



TRADE OBSERVER

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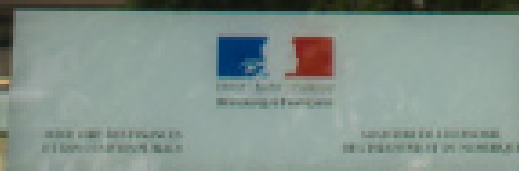
Modernization of concepts and
processes

DIRECTION GÉNÉRALE
DES DOUANES
ET DROITS INDIRECTS

IN 2022, THE REVERSE CHARGE OF
VAT ON IMPORTS WILL BECOME
MANDATORY AND AUTOMATIC.

A NEW CUSTOMS TOOL: FRANCE
SESAME

CAN NEW TECHNOLOGIES SOLVE
THE PROBLEMS OF THE SUPPLY
CHAIN



In 2022, the reverse charge of VAT on imports will become mandatory and automatic

As of January 1, 2022, the General Directorate of Customs and Indirect Rights (DGDDI) will transfer the management and collection of VAT applicable to imports to the General Directorate of Public Finance (DGFIP) for all taxpayers identified for VAT in France.

As a reminder, a valid French intra-community VAT number must be communicated by the taxpayer to the DGDDI. This mechanism of simultaneous declaration and payment on the VAT return becomes automatic and mandatory. As a consequence, companies that do not have this number but wish to carry out import operations must first ask their company tax department (SIE) for the attribution of a French intra-community VAT number and opt for the normal real regime.

In addition, each taxpayer will have a VAT tax return pre-filled with certain customs data relating to its import operations, and will be responsible for verifying the amounts as of January 1, 2022.



A dedicated notice is already available on the DGFIP website. In addition, the DGDDI will provide additional assistance by making available a dedicated space on the customs.gouv.fr website. This will provide access to a table containing certain customs data from their customs declarations for a given reference period.

This data will include the declaration number and its date of "bon à enlever" (BAE), the application concerned (Delta-G / XI / H7), the item number and the nomenclature of goods, the VAT rate applied and the associated taxable base. Within the framework of this reform, the SIE of the operator liable for payment becomes his main contact for these changes, in the same way as for ordinary VAT and the other professional taxes managed by the DGFIP.

A new customs tool: France SESAME

Customs procedures and related administrative steps are not always easy. The different customs controls and processes when certain goods cross borders can be a real administrative headache. Fortunately, some actors provide tools to facilitate all this.

Focus on France SESAME: the new tool available to supply chain actors.

A joint initiative of several entities

France SESAME is the result of an initiative between French Customs, the Ministry of Agriculture, the Repression des Fraudes and the Ministry of Ecology. This platform went online on November 17 in the ports of Le Havre, Dunkirk and Marseille.

The creation of a single digital contact point at the borders was one of the main measures in the government's plan to improve the competitiveness of the French logistics chain. The platform will be the reference tool at the main ports for managing sanitary, phytosanitary and veterinary controls, as well as marketing compliance controls and controls on EU organic farming criteria.



The features

Logisticians, freight forwarders, registered customs representatives and other importers will have access to multiple services such as real-time tracking that allows them to view the status of the formalities and administrative controls related to the passage of their goods. They will also be able to make appointments. This service allows users to schedule the completion of controls of the rules of conformity of fruits and vegetables or the criteria of the EU on organic farming. Users will be able to view and download their digital import file, which includes the administrative formalities related to the border crossing of goods. Not only that, but a notification service (by SMS, email, or via the platform) on border crossing formalities will be available, allowing users to proactively take the necessary steps and actions.

Can new technologies solve the problems of the Supply Chain

In recent years, the continuous arrival of new technologies has opened up more opportunities in the supply chain. In the midst of a pandemic, let's zoom in on two promising concepts.

Investing in specific technologies can be key to making the supply chain more sustainable. For example, data analytics can be used to forecast future demand, as well as potential supply chain disruptions. Supply chain management is too often reactive rather than proactive. Predictive analytics can enable companies to make better decisions. Based on data analysis, a buyer can decide when to place an order, with the analysis helping to determine whether the risks of sourcing based on the manufacturer's delivery times are reasonable.



In addition to data analytics, the concept of "smart contracts" can change procurement dynamics. Effective communication is key. Smart contracts are based on the blockchain, a set of unbiased and (nearly) foolproof computer programs that form, execute and enforce agreements. For example, the parties to a supply contract want to use a smart contract. They agree on conditions, which are converted into computer code and deployed on a blockchain. These conditions can be "If you supply such and such a material of such and such quality to such and such a site within such and such a period of time, you will be paid X€ ... The smart contract will execute itself once the conditions are met. The inherent nature of a blockchain, which is a sort of large distributed ledger, subject to a consensus protocol, allows for trust in any transaction. Once data has been deployed on a blockchain, it becomes extremely difficult to alter. Smart contracts ultimately bring visibility to transactions, security and efficiency by eliminating intermediaries. This would greatly improve the efficiency of the supply chain, making supply models evolve. There are many new technologies that can be used to improve these processes. At Customs Bridge, we use Artificial Intelligence to simplify customs procedures, more info on www.customsbridge.fr