

4 Ways to Effectively Manage Shipments into the UK

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Dear Sponsor

With the transition period following UK departure from the European Union (Brexit) ending on December 31st 2020, and the UK HMRC guidance on VAT/Duty requirements for shipments into the UK being issued, here are recommended ways to maintain movement of goods and avoid potential disruption.

1. Plan shipping ahead to avoid delays into UK or from UK to EU

Avoid having in-transit shipments to/from the UK on Dec 31st and for a short period afterwards. Supply test articles, analytical samples and other materials originating outside the UK, before Dec 31st 2020 - particularly for study work scheduled in January 2021.

2. Let us know about non-standard or unusual study needs, asap

Covance has ensured contingency supplies of standard inventory items are in the UK prior to December 31st. Should your studies involve "non-standard" techniques or equipment, please let us know as soon as possible, so we can take steps to secure the required items and/or schedule your study to avoid any time-period concerns.

3. Ensure you have an EORI number before shipping

Beginning 1st January 2021, shipments of good to the UK from the EU will constitute an "export" from the EU, requiring Customs filing at the EU border. Your organisation will need an EU **EORI (Economic Operators Registration and Identification)** number in order for relevant EU Customs filings to be made by your courier/clearance agent. It is likely that your organisation already has an EORI number, but we advise you check with your internal Finance or Logistics team to confirm.

Further EORI guidance can be found here:

- EU EORI guidance: https://ec.europa.eu/taxation_customs/business/customs-procedures/general-overview/economic-operators-registration-identification-number-eori_en
- EU member state customs websites: https://ec.europa.eu/taxation_customs/national-customs-websites_en

4. Be aware of responsibility to pay/reclaim any import VAT or Duty

- ▶ **Default process:** The Legal owner (typically Sponsor) of goods imported into UK, is by default the Importer of Record (per HMRC guidance) and is therefore required by HMRC to pay any import VAT and Duty. Importer of Record (Sponsor) can make plans to reclaim import VAT and Duty through their own company processes.
- ▶ **Only if necessary, AND criteria are met:** Covance UK can become Importer of Record if, and only if, *all materials are to be tested to destruction and any remaining materials are disposed of within three years from date of import to UK*. Conditions for this relief will not be met if materials are re-exported. Claiming this relief allows

materials to be imported into UK with import VAT and Duty paid and recoverable by Covance UK. To activate this option, clients *must* ensure that the import clearance instruction detailed in Covance Guidance document, is fully documented in Commercial Invoice. (Please reference full guidance.)

Covance will continue to monitor developments and action accordingly. We are actively planning and preparing, including having secured "Authorised Economic Operator" status with UK Customs and Excise for our Labs UK legal entity to fast track customs entry.

Together, our proactivity can help avoid and minimise any potential disruption to schedules.

Please feel free to contact us with questions.

Chris Clare,
VP and Harrogate Site Lead

See attachment: **Covance VAT/Duty guidance**