

For non-EU businesses selling goods to EU customers

↳ FREE DDP GUIDE + 8-POINT CHECKLIST

Quoting DDP into the EU?

Check the costs before you commit.

Use 8 checks to review duty, import VAT and upfront cash.

3 routes to compare

1 worked example

8 pre-quote checks

Including Netherlands-based import options.

FROM THE CHECKLIST



We have agreed in writing who is the importer of record.



We have confirmed how import VAT will be paid or accounted for.

↳ WORKED EXAMPLE · ILLUSTRATIVE

What needs funding at import?

Illustrative DDP shipment into the Netherlands

Without import-VAT deferral

Customs value	€100,000
Import duty	€3,000
Import VAT	€21,630
Paid at import	€24,630

Assumed duty: 3%. Dutch import VAT: 21% on €103,000. Broker and handling fees excluded.

Import VAT may be recoverable, but that does not remove the upfront funding requirement in this example.

See which arrangements can change the upfront VAT payment, and what to confirm first.

Who arranges and pays for the import

Under DDP you agree to clear the goods into the EU and to pay the duty and import VAT. That is a contractual promise. Having the customs and VAT arrangements to keep it is a separate step.

Responsibility	Under DAP	Under DDP
Import clearance	Buyer	Seller
Import duty	Buyer	Seller
Import VAT	Buyer	Seller
Arrangements to put in place	Buyer's	Seller's

Incoterms 2020. Incoterms set who is contractually responsible for clearance and costs between buyer and seller. Who may lodge the customs declaration, and how, is set by EU customs law and the arrangements you put in place.

Three customs requirements

Which requirements apply depends on your import setup. Under DDP, arranging them is the seller's job.

1 An EU EORI number

Needed before a customs declaration can be lodged with you as the importer.

CONFIRM

A UK, US or other non-EU EORI is not valid for EU imports.

2 Someone to lodge the declaration

The declaration is lodged by a customs representative, acting either in your name or in its own name on your behalf.

CONFIRM

A business not established in the EU generally cannot be the declarant itself and needs indirect representation. Not every broker offers it. Customs representation is separate from fiscal (VAT) representation.

3 Import duty

Charged on the customs value, broadly the goods plus freight and insurance to the EU border, at the rate for the tariff code and origin.

NOTE

Duty is a cost. It is not recovered through a VAT return.

Two VAT requirements

4 Import VAT

Charged on the customs value plus duty and certain costs up to the place of destination. In the Netherlands the standard rate is 21 percent. Unless a deferral arrangement is in place, it is paid when the goods clear.

RECOVERY

Normally through a VAT return in the country of import, either your own or a fiscal representative's. Businesses without an EU registration may be able to claim a refund under separate rules. Entitlement is not automatic.

5 VAT on the onward sale

Once imported in your name, the sale to your customer takes place inside the EU and has its own invoicing and reporting.

CONFIRM

The treatment depends on where the goods are and who the customer is. Check it before the first sale.

In short. Duty is a cost. Import VAT is usually recoverable; the questions are how, by whom, and how long the cash is out.

Ways to handle a DDP import

Two routes use Netherlands-based arrangements. None is a complete answer for every EU country, goods category or transaction.

ROUTE A

Quote DAP instead

- CHANGES** Your customer becomes the importer and pays duty and import VAT.
- MAY FIT** Occasional shipments to customers who are set up to import.
- CONFIRM** Whether your customers will accept DAP, and your own VAT position on the sale.

ROUTE B · NETHERLANDS

Limited fiscal representation

- CHANGES** A fiscal representative with a limited permit handles the import and its VAT under its own registration and Article 23 permit, so import VAT is not paid upfront.
- MAY FIT** Regular DDP shipments that move straight on to business customers. Distance sales to consumers are not covered.
- CONFIRM** That the representative's permit covers your flow. The goods need a fixed destination when they are imported. Holding stock to sell later is not covered.

ROUTE C · NETHERLANDS

Your own Dutch VAT registration or entity

- CHANGES

You register for Dutch VAT, with a general fiscal representative if you are not established, or set up a Dutch BV. An Article 23 permit is then issued on your own Dutch VAT number. Without a Dutch entity, your representative applies for it.
- MAY FIT

Growing EU volume, stock in an EU warehouse, or a longer-term presence.
- CONFIRM

Eligibility and timing for the permit. Registration alone does not grant it.

	A · DAP	B · Limited rep	C · Own registration
Import VAT paid upfront	By your customer	Usually not, under the representative's permit	Usually not, once your permit is granted
Your own Dutch VAT number	No	No	Yes
Holding stock in the EU	Not under DAP	Not covered	Possible, with registration

The actual position depends on the arrangement you put in place and the country of import.

One €100,000 shipment, three ways

Assumptions. Customs value €100,000 including freight and insurance · duty rate 3 percent (assumed) · Dutch import VAT 21 percent · VAT base €103,000 · broker and handling fees excluded.

Quoted DAP

1

Your customer is the importer, pays duty and VAT, and recovers the VAT through its own return. The import is still taxed.

SELLER PAYS AT IMPORT

€0

Customer: €24,630

DDP without import-VAT deferral

2

You are the importer. €3,000 duty is a cost. €21,630 import VAT is paid at clearance and recovered later, if registered and entitled to deduct.

SELLER PAYS AT IMPORT

€24,630

Duty €3,000 + VAT €21,630

DDP with an eligible Article 23 arrangement

3

Import VAT goes on the VAT return instead of being paid at clearance: declared and deducted in the same return, assuming full deduction entitlement.

SELLER PAYS AT IMPORT

€3,000

No upfront import-VAT payment under these assumptions

Takeaway. Duty is a cost in every case. With full deduction entitlement, an Article 23 arrangement changes when import VAT is funded, not the amount of VAT due. Cash flow, not a tax saving.

Eight checks before you quote DDP

Tick Confirmed when you have it in writing. Use To resolve for anything still open.



We have agreed in writing who is the importer of record on this shipment.

TO RESOLVE Put it in the contract and the shipping instructions before the goods ship.



We hold an EU EORI number.

TO RESOLVE Apply before the first shipment. A non-EU EORI does not count.



We know who lodges the customs declaration, and in what capacity.

TO RESOLVE Ask the forwarder or broker in writing: direct or indirect representation.



We know the tariff code and duty rate, and the duty is in the price.

TO RESOLVE Get the classification confirmed. Duty is a cost, not recoverable VAT.

Checks five to eight



We have confirmed how import VAT will be paid or accounted for.

TO RESOLVE Choose between paying at clearance and an eligible deferral. Deferral must be arranged beforehand.



We have confirmed how import VAT will be recovered, by whom, and when.

TO RESOLVE A VAT return, a fiscal representative, or a refund claim. Confirm entitlement, not just the route.



We have confirmed how VAT applies to the onward sale to the customer.

TO RESOLVE Check invoicing and reporting with your adviser before the first EU sale.



The DDP price covers duty, VAT handling, broker fees and the cash funded upfront.

TO RESOLVE Add them before sending. A DDP price without them is an unintended discount.

A completed checklist is a preparation aid, not a compliance confirmation. Tick the boxes on pages 9–10 in this PDF, or print them.

↳ OPTIONAL NEXT STEP

Need help applying this to your shipments?

A 20-minute call to go through how your goods move and which of the three routes is worth looking at. We can give you a direction, not a final tax or legal conclusion.

- ✓ Which route fits your flow
- ✓ What to confirm before the next quote
- ✓ What setting it up would involve

Useful to have at hand: your usual Incoterm, where goods enter the EU, your annual EU import value, and whether you hold stock in the EU.

Discuss your DDP setup

20-minute call · no obligation



Sources: ICC Incoterms 2020 · Union Customs Code, Regulation (EU) 952/2013 · Dutch Tax Administration guidance on the Article 23 permit and fiscal representation.

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