

The Insight guide to

BREXIT

We've got EU covered

Insight 



Foreword by Darren Hedley, Managing Director, Insight UK.

I think we can all acknowledge that the past year has been a challenging one for businesses around the globe. However, many organisations are already looking to the future and keen to upgrade their technology ready for the easing of lockdown. And the one thing they don't want is anything putting the brakes on their digital acceleration and productivity.

I wasn't surprised, then, when CEOs of global companies started telling me that they were concerned about new Brexit regulations and possible delays to their supply of new tech. They were also worried that a lack of visibility or predictability would prevent them from making fixed plans. The good news for everyone, however, is that Brexit doesn't have to cause you a problem with tech supply. Insight has got EU covered.

As a Fortune 500-ranked global business, we are in the fortunate position to have been dealing with EU shipments for years – so we had a head start in understanding the new regulations and were able to anticipate some of the issues. We also have a much larger global footprint than most of our competitors, which enables us to move goods around the world smoothly. So, as soon as the deal was announced, we talked to both new and prospective clients to work out what an ideal solution would look like to them.

We understand that no two clients are the same. All have different global footprints, different needs, different ways of accounting and different ways of dealing with tax. But when it comes to Brexit, all of the CEOs I spoke to were of one accord. They wanted simplicity – to avoid, or at least mitigate, the need for extra red tape and complexity. And they want transparency – to know where their goods are, when items would arrive, and what the costs would be.

As a result, Insight has created a range of solutions to suit every business. Whatever your situation, if Brexit regulations are causing you tech supply issues, we've got EU covered.

Darren Hedley

Managing Director, Insight UK

Brexit tech supply issues? Here's what EU need to know:

Before Brexit, if you were looking to procure tech from a UK company for use in the EU (or vice versa) you could follow exactly the same procedure as if you were trading within the UK. For many businesses, things just aren't that simple anymore. But here's the good news. If you work with Insight, we can cut through the Brexit waffle and manage the processes for you.



Before we get into our solutions, here's what you need to know about the new rules:

Shipping your tech products from the UK to the EU – the basics

If you're a UK registered company and wish to send physical goods from the UK to any EU country there are new rules to follow for all parties, both the seller and the buyer.

For supplies of non-physical goods, customs duties and process won't be **relevant** – but VAT will remain applicable depending on the purchasing country. Physical items, such as desktops, laptops, servers, storage, networking and any associated peripheral items, will have VAT and import tariff obligations in the receiving country levied by the governments.

To understand the new rules, it's important to clarify the terminology involved. Here's a quick round up of the main terms:

Cut through the Brexit waffle with our **[no-nonsense glossary](#)**.

Sounds complicated?
Don't worry we've
got EU covered.

To help you continue your digital acceleration beyond Brexit, we've developed a range of solutions that will enable your UK-based team to continue sourcing tech products for your global business with minimum hassle, friction or delay.

Option One:



EU manage the new processes yourself (DAP)

We appreciate that some clients would prefer to manage the new processes involved with ordering tech goods for their EU offices in-house. If you choose to do this, you will need to pay any VAT, tariffs and fees yourself on receipt of your goods. You can then recover the VAT from the receiving country revenue and customs. If you choose this option, you will need to register for VAT in the country that you want to receive the goods in, register for an EORI number and create a deferment / postponement account. Alternatively, you may choose to give your carrier Power of Attorney (POA) or pay broker fees to avoid some of the paperwork. If you're working with another UK supplier, this may well be the only solution they offer. This is using the DAP shipment methodology. Insight has a well-documented process in place, which we can share to help make delivery frictionless for you.

Pros: Can be easily managed, but may require expertise that Insight can provide.

Cons: Managing the process in-house creates more work for you and creates ongoing extra work for your finance team.

Option Two:



Managed Service

If you'd like to continue moving tech goods in exactly the same way you were before Brexit – we have a trusted partner who can manage the whole process. This may be the most convenient option for you, as you would be able to continue ordering your tech goods from Insight exactly as before. You wouldn't need to worry about VAT either. If you are an existing client, you would deal with your current account manager, tech consultant and so on. For new clients, you would have the advantage of dealing with Insight's experienced UK team.

Pros: Frictionless experience – no need to deal with tariffs, fees, VAT or other admin.

Cons: You will have to pay a little extra for this service – but the costs could be offset by the value added from removing paperwork, admin, broker fees and more.

Option Three:



With our global footprint, we've got EU covered

One way we can help you cut through the Brexit waffle is to move your client account to Germany – where we already have a fully operational distribution centre. Strictly speaking, you will be purchasing your tech goods from Insight Germany, but you can continue working with your familiar, UK-based account manager. The only difference you'll see, is on your invoice.

Pros: A simple solution to the Brexit issues – as you would only be shipping goods within the EU.

Cons: You would have to have an extra account based in Germany – which could cause extra administration for your finance/operational teams.

Transporting goods within the EU? We've got EU covered.

The new regulations don't just affect the movement of goods from the UK to the EU, there can be issues moving goods from the EU to the UK, and even with moving goods within the EU.

What about VAT triangulation?

Before Brexit, if you wanted to buy tech goods from a supplier in one EU country and have them delivered to another EU country, you could simply purchase them through Insight UK. We would then arrange for the goods to be shipped directly to you and handle all the paperwork. As the goods would not be leaving the EU, there would be no VAT implications. This is called VAT triangulation. This is no longer possible under Brexit regulations.

Where there are three countries involved in a transaction, if they are all in the EU there is no issue with VAT. As the UK is no longer in the EU, if there are three countries involved in a transaction and one of them is the UK, there is an issue with VAT. It is called VAT triangulation, and is not legally possible. For example: You order from Insight UK, order ships from the Netherlands to Germany.

This situation particularly occurs where a vendor's central European supply location is in the EU – such as Cisco.

Insight solution – don't EU worry about a thing

As a global company, Insight boasts established relationships with a number of technology partners. Having worked closely with Cisco to address these new rules, we are well-placed to supply you with the technology you need as part of your ongoing digital transformation journey.

From April 1, 2021, we enhanced our financial and supply chain engagement model to allow clients to benefit from a frictionless experience across the UK and EU.

We're here for EU.

If Brexit is causing you any tech supply issues at all – whether you're a new or existing client – we have a solution for you. Talk to our friendly, UK based team and we'll help you cut through the Brexit waffle and continue your digital acceleration without hindrance.

If you're an existing client, simply talk to your account manager.
If you've not worked with us before, simply call us on 0344 493 9939
or email DG-EU-Brexit@insight.com



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