Information - EU Directives

What are the coming changes?

Import Control System 2 (ICS2)

Postal operators will no longer be exempt from having to make entry summary declarations into the Import Control System before moving goods into or through EU customs territory. As of March 15, 2021, under ICS2, shipments without the right data will no longer be allowed.

Due to come into effect 15th March 2021

Abolition bulk low value customs clearance & introduction of Import One Stop Shop (IOSS)

The changes mean that EU and non-EU sellers will charge VAT at the point of sale for consignments up to €150. The Import One Stop Shop (IOSS) is being introduced to assist with the reporting of VAT charged at the point of sale and make the retailer, web shop or marketplace liable for the declaration and payment of VAT to the country of destination. This will replace the obligation to VAT register in every country where sellers are making sales to EU consumers.

Due to come into effect 1st July 2021

How will the changes affect e-commerce shippers?
The coming regulatory changes in the European Union (EU) focus on the abolition of bulk low value customs clearance as well as the introduction of the Import One Stop Shop (IOSS).

All parcels will need accompanying complete, standardised and valid (electronic) documentation (data).

Customs declarations for ALL (including low value) parcels will become an obligation.

What do e-commerce shippers need to do to be compliant?

• E-commerce shippers will need to provide complete, standardised and valid (electronic) documentation (data). Parcels without valid electronic documentation will either be returned or held and a request for information sent to the retailer.

• E-commerce shippers will need to ensure tax declarations and payments are performed for all parcels sent. Although not compulsory for consignments up to €150 the most convenient way to manage VAT obligations is to register with the IOSS.

• Register with IOSS. Registration in the IOSS can take place in any one of the EU member countries, usually the country in which most of your business transactions are based.

• E-commerce shippers may still opt for VAT to be collected from the recipient by the destination postal operator, courier firm or customs agent however administrative fees and delays are likely to result in a negative customer experience.

• E-commerce shippers must also ensure diligence when screening for prohibited or restricted goods as well as shipping to denied parties. Failure to do so is increasingly leading to fines and even imprisonment.

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What are the risks for not being ready or failing to comply with the changes?

• A more complex customs clearance

• Significant delays at the EU border

• Confiscated parcels

• High administrative fees

• Penalties and service disruption for persistent offenders.

• Longer transit times

How is Direct Link ready to handle this for you?

Our technology solutions allow us to maximise the accuracy of data received from customers in their shipping manifests. Where applicable, Direct Link's data enhancement solution will update pertinent or missing information to ensure the highest level of compliance in the reporting processes to relevant security and border control authorities.

This enhanced data can then be used to perform real-time calculations of duties and taxes applied by customs in the country where the e-commerce purchaser/recipient resides.

How do the solutions work?

Our data enhancement API enables the efficient checking and completion of cross-border shipment pre-advices, validating and assigning data including 8- and 10-digit export and import codes, HS6 codes and product descriptions. This data can then be reviewed by the Duty and Tax engine and which performs real-time calculations of duties and taxes applied by customs in the country where the e-commerce purchaser/recipient resides. Direct Link's solutions are fast API driven engines that simply put it ensure your shipments have compliant customs clearance information allowing the bulk of your cross-border items to flow smoothly through the import process.

What are the key features of Direct Link's solutions?

Efficiency	Quick and simple product matching using an HS6 code and product description
Accuracy	Tax & duties are calculated based on postal delivery
Flexibility	E-commerce shippers can use different units of weights or volumes depending on the market standard
Speed	API calls are superfast with a throughput tested at 640 transactions a second or 55 million a day
Service	Direct Link's duty and tax solution outperform other postal solutions

How does all this benefit our customers?

Direct Link helps E-commerce shippers ensure their consignments have the right data to allow for smooth cross-border trade

Direct Link's solutions reduce the number of parcels seized or returned by importing customs

Transit times are greatly improved

Unwanted additional costs can be avoided for both E-commerce shippers and their end customers when items are returned

The end customer experience is enhanced, and customer retention rates increase significantly