

TREK

WATERLOO, WISCONSIN | SINCE 1976



Jim Poulton

Finance Director Europe
Trek Bicycle

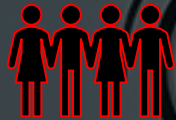
10 years at Trek
3 years in Office Products
8 years in Food Ingredients
4 years in Financial Services

UK-based
Lived & worked in France &
US (Decatur, IL)

jim_poulton@trekbikes.com

Brexit & Bikes

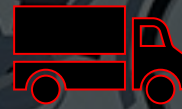
How did Brexit impact Trek Bicycle... a global company with distribution in UK and the EU?



People



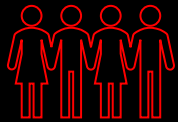
Tariffs/ROO



Logistics



Compliance



FT Magazine Brexit

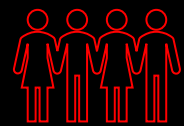
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How two decades of EU migration went into reverse

Tens of thousands of foreign-born workers have left the UK. What does it mean for them, and for Britain?



#1 – Look after our staff!



#1 – Look after our staff!

FT Magazine Brexit

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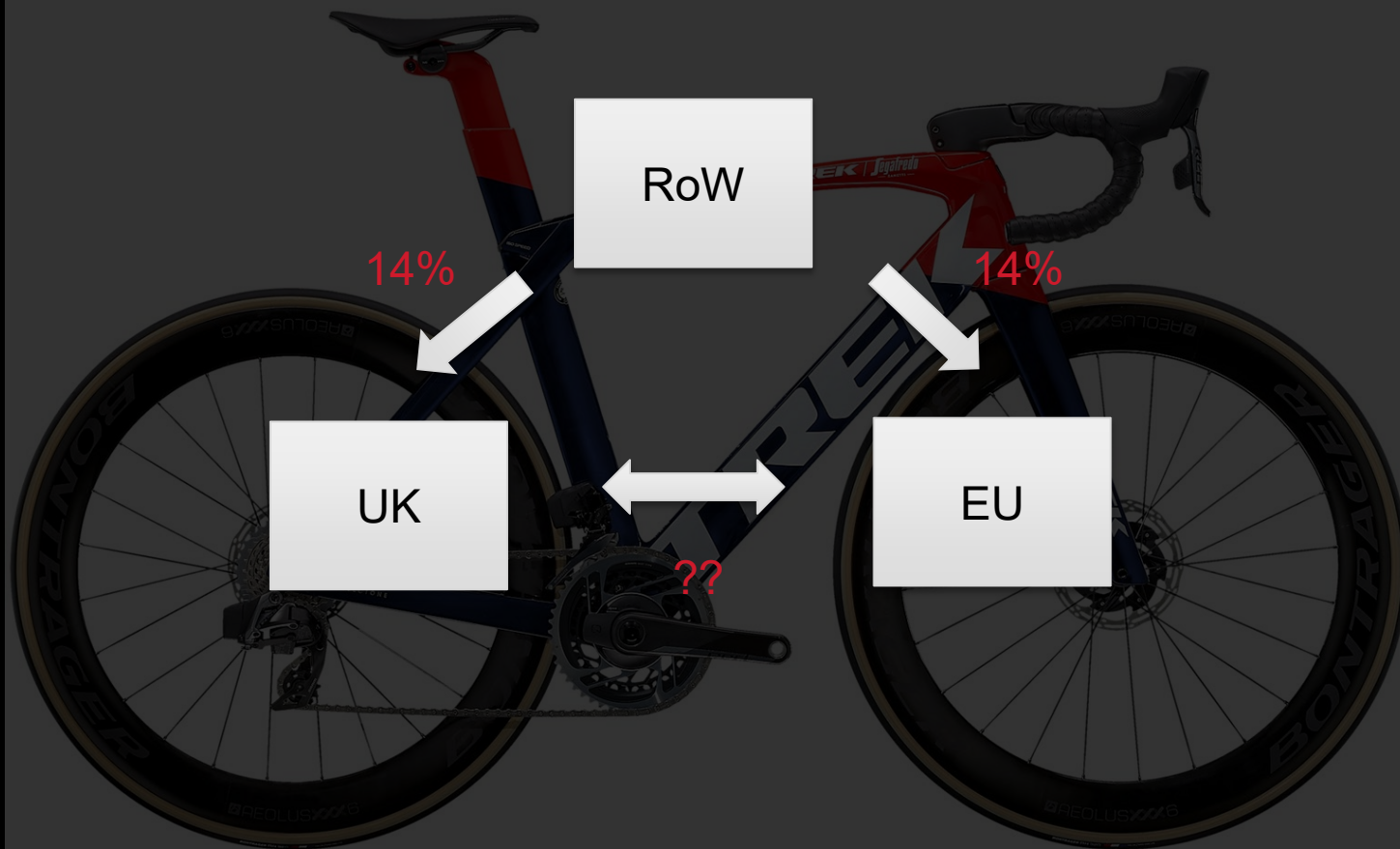
How two decades of EU migration went into reverse

- Short-term... settle nerves, maintain productivity
- Long-term... help to attain “Settled Status”





#2 – Dealing With Customs Duty on Bicycles





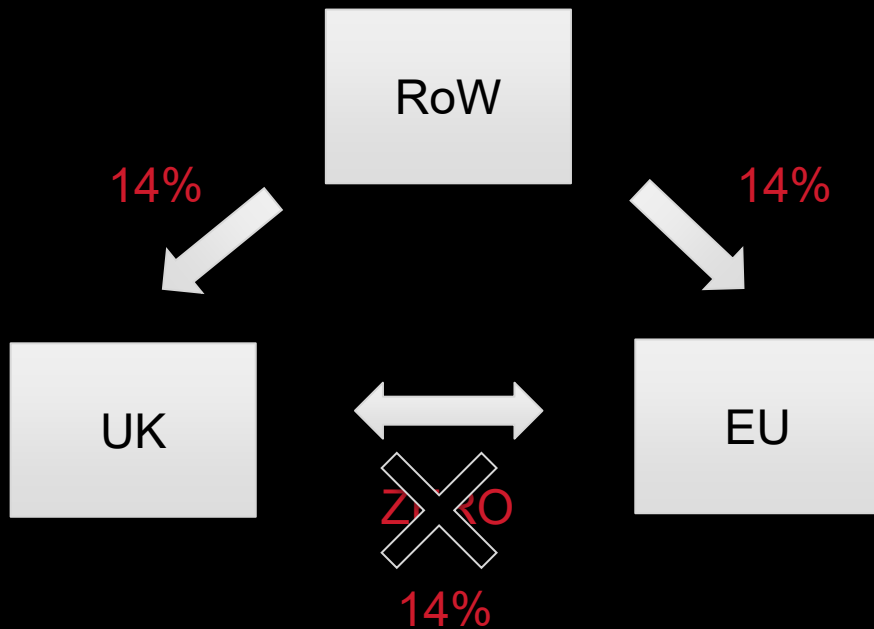


СТН

= Change of Tariff Header



#2 – Dealing With Customs Duty on Bicycles



87.08-87.11	CTH; or MaxNOM 50 % (EXW).
87.12	MaxNOM 45 % (EXW).
87.13-87.16	CTH; or MaxNOM 50 % (EXW).



Dutiable



Duty Free



#3 Get The Goods Moving



EU single market Connected by sea

Key

- Cork to Roscoff, Brittany Ferries
- Rosslare to Cherbourg, Brittany Ferries
- Rosslare to Cherbourg, Stena Line
- Rosslare to Dunkirk, DFDS
- Rosslare to Saint Malo, Brittany Ferries
- Dublin to Cherbourg, Irish Ferries
- Dublin to Cherbourg, Stena Line





#3 Get The Goods Moving

Several large carriers ceased providing services FR/NL->UK

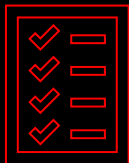
UK Customs Officers Overwhelmed

Paperwork delays in UK impacted NL->NO/CH shipments

Mixed Shipments complex!

Full truck loads much easier!





#4 Manage VAT Transition



The End of EU VAT
Triangulation and the impact
on UK Businesses



#4 Manage VAT Transition

invoice with 0% VAT



EU Intermediary
company with VAT

Trek UK (GB VAT)

invoice with 0% VAT



EU Supplier
company with VAT

Trek Netherlands (NL VAT)



Goods

EU Client company
with VAT

Bike Shop (CZ VAT)



#4 Manage VAT Transition

invoice with 0% VAT



EU Intermediary
company with VAT

Trek UK (~~GB~~ NL VAT)

invoice with 0% VAT



EU Supplier
company with VAT

Trek Netherlands (NL VAT)



Goods

EU Client company
with VAT

Bike Shop (CZ VAT)



#4B There are Many Compliance Hurdles, esp. B2C

Rose Bikes cancels all UK orders,
citing Brexit

Spares for current bikes will r

Canyon pauses shipments to UK customers,
blaming Brexit uncertainty

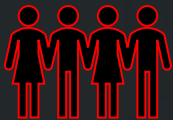
● German brand says it plans to resume deliveries after 11 January once situation becomes clearer

Trek's Business is almost all B2B, not B2C 😊

B2C is harder... we've stalled elements

16 July 2021 Authorised Representative rules come in,
even for UK co shipping from UK to N Ireland(?)

Brexit & Bikes



Keeping EU Nationals in UK was possible 😊



Tariffs means bikes are now more expensive in UK 😞



Shipping is Painful. 4 months in still unwinding 😞



Additional VAT reg, Customs Docs, Compliance 😞
Devil is in the Detail (eg Northern Ireland) ! 😞

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