

E-COMMERCE AND LOW VALUE CONSIGNMENTS



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eCommerce
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eCommerce

The importance of eCommerce

eCommerce has grown exponentially and is still growing

- Increase of declarations for Brexit; 10%
- Increase of declarations for eCommerce; 20-30%

eCommerce has become an integral part of international trade

- Not just pure B2C non-commercial transactions, but often B2B4C
- Next day delivery requires more traditional supply chains as sufficient stock has to be close to consumer
- Increase of compliance requirements needs integral supply chain planning instead of individual shipments
- Great logistical challenges with for example returns
- Many new players in this field including Freight Forwarders and Customs Brokers

However, current regulation, procedures and IT-systems still form the 1990's

Drastic change is required – this provides both huge challenges and opportunities



Growth of eCommerce leads to specific customs and VAT challenges

Imports

- Large volumes of small transactions in combination with exemptions make supervision and enforcement almost impossible
- Exemptions partially outdated
- Unfair competition for retailers at importation
- Numerous cases of fraud (although not fully visible)
- Liability issues with non-EU companies
- Various threats for consumers and society in general

Intra EU

- Faulty, outdated system of distance sales
- No harmonisation on thresholds
- Unfair competition between Member States
- Large volumes of small transactions in combination with exemptions make supervision and enforcement almost impossible
- Barely any cooperation between MS



eCommerce

What is being done to improve the situation

Actions taken at EU level

- UCC – all exchange of information should be digital
- Abolition of low value exemptions for VAT – declaration will be required
- Complete reform of EU VAT system (both intra and extra EU trade)
- Proposed legislation on Market Surveillance
- Challenge for customs to deal with high volumes – organisational and IT
- Various initiatives to ensure compliance while still enabling e-commerce, national, EU and worldwide

- Still possibilities for simplification proposed for customs up to €150 – super reduced data set (but with HS code)
- Commission recently proposed to not limit these possibilities only to post and express. Will be available for all companies. No differences or special treatments for certain industries anymore
- New declaration methods are being considered

