

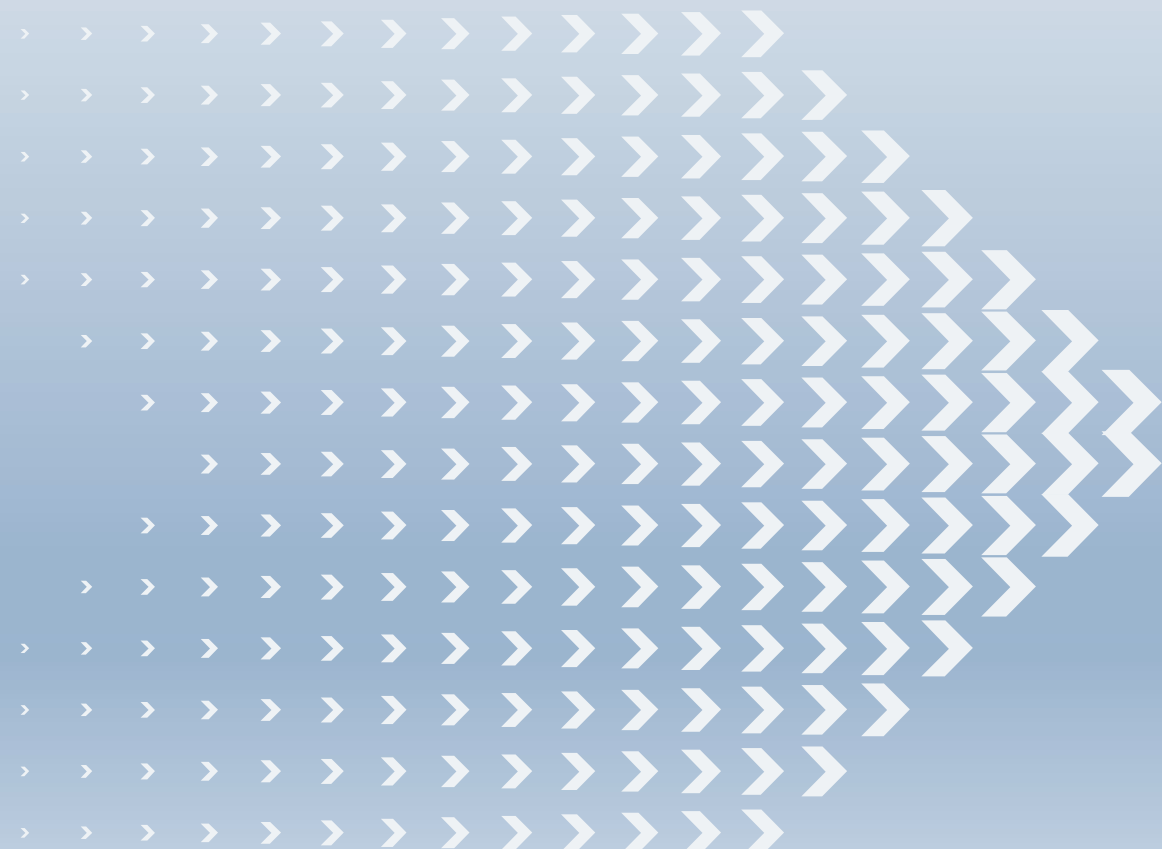


Hellmann - SMART 42



Agenda

- Key points affecting our clients post Brexit
- Fiscal impact since January 2021
- Hellmann – SMART 42





Key Points Affecting our Clients Post Brexit

- Complexity of Customs processes
- Veterinary and sanitary inspections and certification, (not required Pre-Brexit)
- Potential impact on lead times
- Administrative burden on Exporters and Importers
- The need to be aware of Fiscal liabilities
- The additional cost of doing business and remaining competitive in the EU market





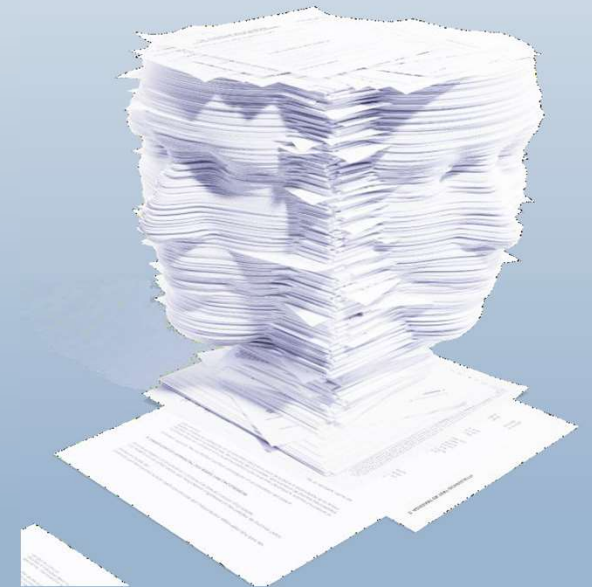
Fiscal Impact since 1st January 2021

B2B transactions are no longer EU-harmonized and are now treated as export and import transactions between the EU and the UK

Import customs duties are to be paid in the EU (unless products qualify as of UK origin)

Most of EU clients prefer to be supplied on a DDP basis

Products imported in the EU trigger import VAT





Hellmann – SMART 42

Hellmann – SMART 42 is designed to simplify and expedite the export of our customers products into the EU on a DDP basis utilising Smart border/ Frontier clearance and Regime 42 Customs procedure code.

Regime 42 - VAT Exemption under Article 138 of the EU VAT Directive (known as Regime 42-00).

Regime 42 allows for an intra-community supply of goods to another EU Member State for Permanent Exported goods. Under this scheme, We would raise an Export entry in the UK and our French partner clears the shipment into EU free circulation at the time of arrival at the French border. An intra-community supply is then made for the goods to the destination EU Member State apart from France.

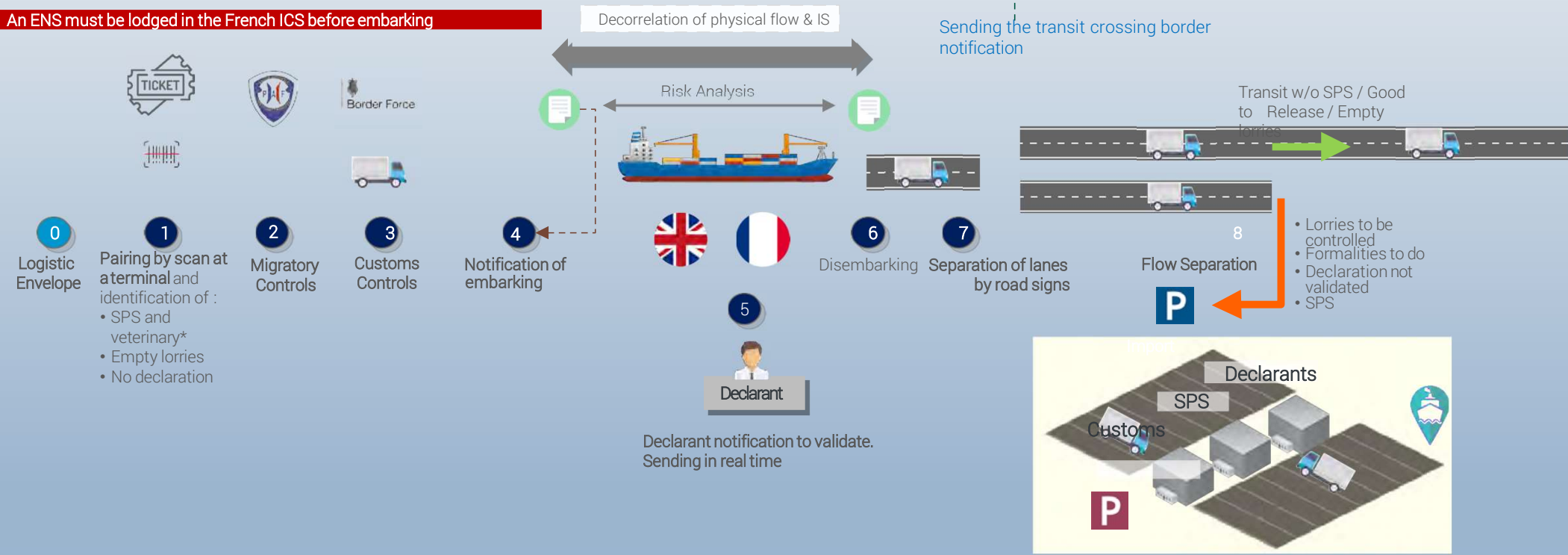
Smart Border / Frontier Clearance

Enables all stakeholders to meet their legal obligations. Facilitate the exchange of information between stakeholders: hauliers, maritime companies and customs authorities on both sides of the border. This automated information flow maintains fluidity by avoiding prolonged stops and ensures a seamless transit through France.



Smart Border – Physical Flow

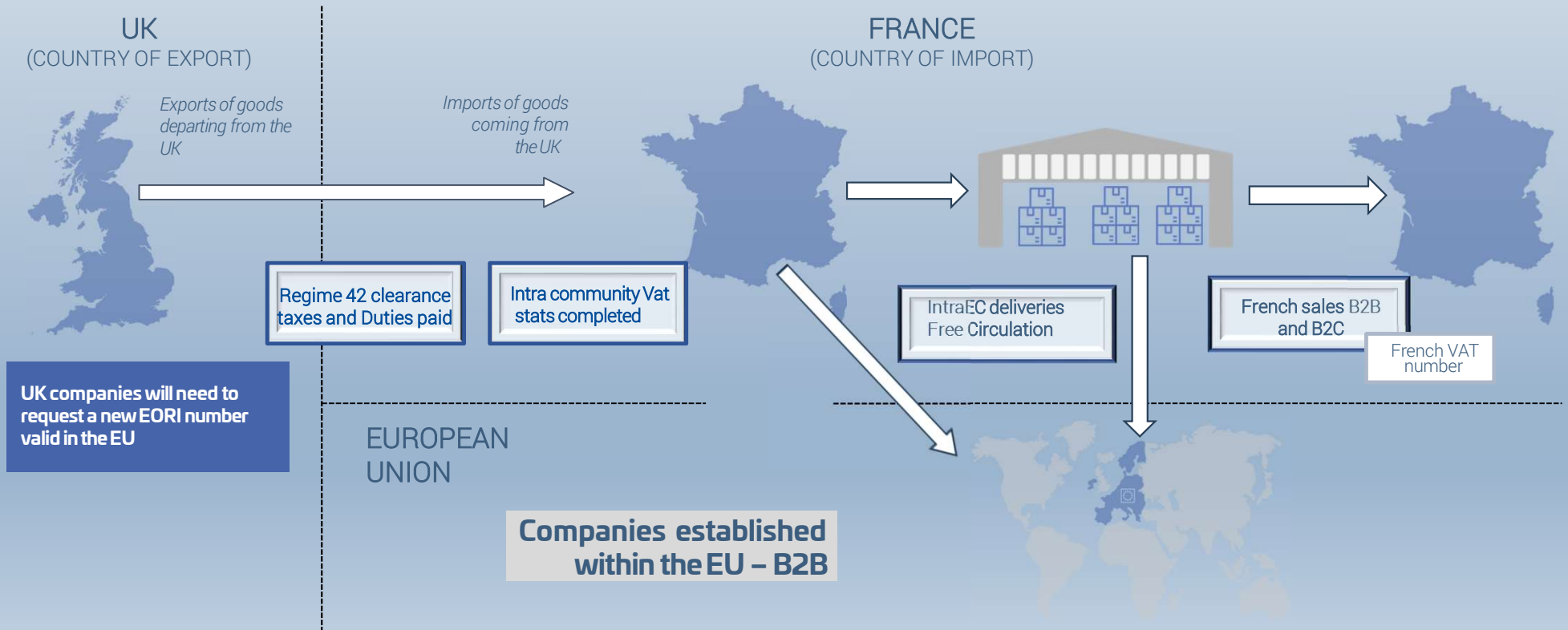
An ENS must be lodged in the French ICS before embarking



The logistics envelope allows operators and carriers to consolidate multiple declarations under a single bar code, facilitating and speeding up customs clearance. It is generated via a platform accessible in French and English, both via a computer and a mobile device.



Hellmann – SMART 42





Points to Consider

- When shipping on DDP terms from the UK to EU, your company acts as the UK exporter of record and the EU importer of record.
- The process utilises an intra-community VAT regime which creates a VAT exemption for goods that 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.
- Under Regime 42 you and your customer will not have to pay VAT on import. Your customer will declare it in their VAT return, in the same way as they did before Brexit, when buying goods from the UK.
- Appoint Hellmann and our Brexit Partner to act as your Global VAT Representative, to perform the export and import customs processes and utilise our French Deferment account if required.
- Our SMART 42 Product can be utilised for Dedicated (FTL / LTL / Express Van) and Network Groupage.





THINKING AHEAD – MOVING FORWARD

Points to Consider

- When you export to Europe, we'll create the export declaration in the UK, We'll be performing a frontier declaration which means the import customs formality is prepared before your shipment leaves the UK border. On arrival in France the customs clearance is complete. Goods will be in free circulation and can continue on their journey.
- For Deliveries into France we can offer SMART 40 (Exporter holds a French VAT Number) or DDP Excluding VAT product (Utilises the Consignees French VAT number, which has to be confirmed in writing by the consignee).
- If utilising Regime 42 whilst holding a French VAT number, all transactions will need to be detailed on the French Vat return.
- Hellmann do not offer fiscal advice or services. We can help with the appointment of an experienced French fiscal representative if required.





THINKING AHEAD – MOVING FORWARD

Hellmann – SMART 42

The 4 steps to enable Hellmann – SMART 42

- Obtain an EU EORI NUMBER. This is a customs ID number, enabling you to perform imports in any EU country under your own name.
- Appoint Hellmann as Customs Broker in the UK to fulfil the export formalities.
- Appoint our Brexit Partner to act as your Global VAT Representative and perform the import customs processes.
- When you export to Europe, we'll create the export declaration in the UK and the import declaration in France, taking care of any import duty by using our French duty deferment account, which will be invoiced back to you in the UK if utilised.





THINKING AHEAD – MOVING FORWARD

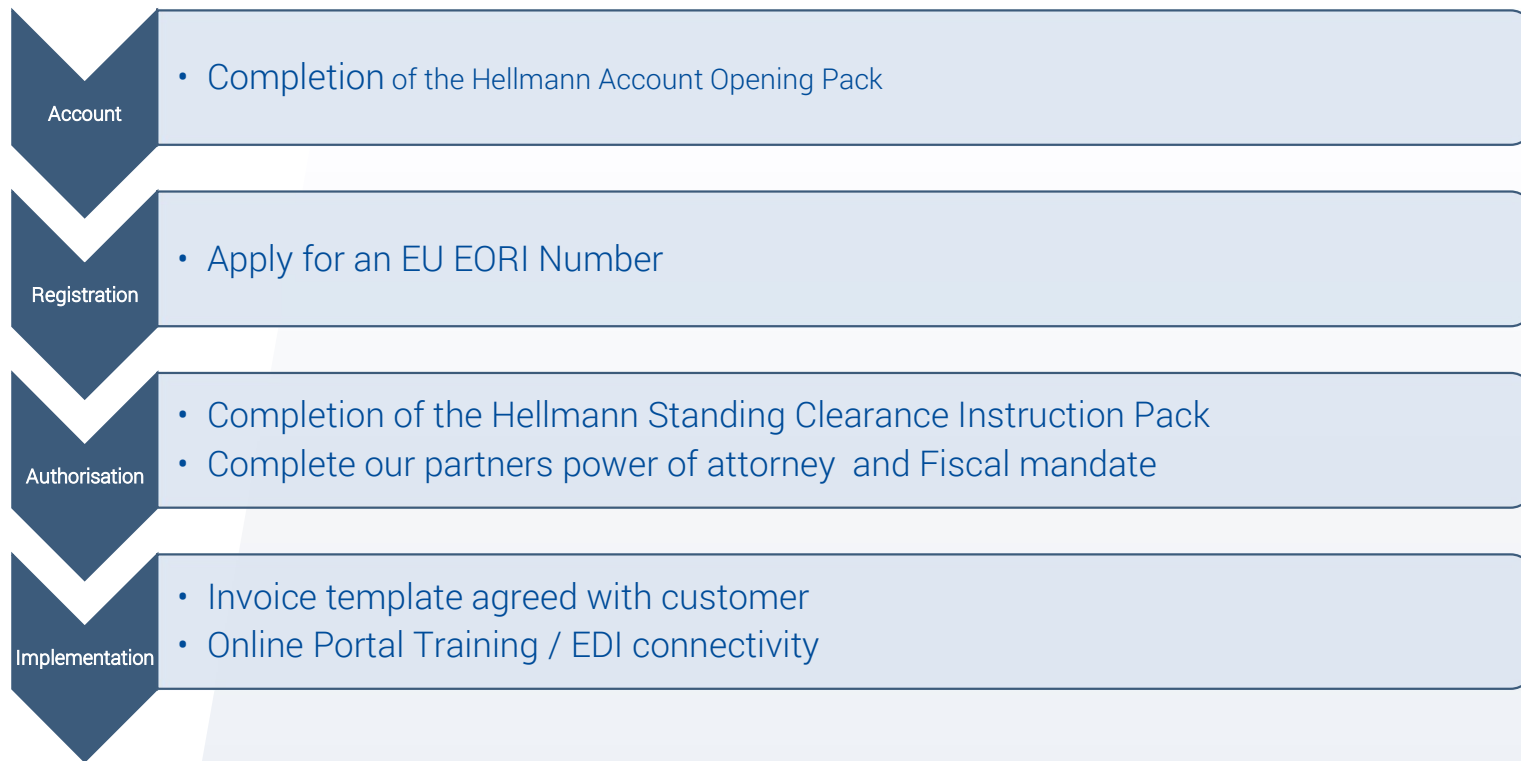
Advantages of Hellmann – SMART 42

- Streamlined and consistent process, standardising lead times
- Goods do not need to be transhipped as part of the fiscal process. Reducing miss routes and damages
- One Global VAT number that can be used to sell goods and deliver DDP to EU clients (Apart from France)
- No Import VAT to be prefinanced
- No longer stuck in time-consuming procedures to get the VAT on imports refunded.
- Our Customs and Fiscal partners in France are the leading providers in post Brexit services.
- Use of Service provided by a Global partner with the experience and resource located on both sides of the UK French border, designed to cope with your demands.





SMART 42 – Simple Onboarding Process





THINKING AHEAD – MOVING FORWARD



Thank you for your time