



ONE WORLD

Your package is our pride

One World Express Inc. Limited.

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Revision 1.4

BREXIT – No Deal Considerations and Processes

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Workforce

Query	Response
What Percentage of the OWE Workforce are EU Nationals and how will this affect daily operations?	Once World's currently employs around 50% of its workforce from EU countries, loss of these staff will affect daily operations should they be asked to leave the UK or do not wish to stay in the UK – Consultations with staff have confirmed that no staff intend to leave post Brexit no matter the decision.
What is the deadline for any registrations?	The deadline for applications is 31 st December 2020 without a deal and 30 th June 2021 if a deal is reached, however registrations can commence by 30 th March 2019
Will our workforce require Visa's to Work?	This will be a Settlement visa status
Will our workforce be required to apply for a Skills visa and if so what is the deadline?	Currently not for those already settled, however after 2021 this will change
Will there be any other Immigration changes?	After 2021 there will be a Skills based VISA requirement
Other	The rules may change or be delayed depending on the exit date or from the 30 th of March 2019 However One World HR will need to ensure that all personnel who are required to register have done so.

Cross Border Trade

Will our customers be required to make additional export or import entries for goods destined to EU countries?	Export licences
Will there be additional checks for goods arriving from the EU?	Yes, in the event of a No-Deal Brexit all import guidelines will change, the removal of the de minimus for goods below £15.00 will be implemented and there will be significant delays or impacts to customers as new checks which were previously not present on EU origin goods will be in place – HMRC have allocated additional resources to prevent delays however with the potential for goods coming in from twenty six countries which were never checked prior will place significant pressure on border services to ensure correct processes are adhered to.
Will duty and VAT be payable for goods arriving from EU countries?	Yes, in the event of a No-Deal Brexit all import guidelines will change effective 11:00pm on the 29 th of March 2019, the removal of the de minimus for goods below £15.00 and the VAT relief removal will be implemented and there will be significant delays or impacts to customers for clearance charges and entry

	<p>requirements. According to HMRC, in such an event the customs system CHIEF will not be in a position to handle the number of entries required for EU Imports and non-EU imports adding up to 72 hours to process import entries.</p>
<p>Will there be higher tariff imposed on EU goods arriving in the UK after 29 March 2019?</p>	<p>Yes, the changes to the tariff will include higher tariffs on EU goods which will promote imports from non-EU countries. The exact details have yet to be outlined by HMRC, however indications are that EU tariffs may be between 5-10% higher or be standardised tariffs applied for all imports from countries without a trade agreement.</p>
<p>Will exporters from UK be required to have export certificates or entries to ship goods to EU Countries?</p>	<p>Exports to the EU will be the same as goods going to any other country in the world. The changes in the event of a no deal Brexit will be in effect from the 29th March 2019 11:00. It is also anticipated that there could be a further delay of up to 72 hours for EU Exports which previously did not require an export entry or MRN to the EU.</p>
<p>How will transfer goods be handled to EU Countries?</p>	<p>Transfer to the EU will be handled in much the same way as we handle to any non-EU country currently, no delays in this process are anticipated.</p>
<p>Will suppliers to One World Express be in a position to handle EU Transfers in the event of a no deal scenario?</p>	<p>Many companies will have no issues with an EU transfer as they are fully compliant with current Non-EU transfer requirements, however where companies who have specialised in EU only transfers to date we have engaged with them to update their processes and if necessary guide them correctly on processes.</p>
<p>How Will the changes in import VAT regulation affect One World and its customers?</p>	<p>There will be a direct causal effect on Cash flow for One World Express which will require the commercial and finance teams to discuss various holding deposits with customers for the payment of the additional 20% VAT on import.</p> <p>There will also be a significant impact on the cost of the entries with either an entry charge or a line by line entry charge to customers. While this may appear to be a deterrent, the same applies in Europe today with no ill effect to shippers – the advantage however the UK gained in this area will now be lost.</p> <p>There will however be a direct issue relating to SLA's, Entries may take up to 24 hours longer which will then result in delays at airline handling sheds which will incur storage.</p>

	Commercial discussions will need to be made with shippers.
Will there be delays at the Border for Imports?	Potentially yes, the current import system CHIEF is unable to cope with the level of line by line entries that will be required and has never had to deal with EU imports and export requirements, however we anticipate the roll out of the new Customs Declaration System (CDS) as a direct result sooner than scheduled.
Will there be delays for Goods going to the EU by Air or Road from the UK and how will this affect One World Express and its customers?	Yes, the UK border force and EU officials are warning that significant delays will occur in the unlikely event of a no deal Brexit. Border force are advising that delays of up to 24 hours by air services and up to 72 hours for road based services could be in effect at ferry or rail (Channel Tunnel) border points in UK and on the European mainland for departing and arriving vehicles.
Will there be duty and Taxes on Goods entering the EU from UK (Used to be EU Free circulation goods)?	Yes, there will be a requirement for all exports to have the HS codes listed on manifests and invoices and customers will need to know the EU MFN (Most Favoured Nation) tariff to be aware of the potential duty and VAT by country of entry if there is country which does not have a special agreement with the EU.
What about proof of origin if the UK has a pre-defined agreement for 0% rating of goods to a specific EU country?	Shippers will need to provide proof of origin, One World Express cannot be responsible for such proof.
How will existing trade agreements currently in effect be affected by a No-Deal Brexit?	Unfortunately a no deal Brexit would negate any prior agreement with an EU country on the date of exit – Shippers are warned to check before export of their goods.
Will there be any duty relief for items to or from the EU and how will this affect One World Express's customers?	There will be duty relief on all imported goods up to £135.00 as is in effect today, however VAT will be payable on all goods no matter their value.
Will One World Express Staff require update Training?	Yes, if the customs system changes with a no deal Brexit, all Operations and Customer Service staff will receive updated training to deal with the basics. Much of these changes are listed in this document which will also be shared with all senior and relevant staff. HMRC have also advised that they will operate seminars and training days for intermediaries later in the year after the regulations have been finalised, however this will more than likely be for brokers and direct relation agents.

Taxation

Will there be any implications on VAT for goods imported from EU Countries?	Yes, in the event of a No-Deal Brexit all import guidelines will change, the removal of the de minimus for goods below £15.00 will be implemented and there will be significant delays or impacts to customers and VAT will be payable on all goods from any country unless a post Brexit trade deal is negotiated.
Will exporters need to register for VAT in EU countries they are exporting to?	Yes unless they want One World Express as their agent/broker to pay the VAT and duty on their behalf. A commercial discussion must take place and it's recommended to ensure that pre-agreed amounts of duty and VAT funds be held in an escrow account for the shippers for all DDP shipments under £135.00 in value to cover Daily VAT payments.
Will there be any effect on any of our authorisations such as LVBI or MoU?	Yes, The LVBI will fall away and there will no longer be any VAT relief for any goods no matter the value, however duty suspension will remain in place for goods under £135.00. This may mean that manifesting would be changed from the three formats we currently have in place to two or one single manifest (LV – with Duty suspension) and High Value with no relief. The MoU remains in place for transfer of goods within 48 hours of arrival in the UK.
Will One World Express need to register for VAT in the EU?	As a registered EU entity One World Express is already registered for VAT in Germany, this is sufficient to allow One World to hold stock, make sales etc. from within the EU.
Will One World Charge VAT on EU Exports?	In the event of a no deal Brexit no VAT will be charged to EU countries as this will be classed as an international export from the UK

Currency Changes and Intellectual property – Including Trademarks

Currency Risk – How will changes in the value of GBP affect One World Express and its ability to operate after 29 March 2019?	As there has been significant currency volatility due to the political indecision it would be prudent to believe that the pound sterling could take significant losses to the Euro, it is therefore prudent for all EU services to be billed in Euro to ensure no losses are taken during this period of uncertainty.
Is the intellectual property and the trademarks registered in the UK and EU safe?	Although Trademarks and IP are secure under international convention, there is no way of knowing if the EU would distance itself from this, therefore until otherwise notified all trademarks held by One World are secure.

Are any contracts which One World Express has in place with companies based in the EU still valid after 29 March 2019?	Yes – where contracts state that the UK is a member of the EU or in relation to UK/EU regulations such as Data protection and other related matters, all contracts must be updated after 29 th March 2019
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Regulation Changes – GDPR and regulatory compliance

Will there be any EU Regulation and Data Compliance changes after 29 March 2019 and how will these affect One World Express in respect to SMARTTRACK and other data holding policies?	While the UK government has vowed to stay true to all current EU regulations and Personal data compliance rules there is a possibility that these may change, however no indication of a change is evident in the case of a no deal Brexit and all GDPR regulations remain the same with the removal of reference to the EU.
Will there be any additional competition laws or changes to fair trade laws in the UK after the EU Exit and if so who will govern this and how will it affect One World Express and its customers?	The CMA, the governing body will repeal all EU law (EU Community Act 1972) effective 29 March 2019 and bring about new UK Anti-competition laws which will in effect be domestic law from that date. The Withdrawal will not compromise any UK company, however changes at this time to the legislation is yet to be confirmed 100%.
Ecommerce – As a main source of revenue to One World Express, what would the implications of a Hard border change be?	As the holder of Dot EU registered websites, One World Express would be governed under EU regulation for those registrations. Should One World Express sell goods or services from this site it would no longer benefit from the country of origin directive and be subject to all distance selling regulations of the EU depending on where the registration is held and the residence location of the owner of the registered domain?
Cross border traffic accounts for a significant amount of One World Express's income, how would changes to the UKBF regulation affect One World Express after 29 March 2019?	As One World Express is already a cross border logistics provider as well as a platform provider fully registered under UK Border force for an EORI then this would not significantly impact on trade, however cost increases may affect import volume for EU trade.
Customs and Excise	Please see below HMRC Announcement 14 February 2019 for a detailed update and Q&A
How will One World Express deal with Non-EU transfers?	One World Express is fully MoU transfer approved for 48 hour non-EU soon to be Non-UK transfers. All material for an EU country will be treated as a non-UK transfer and processed under our MoU transfer facility.



EU exit (no deal): Changes to the rules for reporting and paying import VAT that will impact sellers outside the UK

This communication sets out changes to the import Value Added Tax (VAT) rules that will affect sellers outside the United Kingdom (UK), if the UK leaves the European Union (EU) without a deal on the 29 March 2019.

From this date, sellers outside the UK (including sellers within the EU) must pay the import VAT for any parcels sent to UK buyers after 11pm GMT, even if the goods were sold before the 29 March 2019.

This will apply to goods worth £135 or less that are sold to UK buyers (including businesses and individuals), including goods worth £15 or less as they will no longer attract the existing tax relief (Low Value Consignment Relief, LVCR). This tax relief will not be introduced for sellers within the EU. It will also be removed for sellers outside the EU. The UK government has taken this decision to protect UK retailers from being undercut by VAT free goods entering the market. This also follows the global approach that is being taken with regards to LVCR.

Sellers can pay import VAT on parcels in one of two ways:

- Register for the UK HM Revenue and Customs (HMRC) new online service to report and pay the import VAT due, or
- Pay a parcel operator that offers a service to pay import VAT to HMRC on the sellers' behalf

The [online service](#) is now available for sellers outside the UK to register so they are ready to use it if the changes are introduced on 29 March 2019. You can also find more information about the guidance available to sellers on the different import VAT rates that may apply, as well as any exceptions.

If sellers do not follow the new rules for import VAT, parcels or consignments could be delayed or stopped from entering the UK. The UK buyer may have additional tax and fees to pay and the seller may have to pay a penalty of £1,000.

If sellers send goods to the UK to be stored before they are sold to UK buyers, they will still need to comply with existing customs controls and VAT rules. These obligations are detailed in [Notice 700/1](#).

How you can help

HMRC needs to tell sellers outside the UK about the changes and we would like your support. Please send the attached communication to your customers.

We will send you more information and products soon. These can be used to continue to raise awareness.

For more information about these changes go to [GOV.UK](https://www.gov.uk). You will also be able to find more information about potential changes in the event of the UK leaving the EU without a deal.

Customer Q&A - How will this impact you as a *One World Express UK* Customer?

There will be two main ways this impacts you if;

1. You ship commercial channel
2. You Ship via Freight to Post channel

For the options above;

1. Commercial Channel
 - a. DDP – Additional VAT at the rate of 20% payable to HMRC through One World Express on all goods no matter the value from £1.00 upwards, Currently No VAT payable up to £15.00 (Deminimus Value)
 - b. DDU – Not applicable at this time unless for B2B channel – Impact to buyer – additional 20% VAT payable on all goods between £1.00 and £15.00
2. Freight to Post Channel
 - a. No Change to Seller, Buyer will pay 20% VAT on all imports

Will you need to change anything regards paperwork for pre-alerts?

The simple answer is Yes. We do not believe any major changes to the paperwork would be necessary, however the Low Value goods would be treated in the same manner commercially as the Mid Value goods therefore negating the need to provide a Low value and a Mid Value manifest, only one manifest for goods up to a value of £135.00 would be required. This would mean that CSV files would be necessary for all goods up to the value of £135.00 with 99 line items per CSV file with your pre-alerts.

Example – 3000 consignments valued below £135.00 would need 31 CSV files listing all the consignments (Tracking and commodity numbers)

How will this affect my commercial clearance for goods valued under £15.00 where I used to only pay for one Low Value entry?

The effect will be that instead of being able to clear all low value goods on one single entry as we do now we would need to create multiple entries each with a maximum of 99 line items or commodities per entry. This would therefore mean that instead of one single entry charge you would receive multiple entry charges for the number of entries or lines required for each import.

For B2B where customers are importing in bulk to the UK and then selling – No changes to process, only VAT is applicable to all imports and on sale this can be reclaimed in certain instances (Please discuss with your tax consultant)

Note that Duty relief remains the same up to £135.00 for now, however this may change in the future, what we can emphasise is that HMRC have been discussing the removal of the deminimus for some time and they have been heading down the low value bulking removal since 2014 when they introduced the line by line requirement for Mid value goods, there intention was and is to ensure we move towards a more transparent and detailed entry process and a No Deal Brexit will speed this up.

Should you as a shipper to the UK register for VAT and EORI?

In a simple answer, Yes. There are benefits to the registration and details of this can be found on the

Where can I find the registration link?

Please find the details below;

<https://www.gov.uk/government/collections/import-vat-on-parcels>

How can I find further information on my e-commerce sector and who does it affect?

Please find the relevant information below from the UK Government;

Affects:

- Online Retailers
- Video Sharing Sites
- Search tools
- Social Media platforms
- Internet Service Providers

Full details below;

<https://www.gov.uk/government/publications/ecommerce-eu-exit-guidance>

Special Note: Please remember this is only in the case of a No Deal Brexit, should the government succeed in gaining a favourable deal the UK will transition out of the EU within a two year period making these changes gradual but inevitable in our opinion.

Business Continuity – How will One World Express continue in the event of a no deal scenario?

Scenario	Considerations	Solution
LVBI Removed completely	<p>Check with HMRC for alternate clearance methods, get policy decisions and utilise alternate CPC.</p> <p>Utilise the new HMRC CDS system allowing for up to 999 lines per entry instead of the current CHIEF system which allows for only 99 lines per entry</p>	Several options are available, however the most likely solution would be to use non-LVBI line by line entry requirements. One World Has these solutions in place and despite the time concern, clearances will continue as Normal with potential delays and costs to customers
UK becomes an isolated country out of the Euro Zone therefore making all transfers the same as any other international transfer	<p>New regulations come into play regards the movement of goods which are not yet defined.</p> <p>UK no longer becomes attractive as a transit point.</p>	Options to transfer goods through the MoU transfer process are in place as we have been doing for all international consignments – this will add pressure to the

	<p>Logistics companies who specialise in UK to Europe mainland or vice versa movements would close down or relocate out of the UK due to business changes that affect them directly making their business model non-viable.</p> <p>Customs clearance of Goods destined to the EU in the UK would no longer be possible</p>	<p>team however not to the level that cannot be handled. Discussions are well on way to support those UK companies who do not handle International shipments and we are confident that the processes set out will be adopted and will prevent any major delays.</p> <p>Transfer of material via the One World MoU Transfer process or a T1 Option would be available through partners such as ITC or Europa. There would be a significant cost increase which needs to be shared with customers by the commercial team.</p> <p>Direct access to Europe is also in place via our Germany facility and also through necessary agents in Liege, Brussels and Amsterdam with pricing with the commercial team.</p>
UK deliveries	New Import regulations	Solutions and import processes are in place to handle the added import entry processes and customers have been advised of the updates, potential delays and costs involved.
UK Exports	<p>Export processes from the UK will change as EEC regulations will no longer be in effect.</p> <p>Licences and concessions to the EU may be required for exports, the shippers of their goods will need to be in a position to provide these exports</p> <p>Delays to exports may be commonplace until we know facts about any changes.</p>	There will be almost zero impact to One World in this area, international customs export entries are done daily. However we do understand that export licences may be required and all export teams will be trained to handle the necessary changes.

<p>What else will be affected and will the UK leave the EU with a deal or No-Deal</p>	<p>This paper was designed with one intention – a No Deal Brexit - With the current political indecision no one knows for certain which direction the UK will take on the 30th of March 2019</p>	<p>One World has at its disposal options for both imports, exports and transfer of material as listed above. In the event of a hard border being put into effect at 11:00 29th March 2019 we will fall back on the various options laid out in this document or on options not yet considered at the time of writing this.</p>
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Updates and revisions

Revision Date	Revision Date	Revision
1.1	18/02/2019	Customs Announcement FAQ
1.2	19/02/2019	Update - GDPR
1.3	20/02/2019	Update – LVBI and MoU
1.4	22/02/2019	BCP Changes