

Montreuil, 18 October 2021

## **Notice to Traders**

**Re: Changes to declaration of intra-EU trade in goods (DEBs) from 1 January 2022**

**Ref.: DSECE Notice to Traders No. 21000040 of 4 June 2021**

**Encl.: Nature of transaction codes for statistical survey from 1 January 2022**

Because the Intrastat regulation (Regulation (EC) No 638/2004) has been repealed by the European business statistics (EBS) regulation (Regulation (EU) 2019/2152), changes are going to be made to the declaration of intra-EU trade in goods (DEB) from the reference month of January 2022.

This notice to traders describes these changes, particularly as they relate to the statistical information being collected.

More detailed information, including a notice about completing the statistical survey that is going to succeed the Intrastat trade-in-goods declaration (DEB) BOD (Bulletin Officiel des Douanes), will be provided in a few weeks. It will be published on the home page of the online DEB service (["http://www.douane.gouv.fr/service-en-ligne/declaration-dechanges-de-biens-deb"](http://www.douane.gouv.fr/service-en-ligne/declaration-dechanges-de-biens-deb)).

Questions about the details provided so far can be addressed to the Statistics Processing Centres (CISDs) and the DNSCE Statistics Unit. The Economic Action Centres (PAEs) in the regional customs and excise directorates have not received training on the changes resulting from the disappearance of the DEBs and should therefore not be contacted about this matter. All correspondence should be directed to the CISDs and the DNSCE Statistics Unit.

Routine questions should be asked by logging in to your account and using the online help widget (OLGA). Telephone calls should be reserved for very complex cases. Email correspondence and telephone calls should be restricted first and foremost to matters concerning collection and validation of DEBs for the reference months of October through December 2021. Questions about the adjustments required for uploading files (DTI+ mode on DEB website) should be asked through OLGA, after logging in, by selecting "DECLARATION D'ECHANGE DE BIENS (DEB) DTI+".

## **1. Current DEB declaration procedure**

### **1.1 Legal basis**

The current DEB declaration procedure has the following legal basis:

- At EU level: the Intrastat Regulation, (Regulation (EC) No 638/2004 on Community statistics relating to the trading of goods between Member States) for the statistical part and the 2006 VAT Directive for the tax part.

- At national level: the French Customs Code (Article 467), the French General Tax Code (Articles 289 C and 1788 A; Annex 3, Articles 96 J to M; Annex 4, Articles 41 sexies A and B) and the *Bulletin Officiel des Finances Publiques*.

### **1.2 The DEB combines a statistical part and a tax part in a single declaration**

The DEB has both a statistical part and a tax part:

- Statistical part: the main characteristics of intra-EU trade in goods (arrivals and dispatches) are collected to provide foreign trade statistics; this part covers the information collected under procedure codes 11, 19, 21 and 29.

- Tax part: the recapitulative statements relating to intra-EU supply of goods are used to check compliance with VAT rules on intra-EU trade; this part covers the information collected under procedure codes 10, 20, 21, 25, 26 and 31.

These two parts are combined in the DEB. Businesses below the threshold for collection of statistics (€460,000) do not need to report any statistical information and the DEB is limited to the tax part – the grey-shaded boxes on the paper form.

Electronic submission of the DEB is mandatory above a value threshold of €2.3 million.

## **2. From 1 January 2022 the statistical part of the DEB will become a statistical survey**

### **2.1. Recent regulations**

The new Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, known as the EBS Regulation, has repealed previous regulations in this field, including the Intrastat and Extrastat regulations, and consolidated all EU obligations relating to business statistics in a single regulation. This regulation will enter into force on 1 January 2022 for foreign trade statistics. It has been accompanied by several implementing regulations adopted in 2020 and 2021, including Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020.

The EBS regulation establishes a single methodological framework for data collection, which is based on statistical surveys, with the option of using administrative data in addition to or instead of certain surveys.

### **2.2. National legal adjustments**

Implementation of the EBS Regulation will entail a number of national legal adjustments that will affect the current declaration procedure.

The DEB will be rescinded and replaced by two separate procedures: a statistical survey on intra-EU trade in goods and a recapitulative VAT statement covering intra-EU supply of goods.

The statistical part of the DEB will become a full-fledged statistical survey, based on the 1951 Statistics Act (Act No. 51-711 amended). It will be a monthly statistical survey on intra-EU trade in goods, and it has followed declaration and approval procedures for statistics (feasibility assessment by the National Council for Statistical Information, examination by the Official Statistics Quality Label Committee). It will be included every year in an order ("arrêté") on the annual official statistics business survey programme.

The provisions relating to statistics will be removed from the French Customs Code and the French General Tax Code.

The adjustments relating to the tax part of the DEB are contained in the 2022 Budget Bill (in Article 9, lines 75 to 79, 85, and 88 to 91). The provisions relating to the recapitulative VAT statement in the French General Tax Code (Article 289 B in particular) will be amended.

The Directorate General of Customs and Excise (DGDDI) will still be responsible for collecting the recapitulative VAT statement on behalf of the Directorate General of Public Finance (DGFIP).

### **3. Separate collection of statistical data and tax information**

#### **3.1. Collection of statistical survey responses and collection of recapitulative VAT statement**

As far as organisation is concerned, collection of the above information will take place separately as from the reference month of January 2022:

- Firstly, there will be a monthly statistical survey on intra-EU trade in goods. This will produce statistical data – confidential information that can be used for statistical purposes only – by the usual statistical survey procedures. It will concern only legal entities and sole proprietorships contained in the sample.

- Secondly, there will be the recapitulative VAT statement relating to intra-EU supply of goods. This will produce tax information sent to the DGFIP and exchanged with other Member State tax authorities for the purposes of intra-EU VAT control. This tax information will be available to statisticians to improve the quality of foreign trade statistics.

#### **3.2. Alteration of DEB website**

The separation of the statistical and tax functions means that the DEB website will have to be altered to allow for separate entries of the recapitulative VAT statement and the statistical survey response.

To limit the response burden for businesses, the recapitulative VAT statement can be automatically prefilled, if the business so wishes, on the basis of its statistical survey response. This option will be available only to the surveyed businesses that have fulfilled their statistical obligations in advance.

#### **4. Roll-out of statistical survey collection**

The other major change concerns the roll-out of statistical survey collection, which will be organised differently from current DEB collection.

As in any statistical survey, a list of businesses to be surveyed will be drawn up. This list is known as the sample. To minimise changes affecting collection for January 2022, the sample selected should be very similar to the business population returning the DEB in 2021.

A letter (known as the “notification letter”) will be sent every year to the head offices of all businesses in the sample informing them of their obligation to complete the statistical survey. An email will also be sent to the businesses’ DEB declarants by their statistics centre (Sarcelles-Garges CISD, Lille CISD or DNSCE Statistics Unit in Toulouse). The businesses selected to complete the monthly statistical survey in 2022 should receive their notification letters in December 2021.

Only businesses that are part of the sample and have received the notification letter are obliged to complete the statistical survey. Businesses should not complete the survey if not solicited to do so.

Over the course of the year, the sample will be expanded to reflect the “demography” of the businesses concerned, including terminations of business, mergers and divisions. Legal entities and sole proprietorships with intra-EU arrivals and dispatches that have undergone rapid growth during the year may also be added to the sample. The businesses selected will receive a notification letter informing them of their obligation to complete the statistical survey from a given month of the year.

In all cases, legal responsibility for completing the statistical survey lies with the corporation, even if it divides the task between different respondents and douane.gouv.fr accounts or if it entrusts it to a third-party declarant.

#### **5. Roll-out of recapitulative VAT statement collection**

The principle governing recapitulative VAT statements remains the same: corporations must routinely report tax information that they are obliged to provide (in the same way as for the European declaration of services).

The DGFIP makes the rules relating to intra-EU VAT and is responsible for providing assistance to businesses in this field. For questions concerning the information to be reported on the recapitulative VAT statement, businesses should contact their Business Tax Department (SIE).

The DGDDI is responsible only for collecting the recapitulative VAT statement, as is already the case for the European declaration of services (DES).

#### **6. Other changes to data collection**

##### **6.1. A single compulsory response each month, even if no flows**

With this change in the law, and to ensure that the recapitulative VAT statements that can be prefilled are properly coordinated with the statistical survey responses, adjustments must be made to data collection to bring it into legal compliance.

Businesses must supply a single response for the statistical survey for each type of flow (arrivals/dispatches) and a single recapitulative VAT statement for a given reference month and for each declarant account. Submission of a daily or weekly declaration (or any other period) will no longer be allowed (whether for VAT statements or statistical responses).

Completing the statistical survey will be compulsory, even if there are no flows for a given month, as per the usual rules for official statistics. A business must then enter "*mois sans réponse statistique*" ("nil month") on the DEB website. This option already exists at present with the website's online service, but it is not compulsory.

## **6.2. Additional data elements for dispatches and changes to nature of transaction codes for the statistical survey (DSECE Notice to Traders No. 21000040 of 4 June 2021)**

- For the statistical survey, some data elements for dispatches will be added to those already collected in the statistical part of the DEB. They will be "country of origin" and "partner VAT identification number" for procedure 29 in some cases (at present the latter data element is collected only for procedure 21 in the DEB).

The nature of transaction codes will be amended.

- The data elements to be included in the statistical survey response from reference month January 2022 will therefore be the following: commodity code (CN8, and NGP for some products), country of destination (dispatches) / country of consignment (arrivals), value (euros), procedure code (11 and 19 for arrivals; 21 and 29 for dispatches), net mass (kg), supplementary units, nature of transaction, mode of transport, *département*, country of origin (arrivals and dispatches), partner VAT ID number (for procedure 21 dispatches and some procedure 29 transactions).

- The data elements collected through the recapitulative VAT statement will remain the same: value (euros), procedure (10, 20, 21, 25, 26, 31) and EU buyer's VAT identification number.

## **7. Further information on added data elements for dispatches and changes to nature of transaction codes for the statistical survey**

### **7.1. Addition of "partner VAT identification number" for each line of procedure 29 dispatches**

- The "partner VAT identification number" will be collected for dispatches under procedures 21 and 29 from reference month January 2022 for the statistical survey.

This data element will be the VAT identification number of the consignee in the EU Member State to which the goods are supplied.

- This number will be mandatory for procedure 29 in the statistical survey in the following cases:

- For dispatch of goods to a Member State for supply of services (processing under contract, etc.), the VAT identification number of the service provider in the Member State of destination must be given.
- For redispach of goods following supply of services (processing under contract, etc.), the VAT identification number of the consignee must be given.
- For dispatch of goods for assembly or installation, the VAT identification number of the buyer who signed the sales contract resulting in the supply of goods must be given.
- For dispatch of goods for which customs export formalities are completed in another Member State, the identification number to be entered is the following:

- If the goods are dispatched to an establishment of the business in the Member State from which they will be exported: the VAT identification number of this establishment used by the Member State's tax authority.
- If the goods are dispatched to a Member State from which they will be exported and in which the business is not established: the VAT identification number of the dispatching business in France.

- This number does not have to be given for procedure 29 in the statistical survey in some cases.

In other cases of dispatch of goods where the consignee is not registered for VAT (individual, non-taxable legal entity), this number will not be given (e.g. distance sales).

- For procedure 21 the "partner VAT identification number" is always required.

## **7.2. Addition of "country of origin" for every line of procedures 21 and 29**

This is the country where the goods originate within the meaning of EU customs rules on origin. Goods wholly obtained in a single country or territory are considered to originate in that country or territory. Goods whose production has involved more than one country or territory are deemed to originate in the country or territory where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture.

At present this information must be given in the DEB only for arrivals. From reference month January 2022 it must also be provided for dispatches.

For dispatches, the "country of origin" can be France (code: FR) if the goods being dispatched were manufactured in France. But it can also be any other Member State or third country if the goods were manufactured there before being forwarded to France and dispatched to another Member State.

Example: Goods originating in China are subject to import formalities in France. A few months later the goods are dispatched from France to Spain. When completing the statistical survey for dispatch of these goods to Spain, the "country of origin" must be entered as "CN" (China).

## **7.3. Changes to nature of transaction codes**

New nature of transaction codes must be used for the statistical survey from reference month January 2022. These changes relate specifically to codes starting with 1, 3 and 7.

### **7.3.1. Changes to codes 11 and 12**

These nature of transaction codes relate to transactions involving actual change of ownership with financial compensation.

There are to be two subdivisions:

- Code 11: *Outright sale/purchase (except direct trade with/by private consumers)*
- Code 12: *Direct trade with/by private consumers (including distance sales)*

Code 12 is new. It covers transactions where the buyer is exempt from the rules applying to taxation of intra-EU acquisition of goods (PRBD) or is a non-taxable individual (without a VAT identification number).

### **7.3.2. Changes to codes 31 to 34**

These nature of transaction codes cover transactions involving intended change of ownership (previously code 1) or change of ownership without financial compensation (previously code 30).

Four subdivisions have been created:

- Code 31: *Movements to/from a warehouse (excluding transactions specified in code 32)*

This code is new. It covers movements to/from a warehouse for which a future transfer of ownership is intended. This may be, for example, dispatch of goods by a business to warehouses or distribution centres of a business/subsidiary belonging to the same group in another Member State, followed by sale to a resident of the Member State of arrival.

- Code 32: *Supply for sale on approval or after trial, including call-off and consignment stock*

These transactions previously came under code 12.

- Code 33: *Financial leasing (hire-purchase)*

These transactions previously came under code 14.

- Code 34: *Transactions involving transfer of ownership without financial compensation (including barter trade)*

These transactions previously came under codes 30 and 13.

### **7.3.3. Changes to codes 71 and 72**

These codes are both new. They cover goods in quasi-transit. Code 7 previously covered operations under joint defence projects or other joint intergovernmental production programmes (code 70).

There are to be two subdivisions:

- Code 71: *Release of goods for free circulation in one Member State with subsequent export to another Member State (quasi-imports)*

This code covers "goods which are released for free circulation in a Member State, without the importer being established in that Member State, and which are subsequently exported to another Member State".<sup>1</sup>

For dispatches, code 71 must be given for dispatch of goods from France to the Member State of final destination if these goods have previously been imported into France from a third country (customs declaration lodged) under customs procedure code 42 or 63 and the importer is not established in France.

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<sup>1</sup> See Implementing Regulation (EU) 2020/1197, Annex V, Section 1.

For arrivals, code 71 must be given for arrival of goods in France from another Member State if these goods were previously covered by a declaration of import from a third country in the Member State of consignment (customs declaration lodged) under customs procedure code 42 or 63 and the importer is not established in the Member State of consignment.

- *Code 72: Transportation of goods from one Member State to another Member State to place the goods under the export procedure (quasi-exports)*

This code covers "goods which are brought from another Member State to the Member State in which the goods are located at the time of release into the customs procedure, for the purpose of declaring these goods for export, on condition that the exporter is not established in the Member State in which the goods are located at the time of release into the customs procedure, and that the entry into the Member State where the goods are located at the time of release into the customs procedure is not an intra-Union acquisition of goods or transaction treated as such as referred to in Council Directive 2006/112/EC".<sup>2</sup>

For dispatches, code 72 must be given for dispatch of goods from France to another Member State for the purpose of export to a third country. The exporter to the third country must not be established in the other Member State.

For arrivals, code 72 must be given for arrival in France of goods from another Member State for the purpose of export to a third country. This arrival is not an intra-Community acquisition or a transaction treated as such as referred to in Directive 2006/112/EC. The exporter to the third country must not be established in France.

Head, DSECE



Raoul Depoutot

**Note: this translation is intended to help providers of statistical or VAT recapitulative statement information. Only the French version is binding.**

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<sup>2</sup> See Implementing Regulation (EU) 2020/1197, Annex V, Section 1.

## Appendix: Nature of transaction codes for statistical survey from 1 January 2022

First digit	A	Second digit	B	Code to be used for survey
1	Transactions involving actual change of ownership with financial compensation	1	Outright sale/purchase (except direct trade with/by private consumers)	11
		2	Direct trade with/by private consumers (incl. distance sales)	12
2	Return of goods after registration of the original transaction under code 1 or 3; replacement of goods free of charge	1	Return of goods (excluding replacement)	21
		2	Replacement for returned goods	22
		3	Replacement (e.g. under warranty) for goods not being returned	23
3	Transactions involving intended change of ownership or change of ownership without financial compensation	1	Movements to/from a warehouse (excluding transactions specified in code 32)	31
		2	Supply for sale on approval or after trial, including call-off and consignment stock	32
		3	Financial leasing (hire-purchase)	33
		4	Transactions involving transfer of ownership without financial compensation (including barter trade)	34
4	Transactions with a view to processing under contract without transfer of ownership	1	Goods expected to return to the initial Member State of dispatch	41
		2	Goods expected to return to a Member State other than the initial Member State of dispatch	42
5	Transactions following processing under contract without transfer of ownership	1	Goods returning to the initial Member State of dispatch	51
		2	Goods returning to a Member State other than the initial Member State of dispatch	52
6	Transfer of goods under inward processing arrangements, not requiring an SAD (customs declaration)	5		65
7	Transactions with a view to/following customs clearance (not involving change of ownership, relating to quasi-imports or -exports)	1	Release of goods for free circulation in one Member State with subsequent export to another Member State (quasi-imports)	71
		2	Transportation of goods from one Member State to another Member State to place the goods under the export procedure (quasi-exports)	72
8	Supply of materials and equipment under a general construction or civil engineering contract	0		80
9	Other transactions	1	Hire, loan, and operational leasing longer than 24 months	91
		9	Other	99

