

Manual regarding the Customs Treatment of Gifts and Items of Negligible Value

This manual provides a guide to the interpretation of the legislation governing the Customs treatment of gifts and items of negligible value and should be read in conjunction with that legislation.

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1. Introduction

When goods are imported into Ireland, from a country outside the European Union (EU) they are normally liable to import charges (Customs Duty, Anti-Dumping, Countervailing and Excise Duties where applicable plus VAT) at the point of importation. Paragraph 8 below sets out how these charges are calculated.

However, in certain cases relief from import charges arises because

1. the amount of import VAT is below a **de minimis** limit
2. the item being imported is of negligible value; or
3. the goods are declared as gifts, which are consigned to a private individual living in Ireland.

This Instruction outlines the relief available in these three situations, how it may be obtained and the Customs procedures involved.

It is important to note that there are separate Reliefs (for different amounts) available for travellers who import goods with them on return from abroad. Full details of those Reliefs are available in the [Baggage Control and Examination](#) Tax and Duty Manual.

Definitions

Throughout this instruction the following definitions apply:

- **Customs Value – which is also known as CIF value** is the value of the goods plus insurance plus freight (freight is the charge imposed for example by an express carrier or the postage charge)
- **Intrinsic Value:** This is the value of the goods alone, and does not include insurance and freight.

2. Law

2.1 Customs Duty

[Council Regulation \(EC\) No. 1186/2009](#), setting up a Union system of reliefs from Customs duty.

2.2 VAT

[Council Directive 2006/79/EC](#), on the exemption from taxes of imports of small consignments of goods of a non-commercial character from third countries, given the force of law in Ireland by [S.I. No. 549 of 2007](#), and [Council Directive 2009/132/EC](#), determining the scope of Article 143(b) and (c) of [Council Directive 2006/112/EC](#) as regards exemption from value added tax on the final importation of certain goods.

2.3 Flat rate of duty

Provision is made under the following legislation for the charging of Customs Duty at a flat rate of 2.5% on gift consignments valued in excess of €45, where the value of the dutiable goods in the consignment does not exceed €700:

Point D1 of Annex I, Part One, Section II of [Commission Regulation \(EC\) No. 1214/2007](#) amending Annex I to Council Regulation (EEC) No. 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff as amended by [Council Regulation \(EC\) No. 275/2008](#).

3 De Minimis Limit

The **de minimis** limit means that the liability to be collected is below a certain amount and therefore will not be collected.

The **de minimis** limit applies only to VAT from 01 May 2016 as the UCC (Regulation (EU) no. 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code) has removed the **de minimis** limit for customs duty. The **de minimis** rule does not apply to excise duty where applicable.

Where the VAT liability on any consignment amounts to less than or equal to €6 it should not be collected.

4. Consignments containing items of negligible value

It should be noted that there is no relief from Customs Duty, VAT or excise duty where applicable under this negligible value provision for importations of tobacco products, alcohol products, perfumes or toilet waters irrespective of their value.

Consignments of item(s) not exceeding an intrinsic value of €150 may be imported without payment of Customs Duty. Consignments of item(s) not exceeding a total customs value of €22 may be imported without payment of VAT. The practical effect of the different monetary limits is that consignments where the customs value is greater than €22, and the intrinsic value is less than €150, will qualify for relief from Customs Duty but VAT will still be chargeable.

While this exemption is not confined to private importations, care should be taken to ensure that relief is not granted in respect of single parcels which form part of a larger consignment exceeding the monetary limits.

5. Gifts

5.1 General

Relief from payment of Customs Duty and VAT is allowed on gifts consigned to an individual living in Ireland, from outside of the EU, provided the Customs value of the goods does not exceed €45. (In the case of tobacco products, alcohol products, perfumes or toilet waters the relief is confined to Customs Duty **only** and only provided a quantitative limit is not exceeded – see paragraph 5.3).

5.2 Conditions

In all cases, gift relief is subject to the following conditions being met:

- (a) The Customs value of the gift does not exceed €45 (and for tobacco products, alcohol products, perfumes or toilet waters the item is within the quantitative limits set out in paragraph 5.3).
- (b) The gift is correctly declared (see paragraphs 6 and 7).
- (c) It has been sent from a private individual outside of the European Union to a private individual within the European Union.
- (d) The gift is for the personal or family use of a private individual within the European Union.
- (e) There is no commercial or trade element i.e. the goods have not been paid for by the recipient.
- (f) The gift is of an occasional nature only, such as a present for a birthday or anniversary.

5.3 Gift relief – quantitative restriction on gifts of tobacco products, alcohol, perfume and toilet waters.

Where the value of the gift does not exceed €45 relief from **Customs Duty** is allowed on tobacco products, alcohol, perfumes or toilet waters, subject to the quantitative limits set out in the table below and subject to the conditions in paragraph 5.2 being fulfilled.

Type of Goods	Quantity allowed under the Gift relief provision
Tobacco Products	50 cigarettes; or 25 cigarillos (cigars with a maximum individual weight of 3 gms); or 10 cigars; or 50 gms of tobacco; or A proportional assortment of the different products.
Alcohol	1 litre of distilled beverages and spirits over 22% volume; or 1 litre of fortified or sparkling wine, and some liqueurs of 22% volume or less; and 2 litres of still wines.
Perfume and toilet waters	50 gms of perfume; or 0.25 litres of toilet water.

Reminder: It is important to remember that there is no relief from VAT or Excise duty on the above products, irrespective of their value.

5.4 More than one item in a “gift” consignment

Where a “gift” in a single consignment consists of two or more items with a combined customs value of greater than €45, relief should be given for as many of those items as add up to a value not exceeding the €45 limit. However, the value of an individual item cannot be “split up” in order to arrive precisely at the €45 cut off limit. The table below provides a number of illustrative examples demonstrating how this works in practice:

Example number	Number and Value of Items	Position regarding import charges
1	One item valued at €45	Relief granted on total amount.
2	One item valued at €55	Gift relief not applicable. However, negligible value relief applies in relation to the Customs Duty. VAT payable on total amount.
3	Five items valued at €10 each	Four items relieved in full. One item subject to Customs Duty (normal rate or 2.5% flat rate) and VAT on its full value (in this case, €10). The importer may opt to declare the items as an import of negligible value and avail of the duty relief afforded. However, in such circumstances, VAT would be payable on the full amount.
4	One item valued at €710	Customs Duty and VAT payable on full amount at the normal rate of duty.

5.5 Flat rate of Customs Duty for gifts

Where the intrinsic value of a consignment of gifts does not exceed €700, a flat rate of 2.5% Customs Duty may be applied rather than the rates of Customs Duty normally applicable to the individual items. (Note: This flat rate applies to Customs Duty only, not to VAT or to excise duty). In calculating whether or not the €700 limit is exceeded the following should be excluded:

- the value of any individual item(s) which qualify under the €45 gift relief;
- the value of any items where the rate of duty applicable to the item is “free” or zero; and
- the value of goods falling under Chapter 24 (tobacco products).

Where the €700 limit is exceeded the “normal” rates of Customs Duty apply to the individual items in the consignment (subject to exclusion of any items qualifying under the €45 gift relief provision).

5.6 Conditions applicable to the flat-rate of duty for gifts

- The flat rate of duty is only applicable where the importations are not of a commercial nature.
- When assessing a consignment of goods, a flat rate assessment should not be applied to tobacco products or to goods for which the rate of duty is “free” or zero, and such goods must be excluded when calculating whether the €700 limit has been exceeded.
- The importer may opt to have the goods charged at the relevant tariff rate(s) applicable to the individual items (although in practice this is unlikely to arise, as the 2.5% rate will normally be more beneficial to the importer).

6. Procedure at Importation

6.1 De Minimis limit.

No special arrangements apply. The **de minimis** limit applies only to VAT. If a quick calculation shows the amount of VAT payable to be below the **de minimis** limit the goods should be released without charge.

6.2 Consignments of negligible value

The Customs Declaration form on the relative parcel, if sent by post, should be marked “Negligible Value” or state the value of the goods in question, in addition to giving the details normally required. If imported using a SAD, the goods should be declared as a consignment of negligible value. Please see paragraph 7 regarding Entry on the AEP System.

6.3 Gifts

The Customs Declaration form on the relative parcel, if sent by post, should be marked “Gift” or “present” in addition to giving the details normally required.

If imported other than by post, the goods should be declared as a gift at importation on the Customs Entry (SAD). Please see paragraph 7 regarding Entry on the AEP System.

6.4 Gifts versus Negligible Value

The importer may choose to avail of the relief which is most beneficial when declaring the goods. For example, if an import is declared as a ‘gift’ and the value is in excess of €45 but less than €150 he/she can then opt to claim relief under the negligible value provisions.

7. Entry on the AEP system

7.1 De minimis limit

No special claim is needed. The **de minimis** limit applies only to VAT. AEP is programmed not to collect the charge where the **de minimis** amount is not exceeded.

7.2 Consignments of negligible value

In cases where an exemption from duties is claimed for goods of negligible value, the following codes should be inserted in Box 37b:

- C07 - Customs duty exemption and VAT exemption

7.3 Gifts

In cases where an exemption from duties is claimed for Gift consignments, the value in box 46 must be less than or equal to €45. The following codes should be inserted in Box 37b:

- C08 – Customs Duty exemption and VAT exemption

7.4 Gifts – flat rate of duty

In cases where the flat rate of duty is claimed, the dutiable value of the consignment must be less than or equal to €700 in value. The following codes should be inserted in box 37b:

- 1C1 – flat rate of duty

8. How various types of Duty, chargeable at importation, are calculated

The rate and type of duty charged will depend on the type of goods being imported and will include one or more of the following:

Type of Duty	Description
Customs Duty	This is normally charged as a percentage of the customs value. The percentage varies depending on the type of goods and their country of origin. Duty is charged on the price paid for the goods plus insurance and freight (which includes postage) costs. Further information on rates of duty can be obtained from TARIC or by e-mailing tarclass@revenue.ie
Excise Duty	This is charged on alcohol and tobacco products and is in addition to Customs Duty. Excise Duty on wines and spirits depends on the volume of alcohol and whether wine is still or sparkling. In the case of cigarettes the Excise Duty is based on a percentage of the recommended retail price combined with a quantity charge while that on other tobacco products is based on the net weight. Information on the current rates of Excise Duty is available in the Schedule of Excise Duties .
Value Added Tax	VAT at the point of importation is charged at the same rate that applies to similar goods sold in the State. The value of the goods for the purpose of calculating the amount of VAT payable at import is their value for customs purposes, described above, increased by the amount of any duty or other tax (but not including VAT) payable.

9. Refund Claims

Refund claims in respect of postal packets, which are subsequently claimed to be gifts, should be dealt with locally under standing instructions set out in Section 13 of the Customs Import Procedures Manual.

10. Cases of doubt or difficulty

Any cases of doubt or difficulty which cannot be resolved locally should be referred to Economic Procedures Unit, Corporate Affairs & Customs Division VPN 63234 or 63229 or customsreliefs@revenue.ie