

EU27 Flow (not IE, FR or Nordics)

As your UK supplier, we've found a great solution to make buying from our business very simple after Brexit.

Our carrier, Europa Road, have developed a really effective customs process which should minimise additional cost and remove transit time delays. They call it



This is a document which will help to explain how it works and what our businesses need to do together to take advantage of their solution.

What is Europa doing differently?

They've established 2 strategically located Customs Brokerage Businesses to perform export and import declarations - one in France and one in Belgium (as well as their UK Brokerage Business).

- Each Business has its own Duty Deferment Account
- The Businesses in France and Belgium are registered to operate as Global VAT Representative.

In conjunction with their process, that infrastructure will allow our business to export from the UK-EU on a DDP basis, simplifying the supply to EU customers after January 1 2021. The process has been rubber-stamped by Deloitte.

With Europa Flow our business can export to our customers on DDP even though our business isn't established in Europe. Here's how.

It's a very straightforward process with a small number of steps.

1. Our UK business will register for an EU EORI number - it only takes a few days and Europa will help us to do that.
2. We will Appoint Europa to act as our Global VAT Representative, to perform the export and import customs processes.
3. We'll use their FR Deferment account to pay for any duty on arrival into the EU.
4. When we export to you, they'll create the export declaration in the UK, the import declaration in France and the duty will be handled using those deferment accounts.

...But what about the Import VAT?

The process utilises an intra-community VAT regime which creates a VAT exemption for goods which have been imported into free circulation in an EU country which is not the final destination EU country - but only where a Global VAT Representative is utilised. It's a VAT Exemption under Article 138 of the EU VAT Directive (known as Regime 42-00).

By using this process, your business will have no VAT to pay on import. You'll just declare the purchase in your VAT return as you would today when buying goods from the UK.

This VAT regime is used every day by businesses outside the EU importing into European Sea Ports which may not be in the same country as the final destination of the goods.

So instead of, for example, goods from the Far East, arriving into Rotterdam for final delivery to Germany, this would be goods from the UK , importing into France for delivery to your EU country. Their process has been signed off by Deloitte using a team of VAT and Customs specialists.

What will your business have to do differently?

In short - nothing! You'll simply have to make a declaration in your VAT return as you would today. There's no change.

What will our business have to do differently?

There's some work for us but it's ok because we recognise the benefits for our EU customers.

If we're exporting on DDP, our invoice will make reference to the VAT Regime (Regime 42-00).

Simply, we'll take care of the export declaration, the import declaration and manage the payment of duty.

It sounds technical but please don't be concerned.

Europa, having worked extensively with Deloitte, have assured us that the treatment of VAT within this process is totally compliant, in every way.

The process simply utilises existing European VAT Regimes for the supply and acquisition of goods and those processes are in use every day.

Simply put, the combination of the infrastructure, the VAT Regimes and the process preserve the current trading conditions for EU businesses meaning that you simply have to declare your purchase in your VAT return as you would do today.

This process also has a cash flow benefit for your business because you won't have to outlay any VAT on import.

If concern persists, please refer this process to your Global VAT Compliance Team, your Accountant or VAT specialist or similar experts within your business.

To summarise - here are the Benefits.

- Under this regime, your business won't have to worry about...
- Nominating a customs broker (we recognise your UK supply might only be a small part of your business and we want to make it as fuss-free as possible).
- Paying customs clearance charges
- Having to pay the VAT and duty up front before goods are delivered
- You'll simply make a declaration in your VAT return as you do today.

The process preserves the current trading conditions pertaining to VAT even though after 1st January the framework changes.

You can take delivery of your goods with no delays.