



# Importing goods

**This information is intended for those of you who are thinking about importing from outside the EU.**

## Importing goods

Importation is the entry of goods from a place outside the European Union (EU) territory. There might be certain rules and regulations that apply to your goods that you have to take into consideration. Therefore, it is important that you know which ones that apply to your goods before you start the importation. Before you can use or sell your goods you need to clear them through customs. This means that you present a customs declaration and pay the charges for customs duty and other taxes to us. You can present a customs declaration electronically or on the form Single Administrative Document, SAD (In Swedish Enhetsdokument). You can either do this yourself or arrange for an agent to act for you.

## The European Union

Sweden is a member of the European Union (EU). The EU is a customs union, which means that there are no customs barriers between the member states. Instead there is a common customs border against the rest of the world. The EU's inner market offers more or less free movement of goods between the EU countries. Free movement means that you can send your goods freely within the EU. However, there are some limitations in the free movement. Every EU country has in certain cases the right to stop goods with regard to the protection of the environment, public health and security. Examples of this type of goods are narcotics, medicine and weapons.

In customs terms we talk about the EU's customs territory. The regions that are not included in this we call third countries. Currently, the EU consists of the following 28 member states: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

## EU's fiscal territories

Certain regions within the EU are part of the customs territory but not the fiscal territory of the EU. If you buy goods from these regions you have to present a declaration and pay VAT to us. For example this is the case regarding Åland and the Canary Islands but also some other regions belonging to France, Greece, Italy, Spain, Great Britain and Germany.

In a similar way there are regions that are part of the EU's customs area but not part of the selective purchase tax area. Consequently you have to present a customs declaration to us and pay selective purchase tax when you bring in alcohol, tobacco and energy from these areas. For more information contact the Swedish Tax Agency, [www.skatteverket.se](http://www.skatteverket.se).

## Special regulations for certain goods

For certain goods special rules and regulations (im-

port restrictions) apply which you have to take into account. Therefore it is important that you find out if there are any rules and regulations that apply to your goods before you start importing them.

The reasons for the restrictions are

- trade policy
- environmental reasons
- health and security
- to prevent the spread of animal and plant diseases.

The rules and regulations that you will meet depend on the goods that you import.

Examples of goods to which special rules and regulations apply

- living animals and animal products
- plants
- food
- firearms and ammunition
- alcoholic beverages
- chemical products
- medical products and narcotics
- endangered species of animals and plants (CITES).

For example you need an import permit from the Police to bring in firearms and you may only bring in live animals at special places in Sweden. Other authorities or bodies (apart from the Swedish Customs) that you may need to contact are the Chambers of Commerce, banks, forwarders, the Tax Authority, the National Board of Trade and the Swedish Board of Agriculture.

The EU limits the importation of some goods to a certain extent. To be allowed to import goods subject to restrictions we require that you have an import licence and sometimes also an export licence from the exporting country. You might need to get an import licence for agricultural products, textiles and clothing, iron and steel, shoes from Vietnam and some commodities from China. The import licence must be available at the customs clearance. The Swedish Board of Agriculture and The National Board of Trade are the authorities that issue import

licences.

Furthermore, Sweden enforces sanctions against a number of countries. It is the government that provides information concerning regulations for the prohibition against trade to or from a blocked state.

## Commodity Classification – a key to importation

Normally, you pay customs duties and VAT at the time of the import. Sometimes you may have to pay other customs duties, **anti-dumping duty** or other taxes and charges such as selective purchase tax and **plant protection fee**. You have to determine the correct commodity code to find out the duty rate and other taxes and charges that you might have to pay. The code also indicates whether an import licence or permit is required for a commodity or not.

An **Anti-dumping duty** is a form of additional duty that you under some circumstances may have to pay when importing goods for which the prices have been dumped, i.e. goods that entail a lower price when they are exported than they would have fetched on the domestic market.

**Plant protection fee** is a charge you pay to us when importing plants that may carry noxious vermin or diseases.

## The Customs Tariff and Taric Query System

You can find all commodity codes in the Customs Tariff, which is a systematic index of goods, commodity codes and customs duty rates. In the Customs Tariff you can find the general directions which are the rules for how you should interpret the Customs Tariff.

Finding the right commodity code is called commodity classification. When you import goods the commodity code consists of ten digits. A commodity is classified the same way regardless of to which member state it is imported.

You can find the Customs Tariff in the **Taric Query System** on our web site, [www.tullverket.se](http://www.tullverket.se) under Business Information. The Taric system gives you access free of charge to most of the information you need in order to enter the right information in a customs declaration. You also have the possibility to view updated information about customs duty

rates, commodity codes, import and export rules, exchange rates etc.

The various duties and taxes may change but in the Taric Query System you will always find updated information. A printed edition of the Customs Tariff may also be obtained from a publisher called Fritzes, fritzes.se.

**Taric Query System** is a web based search service for the Customs Tariff. It gives you updated information about the duty rate, commodity codes, import and export regulations, exchange rates etc.

### Why is classification important?

The right classification means that you as an importer

- pay the correct duty and VAT rates
- will follow the rules and regulations (import restrictions) that apply to your goods
- contribute to the accuracy of trade statistics.

As an importer you are legally responsible for the correct tariff classification of your goods. This applies even if you employ an agent to handle the customs declarations on your behalf. Are you unsure of how to classify your commodity you can contact our information service, CallCustoms, +46 (0) 771-520 520 and get advice. If your commodity is difficult to classify we can recommend you to apply for Binding Tariff Information, BTI. BTI is a written tariff classification decision, which is legally binding.

### How do I calculate how much I will have to pay?

When classifying your commodity you first have to determine the commodity code that applies to your product. The code specifies the duty rate for your commodity. The customs duty is sometimes estimated according to value (value duty) and sometimes according to the quantity (specific duty). For certain commodity codes the duty rate is nil which means that you don't have to pay any customs duty.

If it is a value duty the duty rate is given as a percentage. To estimate how much you should pay in value duty you have to multiply the customs value (see below) with your commodity's customs duty

rate. When it is specific duty it is the quantity which decides how much duty you have to pay. For example, the quantity can be entered in kilos (weight duty) or in litres (volume duty). There are also alternative duties, so called minimum and maximum duties. For goods classed according to these commodity codes there is a normal duty, a MIN-duty rate and a MAX-duty rate. To know which duty you have to pay you first have to estimate the customs value according to the normal duty and then compare it to the MIN and MAX duty rates.

### What is customs value?

Customs duty is based on the value of the transaction e.g. the price actually paid to the exporter. In order to calculate the customs value you have to add certain other costs that are not always included in the commercial invoice e.g. insurance costs, cost for transportation, loading, unloading and handling up to the place of importation into the EU.

On the other hand there are certain costs that do not have to be included in the customs value if they are stated separately from the price. For example, the freight costs within the EU should not be included in the customs value.

If customs duty and other taxes in EU are included in the invoice you should always subtract them from the customs value.

### What do I pay in VAT?

The VAT for most goods is 25 percent. For foodstuffs it is 12 percent (except alcoholic beverages and tobacco) and for newspapers and books it is 6 percent. You estimate the VAT on the taxation value. The taxation value for VAT is equivalent to the customs value plus the duty, tax and other fees that you have paid. In the taxation value you have to include freight and insurance costs but also other costs up to the first **destination** in the country, or another destination if this is known at the time of the customs clearance.

Place of **destination** is the place where you have agreed with the exporter to ship the goods to.

## How do I pay?

Upon import you pay duty and other taxes. You can pay in the following ways

- in cash
- on credit
- through an agent.

If you pay in cash you pay the duty and the taxes to the customs office where you submit your customs declaration at the time of the importation. There is also a possibility for you to have a credit with us. To get this you need a credit permit. If you have a credit permit you can get your goods released from us prior to payment of all the fees. We send you an invoice with about 30 day's credit, reckoned from the day the goods were released.

You can also let an agent, with a credit permit, pay your duty, VAT and other taxes and fees to us. You are, however, still the one responsible for that the payment reaches us.

## Can I enjoy exemption from duty or a reduced duty rate?

In some cases you may have the opportunity of enjoying exemption from duty or a reduced rate depending on the origin of the goods. We call this preferential treatment of your goods. A prerequisite is that your commodity originates in one of the countries with which the EU has special agreements, or where **unilateral preferential agreements** have been agreed upon. To obtain preferential treatment you must provide evidence in the form of an approved certificate of origin issued in the exporting country.

With the certificate of origin the exporter certifies the origin of the goods according to the rules in the respective free trade agreement.

### To which countries does this apply?

The EU has signed agreements with countries or groups of countries in Europe, several Mediterranean countries and some South American countries. The EU has also ratified unilateral preferential agreements concerning goods with origin in other countries, such as so-called developing countries.

What kind of certificate of origin you need, depends on from what country you are importing. The different kinds of certificate that may be considered are

- movement certificate EUR.1
- movement certificate EUR-MED
- form EUR.2
- certificate of origin Form A (GSP certificate)

or one of the following statements of origin given on an invoice or another commercial document:

- invoice declaration
- EUR-MED invoice declaration
- origin declaration.

Furthermore, the EU has concluded a customs union agreement with for example Turkey. This means that you can obtain exemption from duties for most goods from Turkey if they were in free circulation there before the export. This should be certified with a Movement Certificate A.TR.

You can also enjoy exemption from duties for consignments with a maximum value of 1400 SEK, samples and returned goods.

## What happens at the border?

When your goods arrive in Sweden you have to take them to a place that we have approved of. These places may be located in the vicinity of the border or somewhere else in the country. You have to present the goods for importation clearance here. If the goods are not presented to us immediately upon their arrival to Sweden, the forwarder must enter them for temporary warehousing or customs warehousing.

Your goods can be stored for a maximum of 20 days in a temporary warehouse. If they arrive by boat the maximum storage time is 45 days. When your goods have been placed in a warehouse the person in charge of the warehouse contacts you, notifying you about the arrival of your goods. You must then apply for an approved customs procedure for your goods. For example, if you want free access for the goods you can apply for customs clearance. You have to present a customs declaration for import at the customs clearance office responsible for the surveillance of the warehouse where your goods are stored.

When declaring your goods, you submit a customs declaration together with documents confirming that the particulars in your declaration are correct. All conditions for the import such as import restrictions should be met and when you have paid customs duty and other taxes for your goods, they are in free circulation and free consumption and can be moved around freely within the EU.

**Unilateral preferential agreements** means that you can get customs exemption or lower customs duty for goods with origin in certain countries or in groups of countries when importing them to the EU. Commodities originating in the EU on the other hand do not enjoy preferential treatment in those countries when you export them from the EU.

**Free circulation** means that you have met all the conditions for the import and have paid duty for the goods. You can then sell your goods to whomever you wish to within the EU without any customs documents.

**Temporary warehousing** is storage of goods during a short time before you notify them for import.

**Customs warehousing** is a way of storing non-EU/non declared goods within the EU without clearing them through customs. For example, as long as the goods are stored in a customs warehouse you don't have to pay any duty or tax for them or present an import licence.

Transition to **free circulation and free consumption** means that you have met all the conditions for the import and paid duty and other taxes for the goods. You can then sell your goods to whomever you wish within the EU without any customs documents.

## How do I present my customs declaration?

You can choose between filling in the declaration yourself or use an agent. If you choose the latter solution the agent must be registered with us. To be able to act on your behalf he/she will also need an authorisation from you. Remember that even if you employ an agent it is your responsibility as an importer to ensure that the information in the declaration are correct.

You can submit a customs declaration

- electronically by Electronic Data Interchange (EDI)
- electronically by means of The Swedish Customs Internet Declaration (TID) or
- in writing on the form Single Administrative Document, (SAD).

If you use the paper declaration you should use page 6 and 8 of the SAD. The document is a set that is common for all the member states in the EU. You may also download the form from our web site or buy it from Liber Distribution, liber.se. Information, help and advice about how to fill in the form you can get if you call our information service, CallCustoms, 0771-520 520.

## Which documents do I need?

We have to make sure that the information in your declaration is accurate, therefore you have to enclose certain documents to certify the information you have given us. If you send your declarations electronically you keep the documents at your office. You only have to present them to us if we ask you.

If you present your declaration on a form you have to enclose the certifying documents with the declaration. We will then retain the commercial invoices and other certifying documents. Examples of certifying documents are

- commercial invoice
- customs value declaration 5 • freight bill
- certificate of origin
- packing lists.

## What information must an invoice include and when may I use a pro forma invoice?

We have specific demands on what information an invoice must include. If the invoice is written in a foreign language we can ask for it to be translated. An invoice should include the following information

- name and address of the seller
- name and address of the buyer
- date of issue
- invoice number
- number and type of packages, gross weight and how the packages are marked
- trade description
- quantity of the goods
- price per article
- discounts and what kind of discounts, if applicable

- terms of delivery
- terms of payment.

A pro forma invoice may be used for deliveries free of charge e.g.

- substitute (replacements) and guarantee goods
- samples, and advertising items
- gifts
- returned goods
- printed advertising material.

### Customs value declaration

If the customs value for your shipment exceeds 102 400 SEK and you are liable to pay customs duty you must fill in a customs valuation declaration. This is required in order to show all costs and other circumstances that may have affected the price of the imported goods. You use the form Customs Value Declaration (In Swedish Tullvärdedeklaration Tv 745.1). This form you can download from our web site.

### Exchange rates and taxation assessment day

If the invoice is issued in currencies other than SEK (Swedish crowns) the amount will have to be converted into Swedish crowns for customs duty and VAT purposes. If you and your supplier don't have an agreement to use a fixed rate of exchange it is the day the taxation is assessed that determines which exchange rate should be used. The various rates of exchange can be accessed from our web site. The taxation assessment day is the day when we receive your customs declaration. Regarding electronic declarations we consider the taxation assessment day to be the day when the request for clearance came.

The date for the taxation assessment day also determines the regulations in force at the clearance, such as charges and restrictions. It is important to keep this in mind when it comes to charges frequently changed. If the duty rate is lowered the day after we have received your declaration, but before we release the goods, you can request the lower duty rate. However, if we are unable to release the goods due to some shortcoming caused by you, the higher duty rate applies.

### Who is responsible for the information entered in the declaration?

You as an importer are the **debtor**, which means that you are responsible for the information entered in the customs declaration. You are also responsible for ensuring that the duties and taxes are paid. Even if you entrust an agent to issue your declaration, it is you who finally are responsible for that the entered information is correct. The agent is thus not responsible, even though he/she happened to be the one who filled in and presented the declaration on your behalf.

The **debtor** is the person who is responsible for the payment of a customs debt (duty and other taxes)

### What happens at the customs clearance?

When you have presented the customs declaration, we examine it and register it. We also check if there are any special regulations concerning your goods. If the goods are accepted we determine the duty and other taxes. You will then obtain a release slip to be presented to the person in charge of the warehouse where your goods are stored. We have now made a customs taxation decision and your import transaction has been given a unique identification number (Customs ID). If your goods have been stored in a temporary warehouse or a customs warehouse you present the release slip to the person responsible for the warehouse.

### What happens if there is something wrong in the declaration?

If you discover any errors in your declaration you should contact us as soon as possible with a written correction. If you have paid the wrong charges you can apply for a **re-assessment** of the customs taxation decision. For example, you may have received a Certificate of Origin or other documentation, implying that you might have had the opportunity to pay a lower charge from the beginning.

If you have discovered some inaccuracies but have neglected to correct them you can be liable for a sanction fee. We charge you this if you have given incorrect information concerning the value of

the goods or some other item that consequently has lead us to charge too low duty and tax. If you find out that you have entered inaccurate information in the declaration you must correct these immediately. Then you may avoid incurring the sanction fee.

You apply for a **re-assessment** if you want a customs taxation decision changed.

## Are there any easier ways to declare my goods?

If you have a large number of import transactions there are easier ways to declare your goods. Below we offer you a short presentation of ways that can make your import transactions easier. These are the Simplified Declaration Procedure, The Incomplete Declaration and the so-called Stairway® system.

### Simplified Declaration Procedure

The Simplified Declaration Procedure means that you present the declaration in two stages. First you present a simplified declaration at the customs office supervising the place where the goods arrive. In this initial declaration you only enter a small number of data and no certifying documents have to be enclosed. You can enter the simplified declaration electronically by means of EDI or TID or on the SAD form.

Secondly, you enter a Complementary Declaration at the customs office in your region. You can

**The day of release** is the day when we give permission to release the goods and you obtain a release slip. If you use the simplified declaration procedure it is the day of release that determines which day you must enter your supplementary customs declaration.

send this electronically by means of EDI or TID, within 11 days reckoned from the day of release. If you present the supplementary declaration on a SAD form, send it with certifying documents enclosed no later than 10 days after **the day of release**.

When we have received the supplementary declaration we make a customs taxation decision and send you a bill. Then you pay duty and other taxes.

In order to use the Simplified Declaration Procedure you must obtain a permit as well as a credit permit from us.

### Incomplete Declaration

If the necessary information or documents happen not to be available when you clear your goods through customs, there is a possibility to present an incomplete declaration. No permit is required for submitting an incomplete declaration – the customs office makes a decision from one case to another. You must have a commercial invoice and you should be able to give an invoice number.

The supplementary declaration you present to the customs office where you presented the incomplete declaration. You must present the complementary declaration no later than Wednesday in the second week after the goods have been released.

