

Your Brexit FAQs

We answer your most common questions about the post-Brexit period, how the Trade and Cooperation Agreement (TCA) could affect your business and how we can support you.

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Trade and Cooperation Agreement

Q: What should my business be doing now the Trade and Cooperation Agreement has been implemented?

A: Please review our checklist [here](#) which gives more detail but as a starter you should:

1. Define how your plans will affect your supply chain and discuss this with your FedEx Account Manager. It's important that we understand your plans so we can determine how best to support you.
2. Ensure you have an EORI number, and share it with us. Traders need an EORI number to import or export between the EU and the UK, and the shipper and receiver each need to be registered in their respective country. EORI numbers will:
 - Start with the country code of the issuing [EU member state](#) for shippers and importers in the EU 27 countries including Republic of Ireland.
 - Start with 'GB' for shippers and importers in [Great Britain](#)
 - Start with 'XI' for shippers and importers in Northern Ireland

UK EORI numbers will not be recognised in the EU. EU EORI numbers will not be accepted in the UK. We recommend that customers register for an EORI in their country as soon as possible. It only takes 10 minutes to apply and applications can be made through your country's Government website.

3. Ensure you have the correct HS Tariff Codes and accurate descriptions, values and origins for your products.
4. Agree Incoterms with your customers to clarify who pays for transportation charges, and VAT & Duty if applicable. Make these clear on your commercial invoice.

5. Understand how to prepare & provide commercial invoices.

If you are a FedEx customer we recommend that you register for ETD (Electronic Trade Documents) so you can submit commercial invoices electronically at the point of preparing shipments. This will aid in avoiding customs delays, speed up delivery and reduce paperwork.

6. Some products may be subject to specific export or import rules, licences, controls, quotas or processing and will require additional certification and presentation at border posts.

A good example of this is sanitary & phytosanitary products. For UK to EU shipments these goods need to be shipped using our Priority Express services only to ensure presentation at the correct border post on arrival in the EU. For EU to UK shipments the UK Government will introduce the changes over 6 months. Please check the UK Government [website](#) for more details.

7. Check your importers know what the TCA means for them and whether they are prepared.

If you are a regular importer or if you need to provide some advice to your customers then we would also recommend the following:

- Have you confirmed your clearance method, are we doing the clearance, do you use a broker or are you clearing goods yourself?
- If we are doing the clearance then have you provided the required authorisation and instructions?
- Have you considered a deferment account to cater for VAT & Duty payments?

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Q: What tools does FedEx have available now to support importers and exporters?

A: Our FedEx Global Trade Manager offers a comprehensive resource for simplifying international shipping for customers of all sizes and levels of experience. As a web-based service it is available 24 hours a day to help you complete your international paperwork requirements. With the free Find International Documents tool, you can locate and print import and export documentation for more than 220 countries. This tool will help facilitate the customs clearance process. The Estimate Duties and Taxes tool lets you enter shipment-specific information and calculate the estimated duties, taxes and other fees that may be levied against your international shipment.

Q: What tools does TNT have available now to support importers and exporters?

A: TNT has easy-to-use automated shipping tools that help save time on paperwork, eliminate manual errors and help you stay in control of your shipping. You can send and track shipments with complete visibility in just a few clicks.

Our tools include:

myTNT: The quickest and easiest option to send regular TNT shipments. Access your own secure area of the website to handle everything in one place.

Express Connect: Our portfolio of web integration solutions lets you integrate TNT's shipping services into your website and internal business applications.

Express Manager: For high-volume shippers, Express Manager integrates with your own system. Consolidate shipments and save time.

Express Import: Arrange hassle-free imports with this online system. Get billing in your own currency and language for simple comparisons.



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Q: How has FedEx been preparing for the end of the transition period?

A: We originally established a UK-focused Brexit team in the September after the referendum. We lifted that up to European level in November 2017 due to the size and scale of our operations and how our country networks, in the air and on the road, are all connected together across Europe.

The FedEx cross-functional working party is led by Trevor Hoyle, our Senior Vice President of Operations for Northern Europe. Our initial risk and opportunity analysis identified five key areas or prisms that we have taken forward in our planning. They are:

- Network & Clearance which covers our Ground, Road & Air Networks along with our customs capability.
- A Customer workstream which is focused on what we need to support and help you, our customers.
- Data & Solutions which has looked at the impact on internal and external systems.
- People. We are a large employer in the UK with nearly 13,000 employees and 50,000 in Europe so we need to ensure they are supported through the change.
- Finance, where the team have been focused on the impact to our import VAT & Duty invoicing and deferment account.

The working group is supported by our regulatory and public affairs team who have kept the business up to date on all official publications. They are part of our industry trade associations who have been engaging with EU and UK departments.

Q: Will FedEx need to make changes to the system I use to ship?

A: Our data and solutions workstream focused on validating and checking our systems can cater for any situation.

We based our approach on the principle that we expected goods between the EU and UK to require export and import clearance. We have confidence in our systems as they cater for this capability today.

The team has also identified the configuration changes needed to ensure our customer facing technology is ready for the changes. On our .com shipping platforms, this is very much in our control, however if you use one of our deployed or integrated solutions then we will be in contact regarding some small changes that we will need you to make.

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Q: What plans have you made in preparation for the risk of congestion at main ports, particularly Dover?

A: For the road network that facilitates our Economy products, there has been speculation in the media about potential delays on the road, and at ports. Much of the speculation has been around the Eurotunnel and Dover – Calais crossings and the length of any delay.

As part of our preparations we have engaged with Eurotunnel, including visiting to review its plans; we have also analysed many ports in both the EU and UK working with the different ferry operators to understand the various options that are available. Our plans are to mitigate any potential risk or impact for the Economy/road shipments by spreading our truck movements across multiple crossing points.

Our multi-hub network in Europe enables us to have flexibility in the crossings we choose and be agile in our decision-making. Unfortunately, any potential congestion at the ports is very much out of our hands as we rely on multiple Government or third party agencies to ensure our trucks, along with everybody else, can move through the ports.

We acknowledge that the expectation is there will be some delays, with at least an additional 24 hours of transit time expected, but we will not speculate on how long the delay could be or how long it could last.

Q: Are you planning to use air freight instead of or as well as road?

A: Our network and routing options provide added capabilities including air, with flexible capacity to suit demand.

Q: How is FedEx planning to minimise friction at borders?

A: FedEx operates a comprehensive and global network which includes 55,000 road trips and more than 700 flights in Europe every week. We continue to plan to operate our network whatever the outcome and will continue to assess the network and our ability to meet transit times.

Today we have thousands of clearance staff around the globe that enable shipments to move across often complex borders and regulatory regimes on a daily basis. With 15 million parcels sent daily on 670 aircraft, 425,000 team members and expert local knowledge on every continent, we have got the scale and infrastructure to handle all of your import and export requirements now and in the future.

For both the air and road networks, we are confident in our plans and preparations. But our capabilities do rely on a number of third parties, such as clearance authorities and border force at both the ports and airports, to ensure everything continues to flow in a timely manner.

Q: Is FedEx adapting routes in and out of Europe and the UK to avoid potential congestion?

A: FedEx uses multiple airports and ports in Europe and the UK, and this will continue to be the case to ensure we can provide the services required by our customers. These can differ from day to day according to the product or service chosen by the customer and they are different based on pickup and delivery address.

Current flight points into/out of the UK are Stansted, East Midlands, Birmingham, Heathrow, Newcastle, Belfast, Edinburgh & Glasgow.

Our road depots and hubs are strategically placed throughout the UK to ensure we meet transit times and service levels for all regions. We operate out of 54 depots in the UK and have hubs in Atherstone, Kingsbury, Lount, Dartford, Preston, Stoke, Milton Keynes and Swindon.

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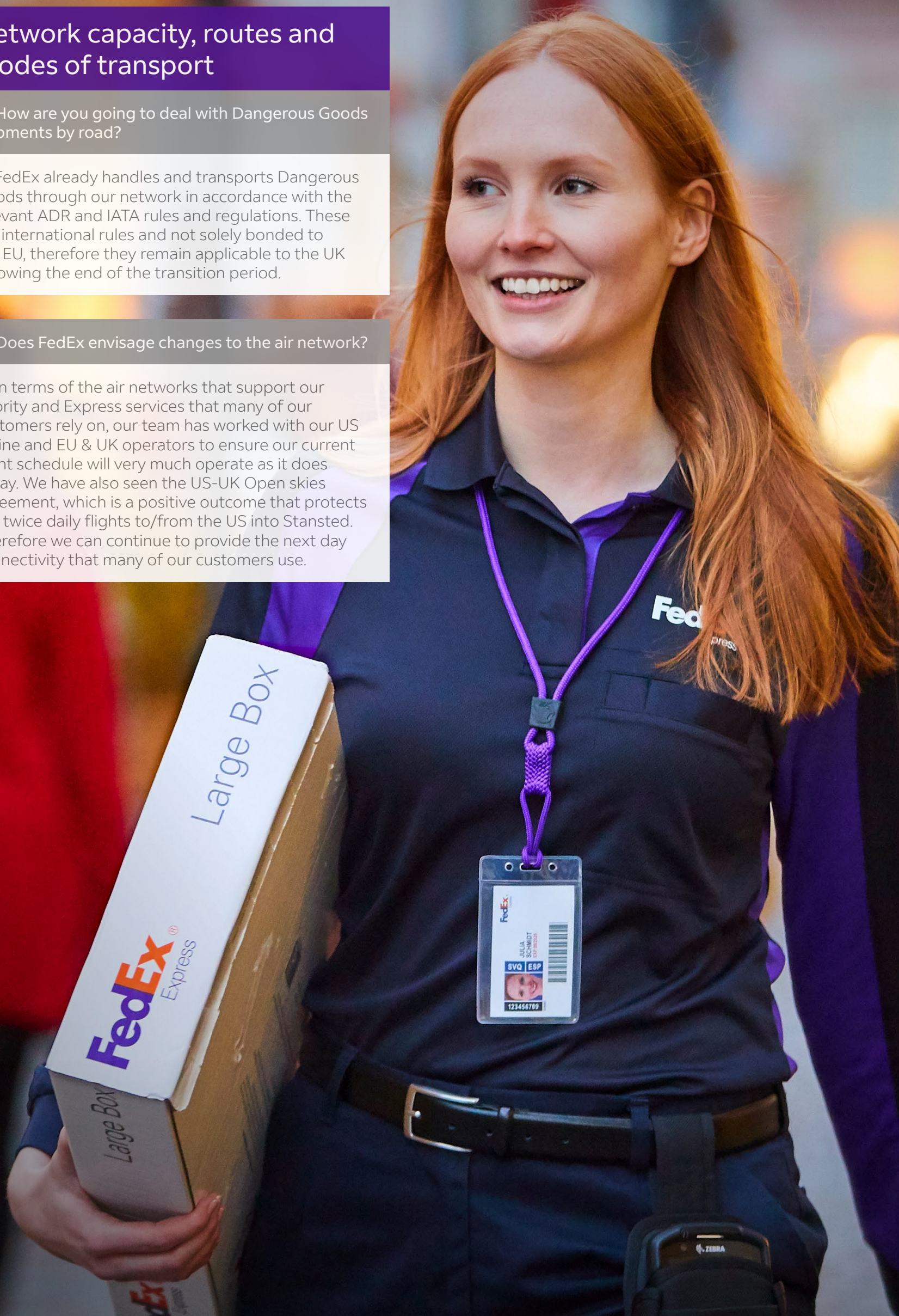
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Q: How are you going to deal with Dangerous Goods shipments by road?

A: FedEx already handles and transports Dangerous Goods through our network in accordance with the relevant ADR and IATA rules and regulations. These are international rules and not solely bonded to the EU, therefore they remain applicable to the UK following the end of the transition period.

Q: Does FedEx envisage changes to the air network?

A: In terms of the air networks that support our Priority and Express services that many of our customers rely on, our team has worked with our US Airline and EU & UK operators to ensure our current flight schedule will very much operate as it does today. We have also seen the US-UK Open skies agreement, which is a positive outcome that protects our twice daily flights to/from the US into Stansted. Therefore we can continue to provide the next day connectivity that many of our customers use.



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Q: Will my goods be subject to new customs rules, procedures and inspections at the EU or UK border in the future?

A: The UK left the EU's Single Market and Customs Union after the end of the transition period. This means that there are now new customs rules and procedures for both importers and exporters.

These include the need for all shipments to be accompanied by a commercial invoice. There could also be additional checks and requirements for certain goods being shipped across borders.

Our dedicated cross-functional Brexit working group continues to assess potential impacts and build plans to ensure we can steer your business through whatever changes might be in store.

For details on what the changes could mean for your business, please see [here](#) (European Commission readiness notices) or [here](#) (UK Government advice on preparing for the end of the transition period).

Q: Will my business in the EU still have access to UK markets (and vice versa) on the same terms as during the transition period?

A: This will be determined by the new EU-UK Trade and Cooperation Agreement, which came into force on January 1, 2021. For details on what it could mean for your business, please see [here](#) (European Commission readiness notices) or [here](#) (UK Government advice).

Q: Do you have bonded warehouses in countries of origin?

A: FedEx currently has bonded warehouse facilities in numerous locations. Any potential changes required post-transition are still unknown at this stage but we continue to plan for any outcome.

Q: What is an EORI number and will I need one?

A: An Economic Operator Registration and Identification number (EORI) is an EU registration and identification number for businesses which import or export goods into or out of the EU.

EU businesses need one to trade with the UK and UK businesses need one to trade with the EU.

You can apply through your country's Government website. FedEx and TNT will need your EORI number when making customs declarations on your behalf.

Q: For UK customs declarations, will FedEx migrate to the new HMRC Customs Declaration Service (CDS)?

A: We are aware that HMRC has begun phasing in the new Customs Declaration Service (CDS) to replace the existing Customs Handling of Import and Export Freight (CHIEF) system. We are fully engaged with the CDS team as a key stakeholder and will be ready to migrate to CDS on an agreed timetable. We will keep our customers informed of any changes that may affect them, and in the interim we will continue to support and make declarations to CHIEF.

Q: Will there be any additional costs for clearance related activities?

A: We have been making incremental investments to adjust our systems, processes, resourcing, and customer facing solutions to ensure we were ready for the change on Jan 1, 2021.

To reflect these investments and the incremental cost of clearing shipments, beginning Jan 4, 2021 we will be increasing transportation rates for shipments from EU to UK, and UK to EU. Our customers will be informed about their new 2021 shipping rates as part of our general rate increase communications, from Nov 17, 2020.

All other applicable fees and charges related to moving shipments across borders will continue to apply and will be based on the customer's instructions to FedEx related to the clearance of the shipment.

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Q: What is an Authorised Economic Operator (AEO) status and what are its benefits?

A: FedEx Express has AEO status. This is an internationally recognised quality mark that covers every aspect of international movement of goods and the company who operates the supply chain – from customs compliance and compliance with taxation rules, to record keeping, financial solvency, proven standards of competence as well as safety and security.

Companies who hold AEO status may benefit from consignments being fast-tracked through customs controls, and when customs select AEO consignments for examination or inspection, they receive priority over non-AEOs, making the whole shipping process run more smoothly and efficiently.

Anyone involved in the international supply chain that carries out customs related activities in the EU can apply for AEO status, regardless of the size of their business. AEO is being actively supported and encouraged by the World Trade Organisation, and is recognised in many countries outside the EU including China, Japan and the US.

Q: Is FedEx preparing for an increased volume of clearance activity?

A: Our Global Clearance function has prepared for the additional workload that is expected for import and export processing for EU member state countries and the UK. The success of this capability very much relies on the accurate and complete data and paperwork that you, our customers, provide. We enable your goods to move and facilitate your business and this continues to be our aim, but it all works more efficiently when we receive all of the appropriate data and paperwork in a timely and complete nature.

Q: Are there any restrictions on particular goods for different countries?

A: There are currently prohibited goods to and from most countries, generally published on the relevant country Government websites. In addition there may be some restrictions depending on the types of goods, quantities, and country, along with specific restrictions for FedEx. Always check on FedEx.com for further information.

From January 1, 2021 all wooden pallets, crates and boxes used for EU/UK shipments will need to be certified to comply with ISPM15. This certifies that wooden pallets have been heat-treated and are free from pests and fungus, to prevent the spread of foreign species from one geographical location to another. See [EU](#) and [UK Government](#) information for further details.

Note: ISMP15 rules do not apply to processed woods such as plywood, cardboard or plastic pallets.

Q: Does FedEx need a Power of Attorney to clear on a customer's VAT number?

A: A Power of Attorney is not required in the UK. However the Clearance Department would need to contact the importer for instruction and acceptance that FedEx can clear on their behalf, and to determine how they want to pay duty/tax. If the receiver is a regular customer an email with their instructions can be sent in advance and we can put this on to our clearance system.

Q: How can I claim preferential treatment for imports under the TCA?

A: To benefit from preferential tariffs, importers need to claim preference on their customs declaration and declare that they hold proof that the goods meet the rules of origin. This can be either a statement on origin completed by the exporter on the commercial invoice or other commercial document, or supporting documents and records obtained and held by the importer.

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Q: How will Brexit affect trade between the Irish Republic and Northern Ireland?

A: After Brexit, Northern Ireland, as part of the United Kingdom, is no longer in the European Union. The Irish Republic continues to be a member of the EU.

The Withdrawal Agreement establishes that, legally, there is a customs border between Northern Ireland (which stays in the UK customs area) and the Republic of Ireland (which stays in the EU customs area). However, in practice goods won't be checked on that border.

The actual checks will be on what is effectively a customs border between Great Britain and the island of Ireland, with goods being checked at "points of entry" into Northern Ireland.

Taxes will only have to be paid on goods being moved from Great Britain to Northern Ireland if those products are considered "at risk" of then being transported into the Republic of Ireland. For further guidance, and to check if the goods you are shipping can be declared as not 'at risk' of onward travel to the EU - for example if they are eligible for tariff-free treatment under the EU-UK Trade and Cooperation Agreement (TCA) - visit the [UK Government website](#).

For Northern Ireland-Republic of Ireland trade, the EU's customs rules will apply and there will be no tariffs or restrictions.

Q: Is FedEx adapting routes in and out of Ireland and Europe to avoid potential congestion at ports?

A: To avoid the potential delay at the Eurotunnel we have the option of a direct crossing from France to Ireland. We have long-established working relationships with both the ferry operators on this route, and this continues to be an option we are planning to implement.

Unfortunately, any potential congestion at the ports is very much out of our hands as we rely on multiple Government or third party agencies to ensure our trucks, along with everybody else, can move through the ports.

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Q: What are the VAT changes be now the transition period has ended?

A: The EU will charge VAT on imports from the UK, while VAT will be payable on all goods entering the UK as parcels sent by overseas businesses. There will no longer be different arrangements for member countries of the EU.

From January 1, 2021, the UK is removing Low Value Consignment Relief (LVCR) where goods under the value of £15 were not applicable for VAT. This means all shipments imported into the UK from any country in the world will be liable for VAT.

If the value of all goods in the parcel is more than £135, or if the parcel contains excise goods including alcohol, tobacco or perfume, UK buyers will need to pay the UK import VAT, Customs and/or Excise duty on these goods for any parcels sent post-Brexit. The parcel operator will apply any necessary charges to the parcel and seek payment direct from the UK buyer.

When the value for all goods in the parcel is £135 or less, sellers outside the UK must pay the UK [Supply VAT](#). This will apply to all shipments into the UK and therefore to shippers from all countries, who will need to register in the UK with HMRC.

