



GLOBAL
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ASSOCIATION

GEA LVS Duty/Tax Collection

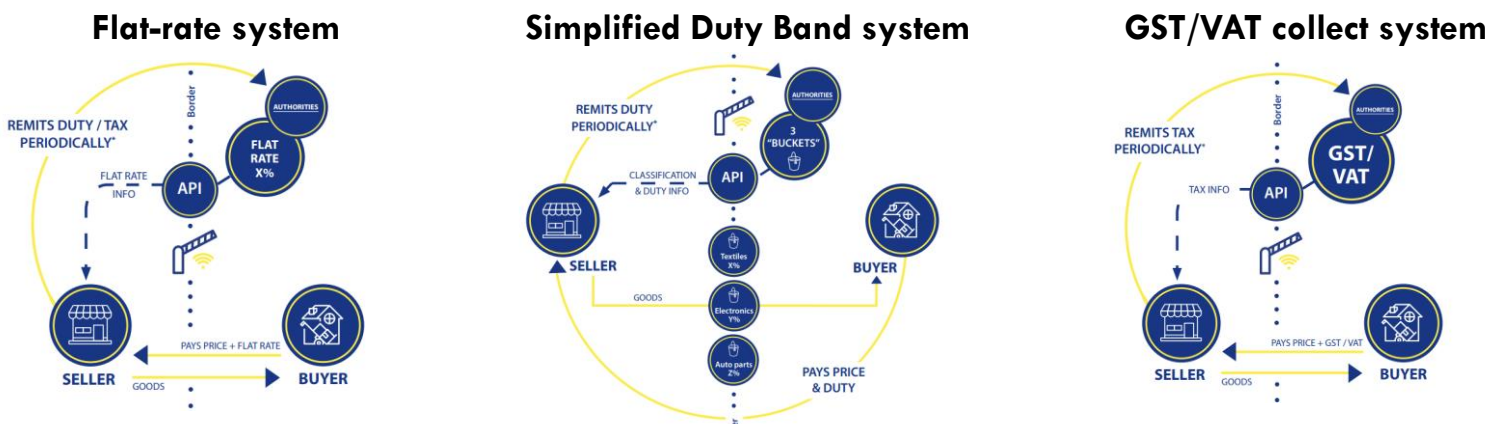
Technical Aspects

Global Express Association





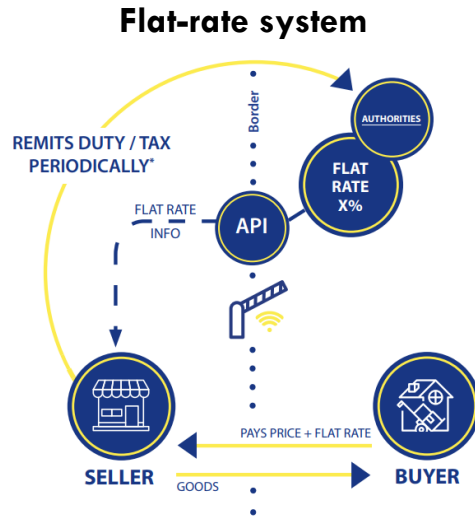
Possible Implementation Options:



- For low value B2C shipments, category 3 of the IRG, e.g. 1,000 SDR (~1,400 USD)
- Goods not subject to prohibitions and restrictions
- Simple classification, e.g. using chapter 98
- Simple value and origin verification
- Simple duty or tax rate structure



Option 1 – Technical Aspects

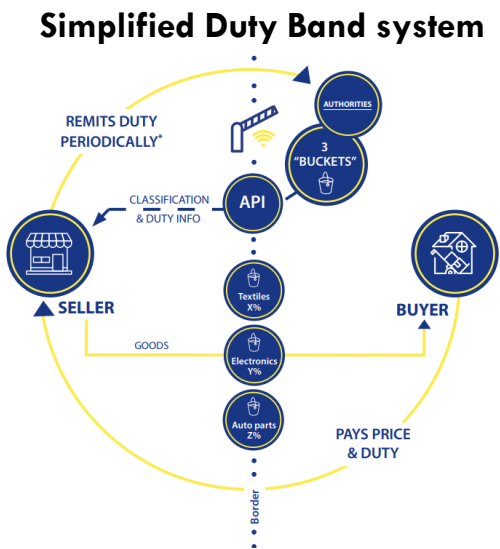


- Most simplified option in cases of no or low de minimis thresholds for both duties and taxes
- Based on WCO Recommendation of 1968
- Threshold set in 1968 at 60 USD (now ~470 USD)
- Combined rate of duties and GST/VAT, if applicable
 - Reasonable; examples of prohibitive rates

Source: Global Express Association, www.global-express.org



Option 2 – Technical Aspects

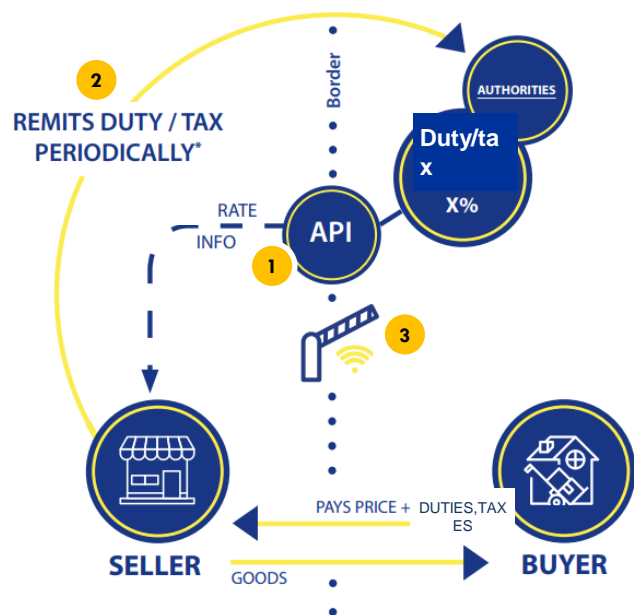


- For cases with a more differential duty treatment
- Few “buckets”, ideally no more than three
 - Full rate, reduced rate, zero rate
 - For shipments not covered by a PTA
- Simplified classification based on plain language rather than HS code, e.g. “textiles”, “shoes”, “sports equipment”, etc.

Source. Global Express Association, www.global-express.org



Common Features



- Vendor based; source of information
- Simple vendor registration
- Global duty/tax rate Repository
- Standard Application Programming Interface (API); automated duty/tax rate look-up
- Self-assessment
- Border Process based on TFA (7.1, 7.4, 7.8) and WCO Immediate Release Guidelines
 - Advance electronic data
 - Pre-arrival risk assessment
- Cross-border cooperation among Customs and tax authorities for compliance and enforcement



GEA Proposal for LVS Duty/Tax Collection Global Duty/Tax Rate Repository and API

DRAFT

Key questions:

- Which data is needed in the Global Repository?
- How much logic should the repository hold?
- How much data is needed to look up the info?
- Which functions/services should the API provide?
- Should there be a web access for public consultation?



Countries provide and maintain their country information through a central Government contact point

- Web interface
- API
- DLT

Global Repository

Database (or B/C based solution) with Duty&Tax rate Information per country:

- Option (flat rate, bucket, GST/VAT)
- Value threshold
- Prohibitions & restrictions
- Commodity list
 - Duty rate, ctry of origin for FTAs
 - GST/VAT rate (if different per commodity)
- GST/VAT rate, if same for all
- Other taxes (e.g. provincial/state tax)

Web shop/Marketplace/Platform



Web shop looks up duty/tax rate info

- Ctry of destination
- Commodity
- Ctry of origin
- Sales price

API

API queries repository and returns

- Positive:
 - Duty rate
 - VAT/GST rate
 - Other tax rates, if applicable
- Negative:
 - Sales price exceeds threshold
 - Commodity is prohibited



Web interface for public consultation

Global Duty/Tax Rate Repository

- Collection of official duty and tax rate info for LVS
 - Official and legally valid/binding
 - Each Economy to have official access/contact point
 - Could be hosted by WTO, leveraging existing notification channels
- 



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Automation : API



- Landed cost for consumer
- Vendor collect; self-assessment
- Reduction of undervaluation risk
- Open source; plug-in for online shops



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More details available

at

[www.global-](http://www.global-express.org)

[express.org](http://www.global-express.org)



**PROPOSAL ON TAX / DUTY
COLLECTION ON IMPORTED LOW
VALUE SHIPMENTS**

Collecting taxes and duties on ever increasing low-value e-commerce imports can be a challenge for Governments. Calculating complicated taxes and duties can discourage smaller traders from exporting globally.

But there are good examples of how this can be done in a simple way that benefits governments, traders - particularly micro, small and medium sized enterprises - and carriers, too. They should inform international policy. They would help boost trade.

This document proposes solutions based on an extensive analysis of existing best practices, carried out by the leading express delivery carriers.