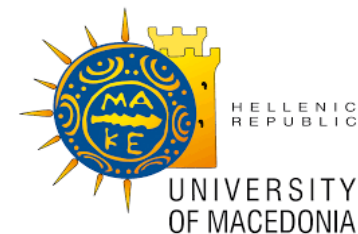


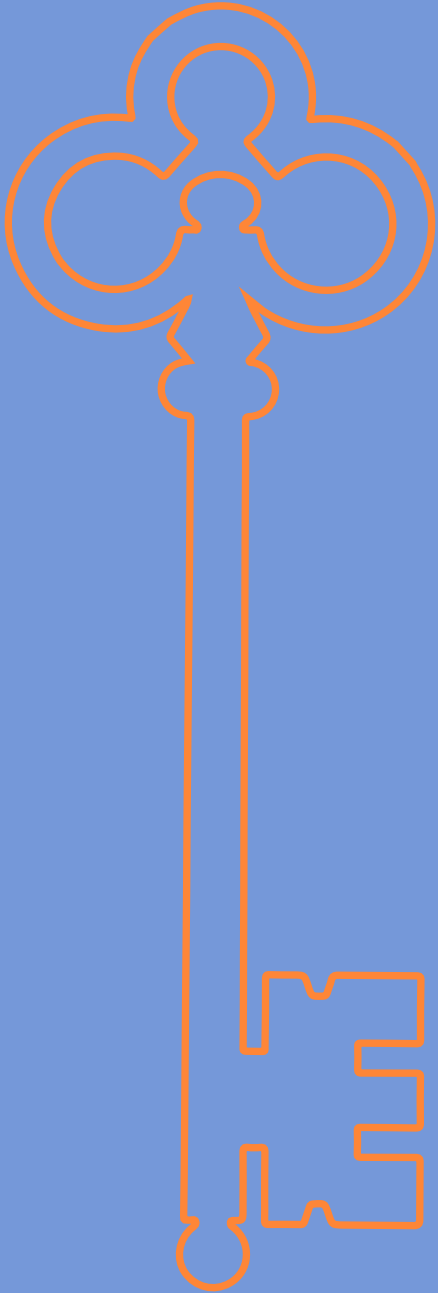
## 5.3 Tax and customs procedures for export trade



**ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory “Social Forces”**

**4.9.2: Design and Development of the Training Material**





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## *Tax procedures (1)*

### VAT exemption in exports to third countries

**Direct exemption** (VAT not included on invoice)

- + to export of products by a vendor or by another person acting on his/her behalf, to a buyer.
- + to the sale of products by a vendor subject to VAT to a buyer-exporter, when products are to be exported.

**Indirect exemption** (In any of her cases)

- + The buyer-exporter pays the VAT to the vendor and then after the export, is returned or follows the process of issuing a " Special Duplicate VAT Exemption Note ".



## *Tax procedures (2)*

Exemption from VAT on the intra-Community supply of goods.  
The following conditions have to be **cumulatively** met:

- ❖ The vendor and the buyer are are subject to tax.
- ❖ Goods shall be transported from one Member State to another.
- ❖ Registration of vendors and buyers in the VIES system.



## *Tax procedures (3)*

Exemption from VAT on the intra-Community supply of goods.

Any enterprise established in a Member State which are subject to tax, **must submit to the competent tax authority before the transaction:**

1. Declaration of start-up – change of operations for natural person (**Form M2**) or Declaration of start-up – change of operations for non-natural person (**Form M3**), to be registered in the VIES Register, so as not to charge the customer in another Member State with VAT, but also not to be charged with VAT from the supplier of a Member State.
2. **Cross-checking** and **verification** of the Community VAT number/ amount of tax, and the company's name.



## Customs procedures (1)

### Clarifying Terms:

#### **Community goods**

They are manufactured or produced entirely in the customs territory of the EU. Community goods are those of third countries which have been released for sale in the customs territory of the EU after payment of all customs duties and tax charges.

#### **Export/Exporter**

Includes the sale of goods outside the EU territory, in third countries/ Person who owns the goods at the time of acceptance of the declaration on whose behalf an export declaration is made.



#### **Intra-Community movement**

The sale of Community goods by an EU Member State to another. Shipment of Community goods to other EU Member States is not considered as an export.

## Customs procedures (2)

### Clarifying Terms:

#### **Declarant**

The person who presents the goods to the customs office and submits the export declaration electronically via the ICIS system.

#### **Customs office of export**

The customs office where the checks and the formalities must be completed in order for goods leaving the customs territory of the Community to be assigned a customs-approved treatment or use, as well as appropriate risk-based controls.



#### **Customs office of exit**

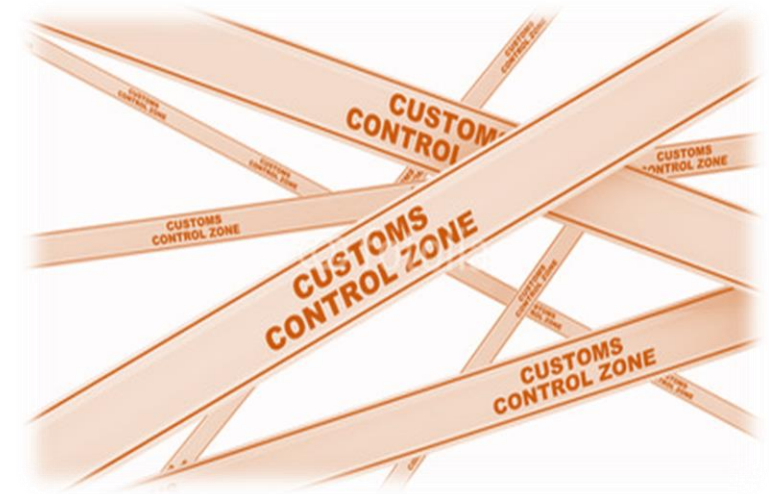
The customs office where the goods are placed before being exported from the customs territory of the EU and are subject to customs controls .



## Operation of the export regime

The export procedure involves **two stages**:

**Firstly**, the exporter/declarant shall present the goods, the customs export declaration and the export authorization to the competent Customs Office of export where the exporter is established or where the goods are packed or loaded for export. The Customs Office of export where the goods and the export license are presented, shall grant an export receipt license subject to the condition that the goods leave the customs territory of the EU in the same situation as they were at the time of acceptance of the customs export declaration.



**Afterwards**, the customs export declaration and the goods shall then be presented to the Customs Office of exit, which shall verify that the goods correspond to the goods referred by the customs export declaration and supervise their exit.



## *Final export procedure*

Final **export procedure** shall commence by submitting a **customs export declaration** to the customs office of the Member State responsible for supervising the exporter or to the customs office where the goods are packed or loaded onto the means of transport, with which, the export is to take place.

Regarding **customs export declarations**:

- ✖ These are now submitted electronically to the Customs Office.
- ✖ A system for electronic submission (and control) of customs export declarations, ICIS-Integrated Customs Information System has been developed .
- ✖ When ICIS is out of order, customs authorities accept a customs export declaration in written form (Single Administrative Document) together with a security single administrative document.
- ✖ Exporters must submit the security single administrative document of Commission Regulation.

## *Export Certificates (1)*



### **Certificate T5**

It is a document relevant to the monitoring of the movement of agricultural products and Community subsidies. It is issued by the customs office of export when the product crosses Community territories other than that of the exporting Member State, before leaving the customs territory of the Community.

### **EUR 1 & ATR 1**

Movement certificates that prove the Community status of the goods. They shall be validated by the customs authorities of the exporting country and shall be given to the exporter as soon as export takes place. EUR 1 is necessary for exports to countries of the European Free Trade Association (EFTA) and countries with preferential agreements. ATR 1 is necessary for exports to Turkey.

## *Export Certificates (2)*



### **Certificate T2L**

Issued for any transport type of goods from an EU country to another EU country, irrespective of whether the cargo pass from non-EU countries, provided it is not unloaded on the territory of those countries.

### **Certificate T2**

Issued only for land transport, in the following cases:

1. From EU country, through EU countries, to an EU country
2. From EU country, through Switzerland, to an EU country
3. From EU country, with Ferry Boat, to an EU country

## *ICIS customs system*

A system of automated processing of declarations between businesses and the closest customs office enabling rapid customs clearance and checking of document completion prior to arrival at customs.



## *Bodies that can join the ICIS customs system*

The economic bodies that can apply for a certificate are the following:

- 
- ❑ Manufacturers/processors.
  - ❑ Exporters.
  - ❑ Transportation companies.
  - ❑ Managers of warehouses for temporary storage.
  - ❑ Customs agents.