

Advisories

What's changed after Brexit?

06 February 2020

Europe United Kingdom

The European Union (EU) has ratified the Withdrawal Agreement from the United Kingdom (UK) on 29 January 2020, meaning BREXIT is official from 31 January 2020.

What happens now?

(source: WSC - World Shipping Council)

A transition period has been triggered, lasting from 1 February 2020 until 31 December 2020. During this transition period there will be no changes to the application of European law in and to the United Kingdom.

During the transition period, a second phase of negotiations between the UK and the EU will take place on the form of their future relationship. These negotiations will focus on EU-UK Trade Agreement negotiations but also extend to agreements on customs, defence and security.

The European Union has indicated that this time is insufficient for agreements on future trading relationships. If requested by either side before June 2020, the Transition Period could theoretically be extended, to enable longer discussions until the end of 2022. However, the UK Primer Minister has pledged that there will be no extension to the transition beyond December 2020. This leaves open the risk of potential disruption to trade from 1 January 2021, if key elements of the future relationship have not been agreed by then. Exporters and Importers should remain alert to these developments and conscious of that potential for future disruption.

Until the EU and UK formally reach an agreement, during this transition period, customs regulations and processes should remain the same.

EU security filings

Important to note is also that the UK will be treated by the EU as any other third country for security filing purposes, in case no other specific agreement is reached between the UK and EU.

In case of exports to the EU, this will mean that all cargo loaded at a UK port, as well as cargo loaded at prior EU ports and remaining on board the vessels calling a UK port, will be required to have an Entry Summary Declaration (ENS) filed for it in advance of entry into the EU. This is not limited to cargo for discharge in an EU port, but also applies to Foreign Cargo Remaining On Board (FROB) transiting the EU and shipped to subsequent ports outside of the EU.



However, UK export cargo will qualify for "short sea" rules in EU ENS, which means that filing must be made two hours prior to the arrival of the vessel to be immediately approved for loading. It will subsequently receive a Movement Reference Number (MRN) at a later stage.

Take actions now to prepare for post-Brexit Customs requirements

The UK Government have outlined several steps that the importers or exporters must adhere to, to ensure they can continue to move and customs clear their cargo post Brexit.

These actions are listed under the below links and change depending on whether you import or export. These links include important guidance including - but not limited to - applying for an EORI, appointing a customs broker, applying for Transitional Simplified Procedures (TSP).

Importers Exporters

Please follow these links and ensure you have taken the necessary steps prior to 1 January 2021.

Staying informed - general information

<u>Prepare your business for the UK leaving the EU</u> – follow the information published regularly by the UK government on their dedicated page and stay informed on all the changes and additional requirements resulting from Brexit.

You can also read the <u>guide put together by the Confederation of British Industry</u>, advising businesses on the practical steps they can take to try and minimise disruption after Brexit.

Finally, <u>click here to read the official European Commission guidance note on the withdrawal of the United Kingdom and customs related matters in case of No Deal.</u>

Moving your cargo efficiently to and from the UK and giving you the peace of mind at all times regardless of Brexit remains our priority at Maersk.

Maersk connects Britain with the world with direct services and convenient transhipment options in major ports around the world, while Sealand – A Maersk Company offers a wide range of short-sea connections within Europe and Mediterranean. We are also happy to offer you comprehensive supply chain management solutions, along with other expertise – such as Customs House Brokerage, helping you plan your cargo deliveries efficiently despite administrative complexities.

For any further questions or concerns, don't hesitate to contact your local Maersk representative.