

eCustoms Helpdesk Notification

Number:	Ref: 39/2021
Subject:	Transport costs for Incoterms EXW, FCA, FAS or FOB
Who should read:	All those involved in lodging import customs declarations via AIS
Related Notification:	None
Issued by:	eCustoms Helpdesk
Queries to:	eCustoms Helpdesk - ecustoms@revenue.ie
Issue Date:	15 June 2021

BR4010 for Incoterms EXW, FCA, FAS or FOB

The transport cost incurred after the arrival into the customs territory of the Community shall not be included in the customs value, provided that such cost is distinguished from the total charge, i.e., the split is provided in the invoice or where Annex 23-01 of Commission Implementing Regulation (EU) 2015/2447 Air Freight rules apply. In those circumstances when the transport cost incurred after the arrival into the customs territory of the Community is excluded from the customs value, it must be included in the VAT value.

If you have declared DE 4/1 Incoterm Code as either EXW, FCA, FAS or FOB and the transport cost incurred after the arrival into the customs territory of the Community **is** distinguished from the total transport charge (cost of transport to point of arrival in the EU plus the cost of transport to final destination), i.e., the split is provided on the invoice, you will need to **include AK, 1X and BA in DE 4/9 Additions Deductions for each item**. The amount declared for 1X must equal the amount declared for BA.

If the transport cost incurred after the arrival into the customs territory of the Community is **not** distinguished from the total charge, i.e., the split is **not** provided on the invoice, that cost will be included in **AK in DE 4/9**.

A change to AIS has been made that accounts for circumstances where the transport cost incurred after the arrival into the customs territory of the Community is identified on the invoice, and with effect from the 21 June 2021 failure to complete AK, BA and 1X will result in error code BR4010 being generated.

This change however does not currently allow for circumstances where that cost is not separately identified and a value of zero would normally apply to 1X and BA. As a temporary solution where the split is **not** provided on the invoice, a value of €0.01 should be declared for 1X and BA in DE 4/9 for each item.

On a single item declaration, the €0.01 will be declared in DE 4/9 at goods shipment level. Where the declaration contains more than one item then the €0.01 will be declared in DE 4/9 at goods shipment item level under 1X and BA for each item. If the information is not declared correctly, you will receive a BR4010 error code. We will issue a further notification when a permanent solution is in place **to allow a zero amount to be declared** in 1X and BA.

AK (Transport costs, loading and handling charges and insurance costs up to the place of introduction in the European Union) is an addition for Customs Duty and VAT.

1X (Internal EU cost i.e. Cost of Transport after arrival at the place of introduction) is an addition for Customs Duty and VAT where the amount is distinguished on the invoice.

BA (Cost of Transport after arrival at the place of introduction) is a deduction for Customs Duty only where the amount is distinguished on the invoice.

Values for AK, 1X and BA are to be in EURO

The calculation of taxes is completed as follows:

For Customs Duty – DE 4/14 (divided by exchange rate) + AK + 1X – BA

For VAT – DE 4/14 (divided by exchange rate) + AK + 1X + customs duty

Example 1 – Breakdown of EU and non-EU transport costs on invoice:

Goods valued €10,000 imported from Manchester to Nenagh via Dublin

Total transport cost Manchester to Nenagh €1,000.

Transport cost Manchester to Dublin Port €700 as shown on invoice

Transport cost Dublin Port to Nenagh €300 as shown on invoice

Other costs (loading and handling charges and insurance costs) €1,000

For Customs Duty: DE 4/14 + AK + 1X – BA i.e. €10,000 + €1,700 + €300 - €300 = €11,700

For VAT: DE 4/14 + AK + 1X + customs duty i.e. €10,000 + €1,700 + €300 = €12,000 + customs duty

Example 2 – No Breakdown available for transport costs on invoice

Goods valued €10,000 imported from Manchester to Nenagh via Dublin

Total transport cost Manchester to Nenagh €1,000. No breakdown of EU/non-EU transport costs

Other costs (loading and handling charges and insurance costs) €1,000

For Customs Duty: DE 4/14 + AK + 1X – BA i.e. €10,000 + €2,000 + €0.01 - €0.01 = €12,000

For VAT: DE 4/14 + AK + 1X + customs duty i.e. €10,000 + €2,000 + €0.01 = €12,000.01 + customs duty

Neither BA nor 1X are included in the Statistical value (DE 8/6). **BR8610** will therefore be as follows:

The value entered in DE '8/6 Statistical value' must match with a tolerance of 7 Euros the value that yields from the following calculation:

(DE 4/14 Item Price divided by DE 4/15 Exchange Rate) plus (the sum of additions in DE 4/9 Additions and deductions) minus (the sum of the deductions in DE 4/9 Additions and deductions excluding 1X, BA, BF, BB)