There are conditions to this;

- the shipment must have been dispatched/departed from the UK/EU <u>BEFORE</u> 31st December 2020.
- the EC COO MUST have been issued before 31st December 2020

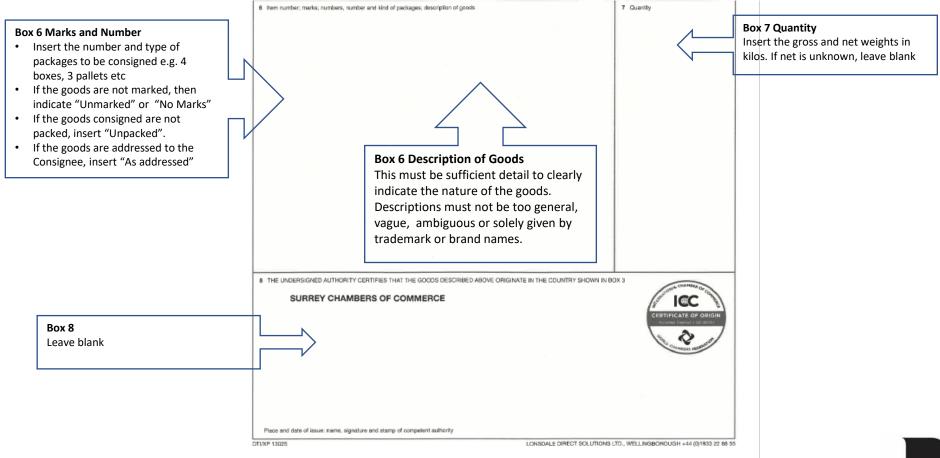
Potential Issues

- It is up to the individual countries to decide to honour this agreement and for how long if they do.
- For shipments dispatched after the 31st December 2020, there is no guarantee that the EC COO will be accepted by the destination countries customs authority on arrival.
- It is unclear if the above conditions apply to goods leaving non- EU countries (it is expected that they will be honoured)
- You may need to apply for a new UK COO after 1st January 2021 due to a request by either the customs
 authority in the destination country OR your customer.

WHAT IS CHANGING ON UK COO



WHAT IS CHANGING ON UK COO





RULES OF ORIGIN FOR UK COO

- · You will need to declare the origin of every product being shipped to an EU country on your commercial invoice.
- EU, EC, European, European Union or any other reference to the EU are no longer allowed. You must put the correct country of origin.

For UK Certificates of Origin, Non-preferential origin rules are applied and these do not change.

- 1. Wholly Produced product is wholly produced within the UK. This rule reverts to raw materials and usually is designated for agriculture products such as Animal and Plant products.
- 2. Undergoes a Substantial Justified Economical Process within the UK This rule states that, although the component parts may be of foreign origin, they undergo a substantial justified economical process (manufactured) within the UK and by virtue of this process, takes UK origin.

Example – Telephone made up of various non-UK components but is assembled into the finished product in the UK would be classed as UK origin.

3. Foreign Origin- product does meet either rule 1 or 2 therefore are not of UK Origin. The actual Country of Origin would be assigned to the country where rules 1 or 2 last took place.

Example - Telephone made up of various components of various countries of origin but is assembled into the finished product in Germany would be classed as German origin.



FOREIGN EVIDENCE

IT IS THE OBLIGATION OF THE APPLICANT TO MAKE SURE THAT SUITABLE EVIDENCE FOR FOREIGN ORIGIN GOODS IS SUBMITTED WITH THE COO APPLICATION.

What is acceptable?

- Certificate of Origin issued in the Country of Manufacturer
- Declaration of origin issued by the Manufacturer (must be on their company headed paper and signed by representative)
- 3. Commercial Invoice issued by the Manufacturer (must have their address on the document)
- 4. Declaration of Origin issued by UK supplier but states manufacturers name and address
- 5. Photographic evidence of product with full manufacturers name and address on it.
- 6. Physical visit by Chamber staff to the manufacturer (usually if applicant is also manufacturer)

All other evidence will be considered but we reserve the right to reject if unsuitable or request further evidence if required.

How we can help?

- Your supplier/manufacturer can e-mail the evidence directly to us (confidentially)
- 2. If it is the same manufacturer/supplier, we can help you to create a long-term foreign evidence system.
- 3. In extreme cases, we can assist in contacting the manufacturer directly on your behalf.





TRANSITIONING FROM EC COO TO UK COO

Businesses will still apply for EC COO. Any EC COO certified before or on 31st Dec 2020 will be valid after the Transition period has ended ' Businesses can order UK COO but can not be used until 1st January 2021

31st DEC 2020 – 1st JAN 2021

No
applications
will be
processed and
any
applications
submitted will
be rejected.

EC COO will no longer be issued in the UK



Businesses with blank EC COOs must return them to us within 14 days (last day - 15th Jan 21) to receive replacement UK COO free of charge.



Any blank EC COOs returned to us after 15th Jan 21 will be replaced with UK COO but a £10 + VAT replacement fee per certificate will be applied.





UK COO will become the official document and will be issued from 1st
Jan 2021

You can order blank UK COO by e-mailing us at export@surrey-chambers.co.uk

* - The EU have informed all nations that any EC COO issued for UK businesses before or on 31st December 2020 should be honoured however it is up to the individual countries customs authority to decide to agree to this. It is possible that you may be requested to obtain a UK COO as a replacement after 1st Jan 2021

Q&A

1. Can I get an EC Certificate of Origin after the 1st January 2021?

No – under no circumstance will we be able to issue EC Certificates of Origin after 1st January 2021.

2. My contract/ letter of credit states that I need to obtain EC Certificates of Origin – what do I do?

You will need to request an amendment to your contract/ Letter of Credit to replace EC COO with UK COO.

3. There is a mistake on my EC COO issued before 31st December 2020 – can it be amended?

Yes, as long as the amendment is minor (spelling mistake etc). For changes where the amendment is too much/large, you will need to apply for a replacement COO on the a new UK COO certificate.

4. Will my EC COO issued before 31st December 2020 be honoured?

Yes, but only if shipment has been dispatched <u>BEFORE</u> 31st December 2020. For shipments dispatched after this date, there is no guarantee that your EC COO will be accepted and you may need to apply for a new UK COO.

5. Will I need a UK Certificate of Origin for every shipment?

Possibly. For ROW, the requirements stay the same (mandatory for customs clearance in some countries, not required in others). For the EU, it is expected not to be mandatory for customs clearance purposes (TBC) but may be requested by your customers.

6. Can I apply for a UK COO on behalf of my EU Parent/sister company?

Yes, as long as the following is taking place:

- The goods are being shipped from the UK or,
- There is a financial transaction between the UK and EU company



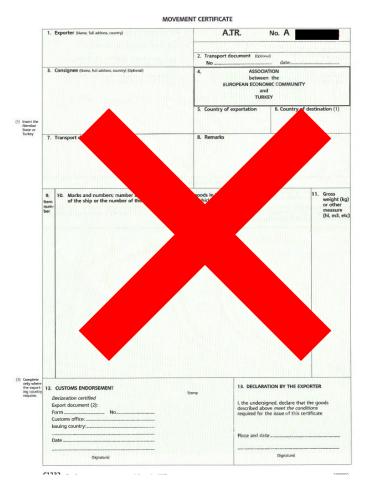
PREFERENCE DOCUMENTS

EUR1 Preferential Movement Certificates will be replaced by...

UK-EUR1
Preferential
Movement
Certificate.

Can only be used for UK Trade Agreements.



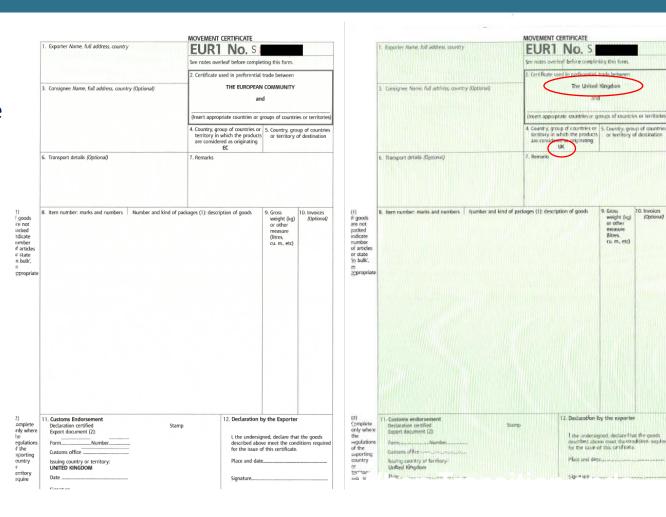


A.TR. Preferential Movement Certificates will no longer be used from 31st December 2020



CAN YOU SPOT THE DIFFERENCE??

EUR1 Preferential Movement Certificates will be replaced by...



UK-EUR1
Preferential
Movement
Certificate.

Can only be used for UK Trade Agreements.



TRANSITION FROM EC TO UK

The EU has asked every country to honour any EUR1 / ATR that was issued on behalf of a UK Company for a short period of time (expected to be 4 weeks) AFTER 1st January 2021.

There are conditions to this;

- the shipment must have been dispatched/departed from the EU <u>BEFORE</u> 31st December 2020.
- the EUR1/ATR MUST have been issued before 31st December 2020

Potential Issues

- It is up to the individual countries to decide to honour this agreement and for how long if they do.
- For shipments dispatched after the 31st December 2020, there is no guarantee that the EUR1/ATR will be accepted by the destination countries customs authority on arrival.
- You may need to apply for a new UK-EUR1 after 1st January 2021 due to a request by either the customs authority in the destination country OR your customer.
- Your goods may no longer qualify for preference after the 31st December 2020 due to the ceasing of the respective EU Trade Agreement or different qualifying criteria under the new UK Trade agreement.



RULES OF ORIGIN FOR PREFERENCE

- It is the obligation of the exporter(applicant) to make sure that their goods qualify under the Trade Agreement.
- Preferential Origin rules will change between the different agreed trade deals and may differ from the previous EU trade agreement.
- Details about the UK trade agreements can be found on the gov.uk website. (https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries)
- Preference origin rules break down into two sets; originating and non-originating rules
- Each agreement will have an amount/percentage of non-originating products that are allowed to be used in the finished product for the product to qualify for a preferential rate of duty in that country.
- This is commonly known the cumulation rules and for most EU trade agreements that UK businesses have been able to use, this rate has been 60% EU origin (originating) and 40% non-EU (non-originating).
- It is likely that all of the UK trade agreements will have a rate of 60% UK origin (originating) and 40% non-UK origin (non-originating) but this may differ amongst agreements.
- It is also dependant of an UK/EU trade agreement as this may also influence these rates.



TRADE AGREEMENTS DONE

EU rollover Partnership Agreements, Association Agreements and other trade deals

Antigua and Barbuda	Faroe Islands	Jordan	Palestinian Authority	Commonwealth of Dominica
Barbados	Fiji	Kosovo	Panama	Commonwealth of the Bahamas
Belize	Georgia	Lebanon	Papua New Guinea	The Dominican Republic
Botswana	Grenada	Lesotho	Peru	The Republic of Guyana
Chile	Guatemala	Liechtenstein	St Christopher & Nevis	Trinidad & Tobago
Colombia	Honduras	Morocco	Saint Lucia	Tunisia
Costa Rica	Iceland	Mozambique	St Vincent and the Grenadines	Kenya
Ecuador	Israel	Namibia	South Africa	Canada
El Salvador	Jamaica	Nicaragua	South Korea	Egypt
Eswatini	Japan	Norway	Switzerland	Mexico



Q&A

1. Can I get an EC version of EUR1 after the 1st January 2021?

Yes, but only if it is a Duplicate or Replacement.

DUPLICATE – Replaces an EUR1 that has already been issued due to the original being lost or damaged REPLACEMENT – Replaces an EUR1 that has been issued in another EU country but the goods left the EU in the UK.

2. Can I still use Invoice Declarations for low value shipments?

Yes, as long as this is clearly stated in the agreed trade agreement.

3. We have used the REX system for previous shipments – do I still use this?

Yes, as long as it is an agreed method to claim preference within the agreed trade agreement.

4. Can I get an ATR after the 1st January 2021?

Yes, but only if it is a Duplicate or Replacement.

DUPLICATE – Replaces an EUR1 that has already been issued due to the original being lost or damaged REPLACEMENT – Replaces an EUR1 that has been issued in another EU country but the goods left the EU in the UK. There is also no guarantee that it will be accepted after the 1st January 2021

5. Where can I find the details about the UK trade agreements?

These can be found on the gov.uk website.

6. Will my EU goods still qualify for preference under the new UK trade agreements?

Possibly. Many have been rolled over from the EU versions but be aware that your may no longer qualify under the UK trade agreement (cumulation rule) for EU Origin products.



PREPARING YOUR PAPERWORK

Start putting the following on your documentation if exporting out of UK;

- Your UK EORI Number
- UNITED KINGDOM after your business address
- Commodity Codes / Tariff Number
- Country of Origin
- Agreed Incoterm® rule
- Export Licence Numbers (if applicable)
- Customs Authorisation Numbers (if applicable)
- Method of Transport and Port of Departure/Route
- Weight, Dimensions and type of packaging e.g. pallets, boxes, crates (if not on separate Packing List)

PREPARING YOUR PAPERWORK

Start making the following requests of your seller if importing into the UK;

- Notifying Party for Customs Declarations e.g. nominated Customs Agent
- Method of Transport and Port of ARRIVAL
- Transport Identification Vehicle Registration, Ship Name, Flight Number
- Commodity Codes / Tariff Number & Country of Origin
- Agreed Incoterm® rule
- Breakdown of Freight and Insurance costs (if Incoterm rule is EXW, FAS, FCA, FOB)
- Licence Numbers (if applicable)
- Weight, Dimensions and type of packaging e.g. pallets, boxes, crates

ALL OF THIS INFORMATION WILL BE REQUIRED TO MAKE IMPORT CUSTOMS DECLARATIONS

HELP US TO HELP YOU

TO DATE WE HAVE CERTIFIED OVER 4000 EXPORT DOCUMENTS IN 2020

BUT

Out of these 4000+ applications, we have had to **REJECT over 850 applications** due to various reasons.

Of these 850+ rejections – 54% are due to spelling mistakes or incorrect details or just silly errors!

We get **charged** for every rejected application but we do not pass on these rejections costs to you.

PLEASE double check your application BEFORE submitting.

Look for spelling errors, and incorrect weights (most common).

A rejection fee may be introduced in 2021, if this level of rejections continue.

COMPLETE – CHECK - SUBMIT



INCOTERMS® 2020 RULES

Make sure that you understand your obligations under any agreed Incoterm® rules.

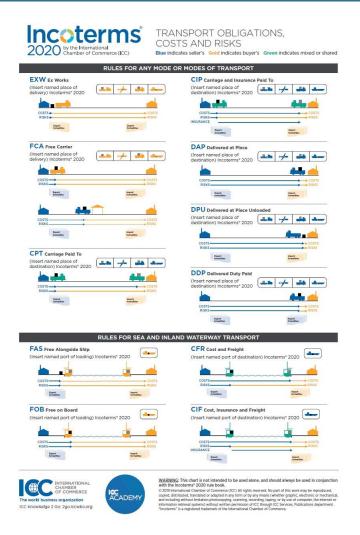
For movements to and from the EU, incoterms such as EXW (Ex Works) or DDP (Delivered Duty Paid) may no longer be practical or achievable.

Think about customs clearance / declarations

Always put a named place or port (depending on the incoterm)

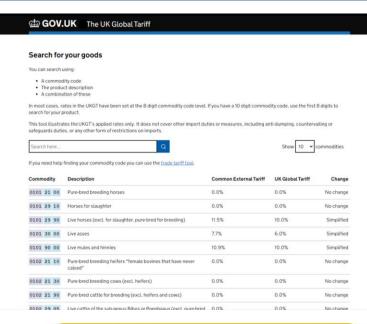
If you are using 2010 rules, clearly indicate this as if not clear, 2020 rules will be assumed to be in use.

Make sure whomever is agreeing the incoterm, understands the obligation, costs and requirements.





COMMODITY CODES / TRADE TARIFF





From 1/1/2021, the **UK Global Tariff** will come into effect.

Every product that you export from the UK / import into the UK must have a Commodity Code (also known as a Tariff Code or HS Code)

It is used to calculate the duties, VAT, and licences

It is the responsibility of the <u>exporter</u> to use the correct commodity code.

You can search by commodity code, description of product or combination of both.

You can find out more at https://www.gov.uk/check-tariffs-1-january-2021



WTO RULES

From 1 January 2021, if no trade agreement exists between the UK and another country, trade with that country will take place under World Trade Organization (WTO) rules.

WTO rules state that the same trading terms must be applied to all WTO members, unless there is a trade agreement between 2 or more countries. This is known as Most Favoured Nation (MFN) treatment.

Most Favoured Nation (MFN) means that the UK cannot offer better trading terms to one country and not another, unless through a trade agreement.

The UK currently trades with many countries on WTO terms, for example China, India, Brazil and Saudi Arabia. Your trade with these countries will remain on an MFN basis.

https://www.gov.uk/guidance/trading-under-wto-rules

Most Favoured Nation

The keystone to the new policy will be a Most Favoured Nation (MFN) tariff schedule replacing the EU's Common External Tariff (CET). This was published by the Government after a public consultation drawing almost 1400 responses. MFN status is offered by members of the World Trade Organization (WTO) to all other members and simply means that they will be treated equally: benefits and lower tariffs offered to one member must be offered to all, unless a trade agreement is in place.

Goods are not subject to the MFN requirement if they are traded between countries participating in such an agreement. The other main exception is that developing country pay less or no duty if they benefit from a scheme known as the Generalised Scheme of Preferences (GSP).



CRUCIAL READING



New UK Border Operating Model

(www.gov.uk/government/publications/the-border-operating-model)

CURRENT VERSION DATED OCTOBER 2020



CRUCIAL READING

New GB/NI Border Rules

(<u>www.gov.uk/government/publications/moving-goods-under-the-northern-ireland-protocol</u>)

From 1 January 2021 you'll need an EORI number that starts with XI to:

- move goods between Northern Ireland and non-EU countries
- · make a declaration in Northern Ireland
- get a customs decision in Northern Ireland

To get an EORI number that starts with XI, you must already have an EORI number that starts with GB.

You also need to register on the Trader Support Service (TSS) -

https://www.tradersupportservice.co.uk/tss







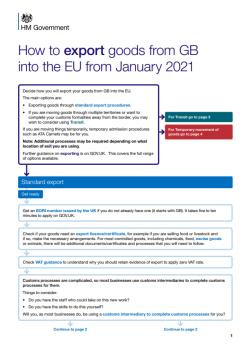


CRUCIAL READING

New guides to import and export from the EU

(www.gov.uk/government/publications/how-to-import-and-export-goods-between-great-britain-and-the-eu-

from-1-january-2021)

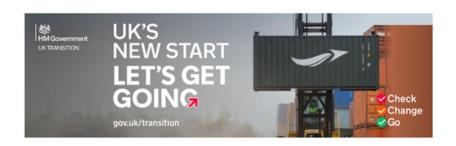






REMEMBER – ITS NOT JUST ABOUT IMPORTS AND EXPORTS

- All businesses must check the UK Transition website to see how they may be affected
- EU Nationals work, live and study in UK / UK Nationals work, live and study in EU
- Travel between UK and EU
- Driving in the EU
- Data Regulations / Public information / Data servers
- Compliance and Standards
- EU funding
- Intellectual Property / Trademarks / Copyright / Patents
- VAT, Taxes and Duties
- Websites
- Moving goods & services between UK and EU



RECOMMEND ALL BUSINESSES GO TO: https://www.gov.uk/transition

INTERNATIONAL TRADE RESTRUCTURE



Main Contact e-mail: info@surrey-chambers.co.uk
Main switchboard Tel: 01483 735540



IMPORTANT NOTICE

<u>International Trade Department will be closed on the following date:</u>

FRIDAY 18th DECEMBER 2020
 (Please submit your applications either on Thursday 17th or Monday 21st December.)

Christmas and New Year working hours

- Wednesday 23rd December 2020 (last day for standard applications)
- Thursday 24th December 2020 9am till 12pm (express only)
- CLOSED (25th December 2020)
- Tuesday 29th December 2020 1pm until 4pm (express only)
- Wednesday 30th December 2020 1pm until 4pm (express only)
- CLOSED (31st December 2020 1st January 2021)
- Monday 4th January 2021 Reopen 9am 5pm



If you have a shipment leaving over the Christmas period, it is recommended that you apply for your export documents before 23rd December 2020.







Surrey Chambers of Commerce

The Ultimate Business Network

Thank you Questions?