



SGS MACO Excise Service B2C-Sales

SGS is the world's leading inspection, verification, testing and certification company. Wherever you are in the world, in whatever industry, you can rely on our international teams of experts to provide specialized solutions to make your business faster, simple and more efficient. Maco Customs Service was acquired by SGS in 2017 and is a specialized and full-service excise provider for The Netherlands, Belgium, Germany and France, offering customs support in terms of brokerage, compliance management, software and consultancy.

LEGAL BACKGROUND

Web shops selling community excise goods (cross-bordered - within the EU) to private individuals are obliged to pay the related indirect taxes (excise tax and VAT) in the final country of consumption. To facilitate these cross-bordered transactions of excise goods, the European Commission presented an official framework in 1993 containing the minimum conditions to which all EU member states must act. All individual EU member states remain free to set additional requirements for specific trade lanes and/or excise goods, which leads to highly complicated and different handling processes across the EU.

Web shops that do not comply need to be aware that violations against the EU framework or the national regulations will cause high penalties, in addition to the recovery of the indirect taxes which were not paid accordingly. National excise authorities recently launched investigation teams to track down the internationally trading web shops and audit them against national regulations.

LEGAL PREREQUISITES

Several legal prerequisites must be observed:

- The seller must appoint a tax representative in the member state of consumption when selling excise goods on distance sales (B2C).
- The seller must register for VAT purposes in the member state of consumption and fulfill relevant VAT administration (appointing an external representative is also an option).
- The selling web shop (or its representative) is responsible for the correct payment (remittance) of the indirect taxes in the member state of consumption at the going rate of that specific member state.
- The excise goods can only be sent to the private consumers in other EU member states, after excise has been paid in the member state of departure (pre-excised).

WHAT CAN WE DO FOR YOU?

SGS Maco offers a fully integrated service which ensures 100% compliance for excise sales in Belgium, The Netherlands, Germany and France.

- Client-specific license request for excise purposes in the country of consumption
- VAT registration/administration in the country of consumption

- Our Excise Duty Calculator can be interfaced with your order management application to ensure full transparency on your excise duties to be paid on shipment level
- Connection between our excise application and your order management system allows automated data processing
- Management of official administrative requirements and final payment of indirect taxes
- General support and guidance

Our client-specific license for 'Tax Representative on Distance sales' takes care of your B2C deliveries and related administrative formalities. This will allow you to set up B2C sales of alcoholic products in an easy and compliant way.

This offer is extended by SGS Maco for the purposes of excise and/or VAT duties in Belgium, Germany, The Netherlands & France.

CONCEPT & HOW IT WORKS

1. SGS Maco applies for a client-specific excise license 'Fiscal representative: Distance sales' in order to represent foreign web shops in the country of consumption. In addition, the mandatory VAT registration in the country of consumption on behalf of the represented web shop will be applied.
2. We set up an account for your company in our web-based excise application in order to create a client-specific article database. In this database we define the corresponding (national) excise category/tariff for each individual article. Using this service, the excise application automatically calculates the applicable excise taxes on article level.
3. We create a client interface between the excise application and your software for a fully automated dataflow (covering automated handling of data transfer and the exchange of documents and information).
4. After approval of the excise license and VAT registration we make sure that your transactions are completed accordingly within the excise application. The individual shipments will be consolidated for excise purposes and payment of the applicable excise taxes within the legal time window. Beside the excise duties, we also take care of your national VAT administration.

CONCRETE

In our concept, you can send goods directly to private consumers in Belgium, Germany, The Netherlands and France without any administrative or logistical delays at the time of extradition.

- Periodically (monthly for the Netherlands, Germany & France and weekly for Belgium) you will be required to deliver us a summary of the excise goods you sent per member state in a standard document (csv-format).

Based on this document, we will transfer the correct excise liabilities in the member state of consumption.

- Based upon the final paid excise taxes and prepared excise declaration in the member states of consumption, you will be able to refund the paid excise taxes in the member state of departure.
- Periodically (monthly), you will be required to provide us with a standardized overview for your VAT purposes, so that we can perform the VAT administration and accompanying registration.

AUTOMATED DATA PROCESS

Considering the grand scale of E-commerce selling and strict administrative regulations as 'representative' for excise/VAT, our services are linked through an automated data process via our unique excise application. This application creates a fully verifiable trail that complies with national regulations and supports us in calculating the correct liabilities and the payment of those liabilities.

The implementation phase is started in our excise application when in the software of a potential client a unique 'maco-code' is linked to each unique product they sell to any private consumers. This 'maco-code' is divergent for each type of product/excise category and will be provided by SGS Maco after receipt of a detailed overview that needs to be provided by the client.

In our software, a client specific environment will be created so that we are able to keep an updated register for the B2C sales. The delivery of this data will be supplied in csv-format over FTP or API.

SUMMARY

The SGS Maco excise application has been audited and approved by the national excise authorities in Belgium, The Netherlands, Germany and France. We have granted customs a permanent access to the application in order to monitor the administrative flow instead of the physical goods flow, which guarantees an efficient supply chain in the field of E-Commerce of alcoholic beverages.

While requiring certain investments to become compliant, it is possible to expand your E-commerce business to private consumers outside of your member state. The economic viability of this project depends on the estimated volume of B2C sales from your company to other EU member states.

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