

Recent changes in customs guidance and VAT law impacting customs representation

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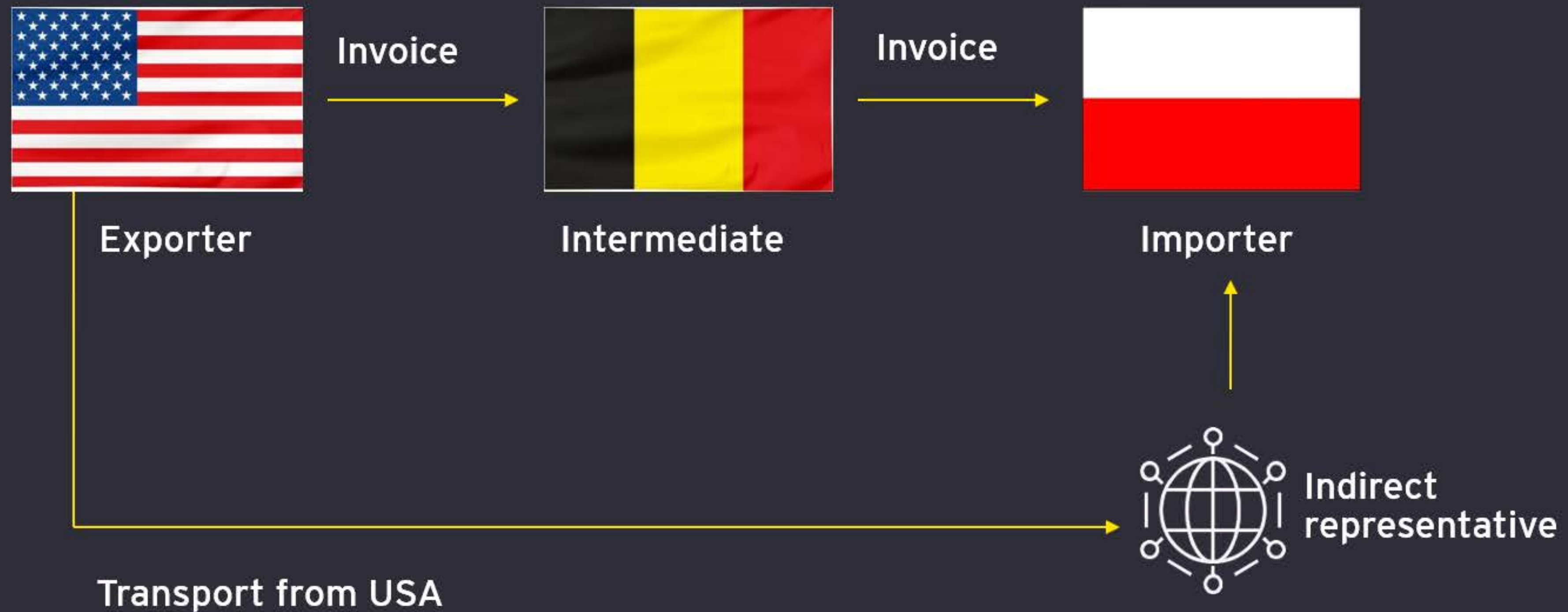


Simplified procedure for Accounting of import VAT

- ▶ Taxpayers have the option of settling VAT on the import of goods without having to pay the tax to the customs office in advance, in accordance with art. 33 a of the VAT Act. Simplified customs procedures provide this opportunity.
- ▶ From 1 July 2020, the possibility of settling VAT on the import of goods directly in the VAT return will become a common rule.

Today	Tomorrow
<p>Customs simplified procedure necessary. The importer must be an AEO or have a simplification license on his own. Alternatively importer can engage Broker with simplification's license.</p> <p>Importers often use simplifications owned by the Broker.</p>	<p>VAT on import of goods will be able to be settled directly in the VAT returns submitted by:</p> <ol style="list-style-type: none">1. importers with AEO status or authorizations for simplified procedures making customs declarations without representatives or through them;2. other importers making customs declarations through an indirect or direct representative jointly and severally liable for the importer's tax liabilities.

Customs value. VAT invoice between EU entities in the supply chain.



Which invoice should be the basis for import?

UCC - Guidance

- ▶ According to EU guidelines, an entity from outside the EU cannot act as exporter of record (box 2 of SAD), even if represented by an indirect customs representative.
- ▶ Polish guidelines of the Ministry of Finance still allow a non-EU entity to be an exporter of record (if represented by indirect customs representative).
- ▶ How to export? EU exporter appearing in box 2 of SAD while non-EU entity remains the party of sales contract.
- ▶ Impact on customs representatives.
- ▶ What about VAT?



What type of customs representation is possible and when?

Client	procedure / simplification	Broker	procedure / simplification
Non EU	Release to free circulation	Indirect	
EU	Release to free circulation	Direct/Indirect	
Non EU		Indirect	Simplified procedure
EU		Indirect	Simplified procedure
Non EU	Special custom procedure	?	
EU	Special custom procedure	Only direct is possible	
EU	Special custom procedure and simplified procedure	Direct	Simplified procedure of the broker cannot be used