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Ministry of Finance: Abolition of the small consignment exemption limit

On 30 June 2021, the Federal Ministry of Finance published information on its homepage regarding the abolition of the small consignment exemption limit.

On 1 July 2021, the changes in connection with the second phase of the so-called VAT Digital Package came into force. These new regulations change the VAT framework conditions for online trading in particular.

In the area of customs administration, the exemption from **import VAT** for goods in small commercial consignments with a value of up to **€ 22** will cease from **1 July 2021**. Up to that date, companies from outside the EU did not have to charge VAT on consignments with a value of up to € 22.

Thus, as of 1 July 2021, customs declarations must generally be submitted for all consignments from a third country. In most cases, this task is performed by the carrier of the goods, i.e. the responsible postal or courier service or the online retailer itself. As a rule, they pay the duties due directly to the customs or tax administration. For this service, the postal or courier services usually charge a service fee. It is up to the postal or courier services to decide whether and to what extent a flat-rate service fee is charged.

For consignments with a value of up to **€ 150**, import continues to be **customs duty-free**. This previous value limit of € 150 will therefore remain in place after 1 July 2021.

Further information can be found on the customs website.

In the case of distance sales of goods imported from the territory of a third country, the so-called import one-stop shop procedure can be applied from 1 July 2021. This applies to consignments with a material value of € 150 or less. Information on this is available on the website of the Federal Central Tax Office.

Keywords

customs duty, import VAT, third country imports