



WCO Knowledge Academy

Customs formalities applicable to low value consignments

8 to 10 September 2020

EU Customs in numbers

Every minute...

- 4.6 thousand tonnes of goods imported and exported in the EU
- 650 customs declarations at the EU border

Every hour...

- 91% of customs declarations cleared by customs authorities

Every year (2018)...

- 750 million sea containers travelled around the world
- USD 29 trillion smaller parcels arrive by air, road or train
- 175,86 million import declarations
- 151,49 million export declarations
- 16.2 million transit declarations

Problems

*Rules are **not adapted** to an e-world (60% of Europeans bought online in 2018)*

*Goods are **systematically declared below the VAT threshold (22€)** to avoid VAT, customs duties and customs formalities*

- VAT rates:
 - 17%(Luxembourg) - 27% (Hungary).
 - Losses of 5 billion €/years
- Customs Duties:
 - Average: 3%
 - Car components: 22%
 - Textiles: 12%
 - Electronics: 0%
- **Security and safety** issues
- Compliance with **prohibitions and restrictions**
- **Level playing field postal and express operators**

The 2021 changes in the EU: influence on cross-border eCommerce

VAT

All goods are to be declared and VAT to be collected (including < 22 EUR goods)

Import One Stop Shop (IOSS) system to collect VAT at purchase will make a faster release at customs

If IOSS is not used, VAT will be charged at import >> special arrangements

Customs

All imported consignments must be covered by an electronic safety & security and a customs declaration

Reduced data set for goods \leq 150 EUR not subject to excise duties or restrictions

Super-reduced dataset (Article 143a of UCC-DA)

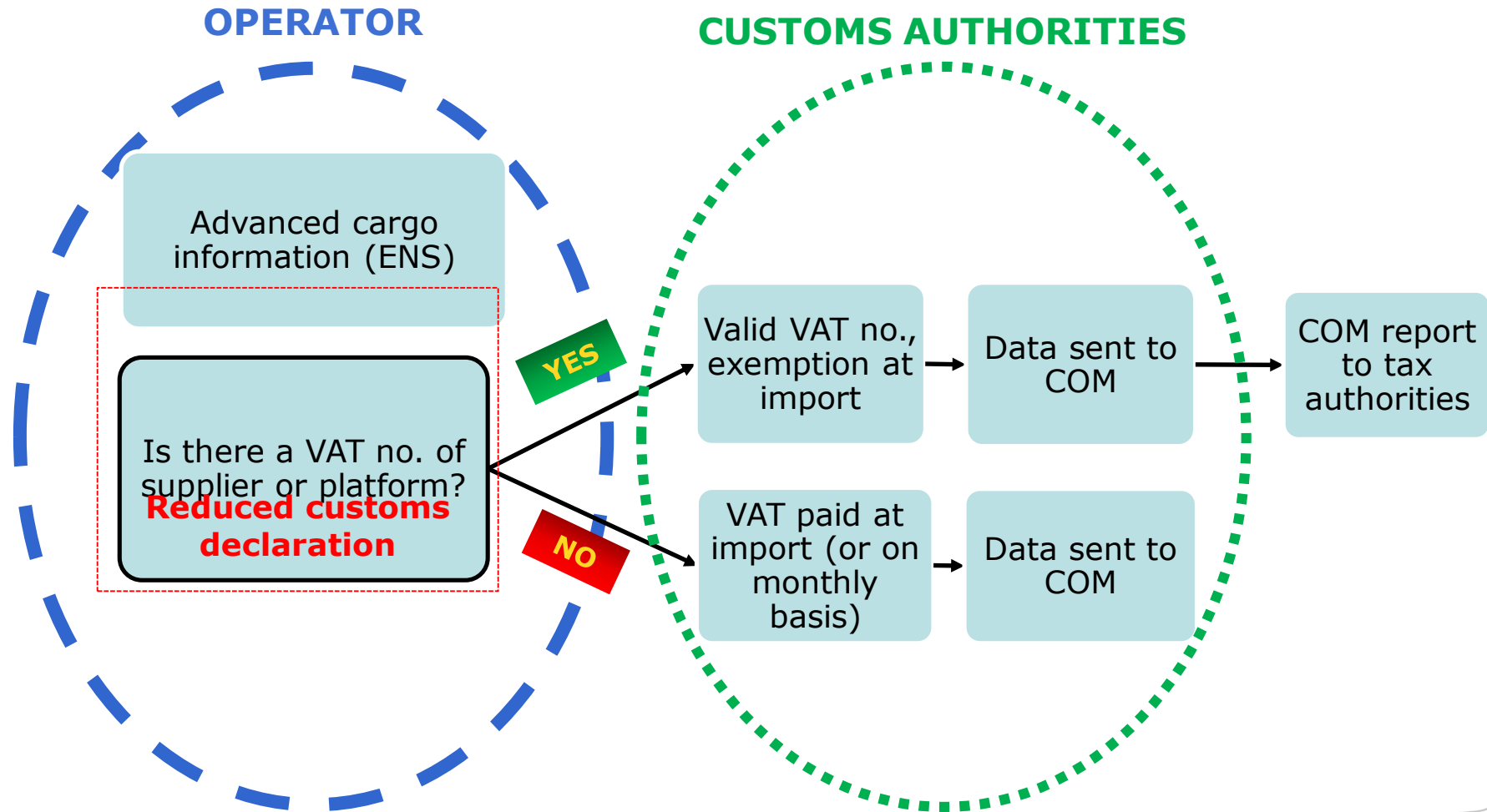
Concept:

- **Use of super-reduced dataset as standard declaration** (preferably as pre-lodged declaration) – no supplementary declaration required
- **Transitional provisions:**
 - For MS: use of existing (TDA) datasets (full dataset or simplified CD) until end 2022
 - For post: declaration by presentation of goods (any other act) only in specific cases max until 1/10/2021

Scope:

- **Goods of negligible value and subject to duty relief** (Articles 23(1) and 25(1) DRR)
- **Goods not subject to prohibitions & restrictions**
- **Only for release after entry** (customs procedure code '4000')
- **Any declarant**
- **Any VAT scheme**
- **B2B, B2C and C2C relation**
- Dataset based on **CN23 form** (consignor, consignee, value, IOSS number, 6-digit HS code, gross mass, goods description, transport doc. ref. etc.)

Declaration of low value goods (overview)



Next steps

ICS-2

Deployed gradually in 3 releases >> **ENS**

Release 1 as of 15 March 2021 post and express by air

Release 2 as of 1 March 2023 for all air cargo

Release 3 as of 2024 for maritime, road and rail transport

VAT & customs e- commerce

Electronic customs declaration for all goods as of 1 July 2021

>> **Customs declaration**

Customs

Action plan to strengthen the protection of the Customs Union

Leverage the role of online marketplaces and platforms >>
additional filing by platforms

Cooperation with e-commerce stakeholders

EU-level

Main forms of collaboration:

Consultation in the decision-making process

Contribution to practical guidance document to facilitate the uniform interpretation and implementation of the new rules

National level

Main forms of collaboration:

Collaboration based on partnership agreements (e.g. the 'Swedish model') and MoUs

Within the limits of national competence (customs matters are of EU competence)

Main takeaways of the e-commerce project

Great importance of good preparatory work

Get all stakeholders involved: tax authorities, customs authorities and business stakeholders

Close and good cooperation with international organisations (above all with WCO and OECD)

Take into account relevant policy initiatives in other jurisdictions

Close cooperation and exchange of information with other jurisdictions is key

Thank you for your attention!

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