




EORI (UK) LIMITED

*Cross-Border Trade
Strategies*

**Maximising
UK-EU **Export**
Opportunities**

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As the UK and the EU navigate the post-Brexit landscape of trade. Exporting goods from the UK to the EU has never been more crucial, yet the road is fraught with complexities.

How can UK-based businesses break through the barriers and fully unlock the potential of trade with our European neighbors?

Let's journey together into the realm of International Commercial Terms (INCOTERMS) to unravel the secrets that hold the key to successful cross-border trade.

A key part of this for a UK trader is fully understanding International Commercial Terms (INCOTERMS). These clearly define which party is responsible for which part of the movement and quite importantly, where the risks and liabilities transfer.

Incoterms	Export Customs Clearance	Loading on Truck	Carriage to Port or Export	Freight to Port or Import	Import Customs Clearance	Import Duties	Import VAT	Carriage to Delivery	Unloading	Storage
										
Ex Works	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
Free Carrier	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
Carriage Paid to	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER
Carriage Insurance Paid to	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER
Delivered at Place	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER
Delivered at place Unloaded	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	SELLER	BUYER
Delivered Duty Paid	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER

If a GB trader wants to compete with intra-EU trade, they should make it more attractive for an EU party to trade with them as opposed to an alternative EU-based business. Intra-EU trade is effectively trade under DDP terms. So, why not trade DDP from GB-EU?

Using DDP means that the GB seller is responsible for all parts of the movement. Suddenly, buying from the UK, as an EU buyer, becomes a little more attractive. Granted, the GB seller would have to be registered in the EU member state they wish to trade with (have an EORI number and a VAT registration in each state they intend to sell goods to). No entity is required but without an establishment, their customs agent would need to act on an INDIRECT basis making them jointly and severally liable for any taxes or duties that are incurred, most customs agents will want to avoid this.

With this in mind, it would be easier to just opt for a different INCOTERM, this is likely to be DAP, making the EU buyer responsible for the Import formalities (including payments of duties and taxes) and the GB seller is responsible for the Export formalities. The EU buyer (who is already established in EU territory) can appoint a customs agent to act on a DIRECT basis. This would seem a logical solution for all parties involved but it puts a burden on the EU buyer that could be picked up by the GB seller without extra hassle.

Here are two trade journeys, one using DAP and one using DDP, both with delivery point in Germany and EU entry in Calais.



Compare the two processes, one is a much smoother process for the buyer and transporter involved. The process from start to finish feels more like pre-Brexit with less 'sticking points'. Buyers are more likely to want to buy from the UK market and transporters are more likely to accept carrying the goods as the goods are much less likely to get stopped or delayed.


GB-EU Trade using DAP (EU entry at Calais, Delivery in Germany)	GB-EU Trade using DDP (EU entry at Calais, Delivery in Germany)
<p>PRIOR TO MOVEMENT</p> <ol style="list-style-type: none"> 1. GB seller needs a GB EORI Number. 2. EU Importer to arrange EU import clearance as importer of record (under DAP). 3. EU Importer to appoint EU Customs agent and agree terms and fees. 4. EU importer responsible for import VAT and Duty payable. 	<p>PRIOR TO MOVEMENT</p> <ol style="list-style-type: none"> 1. GB Seller needs GB and EU EORI numbers. EORI can obtain EU EORI number in less than 24 hours. 2. GB Seller signs contract with FR Fiscal Representative. EORI can handle this process with no bank guarantee required. 3. GB Seller obtains access to FR VAT Number.
<p>TRANSACTION</p> <ol style="list-style-type: none"> 1. GB Seller creates Export invoice. 2. VAT is zero rated as leaving the UK at export. 3. GB seller agrees with carrier where import clearance will take place. 4. Carrier arranges transit to enable delayed clearance at Calais and onward movement to Germany. 5. GB seller informs buyer where clearance will take place and ETA of vehicle. 6. Buyer informs their customs agent, and they prepare import clearance. 7. Transporter obtains LRN (Local Reference Number) for the transit, and heads for office of departure. 8. Transporter proceeds to IBF (Inland Border Facility) at Sevington (Ashford), with their LRN to get authentication. 9. LRN is presented to HMRC and (providing it can be located) the transit document is retrieved and authenticated (estimate min one hour here). 10. Vehicle proceeds with transit and valid MRN (Movement Reference Number). 11. Vehicle ships to Calais and transits through the port for clearance in Germany. 12. Vehicle arrives at German clearance location. 13. German import entry is made 'live' by the arrival of the vehicle and presentation of the transit document. 14. Transit is closed and import entry processes. 15. German importer accounts for import VAT or pays it and reclaims on next return (subject to local rules). 16. Goods are delivered. 	<p>TRANSACTION</p> <ol style="list-style-type: none"> 1. GB Seller creates customs invoice from themselves to their virtual identity in France (consigned to their FR VAT Number). 2. Zero rate the VAT as goods leaving the UK (export). 3. GB seller to create GB export declaration or appoint EORI to act on their behalf. 4. EORI to also arrange import clearance in France, no VAT to pay as new FR VAT number allows PVA (Postponed VAT Accounting). 5. Transporter collects goods and proceeds to Calais. 6. French import clearance takes place as the vehicle is on the ferry. 7. Vehicle arrives in Calais and proceeds directly to delivery point. 8. Buyer receives goods. <p>POST-TRANSACTION</p> <ol style="list-style-type: none"> 1. GB Seller raises invoice to German buyer, using GB company information. 2. Uses new French VAT number, no VAT charged as intra-EU movement. 3. Quotes buyer's German VAT Number, no VAT to pay as EU reverse charge process applied. 4. GB Seller provides proof of delivery to EORI so VAT record can be completed

DDP can work well for most traders, so long as it is handled correctly, with the correct precautions taken. EORI can offer Regime 42 as a service which will significantly smooth the process and remove any current blockers.

Regime 42

Put simply, Regime 42 is a release for Free Circulation with an onward supply to another member state. This is perfect when used for goods that clear in Calais and move on to another member state from there. It allows postponement of VAT so it can be paid in the clearing state, in the example above, Germany as opposed to payment in France.

VAT becomes a neutral payment, the initial import into France is exempt from VAT on the premise that the goods will be supplied onwards to a second member state. At the point of import into the second member state, intra-EU supply is then taxed at a 0% rate. This will drastically improve the importer's cash flows as the VAT is only accounted for when goods clear into the second Member State, Germany in this case.



How can EORI (UK) help?

To make full use of Regime 42 entries into the EU, you will need:

- GB EORI Number (used to be able to export the goods from GB)
- EU EORI Number (Post-Brexit means your GB EORI Number is no longer valid in the EU)
- Contract with FR Fiscal Representative
- FR VAT Number (This allows delivery to EU member states)

EORI (UK) are well placed to manage applications for all of these and arrange a contract with our French partner to act as your Fiscal Representative in the EU. EORI can connect you with our French partner and allow a UK based Seller to access the full EU market and fully simplify EU VAT rulings.

This allows the UK based business to take full control of their supply chain, making customs clearance in the EU from the UK as simple as it was pre-Brexit.

Get in touch with us for all your Onward Supply questions and see how we can help you have seamless access to the EU market.



Working Together

No Hidden Surprises. Just Transparent Success!

We believe in clarity, not complexity. Join us on this transformative journey – where potential meets implementation, and success is the only destination.



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