

Customs Information

Accurate CN22's are integral for international shipments. We'll explain the information required to pass borders.

- What is the "Customs Value"?
- What is the "Origin of Goods" field?
- Commodity Code Explained & How To Find One
- Printed Matter & Non-Printed Matter Explained
- What Is An IOSS Number?

What is the "Customs Value"?

The Customs Value refers to the monetary value of each item within a shipment, so that customs authorities know how much duty that they should charge. This can be calculated a number of ways, as explained below.

By default, the Customs Value is set to **GBP** (Great British Pounds, £). This can be defined within your CSV file, or upon manual upload, if your firm calculate customs in an alternate currency.

It's important that Customs Value is as accurate as possible: Border Forces will investigate anomalies, e.g. lower value than the average for this category of product!

1. **Transaction Value:** Based upon price paid when goods are imported to the UK.
 - Add the sales cost of: Delivery to EU border, commissions, royalties, containers / packaging, any proceeds of resale the seller will receive.
 - Leave out things like: Delivery costs within the EU, taxes paid in the country of origin or export, related marketing activities, trade discounts for early settlement, post-importation work such as construction, and management fees.
2. **Production Costs:** Value calculated on cost of materials, manufacturing and production costs.
3. **Selling Price:** Calculate value based upon the selling price of similar goods within the EU.
4. **Identical Goods:** Based upon the same goods that are produced in the same country
5. **Similar Goods:** Based upon similar goods that are produced in the same country, are commercially interchangeable & carry out the same tasks.

What is the "Origin of Goods" field?

Origin of Goods refers to where the goods have "originated" from. This forms part of the overall duty paid on goods, judged by the type of goods, country of goods being exported to and where they have originated from.

Why does this make a difference to the duties I pay?

The EU trading bloc (that we are still apart of despite Brexit) have pre-arranged trade agreements with each country. This means if your goods are imported to the UK from China and exported to the EU, duties may be calculated on agreements between the EU and China. This could mean your goods could receive preferential treatment by attracting lower or nil rates, instead of automatically qualifying for UK duty, providing that duty agreements are in place.

How do I define the Origin of Goods if there are multiple global inputs?

There are two types of origins within the rules:

- Goods completely produced in a single country
- Goods whose production involved materials or input from more than one country - **more complex to calculate.**

How to I find out the duty rate for my goods?

This can be calculated by using the UK trade tariff within the EU, where commodity codes can be found for types of goods. Where goods are being exported outside of the EU, please check with the customs authority of the particular country or trading bloc. Information should be found through official government organisations.

Commodity Code Explained & How To Find One

When sending within or outside of the EU, a commodity code must be present on your declaration. Commodity Codes are universal codes used to identify types / categories of goods for applying duties, as per UK trade tariff.

Commodity codes are 10 digits long based upon:

- Type of product
- The materials used within manufacture.
- The production method used.

To find your commodity code:

1. Go to <https://www.trade-tariff.service.gov.uk/sections> and search for your goods. It might not be the straight name for the product, it might come under what its used for or the materials its made from.
2. The tool will suggest a section or number of sections.
3. Headings on each chapter describe a product. Select a sub-heading which accurately describes your product.
4. If your item is not accurately described, keep looking. Else, use the 'other' heading at the bottom of the section.

Once the correct section has been found, your commodity code will be displayed, as-well as any required licenses or trade quotas (quantity limits).

For more information about trade tariffs, such as goods made from many materials, guidance can be found **here**.

Printed Matter & Non-Printed Matter Explained

Printed Matter is zero-rated, meaning it's seen as a duty free product for customs. It must be one of the following formats:

- Books, brochures, pamphlets and leaflets.
- Newspapers, journals or periodicals.
- Children's picture books and painting books.
- Maps, charts and topographical plans.
- Covers, cases and other articles supplied with items 1-5.

Non-Printed Matter is anything else that does not match the above formats.

What Is An IOSS Number?

IOSS, which stands for Import-One-Stop-Shop, is the electronic portal businesses can use **since 1 July 2021** to comply with their VAT e-commerce obligations on distance sales of imported goods.

- The IOSS facilitates the process of collecting, declaring, and paying of VAT from sellers outside of the EU that are making sales of goods to buyers in the EU
- The IOSS also makes the process more convenient for the buyer, who is only charged at the time of purchase. Therefore, your customers avoid any surprise fees when the goods are delivered
- If the seller is not registered in the IOSS, the buyer has to pay the VAT and usually a customs clearance fee charged by the transporter at the moment the goods are imported into the EU.

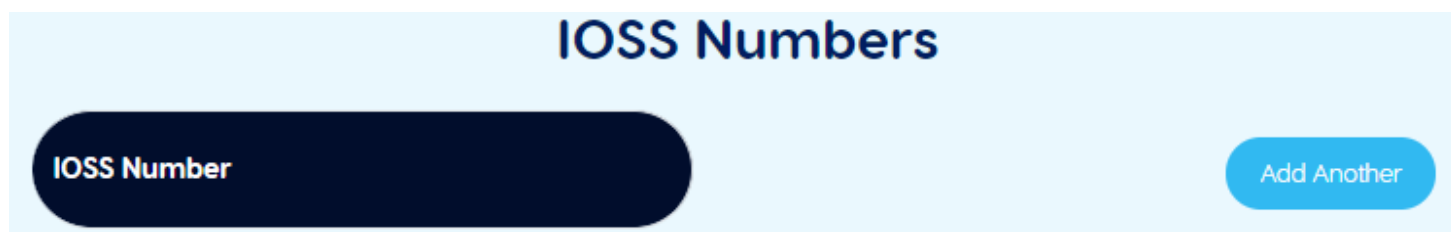
So if you are sending into the EU via your own website or an IOSS registered marketplace for goods up to 150EUR, then you qualify for IOSS. The "no VAT applied to shipments valued under €22" no longer exists.

For more information on IOSS, please click [here](#)

IOSS Number:

If you qualify, then you're able to register your business for the IOSS. Upon being successful, you will receive a unique 12 digit, alphanumeric code which you use to facilitate VAT e-commerce transactions for that specific electronic interface. You can store the relevant IOSS numbers in the settings area of Nexae:

Step 1) In 'Settings', under 'Customs Info', you'll find a section on IOSS Numbers.



Step 2) Click 'Add Another' and a pop up will appear. Here, enter your 12 digit IOSS code and select 'Save'.

Add IOSS Number ✕

IOSS
Number:

IM1234567891



Save

Step 3) If you want to remove or edit an IOSS number at any point, you can do so by selecting the icons to the right.

IM1234567891  

Manual Shipments With IOSS

When making a manual upload to Nexae, depending on the delivery stream selected, IOSS entry may or may not be restricted. If you have selected a delivery stream that requires an IOSS number then you will be able to choose from the drop down menu.

Your IOSS Number  Nothing selected 

Please note, the only IOSS numbers that will be displayed in the drop down will be those listed in your **'Customs Info'** in **'Settings'**

Bulk Upload With IOSS

When making a bulk upload with a CSV. file, it's **important** that you input the correct IOSS number for each shipment. The IOSS number you enter must also be listed in your **'Customs Info'** in **'Settings'** before you upload the file to Nexae.