



Evolving Global Regulatory Environment: Navigating the Changing Landscape

USPS International Business

Dynamic Global Regulatory Environment

The global cross-border shipping landscape is evolving at unprecedented speed. This session outlines how our strategy is strengthening USPS's value proposition and positioning us to win in the global marketplace.

We will provide an overview of the following:

- 1 What we know is changing
- 2 Why it matters
- 3 How mailing and shipping organizations can prepare for impacts to global trade and mail



Dynamic Global Regulatory Environment

Export (Outbound)

Additional customs data elements will be required for admissibility and to expedite customs clearance.

- 1 HS code**
 - Universal Postal Union (UPU) mandatory 6-digit HS code
 - Destination country 8/10/12-digit requirements
- 2 Phone number and email address** (UPU regulations; importing countries' customs requirements)
- 3 Other data elements** (importer/exporter reference numbers, Value Added Tax (VAT), customs fee paid, etc.)



Data Quantity



Data Quality



Data Availability

Dynamic Global Regulatory Environment

Import (Inbound)

Additional customs data elements will be required for admissibility and to expedite customs clearance.

Stop ACT

- 100% advance electronic data (AED) required
- Getting data in a timely manner to prevent delays and rejects

Interim Final Rule (IFR)

New U.S. Customs Clearance process for postal items

Access to Mail Data in ACE

By other U.S. federal agencies (Food and Drug Administration, Animal and Plant Health Inspection Service, Fish and Wildlife Service, etc.)

PHASE 1

USPS sending current mail data (ITMATT and PREDES) to U.S. Customs and Border Protection (CBP) ACE

PHASE 2

CBP sending data on mail admission, holds, and final disposition to USPS

What We Know About Overseas Changes for Export VAT/GST

Many countries introduced **significant regulatory changes** in recent years for the collection of VAT and Goods and Services Tax (GST) on cross-border ecommerce shipments.

1

Removal of VAT exemption for low-value items

2

Registration system established for sellers to collect at the time of sale and remit VAT to the destination country's customs authority

3

Shippers provide registration number either electronically and/or on the customs form, depending on the country

- Switzerland, Norway, European Union, United Kingdom, Australia, New Zealand, Singapore, Malaysia, Turkiye

See International Mail Manual Individual Country Listing for additional details

What We Know About Overseas Changes for Export Individual Tax Identification Numbers for Recipients

Several countries established systems in recent years to facilitate collection of taxes on cross-border ecommerce shipments from recipients using Individual Tax Identification Numbers.

Shippers provide Individual Tax Identification Numbers either electronically and/or on the customs form, depending on the country.



Argentina

Clave Única de Identificación
Tributaria (CUIT)



Brazil

Cadastro de Pessoas
Físicas (CPF)



Israel

Israeli Identity Number

See International Mail Manual Individual Country Listing for additional details

What We Know About Overseas Changes for Export European Union (EU) Developments for 2026 – 2028

1 Removal of customs duty exemption (de minimis) for items valued at <150€, planned for 07/01/26

2 Establishment of temporary 3€ per commodity flat-rate customs duty, planned for 07/01/26

3 Establishment of national and European Union flat-rate handling fees for items valued at <150€ – 2€ per commodity, planned for 11/01/26, originating from non-EU countries and imported into the customs union territory



Romania – 5€ per parcel, in force since 01/01/26, originating from non-EU countries and imported in Romania (even if cleared in other EU country)



France (including territories) – 2€ per commodity, in force since 03/01/26, originating from non-EU countries and imported in France mainland and territories (will end with introduction of European Union handling fee in November 2026)



Italy – 2€ per commodity, deferred until 07/01/26, originating from non-EU countries and imported in Italy

Note: The 3€ customs duty is distinct from national or EU handling fees; these are governed by different legal and operational mechanisms.

What We Know About Overseas Changes for Export

European Union (EU) Developments for 2026 – 2028

4 Removal of 3€ per commodity flat-rate customs duty, effective 07/01/28; establishment of ad valorem customs duties for all items will replace 3€ per commodity flat-rate customs duty, effective 07/01/28

5 European postal operators have formally raised concerns regarding feasibility, IT readiness, and proportionality of these measures for July 2026 implementation (i.e., PostEurop has raised concerns regarding postal operators' potential liability as indirect representatives under the 3€ duty framework)

6 Until now, postal operators could choose between “direct and indirect representation” for consignee

7 Industry is exploring the following solutions:

- A b2b2c Model, where an EU-based business becomes the importer of record, and the consumer receives the goods from that EU entity to adapt to the new EU customs rules
- A UPU-compliant Postal Delivered Duty Paid model, where duties and taxes are paid upfront, customs roles are clearly separated, and customers receive their items to address EU customs rules operationally

What We Know About Overseas Changes for Export Contact Information

Many countries request recipient contact information, when available:



Phone number
(preferably mobile)



Email address

Shippers provide contact information electronically via Shipping Services File (SSF)
and on the customs form, depending on the country.

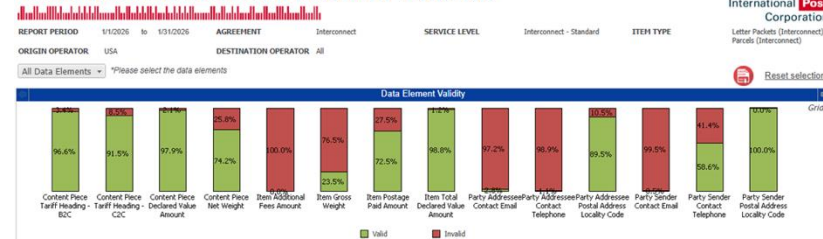
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What Does This Mean for USPS Cross Border (CTUS)?

Export Compliance

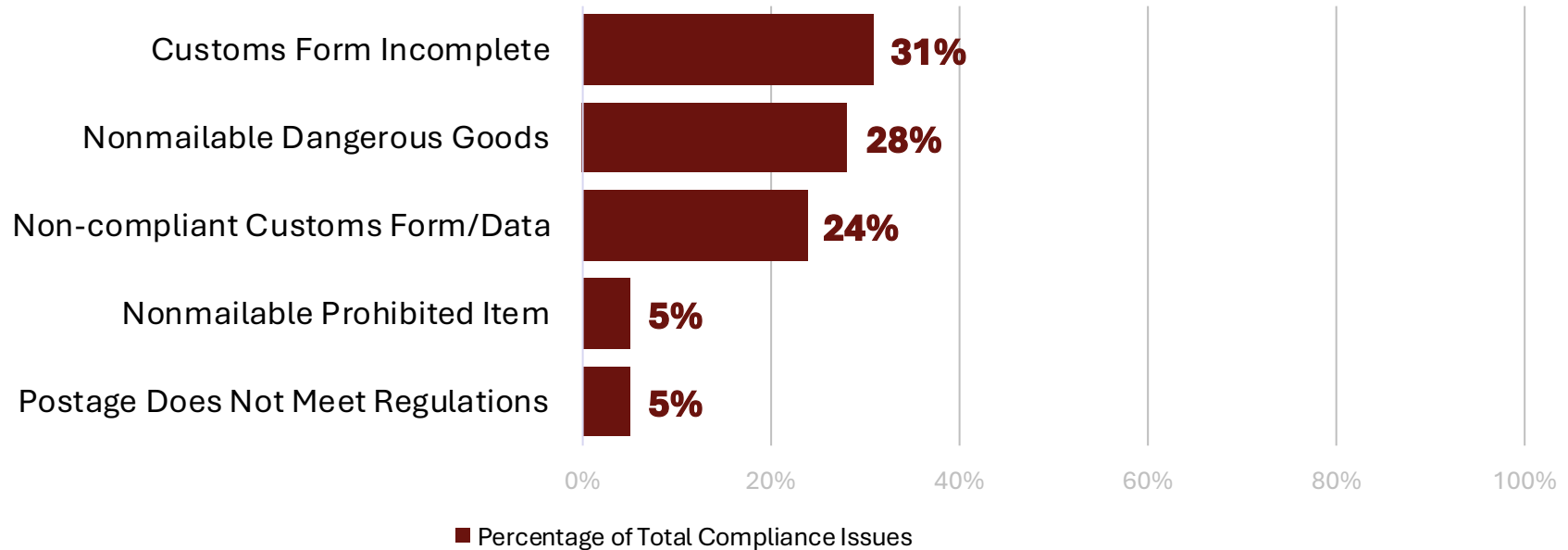
- AED compliance, including for mail containing documents above 16 oz – achieve 100% performance
- Military and diplomatic mail enforcement started in March 2026
- ITMATT v2.0 enhanced
- SSF updates to be in-line with ITMATT v2.0 enhanced
- Rigorous scrutiny of data quality by foreign customs:
 - Missing or invalid HS Codes (~40%)
 - Generic descriptions (~30%) (e.g., shoes, clothing, clothes, apparel, jewelry, battery, bag, CD, adapter, toy, medicine, accessories)
 - Address issues (~20%) (e.g., invalid postcode, “.” or “-”, or “unknown ” as locality name)
 - Other ERR messages (e.g., invalid currency code)

ITMATT DATA ELEMENTS CONTENT VALIDATION - OUTBOUND



What Does This Mean for USPS Cross Border Customs Territory of the United States (CTUS)?

Top 5 Outbound Trade Compliance Issues, identified by USPIS



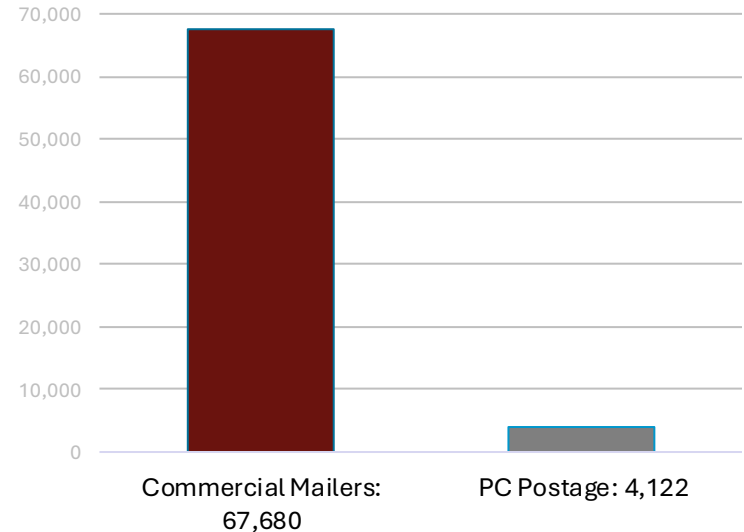
What Does This Mean for USPS Cross Border

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Dangerous Goods (DG)

- USPS applies uniformly all DG requirements for international mail, including military and diplomatic destinations and U.S. Pacific Territories and Freely Associated States destinations
 - American Samoa, Guam, Northern Mariana Islands, Micronesia, Marshall Islands, and Palau
- These unique requirements are often confused with 'pure' domestic mail's hazmat requirements (i.e., STC code)
- USPS works with mailers to reduce mail rejected at International Services Centers (ISCs) by DG label recognition program (to avoid cost and mail processing delays)—96% of all DGs intercepted at ISCs in 2025 were originated from commercial mailers and PC Postage sources

Packages rejected due to dangerous goods reasons in 2025



What Does This Mean for USPS Cross Border

What Does This Mean for USPS Cross Border (CTUS)?

Import

- More scrutiny on data quality
- Available resource for postal network:
 - UPU's Customs Declaration Service in 2026 is to fully implement ITMATT v2.0, provide HS codes look up (up to 14 digits), import and capture ITMATT v2's additional data elements
 - Mailers can benefit from using the Global UPU technology platform



GUEST SPEAKER



QUESTIONS?