

Brexit procedure

Dear customer

Up until today, we do not know if and how the UK will leave the EU on March 29, 2019 at 11pm GMT. We believe the only sensible thing to do, is to stay on our chosen path and prepare for a trade in a new regulatory environment between EU and UK in which they will act as so-called third countries. If not on the terms of an agreed transition deal, then on the 'no-deal' default terms, decided on by the World Trade Organisation (WTO).

The typical EU-UK journeys you book with us will be subject to a number of changes. In this newsletter, we explain how we are modifying parts of our policies and operational practices to help keep your freight units *flowing*. These changes are crucial to maintain the high capacity and service levels you expect from CldN CARGO.

We have created a summary of these default operation procedures below. Please note that this list is still subject to change. Depending on additional 'Day 1 No-Deal' (D1ND) guidance issued by the UK and EU authorities and the actual operational circumstances, we expect we will have to make additional changes at short notice. We aim to inform you at least two business days in advance.

Do not hesitate to contact our Brexit team (brexit@cldncargo.com) in case of questions.

1. Export Declaration UK-EU and EU-UK (by customer or his customs agent to CLdN CARGO)

Request EORI number

You must inform customs that you are exporting goods to a country outside the EU or vice versa outside the UK, with an export declaration. You therefore require an EORI number, among other things. The European Commission for the EU and Her Majesty's Revenue & Customs for the UK oblige market participants who need to perform customs declarations to identify themselves with an EORI number (Economic Operator Registration and Identification). Do not postpone this and apply for one right away! The procedure is simple and free of charge.

Work with a customs representative

Do you have experience with customs formalities? You may consider outsourcing the creation of the customs declaration to a customs agent or broker. A correct export declaration is not only necessary as a customs permission for your export to be carried out, but also as proof for the VAT administration that VAT may be exempted when your goods will have been exported.

Export process

Goods exported from the EU to third countries are subject to the following steps. Based on the information we have today, the procedure for export from the UK to the EU is the same:

1. The shipper (or their customs agent) lodges (files) their export declaration at the customs office of export prior to the shipment.
2. The customs office of export validates the export declaration.
3. The customs office of export carries out a risk analysis based on the declaration submitted. They may decide to perform an inspection of the goods.
4. If the customs office of export releases the goods for export, they send a prior notice to the customs office of exit.
5. After the arrival of the prior notice, the economic operator transfers the goods to the customs office of exit.
6. After the arrival of the goods in the seaport and based on the correct and complete specified data, the terminal sends an arrival notice to the customs office of exit.
7. Based on the arrival report, the customs office of exit carries out an additional risk analysis and can decide to check the goods (conformity check).
8. The customs office of exit releases the goods for exit.
9. After the goods have left the customs territory of the Union, the shipping company informs the customs office of exit via the export manifest, confirming the export.
10. The customs office of export receives the confirmation of the shipment out of the EU from the customs office of exit. This is important for the VAT exemption.

2. Booking your door-to-door transport with CLdN CARGO

Booking requests for shipments between EU countries (when not crossing non-EU countries) remain unchanged.

To make a booking request to or from the UK, the first day of Brexit marks the day you will have to add additional information to a specific booking template. There are three stages in a complete and correct booking request:

1. Enter the usual booking request information.
2. Submit and confirm all consignment details of the goods in the unit to permit us to make the mandatory Safety and Security Declarations (ENS and in specific cases EXS) before leaving and entering a Third Country.

3. Submit and confirm the export authorisation(s) numbers (MRN) of the combined export (or equivalent) and EXS declaration which you obtained for these consignments prior to the transport.

Together, these blocks of information make up for a complete booking request.

Only a complete booking request will allow us to accept and validate your transport booking with us. You will still be able to make a preliminary reservation by only supplying the information of the first block, but delivery of your goods in our unit to the terminal is only allowed when all 3 blocks of information have been supplied to us.

To ensure all relevant and mandatory booking details are provided, a new [order template](#) has been designed.

3. Transport to Terminal for shipment (by CLdN CARGO)

In general, the transport will only leave the loading place as soon as CLdN CARGO has received the details from the customer, including all requested ENS data and MRN number, via one of the [order processing functionalities](#). Any deviation of said process requires prior approval from CLdN CARGO.

4. Pre-Lodgement UK import (by Customer to customs-office of import)

The C.RO Ports terminals in London and Killingholme are both on the list of approved UK ro-ro locations: a status that provides substantial D1ND benefits as all cargo passing through these ports is eligible for immediate release upon arrival in the UK.

It will however require you (or the party legally required to do this on your behalf) to [pre-lodge an import declaration with the UK customs authorities](#) prior to loading the vessel at the terminal of departure.

We do not need a confirmation of your pre-lodgement. We count on you in good faith to have all the paperwork in place to prevent your units from being blocked in our UK terminals.

5. Arriving and checking in units at the terminal of departure (by terminal operator and shipping line)

To avoid gate and terminal congestion, the terminals will only allow units after the vessel booking has been completed and verified by our administrative teams. Your vessel booking will be made by us, based on the information you provide.

CLdN CARGO can accept your cargo no earlier than 24 hours prior to the departure of the sea vessel, unless another arrangement was requested and approved in writing by CLdN CARGO. Should you present your goods earlier, we may refuse acceptance, charge storage rates or immobilisation fees (which may take the form of scaling charges) as described in our updated Terms & Conditions valid from March 20, 2019, sent to you separately or on our website www.cldncargo.com.

We are forced to introduce this change in order to maximize the terminal capacity for import units, which in the EU ports will be subject to mandatory temporary storage customs holds upon arrival and cannot be released until their subsequent customs status is confirmed, therefore risking increased dwell times.

At our discretion however, but typically if required for capacity reasons, we will from March 20, 2019 onwards, be entitled to notify you at short notice (we aim to give a minimum of 2 working days' notice) about any changes in the published tariffs and conditions, including termination and/or the enforcement of a strict maximum 24 hours physical storage policy.

Ultimately, we implement this policy and reserve these rights to be able to avoid as much as possible potential congestion at our terminals and to safeguard the best possible service offering to you and our other customers.

Upon arrival at the terminal of departure, the ferry operator will use the export MRN you provided us at booking stage to confirm with the local customs authorities the Arrival at Exit (ARX) of the unit. Once authorisation to proceed is obtained by the ferry operator, we will be able to load your goods in our unit on the vessel.

We will always inform you if after the ARX the unit is held at the terminal for further checks by customs or the authorization to proceed was not obtained in time for the ferry operator to be able to load the unit on the booked vessel. Please note that in such case re-booking and terminal storage charges may apply.

6. Exit confirmation (by customs office of export to customer or customs agent)

The customs office of exit will send an exit confirmation to the customs office of export. The customs office of export will then forward the message to the declarant of the export declaration.

This is a declaration that the goods that have been loaded have actually left the EU and that there is therefore a right to exemption from VAT on exports.

7. Sea Passage - Entry Summary Declaration (ENS or safety and security declaration) (by shipping company with unaccompanied traffic and transport company with accompanied transport)

For shipping companies the data needed for bookings from the EU to the UK will be slightly different from the information needed for bookings from the UK to the EU.

An Entry Summary Declaration is an execution of electronic risk analysis by the EU or UK customs, which may result in an inspection (documentary inspection, scanning or physical inspection) and/or a declaration for taking the goods in temporary customs storage of the terminal at discharge.

Upon confirmation of the ENS declaration, the terminal will also make an entry into Temporary Storage (TS) for all units arriving at the EU terminals. We will inform you of the confirmation reference number thereof, which is required by you or your agent, to submit the mandatory import or equivalent declaration. We will transfer this information to you as soon as possible by exchanging it with you via EDI/e-mail.

TS will not be a D1ND requirement in the UK, where the units are free to immediately leave our terminal, subject to border security checks as today.

In the UK, the CLdN ferry operator will use the [MCP – Destin8](#) community platform to exchange information with authorities and you or your agents.

8. Discharge Notice (by terminal operator to importer or his customs agent)

Goods are placed under customs supervision until they receive an authorized customs-approved treatment (deferment of import duties, VAT and excise duties) from the effective discharge of the vessel (entry into the EU) until follow-up declaration for import, transit and/or re-export.

9. Follow-up declaration (by Importer or his agent to Customs import)

Arriving at a UK terminal

D1ND planning in the UK foresees that units can be picked up immediately after vessel arrival from our terminal of arrival and subjected to Border Force security checks. This equates to today's situation. We remind you that this is because C.RO Ports London and Killingholme terminals in the UK are on the list of approved UK ro-ro locations and that you are required to make [a pre-lodgement of the UK import declaration](#) prior to the vessel departure from the EU. You must also finalize any UK customs requirements after the unit has left our terminal of arrival.

If you prefer, it will be possible to operate a fully inventory linked process at our UK ports. You can indicate your preference at the time of booking.

Arriving at an EU terminal

All units will mandatorily be placed in Temporary Storage under a customs' hold at our terminal of arrival. In order to lift this customs' hold and to procure the release of your unit, you must first provide us with proof of the subsequent customs status of the consignments and goods in the unit. You or your delegate must do this by completing and confirming the unit booking information in our [order template](#), typically with the import MRN, which will immediately lift the customs' hold in our system and make the unit available for pick-up.

Sanitary and phytosanitary checks

D1ND planning in the UK foresees that only non-EU origin goods in transit will need to go to a Border Inspection Post (BIP) before entering the UK. It is your responsibility to organize for this, including confirming that it is permitted to ship such goods via our ports as currently only C.RO Ports Killingholme is located in an approved BIP area.

All mandatory checks will apply to import goods entering our EU terminals. All C.RO Ports terminals in the EU are located in an approved BIP area. You will be responsible for organizing these checks, including making timely appointments at the BIP facility. We will then arrange transport to the BIP at agreed costs.

Please note that it is stated in our new Terms and Conditions, valid from March 20, 2019 that the arrived import unit must be picked up from the terminal of arrival within the timeframe of 24 hours after vessel arrival. Non-compliance may lead to additional storage, immobilisation fees and waiting hours charged to the customer, as defined in the published tariffs in our Terms and Conditions.

10. Cargo release (by terminal operator to importer or CLdN CARGO)

The terminal operator will inform us as soon as the follow-up declaration or transit has been created, releasing the goods to leave the terminal of arrival.

11. Delivery at delivery place (by CLdN CARGO)

There are no procedural changes in the last stage of your transport.