

Practical Guide

10 questions before exporting

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Warning

This guide and its contents are purely informative and subject to the general terms of use published on the [Single Window for Logistics portal](#).

Who is this practical guide for?

This practical guide is targeted at anyone who sells goods internationally for the first time and is not aware of the customs, excise and VAT procedures that must be completed.



1 What is the destination of the goods?

If goods are sold and delivered from Luxembourg to another country in the European Union (EU) it is considered an **intra-Community sale** and thus is free from any customs obligation.

In order to comply with your obligations regarding VAT, you must however check the VAT status of your customer (business or individual):

- For a **sale to a business** identified for VAT in another Member State, you must issue your invoice without VAT, and declare the exempt sale in your Luxembourg VAT return and possibly file an [Intrastat](#) declaration.
- For a **sale to an individual**, you must invoice VAT in compliance with the principle of [distance sales](#). Attention: when goods sold are subject to excise duties you must, in addition, complete [additional excise formalities](#).

For intra-Community sales, the following questions do not concern you.

If the goods sold are intended to be delivered to a country or territory **outside of the customs territory of the EU**, you must complete export customs formalities.

Your sale, exempt from VAT regardless of the status of your customer (business or individual), must be declared in your Luxembourg VAT declaration.

The following questions concern you.



Are there export restrictions?

Prior to any contractual commitment, you must check whether any restrictions or prohibitions currently apply in the destination country, on the import of the goods that you intend to sell. Useful information may be found on the [market access database](#) website of the European Commission.

You must also check whether there are any export restrictions in Luxembourg on the goods being sold (dual-use goods, exports of artworks, etc.), for which an export license or authorization may be mandatory. Useful information on this subject may be obtained on the [Single Window for Logistics portal](#).



Who must organise customs formalities?

Union goods to be delivered outside of the EU customs territory must be presented and declared to customs for export. You must verify the sales conditions agreed upon with your supplier, usually reflected in the use of an [Incoterms® rule](#), to determine who should organise and bear the costs of the customs export formalities in the EU and on import in the country of destination.

When the Incoterms® rule EXW (ExWorks) is used, it is in principle, your customer's responsibility to organise and pay for the customs export obligations in the EU, as well as on import in the country of destination. Attention, this Incoterm is risky for the VAT exemption of your sale, since you must keep a customs export document normally held by the carrier or forwarder (see question 10).

When the Incoterms® rule DDP (Delivery Duty Paid) is used, it is in principle your responsibility to organise and pay for the customs export obligation in the EU as well as on import in the country of destination.

For all other Incoterms® rules, you must organise and bear the costs of the customs export obligations in the EU, and it is your customer's responsibility to fulfil the import customs formalities in the destination country.

Organising and paying for the customs formalities is separate from being an exporter that is defined by Article 1.19 of the [Delegated Regulation 2015/2446](#). In fact, the customs' exporter can be someone other than the person who physically organises the customs formalities.



In what country must I file the export customs declaration?

In general, you must file the export declaration in Luxembourg if your company is established there or if your goods are packed or loaded on a means of transport in Luxembourg for export to a third country.

In some cases mentioned in Article 221 of [Implementing Regulation 2015/2447](#) the export declaration may however be filed in another Member State. To do this, the exporter must be faced with an unforeseeable situation and economically unreasonable efforts preventing them to comply with the above-mentioned principle. This might occur, for example, in case of change of destination of the goods following an unexpected change in the original contract.



Why is it important to know the tariff classification of goods?

All goods are listed, for customs purposes, under a tariff classification number. The first six digits of the tariff classification are harmonized on an international level (HS - Harmonized System). The export of goods is declared by using the 8-digit Combined Nomenclature code (HS + 2 digits) that may be viewed in the [TARLUX](#) database of the Customs and Excise Administration.

The tariff classification of goods on export serves to establish external trade statistics, the implementation of the Common Agricultural Policy (CAP), and the identification of goods subject to export authorization or licensing.

Our practical guide "[Method of tariff classification](#)" will help you determine the tariff classification of your goods.



Why is it important to know the origin of goods?

The origin of goods must not be confused with its provenance. It is therefore important for you to know the manufacturing process of your goods to determine and confirm its preferential origin or its non-preferential origin.

The EU has entered into [preferential agreements](#) with a large number of third countries or territories, which allow European goods adhering to the rules of origin in such agreements to benefit, upon import to destination, from a reduced or zero-rate custom duty. This benefit is possible on condition that the goods actually sold have European preferential origin. You must verify this point, as necessary with your suppliers, to be able to provide proof of origin.

The conditions that the goods must meet in order to benefit from a preferential agreement are described in each preferential agreement, which must therefore be consulted separately.

Moreover, the origin of goods may also determine the application of commercial policy measures in the country of destination, the most restrictive of which can be an import prohibition. Being able to present a [certificate of origin](#) is sometimes necessary in this situation. In this context it is a matter of the non-preferential origin of the goods.

Our practical guide "[Determination of non-preferential origin](#)" will help you determine the non-preferential origin of your goods.



How do I calculate the value to declare to customs?

The customs value is determined based on the CIF transaction value of the goods, which is the sales value of the exported goods, determined at the EU border. Depending on the Incoterm agreed upon with your customer, the cost of transport and insurance must be added or deducted from the customs value. When there is no sale at the time of export (for example, in the case of a transfer of inventory), you must use an alternative method to determine the [customs value](#).



How do I file the customs declaration?

You can file a customs declaration yourself, provided that you hold a [Luxtrust](#) identifier and have access to the [eDouane system](#) of the Customs and Excise Administration.

However, in view of the level of knowledge required to complete a customs declaration, many companies choose to work with a [customs representative](#). If you make this choice, the customs representative will complete the customs formalities for you and then invoice you for the cost of the declaration and any other duties and taxes due.



What documents are required for the customs declaration?

To complete the export customs formalities, the declarant must have the invoice and the packing list.

Depending on the nature of the exported goods, other certificates or licenses may be required (phytosanitary certificates, CITES permits, export licenses, etc.).

You will find all useful information on the other certificates needed according to the nature of your goods on our portal [Single Window for Logistics](#).



After filing the export declaration, should I complete other procedures?

After filing of your customs declaration, the Customs and Excise Administration might control the exported goods. If the issue and findings of the control are satisfactory, or if the Customs and Excise Administration decides not to control the goods, the goods are released for export. The goods may thus be shipped. If the goods leave the EU customs territory from another place or from another Member State, the goods are again presented at the customs office of exit, and their exit is electronically notified to the customs office that processed the declaration and the exit of the goods is then confirmed.

You must keep your customs declaration in order to justify the VAT exemption of your sale in Luxembourg.