

## **Trade After Brexit – What Documentation is Needed?**

**By Erin Henwood**

Following the raft of customs changes introduced at the start of this year, firms across the United Kingdom (UK) are now having to navigate an increasingly complex trading environment when exporting to and importing from the European Union (EU).

Before Brexit, over 200,000 UK companies had only ever traded across borders within the EU customs union and Single Market on a tariff-free and near frictionless basis. Now, the picture is vastly different. The latest requirements have placed huge burdens on local businesses, who are now completing mountains of paperwork and ensuring their products meet the necessary checks to comply with EU rules. Thus, it is vital that businesses understand what documentation is needed when trading with the EU and where to go if they find themselves unsure of how to correctly fill this out.

### **What documentation is needed following 1<sup>st</sup> January changes?**

#### **CUSTOMS DECLARATIONS**

British businesses importing goods from the EU are no longer able to delay making import customs declarations, with new regulations requiring declarations and payment of the relevant tariffs at the point of import.

Full declarations are now required before goods board a vessel or train for those importing through locations that use the newly operationalised Goods Vehicle Movement Service, and for goods that board vessels departing for a location where pre-lodgement – the submission of a customs declaration in advance of goods boarding on the EU side – is needed. For goods arriving at other locations, full import declarations are required within 90 days of being presented to customs or up to 30 days before the arrival of the goods in Great Britain.

Firms will need to ensure that they can provide the customs procedure code, the newly updated commodity code, and their unique consignment reference, as well as other information like the type, amount and packaging of goods, currencies and valuation methods, and certificates and licences. More detail about the information required can be found on the [Government's website](#).

#### **ORIGIN REQUIREMENTS**

To qualify for tariff-free trade under the Trade and Cooperation Agreement (TCA), firms must now prove that their products are originating or have been sufficiently processed in the country of export. To claim tariff preference, UK and EU importers must provide either a statement on origin or 'importer's knowledge'.

Statements on origin must be completed by the exporter to confirm that the product originates in the UK or EU in the form of prescribed text added to the invoice or any other document, describing the originating product in enough detail to allow it to be identified. Information showing the product is originating could include details on the originating status of materials used in the production of the product, which may include declarations obtained from suppliers.

'Importer's knowledge' enables importers to claim preferential tariff treatment based on their own knowledge of the imported product's originating status and can be used as an alternative to a statement on origin. As the importer will require knowledge that the products meet the relevant rules of origin, the exporter or producer may have to provide information about the production to

the importer. Other evidence importers could share to demonstrate their knowledge could include the Harmonised System (HS) code of the product and origin criteria used, a brief description of the production process, amongst other information.

### **What is the Greater Birmingham Chambers of Commerce's view on the latest changes?**

Since the latest phase of Brexit changes came into force on 1<sup>st</sup> January 2022, reports have emerged of queues at Dover and lorries turned back at Calais on a daily basis. Though incredibly concerning, these developments are perhaps unsurprising when considering the complex new arrangements to which businesses must adhere when trading with the EU.

The business community has repeatedly raised their concerns about the extent to which businesses were prepared for and struggling with the 1<sup>st</sup> January changes, with the British Chambers of Commerce (BCC) sharing in December that 45% of firms were reporting difficulties adapting to changes in rules as a result of the UK-EU TCA. Given that the Government has been attempting to inform businesses of the new requirements and how to comply with them for the better part of a year, this troubling figure would suggest that there is still much work needed to be done. Concerns shared with the BCC in their latest Trade Survey highlighted that businesses continue to have difficulty with additional customs procedures and checks, new rules of origin requirements, and confusing VAT requirements.

Delays as a result of checks needed for the recently operationalised Goods Vehicle Movement Service and other export paperwork may be considered by some to be a teething problem. However, should this continue for much longer, there is a very real and valid fear that exporters may decide that fulfilling the requirements is more hassle than it is worth. Businesses are forfeiting extensive time and personnel to understand the trading rules, as well as to gather the necessary information to ensure that all paperwork is correctly completed. The Government will surely soon begin to feel the pressure to help those who are struggling to comply by offering more information and practical guidance on adhering to the new rules.

Now, we will wait to see if these problems resolve themselves as businesses get used to the new regulations or if more intervention from the Government is required ahead of further incoming changes between July and November. It is important that the Government takes every action to ensure that local firms do not continue to suffer after an already incredibly difficult two years as a result of Covid-19 and post-Brexit headwinds.

### **How can the Greater Birmingham Chambers of Commerce help?**

The Greater Birmingham Chambers of Commerce's International team provides dedicated support and services for businesses importing and exporting internationally, with over 50 years of experiencing in assisting firms with their documentation queries and needs.

The ChamberCustoms service provides a customs declaration service for UK exporters and importers of all sizes across every region in the country, and is authorised by the British Chambers of Commerce, HMRC and BIS to issue Certificates of Origin, EUR1 documents, and ATA Carnets. ChamberCustoms services are offered directly to businesses and through UK freight forwarders to ensure that customs clearance is accurate, timely, and avoids additional costs through delays or errors.

Beyond this, the International team supports businesses with overseas market information and contacts, interpreting and translation services, training in a variety of subjects, and foreign currency exchange.

