FREQUENTLY ASKED QUESTIONS ABOUT BREXIT AND THE DIGITAL SOLUTION IN THE DUTCH PORTS

Brexit in the Dutch ports
The moment the United Kingdom (UK) leaves the European Union (EU), a border is created and customs formalities will have to be performed. This automatically means that parties in the logistics chain will become dependent on each other. One party will need to use the data of another party to perform its next steps. The exporter or importer will have to ensure that Customs is provided with a customs declaration. That is the first step. Without a customs declaration, it is not possible to pre-notify customs documents at the terminal and the cargo - and therefore the transporter – will by definition come to a standstill at the border. Think of it as checking in online at the airport. In order to do this, a ticket will first have to be booked. You can next use that ticked number to check in in advance; once you arrive at the airport, the check-in has already been arranged digitally, allowing for a smooth passage.

What are the Dutch ports doing in preparation for Brexit?
It has been acknowledged in the Dutch ports that all the parties in the chain are dependent on each other. To prevent chaos at the border, a broad partnership has been established under the name 'Get Ready for Brexit'. Only if all the parties in the chain work together and take their own responsibility can they prevent delays together.

This chain-wide solution has been jointly developed by interest groups Transport en Logistiek Nederland (transporters), FENEX (forwarders), evofenedex (importers and exporters), the Port Community System Portbase, the ferry operators, the shortsea terminals and Dutch Customs. This chain-wide collaboration is supported and largely financed by the port authorities of Rotterdam and Amsterdam.

What are the starting points of the solution?
The project members have developed a method that comprises the fully digital and automated handling of customs formalities, with optimum reuse of data. All information precedes the cargo in the process, so that the next party in the chain has timely access to the required data. For both shortsea and ferry traffic, one digital gateway (via Portbase) is created for all terminals, resulting in a central working method for everyone. This allows for smart supervision on the part of Customs, with minimal disruption to the logistics process (the digital border).

How does the 'digital border' work?
The 'digital border' via Portbase means that if all parties participate and adhere to the agreements, there is no need for Customs to manually check compliance with the customs formalities. As a result, transport through the Dutch ports becomes must faster. It is easier for parties to meet the legal customs obligations and they know in advance whether the 'barrier' at the border will be open.

The concept of a 'digital border' is not new. At the deepsea container terminals, customs formalities have already been processed in an automated manner via Portbase for many years and this 'digital border' works to the full satisfaction of all parties involved. All information precedes the cargo and there are no delays and congestion at the terminals. The approach used for deepsea container transport served as the blueprint for the project for ferry and shortsea transport; Portbase plays a central role in this.

What is this Port Community System of Portbase?
Portbase is a subsidiary of the port authorities of Rotterdam and Amsterdam. The company was established in 2002 with the aim of making the Dutch ports smarter and more efficient. Portbase digitally connects all the parties in the port, both business-to-business and business-to-government. Portbase is neutral and has no profit motive. The digital infrastructure is funded by the port companies. The costs for usage are partially passed on to the users, the companies that benefit the most.

How do you make use of the solution?
In order to make use of the solution via the Dutch ports, it is important that companies register with Portbase. The ferry terminals have decided that without pre-notified customs documents via Portbase, the driver will not be granted access to the ferry terminal, meaning the cargo cannot be transported. This approach is embraced by the shortsea terminals as well. Only in this way will the 'digital border' function and ensure a speedier procedure compared to labour-intensive manual inspections. Registration with Portbase is required in order to pre-notify documents. A one-off registration which ensures a smooth flow. Before pre-notification, the process involves steps that are beyond the scope of Portbase. Companies will have to arrange those steps among themselves and with Customs.

Brexit in 5 steps

Complete the following 5 steps to be ready for Brexit in time.

Step 1: register with Customs
Step 2: decide who takes care of the import and export declarations
Step 3: determine who is responsible for the pre-notification of customs documents
Step 4: subscribe to the Portbase services
Step 5: check beforehand whether the terminal has the customs document

Only cargo for which the customs documents have been digitally pre-notified at the terminal via Portbase can enter and exit said terminal. Without digital pre-notification, the container or trailer will come to a standstill here. Therefore, make sure to always verify the customs status in advance at the terminal via Portbase. No transport without pre-notified document. Also see www.getreadyforbrexit.eu

Does the solution involve costs?
This depends on the role that the company plays in the chain (also see the 5 steps in the previous question). Companies that subscribe to Notification Export Documentation or Notification Import Documentation pay a one-off connection fee of € 499. Connection costs are charged because a number of steps must be completed in order to make use of the 'digital border' via Portbase.

What are those steps?
Every company is checked. After all, legal customs formalities are involved here. This is done through the Chamber of Commerce and Dun & Bradstreet. Both organisations charge a fee for this. Once the check has been completed, the company is entered into the Portbase systems and connected to the Port Community System. Where necessary, tests are performed to make sure that the link with the Port Community System functions. This brings with it technical and administrative costs from request to processing. Lastly, some of the connection costs are used to keep the system on which the Port Community System runs on up-to-date.

Why have the connection costs temporarily been increased?
Portbase is a cost-effective organisation. Due to the hiring of extra capacity to accommodate the rush of registrations for a possible no-deal Brexit, the connection costs have been temporarily increased from € 249.50 to € 499. Should Brexit be postponed for a longer period of time (for example if a deal is reached), then the extra capacity will be scaled down and the regular connection rate will once again apply.

Does this not mean that it would be better for companies to wait to connect?
The ports and government bodies have already been communicating for some time now that companies need to prepare. Since January, companies have been warned of an increase in connection costs shortly before the Brexit date. Preparation is essential for everyone, but also an individual responsibility. Companies that still decide to wait cannot import and export via the Dutch ports if there is a no-deal Brexit on the 12th of April. That is their own choice.

And what if Brexit is postponed or cancelled altogether?
If Brexit is postponed, the situation will not change. Customs formalities will still be introduced for imports and exports from and to the UK in the future. Companies should consider the connection costs a no-regret measure, because customs formalities will become relevant no matter what, now or in the future. If Brexit is cancelled altogether, Portbase will have carried out the activities associated with the registration process, which means the costs will have been incurred.

Does making use of the solution involve any other costs?
That varies from service to service. For Brexit, 4 services have been developed that companies may have to deal with (also see portbase.com/services).

Does using the export services involve any costs?
No, when a company exports, it has to deal with the services Notification Export Documentation and Track & Trace Export. These services are free of charge because the terminals and shipping lines which are used to perform the export process bear these costs.

Does using the import services involve any costs?
When a company imports, it has to deal with the services Notification Import Documentation and Import Status. Subscription costs and transaction fees apply to the service Notification Import Documentation. The subscription costs for a web screen (so a log-in via the internet from a computer, laptop or tablet) amount to € 6.12 per month and a system link-up (so between the system of the customer and Portbase) costs € 20.43 per month. In both cases, a transaction fee of € 0.18 per transaction (per message) is charged (transaction costs).

Why are costs being charged for the service Notification Import Documentation?
The reason that subscription and transaction costs are charged for Notification Import Documentation is because the costs for the import process in terms of security, liability and the amount of connections that need to be made (IT costs) with various parties are much higher than for the export process. However, Notification Import Documentation results in a faster and more efficient process for companies involved in imports and logistics. These costs are not fully covered by the terminals and shipping lines (due to the added value for importing companies). Because of its cost-based and non-profit basis, Portbase has no other option but to pass on these costs to the user.

What are the costs for the service Import Status and why is it so important?
Import Status is a free service that has been specifically developed for transporters. This service offers insight into the status of the customs documents for import shipments at the terminal. The costs are borne by the terminals because they make pre-notification via Portbase mandatory. This service is highly important to transporters as it allows them to see whether the customs documents have been correctly pre-notified at the terminal. If that is not the case and they still proceed to the terminal, transporters will find the barrier closed there.

Why is the use via Portbase mandatory?
Together with ferry operators, shortsea terminals, interest groups, port authorities of Amsterdam and Rotterdam and Customs, a post-Brexit solution for the handling of customs formalities has been explored. The conclusion: the only solution is a digital solution. With its existing method for deepsea container transport, Portbase manages this digital solution. After all, the handling of these customs formalities would be highly time-consuming without a digital solution, with hours of queues at terminals and on the access roads. This would cost the business community much more than the current investment to link up with this method.

Why are so many parties involved in the solution?
Brexit leads to a chain-dependent process. If one organisation fails to meet its obligations and does not have its documents in order, the entire chain comes to a standstill. A chain problem, therefore, and that requires a chain solution. For this reason, various companies and interest groups from the chain are represented in the cooperation and in the solution.

For more information: www.getreadyforbrexit.eu