



Import Export Support

confidence through clarity

CLIPBOARD CASE STUDY

Red



How obtaining HMRC authorisations can help a camera business focus on building export markets

Launched in the U.S. by Oakley Sunglasses founder Jim Jannard, Red has supplied digital cameras to professional photographers and cinematographers since 2007. If you have watched Transformers, The Hobbit or any one of hundreds of movies and TV shows, they're shot on Red cameras. The US company's UK arm is run by Alan Piper and key to his aspirations to grow the business is the ability to efficiently supply Red cameras from the UK to its customers wherever in the world they are.

The issues

Red currently imports cameras into the UK for European customers but for clients in the rest of the world cameras are shipped from the USA. Alan Piper recognised that to improve the service Red needed to hold stock and ship from the UK. This raises the potential for paying import duty twice, but it can be avoided by gaining HMRC approval to operate a Customs Warehouse.

This, however, is not straightforward. New legislation means that Red also had to gain Authorised Economic Operator (AEO) status and following changes to EU customs law (Union Customs Code UCC) in May 2016 restricting the use of simplified Inward & Outward processing (IP/OP), Red also had to obtain the new Combined Customs Guarantee (CCG).

Alan recognised that Red needed some expert guidance. He says "HMRC are the most complex establishment on the planet - if not in the universe!" However, finding someone who could provide clarity, assistance and a solution was proving difficult.

Then Brexit arrived, adding further issues to be clarified.

The solution

Alan Piper was introduced to Import Export Support (IES). Tracey Renshaw wrote an IES assessment report which clearly outlined the way to resolve the issues and get all the authorisations

"Do IES understand our problem? They understand it entirely, a lot better than I do"

Alan Piper, MD Red



Red's 8K Digital Motion camera, the Epic Dragon

The Brexit Challenge

For a U.S. business like Red, changing import and export rules and tariffs as the UK exits the EU could mean relocating or setting up a new office in the EU to avoid the issues of double taxation.

However, with the help of IES in setting up a customs warehouse and gaining AEO status, the company is protected from many of the post Brexit trading issues.

As Alan Piper says "With AEO, Red becomes immune to many of the problems of Brexit. And I don't have to move to France".

To find out how IES can help your business:

Call Tracey Renshaw on 07710 238113

Email: tracey@importexportssupport.co.uk

Go to: importexportssupport.co.uk



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"Tracey has a good knowledge of what HMRC are looking for. It's a huge advantage"

Alan Piper, MD Red

required. Alan was quick to engage their support and since then Tracey has worked closely with Alan as part of his team.

IES' expertise is helping Red meet the high standard of procedures and processes required to become a 'Trusted Trader' and gain the required HMRC authorisations and simplifications. Alan says "Operating a Customs Warehouse with AEO. That's our golden chalice - our ultimate goal". He continues "I would never have managed this without help."

The results

Red now have Simplified Import VAT Accounting (SIVA) approval, a Customs Deferment Account, and a Combined Customs Guarantee (CCG). Also, steps have been taken to achieve the Inward Processing (IP) and Outward processing (OP) Authorisation required to facilitate camera repairs.

Customs Warehouse Authorisation with AEO status means that Red can bring goods in from the US, free of duty and VAT, only paying duty when the goods leave the warehouse rather than on arrival in the UK and then only if the goods are destined for UK or European clients. If the goods are re-exported outside of Europe then UK VAT & Duty isn't due.

This opens up the potential for Red to build markets both in and out of the EU and Middle East, delivering a significant increase to its \$30m turnover. Alan says "I can grow these markets with confidence". He adds "It took me forever to find someone able to do this - and I haven't found anyone since".

In brief:

Faced with double taxation when importing cameras from the US and delivering them to customers in Europe and beyond, Red needed to find a way to simplify procedures and reduce duty paid.

The answer was a Customs Warehouse, Authorised Economic Operator (AEO) status and all the other authorisations needed along the way.

It was only when Red started working with Tracey Renshaw and IES that they made headway towards the goal. Having gained most of the HMRC authorisations needed, Red are well on the way to building their worldwide export markets.