

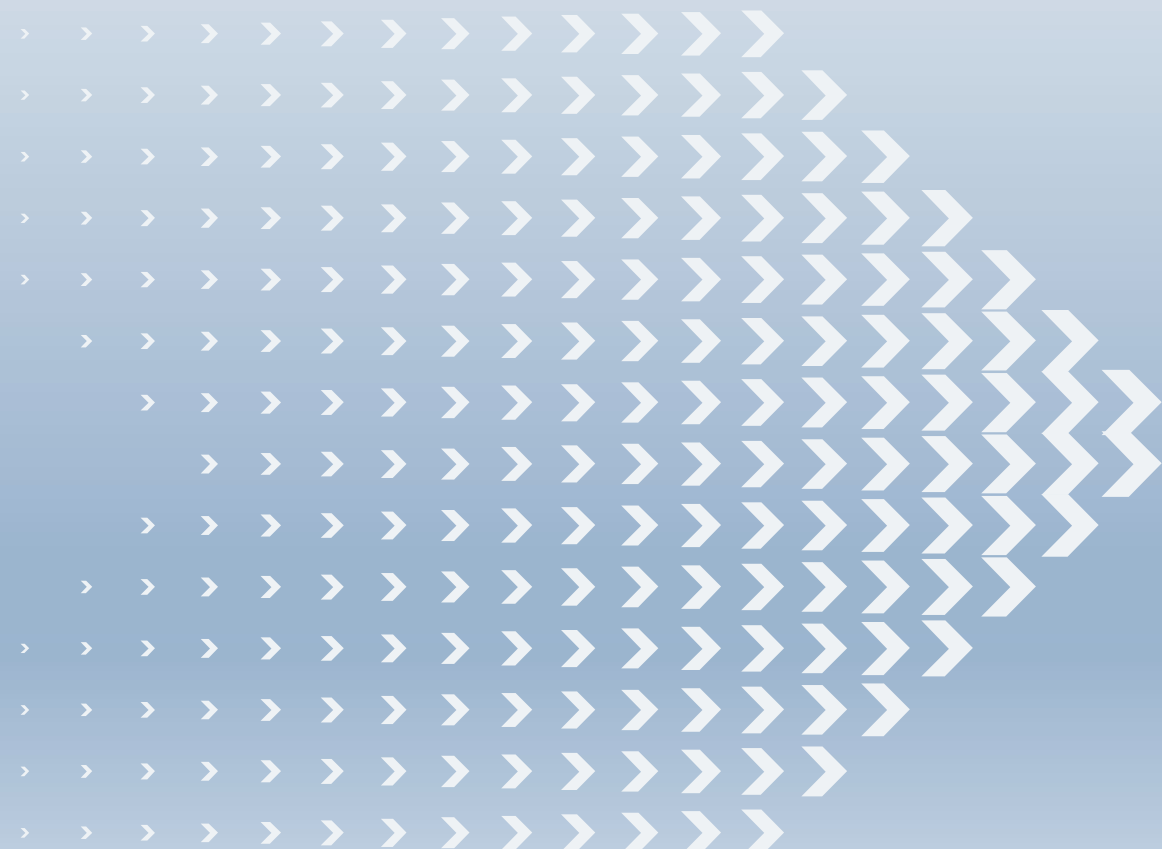


Hellmann - SMART 40



Agenda

- Key points affecting our clients post Brexit
- Fiscal impact since January 2021
- New French VAT Rules
- Hellmann – SMART 40





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





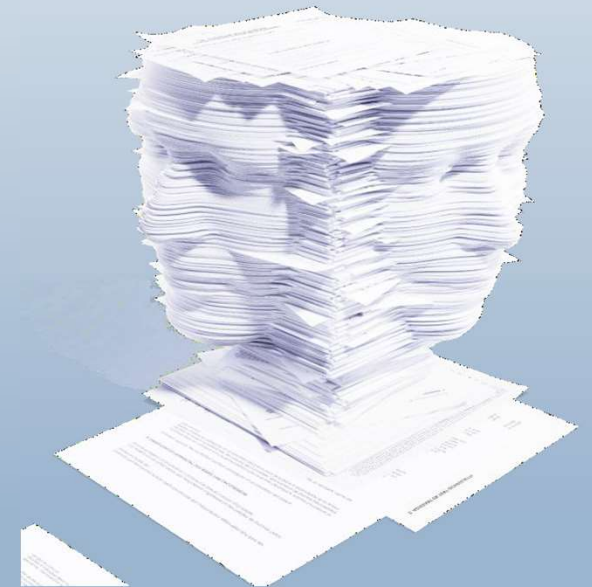
Fiscal Impact since 1st January 2021

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





New French VAT Rules – Effective 1st January 2022

- The VAT on imports is no longer payable to your French customs broker, but will be automatically reverse charged on the French VAT returns.
- The UK government have agreed a Mutual tax reciprocity between France and the UK, No requirement to set up a bank guarantee with the French tax authorities
- You cannot sell under DDP and account for VAT to French clients if your company does not have a valid French VAT number
- Utilising a French VAT number enables the use of the Reverse charge mechanism. Alternatively you can sell DDP excluding VAT .
- VAT refund reclaims through the 13th directive are no longer possible for import VAT from a non EU country



Hellmann – SMART 40

Hellmann – SMART 40 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 40 Customs procedure code.

Regime 40 - Entry for free-circulation and home use of non-Union goods (permanent export)

Import Customs Clearance under this procedure means the release of goods into free EU circulation following the payment of customs duty and other taxes if applicable.

Smart Border / Frontier Clearance

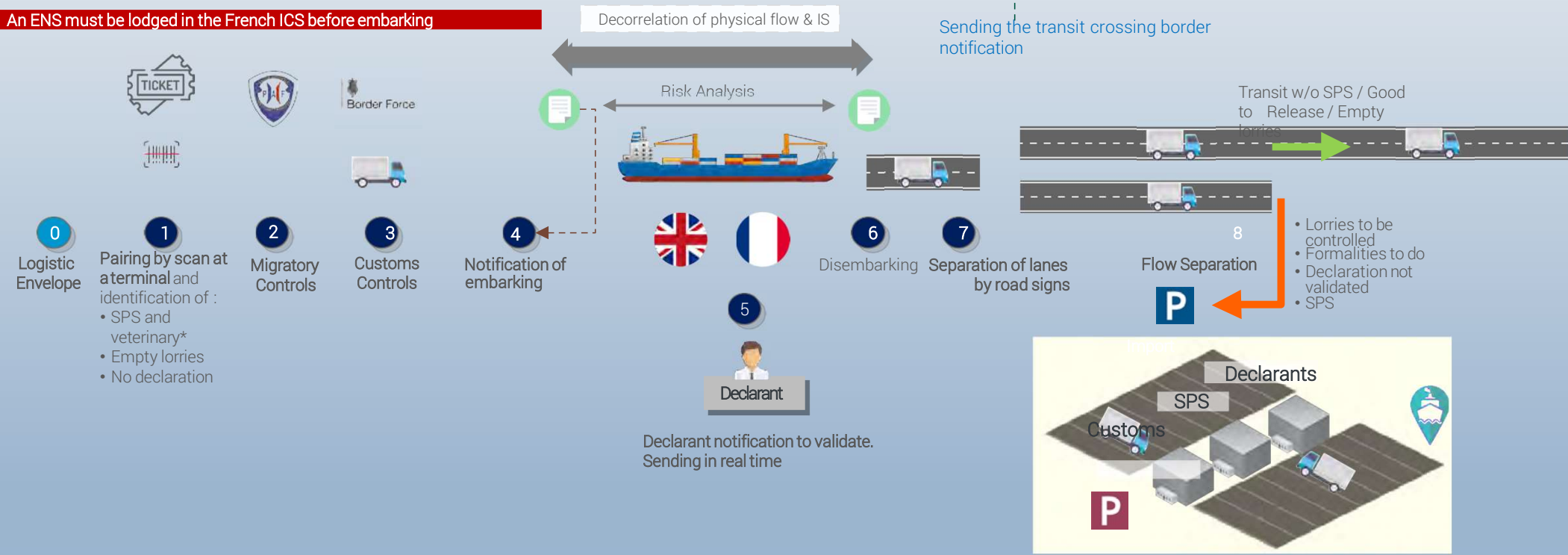
Enables all stakeholders to meet their legal obligations. Facilitate the exchange of information between stakeholders: hauliers, maritime companies and customs authorities on both sides of the border. This automated information flow maintains fluidity by avoiding prolonged stops and ensures a seamless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





Smart Border – Physical Flow

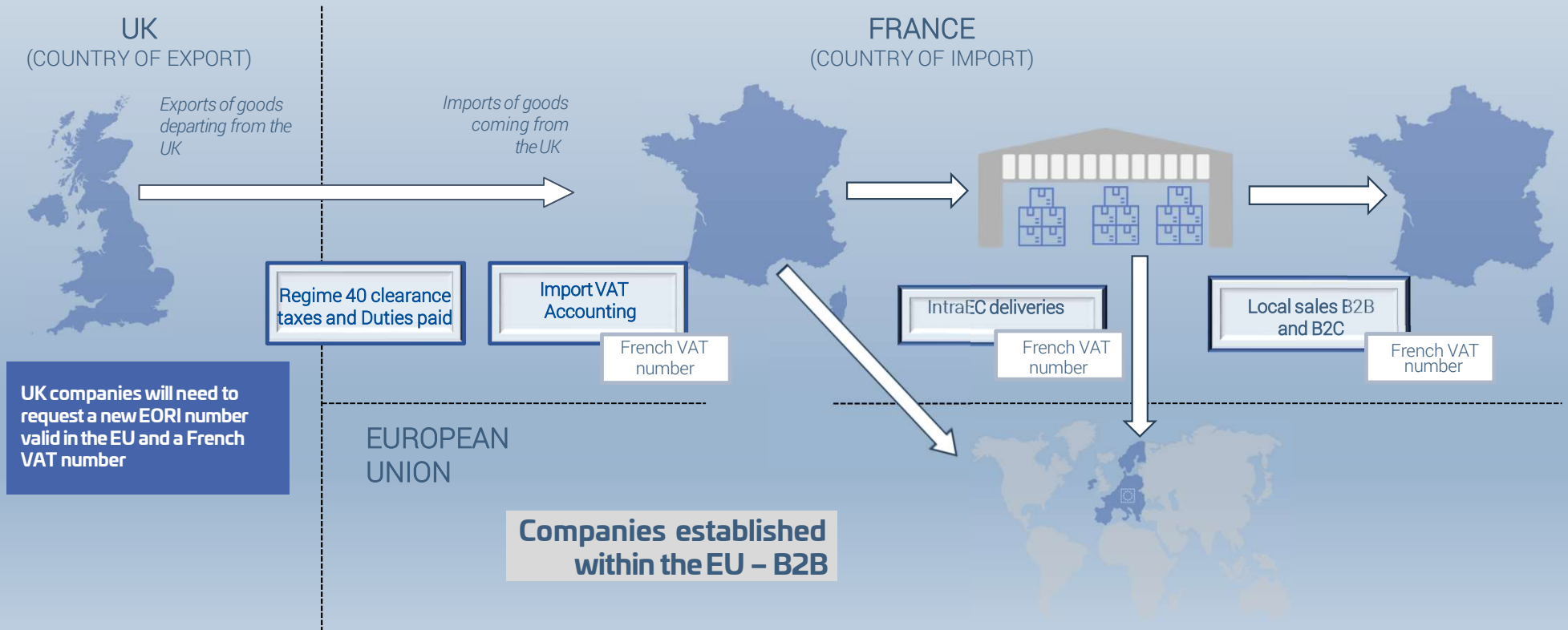
An ENS must be lodged in the French ICS before embarking



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.



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Points to Consider

- Your company is the exporter and importer of records in the EU and sell on a DDP basis.
- Your French VAT number is required on all invoices
- The reverse charge procedure is used for intra-EU business-to-business sales as a way of reporting VAT. The buyer accounts for the VAT on their French VAT return instead of the seller.
- The reverse charge will bring in the following changes. For sales, no VAT will be due on payments from customers where the supply is covered by the reverse charge. All you need to do is include the value of the sale in your VAT return when you receive the payment.





THINKING AHEAD – MOVING FORWARD

Points to Consider

- Your company will be responsible for the completion and submission of a French VAT return on a monthly basis. Form 3310 CA3 located on the French VAT portal requires completion between the 15th -24th each month following the end of each tax period.
- Hellmann do not offer fiscal advise or services. We can help with the appointment of an experienced French fiscal representative if required.
- If required Hellmann can manage all import duties and taxes on your behalf.





THINKING AHEAD – MOVING FORWARD

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The 4 steps to enable Hellmann – SMART 40

- Obtain an EU EORI NUMBER. This is a customs ID number, enabling you to perform imports in any EU country on your own name.
- Register for VAT in France Enabling you to use postponed VAT accounting via the reverse charge procedure. Our French Fiscal partner can manage the application process and VAT returns on your behalf. Fees for these services can be provided.
- Appoint Hellmann as Customs Broker in the UK to fulfil the export formalities.
- Appoint Hellmann and its partner to manage your Customs Brokerage in France to clear your goods and fulfil the import formalities on your behalf.



Hellmann can help you obtain your EU EORI number and French VAT Registration number.



THINKING AHEAD – MOVING FORWARD

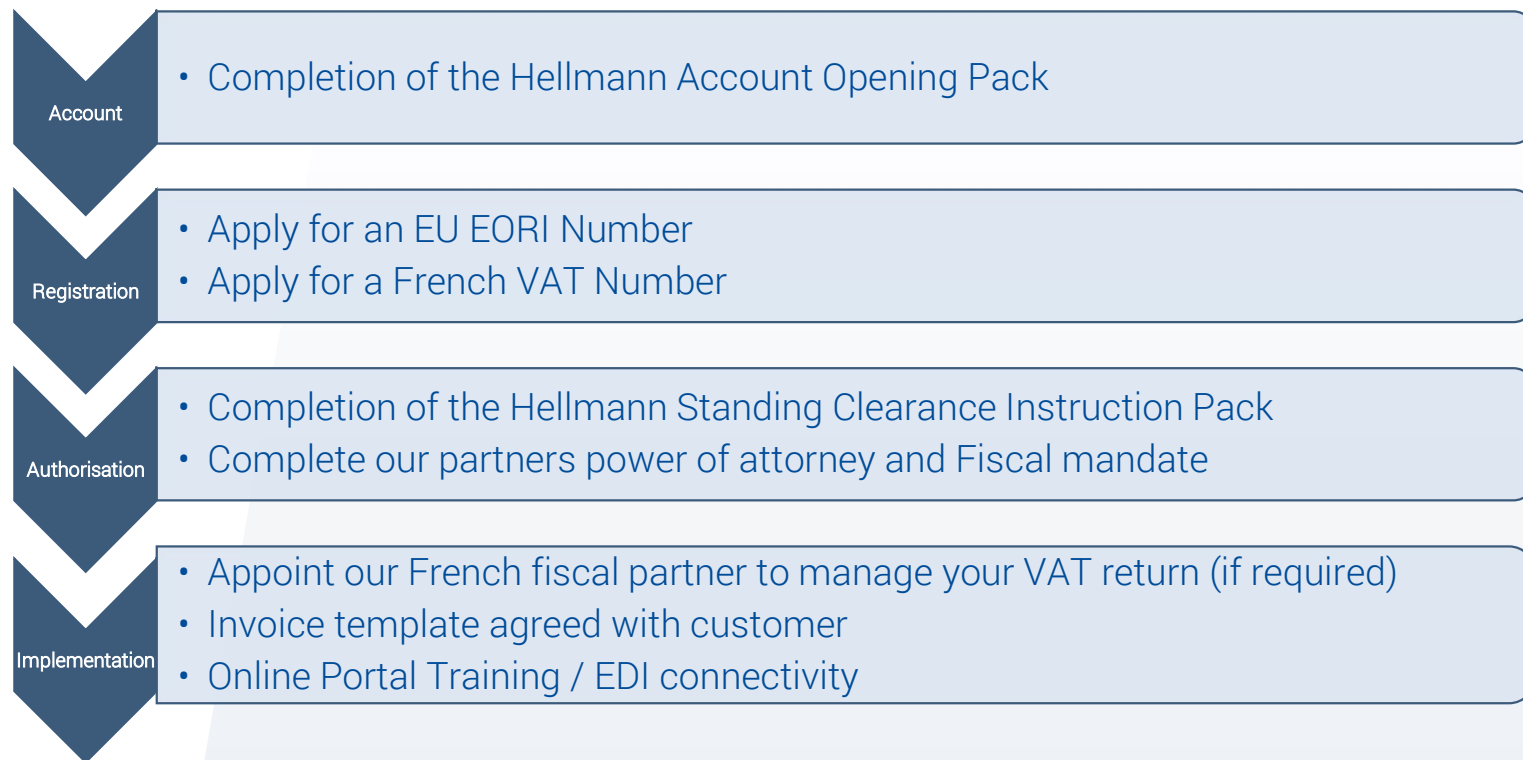
Advantages of Hellmann – SMART 40

- 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 VAT number that can be used to sell goods and deliver DDP to both French and other EU clients
- No Import VAT to be prefinanced
- No longer stuck in time-consuming procedures to get the VAT on imports refunded
- 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 40 – Onboarding Process





THINKING AHEAD – MOVING FORWARD



Thank you for your time