

ENTERING INTO THE UK FASHION TRADE

with Scoop

SCOOP
INTERNATIONAL FASHION SHOWS

**EXPORT
ANGELS**
INTELLIGENT EXPORTING



ENTERING INTO THE UK FASHION TRADE WITH SCOOP

by Lesley Batchelor OBE, Co-Founder of Export-Angels.com



Lesley is an Export Champion, Thought Leader, and an international trade expert with over 40 years' experience of getting the goods to the right place at the right time!

Over the next few pages, Lesley will give you 5 top tips for getting your goods to a UK exhibition and what to consider once you've made a sale. Lesley has provided links where possible to assist with understanding what is needed and why.

The first section provides you with some solutions to fit your exhibition needs. Unfortunately, there is never a 'one size' fits all solution but here you can see which is best for your company.

Finally, Lesley's business - www.export-angels.com will help you with some or all the planning to get you to one of our exhibitions, and start working with this lucrative market - taking orders at Pure London and Scoop.

The team at www.export-angels.com are happy to help with queries or provide a guidance service in the UK as a new market. Tel: +44 (0) 203 633 0495 or email welcome@export-angels.com

Good luck – we're here to help you.



Look out for the below sections to help you use this guide efficiently

- **5 STEPS** to help you get your products to an exhibition stand in the UK with the changes made to the process since leaving the EU.
- **3 IMPORTANT THINGS** to know and use when completing the documentation whenever you send goods across the UK border.
- Each section has **CONSIDERATIONS** to be made about the process.
- Useful Links to templates and information on the **STEP** covered in the section.

For all your consignments

You will need a commercial invoice for your goods by item, line by line including each commodity code covered and individual country of origin if different.

Useful link: <https://eforms.com/invoice-template/commercial/>

The only other thing you need to be mindful about is that you may require a customs guarantee, although it is unlikely as most of the garments are coming from Southern Europe and will be of EU origin and therefore can claim preference under the TCA but please check the information using the link. <https://www.gov.uk/guidance/import-and-export-customs-comprehensive-guarantees-ccgs>

Step 1 Getting your goods to the exhibition

When planning an exhibition, we need to think about many aspects, but it is all about the product you want to sell or promote. The first decision you need to make is are you bringing home the products that you will show?

You have 3 options to get your goods to one of our Exhibitions:

1
Merchandise in
Baggage

2
ATA Carnet

3
Temporary Admission
to the UK

Option 1 – If your goods are Under £1500?

- Are you going to take more than 1000 kilos of goods and stand and is it valued more than £1500? If no, then you can use the **accompanied baggage system** or Merchandise in Baggage.

Merchandise in Baggage (MIB) is where you are carrying commercial goods in your accompanied baggage (on a flight, ferry etc.) rather than the commercial transport operator carrying them for you (i.e. the goods are not recorded on the ship, train or aircraft manifest as freight).

It does not include:

- goods for personal use
- items meant as personal gifts

You will require customs declaration in order to move goods identified as Merchandise in Baggage:

- in and out of the UK
- from Great Britain to Northern Ireland

In general, no customs declarations will be required for MIB movements from Northern Ireland to Great Britain, however, under specific circumstances an export declaration may be required.

CONSIDERATIONS

*This is a very good way of getting your goods to your stand, but you must complete a commercial invoice see note of **3 IMPORTANT THINGS** and make sure you leave yourself plenty of time. You may need to present the papers to the Customs upon arrival.*



Useful link:

<https://www.gov.uk/guidance/bringing-commercial-goods-into-great-britain-in-your-baggage#what-youll-need>

Option 2 – More than £1500 and probably multiple shows?

ATA Carnet Scheme

Import duties and taxes are temporarily exempted by the use of ATA Carnets are guaranteed by national guaranteeing associations (NGAs)

- However, if you want to make multiple trips to exhibitions around the world you may want to look at using the ATA Carnet Scheme that will allow you to send clearly documented and itemised the goods you need for an exhibition. These are then declared at the Customs Border and then checked upon return. It is a voucher scheme where the registered shipper is able to set out the full itinerary and list of items to be taken across each border. As they cross the border with these items a page (or voucher) is taken and held by the customs authority.
- Carnets are issued by the local chamber of commerce or by ICC authorised bodies depending upon the market in which you are based.
- Costs do vary unfortunately so do check that you understand the implications of using a Carnet.
- You must produce and register your ATA Carnet before you travel.

Find your local Chamber of Commerce here with over 80 countries and customs territories to choose from you can use this widely understood system to protect your more highly valued products or one-off special designs.

Always leave yourself enough time to complete the Carnet and to present it at Borders Crossings.

CONSIDERATIONS

Carnets are a very good way of shipping goods to exhibitions, especially if you intend to visit more than one show. The paperwork needs to be precise as you will present this paperwork to Border Officials upon arrival to the country and then upon departure. They may check that you have everything with you that is declared on the form so do not declare pens and papers that you may not bring back.

Always leave yourself enough time to complete the Carnet and to present it at Borders Crossings.



Useful links:

<https://iccwbo.org/resources-for-business/ata-carnet/>

[Find your local Chamber of Commerce here](#) with over 80 countries and customs territories to choose from you can use this widely understood system to protect your more highly valued products or one-off special designs.

Option 3 – One-off show over £1 500?

Temporary Admissions to the UK

This system allows a company to import goods temporarily to the UK or EU this involves clearing the goods into the UK and then claiming returned goods relief when they return. Included in this will be both duties payable and VAT. This may produce more paperwork and a longer claim back period.



Useful link:

<https://www.gov.uk/guidance/apply-to-import-goods-temporarily-to-the-uk-or-eu>

CONSIDERATIONS

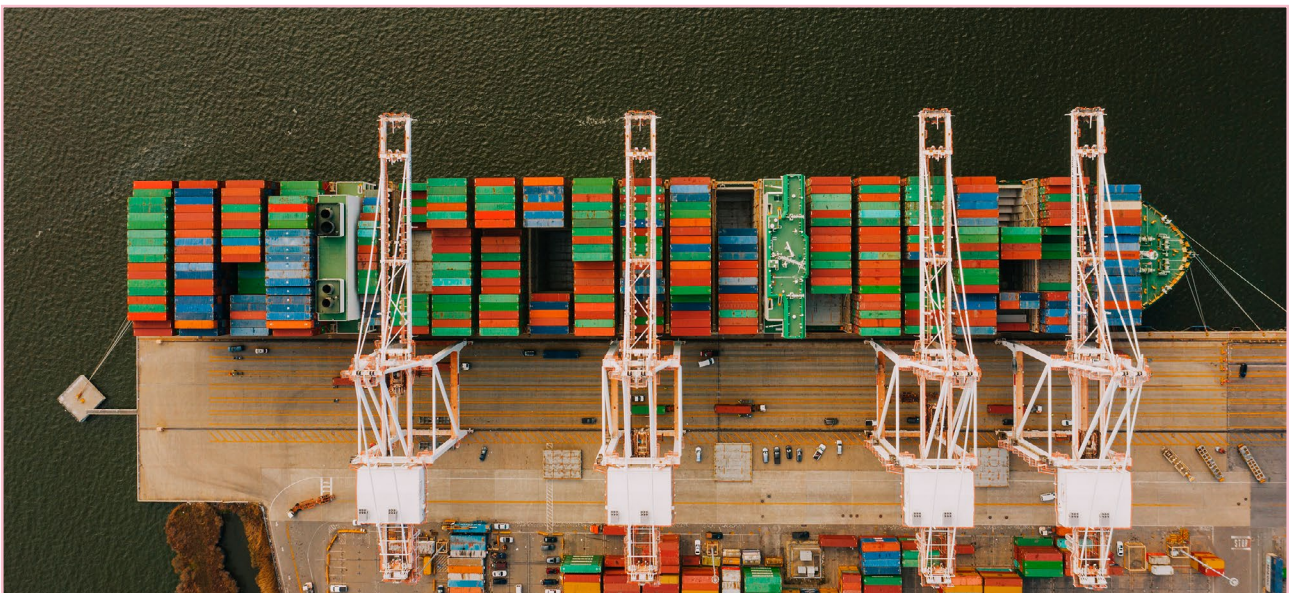
You will need to be able to pay VAT and duty in the UK and you may need to use a customs broker to help with the process. Ideally working with someone in the UK will help you complete this process and reclaim the taxes and duties. This process has a longer claim back period but if your goods are over £1 500 in value this may be the best way forward.



Useful link:

<https://www.gov.uk/guidance/apply-to-import-goods-temporarily-to-the-uk-or-eu>

3 Important things to know and use whatever you send any goods across borders no matter what process you choose to use you will need a commercial invoice carrying these 3 vital pieces of information:



For all your consignments

Check the implication of the Country of Origin of your goods by item, line by line on your commercial invoice.



Useful link:

<https://efoms.com/invoice-template/commercial/>

The only other thing you need to be mindful about is that you may require a guarantee, although it is unlikely as most of the garments are coming from Southern Europe and will be of EU origin and therefore can claim preference under the TCA but please check the information using the link. <https://www.gov.uk/guidance/import-and-export-customs-comprehensive-guarantees-ccgs>

1. What is your HS CODE or Commodity Code?

Everything that travels around the world has been classified under the Harmonised Code system. This system starts with the least processed products like Live animals and documents all processes possible until the final chapter which is works of art. There are between 97 & 99 Chapters and each country has a slightly different set of codes however, the one thing is sure that the first 4 digits will be the same. These codes will be used to find the tax rate and duty payable against your product.



Useful link:

This will take you to the clothing section just in case you can't find it

<https://www.trade-tariff.service.gov.uk/search?q=clothing+&input-autocomplete=clothing+>

2. What is the country of origin for your goods?

Important to note COUNTRY OF ORIGIN: just because you purchase from a country that doesn't necessarily mean that's the country it originated from. Where was it manufactured? Where did the raw materials come from? There are some calculations that can be done to establish the labour element to the goods which might change the chapter heading and therefore the origin of the goods. You need to know the origin of your goods to be able to access TCA concessions and relief from some taxes and duties.

Trade agreements with the UK that impact Rules of Origin

- The UK now has over 64 Free Trade Agreements across the world the most important agreement is the Trade & Cooperation Agreement with the EU which covers the way in which goods from the EU will be treated by the UK as they are imported.
- Know your HS Code or Commodity Code for the UK <https://www.gov.uk/trade-tariff>

3. What is the Value of your Goods?

You will need to be honest about the value of your goods for 2 reasons.

1. For insurance purposes
2. To pay the correct duties and taxes

It is against the law to falsely declare, and if found out through the paperwork you may be liable for a fine, and back tax if you have been declaring incorrectly for a time.



Useful link:

<https://www.gov.uk/government/collections/working-out-the-customs-value-of-your-imported-goods>

Make sure you understand your risks

Insurance of goods in transit, product liability and any professional advice may be mitigated using insurance policies to cover the goods travel time. Contact your local insurance broker or speak to your freight forwarder.



Useful link:

<https://opentoexport.com/article/what-insurance-options-are-available-and-why-are-they-important/>



Labelling since leaving the EU

- Labelling requirements are strict and needs to be shown in English.
- Manufacturers or producers are expected to be able to identify the percentages of each fibre used, if more than two. A textile product consisting of two or more fibres accounting for 85% of the finished product should be marked with the fibre followed by a percentage - for example, 'cotton 80%, polyester 15%, nylon 5%'. These regulations appear to have been in place since The Textile Products (Labelling and Fibre Composition) Regulations 2012.



Useful link:

<https://www.businesscompanion.info/en/quick-guides/goods/labelling-of-textiles>

Packaging Regulations Marking

- CA Marking is replacing CE Marking but neither apply to Fashion industry. Unless your goods/samples are currently subject to CE marking this legislation will not impact.
- Do check but currently the UKCA marking has been postponed again until 2024 with full integration by 2027

Packaging Waste Directive

- Excessive use of plastics and packaging is being discouraged. Single use plastics are actively discouraged in the UK and additional taxes are placed on those using them.



Step 2 International Pricing

How to set a price in the UK, Considerations in pitching to the right market audience

- Look at the way in which the UK operates as a market
- Where does your brand sit in the pricing for the UK which type of stores will you sell to?
- Do you have a high value brand and a volume brand to set a balance and ensure a complete pricing picture?
- What does your market intelligence tell you about your potential business in the UK?
- Who is your competition?



Useful link:

<http://opentoexport.com/article/what-costs-should-i-include/>

<http://opentoexport.com/article/pricing-strategies-using-the-product-lifecycle-model-advice-for-exporters/>

<https://export-angels.com/marketing-intelligence/>

Foreign Exchange issues and how to mitigate

- Currently the GBP Sterling is very low this means that you need to reflect this in your pricing and ensure that, if you are accepting payment in Sterling, you must make you are using the right exchange rate for you.
- For smaller amounts - using a payment method such as World Pay or PayPal will allow you to ensure you do not lose money but this also has a cost.
- As you r trade grows with your new market you should develop a hedging strategy with a foreign exchange bureau to ensure you have the right pricing to cover costs.
- Don't forget that all freight is invoiced in US Dollars this may increase your costs.



Useful links:

<https://www.worldfirst.com/uk/blog/economic-updates/how-to-mitigate-currency-risk/>

<https://opentoexport.com/article/hsbc-interview-how-do-i-manage-my-trade-cycle-now-im-selling-overseas/>

CONSIDERATIONS

When setting your price and agreeing terms of the contract your buyer may talk about FOB or DDP – it is important that you understand what these terms mean as it can be the difference between paying the freight and duty or not, simply making a profit or a loss

Using FOB, Ex-Works, CIF or DDP?

These are all known as part of the international commercial Trading Terms revised by the International Chamber of Commerce in 1936 called Incoterms®2020 to avoid confusion (basics terms used) working with China they tend to work on the first 3 terms however, there are implications behind each around the world.

- Incoterms dictate who arrange and pays for elements of transport costs
- They establish the point of delivery for the seller
- They dictate where the risk passes from seller to the buyer during transport
- Define the responsibility of each party
- A couple dictate is cargo insurance in provided.

Important to note that the first 7 terms are Multi Modal and the Last 4 refer to waterways or shipping. If you are using air freight or road transport only chose one from the first 7 see the wallchart from the ICC.

- Ex-works is very hard to execute as this means that you or the buyer must arrange collection from your warehouse
- DDP – delivery duty paid is an ideal way to ensure your customer does not receive any unwelcome charges. However, DDP includes payment of local taxes such as VAT (value added tax) or TVA and Duty if liable. This will require a UK resident company to pay or to make specific arrangements with your freight forwarder.
Please ensure when you're costing your goods that you understand whether or not you can reclaim the VAT.

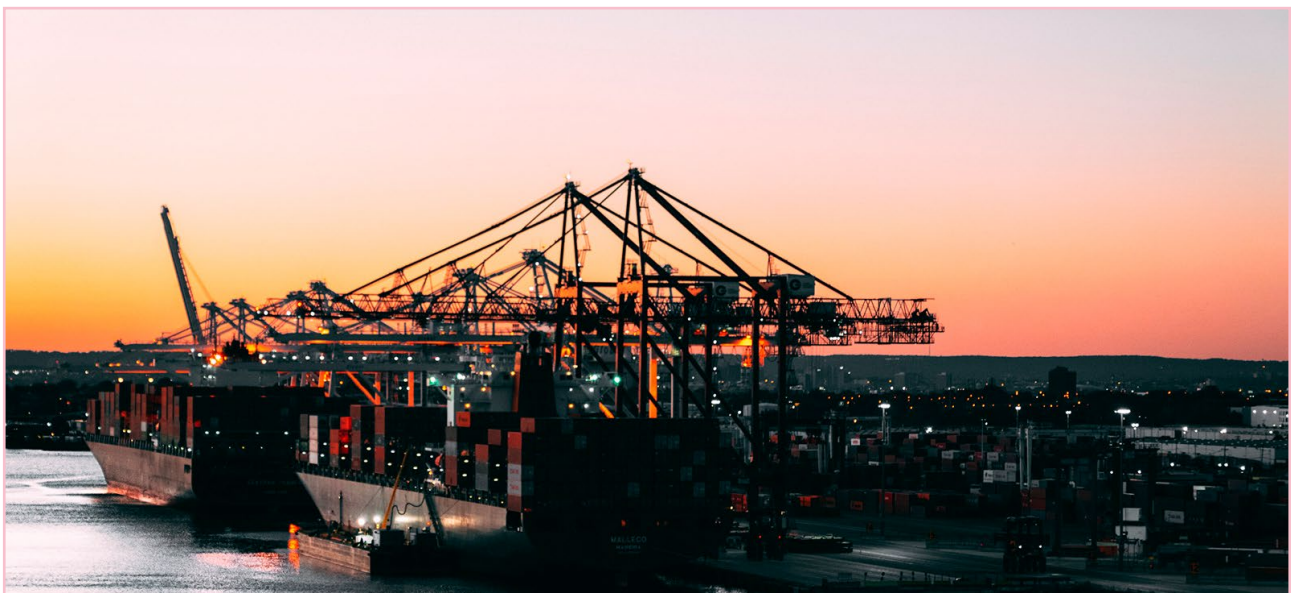
Don't forget to include the Insurance costs for transport and product liability when building your international price.



Useful links:

https://openborders.direct/uploads/ckeditor_pic/Incoterms-2020-wallchart.jpg

<https://openborders.direct/article-detail/liability-insurance-in-international-trade-what-is-it-and-do-you-need-it#:~:text=Contracts%E2%80%8B>



Step 3 Getting Paid

How the British like to get paid

- Credit card payments – secure and safe – depending on the system this really will ensure both parties are paid quickly and efficiently.
- Bank transfers – quick and easy – know your IBAN and SWIFT Code you'll find these here:
<https://www.iban.com/iban-checker>
<https://business.ebanx.com/en/resources/payments-explained/swift-code>
- Cheques – are uncommon and may cause delays in receiving the funds.
<https://www.comparethemarket.com/current-accounts/content/foreign-currency-cheques/>

What is the best way to ensure both parties are happy

Terms & Conditions of your offer

Contracts

Using Foreign exchange accounts and bureaux

- Which currency should agree to use – ideally British companies like to deal in GBP Sterling – this is causing problems as Sterling is currently weakened by recession and political uncertainty.
- Pricing your goods to reflect the possible currency issues



Step 4 Delivery and Documentation

- Impact of leaving the EU in paperwork terms
- The UK should now be treated exactly as you would any external market to the EU
- Exactly what paperwork do you need to get your goods to the exhibition
See the section Getting your goods to the exhibition
- Full explanation of the schemes and processes that can be used.
- What paperwork do you need to enter the UK market please note that VAT or sales tax as it is known in some markets will be chargeable in some cases. If the goods are temporarily out of the country this may mean paying the tax and reclaiming it. Where possible www.export-angels.com will avoid this payment all together.

In baggage

<https://www.gov.uk/guidance/bringing-commercial-goods-into-great-britain-in-your-baggage#what-youll-need>

Carnets

<https://iccwbo.org/resources-for-business/ata-carnet/>

Temporary admission

<https://www.gov.uk/guidance/apply-to-import-goods-temporarily-to-the-uk-or-eu>

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- *Know your HS Code or Commodity Code for the UK <https://www.gov.uk/trade-tariff>*



Useful link:

This will take you to the clothing section just in case you can't find it

<https://www.trade-tariff.service.gov.uk/search?q=clothing+&input-autocomplete=clothing+>

<https://openborders.direct/article-detail/wco-revised-harmonised-system-tariff-january-2022>

What do you know about your product?

- Were they treated in any way? <https://www.hse.gov.uk/reach/about.htm>
- Who manufacture them? <https://www.gov.uk/government/publications/modern-slavery-act-policy-and-statement-2022-to-2023>
- Do you know who the Ultimate Business Owner is? Or can you provide a Supplier Declaration? <https://www.gov.uk/guidance/using-a-suppliers-declaration-to-support-a-proof-of-origin>

Using Freight Forwarders

- If you are sending your goods by Road or Air Freight will require a simple declaration your Freight Forwarder will help with this.



Useful links:

<https://goodlogisticsgroup.com/freight-forwarder-qualities/>

<https://www.bifa.org/member-search> find a freight forwarder in the UK

Duty rates into the UK <https://www.gov.uk/trade-tariff>



Step 5 How to Develop a New Market

Planning to succeed at the exhibition means planning for the next phase of orders

- Further warehousing
- Delivery issues last mile costs
- Managing returns

Intellectual Property – Trademarks registered and unregistered, copyright and design rights

- Protect your ideas
- Build your brands and investment in new ideas
- Ensure continuity and halt possible infringement



Useful link:

<https://www.gov.uk/government/organisations/intellectual-property-office>

<https://www.virtuosolegal.com/>

Working with Northern Ireland

- This is currently working well although you may have to register a different EORI for these transactions this helps both sides to understand the transit of goods, charges, and final destinations. Changes may happen but we will be staying informed about these and will print or contact you as soon as they happen.
- VAT changes that impact – since July 2021 VAT reciprocation with the EU states finished this means that you must work with your customer in the UK to use their EORI GB or NI number to ensure the goods can be delivered on time. It also means that VAT must be taken into consideration in these transactions.



Useful link:

<https://simplyvat.com> find expert advice on how to manage UK VAT

Long term pricing considerations

- Brand support and messaging across ranges
- Market Intelligence about your business in a new market
- Staying ahead of the competition

<https://export-angels.com/risk/>

<https://export-angels.com/marketing-intelligence/>

Sales support ongoing

<https://www.regus.com/en-gb/virtual-offices> - across the UK

<https://www.theofficegroup.com/uk/workspaces/> - London and major cities

<https://www.linkedin.com/in/dawnmmartin2/> - virtual or physical assistant

Seasonal launches

<https://export-angels.com/market-strategy/>

<https://www.venuescanner.com/event-space/product-launch>

CONSIDERATIONS

The main consideration for any new market is how much to you invest? This is linked to the Return on Investment expected which allows you to forecast and set a budget for the project.

Recognising the issues that your market research shows you and using this to develop a short-term plan for the next 1-3 years. This plan should include using appropriate services for both delivery but also returns. In the UK, if you're working with end-user/consumers the most expensive part of any delivery is the 'last mile'. Make sure you understand the risk you may be exposed to and research ways of mitigating this perhaps through insurance or a third-party logistics provider.

The location of your warehouse should reflect the customers you have and also can be part of your marketing campaign if you can reduce the travel miles to deliver.

Protecting your intellectual property can be as simple as adding TM to your brand name or, a little more expensive, a registered trademark. Whatever happens always check your brand name doesn't exist in another market as this avoids any possible conflict or legal cases for infringement.

Finally, rest assured that if you need help in any way you can call Lesley.batchelor@exportangels.com on +44 (0) 203 633 0495