



Brexit – sending parcels with DPD, questions and answers

Questions and answers related to the import of goods from Great Britain to Croatia

1. PROCEDURE OF IMPORTING CONSIGNMENTS FROM THE UK TO THE EU

After Brexit came into force, on January 4, 2021, there was an obligation to go through customs mediation in both directions.

DPDgroup will, as before, ensure the regular transport of parcels between the United Kingdom and the EU to continue trade relations.

Croatia as well as other countries Bulgaria, Czech Republic, Estonia, France, Greece, Hungary, Lithuania, Latvia, Portugal, Romania, Slovakia, Slovenia belongs to the Chronopost FR Cluster and all parcels in both directions to and from the UK customs in France and the payment of the import cost of customs clearance takes place in the FR.

Since import parcels are not customs cleared in Croatia upon arrival of the goods in the country, DPDgroup has agreed on a „customs gate „for import/export customs clearance of consignments in France. For this reason, you will receive a notification of payment of import customs clearance costs from a colleague from Chronopost FR.

2. COSTS OF IMPORT CUSTOMS CLEARANCE OF GOODS FROM THE UK TO THE EU

When a consignment imported from the United Kingdom is sent to Croatia (EU), the consignment is cleared through customs in France. Therefore, the French accounting system is used to calculate the import costs of customs clearance (customs, VAT).

The general VAT rate in France is 20% and the reduced rate is 5.5 %.

If a Croatian recipient who is liable for VAT refund, he must identify himself in France for VAT purposes and a claim a VAT deduction through VAT returns (more explained in the TAX REFUND section).

In general, the following applies:

- VAT (20% or 5.5%) is paid between 22 € and 150 €
- VAT and customs duties are paid at a cost above 150 €

Administrative costs in the amount of 7.5 € are paid additionally.

The amount of customs duty is calculated as follows:

- VAT IS CALCULATED FROM: VALUE OF PARCEL + TRANSPORT + CUSTOMS
- CUSTOMS COSTS ARE CALCULATED FROM: PARCEL VALUE + TRANSPORT

All costs are shown on the invoice you receive from the customs representative Chronopost S.A.S., Paris, France.

3. ONLINE PAYMENT OF IMPORT CUSTOMS COSTS (NOTICE BY SMS OR E-MAIL)

Notice of payment of import customs duties is sent by Chronopost FR by e-mail duties.dpd@chronopost.fr to the valid contact details of the consignee (by e-mail or SMS). Notification by e-mail is sent every 3 days (first

day, then third and sixth day) while notification by SMS is sent every day from the day the SMS is sent until the ninth day if the cost of import customs clearance has not been paid in the meantime.

After the tenth day from the sending of the notification, if the cost of import customs clearance has not been paid, the consignment will be returned automatically to the sender.

Payment of import customs clearance costs is only possible online via the Chronopost payment platform, Visa or Master Card.

After the cost of import customs clearance has been paid, the customs department in Chronopost Fr releases the parcel from customs within 1-2 days and sends it for further distribution to Croatia.

4. WHAT IF WE DONT HAVE AN CORRESPONDING ONLINE PAYMENT CARD?

The cost of import customs clearance can only be paid in the manner approved by Chronopost. Payment is possible only with Croatian cards, Visa, or Mastercard. The possibility of the customs procedure „re-shipment to the country of destination“ and the procedure of import customs clearance in Croatia as well as to calculate the costs of importing goods in Croatia and forward them to the client so that the costs are actually paid is not a standard of services we can offer and perform.

If it is not possible to pay with the corresponding card or there are no means of payment, the parcel will be returned to the sender after the expiration of ten days for payment of customs duties.

5. WHAT IF I DON'T WANT TO PAY THE COSTS OF IMPORTING GOODS TO THE CHRONOPOST broker'

If it is not possible to pay with the appropriate card or there are no means of payment, the parcel will be returned to the consignor after the expiration of ten days for payment of customs duties. You can also refuse to pay by clicking on the „refuse payment“ icon that you received via a link to your Email address or via SMS.

6. IMPORT TAX REFUND FOR BUSINESS USERS

The rules for the refund of VAT to taxable persons who are not established (registered company) in the Member State of refund but in another Member State are laid down in more detail by Council Directive 2008/9/ etc (hereinafter: Directive 2008/9). That Directive provides that a taxable person not established in the Member State of refund (e.g., Croatia) may claim a refund of the VAT collected in the Member State of refund:

- for goods and services supplied to him by another taxable person in that Member State,

or

- for the importation of goods into that Member State

This means that EU Member States must reimburse to any taxable person not established in that State (but in another EU Member State) all VAT charged on imports of goods into that Member State if they are used for the purposes of the transactions listed in the Directive on VAT.

Article 6 of Directive 2008/9/ EC stipulates that a taxpayer who is not established in the country of refund, to qualify for a refund in that Member State, must carry out transactions to be entitled to a tax deduction in his own EU Member State.

Alternatively, in these circumstances it is possible to apply customs procedure 42, which would mean the release of goods for free circulation in one Member State (import in France) without calculation of French VAT because the goods are intended for a person in another EU Member State, Croatia (Article 143). / d Council Directive 2006/112/ EC). If necessary, we can present the mentioned alternative option in a separate opinion.

1.1. Request for a VAT refund

Directive 2008/9 / EC introduces a fully electronic procedure. It is stipulated that a taxpayer who is not established in the Member State of refund (but in another EU Member State) sends his electronic refund request to that Member State. A VAT refund claim relates to the purchase of goods or services for which an invoice has been imported during the refund period.

Article 74. of VAT Act stipulates that if a taxpayer with a registered office, residence or habitual residence in the Republic of Croatia submits a request for VAT refund from another Member State, he must submit it via the electronic portal of the Tax Administration of the Republic of Croatia no later than 30. September of the calendar year following the refund period (the refund period may not be longer than one calendar year or less than three calendar months in a row. Refund requests may also cover a period of less than three months if that period covers the end of the calendar year). The application is considered submitted only if the applicant has filled in all the necessary information for VAT refund. An electronic acknowledgment of receipt of the request shall be sent to the applicant without delay.

Pursuant to paragraph 2 of article 74. of VAT Act, the Tax Administration will not forward the application to the French tax authority if during the refund period the applicant:

a) is not a VAT payer or performs exclusively supplies of goods or services that are exempt from VAT without the right to deduct input tax

or

b) applies the exemption for small taxpayers

The taxpayer may not file a request for VAT refund for the period in which he was not entered in the register of VAT payers.

After a duly submitted application, the Tax Administration forwards to the taxpayer the decision submitted by the Member State of VAT refund electronically.

This means that Croatian customers who receive parcels from the UK, and import customs clearance takes place in France, can apply for a VAT refund from France through the electronic portal of the Tax Administration, or VTA refund system if they meet conditions for seeking a refund. Therefore, applications are submitted through the national VAT refund system, and after initial verification by the Croatian Tax Administration, they are checked when approving the refund by the French Tax Administration.

The official website of the French Tax Administration and following the VAT refund states:

If you have a foreign company based in a Member State of the European Union, you must:

Apply by electronic means available to you in your country of residence, in accordance with the provisions of Council Directive 2008/9/EC of 12 February 2008. For more information on how to apply, contact the tax authorities in your Member State of establishment.

Submit electronically scanned original invoices or import documents. Surrender is mandatory when the taxable amount on the invoice is EUR 1,000.00 or more. If the bill refers to fuel, the threshold is 250.00 Euros. Scanned invoices must be displayed in the same order as their sequential entry.

Adhere to payback periods and minimum thresholds. Requests may not cover a period longer than one calendar year (threshold EUR 50.00) or less than three calendar months (threshold EUR 400.00).

Requests may not cover two calendar years. In practice, you can submit a maximum of four applications, each for a minimum period of three calendar months, plus an additional annual application.

Apply no later than September 30 of the calendar year following the refund period. You can submit two requests before this date to expedite the processing of your request.

Provide your bank details in the form of IBAN and BIC codes.

To claim a VAT refund, your business must meet three conditions:

- Your company was not established in France,
- Your company does not carry out transactions in France that are outside the French VAT system, but that are subject to VAT
- VAT paid in France refers to expenses you incurred in France for the purposes of your special activity.

You may be represented by a proxy of your choice. In this case, the original power of attorney (see example in form no. 3560 A must be sent by post to the VAT refund department (SR-TVA).

7. METHOD OF VAT REFUND when importing goods into the EU

Croatian customers who are entered in the register of VAT payers can submit a request for a VAT refund from France via the electronic portal of the Croatian Tax Administration. The Internet address of the electronic VAT refund system is: <https://eusustavi.porezna-uprava.hr/wps/myportal>

It is first necessary to apply for registration of the applicant via the forms available on the website of the Tax Administration. The forms are submitted to the competent branch office of the Tax Administration, exclusively to an authorized official of the Tax Administration who is authorized to receive forms, requests, and powers of attorney and to register users in the VAT refund system. After registration, Croatian customers will receive a username and password to access the VAT refund system. The system of authorization according to the power of attorney may also enable the authorized proxy to submit a request instead of the buyer. We are available for the Company's clients for the purpose of submitting a request through a proxy.

Questions and answers related to the export of goods from Croatia to Great Britain

If you have a parcel that you want to send to the UK, you need to create an invoice that will accompany it and notify DPD office via e-mail export@dpd.hr about the export of goods.

DPD employees will direct you and give you all the necessary information needed to successfully export the parcel.

The export customs clearance of the consignments takes the place in France (broker Chronopost), so it is extremely important that the entire invoice is in English and the mandatory tariff number of the product you are sending.

You will need to make us an invoice that accompanies the consignments to the UK regardless of whether the goods were samples free of charge with a total value for customs purposes only or for a net sale.

Export customs clearance of a consignments from the EU is not done in Croatia, it is done in France and for that reason the invoice must be perfectly accurate with all the obligatory data for customs clearance purposes in both FR and import in the UK.

In that case, you must send us an invoice for verification to the e-mail address export@dpd.hr.

It is necessary to indicate the following:

- full information about the Consignor of the parcel (full address, contact number, mobile, full name of the responsible person +e-mail and VAT number)
- full information about the Recipient of the parcel (full address, contact number, mobile, full name of the responsible person +e-mail and UK VAT number + GB EORI number)
- type of goods + tariff number
- value of goods (if it is free to put the text „value only for customs purposes “),
- origin of goods
- number of parcels
- weight/dimensions of the parcel
- Parity: DAP + city of delivery

8. HOW CAN I RETURN A PARCEL I RECEIVED FROM GREAT BRITAIN (refund-item replacement)

You will be able to return the parcel you received, and the content does not match the ordered item via the DPD service to the consignor in the UK. The parcel return procedure is as follows.

1. On the day of delivery, the parcel was rejected by the client for an unknown reason and the client does not want to pick up the parcel during the delivery process. Such a parcel is automatically returned to the UK. Customs procedure – return of the parcel to the consignor is done by the broker Chronopost in France.
2. The client has received the parcel, the item does not respond, and the client wants to return the parcel to consignor. In that case, it is necessary to initiate the export customs clearance procedure, in agreement with colleagues from the customs department, prepare an appropriate document (invoice) that will accompany the consignment, prepare the parcel operationally and announce customs clearance to colleagues in France.

9. WHAT ARE THE COSTS OF SENDING A PARCEL TO THE UNITED KINGDOM?

The price of sending parcels up to a weight of 5kg is 201.00 KN +8.5 % fuel surcharge +2.00 KN Geocheck +110.00 KN export customs clearance, or a total of 328.08 KN.

Great Britain: We additionally charge for export customs clearance and preparation of parcels for shipment in the amount of HRK 110.00 / per parcel. Each additional parcel in the shipment is charged 40.00 kn. DAP parity (the invoice must be attached in triplicate).



Država / Masa paketa	5. CJENIK DOSTAVE PAKETA U BiH, Srbija, Švicarska, Lihtenštajn, Norveška, Kanalski otoci, Velika Britanija i Ukrajina					
	BiH	Srbija	Švicarska/Lihtenštajn	Norveška	Kanalski otoci/ Velika Britanija	Ukrajina
do 2 kg	187,00 kn	187,00 kn	373,00 kn	482,00 kn	191,00 kn	187,00 kn
do 5 kg	224,00 kn	224,00 kn	416,00 kn	547,00 kn	201,00 kn	249,00 kn
do 10 kg	246,00 kn	258,00 kn	454,00 kn	605,00 kn	218,00 kn	262,00 kn
do 15 kg	276,00 kn	296,00 kn	498,00 kn	672,00 kn	230,00 kn	287,00 kn
do 20 kg	317,00 kn	340,00 kn	549,00 kn	748,00 kn	245,00 kn	320,00 kn
do 25 kg	365,00 kn	392,00 kn	607,00 kn	837,00 kn	260,00 kn	356,00 kn
do 31,5 kg	420,00 kn	451,00 kn	674,00 kn	939,00 kn	271,00 kn	391,00 kn

Očekivana tranzitna vremena (unutar radnih dana): CH, LI (3-4); BiH, RS (4); NO (7); Kanalski otoci (4-5); **GB (4-5)**; Ukrajina (6-10) □

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