

## **Brexit and Its Impact on Household Goods Moves: Awareness and Mitigation**

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As the United Kingdom (UK) negotiates the terms of its withdrawal from the European Union (EU), stakeholders of global companies wonder how the country's future relationship with the EU will impact day-to-day business functions related to mobility. What are the current parameters surrounding the negotiations? What can be expected if an agreement isn't reached? How, specifically, might this impact household goods (HHG) moves? This blog post will address these questions and offer suggestions for minimising complications.

### **Where do things currently stand regarding Brexit?**

Since 31 January 2020, the UK has been in a transition period as it prepares to leave the EU. Discussions between the two parties have continued, with the state of future trade relations being a top priority. During the transition, the UK has been complying with all EU rules and laws without significant changes. As of the mutually-agreed-upon deadline of 31 December 2020, however, changes should be expected whether an agreement is reached or not. It's important to note that there is not an option for extending the Brexit deadline. If either party wanted an extension, a formal request would have needed to be made by July 1, 2020 per the withdrawal agreement. No such request was made.

### **What happens if no deal is reached by the deadline?**

If an agreement isn't reached by 31 December, both parties would be expected to trade with each other according to terms established by the World Trade Organization (WTO). Additionally, the UK would leave the single market and customs union, both of which help to facilitate trade between EU member countries and eliminate tariffs and checks on imports. These changes would further result in:

- Tariffs (taxes on imports) that would apply to most goods that UK businesses send to the EU – and vice versa.

- Border checks for goods, to ensure that tariffs are collected; this could further result in delays at ports and vehicle stops, as trucks/containers would likely be subject to additional inspections as they wait to cross borders.
- Overburdened individuals and agencies that are responsible for the UK's Transfer of Residence (TOR) process for shipments; though previously responsible for inbound shipments solely from countries outside of the EU – these individuals could now also be required to process shipments from all countries, including those in the EU.

All of the above could lead to delays in shipping and retrieval times, in addition to the time that it could take to obtain customs clearances to ship household goods. Further complicating matters, if shipments *are* delayed, HHGs that are already in transit could also end up impacted. Scenarios include:

- A need to source additional crew members, due to missed windows of opportunity with initial crews.
- Scheduling conflicts/a need to reschedule action steps in shipment/delivery timelines.
- The expiration of parking permits.
- A need to rearrange shuttle vehicles due to delayed arrival times of household goods.
- Accruing extra handling costs for extended storage or warehouse requirements.

Professionals that handle HHGs would likely face a period of uncertainty and/or confusion following a no-deal Brexit, while new paperwork is developed and expectations are established to address issues impacting mobility.

### **What can organisations do to minimise complications?**

While many of the decisions regarding post-Brexit HHG processes have yet to be made, there are a few items business stakeholders can keep in mind to minimise negative impacts in advance of the Brexit deadline. The following questions should be asked regarding any shipments into or out of the UK as soon as possible:

- Can the shipment take place, avoiding the busy December holiday period through to the first few weeks following the post-Brexit deadline? (15 December 2020 to 10 January 2021)?

- Could items be shipped into the UK prior to 31 December 2020 and stored in a storage facility if access to an employee's residence won't be possible until after that date?
- Can the initiation of the shipment be delayed until after the first week of January 2021 – or until after new parameters have been established that can be more easily anticipated and followed?
- If move dates have already been established and can't be changed, is it possible to book furnished accommodations for the employee and accompanying family for a short period if there is a chance their HHGs could be delayed? This could provide some security and avoid the need for internal mobility teams to source accommodation at the last minute – or for the employee to have to establish his/her own accommodation in an unfamiliar location. It's advisable to check cancellation policies prior to booking, should this accommodation prove to be unnecessary in the long run.

### What other challenges can I expect?

As events evolve, we recommend that organisations work closely with their mobility providers to navigate changing circumstances. In the meantime, the following are a few considerations to keep in mind:

**Follow the Transfer of Residence (TOR) Process** – HM Revenue and Customs (HMRC), the tax authorities in the UK, has advised SIRVA that [organisations should follow the TOR process](#) for UK-bound HHG shipments from all countries, including those in the EU. The employee must submit a report to HMRC (available from the link provided in this section) to request clearance to import; if approved, the shipment may not be subject to taxes. The process is expected to take three to five weeks. In all cases, SIRVA recommends initiating shipments only after the TOR process has been cleared to avoid shipments being subject to taxes.

**Packing** – SIRVA always recommends that the employee or another reliable family member be present during both the packing and loading of their HHGs. Doing so minimises employee stress, ensures the successful completion of each phase, and greatly increases the likelihood of a successful move and assignment. If packing has been delayed due to the processing time of the TOR and the employee has necessarily travelled ahead to his/her destination, stakeholders should be aware that the employee may need to return home to supervise the packing of his/her household goods at a later date. This could result in additional travel, hotel, and subsistence costs.

**Pets** – Without a new agreement, pet passports that were previously issued in the UK will not be valid for travel to the EU. While permanent regulations for pet travel may not

be fully solidified until sometime after the Brexit deadline, the Department for Environment, Food and Rural Affairs has listed a number of scenario-dependent [requirements](#) on its website that are currently in place. Scheduling veterinary clearance visits prior to every instance of travel, required microchipping, blood tests within specific travel windows, and obtaining an animal health card (AHC) are amongst the more stringent rules listed. The page will be updated as requirements change.

Also listed on this page is the statement, “To make sure your pet is able to travel from Great Britain to the EU from 1 January 2021, you should contact your vet at least 4 months before travelling to get the latest advice.” For those employees who will be moving to other destinations on a set timeline, this could create significant complications that include having to place their pets in a kennel or boarding cattery until the appropriate paperwork and blood test waiting periods have been satisfied. Companies will need to decide who will be responsible for the extra boarding fees that would be incurred in these cases. In some scenarios, employees may decline a relocation altogether until their pet is cleared for travel.

### What's next?

Conditions and processes surrounding Brexit are expected to be fluid, impacting multiple areas of mobility until they are solidified. To minimise complications, companies should collaborate closely with their mobility providers. Relocation management companies have systems and networks in place to streamline standard moving processes and the expertise and experience needed to find innovative solutions when those processes are interrupted by world events. At a minimum, organisations should explore whether shipments can be arranged to avoid the immediate pre- and post-Brexit period. At every stage of Brexit, SIRVA is prepared to assist with all aspects of mobility, including the movement of household goods into or out of the UK. Please contact us at [concierge@sirva.com](mailto:concierge@sirva.com) for more information.

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