

Brexit

What to do now that it's a fact?



After the European Parliament approved the Brexit agreement, the United Kingdom left the EU on January 31, 2020, at midnight Dutch time (11 p.m. GMT). From that moment on, a transition phase applies until 31 December 2020. During this period, all EU rules and laws for the UK remain in force. Virtually nothing changes for citizens and businesses. In this way there is more time for everyone to prepare for the new agreements that the EU and the UK will make about their future relationship after December 31, 2020. The official statement now is that January 1, 2021 is the starting date of the new relationship between the EU and UK, as laid down in the Brexit agreement.

Together with most carriers, Transsmart has already made preparations in the past year. It is possible that, as a result of the coming negotiations between the EU and the UK, new insights cause that the connections must be further adjusted. We do not yet know for every carrier whether (and which) modification is needed for the Brexit. It is best to check with the specific carrier to see if they expect something specific from you. When we need to change something and the carrier has indicated this, we will do everything we can to have it ready on time.

Brexit information

The tension is increasing and we seem to be heading for a so-called hard Brexit. So much will change for all of us in the coming months.

Freight forwarders are already busy looking at what adjustments have to be made to make the customs handling as easy as possible. This also means that you have to solve a number of questions because the European rules for guarantee and return policy may no longer apply in the next year. Or what about the incoterms? Who will pay the import duties and VAT later: you or your customer? And if you have sorted all that out, the key question comes: who will implement customs formalities? Due to the long-standing luxury position of free trade within the EU, the available customs knowledge may no longer be completely up to date. Transsmart is also talking to all carriers and looking for better solutions.

Prepare for a worst case scenario

The chance of a Brexit deal or postponement seems to be getting smaller and smaller. The realization that something has to happen now, is getting bigger. But how to proceed? We did some research:

Your carriers

The express carriers have traditionally been equipped for international business. They are busy preparing their networks and customs processes for a much higher volume. The parcel carriers who transport a lot to and from England have to adjust their processes. Goods must be cleared through customs declarations or internal departments. This also requires more data, because the carriers expect not to be able to handle this without the necessary automation. The first official changes have arrived at Transsmart. The pallet hauliers have a similar problem. They often work with external customs declarants and do not always have the degree of automation needed to facilitate this process without much higher costs or longer waiting times.

Transsmart

At Transsmart we have been monitoring the market for months and we are actively motivating the carriers to pass on their changes as quickly as possible so that we can process them. The changes mainly concern adjustments with information required for the current export process to Norway and Switzerland. A number of carriers (such as DPD) have already begun the optimization processes related to customs consolidation in order to help their customers keep customs costs as low as possible. Furthermore, at Transsmart we are also busy adjusting our systems and processes to stay in line with the GDPR legislation that states that personal data should not leave the EU or be stored there just like that.

Last but not least, we are keeping the consequences of the Brexit as small as possible for you. We will try to keep you informed of all changes known to us through targeted updates for our customers who transport to the UK.

What can you do?

To prevent unnecessary delays and misery, you may already be taking a number of precautionary measures. Here's a short checklist you can start it off with:

- Make sure your article master data is in order. Export and import formalities set requirements for the master data such as product description, HS codes (import duties classification), Country of Origin and Reason of Export.
- Have you consulted with your IT consultant whether this data is already passed on to Transsmart so that Transsmart can activate processes such as "paperless trade" in the express or parcel services?
- Coordinate with your sales department and customers with regard to the agreed incoterms. Where we often send Delivery At Place (DAP) until today, it is important to agree on who will pay for the customs clearance costs and import duties to the UK from the first of January on and with which incoterm.
- It is plausible that deliveries can be delayed. Do your customers have sufficient stock to absorb delays in the first period and perhaps even to take account of structurally longer delivery times?
- Have you arranged your official consents and formalities, such as applying for an EORI registration to export outside the EU?
- Do you have a mechanism in place for correct VAT settlement?
- Stay ahead of the competition. Have you received clarity from your current carriers and do you also have a 'plan B' ready if problems arise? (For example an alternative carrier or local storage in the UK?)
- Should you move goods to your own warehouse or 3PL party within the EU?
- Have you already contacted a 3PL, customs declaration company or customs software party that may help you with customs formalities?

On de next page you find a table with the current status and actions to be taken of the most important carriers between the Benelux, Germany and the UK, and inside the UK.

Carrier name	Code	Status	Action
Asendia	ASE	Compliant.	Activate servicelevel FTGMBD.
B2C Europe	ABM	IT development in progress.	Transsmart is working on it. No action required.
Bpost	BPO	Compliant.	Activate servicelevel Bpack World Business.
Dachser	DAC	Carrier not compliant.	Fully via paper invoices. Agreements on costs via payment temrs, not incoterms.
DB Schenker	SNK	Carrier not compliant.	Fully via paper invoices.
DB Schenker Germany	SNG	Carrier not compliant.	Fully via paper invoices.
Deutsche Post Global Mail	DPG	Compliant.	Activate servicelevel GPT or GPP.
DHL Parcel	DHP	IT development in progress.	Transsmart is working on it. Additional DHL connection will be developed.
DHL Express	DHL	Compliant.	Activate paperless trade.
DHL Freight Germany	DFD	Carrier not compliant.	Fully via paper invoices.
DHL Paket	SEM	Compliant.	Activate servicelevel BPI Weltpaket.
DHL Paket	DGM	Compliant.	Activate servicelevel BPI Weltpaket.
DHL Paket	DDM	Compliant.	Product information required for shipping to non-EU countries. Services: premium, economy, europaket and connect.
DPD	DPD	IT development in progress.	Transsmart is working on it. No action required.
DPD UK	DPU	IT development in progress.	Transsmart is working on it. No action required.
Fedex	FED	Compliant.	Activate Electronic Trade Documents.
GLS	GLS	Carrier not compliant.	Waiting on input carrier, fully via paper invoices.
GLS Germany	GLD	Carrier not compliant.	Fully via paper invoices.
Hermes UK	HUK	IT development in progress.	Transsmart is working on it. No action required.
Mondial Relay	MRW	Not compliant.	Fully via paper invoices.
PostNL	PNL	Compliant.	Activate servicelevel 4945 (up to 31.5kg).
Parcelforce	PAF	Compliant.	Activate paperless Invoicing.
P2P – part of Fedex	P2P	Carrier compliant.	Activate paperless Invoicing.
Swiss Post	SWP	Carrier not compliant.	Contact Asendia for options or fully via paper invoices.
Royal Mail	RMU	Our current carrier connection does not support EU shipments.	New Royal Mail connection to be planned for development.
TNT Express offline	TNM	Carrier not compliant.	Fully via paper invoices.

TNT	TNT	Carrier not compliant.	Fully via paper invoices.
Trans-o-Flex	TOF	Compliant.	Activate paperless Invoicing.
Tuffnells	TUF	Our current carrier connection only supports GB – GB shipments.	N.a.
UPS	UPS	Compliant.	Activate paperless invoicing.
UPS offline	UPM	Compliant.	Activate Paperless invoicing or World Ease.
Yodel	YOD	IT development in progress.	Transsmart is working on it. No action required.