

moving science forward

Preparing for Brexit

What our customers
need to know



Background

As a leading biosciences logistics company with global reach, our European operations are integral to the strategic ambitions of Biocair.

Following the UK's decision to withdraw from the EU, we want to reassure our customers that, while there may be some challenges ahead, our specialists are monitoring developments and there will be no compromise on the level of service being delivered to you.

Since the Brexit vote Biocair has:

- Created a strategic Brexit team involving key personnel from all departments
- Conducted a thorough impact analysis
- Worked with key authorities to have our say on behalf of our customers
- Ensured our interests have been taken into account - no tariffs and free movement of goods

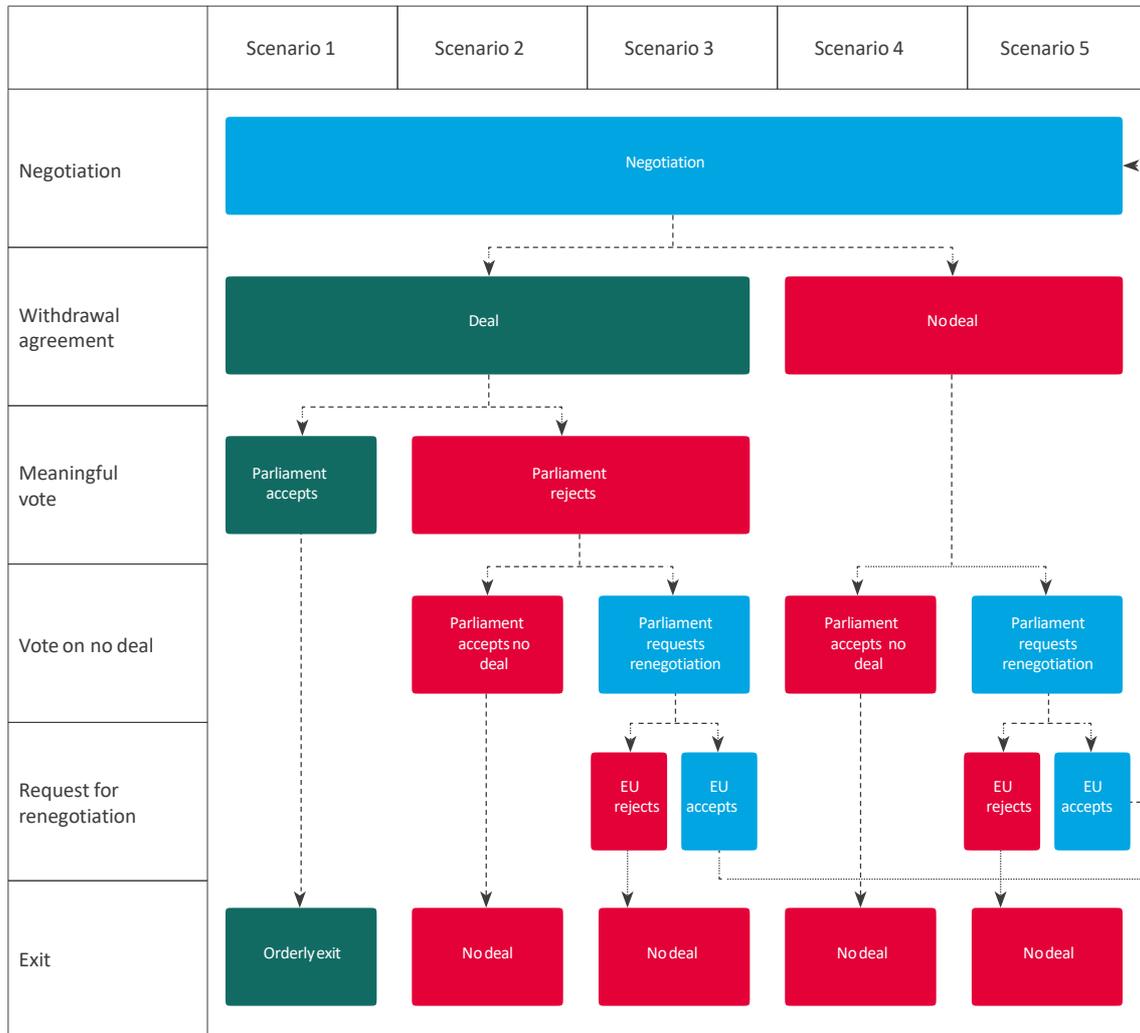
What will Biocair do next?

- Remain fully engaged in the Brexit process
- Publish regular updates to our customers

While Biocair is working extremely hard towards and remains committed to helping the Government achieve a trade deal, we have to plan for the scenarios in which the UK leaves the EU without a deal in place.

The diagram on the next page shows the five potential scenarios the UK and EU currently face. Of the five scenarios only the first includes a deal being agreed by all parties and would enable a seamless orderly Brexit with trading remaining as it is today.

Possible scenarios for the next phase of Brexit



Our thanks to the Institute for Government (UK think tank) for the above diagram

- Of the five likely Brexit scenarios, only one leads to an orderly Brexit
- Four scenarios lead to a no deal Brexit
- No deal Brexit will impact international trade and cross-border parcel movement
- Biocair has therefore prepared contingency plans, which are outlined in the following sections

What would a no deal Brexit look like?

With no trade agreement in place Biocair would need to treat your UK-bound shipments the same way we currently treat your rest of world (ROW) shipments. There will be a need for customs clearance to and from the UK.

Exporting to and importing from UK

Businesses are advised to:

Put steps in place to renegotiate commercial terms to reflect any changes in customs excise procedures and any new tariffs that may apply to UK-EU terms. Biocair has already started to amend contracts to reflect this clause, and we recommend that our customers do the same with their customers.

Consider acquiring customs software and/or engage a customs broker. Biocair has already put measures in place to accommodate the customs clearance process and our customers can also rest assured that being Authorised Economic Operator (AEO) accredited for both customs and security, we are well placed to handle your exports into Europe and UK.

Use product classification codes and check whether any of their goods need an export licence. Materials previously not requiring licences might require additional regulatory documentation and clearance.

In the event of a no deal Brexit, Biocair would expand their current non-EU shipping process to also cover EU shipments.

Biocair currently provides the following necessary services associated with shipments from third-party countries:

- Identify licence requirements
- Guidance in devising customs valuation methodologies
- Assist with tariff coding

Recommendations and Biocair readiness

With no trade agreement in place Biocair would need to treat your UK-bound shipments the same way we currently treat your ROW shipments. There will be a need for customs clearance to and from the UK.

These are the main recommendations from major trade and accounting bodies for businesses to control the impact of a hard Brexit on their organisation:

- Apply for AEO accreditation – Biocair are AEO accredited
- Carry out an origin of goods analysis – Biocair currently do this and we can support customers in doing so
- Organise local VAT registrations – Biocair has European offices in Germany and Belgium, with tax registration in Germany, Belgium, the Netherlands and France
- Biocair will require your Economic Operator Registration and Identification (EORI) number for all shipments. All businesses involved in international export or import require an EORI number in the EU and/or UK

Please contact your local Biocair office if you require more information.

What does Brexit look like for Biocair?

“Forecasting the outcome of Brexit is complex and it is difficult to foresee what the consequences would be. However, Biocair is fully committed to continuing to provide the industry-leading service in the biosciences logistics sector and we will adapt to the changing political landscape.

Biocair is in a privileged situation of being a UK entity with a French parent company and is perfectly placed to ensure that the group structure supports our customers.

Our team of experts are available to help you forecast changes and maintain operations post-Brexit without any interruption to your supply chain.”

Chris Cooke
Biocair CEO





Conclusion

The UK is due to leave the European Union on 29 March, 2019 - it's the law, regardless of whether there is a deal with the EU or not.

This document is intended to give you an overall guide and we will publish further advice as negotiations move forward.

We will closely monitor progress on the negotiations with the EU27, the Irish border options, the likely future framework, and update our customers on how these factors could impact or benefit our businesses.

The key questions of 'will it cost more to send materials to the UK post-Brexit' and 'will it take longer for materials to be delivered' still remain unanswerable, but we can assume that in case of hard Brexit transport rates and transit times may change. We will monitor and report back regularly.

If you require more information, please contact sales@biocair.com or visit www.biocair.com.

Biocair guide to Brexit jargon

No deal or Hard Brexit

Britain leaving the EU with no formal agreement on the terms of the UK's withdrawal or new trade relations. The UK will default to WTO rules.

A no deal scenario is one where the UK leaves the EU and becomes a third-party country at 2300 GMT on 29 March, 2019 without a Withdrawal Agreement and framework for a future relationship in place between the UK and the EU.

Soft Brexit

Leaving the EU but staying as closely aligned to the EU as possible. It could keep the UK in the single market or the customs union or both. It could involve British compromises on free movement of people, allowing EU citizens rights to settle in the UK with access to public services and benefits. Three examples of Soft Brexit exist:

Soft Brexit - Norway Model

An arrangement in which the UK would have to allow freedom of movement of people, make a contribution to the EU budget – smaller than it currently makes – and abide by the rulings of the European Court of Justice, in exchange for remaining in the single market.

Soft Brexit - Canada Model

Refers to a free-trade agreement between the EU and Canada which removes lots of barriers to trade between the two, but not as many as the Norway model – which involves signing up to more EU rules and contributing to the EU budget. Very limited duties and taxes applicable.

Soft Brexit - Customs Partnership (Chequers plan)

This proposal, also known as the hybrid model, would enable trade in goods between the UK and Europe without the need for customs checks. Some say it would help solve the Irish border question too, as the UK would collect the EU's tariffs on goods coming from other countries on the EU's behalf. If those goods stayed in the UK and UK tariffs were lower, companies could then claim back the difference. Duties and taxes with reduced rates applicable on specific goods only.

Brexit Backstop

The backstop is a position of last resort, to maintain an open border on the island of Ireland in the event that the UK leaves the EU without securing an all-encompassing deal.

Sources

DPD Guide to Brexit Jargon (document)

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About Biocair

Biocair is a specialist courier, wholly owned by the DPD group, with over 30 years of dedicated experience in the pharmaceutical, biotechnology and life science sectors. The company has built up a unique, client-centric approach by employing scientists in front-line logistics positions and assembling a team of best-in-class industry experts in quality, cold chain and regulatory compliance amongst others.

Founded in 1987 in Cambridge (UK), Biocair now operates across Europe, Africa and Asia as well as several locations throughout the US, including Boston, San Francisco and New York.



**For more information, please contact
your local Biocair office or visit
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