

Increased monitoring of import declarations by the Dutch Customs Authorities

On July 27, 2021, the Dutch Customs Authorities (DCA) announced that monitoring activities for imports in certain sectors will be increased. The following summary provides an update of this announcement.

01



Points to consider

- **Clothing (textiles) and shoes:** The DCA will focus on the customs value and tariff classification of clothing and shoes imported from China, Hongkong SAR, Vietnam, Bangladesh, India, Pakistan and Thailand. We recommend that you verify the customs value and commodity codes if you export clothing from these countries/regions to the Netherlands and other EU countries.
- **Biodiesel:** The DCA will increase their monitoring of the origin and tariff classification of imports of biodiesel and used cooking oil. The main reason for the increased monitoring is the countervailing duties currently in place on biodiesel originating from the United States. The EU has been imposing countervailing duties on biodiesel of US origin since 2009. These measures were renewed in 2011 and in September 2015 extended until 2020. A second extension followed and as of July 29, 2021 definitive countervailing duties are in place on biodiesel originating from the US.
- **E-commerce:** As of July 1, 2021, the amended VAT rules for e-commerce took effect. In light of this the DCA has indicated that e-commerce consignments will be more intensively audited. The focus of the audits will be on the customs valuation and whether this value is not too low. Changes in the VAT rules for e-commerce include, for example, the abolition of the VAT exemption for low-value consignments under EUR 22. However, the customs duty exemption for low-value consignments under EUR 150 still applies.

In addition, exemption codes in the import declaration will also be increasingly monitored. There are two exemption codes for low-value goods: C07 for consignments with a customs value under EUR 150 that are shipped directly to a customer in the EU, and C08 for non-commercial consignments with a customs value under EUR 45 shipped from one individual to another. The correct application of these exemptions will be monitored.

- **E-bikes:** The EU has imposed definitive anti-dumping duties on imports of electric bicycles (e-bikes) originating from China. In this regard, the DCA will more closely monitor the origin and customs value of e-bikes imported into the Netherlands.

The DCA explicitly stated that increased monitoring will be carried out on the abovementioned items. However, other elements of the import declarations may also be subject to additional scrutiny.

02



Recommended next steps

We recommend that businesses exporting the aforementioned goods to the Netherlands and the EU assess/reassess their customs position to ensure customs declarations are filed in a compliant manner. Having a compliant set-up on customs valuation, tariff classification, country of origin can help avoid penalties and possibly other measures (e.g. withdrawal of customs authorisations) being imposed by the DCA.

KPMG global network is well placed to provide you with advice about your customs activities. Our team combines years of practical experience with a thorough knowledge of the applicable customs laws and regulations that govern cross-border goods trade. Our specialists are therefore happy to support you in implementing or improving the compliant customs set-up.



Contact us



Lachlan Wolfers

Global Head of Indirect Taxes
KPMG China
T: +852 2685 7791
E: lachlan.wolfers@kpmg.com



Richard Lin (Author)

Global Partner, Supply Chain (Customs,
Indirect Tax, Incentives and
Transformation)
KPMG China
T: +852 3927 5909
E: richard.lin@kpmg.com

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Huazhen LLP, a People's Republic of China partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in China.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.