Working with our
clients to prepare

YODEL

Brexit Guide

Brexit update

Overview of changes

The UK left the European Union on 31st January 2020 and the Brexit transition period ended at midnight on 31st December 2020.

The end of the Brexit Transition period brings significant changes for logistics and supply chain operations, with customs formalities required on all goods moving between the UK and EU, and GB and NI

Sending goods from Great Britain to Northern Ireland

HMRC have officially confirmed an extension to the temporary arrangements (grace period) for parcels moving between Great Britain and Northern Ireland. The grace period will be extended for a minimum of 6 months for Business to Consumer parcel deliveries. Although an official deadline has not been communicated, the extension notes a 6-month period from receipt of the publication, which is yet to be received. This means we will be working on a business as usual basis, with the exception of P&R goods, for at least the next 6 months

NI customs declarations will be carried out by our international delivery partners DG International, using their Pro Carrier software

Unfortunately, due to current lack of clarity on how customs declarations are submitted in compliance with additional border checks, from 1st April 20221 Yodel can no longer accept any Prohibited or Restricted items as confirmed by HMRC for carriage and delivery in Northern Ireland. You can find a full list of affected items **here**

The Yodel Brexit team is here to support you through this transition and if you require any assistance relating to the additional data fields, or pre-advice testing, please contact **BrexIT@yodel.co.uk**.

Brexit update
Overview of changes

● Sending goods from Great Britain to Europe, including ROI

With a trade deal now in place with Europe, GB retailers exporting to the EU have been given clear procedures they need to follow. To keep things moving as smoothly as possible we have been working closely with our International partner to ensure we understand what information is required so that we can process your parcels effectively.

There is now a requirement to provide additional data for each parcel in order to comply with the new customs declaration process and policy. We have listed out the new processes you will be required to follow when exporting to the EU within our Brexit guide. Parcels received into our network which don't comply with the new customs process will be returned to sender.

From the 1st January 2021 the UK and EU agreed a zero tariff, zero quota trade deal meaning trade between the UK and EU (Inc. ROI) can continue without additional costs from tariffs and duty, for B2C shipments below €500, but will be subject to import sales VAT.

Import sales VAT is levied by the country in which the items are being bought. Goods that are sold from the UK for consumption outside of the UK are UK VAT exempt (zero rated). However, will be liable for VAT by the country into which it is being exported to. Our International services, EPL & EPS, is DDU (Delivered Duty Unpaid), which means the recipient pays any applicable VAT and duties prior to or at the point of delivery. For more information and to ensure your business is Brexit ready, please visit **https://www.gov.uk/export-goods**

For government guidance on how to prepare for a post-Brexit export process visit:
Government prepare to Export Guide
Government Brexit Transition Guide
Government Trader Support Service

New data fields

What you need to know to be compliant

GB to NI

HMRC are yet to determine the full set of requirements for B2C shipments from GB to NI. This information is likely to be confirmed by 31st January once the government has come to terms with new trade deal.

Until HMRC confirm, we are still working towards our original worst case assumptions which are detailed on page 8 of this guide.

GB to EU and ROI

We have successfully updated all our shipping tool specifications, including third party providers, to include the provision of the new data fields to ensure your parcels can travel to the EU & NI.

The new data requirements are:

Product Description

Providing a detailed product description is essential to ensure shipments clear customs. Descriptions must be specific and accurately characterise contents of your parcel.

Information is required to be detailed to ensure there's no ambiguity about what you're sending, otherwise your goods may be subject to delays at border control

See examples below:

Not acceptable description: "Clothing"
Acceptable description: "Women's black suede jacket"

Not acceptable description: "Laptop"
Acceptable description: "Surface Laptop 3 - 13.5", Platinum, 256GB"

New data fields

What you need to know to be compliant

Number of Items

You will be required to declare the number of items of each product type within each parcel

> 10 – fountain pens, black ink
> 10 – pencils, 6HB

Commodity Codes

Full commodity codes, also known as HS codes

> You need to provide us with the commodity code for the goods that you are shipping, 8-10 digit format

EORI Number

Economic Operator Registration and Identification (EORI) number is issued to importers and exporters by HMRC.

> Your GB EORI number is a mandatory requirement to send goods from GB to EU and ROW countries.

You can Register for an EORI number and find out more at: https://www.gov.uk/eori

Country of Origin

You will be required to declare which country your products were manufactured in.

> You will need to know and provide the 3 digit format for the country where your products are from, for example: ESP for Spain

New data fields

What you need to know to be compliant

Item Value

You will be required to declare the sale value of your items, exclusive of shipping fee.

It may have an impact on duty and tax rates, and security checks if required.

Currency Type

This is the currency you have declared your item value in

The common values are GBP (Sterling), EUR (Euro) and USD (United States Dollars)

Carriage Costs

You will be required to declare how much you have charged the end recipient for delivery

This can be zero for free shipping but is not the commercial parcel rate you have with Yodel

Carriage Cost Currency Type

This is the currency you have charged the recipient for delivery

The common values are GBP (Sterling), EUR (Euro) and USD (United States Dollars)

New data fields

What you need to know to be compliant

Total Weight

You are required to provide the Total Weight of your parcel or consignment in **KG**.

Quantities of the same commodity will automatically add up to give you an accurate final total weight value.

Reason for Export

For all exports you will be required to provide a Reason for Export.

The known four reasons are:

1. Sale

2. Return/Replacement

3. Gift

4. Sample

The above new data fields are compliant with HMRC requirements and with 'rest of world' shipments.

> **Please ensure the data on your items is correct and meets the legal standards/requirements – it is essential the data you send to Yodel is accurate and completed in full. If not, your parcels will not clear customs and will be returned to you at your cost.**

Northern Ireland

The new process for shipping

In readiness for 1st April 2021, Yodel are preparing for deliveries of B2C consignments to Northern Ireland and we will be required to submit three types of electronic paperwork before our trailers can board the ferry;

1. Import Declaration

2. Safety and Security Declaration

3. GMR

All of our clients and retailers will be required to provide the additional mandatory data for each parcel consignment.

The Process

1. Clients send their pre-advice to Yodel before we receive the parcels
2. Yodel scan all parcels for Northern Ireland to validate data is present and correct using Pro Carrier software
3. Yodel will load all 'cleared' parcels onto the trailer and generate a manifest
4. Pro Carrier use this data to submit the declarations to HMRC via TSS, and return the detail required for safe passage to NI
5. Yodel deliver your parcels to the end customer

Our assumed specification based on original worst case scenario for Northern Ireland as referenced on page 4 of this document are;

- Product description
- Commodity Codes
- EORI number
- Country of Origin
- Item value
- Total weight
- Reason for export

Appendix

Latest update and checklist
December 2020

Trader Support Service (TSS)

The TSS is now live and will help guide you through what the Northern Ireland Protocol means for your business, and the steps that you will need to take to comply with it. The service will also support you to understand the information you will need to collect about your goods, including their description, value and any supporting documents or licences needed.

Visit **www.gov.uk/hmrc/trader-support-service** today to find out more and to access the sign-up form.

Yodel Checklist:

☐ Categorise items with the appropriate 8-10 digit commodity code

☐ Register with HMRC for your EORI number and TSS support if required

☐ Signed and returned 'Appointment of Direct Representative' letter to your Client Director

☐ Ensure all product values are accurately declared within associated data and invoices

☐ Ensure product descriptions are accurately declared and compliant against the commodity code

☐ Ensure recipient telephone numbers and email addresses are captured

☐ Agree Terms of Delivery and ensure this is contained in data passed to Yodel

☐ Ensure all mandatory information is sent to Yodel in the correct format from your systems

☐ Change frequency of pre-advice data transfer to ensure we're in receipt of the PAN before handling the parcels

Questions & answers

Here is list of frequently asked questions and answers to support awareness and a state of readiness in preparation for this transition.

Q: What happens if I can't support the timescales due to IT restrictions?

A: 2nd November is Yodels internal deadline due to peak. 31st December is the confirmed deadline by the European Union. If this date cannot be achieved then unfortunately you cannot use our services for Ireland.

Q: Will Yodel support my IT development costs?

A: This is not a Yodel change. It's a new Government requirement as part of the separation from the EU (Brexit). Therefore, Yodel will not be supporting any IT costs as a result.

Q: Our warehouse management system does not have that information available. What if we cannot provide the mandatory data?

A: You must comply with the new legal requirements for customs clearance to avoid your parcel being held and returned.

Q: Do we require any physical documents attached to the parcel?

A: No physical documents are required from you for clearing customs as part of the Brexit changes. However, this does not remove any existing process requirements for shipping dangerous goods (DGN).

Q: Can Yodel complete the additional data fields on our behalf?

A: No, Yodel will transfer the received data to our clearance partner. If the data is missing, your parcel(s) may be held and returned at an additional cost.

Questions & answers

Q: What are the consequences if I supply the incorrect product description, weight and value?

A: All data is sent to a third-party representative of HMRC, who validate and identify shipments they would like to investigate at the border. If the data does not match the parcel(s), then the likely outcome is that they will be held at customs. Worst case scenario is a penalty cost, but this detail is currently unknown.

Q: Will the customer be informed of a transit delay if the parcel has been held by customs?

A: The customer will be able to track their parcel journey which will display if a parcel has been held by customs, however there will be no proactive notification sent to the customer.

Q: Do we need to provide the additional customs data for parcels entering the UK from NI?

A: There is currently no requirement for a customs clearance process for parcels entering the UK from Northern Ireland. However, this could have an impact on parcels needing to be returned back to NI. Our advice is to provide the data, mandatory or not.