

TVS Supply Chain Solutions now provide Customs Warehousing solutions to non EU import challenges

TVS SCS is proud to announce that it has received HMRC authorisation for Type “A“ Customs Warehousing. This has significantly strengthened its Vendor Managed Inventory value proposition to OEMs by addressing the challenges associated with non EU imports providing significant cash flow benefits and mitigating any risks associated with inventory liability.

TVS SCS has offered bespoke Vendor Managed Inventory Solutions for over a decade to UK OEMs in the Automotive & Industrial sectors, through their international supply base managing supplies from non EU countries.

The challenges faced

Across all sectors, UK OEMs are facing challenges with non EU imports from their suppliers who are not established as an entity or VAT registered in the UK. Although the imported stock is maintained and called off as required from a 3rd party UK warehouse, the following challenges remain;

- OEMs taking the title of stock at the time of customs clearance at the UK port.
- Taking on inventory liability for a 4-6 week safety stock on their books in accordance with legislation.
- Incurring payment of 20 % VAT on the total value of the goods in addition to the duty as well as providing associated bank guarantees.

The solutions TVS SCS will provide

TVS SCS can now provide solutions to these challenges through their Type A Customs Warehousing Service by helping the OEMS to defer the VAT, the applicable duties, the title of goods and therefore the declaration of inventory liability in the books, until the stock is called off from TVS SCS warehouse. This provides significant cash flow benefits and mitigates any risks associated with inventory liability.

In addition, TVS SCS have been authorised for Customs Freight Simplified Procedure (CFSP) which enables them to deal electronically with HMRC, allowing faster processing of international trade transactions .

As a next step, TVS SCS has also planned for adoption of Union Customs Code (UCC) and to achieve the Authorised Economic Operator (AEO) status, which is an internationally recognised quality mark indicating that TVS SCS' role in the international supply chain is secure.