

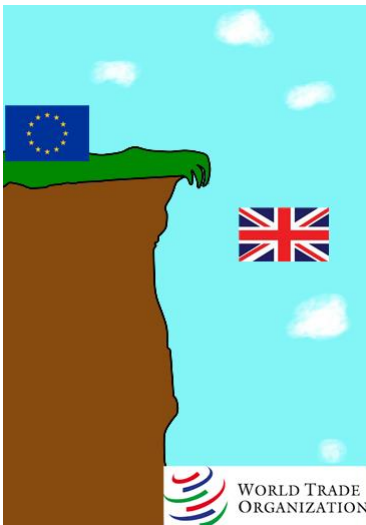


BREXIT – Impact on Supply Chain Software

Martin Meacock – Director Product Management, Customs Europe

Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

March 30th 2019



Will it be a
hard or
soft exit ?

Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

Hard or soft

- Full Import & Export Declarations for all EU Traffic
- Tariffs applied at full WTO bound rates
- No bi-lateral preferential arrangements for UK with 3rd countries
- Pre-Arrival Safety & Security requirements for Exports to EU Countries
- No automatic mutual recognition of standards or guarantees
- Biggest Impact at Ro-Ro locations and Irish land Border

UK Government White Paper also indicates that they are considering alternative tax collection mechanisms on parcels valued below £135 from the business selling the goods especially as current Non EU low value limits are likely not to be extended to EU countries due to geographical proximity.

Softer Exit

- Transitional arrangement until 31st December 2020 subject to withdrawal agreement being finalized and ratified by EU and UK
 - **'nothing is agreed until everything is agreed'**
- Potential blockers
 - Northern Ireland
- Then what ?
 - Free Trade Agreement
 - Frictionless borders.....
 -but no customs union and no single market

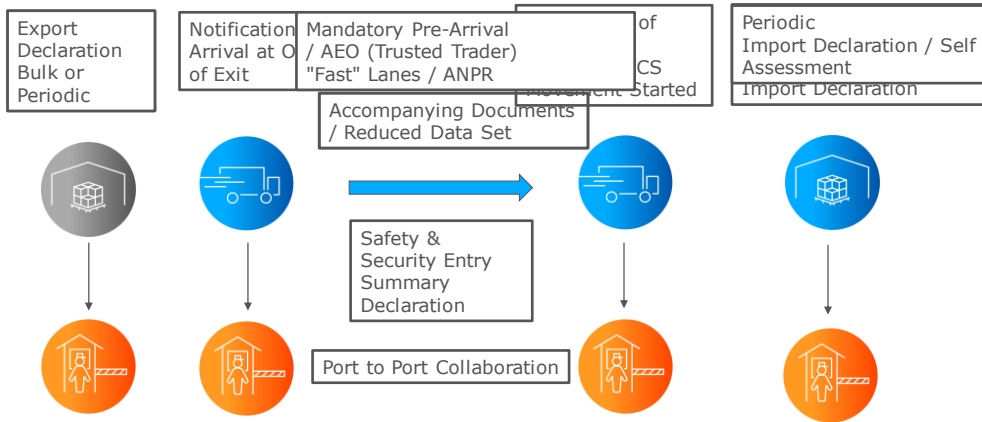
"Customs Partnership"



Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

DESCARTES

'highly streamlined customs arrangement'



Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

DESCARTES

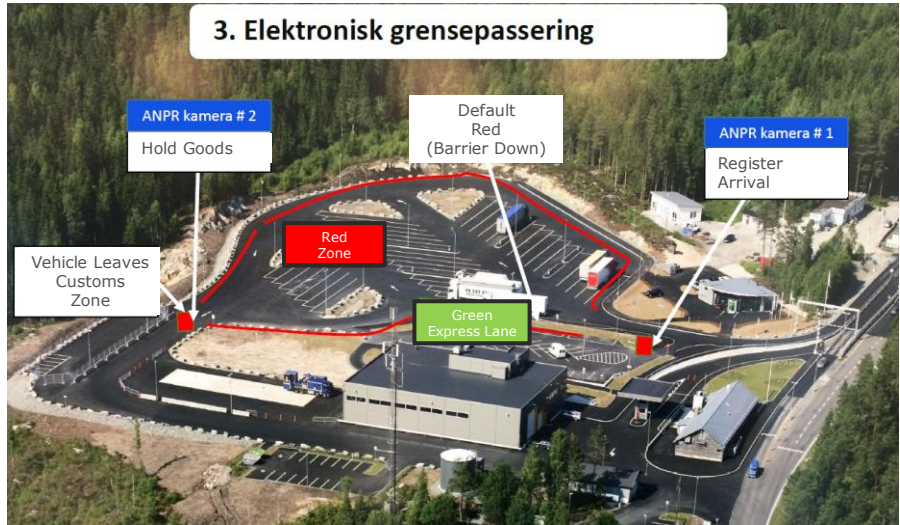
Norway - ekspressfortolling (Express Custom Clearance)

Manifest includes potentially:

The truck's plate number (and trailer unit plate number)

Drivers name and date of birth

Details of all goods with customs declarations references



Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

DESCARTES

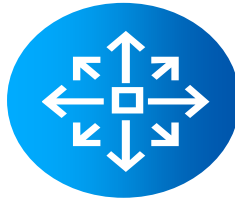
Efficient Use of Data



Shipper / Broker Carrier

Safety & Security

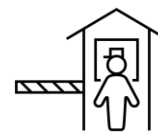
Declaration data



Local Representative



Country of Export



Country of Import

Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

DESCARTES

What should you do



- What new data might you need to capture, especially if companies are trading just Intra EU currently
- What access do you have to help determine tariff codes and duty rates
- Do your supply chain systems have the capability to send data to or receive data from the UK
- Do you have entities or partners already established in the UK
- Are they or you already AEO
- Do you have options to clear goods inland away from Ro-RO locations
- Do you have the budget for system changes / additional resources