



## Product Notification CSB #131

To: Sensitech Customers  
From: Client Services  
Date: 21 December 2020  
Re: Brexit Update for UK Customers

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### **Reason for Notification**

With the United Kingdom (UK) exit from the European Union becoming official as of 1 January 2021, below are answers to common queries that we have received pertaining to Brexit.

- As of 1 January 2021, all imports into the UK are subject to UK import procedures administered by UK HM Revenue & Customs authorities.
- All imports into the UK will be subject to duties/taxes.

### **General Questions / Answers:**

#### **How will we best buy your products in the UK after Brexit? (Direct or Indirect)**

- Currently, sales are direct through Sensitech Inc. We have offices located in the United States, The Netherlands, Hong Kong, China and Canada that may support shipments to the United Kingdom. However, we expect the bulk of shipments to the United Kingdom will originate from The Netherlands. Sensitech does not have an option for indirect sales, such as through an agent/distributor in the United Kingdom.

#### **What are the Incoterms when buying your products?**

- Assuming there is a contractual agreement with Sensitech, the Incoterms noted in any existing agreement will guide the associated documentation.
- If there is no contractual agreement, then Sensitech's standard Incoterms are Free Carrier (FCA) where the transportation is burdened upon consignees or third-party account number(s)

The information and recommendations set forth in this Product Notification are made in good faith and believed to be accurate as of the date of preparation. The information is provided for your general guidance is not intended to provide you with legal advice. Sensitech makes no warranty, expressed or implied, with respect to this information and disclaims all liabilities from reliance on it. Please consult your own legal advisor before taking any action based on the information provided herein.

**Which courier company do you use for UK deliveries?**

- Sensitech will continue to ship via DHL Express from The Netherlands and FedEx from United States. However, the customer may choose another carrier if preferred.

**Who will manage the customs clearance?**

- It will be the responsibility of the consignee in the United Kingdom to act as the UK Importer of Record. It is highly recommended that a designated UK Customs Broker be retained to facilitate UK import procedures.
- For shipments where a third party will be responsible for duties/taxes, the third party will act as the Importer of Record and the UK entity will act as the 'Ultimate Consignee.'

**Who will cover the VAT on import?**

- If the consignee is acting as Importer of Record, they will be responsible for VAT. VAT Recovery may be available.
- If 3<sup>rd</sup> party is to act as Importer of Record, the 3<sup>rd</sup> party will be responsible for VAT.

**Will you need the customers Deferment Account Number on the PO?**

- If UK Consignee has a UK HM Revenue & Customs 'Deferment Account Number (DAN)', we recommend it be provided to Sensitech at the time of order placement so that this information can be placed in the commercial export documents.

**What HS codes are associated with your products?**

- Sensitech's products will be classified under **UK Global Tariff Number 9025.80.40.89** as of 1 January 2021.

**Are you expecting tariffs on your products?**

- No - Under the UK Global Tariff, the duty rate would be 0.0%.

**What information will you need to provide with each order?**

- If the Consignee has an 'Economic Operator Registration Number (EORI)', and/or VAT or DAN Number, please provide those numbers at the time an order is placed to assure inclusion on the commercial invoice, which will expedite a smoother UK Customs Clearance process.

**What have you done to mitigate supply issues after Brexit?**

- Sensitech’s direct presence in the United Kingdom consists of several sales and service personnel. From a supply chain perspective, we view the risk as low. We do not have any manufacturing or distribution operations in the UK, and orders for UK-based customers typically ship from our location in The Netherlands. Customers may experience delays in UK customs clearance. With that, Sensitech is prepared from a supply and programming capacity point of view to react if customers in the UK decide to increase their stock on hand or average order size to hedge against any potential risk.

**Do you have any concerns over delays in the first 3 months?**

- It is unknown if any delays will be encountered after 1 January 2021. That said, broad market research indicates that minor delays are to be anticipated, but to what extent is unknown. We will continue to monitor in-transit shipments destined for the UK in an effort to mitigate any delays. Please know that Sensitech’s order fulfillment capabilities are exceptionally strong. Greater than 90% of orders are shipped within 48 hours of a PO being received. Hence, should import delays occur due to Brexit issues, we would encourage customers to take this delay into account and place orders with future shipment lead times in mind.

Lastly, Sensitech has a broad team of supply chain, regulatory, and operational professionals that routinely review these and other developments around the globe. We regularly update our risk mitigation, disaster and recovery plans, and welcome you to review this material during an on-site audit.

Please contact your Account Manager or Sensitech’s Client Services Team if you have any additional questions or concerns.

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