

BREXIT UPDATE

What is BREXIT?

The United Kingdom formally left the European Union on 31 January 2020. The process of the UK leaving the EU has become widely referred to as 'BREXIT'. A transition period existed until 31 December 2020 during which no changes to the trading relationship, movement of goods, services or people was put in place to allow negotiations of the future trading position to take place.

The 'Free Trade' Agreement

On 24 December 2020, the UK and EU formalised a trade agreement ensuring that imports and exports of goods between the UK and other EU member states are tariff free ensuring continuity of supply to our customers and for our suppliers in the EU. The 'free trade' agreement also permits CE Engineering's HPE NonStop Support Specialists to continue to work in the EU.

This agreement came into effect on 01 January 2021.

CE Engineering imports and exports HPE NonStop Servers and computer equipment and provides services for users of HPE NonStop Systems around the World, including those in the European Union, from its base of operations in the United Kingdom. The 'free trade' agreement only affects CE Engineering's customers and suppliers within the EU.

So, what HAS Changed for EU Customers/Suppliers?

From 01 January 2021, imports and exports between the UK and EU member states will be subject to Sales Tax (VAT/TVA/UST) at the point of import. Payment of the Sales Tax is generally due before the goods are released by customs. To enable customs to calculate the amount of Sales Tax due to be paid, all import/export shipments must be accompanied by a Commercial Invoice detailing the Harmonised Code of each element in the consignment and the value of those elements.

To minimise any delay in customs clearance for exports, CE Engineering will ensure that any shipment is accompanied by all necessary paperwork for the destination country (as was our practice before BREXIT). However, as the recipient of the shipment is normally required to pay Sales Tax before release of the shipment, or at least guarantee the payment, the import process is much simplified by the recipient having an account with the importing shipping company - CE Engineering uses either DHL or FEDEX for the majority of its international shipments.

What about Services?

Services, such as on-site hardware support, training, installations, de-installations and system upgrades will not be subject to Sales Tax (VAT/TVA/UST) and free movement of our Support Specialists will be permitted.

Summary

In summary, after all the concern and hype the 'free trade' agreement ensures that BREXIT will have little or no impact on CE Engineering's ability to provide used HPE NonStop systems, servers, components and services to customers in the EU, and our prices and services will remain as competitive as ever.