

Notice to Suppliers



Brexit – UK Government Communications

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For the attention of the Managing Director

Scope/Applicability:

All Rolls-Royce plc suppliers

Dear Supply Partner,

The UK has now left the EU. The transition period that governs trade between the UK and the EU following Brexit finishes at the end of this year, meaning that new rules apply from 1 January 2021. This NTS sets out important considerations for suppliers for continuing to do business after 1st January 2021.

Although negotiations between the UK and the EU on possible future trading arrangements continue, businesses should begin to read and understand potential new procedures now. We will send further updates when trading conditions between the UK and EU are clearer.

For businesses based in the UK, trading with the EU

Please visit: <https://www.gov.uk/transition>

As an initial step, HM Revenue and Customs (HMRC) has written to all UK VAT-registered businesses currently trading with the EU to set out the principal steps that businesses can take to prepare for any eventuality.

They explain what businesses need to do to prepare for new processes for moving goods between Great Britain and the EU from 1 January 2021, including:

- making sure they have a UK Economic Operator Registration and Identification (EORI) number
- deciding how they will make customs declarations
- checking if their imported goods are eligible for staged import controls

These actions will not change regardless of the outcome of the government's negotiations with the EU. Businesses can keep up to date with these changes by registering for HMRC's email updates, available via the link above.

Businesses should also familiarise themselves with the key principles of the operation of the UK border, available at this link: <https://www.gov.uk/government/publications/the-border-operating-model>

For businesses based in the EU, trading with the UK

Please visit: <https://www.gov.uk/eubusiness>

This site sets out several steps for businesses trading across the UK-EU border post-transition will need to understand, regardless of the outcome of trading negotiations. The first recommended step is for businesses to familiarise themselves with the key principles of the operation of the UK border, available at this link: <https://www.gov.uk/government/publications/the-border-operating-model>

As a first priority, you should talk to your trading partners in the UK to agree responsibilities and have the correct paperwork for the type of goods you are trading with counterparts in the UK. Ensure you have completed the necessary border requirements.

There will also be new rules on claiming refunds on UK VAT after the 1st January 2021, regardless of future trading arrangement. These are summarised at this link: <https://www.gov.uk/guidance/claim-refunds-of-uk-vat-from-1-january-2021-if-youre-an-eu-business>

Further business support from UK Government:

The UK Government continues to provide advice and guidance online for traders which can be freely accessed at the links provided. A readiness 'check' tool is available at:

<http://www.gov.uk/transition>

The Trader Support Scheme (TSS) has also been produced for companies doing business between Great Britain and Northern Ireland. The tool provides support on preparing for any necessary changes to the Northern Ireland Protocol, and can be accessed at:

<https://www.gov.uk/guidance/trader-support-service>

Airworthiness and Approvals:

The United Kingdom will leave the EU Aviation Safety Agency (EASA) system on 31 December 2020 when the UK-EU 'transition period' ends. This will mean that mutual recognition of safety certificates and licences between the UK and European Union systems comes to an end on 31 December unless a UK-EU agreement on aviation safety is negotiated by then.

The UK Government has issued guidance on preparing to work and operate in the European aviation sector after the end of the transition period.

The guidance can be found here:

<https://www.gov.uk/guidance/prepare-to-work-and-operate-in-the-european-aviation-sector-after-brexit>

The guidance is supported by information from the UK Civil Aviation Authority (CAA), on a dedicated website, which can be found here:

<https://info.caa.co.uk/eu-exit/>

This CAA website includes an information pack, under the sub-heading 'National Aviation Authorities', which describes how safety regulation would work if the UK is outside EASA with no mutual recognition of safety certificates or licences from 1st January 2021. The site also contains information specific to design, production and maintenance activities.

Information from the European Commission related to the end of the transition period, including information on Aviation Safety can be found at:

https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/future-partnership/getting-ready-end-transition-period_en

The European Union Aviation Safety Agency (EASA) has a dedicated Brexit page on its website, which contains information on how UK organisations can apply for 3rd country organisation approvals prior to the end of the transition period. This information is available here:

<https://www.easa.europa.eu/brexit>

The guidance material listed above indicates where regulatory organisational and product approvals for UK companies currently under the EASA system will not be considered valid by the EU after the transition period if there is no UK-EU agreement, and where they will continue to be valid. It also explains the approach to approvals from the CAA after Brexit both in terms of approvals that will be issued by the CAA and acceptance of EU approvals in the UK. All supply partners should ensure they take any actions necessary to ensure they have airworthiness regulatory approvals consistent with continuity of supply to Rolls-Royce.

It is recommended that supply partners apply for EASA 3rd country Production and Maintenance Approvals, as described on the EASA Brexit website, where this will aid continuity of supply. In order to supply parts and work to aircraft registered in the USA, Canada, Brazil and Japan after the end of the transition period UK based supply partners will need a CAA Production and/or Maintenance approval. These approvals will be automatically in place, following the end of the transition period, for UK companies that previously had the equivalent EASA approvals. Where UK supply partners have Direct Delivery Agreements with Rolls-Royce based on their current EASA POA, these will also be valid for parts certified under their new CAA POA or EASA 3rd country POA. Direct reference to the CAA POA will be made when the Direct Delivery Agreements are next updated.

On 21st February 2019 Rolls-Royce moved to a single Design Organisation Approval (DOA), granted by EASA, for all Civil Aerospace products designed in Europe (including the UK). Approved data issued after this date, is under the RRD DOA (EASA.21J.065). The approval status of suppliers has not changed as a result of the Rolls-Royce DOA change, i.e. suppliers approved by Rolls-Royce Plc remain approved by Rolls-Royce Plc and suppliers approved by Rolls-Royce Deutschland remain approved by Rolls-Royce Deutschland. Direct Delivery agreements remain valid. The opportunity may be taken at a future point when approvals are updated, to consolidate separate Rolls-Royce Plc and Rolls-Royce Deutschland approvals into one supplier/Rolls-Royce approval.

Paperwork considerations for Rolls-Royce suppliers:

When importing or exporting, the provision of detailed and compliant paperwork is crucial. Incomplete or inaccurate information increases the risk of delay, added cost or worse still non-completion of the proposed shipment.

The purpose of this NTS is to identify the data fields that if present on your Customs / Commercial Invoice will facilitate the efficient customs clearance of goods being exported to a Rolls-Royce facility or Rolls-Royce partner facility.

These data fields are applicable whenever goods are to be cleared through a customs border including movements from the EU to the UK at the end of the Brexit transition period (From 1 January 2021).

Your Customs / Commercial Invoice should therefore include:

- Consignor – Name and address of principal party responsible for effecting export.
- Sold To / Consigned to – Name and address of the recipient to whom the goods have been sold or provided (this does not necessarily have to be the party to whom the goods are physically delivered).
- Deliver to / Ship to – Name and address where the goods will be physically delivered.
- Rolls-Royce SAP Plant Code – Where known, the Rolls-Royce SAP Plant Code into which the items are being delivered.
- Consignor contact details - Name and contact details of a responsible employee of the exporter.
- Consignee contact details - Name and contact details of a responsible employee of the recipient.
- Terms of Trade (Incoterms) - Incoterms are a set of internationally recognised trading terms published by the International Chamber of Commerce, the contracted incoterms relevant to the goods being exported must be shown on your export paperwork (Note - We recommend avoiding the terms DDP or EXW as these can be problematic and add significant risk for the responsible party).
- Net & Gross Weight - The net weight of each unit and the total weight of all units including packaging.
- Commodity Description - Detailed description of each item in the shipment, including:
 - Rolls-Royce part numbers (where applicable)
 - Part serial numbers (where applicable).
 - Commodity Code - A product identification code used by Customs authorities around the world to classify goods. Also known as the Harmonised Tariff Code HTC or HS Code.
- Country of Origin – The country of manufacture or last significant transformation.
- Quantity & Unit of Measure - The total number of units of each item.
- Unit Value & Currency - The value of each unit and the applicable currency.
- Total Price & Currency - Total value of the consignment and the applicable currency, including where relevant any repair costs (a repair certificate must be provided).
- Purchase Order Number – The Rolls-Royce Purchase Order applicable to the goods being exported.
- Government Contract Number - Where applicable, the Government Contract Number relevant to the goods being exported.
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- Export Classifications and Licence Details - Where applicable, the Export Control Classification Number (ECCN) of the parts being exported and details of any Export Licence / Authorisation being used.
- For goods being exported from the UK: Customs Procedure Code (CPC) – The CPC identifies the customs and/or excise regimes which goods are being entered into and removed from (where this applies).
- For goods being exported from the UK: Inward Processing (IP) Authorisation Number – This is required where an IP Customs Procedure Code is being used, the authorisation holders HMRC Customs Office address is also required.
- For goods being exported from the UK or the EU: Economic Operators Registration and Identification number (EORI) - Businesses wishing to trade must use the EORI number as an identification number in all customs procedures when exchanging information with Customs administrations.

REACH (Registration, Evaluation, Authorisation & restriction of Chemicals)

Regulatory issues can disrupt the supply of chemicals to any business throughout the world by impacting the regulatory requirements placed on importers or manufacturers of chemical products, or the supply of ingredients for such products.

Risks relating to this depend on the chemicals you or your sub-tier suppliers use, and where they are manufactured. The effect of these issues can be felt irrespective of where your business is located through the upstream supply chain, either as a result of EU REACH, or as a result of new obligations under UK REACH.

UK REACH will come into force on the 1st January 2021 and the EU chemical legislation will no longer apply in the UK, except in Northern Ireland which continues to be subject to EU REACH in accordance with the Northern Ireland protocol.

Managing Obligations and Risks

Please refer to the following sources of information which can help with understanding the obligations on users of chemicals, and their upstream supply chain actors such as manufacturers, importers and formulators. You need to determine your compliance obligations under both UK REACH and EU REACH.

European Union

Please note that EU companies with new importer obligations will have no transitional arrangements available, so any issues should be referred to the relevant national enforcement authority as soon as possible.

Please refer to the ECHA Brexit Web-Site <https://echa.europa.eu/uk-withdrawal-from-the-eu>

UK Government

The UK Government has established transitional arrangements and issued guidance to help the UK industry and their supply chains to prepare and comply with UK REACH after the end of the transition period.

Please click in the following link to understand the transitional arrangements, how to comply with UK REACH and maintain or gain access to the GB, EU/EEA and NI markets: <https://www.hse.gov.uk/brexit/reach-guidance.htm>

Reporting of Supply Chain Issues

Due to stock of chemical products which may still exist in the supply chain at the end of the transition period it may take several weeks for a supply chain issue to become evident. It is therefore strongly recommended that suppliers continue to purchase chemicals as normal, reducing pre-stock levels gradually, to validate that supply chains are still intact.

Rolls-Royce request suppliers report any issues as soon as possible to reach.programme@rolls-royce.com to enable coordinated action to resolve.

NTS Category:

General Information / Communication

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