



Customs partnering business

Cut your customs clearance costs with VAT relief under Customs Procedure 42

When you import goods from a non-EU country into a French port or airport to be supplied onward to another EU Member State and you do not conduct any transactions liable for VAT in France.

Then you can use Customs Procedure 42 as an alternative to the NCTS* customs transit system.

Under this procedure, you can import goods free of VAT provided they are then delivered within the Community.

The customs duties are paid on the import declaration filed at the French port or airport and no VAT is due.

◆ The advantages of Customs Procedure 42

With Customs Procedure 42, your paperwork is easier and cheaper.

You have no NCTS transit declaration to file (no guarantee required, no transit time limit, no customs formalities on arrival at the destination, etc.).

The goods move freely to the consignee established in another Member State who takes delivery of them directly on his premises.

◆ Terms of use for Procedure 42

✓ Shipment to the other Member State must be consecutive to the filing of the import declaration;

✓ The importer named in box 8 of the customs declaration must deliver to an identified purchaser within the EU.

* NCTS (New Computerised Transit System): customs procedure for the movement of goods with the suspension of duties and taxes within the European Union and EFTA countries (Switzerland, Iceland and Norway).

● **If you are a company established in the European Union and registered for VAT purposes, you must:**

✓ *File a customs declaration*

- In Box 8 of the SAD, give your name, address, company name, the VAT identification number of your tax agent or customs agent and, where applicable, the VAT identification number of the purchaser in the destination Member State.
- In Box 37 of the SAD, write customs procedure 42 00 (000)
- In Box 44 of the SAD, insert the special reference 60 300, "Exempt from VAT pursuant to Article 291-III-4° of the General Tax Code."

✓ *File a goods trade declaration*, on the exempt intra-Community delivery to the destination Member State.

✓ **Where applicable, issue an intra-Community invoice**, bearing your VAT number and the VAT number of the purchaser in the other Member State.

If an authorised customs agent conducts these formalities on your behalf, he is acting as an ad-hoc tax agent (contract implied in fact). He is deemed to be acting under your responsibility, and you alone remain liable for the VAT if your obligations are not met, except where this agent is acting on the basis of indirect representation.

● **If you are a company established outside the European Union, you have the possibility of appointing an ad-hoc tax representative established in France and accredited by the tax services (Directorate for Residents Abroad and General Services).**

✓ *File a customs declaration*

- In Box 8 of the SAD, give your name, address, company name, the VAT number of your tax agent and, where applicable, the VAT number of the purchaser in the destination Member State.
- In Box 37 of the SAD, write customs procedure 42 00 (000)
- In Box 44 of the SAD, insert the special reference 60 300, "Exempt from VAT pursuant to Article 291-III-4° of the General Tax Code."

✓ *File a goods trade declaration*, on the exempt intra-Community delivery to the destination Member State.

The ad-hoc tax representative is responsible for the VAT obligations for all the transactions conducted on your behalf. If an authorised customs agent conducts these formalities on your behalf, he is acting the basis of indirect representation.

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