



# BREXIT

## CUSTOMS & TRADE

Understanding the customs implications and helping businesses navigate their supply chains

**DHL Freight – Excellence. Simply delivered.**



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Freight Eurapid • Freight Euroconnect  
Freight Euroline • **Railconnect** • **Railline**  
Customs Services

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Logistics Consulting • Customs Consulting  
Door-to-More • Transport Related Warehousing

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Freight Home Delivery • Trade Fairs and Events

# BREXIT: WHAT NOW?

## THE BUSINESS CHALLENGES

On 29 March 2017, the UK Prime Minister Theresa May formally triggered Article 50 of the European Treaties and notified our European partners about the UK's decision to exit the EU at the end of a 2-year negotiation period.

In March 2018 it was announced, that the UK has reached a joint agreement with the European Union, whereby the UK will be able to negotiate trade deals with other countries during the 21-month transition, which begins when Britain officially leaves the EU at the end of March 2019. Whilst the UK will still have access to the single market during the transition phase until the end of 2020, as a consequence it will effectively leave the customs union after this period. At the same time the Prime Minister announced that the UK has the intention to pursue a bold and ambitious free trade agreement and new customs arrangements with the EU, a new customs border will be introduced prompting challenges for businesses. DHL Freight has been working with trade associations and various stakeholders to identify the potential implications of Brexit for our business, and how we can continue to best serve our customers.

## IMPACT POST BREXIT

We have identified several possible implications for industries to be considered post-Brexit:

- On leaving the EU Single Market and Customs Union, the UK will lose the preferential trading benefits established with our European partners and in over 50 non-EU markets
- The UK will be excluded from EU trade agreements that have not yet been concluded
- This could potentially result in higher trade tariffs and the reinstatement of customs declarations, clearance procedures and bureaucracy for the legitimate movement of goods across the UK's border
- Such an outcome could cause disruption and increase costs for both Government and industry alike, though we have been offered assurances that the Government is committed to delivering a pragmatic solution as soon as possible

## WHAT DO BUSINESSES NEED TO KNOW?

As customs borders between the UK and the EU might be introduced post Brexit, this may present a significant cost to many industries. Companies most likely will be obliged to submit customs declarations and pay administration fees for their completion and submission.

As a result, businesses may need to pay customs duties, as well as import VAT when goods pass across the new customs border. In addition, trade with the rest of the world may also be affected as the UK will no longer have access to EU trade agreements.

## HOW CAN BUSINESSES PREPARE NOW?

Despite the uncertainty, the clock is ticking. From navigating regulatory changes to reassessing supply chains, staff retention and reviewing location strategy - businesses need to prepare now for Brexit!

- Do you know how much customs duty you pay now?
- Do you know how much costs might increase?
- Have you mapped out your supply chain flows?
- Do you know what systems and process changes you may need to implement to support your business in a post-Brexit environment?

## HOW CAN DHL FREIGHT HELP?

Identifying potential operational and regulatory risk areas in sourcing, sales & distribution models, as well as making informed alternative decisions is key to navigating changes imposed by Brexit.

At DHL Freight we have customs specialists with extensive years of experience who can advise on particular cross-border related questions. We also benefit from a broad network of experts across Europe who can provide you with advice and guidance through the Brexit process.

