



**READY
TO
TRADE**

JAGUAR LAND ROVER SUPPLIER PACK V.1

BREXIT POST TRANSITION – 31/12/2020

DDP PRODUCTION PARTS SUPPLY – CUSTOMS PROCESSES

GLOBAL PURCHASING BREXIT TEAM
SEPTEMBER 2020

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WARNING

It is the supplier's responsibility under the DDP Incoterms in its contract with JLR to clear goods for export, pay all costs associated with the export and import of goods (including taxes and duties) and to deliver the parts to the named location and therefore to complete the required customs procedures. As goods will be unable to proceed without this, failure to complete the required customs procedures, provide the required customs paperwork or pay the required costs (including taxes and duties) will be considered as a failure to provide goods and therefore a breach of contract.

JLR would like to remind suppliers that supply of the goods shall at all times remain pursuant to JLR's Production Purchasing Global Terms and Conditions, and that the supplier remains responsible for supply of the goods strictly in accordance with such terms.

**THIS PACK COVERS DDP BUYERS PLANT ONLY - IF YOU ARE ON DIFFERENT DDP TERMS
PLEASE CONTACT YOUR PURCHASING AND CUSTOMS CONTACTS**



DISCLAIMER

The contents of this pack are intended to provide DDP suppliers with general information and to assist DDP suppliers in complying with JLR's processes for DDP suppliers from 1 January 2021.

Whilst every effort has been made to provide correct information, the contents of this pack and JLR's response to any query should not be construed as any customs, legal, tax or any other advice. Suppliers should consult with their own professional advisors for specific advice on all customs, legal, tax and other matters.

JLR does not guarantee the completeness or accuracy of the information contained in this pack or its response to any query. Any such information and any response to any query are provided without any representation, warranty or other contractual term of any kind, whether express or implied.

JLR, to the fullest extent permitted by law, disclaims all liability to suppliers in respect of the content of this pack or its response to any query.

Accordingly, nothing in the contents of this pack or JLR's response to any query shall relieve any supplier from any of its contractual obligations to JLR.

DDP

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EU TO UK

DIRECT

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UK TO EU

DIRECT

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The UK Government has voted to pass the Withdrawal Agreement, assuming the European Parliament also ratifies, the UK will formally leave the EU on 31 January with a withdrawal deal, it will then go into a transition period that is scheduled to end on 31 December 2020.

Following the transition period, it is likely that the UK will have left the customs union and single market, therefore, from 1st January 2021 all goods moving across the UK / EU border in both directions, will need to follow appropriate customs processes and complete appropriate customs documentation.

It will be necessary for all suppliers to have the capability to carry out customs declarations and to act as the Exporter of Record for EU to UK and UK to EU shipments.

This pack aims to provide a guide to the newly required processes at an operational level to assist you.



All suppliers must have the capability to carry out customs declarations and to act as the exporter of record for EU to UK and UK to EU shipments.



The International Chamber of Commerce Incoterms rules provide internationally accepted definitions and rules of interpretation for most common commercial terms used in contracts for the sale of goods.

The trade terms help traders by clarifying the tasks, costs and risks involved in the delivery of goods from sellers to buyers.

<https://iccwbo.org/resources-for-business/incoterms-rules>

The Incoterms on your contract with JLR are agreed and cannot be changed at this stage



DDP Buyer Plant - Tier 1 Supplier

Commercial View

- ✓ The seller is responsible for delivering the goods to the named place in the country of the buyer, and pays all costs in bringing the goods to the destination. **This includes payment of UK import duties and VAT**

Administration

- ✓ Jaguar Land Rover will have no involvement in these shipments or customs requirements.
- ✓ EORI number required
- ✓ UK VAT registration is required



VAT implications for suppliers on DDP Buyers Plant Incoterms

- As legal title to goods passes to JLR at the point of delivery and this occurs after the point of import clearance into the UK, VAT rules regard the supply to JLR as a domestic (i.e. UK) supply for VAT purposes. This has the following consequences:
 1. Suppliers must become VAT registered in the UK (if not already registered) and file regular UK VAT returns as a result;
 2. UK VAT (at 20%) must be charged on invoices between suppliers and JLR. This includes invoices raised on suppliers as part of the JLR self-bill process.
- In relation to VAT registration, this is necessary as suppliers are considered to be making taxable VAT supplies in the UK. Critically, UK VAT registration also allows suppliers to recover VAT paid on importation into the UK. JLR will not accept any responsibility for UK VAT paid by suppliers and which cannot subsequently be recovered for any reason.
- Suppliers should obtain their required UK VAT registrations before the 1st January 2021. It is suggested that suppliers may wish to engage a reputable adviser or VAT representative in the UK to support in this process, including answering any questions which the UK Tax Office may have and supporting future UK VAT return filings.
- In relation to charging UK VAT on invoices to JLR, this may also require IT systems changes on the part of suppliers.

The above represents JLR's general understanding of UK VAT requirements in relation to DDP supply. JLR does not provide tax advice and the above should not be regarded as such. Suppliers are responsible for their own tax affairs and it is recommended that, where appropriate, advice is sought from suppliers' own advisers based on their specific, individual circumstances.



VAT implications for suppliers on DDP Buyers Plant Incoterms

- As legal title to goods passes to JLR at the point of delivery and this occurs after the point of import clearance into the EU, VAT rules typically regard the supply to JLR as a domestic supply for VAT purposes. This has the following consequences:
 - Suppliers must become VAT registered in the recipient country (if not already registered) and file regular VAT returns as a result;
 - Domestic (recipient country) VAT must be charged on invoices between suppliers and JLR. This includes invoices raised on suppliers as part of the JLR self-bill process.
- In relation to VAT registration, this is necessary as suppliers are considered to be making taxable VAT supplies in the recipient country. Critically, VAT registration also allows suppliers to recover VAT paid on importation into the EU. JLR will not accept any responsibility for EU VAT paid by suppliers and which cannot subsequently be recovered for any reason.
- Suppliers should obtain their required VAT registrations before the 1st January 2021. It is suggested that suppliers may wish to engage a reputable adviser or VAT representative to support in this process.
- In relation to charging EU VAT on invoices to JLR, this may also require IT systems changes on the part of suppliers.

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Further advice and specific requirements and guidance may be found on your countries' custom authority website

https://ec.europa.eu/taxation_customs/national-customs-websites_en
<https://www.gov.uk/prepare-export-from-uk-after-brexit>



For customs and supply queries please contact

Brexitqa@jaguarlandrover.com

We will endeavour to respond within 3 working days
Jaguar Land Rover is unable to provide advice, queries can only be responded to in relation to Jaguar Land Rover supply.



If there are any issues during this process or during shipping, you need to contact JLR to ensure all parties are aware of any issues.