

Customs & Excise measures in response to COVID-19

Introduction

The Dutch Customs Authorities announced a package of measures to support companies that are affected by the corona crisis. These measures are intended to support those that are temporarily facing difficulties in meeting their payment obligations under the applicable customs & excise regulations and that may fail to comply with the respective deadlines and formalities set under these regulations. In addition, the Customs authorities have postponed the requirement to be established in the EU in order to act as exporter for customs purposes. Besides the specific Dutch measures, the EU has also introduced an export restriction for personal protective equipment.

Deferral of customs duty payment

- Companies can request a deferral of payment for customs duties.
- The request for duty payment deferral will be subject to a review by the tax collector. It is currently unclear what exact conditions must be met for such requests to be granted. The Dutch Customs Authorities will assess the situation of each company on a case-by-case basis and may ask for further information. A company must demonstrate that it is experiencing difficulties due to the corona crisis.
- The duty payment deferral will be granted up to the 15th day following the month in which the overall corona measures in the Netherlands are terminated.



Deferral of excise payment

- Companies can request a deferral of payment for excises (including those applicable on non-alcoholic beverages).
- The request for excise payment deferral will not be subject to a review and will automatically be granted for 3 months. Deferral of payment for excises can only be requested after an additional tax assessment has been imposed. Therefore, in order to benefit from the deferral of payment, companies must submit their excise returns on time, whereby payment is withheld.
- For excise payment deferrals longer than three months, additional information is required for the tax authorities to assess whether the financial difficulties are mainly caused by the corona crisis. The additional information that is required depends on the amount of the tax debt.
- For tax debts below 20 000 EUR, evidence must be provided that shows that the turnover figures or orders/reservations have decreased significantly compared to previous months. For tax debts above 20 000 EUR, a statement from a third-party expert (e.g. accountant or trade organization) is required.

Customs & Excise measures in response to COVID-19

Customs Authorizations

- Companies can request tailor-made solutions if they are unable to meet the solvency requirements of an AEO authorization, the customs representative authorization or the reduction or waiver of the guarantee under a comprehensive guarantee authorization.
- The deadline for current applications for authorizations that cannot be properly completed due to the coronavirus will be suspended. If a company has applied for the authorization electronically, they should register the extension in the European Application System 'CDS' (Customs Decisions System).
- Tailor-made solutions are available for companies that are in urgent need of a specific customs authorization.



Penalties

- Dutch Customs will show leniency toward companies that do not comply with customs obligations on time as a result of the corona crisis. If there is no violation, misdemeanor, willful misconduct and/or gross negligence, the Customs authorities will not impose a penalty.



Extension for non-Union exporters

- Dutch Customs previously announced that as of April 1, 2020, it will no longer be possible for a person not established in the Union to be listed in Box 2 of the export declaration. This means that as of April 1, 2020, companies established outside the Union should authorize/designate a person established in the Union to act as exporter.
- Dutch Customs has postponed this pending change due to the corona crisis. After April 1, a non-Union company is still allowed to be listed as exporter in the export declaration. This will be allowed until 15 days following the month in which the overall corona measures in the Netherlands are terminated.



Statutory deadlines

- Companies can request tailor-made solutions if they cannot meet the strict statutory deadlines, such as the submission of supplementary customs declarations (monthly declaration).
- Companies are advised to submit administrative appeals or refund and remission requests on a pro-forma basis. Circumstances will be taken into account when statutory deadlines are missed.
- The failure to meet the statutory deadline for transit procedures as a result of the corona measures will be treated as an excusable delay.



Customs & Excise measures in response to COVID-19

Export restrictions for personal protective equipment

- The European Commission has introduced export authorization requirements for exports of personal protective equipment outside the European Union. This is a temporary measure and not an export ban.
- Export authorizations may continue to be granted where no threat is posed to the availability of personal protective equipment in the market of the Member State in question or elsewhere in the Union.
- In granting the authorization, consideration will be given, among other things, to the following:
 - ✓ The export is a response to requests for assistance addressed to the Union Civil Protection Mechanism by third countries or international organizations.
 - ✓ The exported goods provide support for the activities of the World Health Organisation's (WHO) Global Outbreak Alert & Response Network (GOARN) or support actions coordinated by the Integrated Political Crisis Response Mechanism (IPCR).
 - ✓ The exported goods are used as emergency supplies to, for example, emergency operations or humanitarian aid or to humanitarian organizations in third countries.



- The following countries are exempted from the export authorization requirements:

<ul style="list-style-type: none"> ❖ Norway ❖ Iceland ❖ Liechtenstein ❖ Switzerland ❖ Andorra 	<ul style="list-style-type: none"> ❖ The Faroe Islands ❖ San Marino ❖ The Vatican ❖ The associated countries and territories that have special relations with Denmark, France, the Netherlands and the United Kingdom.
--	--

Import exemptions for personal protective equipment

- Upon request, a special exemption for the import of personal protective equipment will be granted if the following conditions are met:
 - ✓ The goods are imported by government agencies, disaster-relief agencies and philanthropic organizations.
 - ✓ The goods are donated and used for victims of the corona crisis. Market parties who wish to sell personal protective equipment will not receive an exemption.

