

JAGUAR LAND ROVER SUPPLIER PACK V.4

DDP **PRODUCTION** PARTS SUPPLY – CUSTOMS PROCESSES
MARCH 2024

Version Control

#	Date	Change
1	Jan 21	Initial publication for trade after 31.12.20
2	Jan 21	Issue resolution contacts updated
3	Jan 21	FAQ Added to Issue resolution
4	Mar 22	Wording updates to align across Brexit supplier packs Updated email addresses & websites

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

CONTENTS

JLR

DDP

INTRODUCTION

1 - DDP

EU TO UK

DIRECT

2 - DDP

UK TO EU

DIRECT

DDP

ISSUE RESOLUTION

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 is a mandatory requirement that **all** suppliers 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.



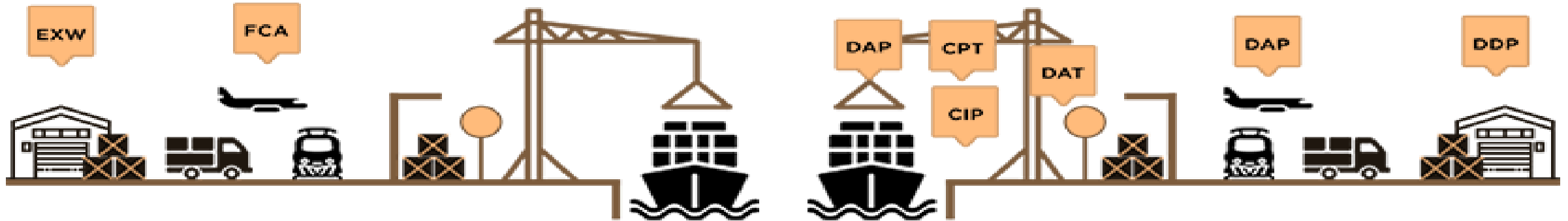
All suppliers must have the capability to carry out customs declarations and to act as the exporter of record for EU to UK and UK to EU shipments.

WARNING

The following section applies to mainland EU vendors.

Vendors in the Republic of Ireland may need additional transit documentation for exit via Republic of Ireland ports.

If parts from Republic of Ireland are routed through Northern Ireland then the Northern Irish Protocol will apply.



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.

The Incoterms specified in your contract with Jaguar Land Rover will define the responsibilities of both parties including in relation customs.

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

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

supplier responsible



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:
 1. Suppliers must become VAT registered in the recipient country (if not already registered) and file regular VAT returns as a result;
 2. 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.

The above represents JLR's general understanding of EU 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.

ISSUE RESOLUTION



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/brexit>



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.