

## BREXIT FAQs for Traders (buyers and sellers)

| <u>Category</u>                    | <u>Question</u>  | <u>Answer</u>  |
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| <b>Brexit Readiness</b>            | How are Simarco preparing themselves in readiness for UK/EU trading from 1 <sup>st</sup> January 2021? | <ul style="list-style-type: none"> <li>• Enhancing IT systems for the handling of import and export Customs declarations through our own ERP system</li> <li>• Simarco DC's in Witham, Essex and Stoke-on-Trent are ETSF approved, allowing Customs entries to be completed inland and help significantly reduce the need for clearance at entry/exit ports</li> <li>• Union Transit Guarantees are in place so goods can travel under Customs control directly to or from our UK and EU Partner sites across the EU</li> <li>• We have significantly increased the size of our Customs department to handle both import and export entries inhouse</li> </ul> |
| <b>Documentation Requirements</b>  | What documentation do I need to provide Simarco for Customs purposes?                                  | To facilitate an export or import declaration, we need a completed export commercial invoice and packing list that accurately details the shipment information. More information on commercial invoice and packing list content can be found in our Import and Export Guidance documents on our Brexit page.   |
|                                    | Do I need to provide an export commercial invoice and packing list at the time of making a booking?    | Initially from 1 <sup>st</sup> January 2021 and to ensure service continuity, we will require the export commercial invoice and packing list (if not detailed on commercial invoice) at the time of requesting a goods collection. It will be important to ensure export commercial invoices have all the necessary information required to complete an export customs declaration. Once received, the goods collection will be processed.   |
|                                    | What paperwork do I need to trade with the EU?   | Going forward, we will need to receive more documents from you. Further information on paperwork and content can be found in our Import and Export Guidance documents on our Brexit page.  |
| <b>Import &amp; Export Customs</b> | Does Simarco have a customs clearance dept?  | Yes, we have our own inhouse customs team across two Simarco sites who can handle both UK import and export customs declarations on your behalf.   |
|                                    | Could there be restrictions on certain goods when shipping to/from UK and Europe.                      | Although a majority of goods will continue to move without restrictions after 31 <sup>st</sup> December 2020, there will be controls for certain products. More information can be found <a href="#">here</a> and <a href="#">here</a>   |

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| <b>Import &amp; Export Customs</b> | Can I import or export goods between UK and EU for repair, without incurring import VAT & Duties?               | Please find more information in the links provided, on paying zero or less duty when <a href="#">exporting</a> or <a href="#">importing</a> goods for repair.  |
|                                    | What is the most frequently used cross channel route used by Simarco?   | Dover - Calais   |
|                                    | What are the associated import tariff rates?  | Please use the Gov link <a href="#">here</a> to review UK trade tariffs from 1 <sup>st</sup> January 2021 and EU trade tariffs from third countries  |
|                                    | Do I need an EORI number to buy or sell goods with EU companies?  | Yes and you can apply for an EORI <a href="#">here</a>   |
|                                    | Do I need authorise Simarco to act as my customs broker / clearing agent?                                       | <p>Yes, when acting as a clearing agent on behalf of another party, Simarco must receive written authority to raise customs entries on your behalf.</p> <p><b>UK Imports</b><br/>A formal authority form can be found on our Brexit page which must be completed, signed and returned in advance of entry completion.</p> <p><b>UK Exports</b><br/>A written authority on your booking instruction that includes<br/><i>"I/we authorise SIMARCO INTERNATIONAL LTD to represent us to declare/amend export entries on our behalf"</i>.</p>  |
|                                    | Claiming preferential origin under EU/UK trade agreement (yet to be ratified when published on XX January 2021) | <p>When exporting from the EU to the UK a statement on origin can be made out by any exporter where the value of the consignment is 6,000 euros (currently £5,700) or less. Above this amount the EU Exporter must have a Registered Exporter (REX) Number and include it in the statement.</p> <p>When exporting to the EU you must include your EORI number in any statement you issue to your EU Customer, regardless of the value.</p> <p>The statement on origin must be provided on an invoice, or any other commercial document (excluding a bill of lading), describing the originating product in sufficient detail to enable its identification.</p> |

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|                       |   | It will be valid for 2 years from the date it was made out on imports into the UK and 12 months for imports into the EU.  |
| <b>Export Customs</b> | Will Simarco arrange the Customs formalities within Europe on our behalf?   | Yes, Simarco has an extensive European partner network and our EU partners are already familiar with non-EU operations and the customs processes required to support your suppliers and clients.  |
|                       | On groupage and part loads, will Simarco allow us to create our own export declarations and provide the MRN to Simarco? | Yes. However, there may be a small administration fee to process the MRN and consolidate with a Transit document, including the Transit liabilities we pick up on your behalf.  |
|                       | How long will you hold goods for to allow the EU consignees to make import VAT & Duty payments?                         | In most cases, the consignee will have several days to make payment of import VAT & Duty charges (if applicable) before potentially incurring storage costs. If all correct consignee contact information is provided at the time of booking, our EU partners will establish contact with the consignee to make payment and delivery arrangements in advance of goods arriving to the destination country avoiding unnecessary delays.  |
| <b>Export Customs</b> | EU import clearance for Part or Full Loads – who will liaise with the consignee?  | When handling PTL/FTL traffic that may be delivered directly by the international vehicle, it will be essential we are provided at the time of booking with: <ul style="list-style-type: none"> <li>- consignee EORI number</li> <li>- importers customs broker details (if applicable)</li> <li>- importers duty deferment details (if applicable)</li> </ul> Simarco can provide this information to their EU partner to either handover the information to the consignee broker, or handle the customs formalities on behalf of the consignee, so that any customs duties and taxes are paid in advance of delivery. |
| <b>Import Customs</b> | Is import VAT deferred for 6 months from 1 <sup>st</sup> January 2021?  | If your business is registered for VAT in the UK, you'll be able to account for import VAT on your VAT Return for goods imported from anywhere in the world. Further information on this subject can be found on the Gov website <a href="#">here</a>   |
|                       | Do I need a duty deferment account and how do I apply?  | We recommend that an importer applies for their own duty deferment account and benefit from a direct debit arrangement with HMRC, providing longer credit on duty payments (if applicable).<br><br>If you do not have a deferment account, Simarco can use their own (if required for a fee and subject to conditions).<br><br>For further details and how to apply, please click <a href="#">here</a>  |

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| <b>Pricing</b> | Will Simarco be charging for their Customs services | Yes. The additional administrative processes and cost of the customs infrastructure means we must charge for the customs service(s) we provide. We are in the process of drafting our customs charges from 1 <sup>st</sup> January 2021 and will be disclosing this information as soon as we can. Rest assured that once finalised, our pricing will be in line with the market. |