

# Trade with the UK after Brexit

# Foreword

Brexit (British exit) is a historic event that drastically changed the political, economic and social landscape of the European Union (EU) and the United Kingdom (UK). The UK's withdrawal from the EU was a long and complex process that began with a UK referendum in 2016. The transition period eventually ended on 31 December 2020. During this period, the UK negotiated a new relationship with the EU, which includes new trade agreements and updated policies that will impact businesses, individuals and communities for years to come.

Through 13 questions, this brochure provides a comprehensive overview of the impact of Brexit on trade between Belgium and the UK. More specifically, it focuses on the customs formalities to transfer cultural goods (such as artworks, instruments and materials) to the UK and the consequences of doing so.

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# 1. What are imports and exports?

Imports and exports become relevant from the moment goods physically cross the external borders of the EU Customs Union. In this context, the entry of goods into the EU through the European external borders is referred to as an import. Export, on the other hand, means that goods leave the EU through its external borders. For each of these transactions, you need to follow certain rules, starting with the European customs rules. In addition, there are also VAT regulations and specific obligations for the trade of so-called excise goods such as tobacco products or alcoholic beverages. The latter fall beyond the scope of this brochure because of their limited relevance to the cultural sector.

**Example:** a Belgian gallery buys an artwork by a British artist and has it transferred to Belgium. Since the artwork crosses the EU borders and Belgium is its destination, this is considered an import. If the item is shipped from Belgium to a buyer in the UK, it is called an export. If, once the artwork has been imported into Belgium, it is resold within the EU (e.g. to a German gallery), it is no longer considered an import or export but rather an 'intra-community supply' (also see question 10).

Besides the principle of 'imports and exports', there are many other concepts to be considered when moving goods from or into the EU Customs Union. The main ones are discussed further in this brochure.

## What exactly are customs?

Customs refers to the administration involved in the international movement of goods. Concretely, you come into contact with customs when goods cross the external borders of the EU - both in the case of imports into an EU country (for example Belgium) and exports to a country outside the EU, such as the UK. In both cases, you submit a customs declaration to the competent administration of the country concerned. In the case of Belgium, this is the Federal Public Service Finance (FPS Finance), [General Administration of Customs and Excise](#). These declarations allow for the products to be identified and inspected, and for any import duties or other taxes to be levied. A portion of the revenue from customs duties flows back to the EU member states to fund the various customs administrations, but the largest share goes to the EU budget. Under certain

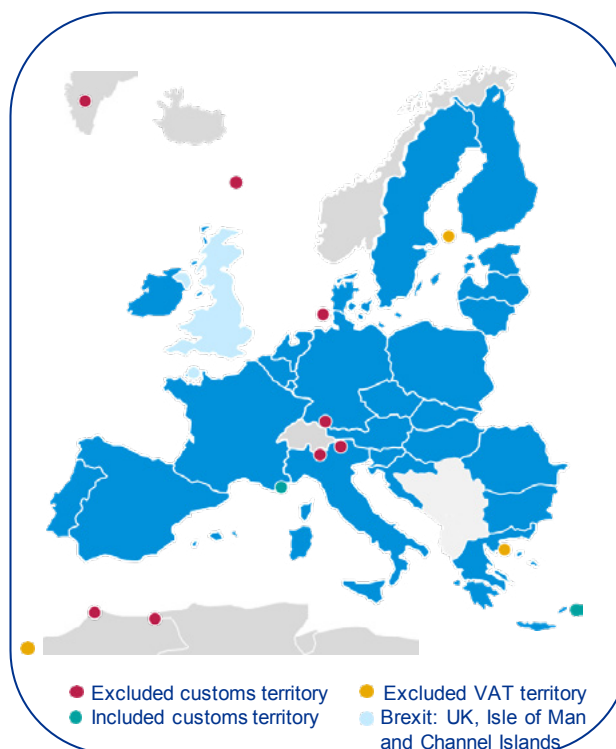
circumstances, you are exempt from duties and taxes on goods for personal use. Personal use covers souvenirs you bring from a country outside the EU after a trip, among others.

### What are the external borders of the EU Customs Union?

These borders largely correspond to the external borders of the territory of the [27 EU member states](#), including their airspace and territorial waters. There are exceptions to this general rule, of course. For example, there are regions in EU member states that are not part of the EU customs territory for historical reasons. Goods sent to Livigno, a tiny region in Italy, for example, cross the EU's external borders and therefore have to comply with certain export formalities. The reverse is also possible. Monaco, for example, is not a member state of the EU, but is considered part of the EU territory for customs purposes.

Note that customs territory is not synonymous with VAT and excise territory. The latter is somewhat more limited and does not include some regions that are part of the customs area. The best-known example is the Canary Islands. Goods with this destination are not technically considered as exports/imports for customs. However, they are subject to VAT formalities.

Image 1: The external borders of the EU Customs Union



### What if you do not exceed the external borders of the EU Customs Union?

Goods leaving Belgium through the EU's internal borders and intended to remain in the EU fall outside the scope of customs legislation. These are 'intra-community supplies'. The same applies to goods transported from an EU member state to Belgium. This is called an 'intra-community acquisition'.

While there are no specific obligations from customs for trade between EU member states, there are obligations for VAT (see question 10) and excise duties. Note that you also have certain obligations in terms of reporting for statistical purposes. Companies that exceed certain value thresholds (shipments over €1 million and arrivals over €1.5 million) must submit an Intrastat declaration to the National Bank of Belgium to give the authorities a better insight into the volume of their intra-community trade.

More information about Intrastat can be found on the website of [the National Bank](#), which features a guide to help you with the declaration as well as links to all the necessary information.

## 2. What is an EORI number? Do you need it and if so, how do you apply for it?

EORI is the acronym of 'Economic Operator Registration and Identification number'. An EORI number is a unique number for any economic operator wishing to carry out customs transactions - such as imports and exports - in the EU. It allows the customs administration to identify the economic operator. It is important to note that, unlike VAT numbers, each economic operator can only apply for a single EORI number, which is valid throughout the EU.

EU companies need to apply for an EORI number in the member state where they are based. EORI numbers issued by the Belgian administration have the same format as Belgian VAT numbers, if the company is located in the EU. You can apply for an EORI number through the Customs and Excise department at the FPS Finance using [an application form](#).

It is important to note that an EORI number is extremely important for any company wishing to import or export goods across the external borders of the EU. Particularly in the context of Brexit, it is very important to apply for an EORI number, because as a result of Brexit many companies will be trading with a country outside the EU for the first time.

**Example:** a Belgian visual artist sells a set of sculptures to a British gallery. In this case, the Belgian artist applies for an EORI number at their place of residence (= Belgium). This number is valid throughout the EU. The artist's EORI number is listed on the export declaration, which allows them to export the goods (sculptures) to the UK.



### 3. How do you export from Belgium to the UK?

Since Brexit, customs formalities apply to trade with the UK. As a result, exporting products from Belgium to the UK and vice versa is no longer as easy as it was when the UK was still an EU member state.

#### A concise roadmap for exports from Belgium:

##### **Step 1: Apply for an EORI number**

As a Belgian company, you need to apply for a Belgian EORI number. This EORI number is required to comply with customs formalities at the Belgian border. As described earlier (see question 2), you can apply for this number by completing an application form from the FPS Finance.

##### **Step 2: Complete the export declaration**

Next, you need to prepare an export declaration. You then submit this export declaration via the Belgian customs' electronic declaration system. You can also outsource this step to a customs representative. You can find a list of approved customs representatives through the [FPS Finance website](#). For more information on the export declaration and customs representatives, see questions 4 and 5.

##### **Step 3: Check whether a phytosanitary or health certificate is required**

Goods of plant or animal origin (including live animals, plants and seeds) require a phytosanitary certificate or health certificate, which must be delivered to the UK customer. The importer (UK customer) needs this document to complete the UK import formalities. In Belgium, these certificates are issued by the [FAVV \(Federal Agency for the Safety of the Food Chain\)](#).

For the trade of endangered plant and animal species (both dead and alive) you need a CITES certificate. This applies when a cultural worker imports or exports a musical instrument that contains parts from protected plant or animal species (such as ivory, rosewood or tortoise shell), for example. They must apply for a CITES permit and attach it to the customs declaration. You can find more information about [CITES certificates](#) on the FPS Finance website. Pearle, in cooperation with FIM, developed [a tool](#) featuring a step-by-step plan to apply for a CITES certificate.

##### **Step 4: Follow up on the VAT exemption justification**

You do not have to charge VAT on sales of goods that you export to the UK. However, to justify that exemption, you need to formally prove that the goods crossed an EU external border. To do so, you need to submit a validated export document or alternative proof of

the customs declaration. A validated export document or customs declaration suffices to formally prove that the goods have crossed an EU external border. In theory several pieces of evidence may be present- ed (e.g. proof of transport of the goods). However, in practice it appears that a validated export declaration is the most commonly used document. You can find more details about the VAT procedure on [the FPS Finance website](#).

#### **Step 5: Check whether you are responsible for the UK import declaration yourself**

Using the 'Incoterm' agreed upon with the buyer, check whether you are responsible for the UK import formalities. If this is the case, for example when exporting under Incoterm DDP 'delivery duty paid', also apply for a UK EORI number. For more information on how to obtain a UK EORI number go to [the GOV.UK website](#). You can find more information on Incoterms in question 9.

#### **Step 6: Check that your transporter is well prepared**

For shipments to the United Kingdom, you will most likely need a transportation company. The latter must complete a 'Safety & Security declaration' in advance through the online system. More information on [transport and the required declarations](#) can be found on the GOV.UK website.

#### **Step 7: Calculate all internal additional costs**

Based on your current transactions with the UK, you can identify the additional costs brought about by Brexit. These include costs for customs formalities, adjustments to IT infrastructure (applicable mainly to larger companies) and logistical changes.

#### **Step 8: Hedging against exchange rate fluctuations**

As a result of Brexit, the British pound has become more volatile. You may therefore face higher exchange rate differences. You can protect your company from this by negotiating contracts in euro or by including an exchange rate clause in the contract.

#### **Step 9: Protection of intellectual property in the UK**

Since 1 January 2021, you need to apply for a British trademark or design in order to protect the intellectual property of your goods in the United Kingdom.

It is important to note that you can outsource some of these steps to a customs representative.

## 4. Which information, data and documents do you need to prepare and submit a customs declaration in the EU?

1. **Importer/exporter details:** provide your full name and address, tax identification number (EORI number) and contact details. Note that in Belgium, the VAT number, company number and EORI number are identical.
2. **Recipient/shipper details:** provide the full name and address of the person or company to which or from which you are importing/exporting (i.e. the buyer/seller), as well as their tax identification number (EORI number) and contact details.
3. **Description of goods:** provide a detailed description of the goods you are importing/exporting, including the type of goods, quantity, value and weight.
4. **Commodity code:** specify the commodity code for the goods you are importing/exporting. The commodity code is a standardised system of names and numbers used to classify traded products. Depending on whether you are importing into the EU or exporting from the EU, the code must be accurate and 10 or 8 digits long, respectively. More information on the classification of goods can be found in question 8 of this brochure.
5. **Origin of goods:** specify the country of origin of the imported/exported goods. More information on the origin of goods can be found in question 6 of this brochure.
6. **Invoice:** an invoice must be drawn up for the goods you are importing/exporting, showing the value of the goods, any costs associated with the transaction and the terms of sale.
7. **Transport document:** this can be a bill of lading or air waybill, for example, depending on the mode of transport. This is only mandatory when the goods are transported through a 'professional' transporter, so not if you transport the goods to the customer yourself.
8. **Licences and certificates:** depending on the nature of the goods you are importing/exporting, you must hand over the relevant licences, permits or certificates to demonstrate compliance with the legal requirements. An example of such a document is a CITES certificate.
9. **Declaration of customs value:** a declaration of the customs value of the goods you are importing/exporting is required to determine the customs duties and taxes due. More info on the customs value can be found in question 7 of this brochure.

**10. Payment details:** you need to indicate how you will pay the customs duties and taxes due.

It is important to note that the specific information and documents required may vary depending on the type of goods you are importing/exporting and the country of destination or origin. You can contact a customs representative for advice on the specific requirements for your shipment.

Currently, the previously listed information must be declared (digitally) via the 'Single Document' and PLDA, the paperless customs and excise application of the FPS Finance. The Single Document is the standard form used for the movement of goods. You can read more about the Single Document on [the FPS Finance website](#).

Soon the declaration will no longer be done through the Single Document but through a revamped electronic declaration, under the MASP-C programme of the European Union.

## 5. What are the advantages and disadvantages of submitting a declaration through a customs representative?

### How do you work with a customs representative?

To import or export goods, you need to register the import or export. This is done by submitting a customs declaration. As an importer or exporter from Belgium, you can do this yourself, through direct access to the PLDA declaration system or through specific customs software. Another option is to rely on an authorised customs representative acting on your behalf. You can find a list of approved customs representatives, also called brokers or freight forwarders, on [the customs website](#).

In practice, most business owners choose to work with a customs representative. It is mostly companies with many import or export transactions and experience with customs that submit their customs declarations themselves. Customs representation can be direct or indirect:

- With **direct representation** the representative acts in the name and on behalf of the client. In that case, you as the importer are solely liable for the customs debt.
- With **indirect representation** the representative acts in his own name but on behalf of the client. Consequently, both parties are jointly and severally liable for the customs debt.

This (co-)liability makes the choice of representative all the more important, because an incorrectly completed customs declaration can trigger both the post-clearance recovery of additional import duties and penalties from customs. If a non-EU (UK-)based company wants to export goods from the EU, it must use an indirect representative. Submitting declarations through a customs representative can offer several advantages, including:

- **Expertise:** customs representatives are professionals specialised in customs procedures and regulations. They have a sound knowledge of the clearance process and can efficiently navigate the complex regulations and paperwork. This also reduces the risk of errors compared to a declaration prepared by an inexperienced operator. You do not need to open an account with customs yourself to access the declaration system (PLDA). If an economic operator (e.g. you as a cultural worker) wishes to manage their own customs declarations (e.g. for imports or exports), they need to apply for various licences from the Customs Administration.

- **Time-saving:** submitting customs declarations can be time-consuming, especially for companies dealing with large volumes of imports or exports. An example is a Belgian museum lending several pieces to a UK-based museum. By using a customs representative, they can potentially save time and resources.
- **Cost-effective:** although using a customs representative comes at a cost, it can also save you money in the end. Customs representatives have the knowledge and expertise to ensure that all paperwork is completed accurately, reducing the risk of costly errors or delays that could lead to additional costs or fines.

In a nutshell, a customs representative can help reduce risk, and save time and money for companies involved in international trade. The cost of the customs representative usually depends on the complexity of the declaration (number of lines, certificates or proof required etc.).

## 6. What is the origin of goods and how can you possibly benefit from it for imports and exports?

The **origin of goods** is important to calculate the customs duties payable in the importing country. The origin of the imported item, as well as the classification and value of the item, determine the amount to be paid. Below is a brief explanation of the 'origin of goods'.

### Is origin the same as provenance?

Origin and provenance are two very different concepts.

The **origin** of an item refers to the country where that item was primarily created/produced. This means that the item is either 'wholly obtained' in this country or that 'substantial processing or treatment' has taken place in the country in question. While this may seem straightforward, it is a fairly technical concept and there are several points to be taken into account.

The **provenance** of an item is the country where the item last transited, before arrival in the destination country. The example below clearly explains the difference between the two.

**Example:** a truck loaded with sculptures made in the Netherlands travels through Belgium to France. If you want to establish the origin of the artworks in France, it is the Netherlands. The reason is that nothing substantial happened to the sculptures in Belgium; they were only transported through Belgium. As a result, the goods retain their Dutch origin. The provenance of the sculptures will be Belgium, as this is the last country through which the goods passed before arriving in France.

### How do you determine the origin of goods?

You can determine the origin of goods using the rules of origin set by the EU. These rules define the criteria that goods must meet to be considered 'originating in a particular country or territory' for the purposes of trade agreements, import tariffs and other trade-related policies.

The origin of goods is established based on several criteria: on the one hand, the product may be completely created in one and the same country, without the intervention of any other country. Examples include ores, agricultural crops or animals. In this case, the

country is the country of origin. On the other hand, there are products that are created with the involvement of more than one country, for example because the production chain is spread across several countries, or because you use imported parts or ingredients during the production process. In that case the finished product acquires the origin of the country where it underwent the 'last substantial processing or treatment'.

In practice, you determine the origin of a category of products based on three criteria:

1. The last country to add significant value to the product (minimum +40%).
2. The last country where new functions or features were added to the product.
3. The last country where an operation took place that caused the product to be classed under a different tariff heading of the customs classification system.

In some cases, several criteria apply to a product; in other cases only one criterion applies. The example below explains the different criteria.

**Example:** the production of an LED screen used at concerts. The screen casing and cord are manufactured in the UK. Consequently, their origin is the UK. The electronics (computer chips and the like) come from Germany, where all parts are also further assembled into a functioning LED screen. In this case, the origin of the finished LED screen is Germany. The reason for this is that the final product has a new function that the different parts did not have before, namely 'watching TV' or the visual aspect. You can assume that a high degree of added value has been added through the finishing of the LED screen. Finally, the LED screen is likely to have a different HS (customs classification) code than the individual parts. This once again illustrates that this is a new product and thus the origin may have changed compared to the origin of the parts.

## What types of origins exist and what is their relevance?

There are two different 'types' of origin of goods, each with their specific characteristics and uses:

### 1. Preferential rules of origin:

These rules apply to goods enjoying preferential treatment through a trade agreement between the EU and another country or group of countries. Under these rules, only goods that have been sufficiently processed or produced in the country or territory of origin are eligible for preferential treatment.



Preferential treatment means that the goods are subject to a reduced or sometimes zero tariff when imported into the importing partner country. Since the EU and the UK entered into a mutual free trade agreement after Brexit, goods (including artworks) made in Belgium are eligible for tariff-free imports into the UK. You can find more information on the EU-UK trade agreement on the [European Commission website](#). An overview of all preferential agreements and customs unions can be found on the [website of the European Commission](#).

You obtain preferential origin through customs in the importing country. This can be done in three different ways:

- You present a certificate of origin, such as a EUR.1 certificate, issued by customs.
- You can apply for 'approved exporter' authorisation from customs, which is accompanied by an audit. Afterwards, as an exporter, you can add your own statement to your invoice to prove preferential origin.
- You can apply for a 'REX licence'. A REX licence is the prescribed way for the most recent EU free trade agreements, such as the EU-UK agreement, to enjoy the benefits of preferential trade between partner countries (also see question 12). Once received, the exporter can add a self-declaration to their invoice to prove preferential origin.

Note that as an exporter, you cannot simply choose any of the above options. The procedure to be followed is determined in the applicable free trade agreement. Information about the contents of a REX licence and the application procedure can be found in question 12 of this brochure.

## **2. Non-preferential rules of origin:**

These rules apply to goods subject to non-preferential measures such as tariffs, quotas or trade statistics. They apply to all cases other than preferential trade between two partner countries (see 1). Those rules aim to ensure that the country of origin is correctly reflected in these measures and prevent the circumvention of trade rules. In this way, non-preferential origin aims to achieve the opposite of preferential origin, namely to verify whether increased tariffs apply to imports, rather than preferential tariffs.

Proof of non-preferential origin is provided through a certificate of origin issued by the competent [Chamber of Commerce](#) and depending on your company's area of establishment. It is important to note that not all countries require a certificate of origin. A Chamber of Commerce can give you more information on this.

As with the establishment of the preferential origin of goods, the same three criteria form the basis for establishing non-preferential origin: added value, new function or change of tariff heading. When determining the non-preferential origin of a product, the second rule (new function or property of the final product) is decisive; the other rules are indicative. If these criteria nevertheless prove insufficient to determine non-preferential origin, you must use the residual rule, also called the 'major portion rule'. According to this rule, you define a product as originating in the country where - according to the HS classification of the product - the largest part of its value, weight or volume is originating.

The specific rules for determining the origin of goods vary depending on the product and the trade agreement or regulation. To determine the origin of goods for specific products or trade agreements, it is important to consult the EU regulations and guidelines or seek advice from customs or trade experts.

Rules of origin can be complicated and differ between goods and countries. Online self-assessment tools can prove useful here. When using these tools, you enter the destination country, the country of origin and the correct commodity code. The tools then display the applicable rules of origin. More info on these tools and how to use them can be found through the [Access2Markets website](#).

## 7. How do you assign the correct customs value to an artwork?

When importing and exporting goods, you must also be aware of the customs value. The customs value is the value you need to determine the customs duty you need to pay when importing goods into the European Union (or other importing countries such as the UK). As global trade should be fair, international agreements were signed on this matter.

For the EU, these agreements are set out in the Union Customs Code (UCC). Further info can also be found in the [Customs Manual](#). Below you will find the key elements required to correctly determine the customs value of an artwork.

There are 6 methods you can use to determine the customs value. You should use the methods like a 'waterfall'. That is, you may use option 2 only if you cannot determine the correct customs value using option 1, and so on.

### **Option 1: Transaction value of the imported goods**

Under this method, you determine the customs value of the imported goods based on the transaction value, which is the price actually paid for the goods. You can further increase this amount with costs not included in the price. Subsequently, this amount can also be reduced.

The costs that may be added to the transaction value are:

- Agency fees (excluding purchasing commission)
- Packaging costs
- The value of goods or services you provided in exchange for the goods
- Copyrights you have to pay as a condition of sale
- Any profit made from the resale of the goods
- Transport and insurance costs incurred to transport the goods to the European Union

The costs that may be deducted from the transaction value are:

- Transport costs within the European Union (calculated from the EU external border)
- Cost of installation or assembly after import
- Interest you pay for financing (e.g. a loan taken out to purchase the goods)
- Reproduction rights (rights you pay to make copies of artworks or goods)
- Purchasing commission
- Other import duties or taxes you pay for import or sale in the European Union

The costs that may be deducted from the transaction value are:

- Transport costs within the European Union (calculated from the EU external border)
- Cost of installation or assembly after import
- Interest you pay for financing (e.g. a loan taken out to purchase the goods)
- Reproduction rights (rights you pay to make copies of artworks or goods)
- Purchasing commission
- Other import duties or taxes you pay for import or sale in the European Union

### **Option 2: Transaction value of identical goods**

If the transaction value of the imported goods cannot be determined using the method in option 1, you may use the transaction value of identical goods. Identical goods refers to goods that may have minor differences but have the same appearance and function, and are made of the same material. The quality of the item and the reputation of the manufacturer must also be the same. The example below illustrates how to determine the transaction value of identical goods.

**Example:** a Belgian trader wants to determine the customs value of a guitar. Since it was not possible to determine the customs value through option 1, the transaction value of identical goods may be used. The trader may therefore determine the customs value of the guitar by looking at the price paid for identical guitars within the same market. In doing so, they must keep in mind that the guitars used as a reference may not differ in terms of quality, brand reputation and specifications.

### Option 3: Transaction value of similar goods

If there are no identical goods (option 2) to determine the transaction value, you may use the value of similar goods. Similar goods are goods sold at the same time and produced in the same country. These goods are 'interchangeable'. This means that they have similar parts as well as the same function. However, the goods need not be equal in all areas. As with option 2, the quality and reputation of the producer must be the same.

**Example:** a Belgian trader wants to determine the customs value of a guitar. Since determining the customs value through option 1 and option 2 was not possible, the transaction value of similar goods may be used. The trader may therefore determine the customs value of the guitar by looking at the price paid for similar guitars within the same market. That is, you look at the price of similar guitars but unlike the example in option 2, here there may be differences between the two guitars. The goods need not be equal in all areas.

### Option 4: Recalculation method

In this case, customs considers the sale price of the goods in the EU. It must be noted, however, that the goods must have already been sold to a third independent party at the time of importation. In other words, you must have already sold the goods to another buyer. Before delivery, the goods may no longer be processed or modified in the EU. Some items may be deducted from this sales value, namely:

- Surcharges for profit and overheads
- Transport and insurance costs within the European Union
- Import duties and taxes paid upon import

If the goods are not directly sold, the sales value of identical or similar goods may be used.

### **Option 5: Calculated value method**

With this method, you calculate the customs value based on the total cost to manufacture the goods in the country of production. This includes the cost of materials, the cost of manufacturing and the cost of related operations. An amount is then added for profit, overheads and the cost of transporting the goods to the European Union border. The transport cost within the European Union is not taken into account when calculating the customs value. This method is also called the cost-plus method.

### **Option 6: Reasonable means**

Under the 'reasonable means' option, you determine the customs value based on the value of the same goods in previous shipments.

### **What if the customs value is miscalculated?**

As indicated earlier, the customs value is important to determine the customs duties you need to pay for import/export. If the customs value was not correctly established, the calculated customs duties are also incorrect. This is because the customs value and the import tariff together determine the amount of customs duty payable. If customs finds that the declared customs value is too low, it will be recovered through a tax payable a posteriori. If the incorrect customs value is passed on repeatedly, in addition to the tax payable a posteriori, a fine will also be payable.

## 8. How do you assign the correct classification code to an artwork?

All goods imported into or exported from the EU require a commodity code that will appear on the customs declaration. For imports into the EU, this code consists of 10 digits; for exports from the EU, it consists of eight digits. Together with the origin of the goods and the customs value, the commodity code will determine the import duties based on which the total customs charges (i.e. import duties including VAT) will ultimately be calculated at the point of importation (i.e. both when importing into the EU and when importing into a third country outside the EU such as the UK). Determining the commodity code is called classification.

Classification for imports into the EU is based on the [TARIC classification rules](#) (TARif Intégré Communautaire). This particularly comprehensive list drawn up by the European Commission lists all possible commodity codes along with a description and is based on the Harmonized System (HS) of the World Customs Organization (WCO). The list is updated annually.

The Harmonized System defines the first six digits of a commodity code. The EU commodity codes (Combined Nomenclature, digits 7 and 8) are based on these digits. This means that the first six digits of a commodity code are the same in [every country that is a member of the WCO](#) (including the UK, China and the US).

To classify an artwork (or any other type of goods) you need to apply the 'GRIs' or 'General Rules of Interpretation'. This is a six-step plan that you are obliged to follow from step 1 all the way to the step that allows you to classify the item. Step 1 is to look at the description of the 'headings' (four-digit level) and 'subheadings' (six-digit level) of the Harmonised System.

### Example 1: the classification of a 120-year-old painting

Section XXI	'Works of art, collectors' pieces and antiques'
Chapter 97	'Works of art, collectors' pieces and antiques'
9701 (= heading)	'Paintings, drawings and pastels executed entirely by hand other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages, mosaics and similar decorative plaques'
970121 (= subheading)	'Paintings, drawings and pastels over 100 years old'

### Example 2: the classification of a grand piano

Section XVIII	'Optical instruments ... Musical instruments; parts and accessories thereof, apparatus and devices'
Chapter 92	'Musical instruments; parts and accessories of such articles'
9201 (= heading)	'Pianos, including automatic pianos; harpsichords and other keyboard stringed instruments'
920120 (= subheading)	'Grand pianos'

So for trade with any of the WCO members, the first six digits of the code assigned to the painting will be 970121 or 920120 for the grand piano.



## 9. What is the importance of the Incoterms for imports and exports?

The Incoterms or 'International Commercial Terms' are a standardised set of rules and terms used in international trade to define the responsibilities and obligations of buyers and sellers in the delivery of goods. These Incoterms or rules are issued by the International Chamber of Commerce (ICC) and can be used freely between contractors to make it easier to divide duties, costs and liabilities in international transactions.

Using the Incoterms is important in both import and export transactions as it helps avoid misunderstandings and disputes between buyers and sellers, especially when dealing with different legal systems and languages. It is important to note that the Incoterms are only contractual rules between parties. Consequently, in addition to the Incoterms, you still need to take into account local legislation to correctly determine the legal obligations for the import of goods. Overall, using the Incoterms can help make import and export transactions smoother and more efficient, while also reducing the risk of disputes and misunderstandings between buyers and sellers. For more information on the Incoterms, please refer to [this article on the website of the Chamber of Commerce](#). Below is an example of the use of the Incoterms in a transaction:

**Example:** a British collector buys a series of paintings by a Belgian painter. For the sale, they use the Incoterm 'DDP (Delivery Duty Paid)'. When using DDP, the seller (i.e. the Belgian painter) will take care of all export and import formalities and deliver the goods to the buyer (i.e. the UK collector). More specifically, the seller will arrange and pay for transport to the agreed destination. In this case, the seller will also pay and arrange all the export formalities in the EU/Belgium, as well as the import formalities in the UK. It is important to make clear arrangements as to what the agreed destination is as this may involve additional costs and risks. Given that customs valuation looks at the value at the EU's external borders, the painter may deduct the inland transport costs from the invoice to obtain the correct customs value.

## 10. When do you owe Belgian/British VAT?

### Imports from the UK

In principle, the moment goods are imported into Belgium from the UK, you have to pay Belgian import VAT. The import VAT is calculated on the value of the imported goods, which can be found in box 47 of the 'Single Document' next to the code B00. This value consists of the customs value of the goods (see question 7) plus import duties and any additional costs that were incurred up to the final place of delivery of the goods, for example transport costs.

You have to pay the import VAT when the goods are cleared in Belgium. Import VAT is payable by the person identified on the Single Document as the addressee of the import. In practice, this will be either the consignee or the supplier of the goods.

The addressee can recover this import VAT through their VAT declaration, provided of course that they have a right of deduction. This does result in the addressee pre-financing the import VAT from the moment the goods are imported until the moment the VAT is refunded. In practice, pre-financing varies between two to six months.

It may therefore be useful to apply for an [ET 14.000 licence](#). Thanks to this licence, you do not pay VAT at the time of importation and you are allowed to shift the VAT to the next VAT return. This means that import VAT is reported both as VAT payable and as deductible VAT.

There are also a number of VAT exemptions. The import of goods into Belgium is exempt from VAT if immediately after import they are followed by an intra-community supply (that is, a supply of the goods from Belgium to another EU member state). In that case, you do not need to pay import VAT. Further information and conditions can be found on the [FPS Finance website](#).

Finally, there is a reduced VAT rate of 6% applicable to the import of certain artworks, collectibles and antiques (see Table A, Section XXI of Royal Decree No. 20 for further details). This includes paintings, sculptures and limited-edition photographs numbered and signed by the artist.

## Exports to the UK

When goods are shipped from Belgium to a buyer in the UK, from a Belgian VAT perspective this is considered an export that is in principle exempt from VAT. To benefit from this VAT exemption, you as the exporter need to prove with the necessary documentation that the goods were indeed transported to a destination outside the EU. Relevant documents include the export document, bills of lading, transport invoices and insurance documents. You need to submit this information to the tax authorities as part of a VAT audit. Further information is available on the [FPS Finance website](#).

If you are transferring your own goods from Belgium to the UK (i.e. not selling them to a counterparty), from a VAT perspective this is not considered a supply, so you do not have to report anything in the VAT return. However, based on the VAT regulations, there is a rebuttable presumption that you supply these goods with the application of VAT. To prove otherwise in the event of a VAT audit, it is therefore also important to have the necessary documentation proving that the goods were transported to the UK.

An export in Belgium will be accompanied by an import into the UK subject to UK VAT regulations. In principle, UK import VAT is payable by either the buyer or the seller. The Incoterm used will designate either the buyer or the seller as the debtor of UK import VAT. Further information on import VAT is available on the [UK government website](#).

**Example 1:** a Belgian museum buys paintings from a British art dealer. The Incoterm EXW applies to the sale, which places the responsibility for import formalities on the buyer (i.e. the Belgian museum). The museum, which does not have an ET 14.000 licence, pays Belgian VAT upon importation and can recover this VAT - provided it has a right of deduction - through its periodic VAT return.

**Example 2:** a Belgian art dealer sells a number of artworks to a museum in the UK. Once again, the incoterm EXW is applied, which designates the buyer as the debtor of UK import VAT. The Belgian art dealer reports the export in box 47 of their VAT return.

## 11. What do you need to take into account specifically for temporary imports and exports (ATA Carnet, exports of cultural goods ...)?

When importing and exporting cultural goods, you need to take into account a number of specific situations depending on the nature of the goods and the regulations in the countries concerned.

### ATA Carnet

If you temporarily import or export goods outside the EU on a regular basis, it is best to apply for an ATA Carnet. An ATA Carnet simplifies the clearing of material outside the EU, in [countries that have signed the ATA convention](#). This means that using an ATA Carnet, you can export goods multiple times with minimum administration. In addition, most countries do not charge import duties when using the ATA Carnet. If import duties do apply, they only amount to a fraction of what would be charged for a final import. An approved ATA Carnet is always valid for 1 year.

Applying for an ATA Carnet is highly recommended for bands, artists or theatre companies moving material for a tour or exhibition within a short period of time. The ATA Carnet is not free of charge. The price consists of a combination of administrative costs and a variable cost depending on the value of the goods that fall under the Carnet. You can find more information on the price of an ATA Carnet on [the CoC website](#).

The ATA Carnet holder remains liable for the re-export and eventual re-importation into Belgium within the authorised period.

**Example:** a Belgian band performs in the UK and takes their musical instruments with them. The instruments travel back to Belgium with them after the performance. The band also brings along merchandise, including CDs, vinyl records, T-shirts and hoodies. Upon crossing the border back into Belgium, it turns out that some of this merchandise was sold in the UK. In this case, it is best for the band to apply for an ATA Carnet to take the musical instruments to the UK. Upon their return to Belgium, the instruments can once again cross the border via the ATA Carnet without the need to pay import or export duties.

When it comes to the merchandise sold, the issue is more complex because part of the goods were sold in the UK, but the part not sold is taken back to Belgium. In this case, the band reports to customs of the importing country (the UK) which goods were sold and the value of these goods can be 're-deemed' on the Carnet.

The institution acting as guarantor for the ATA Carnet will pay the correct amount of the goods sold to the UK, where part of the merchandise was released into free circulation, and then pass it on to the band/ATA Carnet holder through the Chamber of Commerce. The band should notify the Chamber of Commerce that prepared the ATA Carnet. After all, they will act as guarantors for the goods through the umbrella body and they will advance the import duties and taxes through the guarantee.

Note that in principle, the goods for which an ATA Carnet is requested are to be re-imported in a timely manner.

You can apply for an ATA Carnet through an online application managed by the Chamber of Commerce. The application form always consists of two parts: the front, which contains the holder's information, and the back, which contains information about the goods and a goods list. Below is an example of an ATA Carnet with the boxes to be completed. More information on the application form can be found on [the CoC website](#).

**Important remark:** for UK Customs, you will need to request a [GMR number](#) if you use an ATA Carnet.

Image 2: Sample ATA Carnet with an explanation from the Chamber of Commerce

Issuing Association  
Association émettrice  
Organisatie van uitgifte

Fédération des Chambres de Commerce et d'Industrie de Belgique et d'Exportateurs des Marchés

**A.T.A. CARNET / CARNET A.T.A.**  
**FOR TEMPORARY ADMISSION OF GOODS**  
**POUR L'ADMISSION TEMPORAIRE DES MARCHANDISES**  
**VOOR DE TIJDELIJKE INVOER VAN GOEDEREN**

INTERNATIONALE AANSPRAKELIJKE ORGANISATIE  
INTERNATIONAL GUARANTEE CHAIN  
CHAÎNE DE GARANTIE INTERNATIONALE

**100 W.C.F.**

To be completed by the Chamber

(Before completing this Carnet, please read Notes on cover page 3 / Avant de remplir le carnet, lire la notice en page 3 de la couverture) /  
(Alvorens het Carnet in te vullen, de toelichtingen op blz 3 van de omslag lezen)

<b>ATA CARNET</b>	<b>A. HOLDER AND ADDRESS / Titulaire et adresse /</b> Houder en adres	<b>G. FOR ISSUING ASSOCIATION USE / Réservé à l'association émettrice</b> Voorbehouden aan organisatie van uitgifte <b>FRONT COVER / Couverture / Omslag</b>	
		a) CARNET No. Carnet N° BE <input type="text"/> Carnet nr.	
	<b>B. REPRESENTED BY* / Représenté par* /</b> Vertegenwoordigd door*	b) ISSUED BY / Délivré par / Afgegeven door	
	<b>C. INTENDED USE OF GOODS / Utilisation prévue des</b> marchandises / Voorgenomen gebruik van de goederen	c) VALID UNTIL / Valable jusqu'au / Geldig tot	
		year / année / jaar	month / mois / maand
			day (inclusive) / jour (inclus) / dag (inclusief)

**P. This Carnet may be used in the following countries-/ Customs territories under the guarantee of the associations listed on page four of the cover-: / Ce carnet est valable dans les pays/territoires douaniers ci-après, sous la garantie des associations reprises en page quatre de la couverture-: / Dit carnet is geldig in de hiernavolgende landen, onder aansprakelijkheid van de organisaties vermeld op blz. 4 van de omslag :**

ALGERIA (DZ)	HUNGARY (HU)	NEW ZEALAND (NZ)
ANDORRE (AD)	ICELAND (IS)	NORWAY (NO)
AUSTRALIA (AU)	INDIA (IN)	POLAND (PL)
AUSTRIA (AT)	IRAN (IR)	PORTUGAL (PT)
BELARUS (BY)	IRELAND (IE)	ROMANIA (RO)
BELGIUM-LUXEMBOURG (BE)	ISRAEL (IL)	RUSSIA (RU)
BULGARIA (BG)	ITALY (IT)	SENEGAL (SN)
CANADA (CA)	IVORY COAST (CI)	SERBIA (CS)
CHILE (CL)	JAPAN (JP)	SINGAPORE (SG)
CHINA (CN)	KOREA (REP. OF) (KR)	SLOVAK REPUBLIC (SK)
CROATIA (HR)	LATVIA (LV)	SLOVENIA (SI)
CYPRUS (CY)	LEBANON (LB)	REPUBLIC OF SOUTH AFRICA (ZA)
CZECH REPUBLIC (CZ)	LITHUANIA (LT)	SPAIN (ES)
DENMARK (DK)	FORMER YUGOSLAV	SRI LANKA (LK)
ESTONIA (EE)	REPUBLIC OF MACEDONIA (MK)	SWEDEN (SE)
FINLAND (FI)	MALAYSIA (MY)	SWITZERLAND (CH)
FRANCE (FR)	MALTA (MT)	THAILAND (TH)
GERMANY (DE)	MAURITIUS (MU)	TUNISIE (TN)
GIBRALTAR (GI)	MONGOLIA (MN)	TURKEY (TR)
GREECE (GR)	MOROCCO (MA)	UNITED KINGDOM (GB)
HONG KONG, CHINA (HK)	NETHERLANDS (NL)	UNITED STATES (US)

The holder of the country of export is responsible for compliance with the laws and regulations of the country of export and the laws and regulations of the country of importation. / Le titulaire du pays d'exportation est responsable de la conformité avec les lois et règlements du pays d'exportation et des lois et règlements du pays/territoire douanier de départ et des pays/territoires douaniers d'importation. / De houder van het land van exportatie is verantwoordelijk voor de naleving van de wetten en bepalingen van het land van exportatie en de wetten en bepalingen van het land van importatie.

To be completed by customs of export (where the holder is located) after verification of the goods list

**H. CERTIFICATE BY CUSTOMS AT DEPARTURE**  
Attestation de la douane, au départ  
Verklaring van de douaneautoriteiten van vertrek

a) Identification marks have been affixed as indicated in column 7 against the following items No(s), of the General List  
Apposés les marques d'identification mentionnées dans la colonne 7 en regard du (des) numéro(s) d'ordre suivant(s) de la liste générale  
De herkenningstekens zoals in kolom 7 vermeld, zijn aangebracht met betrekking tot de volgende nummers op de algemene lijst

b) GOODS EXAMINED\* / Vérifié les marchandises\*  
Goederen geïnspecteerd\*  
Yes / Oui / Ja No / Non / Nee

c) Registered under Reference No.\*  
Enregistré sous le numéro\*  
Ingeschreven onder n°\*

d) Customs Office / Bureau de douane / Douanekantoor  
Place / Lieu / Plaats  
Date (year / month / day) / Date (année / mois / jour) / Datum (jaar / maand / dag)  
Signature and Stamp / Signature et timbre / Handtekening & stempel

**I. Signature of authorised official and Issuing Association stamp / Signature du délégué et**  
Signature van de gemachtigde en stempel van de uitgifteorganisatie

To be completed by the Chamber

**Place and Date of Issue (year/-month/-day)**  
Lieu et date d'émission (année/-mois/-jour)  
Plaats en datum van uitgifte (jaar/maand/dag)

**J. Holder signs here**

X Signature of Holder / Signature du titulaire / Handtekening van de houder X

\*If applicable / \*S'il y a lieu / \*Indien van toepassing

TO BE RETURNED TO THE ISSUING CHAMBER IMMEDIATELY AFTER USE  
A RETOURNER A LA CHAMBRE ÉMETTRICE IMMÉDIATEMENT APRÈS UTILISATION  
ONMIDDELIJK NA GEBRUIK TERUG TE STUREN NAAR DE KAMER VAN UITGIFTE



## CARNET A.T.A.

Value must be correct and in euros

\*\*Show country of origin if different from country-/Customs territory of issue of the Carnet, using ISO country codes  
Indiquer le pays d'origine s'il est différent du pays-/territoire douanier d'émission du carnet, en utilisant le code international des pays ISO  
Het land van oorsprong vermelden indien verschillend van het land van uitgifte, en volgens de internationale ISO code

Boxes A, B, C and G to be completed by the Chamber

A.T.A. CARNET
CARNET A.T.A.

EXPORTATION	<b>A. HOLDER AND ADDRESS</b> / <i>Titulaire et adresse</i> / Houder en adres	<b>G. FOR ISSUING ASSOCIATION USE</b> / <i>Réservé à l'association émettrice</i> / Voorbehouden aan organisatie van uitgifte <b>EXPORTATION VOUCHER No.</b> / <i>Uitvoerstrook nr</i> <b>Volet d'exportation N°:</b> .....	
	<b>B. REPRESENTED BY*</b> / <i>Représenté par*</i> / Vertegenwoordigd door*	<b>a) CARNET No.</b> Carnet N° <b>BE</b> ..... Carnet A.T.A. nr .....	
	<b>C. INTENDED USE OF GOODS</b> / <i>Utilisation prévue des marchandises</i> / Voorgenomen gebruik van de goederen	<b>b) ISSUED BY</b> / <i>Délivré par</i> / Afgegeven door .....	
	<b>D. MEANS OF TRANSPORT*</b> / <i>Moyens de transport*</i> / Vervoermiddel*	<b>c) VALID UNTIL</b> / <i>Valable jusqu'au</i> / Geldig tot ..... / ..... / ..... year / année / jaar      month / mois / maand      day (inclusive) / jour (inclus) / dag (inclusief)	
<b>E. PACKAGING DETAILS (Number, Kind, Marks, etc.)*</b> <i>Détail d'emballage (nombre, nature, marques, etc.)*</i> Detail van de verpakking (aantal, soort, merken, enz.)*		<b>FOR CUSTOMS USE ONLY</b> <i>Réservé à la douane</i> / Voorbehouden aan de douane	
<b>F. TEMPORARY EXPORTATION DECLARATION</b> <i>Déclaration d'exportation temporaire</i> Aangifte tot tijdelijke uitvoer		<b>H. CLEARANCE ON EXPORTATION</b> <i>Dédouanement à l'exportation</i> / <i>Douanekantoor bij uitvoer</i>	
<b>I. duly authorised:</b> / <i>Je soussigné, dûment autorisé:</i> Ondergetekende:		<b>a) The goods referred to in the list are exported</b> / <i>Les marchandises énumérées à la liste figurant au verso ont été exportées</i> .....	
<b>a) declare that I am temporarily exporting the goods enumerated in the list overleaf and described in the General List under item No(s).</b> / <i>déclare exporter temporairement les marchandises énumérées à la liste figurant au verso et reprises à la liste générale des marchandises sous le(s) N°(s)</i> / verklaart tijdelijk uit te voeren, de goederen omschreven op de lijst op de keerzijde, welke op de algemene lijst vermeld zijn onder nr(s)		<b>b) Final date for duty-free reimportation in full</b> / <i>Date définitive de réimportation en franchise</i> ..... / ..... / ..... year / année / jaar      month / mois / maand      day (inclusive) / jour (inclus) / dag (inclusief)	
<b>b) undertake to stipulated by status in acc of the country of origin</b> / <i>s'engage à respecter le statut des marchandises en fonction de leur situation selon l'origine</i> .....		<b>c) This voucher must be forwarded to the Customs Office at:</b> <i>Le présent volet devra être transmis au bureau de douane de:</i> Deze strook moet gezonden worden naar het douanekantoor*	
<b>c) confirm that the information given is true and complete</b> / <i>certifie justes et complètes les indications-portées sur le présent volet</i> / verklaart deze aangifte oprecht en volledig		<b>d) Other remarks:</b> / <i>Autres mentions:</i> / Verdere opmerkingen*	
<b>The holder indicates the goods to be imported. Always check carefully!</b>		At / A / Te ..... Customs office / Bureau de douane / Douanekantoor	
<b>The holder signs to agree with everything declared in box F</b>		Date (year/month/day) ..... / ..... / ..... Date (année/mois/jour) ..... Datum (jaar/maand/dag)	
<b>Signature X</b> Signature / Handtekening .....		<b>Signature and Stamp</b> Signature et timbre / Handtekening en Stempel	
<b>Place</b> Lieu / Plaats .....		<b>Date (year/month/day)</b> ..... / ..... / ..... Date (année/mois/jour) - Datum (jaar/maand/dag)	
<b>Name</b> Nom / Naam .....		<b>Signature X</b> Signature / Handtekening .....	

Boxes D, E and F to be completed by the holder

Box H is reserved for the foreign customs of import who also maintains the sheet itself



5

10412

Boxes A, B, C and G to be completed by the Chamber

F

A.T.A. CARNET

CARNET A.T.A.

I M P O R T A T I O N	<b>A. HOLDER AND ADDRESS / Titulaire et adresse</b> Houder en adres	<b>G. FOR ISSUING ASSOCIATION USE / Réserve à l'association émettrice</b> Voorbehouden aan organisatie van uitgifte <b>IMPORTATION VOUCHER No. / Invoituistroom nr</b> Volet d'importation N°:
	<b>B. REPRESENTED BY* / Représenté par* /</b> Vertegenwoordigd door*	<b>a) CARNET No.</b> Carnet N° <b>BE</b> Carnet A.T.A. nr
	<b>C. INTENDED USE OF GOODS / Utilisation prévue des marchandises /</b> Voorgenomen gebruik van de goederen	<b>b) ISSUED BY / Délivré par / Afgegeven door</b>
	<b>D. MEANS OF TRANSPORT* / Moyens de transport* /</b> Vervoermiddel*	<b>c) VALID UNTIL / Valable jusqu'au / Geldig tot</b> year / année / jaar / month / mois / maand / day (inclusive) / jour (inclus) / dag (inclusief)
	<b>FOR CUSTOMS USE ONLY</b> Réservé à la douane / Voorbehouden aan de douane	
	<b>H. CLEARANCE ON EXPORTATION</b> Dédouanement à l'exportation / Douanebehandeling bij uitvoer	<b>a) The goods refer temporarily imported declaration</b> De hiernaast vermeldde goederen worden tijdelijk ingevoerd op basis van een tijdelijke importverklaring
	<b>b) Final date for re-exportation</b> Date limite pour la réexportation / Uiterste datum van heruitvoer year / année / jaar / month / mois / maand / day (inclusive) / jour (inclus) / dag (inclusief)	<b>c) Registered under reference No.*/ Enregistré sous le N°:*</b> Ingeschreven onder Nr*
	<b>d) Other remarks:*/ Autres mentions:*/</b> Verdere opmerkingen*	<b>Box H is reserved for the foreign customs of import who also maintains the sheet itself</b>
	<b>F. TEMPORARY IMPORTATION DECLARATION</b> Déclaration d'importation temporaire Aangifte tot tijdelijke invoer <b>I, duly authorised: / Je soussigné, dûment autorisé:</b> Ondergetekende:	
	<b>a) declare that I am temporarily importing in compliance with the conditions laid down in the laws and regulations of the country/Customs territory of importation, the goods enumerated in the list overleaf and described in the General List under item No(s). / Je déclare importer temporairement, dans les conditions prévues par les lois et règlements du pays/territoire douanier d'importation, les marchandises énumérées à la liste figurant au verso et reprises à la liste générale sous le(s) N°(s) / verklaart tijdelijk in te voeren, in overeenstemming met de wetten en bepalingen van het land van invoer, de goederen omschreven op de lijst op de keerzijde, welke op de algemene lijst vermeld zijn onder nr(s)</b>	
	<b>b) declare that the said goods will be used for the purposes stated in the list overleaf / Je déclare que les marchandises ci-dessus déclarées seront utilisées à / verklaart dat de goederen hierboven aangefijde voor de in de lijst over de keerzijde bedoelde bestemmingen zullen worden gebruikt</b>	
	<b>c) undertake to comply with these laws and regulations and to re-export the said goods within the period stipulated by the Customs Office or regularize their status in accordance with the laws and regulations of the country/Customs territory of importation / m'engage à observer ces lois et règlements et à réexporter ces marchandises dans les délais fixés par le bureau de douane ou à régulariser leur situation selon les lois et règlements du pays/territoire d'importation / verbindt zich ertoe om deze wetten en bepalingen te respecteren en de goederen binnen de door de douane vastgestelde termijn te re-exporteren of hun status te regulariseren overeenkomstig de wetten en bepalingen van het land van invoer</b>	
	<b>d) confirm the accuracy of the information provided on this form / Je confirme l'exactitude des indications portées sur le présent volet / verklaart deze aangifte oprecht en volledig</b>	
	<b>Signature X</b> Signature / Handtekening	

Boxes D, E and F to be completed by the holder

The holder indicates the goods to be imported. Always check carefully!

The holder signs to agree with everything declared in box F

\*If applicable / \*S'il y a lieu / Indien van toepassing

## Exports of cultural goods

Some works, including books and antiquities older than 100 years, or very valuable paintings and mosaics, cannot simply be traded or exported from Belgium. A list of the objects falling under this category can be found on [the website of the Department of Culture, Youth and Media](#). The latter issues a licence for goods located in Flanders and included in this list. Only once the licence has been issued can they be exported. There are different types of licences, depending on the type of performer (artist, heritage institution, etc.) and the type of export (temporary, permanent, single or multiple, etc.).

## 12. Which licences do you need to avoid import duties in the United Kingdom or Belgium?

As indicated in question 6, after Brexit a free trade agreement (FTA) was signed between the UK and the EU. The advantage of this FTA is that goods, including artworks, can be exported tariff-free from the EU to the UK (and vice versa) under certain conditions. These conditions boil down to the fact that an artwork must have been sufficiently 'processed or produced' in Belgium to obtain EU preferential origin in this way. For example, for Chapter 97 Nomenclature artworks, the prescribed condition in the FTA is 'change of tariff heading'.

**Example:** a painter produces a portrait with paint (HS 3212) on textile (HS 50-63) in Belgium. The painting is classified under commodity code 97 (chapter 97) of the Nomenclature. For more info on the commodity code, see question 8. In other words, no 'part' classified as HS97 was used in the final product, i.e. the painting with commodity code 97. So the tariff heading and even the 'parts' chapter was changed and since the painting was made in Belgium, all the conditions were met to grant the painting EU preferential origin.

Note that only artworks created ('processed or produced') in Belgium or the EU are eligible. Artworks with an origin ('were created') outside the EU that are merely resold to a customer in the UK, through a Belgian gallery for example, are not of EU preferential origin as they have not been further 'processed or produced' in Belgium or the EU. So in this case, you may have to pay import duties for the artworks when you import them into the UK.

### Proof of EU preferential origin for exports to the UK - REX licence

To benefit from EU preferential origin and the associated tariff-free imports into the UK, you need to prove this status to customs upon importation. To do so, you need to add a so-called 'REX statement' on your invoice (or on another commercial document such as a packing slip) to the UK customer. This statement reads as follows: *"The exporter of the products covered by this document (Exporter Reference Number...) declares that, except where otherwise clearly indicated, these products are of ... preferential origin."*

On the dotted line, fill in the country or territory from which the artwork is of preferential origin. For works created in the EU, this will be 'EU'. The statement then reads as follows: *"The exporter of the products covered by this document (Exporter Reference Number ...) declares that, except where otherwise clearly indicated, these products are of **EU preferential origin**."*

For shipments with a total value of less than €6,000, the declaration can be issued by any person. In that case, you do not need to add an 'exporter reference number' to your declaration, only EU preferential origin, in case of exports to the UK. Of course, the declaration can only be issued on condition that at least one of the items on the invoice is of EU preferential origin. You should clearly indicate which item that is, and specify that the other items on the invoice are not of EU preferential origin.

If the value of the shipment exceeds €6,000, you will need to apply for a REX licence and corresponding REX number prior to including the declaration on your invoice. You are then obliged to include this number on your invoice when claiming EU preferential origin. The application is made through the EU's online customs platform. You can find more information on the [website of the EU Commission](#). You will also need to mention on the customs declarations that you are using the REX licence. This is done using specific codes.

### Other licences to avoid UK/EU import duties

When the export to the UK is only temporary, as in the example where a Belgian museum lends pieces to a UK museum for an exhibition, you can export the goods to the UK using the ATA Carnet. More info on this can be found in question 11.

## 13. What should you take into account when transporting artworks to/from the UK?

Transporting artworks to or from the UK can be a complex process. You need to take several things into account to ensure that your artwork arrives safely and correctly at its destination. Below are the key issues to take into account. Topics that were already briefly explained include a reference to the corresponding question. Transport and packaging are briefly explained.

- 1. Packaging:** Packaging is essential to protect your artwork during transport. Also consider local requirements in terms of packaging and labelling. Additional information on packaging and labelling requirements can be found on the [European Commission website](#). When using the classification tool Access2Markets you also get information on packaging and labelling requirements after entering the commodity code, the country of destination and origin (see question 8). If you use an authorised transport company, they will also be aware of the specific packaging and labelling requirements.
- 2. Documentation:** It is important to have all the necessary documentation before transporting your artwork. The most important documents required are proof of ownership, export and import licences and customs declarations. More information on licences and customs declarations can be found in question 12 and question 4 of this brochure.
- 3. Insurance:** You may consider insuring your artwork in transit to protect yourself against loss or damage. Make sure you choose the right insurance coverage. Once again, it is important to check the insurance requirements with the transport company.
- 4. Transport method:** You should choose your shipping method based on the size, weight and fragility of the artwork. The options are air freight, sea freight or road transport. It is important to consider what type of Incoterm you are working with when selling and delivering to a buyer. This Incoterm will determine who is responsible for what during international transactions involving cultural goods. More information on the Incoterms can be found in question 9.

**5. Customs regulations:** The last and most important issue is customs regulations. Different countries have different customs regulations, and it is extremely important to be aware of these regulations when transporting artworks or other goods. You may have to apply for licences or pay taxes to comply with certain regulations. So it is important to always check the customs regulations applicable to the goods and country in question.

By taking the above factors into account, you ensure that your artworks or goods arrive safely at their destination. Certain steps involved in importing or exporting goods are complex. Therefore, if in doubt, it is advisable to consult further information or consider professional help from an art transportation company, insurance company or customs representative.

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