



# **EU customs procedures and import VAT: On the way to 2021**

**WIK Postal Seminar  
Königswinter, 9-10 December 2019**



# EU VAT e-commerce rules - what

## New VAT e-commerce rules from 1/01/2021:

- Remove the VAT import exemption on low value goods
- Extend the VAT One Stop Shop
- Increased obligations for electronic interfaces

## Objective:

- Bring level playing field for EU traders
- Apply VAT where consumption takes place
- Offer simplifications in collection of VAT

# VAT e-commerce rules impacting customs

*Customs duty de-minimis of EUR 150  
**not changed***

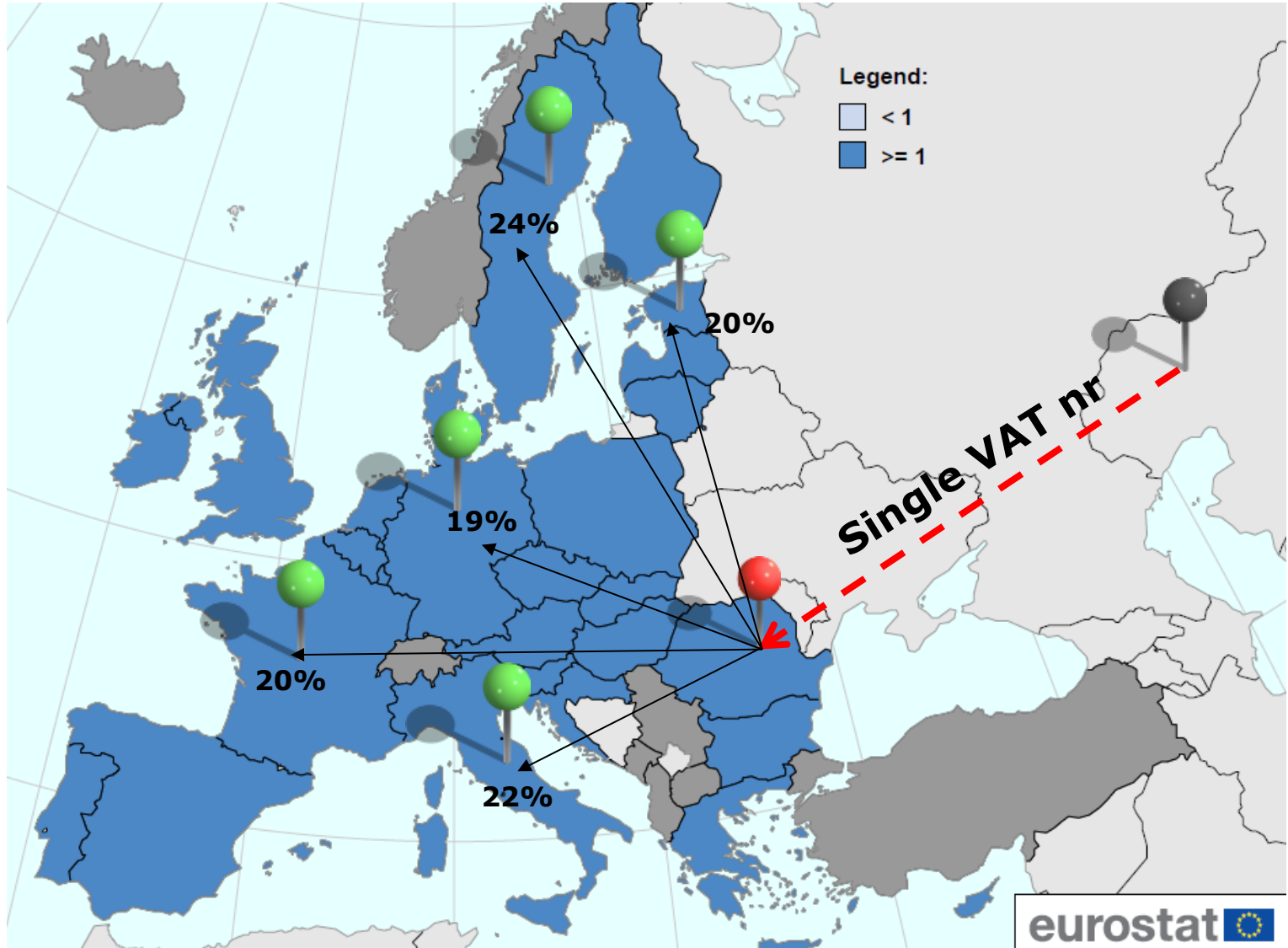
*On 1.01.2021 **abolish** VAT de-minimis  
of EUR 10/22*

- *From 2021 VAT applicable on all imports  
of goods*

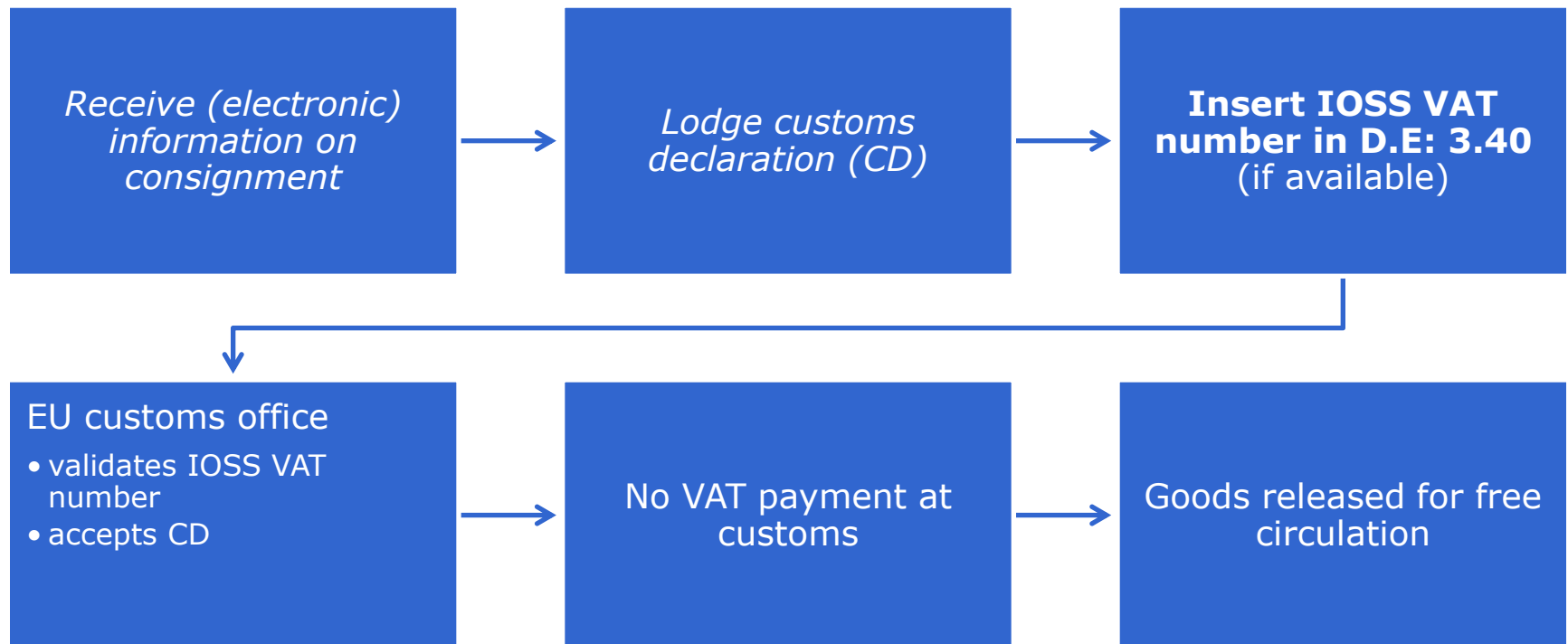
*VAT collection **simplifications**:*

- *Import One Stop Shop (IOSS)*
- *Simplified arrangements for post/courier*

# VAT Import One Stop Shop



## ***IOSS – what postal operators need to do for VAT clearance upon importation:***



# Special arrangement for payment of VAT

Optional - when  
IOSS is not used

Special arrangement (mainly for  
post/couriers)  
=> Easy and speedy clearance

Monthly payment of  
import VAT\* (to  
customs)  
\*Only VAT effectively  
collected

EU MSs may allow to  
use only standard VAT  
rate for goods

Goods:  
- not exceeding  
EUR 150  
- not subject to  
excise duties

## Special arrangements - details

VAT remains payable to the customs office of importation:

- **Post** or express operators collect the VAT from the customer
- **Post** or express operators remit only the VAT effectively collected from customers
- Avoids burdensome refund procedures when goods are refused/non-delivered

MS may allow the use of the standard rate of VAT:

- Facilitate the declaration process for the declarants (mainly the post or express couriers)

Only applies when the customer is in the MS of importation

## Customs duty exemption below €150 remains but...

- 1. Need to have an import customs declaration per parcel*  
**Reduced declaration requiring 3 times less data than a standard declaration**

Built on the basis of the electronic CN23 (ITMATT message)

- 2. Customs collect VAT information and share it with the tax authorities via the Commission*

- 3. Gradual obligation to send advance cargo information (entry summary declaration) on all parcels below €22:*

- from 2021, air postal and express consignments*
- from 2023, all air consignments*
- from 2024, sea, rail and road consignments*



# Import clearance of postal consignments

Customs  
declaration  
for release  
for free  
circulation  
as of  
1.1.2021:

**H7 dataset** (super-reduced dataset) for goods subject to customs duty relief up to EUR 150 – **NEW**

**H6 dataset** for postal consignments with a value up to EUR 1000 (postal operator = declarant)

**H1 dataset** (full declaration) for all goods

## Super-reduced dataset – Article 143a-DA

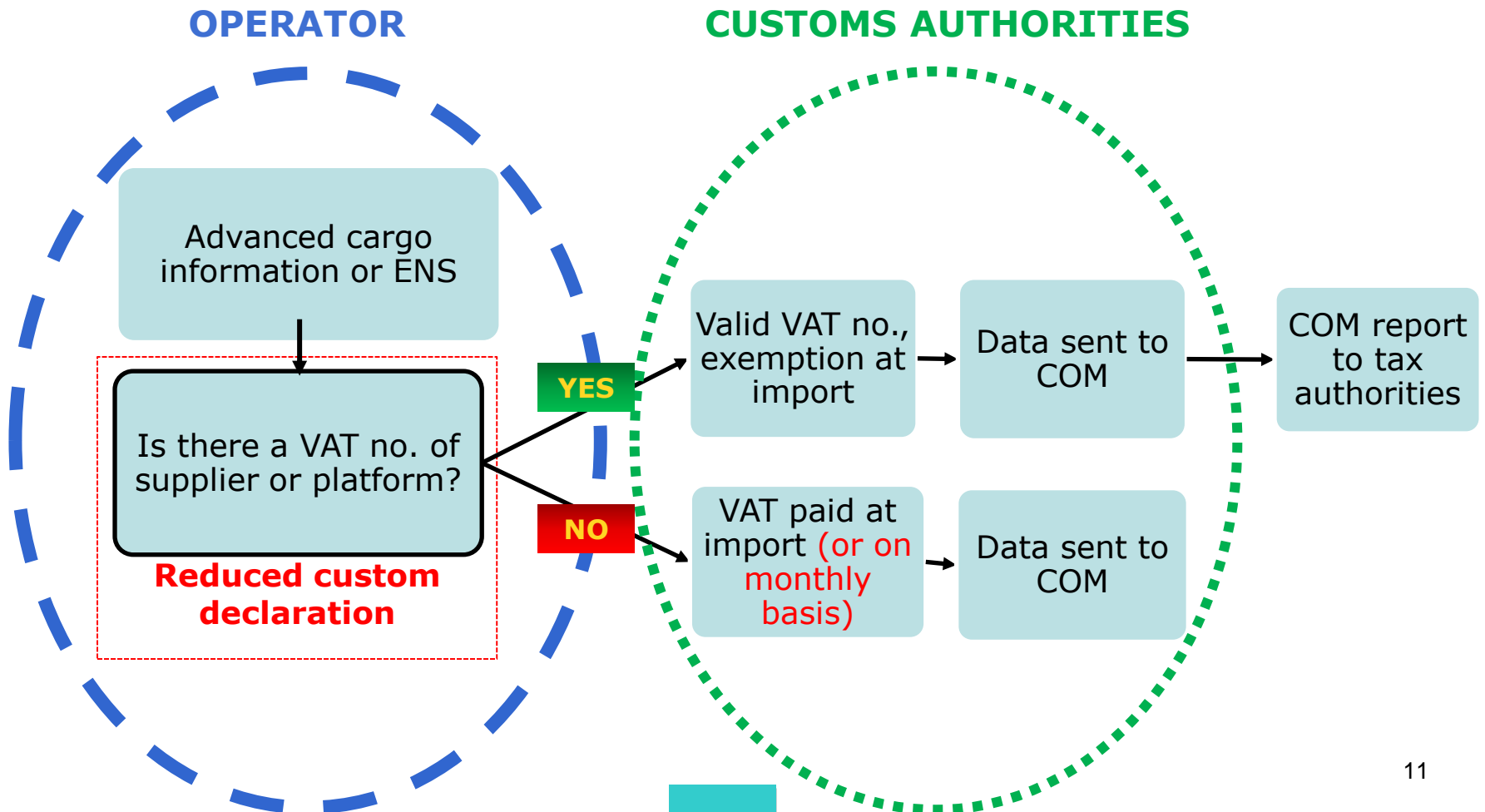
### Concept:

- Use of super-reduced dataset as **standard declaration** (preferably as pre-lodged declaration)

### Scope (slightly differs from VAT legislation):

- **Goods subject to duty relief** (Articles 23(1) and 25(1) DRR)  
>> commercial goods  $\leq$  EUR 150 and gifts
- **Goods not subject to prohibitions & restrictions**
- CPC 42/63 excluded >> only possible CPC is '4000'
- Any declarant
- Any VAT scheme
- B2B, B2C and C2C relation

## Process of declaration (simplified)



## Items of correspondence

### Declared by any other act

- by entry into the Union customs territory without submitting a formal electronic customs declaration
- no change foreseen in their customs treatment

## Data required for release of postal consignments - Summary

Value	Postal – today	Postal – to be (2021)
< 22 euros:	<ul style="list-style-type: none"> <li>• no ENS</li> <li>• no customs declaration</li> <li>• presentation to customs (often using the CN22)</li> </ul>	<ul style="list-style-type: none"> <li>• ENS (CN23 + carrier filing)</li> <li>• CD with super-reduced dataset</li> </ul>
Between 22 euros and 150 euros	<ul style="list-style-type: none"> <li>• no ENS</li> <li>• customs declaration (CN22/CN23) for VAT purposes</li> </ul>	
> 150 euros:	<ul style="list-style-type: none"> <li>• ENS (Annex 9, Appendix A - TDA)</li> <li>• standard customs declaration CN 22/CN 23 for VAT and customs purposes</li> </ul>	<ul style="list-style-type: none"> <li>• ENS (CN23 + carrier filing)</li> <li>• Standard CD (possibility for a CD with reduced dataset – column H6 of Annex B-DA, up to a value of EUR 1000)</li> </ul>
Items of correspondence	<ul style="list-style-type: none"> <li>• no ENS</li> <li>• No formal customs declaration</li> <li>• Declaration by any other act = crossing of borders</li> </ul>	<ul style="list-style-type: none"> <li>• no ENS</li> <li>• No formal customs declaration</li> <li>• Declaration by any other act = crossing of borders</li> </ul>

# VAT & customs e-commerce timeline

5 Dec. 2017

- VAT e-commerce package adoption

By mid-2020

- adoption of UCC DA/IA amendments

**1 January 2021**

- Entry into application
- Go live IOSS system

21 Nov. 2019

- Adoption of 2nd VAT e-commerce package

2019-2020

- Prepare Explanatory Notes and Guidelines together with businesses and MSs authorities
- Communication activities within EU and third countries
- MSs and businesses preparation

# Thank you for your attention!

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