

Export Fact Sheet & Checklist



This document represents a brief summary of the requirements for exporting scrap metal. You should not enter into an arrangement to export scrap metal until you have read and fully understood the information and guidance given by DEFRA <https://www.gov.uk/guidance/importing-and-exporting-waste>

Registration (Licencing)

You are required to register with the UK Environment Agency in order to be permitted to buy, sell and arrange the transport of waste (scrap). Registration is free if you are only intending to deal in your own organisation's waste. There is are fees if you are intending to deal in other people's waste. Registration can be completed on-line at <https://www.gov.uk/waste-carrier-or-broker-registration>

You will need the following details in order to complete your registration:

- your company registration number
- the names and dates of birth for partners, directors and company officers (eg the company secretary)
- details of any convictions for environmental offences

Failure to register can incur a fine of up to £5,000.00.

A copy of your Registration (Licence) will be required by your freight agent.

Registration as an Approved Exporter under the Waste Electronic and Electrical Equipment Regulations (WEEE) may also be required for some products.

Licensing from your local Council may also be required. You are recommended to contact your Council for guidance.

Scrap shipped for recovery or recycling

The following rules are applicable to the listed types of scrap if the scrap is clean and does not contain any contaminants ('green list' goods):

The Contract:

You must complete a contract for the recovery of the waste between yourself as exporter and the person receiving the waste. The contract must be in effect when the shipment starts. It must include an obligation on yourself as exporter that where the shipment or the recovery of the waste cannot be completed as intended or if the shipment is deemed illegal by the competent Authorities that you will take the waste back or that you will ensure its recovery in an alternative way, providing where necessary, storage until the return shipment or alternative recovery arrangements can be made. The exporter will be required to pay for the storage, recovery and/or return shipment in these circumstances.

The contract must also include a clause stating that should you, as exporter, become insolvent the obligations listed above will become the responsibility of the Consignee (importer).

If requested to do so you must provide a copy of this signed contract to the competent Authorities either in UK, India, Pakistan or any other country of transit.

Confirmation of Method of recovery / recycling:

You are legally required to ensure that the waste is dealt with in an environmentally sound manner throughout its transport and that the waste is treated using techniques that are broadly equivalent to those used within the European Union.

It is recommended that you obtain a signed statement from the importer which gives details of how the waste is to be recovered / recycled and how his processes conform to environmental legislation. Should you have any doubts as to whether his processes meet environmental legislation you should contact the UK Environment Agency (T) 03708 506 506 or (T) 01709 389 201 and ask for the International Waste Team with details of the processes.

Confirmation that the importer has permission to import:

You should obtain a copy of the importer's permit to import scrap of the relevant type. You will need to quote this permit number on the Annex VII Form. Due to the high number of abandoned or rejected imports of scrap the freight agent in the UK is likely to ask to see a copy of this permit prior to export.

Annex VII Form:

As exporter you must complete the Annex VII Form. A copy of this form must be:

- placed inside the doors of the shipping container
- given to the freight agent
- retained by yourself for three years
- signed by the importer on receipt of the shipment
- retained by the importer for three years

Financial Guarantee / Insurance:

As exporter you will also be required to provide a financial guarantee or insurance policy intended to ensure that if the waste is not be disposed of in an approved manner or is not imported appropriately, you will pay for the return shipping, storage and disposal of the shipment as applicable. The financial guarantee approval form is attached with instructions for completion.

Insurance:

You are required to obtain insurance to cover against the cost of damage to third parties during the transport and disposal of the scrap.

Scrap shipped for disposal

Notification and Approval:

All shipments of scrap for disposal as opposed to recycling must be notified to the UK Environment Agency prior to shipment being arranged. Most shipments for disposal are forbidden and will not be approved.

To apply for approval you will need to phone the Environment Agency International Waste Shipments Notification Team on (T) 01925 542265. You will be given an original numbered notification form and movement form. Once completed these forms must be returned to the International Waste Team for assessment.

Should approval be granted there are a range of fees for notification depending on how disposal of the scrap is to be arranged. The fees start from £1,700 per shipment. There are small reductions in the per shipment rate for six shipments and above.

Financial Guarantee / Insurance:

As exporter you will also be required to provide a financial guarantee or insurance policy intended to ensure that if the waste is not be disposed of in an approved manner or is not imported appropriately, you will pay for the return shipping, storage and disposal of the shipment as applicable. The financial guarantee approval form is attached with instructions for completion.

The Contract:

You must complete a contract for the disposal of the waste between yourself as exporter and the person receiving the waste. The contract must be in effect when the shipment starts. It must include an obligation on yourself as exporter that where the shipment or the disposal of the waste cannot be completed as intended or if the shipment is deemed illegal by the competent Authorities that you will take the waste back or that you will ensure its disposal in an alternative way providing where necessary storage until the return shipment or alternative disposal arrangements can be made.

The contract must also include a clause stating that should you as exporter become insolvent the obligations listed above will become the responsibility of the Consignee (importer).

If requested to do so you must provide a copy of this signed contract to the competent Authorities either in UK, Pakistan or any other country of transit.

Insurance for damage to third parties:

You are required to obtain insurance to cover against the cost of damage to third parties during the transport and disposal of the scrap.

Evidence of Permissions:

You will need to keep copies of the approvals to transport and approvals to dispose of the scrap from the UK Environment Agency and from the relevant Authorities in Pakistan. Should the transport of the scrap move through (transit) any countries between the UK and Pakistan you will also need to obtain and hold a copy of the approval to transit given by the Authorities in those countries.

You must place copies of these approvals with the cargo and provide copies to the freight agent.

General Export Information

To make an export you will be required to produce an Invoice and an Export Cargo Shipping Instruction letter (ECSI). You will need to give these to the freight agent.

Invoice:

As a minimum we recommend that this document should include:

An invoice Number and date

Consignor – Exporter's company name, address, VAT number, phone and email with a contact name

Exporter's scrap Registration details

Consignee – Importer's company name, address, phone and email with a contact name

Importer's scrap permit details

Delivery Address – company name, address, phone and email with a contact name

Purchase order number or equivalent

A description of the product to be shipped

The unit price and currency of the goods

The total price and currency of the goods

Freight cost

Insurance Premium

Total of the invoice

The net / gross weight of the product to be shipped

The method of packing e.g. number of pallets and/or 1 x 20ft general seafreight container

The tariff code of each product

The INCOTerm (delivery term)

Terms of Payment e.g. 30 days from date of invoice or 100% paid in advance

Payment details e.g. bank account, sort code, cheques payable to

Signature

For and on behalf of... (exporting company).

Export Cargo Shipping Instruction (ECSI):

The document should be addressed to the freight agent and is your formal instruction to them. We recommend that as a minimum it should include:

A reference number of your own choosing to identify the shipment (order number perhaps?)

Consignor – Exporter's company name, address, VAT number, phone and email with a contact name

Exporter's scrap Registration details

Consignee – Importer's company name, address, phone and email with a contact name

Importer's scrap permit details

Collection Address – company name, address, phone and email with a contact name

Delivery Address – company name, address, phone and email with a contact name

Goods description (brief) and quantity

Tariff code

Customs Procedure Code

Total Value and currency

Method of shipment that you require e.g. Seafreight Less than container load (LCL) or Full container load (FCL) 20ft or 40ft container

List of attached documents e.g. Annex VII Form, Export Registration, Import Permit, Invoice

General Comments:

Bill of Lading:

Your freight agent will give you a copy of this document. Think of it as your goods' travel ticket. It is important that all the information on it is accurate so check it carefully and have the freight agent change it if there are errors.

Record Retention:

You should retain the bill of lading, invoice, Annex VII Form and ECSI for at least 4 years so that HMRC or the Environment Agency can inspect your records.

INCOTerms:

These describe who is paying for what, who is taking the risk for what and who is responsible for what during the transport of the goods.

There are 11 INCOTerms and the 2010 version is the current version that should be used. Full details can be found here <https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-rules-2010/>

We would discourage the use of Ex works (EX Wks) and Delivered Duty Paid (DDP) as both produce difficulties for the exporter.

You may wish to consider Free on Board (FCA) named port of export or Cost Paid to (CPT) named destination port or Delivered at Place (DAP) named destination delivery address.

With FCA the price you quote for the goods should include the cost loading the container and transporting it to the named place.

With CPT the price you quote for the goods should include the cost of loading the container, transport to the port and loading on board the vessel, the seafreight and unloading the container onto the destination dockside. Risk transfers to the importer as the container is loaded onto the vessel at the port of export. Responsibility for further costs once the container has been unloaded onto the destination dockside transfers to the importer.

With DAP the price you quote for the goods should include all the transport costs from loading to unloading at destination. But it should not include the cost of import customs clearance at destination or import duty and taxes as these are payable by the importer.

Customs procedure code:

This tells the freight agent and UK Customs why the shipment is being made. The code for a permanent export is 10 00 001.

Tariff code:

This tells the freight agent and UK Customs what the goods are (a description can be open to interpretation!). You can look up the tariff codes specific to your products at <https://www.gov.uk/trade-tariff>

For example different types of cable e.g. telecommunications or power have different tariff codes.

The tariff code is also used to determine the percentage of import duty that will be payable at the destination.

You can let your freight agent choose the tariff code for your products but remember that you remain legally liable for the choice. If it is wrong HMRC will take this up with you and you may become liable for penalties for repeated errors so you should check what he is doing.

We would advise using an agent who is a member of British International Freight Association (BIFA) to ensure professional standards of service. Agents in your area can be found through their web site <http://www.bifa.org/content/home.aspx>

Freight costs:

Goods are either shipped Less than container load (LCL) or Full container load (FCL). Containers are either 20ft long or 40ft long. There are weight and volume restrictions.

There are also safety requirements – containers get tipped about in transit so lots of loose metal items can shift inside the container and if they are not packed and stabilised correctly within the container when the doors are opened at destination the metal can fall out and injure people. It is important to ensure that whoever loads the container knows what they are doing as the exporter will be held liable for damage or injury.

For LCL shipments the exporter will be expected to deliver the goods to the port. This can be arranged via your freight agent.

For FCL shipments it is more usual for the container to be brought to the loading company's premises. But this assumes the loading company has a loading bay at the right height, a forklift truck or pallet truck and sufficient manpower. Your freight agent can assist you with this and may be able to arrange to collect the cargo and have it loaded into the container elsewhere.

For LCL shipments the basic freight cost is generally £x per metric tonne or cubic meter. It is sometimes expressed in US\$ rather than £. Then all the loading, transport and administrative costs are added on. Be sure to ask your freight agent to give you a full breakdown of the costs so you can see what you are paying for.

For FCL shipments you pay per container. So there will be a price for a 20ft container or a 40ft container. All the usual loading, transport and administrative costs are then added on. It is usually cheaper per tonne/cubic meter to fill a full container.

Different freight agents will use different shipping lines and each will give different costs. Always check the routing – some ships follow a roundabout route stopping at lots of ports and taking a long time to get to the destination. Other ships will stop at only one or two ports and will therefore be quicker. In general the quicker the transit time the more expensive the freight cost.

If there is a sudden shift in currencies or fuel costs you must expect to pay additional charges to those you have already agreed. This is in the terms and conditions for shipping.

Import Duty & Taxes

These will vary according to the product shipped and the country of destination. They can change. You should be aware that many importers neglect to take these into account and they can be very expensive making the shipment unprofitable and resulting in rejection of the cargo by the importer.

Checklist

Export

- Register with UK Environment Agency
- Complete contract with person receiving waste
- Obtain transit and damage to third parties insurance cover
- Select relevant INCO Term
- Select appropriate Tariff code
- Obtain freight quotes
- Produce invoice and pass to Freight Agent
- Produce Export Cargo Shipping Instruction Letter (ECSI) and pass to Freight Agent
- Provide copy of Registration to Freight Agent
- Provide copy of contract to competent Authorities (if requested)
- Check Bill of Lading

Recovery/recycling

- Obtain signed compliance to environmental legislation statement from importer
- Obtain copy of importers permit to import
- Complete Annex VII form
- Distribute Annex VII form

Disposal

- Notify UK Environment Agency
- Complete & submit Notification & Movement Form
- Complete & submit financial guarantee form
- Approval to ship issued
- Obtain approval to transit from relevant country Authorities
- Pass copy of approval to ship to Freight Agent
- Pass copy of approval to transit from relevant country Authorities to Freight Agent