

Customs & Tax Series| EU and US Customs Clearance Manuals: A Comparison of the Full Process from Shipment to Release for Small Packages and General Cargo in E-commerce



Many cross-border logistics issues appear to be caused by "slow customs clearance." In reality, however, the root cause is often established before the shipment even leaves the origin: the HS code has not been confirmed, the consignee is not the Importer of Record (IOR),

the IOSS number has not been transmitted into the customs declaration data, U.S. low-value shipments are still being quoted based on the outdated Section 321 duty-free logic, or the ISF filing has been overlooked for ocean freight general cargo. Customs clearance does not begin when the cargo arrives at the port of entry. A truly professional approach is to establish a clear customs clearance strategy from the very beginning—at the moment the order is placed, inventory is prepared, and shipping documentation is created.

Customs clearance is not a single action—it is a complete chain of responsibilities.

Although the customs clearance requirements of the European Union and the United States differ, their underlying logic is remarkably similar. Regulatory authorities need to determine:

What the goods are;

How much they are worth;

Who the importer is;

How duties and taxes should be calculated; and

Whether the products comply with applicable import admissibility requirements.

If customs clearance is broken down into its core components, it essentially consists of the following five areas:

Process Stage	What Customs Authorities Actually Care About	Most Common Operational Mistakes
Advance Data Submission	Whether the cargo, transportation route, and responsible parties can be accurately identified	Product descriptions are overly generic; consignee information is incomplete; inconsistencies between the waybill and commercial invoice
Commodity Classification	Whether the HS/HTS/CN/TARIC classification is correct	Simply copying the supplier's HS code without verifying the destination country's tariff schedule
Customs Valuation & Duties	Whether the declared customs value is reasonable and who is responsible for duties and taxes	Under-declaration of value, incorrect currency, or unclear Incoterms
Regulatory Compliance	Whether the shipment involves food, pharmaceuticals, children's products, electronics, animals, plants, or other regulated commodities	Discovering missing certificates, product labels, or registrations only after the shipment arrives at the destination port
Customs Release & Post-Clearance Compliance	Whether the cargo can be released, whether records must be retained, and whether post-clearance audits may apply	Assuming all responsibilities end after customs release and failing to retain documentation

Therefore, the objective of this Customs Clearance Manual is not simply to memorize customs concepts.

Its purpose is to clearly identify the operational procedures, responsible parties, and potential risk points for every shipment—from origin dispatch through final completion of the customs clearance process.

Universal Pre-shipment Preparation Checklist

Whether your shipment is destined for the European Union or the United States, and whether it is an e-commerce parcel or general cargo shipment, it is strongly recommended that the following checklist be completed before shipment.

Preparation Item	EU Focus	U.S. Focus	Practical Recommendation
Product Description	CN/TARIC, IOSS/H7 or formal customs declaration	HTS、ACE、PGA data	Never use vague descriptions such as goods、sample、parts
HS / Tariff Classification	HS/CN/TARIC	HTSUS	Conduct a preliminary classification first, then have the customs broker verify the final tariff classification.
Importer	EORI、VAT、IOSS、IOR	IOR、EIN/SSN、CBP Form 5106	An overseas warehouse does not automatically

Preparation Item	EU Focus	U.S. Focus	Practical Recommendation
			serve as the Importer of Record.
Invoice Value	VAT, Customs Duty, Declared Customs Value	Duties, MPF, HMF, PGA Review	The declared value must be fully supported by purchase orders and payment records.
Incoterms	DAP, DDP, and responsibility for Import VAT	DAP, DDP, and responsibility for customs duties	Clearly define each party's responsibilities before issuing quotations.
Product Compliance	CE, REACH, Food Contact Compliance, EPR, etc., depending on the product	FDA, CPSC, FCC, EPA, USDA, etc., depending on the product	Do not wait until the shipment reaches the destination port to obtain compliance documentation for regulated products.
Mode of Transportation	ICS2 / ENS Security Filing	ACE, AMS, ISF, Air/Ocean Cargo Manifest	Filing deadlines are earlier than most people expect.
Customs Clearance Agent	Customs broker within the relevant EU Member State	Licensed U.S. Customs Broker	Submit all required documentation well before cargo arrival instead of searching for a broker after the shipment reaches the destination port.

If you just want to determine which HS code a product might fall under, you can use OneCargoKit's HS Code Lookup for a preliminary search. Note that this

tool can only help narrow down the range; for complex products, combined products, electric products, medical or food-related products, the final determination should still be based on the destination country's customs tariff, customs rulings, and professional opinions.

EU Customs Clearance: E-commerce Parcels vs. General Cargo

One of the most common areas of confusion in EU customs clearance is the distinction between two different customs clearance models:

Cross-border B2C e-commerce parcels, and General cargo imports for B2B transactions or inventory replenishment (including overseas warehouse stocking) .

Type	Typical Scenario	Key Systems / Concepts	Typical Customs Declaration Logic
E-commerce Parcels	Independent websites, marketplace orders, direct-to-consumer (DTC) shipments	IOSS, H7, ICS2, Postal/Courier Customs Clearance	Customs declarations are submitted on a parcel-and-order basis, with primary emphasis on VAT treatment for low-value consignments and data accuracy.
General Cargo	Ocean FCL, consolidated air	EORI, TARIC, H1 Declaration,	Formal import declarations are

Type	Typical Scenario	Key Systems / Concepts	Typical Customs Declaration Logic
Imports	freight, overseas warehouse replenishment, B2B shipments	Release for Free Circulation	submitted, with primary focus on customs duties, import VAT, import licensing, and product compliance.
Transit / Customs Warehousing	Goods first enter a bonded warehouse, transit procedures, followed by subsequent sales	Transit, Customs Warehouse	Goods do not necessarily enter free circulation immediately; formal customs declaration may be completed at a later stage.

One of the most important concepts in EU customs law is **release for free circulation**.

This means that after imported goods have completed all import customs formalities, all applicable customs duties and import VAT have been paid, and all applicable import restrictions and regulatory requirements have been satisfied, the goods obtain Union Goods Status, allowing them to circulate freely throughout the European Union market.

EU E-commerce Parcels: Customs Clearance Process from Shipment to Final Delivery

Since 2021 , the European Union has abolished the VAT exemption threshold for low-value imported goods.

As a result, cross-border e-commerce parcels are no longer exempt from VAT simply because they are of low value.

The Import One-Stop Shop (IOSS) was introduced to simplify VAT declaration and collection for eligible B2C imported goods valued at no more than EUR 150.

However, it is important to understand that:

IOSS is not a duty or tax exemption scheme;

It is not applicable to every type of commodity;

Goods subject to excise duties are generally not eligible for the IOSS scheme.

Stage	Action	Responsible Party	Key Documents / Information	Common Mistakes
1. Pre-sale Pricing	Determine whether IOSS will be used	Seller / Marketplace Platform	Product value, destination country's VAT	Mistaking IOSS for a tax exemption

Stage	Action	Responsible Party	Key Documents / Information	Common Mistakes
	and whether VAT will be collected at the time of sale		rate, IOSS registration scheme	mechanism
2. Order Processing & Parcel Consolidation	Link orders, SKUs, and buyer information to individual parcels	Seller / Marketplace / ERP System	SKU, product description, quantity, transaction value, delivery address	Consolidating multiple orders with a combined value exceeding EUR 150 while still declaring them under IOSS
3. Shipment Preparation	Generate shipping labels, commercial invoices, or electronic shipment data	Seller / Logistics Service Provider	English product description, HS code, declared value, currency, electronic transmission of the IOSS number	Printing the IOSS number only on the shipping label without transmitting it through the customs declaration data
4. Linehaul Advance Filing	Submit ENS (Entry Summary Declaration) security data to the EU ICS2 system	Carrier / Postal Operator / Express Courier / Freight Forwarder	Shipper, Consignee, Product Description, Quantity, Weight, Transportation Route	Generic product descriptions triggering ICS2 risk screening
5. Arrival in the EU	Present the goods to	Carrier / Customs	Air Waybill, Manifest,	Physical cargo information

Stage	Action	Responsible Party	Key Documents / Information	Common Mistakes
6. Low-Value Customs Declaration	Customs pending declaration matching	Broker	Parcel Data	inconsistent with electronic declaration data
	Eligible low-value consignments may use the simplified customs dataset	Customs Broker / Postal Operator / Express Carrier	H7 Declaration or local low-value declaration dataset, IOSS information	Invalid IOSS number or Customs suspecting the actual value exceeds EUR150
7. VAT / Duty Processing	VAT collected through IOSS before importation or collected upon import	Marketplace / Seller / Customs Clearance Agent	VAT declaration data, tax payment records	Buyers being charged VAT twice, resulting in customer complaints
8. Customs Release & Final Delivery	Cargo enters last-mile delivery after Customs release	Carrier / Last-mile Delivery Provider	Customs release status, delivery address	Incorrect delivery address or consignee refusing to pay taxes and charges
9. Record Retention	Maintain order, invoice, customs declaration, and tax payment	Seller / Marketplace Platform	Order records, IOSS records, logistics tracking history	Failure to provide supporting documentation during post-clearance audits



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Stage	Action	Responsible Party	Key Documents / Information	Common Mistakes
	records			

In actual operations, the most common issue with EU e-commerce parcels is not whether an IOSS number exists, but whether **the IOSS data has been correctly transmitted into the customs declaration system.**

Many sellers provide their IOSS number to the logistics provider. However, if the logistics system fails to map the IOSS number to the corresponding parcel, Customs in the destination country will still process the shipment as a parcel for which import VAT has not been prepaid.

This frequently results in duplicate VAT collection and subsequent customer complaints.

**EU General Cargo Customs Clearance: Overseas Warehouse
Replenishment • B2B Shipments • Ocean FCL • Air Freight**

Compared with cross-border e-commerce parcels, the import customs clearance process for general cargo is much closer to the traditional customs

clearance model. The primary focus is no longer individual consumer orders, but rather the Importer of Record, Commercial Invoice, Packing List, tariff classification, Import VAT, and product compliance requirements.

Stage	Action	Responsible Party	Key Documents / Information	Risk Alert
1. Confirm the Importer	Confirm who will act as the Importer of Record	Seller / Buyer / Overseas Warehouse	EORI Number, VAT Number, Company Information, Letter of Authorization	Overseas warehouses generally do not automatically assume Importer of Record responsibilities.
2. Tariff Classification & Duty Estimation	Determine the applicable HS/CN/TARIC classification and estimate Customs Duty and Import VAT	Customs Broker / Importer	Product Photos, Material Composition, Intended Use, Ingredients, Technical Specifications	China's export HS Code is not equivalent to the EU TARIC classification.
3. Product Compliance Review	Determine whether CE, REACH, food, plant, animal, or other regulatory compliance requirements apply	Importer / Brand Owner	Test Reports, Certificates, Product Labels, User Manuals	General cargo does not mean the shipment is free from regulatory controls.
4. Prepare Shipping Documents	Prepare the Commercial Invoice, Packing List, Contract, and	Shipper / Freight Forwarder	Commercial Invoice, Packing List, B/L/AWB	Inconsistencies in product description, quantity, weight,

Stage	Action	Responsible Party	Key Documents / Information	Risk Alert
	Transport Documents			or declared value may delay customs clearance.
5. Advance Security Filing	Submit entry security data through ICS2 / ENS	Carrier / Freight Forwarder	Cargo Manifest, Cargo Description, Transportation Route	Filing requirements differ for air freight, ocean freight, and express shipments.
6. Arrival & Temporary Storage	Cargo arrives at the port of entry or temporary customs-controlled storage facility	Carrier / Port Terminal / Airport	Arrival Notice, Cargo Location Information	Missing documents may result in storage charges and cargo detention.
7. Formal Customs Declaration	Submit the import declaration and apply for Release for Free Circulation	Customs Broker / Importer	H1 Declaration, Commercial Invoice, Packing List, Import Licenses (where applicable)	Customs may question the declared customs value, tariff classification, or country of origin.
8. Payment of Duties & Taxes	Pay Customs Duty, Import VAT, Excise Duty (where applicable), and other import charges	Importer / Tax Representative / Customs Broker	Duty Assessment, Deferred Payment Account	Import VAT is often omitted when quoting DDP shipments.

Stage	Action	Responsible Party	Key Documents / Information	Risk Alert
9. Customs Examination & Release	Customs or other regulatory authorities conduct inspections and grant release	Customs Authority / Regulatory Agencies	Supplementary Documents, Samples, Laboratory Test Results	Customs inspection itself is not the issue; failure to provide supporting documentation is.
10. Warehousing / Distribution	Deliver the released cargo to the warehouse or consignee	Logistics Service Provider / Overseas Warehouse	POD, Warehouse Appointment, Inventory Information	Customs release does not necessarily mean the warehouse is ready to receive the cargo.

If your shipment is moved under DDP or DAP terms, but your team has not yet confirmed who will be responsible for Import VAT, Customs Duty, and customs clearance service fees, it is advisable to establish a unified understanding of the applicable Incoterms responsibilities before issuing quotations.

Many customs clearance disputes in Europe originate not from Customs authorities themselves, but from failing to clearly define each party's responsibilities during the quotation stage.

U.S. Customs Clearance: Special Attention to the Changes in the Low-Value Shipment Rules in 2026

In the past, the U.S. customs clearance policy most familiar to cross-border e-commerce sellers was **Section 321 de minimis**, under which eligible low-value shipments with a total value not exceeding USD 800 per consignee per day could generally qualify for duty-free expedited customs clearance. Many parcel services, express delivery solutions, and marketplace logistics programs were originally designed around this policy.

However, this framework has undergone significant changes.

According to publicly available information released by U.S. Customs and Border Protection (CBP) and the Department of Homeland Security (DHS), the United States introduced substantial changes to its low-value shipment rules beginning in 2025. Shipments originating from China and Hong Kong were affected first. Subsequently, CBP announced that, effective August 29, 2025, **imported goods valued at USD 800 or less, regardless of their country of origin, are no longer eligible for duty-free de minimis treatment.**

This change has significant implications for cross-border sellers. It is no longer appropriate to simply quote logistics services or design transportation solutions based on the traditional assumption that "shipments valued below USD 800 are duty-free in the United States."

Actual customs clearance operations should always be based on the latest CBP guidance, the advice of the appointed U.S. Customs Broker, carrier requirements, and the shipment's country of origin, HTS classification, and applicable regulatory requirements.

U.S. E-commerce Parcels: Customs Clearance Workflow from Order Placement to Final Delivery

Stage	Action	Responsible Party	Key Documents / Information	2026 Operational Focus
1. Pre-sale Pricing	Determine whether the shipment will move under DDP or DAP terms and whether duties and taxes will be prepaid	Seller / Marketplace Platform	Product Value, HTS Classification, Country of Origin, Destination State	Do not continue applying the previous USD 800 duty-free logic.
2. Confirm the	Select the	Seller /	Service	Confirm

Stage	Action	Responsible Party	Key Documents / Information	2026 Operational Focus
Import Route	transportation solution, such as express courier, postal service, dedicated line, or overseas warehouse replenishment	Logistics Provider	Product, Customs Clearance Model, Carrier Requirements	whether the selected service supports duty-and-tax prepayment and customs data transmission.
3. Commodity Classification	Determine the applicable HTSUS classification	Seller / Customs Broker	Material, Intended Use, Function, Product Images, Composition	The HTS classification determines applicable duties, PGA requirements, and additional trade measures.
4. Shipping Documentation	Generate the electronic shipping label and commercial invoice data	Seller / Marketplace Platform / Logistics Provider	English Product Description, Quantity, Declared Value, Currency, Country of Origin	Never use vague descriptions such as accessories, gift, sample
5. Advance Cargo Filing	The carrier submits manifest or parcel data to CBP through the ACE system	Express Carrier / Postal Operator / Freight Forwarder	Parcel Data, Shipper, Consignee, Transportation Route	Data quality directly affects customs release and inspection

Stage	Action	Responsible Party	Key Documents / Information	2026 Operational Focus
				risk.
6. Import Declaration	Submit the shipment under the customs declaration procedure applicable under current regulations	Customs Broker / Carrier / Marketplace Platform	HTS Classification, Declared Value, Importer of Record (IOR), PGA Data	Previously used procedures such as Type 86 and Section 321 must be reassessed under the latest regulations.
7. Duty & Tax Processing	Calculate and pay applicable customs duties, fees, and any additional taxes	Importer / Customs Clearance Agent / Carrier	Duty Assessment, Payment Records	DDP quotations should include an adequate contingency allowance for duties and taxes.
8. PGA Review	Regulatory agencies such as FDA, CPSC, FCC, EPA, and USDA review shipments when applicable	Regulatory Authorities / Customs Broker	Certificates, Product Labels, Registrations, Test Reports	Particular attention should be given to batteries, children's products, food, cosmetics, and other regulated products.
9. Customs	Following CBP	Carrier /	Customs Release	Customs

Stage	Action	Responsible Party	Key Documents / Information	2026 Operational Focus
Release & Final Delivery	release, the shipment proceeds to last-mile delivery	USPS / Last-mile Delivery Provider	Status, Delivery Address	release does not necessarily eliminate potential duty or tax disputes with the consignee.
10. Post-entry Record Retention	Maintain customs declaration records, order information, payment records, and duty documentation	Seller / Marketplace Platform	Order Records, Commercial Invoices, Customs Declaration Records	Documentation must be available in the event of a CBP review or marketplace compliance audit.

One of the most significant changes affecting U.S. e-commerce parcel shipments is that low-value shipments should no longer automatically be regarded as low-risk, low-compliance, or low-cost imports.

Cross-border sellers should now pay considerably greater attention to:

HTS classification;

Country of Origin;

PGA regulatory requirements;

Responsibility for duties and taxes; and

The overall quality and accuracy of customs declaration data.

These factors have become increasingly important in ensuring smooth customs clearance under the latest U.S. import compliance framework.

U.S. General Cargo: Ocean Freight, Air Freight, and Overseas Warehouse Replenishment

U.S. general cargo imports place greater emphasis on the Importer of Record (IOR), Customs Bond, ACE, ISF, Partner Government Agencies (PGA), and post-entry compliance.

Stage	Action	Responsible Party	Key Documents / Information	Risk Alert
1. Confirm the Importer of Record (IOR)	Confirm the legal U.S. importer	Buyer / Seller / Overseas Warehouse	EIN/SSN, Company Information, Power of Attorney (POA), CBP Form 5106	Most overseas warehouses are unwilling to act as the Importer of Record (IOR).
2. Appoint a Customs Broker	Authorize a licensed U.S. Customs Broker	IOR / Customs Broker	Power of Attorney (POA), Company Information, Product	Customs entries cannot be filed without proper authorization.

Stage	Action	Responsible Party	Key Documents / Information	Risk Alert
3. Obtain a Customs Bond	Formal importations normally require a Customs Bond	IOR / Customs Broker / Surety Company	Continuous Bond or Single Transaction Bond	An insufficient bond amount may delay customs release.
4. HTS Classification	Determine the applicable HTS classification, duty rate, PGA requirements, and any additional trade measures	Customs Broker / Importer	Product Specifications, Material Composition, Intended Use, Product Images	Do not simply use the Chinese export HS Code as the U.S. HTS classification.
5. Ocean ISF Filing	Submit the ISF 10+2 filing for ocean shipments destined for the United States	Importer / Freight Forwarder / Customs Broker	Seller, Buyer, Manufacturer, Stuffing Location, HTS Classification, etc.	ISF must generally be submitted no later than 24 hours before vessel loading.
6. Shipment & Manifest Filing	Carrier submits Manifest, AMS, and ACE data	Ocean Carrier / Airline / Freight Forwarder	Bill of Lading, Air Waybill, Cargo Manifest	Overly generic cargo descriptions on the manifest may trigger customs targeting.
7. Entry Filing Upon Arrival	Submit the Entry and Entry Summary	Customs Broker / IOR	Commercial Invoice, Packing List, B/L/AWB, HTS	Errors in customs valuation, country of origin, or quantity may delay customs clearance.

Stage	Action	Responsible Party	Key Documents / Information	Risk Alert
8. Payment of Duties, Fees & Taxes	Pay estimated duties, fees, taxes	IOR / Customs Broker	Duty Statement, ACH Payment, Customs Bond	Underestimating duties and fees may affect overall cost calculations.
9. CBP / PGA Release	Shipment is reviewed and released by CBP and/or other Partner Government Agencies	CBP / PGA / Customs Broker	Supplementary Documents, Laboratory Test Reports, Labels, Certificates	FDA, CPSC, FCC, and other agencies may place the shipment on hold independently.
10. Cargo Pickup & Delivery	Pick up the container or cargo after release, deconsolidate (if applicable), and deliver to the warehouse	Trucking Company / Warehouse / Overseas Warehouse	Delivery Order, POD, Warehouse Appointment	Customs inspections and transportation delays may result in storage charges and container detention/demurrage.
11. Liquidation & Record Retention	Complete post-entry liquidation procedures and retain customs records	IOR / Customs Broker	Entry Records, Duty Records, Product Documentation	Customs entries may still be subject to review after cargo release.

One of the most common problems with U.S. general cargo imports is failing to identify the Importer of Record before shipment.

This issue is particularly common for DDP shipments delivered to overseas warehouses. Sellers assume that the freight forwarder will handle the import process; freight forwarders assume that the seller already has a qualified U.S. Importer of Record; meanwhile, the overseas warehouse has clearly stated that it will not act as the importer.

Only after the shipment arrives at the U.S. port does everyone realize that no qualified Importer of Record is available to file the customs entry, causing both transportation costs and transit times to become uncontrollable.

If you are shipping Full Container Load (FCL) cargo or large-volume air freight for overseas warehouse replenishment, customs duties and taxes are not the only costs that should be considered.

You should also estimate in advance potential costs associated with:

Port or airport waiting time;

Storage charges;

Container detention and demurrage;

Delays in warehouse receiving and put-away operations.

Conducting these cost assessments before shipment helps establish a more accurate total landed cost and reduces the financial impact of unexpected delays.

Comparison Between EU and U.S. Customs Clearance

Comparison Item	European Union	United States	Practical Consideration
Importer	Businesses generally require an EORI Number	The Importer of Record (IOR) must have an identification number, commonly an EIN, SSN, or CBP Form 5106 registration	An overseas warehouse does not automatically become the importer.
Low-value E-commerce Shipments	IOSS applies to eligible B2C imports with an intrinsic value not exceeding EUR 150	The duty-free de minimis rules have undergone significant changes	Recalculate duties and taxes before quoting parcel shipments.
Primary Taxes & Charges	Customs Duty, Import VAT, Excise Duty	Customs Duty, Merchandise Processing Fee (MPF), Harbor Maintenance Fee (HMF), additional trade measures, PGA-related charges, etc.	Import VAT is often the major cost in the EU, while U.S. import costs are more heavily influenced by the HTS classification and additional trade measures.

Comparison Item	European Union	United States	Practical Consideration
Advance Security Filing	ICS2/ENS	ACE/AMS, SEA freight ISF 10+2	Filing deadlines occur well before cargo arrival and cannot be postponed until the shipment reaches the destination port.
Commodity Classification	HS/CN/TARIC	HTSUS	The first six digits are generally harmonized internationally, while the subsequent tariff subdivisions differ.
Product Compliance	CE, REACH, Food, Animals & Plants, EPR, etc., depending on the product	FDA, CPSC, FCC, EPA, USDA, etc., depending on the product	Whether cargo is considered "general cargo" depends on its regulatory attributes, not merely its transportation mode.
Customs Release	Goods may circulate freely within the EU after obtaining Release for Free Circulation	Goods enter the U.S. market after CBP/PGA Release	Customs release does not eliminate the possibility of post-entry audits or compliance reviews.
Most Common Issues	Invalid IOSS number, duplicate VAT collection, confusion between EORI	Incorrect HTS classification, PGA holds, ISF filing delays, outdated understanding of de minimis rules	Confirm the applicable customs clearance model before issuing any quotation.

Comparison Item	European Union	United States	Practical Consideration
	and IOR		

Comparison Between E-commerce Parcel Customs Clearance and General Cargo Customs Clearance

Category	E-commerce Parcels	General Cargo / Inventory Replenishment
Data Granularity	Order level, SKU level, Consignee information	Shipment level, Container level, Pallet level, Commercial Invoice
Primary Risks	Low-value declaration, IOSS, duties & taxes, product description, consignee information	Importer of Record (IOR), Customs Bond, product compliance, formal customs duties and taxes
Cost Structure	Freight Charges, Duty & Tax Prepayment, Last-mile Delivery, Returns	Main Carriage, Customs Duty / VAT, Customs Clearance, Storage Charges, Trucking, Detention & Demurrage
Consequences of Customs Clearance Failure	Customer complaints, returned shipments, supplementary duty assessments	Port charges, warehousing costs, inventory shortages
Suitable Teams	Marketplace Operations, ERP Teams, Dedicated Line Service Providers	Supply Chain, Finance, Customs Brokers, Overseas Warehouse Operations
Primary Review Focus	Bulk data accuracy	Shipping documentation and product compliance

Common Misconceptions

Misconception 1: Goods valued below EUR 150 are duty-free in the European Union.

Incorrect. The Import One-Stop Shop (IOSS) is a simplified mechanism for declaring and paying Import VAT on eligible low-value B2C imports. It is not a duty or tax exemption scheme. If the shipment does not satisfy the applicable conditions or the declaration data is inaccurate, VAT may still be collected at the time of importation.

Misconception 2: Shipments valued below USD 800 can still enter the United States duty-free as before.

Incorrect. As of May 2026, publicly available information released by CBP and DHS indicates that the U.S. low-value duty exemption policy has undergone substantial changes. Sellers should no longer continue quoting freight or designing logistics solutions based on the previous de minimis rules.

Misconception 3: An overseas warehouse automatically acts as the Importer of Record.

Incorrect. Most overseas warehouses only provide:

Cargo Receiving

Put-away Operations

Storage

Order Fulfillment

Delivery Services

They do not automatically assume responsibility as the Importer of Record (IOR), nor do they automatically provide a tax identification number or customs clearance services.

Misconception 4: HS Codes are universally applicable, and China's export HS Code can be used directly for import customs clearance.

Incorrect. Although the first six digits of the Harmonized System are internationally standardized, the subsequent tariff classifications, duty rates, and regulatory requirements under the EU CN/TARIC and the U.S. HTSUS differ significantly.

Misconception 5: Once Customs releases the shipment, there are no further compliance obligations.

Incorrect. Even after customs release, shipments may still be subject to:

Post-entry Audits

Duty Reassessments

PGA Reviews

Marketplace Compliance Audits

Product Recalls

Pre-shipment Operational Checklist

Before arranging any international shipment, it is recommended to complete the following operational checklist:

[] Confirm the Importer in the destination country: EU – EORI or U.S. – Importer of Record (IOR)

[] Confirm the applicable HS / CN / TARIC / HTS classification rather than simply copying the supplier's tariff code.

[] Confirm the applicable Incoterms®, including the allocation of responsibilities under DAP, DDP, EXW, FOB, CIF, and other trade terms.

[] Prepare all required documentation, including: Commercial Invoice, Packing List, Sales Contract, Transport Documents, Product Documentation

[] For e-commerce parcel shipments, confirm: IOSS requirements for EU shipments; or The latest U.S. low-value import declaration requirements.

[] Confirm whether the products are subject to regulatory requirements imposed by agencies or regulations such as: FDA, CPSC, FCC, CE, REACH, Food Regulations, Children's Product Regulations, Other applicable regulatory requirements.

[] Confirm who will be responsible for the payment of customs duties and taxes, and whether the consignee may be charged a second time.

[] For ocean freight shipments to the United States, confirm that the ISF filing has been submitted within the required timeframe.

[] Estimate potential exception costs, including: Customs Examination Fees, Storage Charges, Container Detention & Demurrage, Return Shipment Costs.

[] Retain records relating to: Customer Orders, Payment Records, Customs Declarations, Duty & Tax Payments, Logistics Tracking History

Decision-making Guide for Freight Forwarders, Exporters, and Cross-border E-commerce Sellers

For Freight Forwarders, When evaluating a customs clearance project, the first step is to determine whether the shipment should follow the e-commerce parcel customs clearance model or the formal import customs clearance model. Do not begin by providing a quotation. Instead, first confirm:

Who will act as the Importer?

Who will bear the customs duties and taxes?

Whether the products are subject to regulatory control.

Which customs clearance procedure will apply.

For Exporters, When planning customs clearance, ensure that the commercial contract is fully aligned with all shipping documentation. This is particularly important for DDP shipments. Merely specifying "DDP" in the contract is not sufficient.

Behind DDP lies responsibility for:

Importer of Record

Customs Duties & Taxes

Customs Clearance

Product Compliance

Final Delivery at Destination

For Cross-border E-commerce Sellers, When planning customs clearance, ensure that marketplace order data is fully aligned with customs declaration data. Even if the marketplace has already collected VAT, it does not necessarily mean that the customs declaration system will correctly recognize the IOSS number.

Likewise:

A product falling below a certain value threshold does not automatically qualify for duty-free treatment in the United States.

Acceptance of inventory by an overseas warehouse does not mean that the warehouse is willing to act as the Importer of Record.

A Simple Decision-making Model:

Question	If You Cannot Answer It, Consider Delaying Shipment
Who is the Importer of Record?	Customs clearance responsibilities remain unclear.
Who will pay the duties and taxes?	DDP / DAP disputes may arise.
What is the tariff classification?	Applicable duty rates and regulatory requirements cannot be determined.
Is the product subject to regulatory requirements?	The shipment may be held by FDA, CPSC, CE, REACH, or other regulatory authorities.
Who is responsible for submitting the required customs data?	IOSS, ICS2, ACE, or ISF filing may be interrupted.
Where will the cargo go after customs release?	Warehouse appointments, final delivery, and return logistics may not be properly coordinated.

Professional Summary

The greatest common characteristic of customs clearance in both the European Union and the United States is that the process is becoming increasingly data-driven, proactive, and compliance-oriented.

In the past, many sellers were able to rely on strategies such as low declared values, generic product descriptions, or fully outsourced logistics solutions to move shipments successfully. Today, these approaches are becoming increasingly difficult to sustain.

Within the European Union, the primary areas of focus are: EORI, IOSS, Import VAT, TARIC Classification, ICS2, Product Compliance.

Within the United States, the primary areas of focus are: Importer of Record (IOR), HTS Classification, ACE, ISF, Customs Bond, Partner Government Agency (PGA) Requirements, Recalculation of duties and taxes following changes to the low-value shipment rules.

A truly professional cross-border logistics team does not wait until the cargo arrives at the port of entry to ask, "How should we clear Customs?"

Instead, before the shipment is dispatched, the entire customs clearance strategy should already be clearly established, including:

Who will act as the Importer;

Which customs declaration procedure will be used;

Who will bear the customs duties and taxes;

Which certificates and compliance documents are required; and

Who will be responsible for handling any exceptions or customs-related issues.

Customs clearance is not the final mile of international logistics—it is the first line of risk control in cross-border trade.