e-commerce, customs valuation and data quality in the postal stream: achievements, challenges ahead and potential solutions

World Customs Organisation

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Why customs valuation is becoming so important but complex to get in an e-commerce environment?

- Switching from Lettermail to parcels and small packets business
- Defining new routes for postal shipments (coming mainly now from Asian countries)
- Delivering high volumes of low value small packets
EU import customs rules require data from non EU postal operators

<table>
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<tr>
<th>Import Control Systems 2</th>
<th>Low value consignment</th>
<th>VAT eCommerce package</th>
<th>Embargos &amp; denied parties</th>
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<tr>
<td>Obligation to declare for safety/security purposes</td>
<td>Obligation to declare regardless the value of goods for clearance purposes</td>
<td>Obligation to collect data for taxation purposes</td>
<td>Obligation to analyse data prior to transport</td>
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- Compliance to these 4 regulations requires that electronic data is exchanged between non EU and EU postal operators
- Data exchanges are made through ITMATT (ITem ATTributes) messages which are mandatory since January 2021 for all goods contained in a postal shipment
Measurement of customs valuation data

Customs values are used to:
- evaluate the de-minimis threshold
- apply the right VAT and customs duties calculation basis

Represented by « postal fees » in UPU forms
Even if mandatory, this data element is not often filled in
Covers the international transport costs part only (whatever which incoterm is used)

Mandatory data element in ITMATT messages
Based on senders declaration
Electronic invoices are not yet included in EDI standards

Insurance fees are to cover any disruption of the supply chain (robbery, damage,...)
Sometimes, insurance costs are overvalued by consumers for reimbursement purposes

- Purchase value
- Customs value
- Transport costs
- Insurance costs
The right measure of **undervaluation** of imported goods is very **complex to assess**.

The current customs (electronic declarations) and tax (de minimis removal) **regulations** have **reduced the impacts** of undervaluation but have not made them disappeared.
Some solutions are to be explored

In partnership with

e-retailers on checking genuine goods values, transmitting invoices,…
origin posts to check the relevancy and accuracy of data on prices, transport and insurance costs

...but also with usage of technology

Artificial Intelligence algorithms to make sure that values are aligned with the type of goods
Existing or upcoming blockchain based solution to ensure that all mentioned values are relevant and consistent with invoices