



**HOLLAND, YOUR GATEWAY TO EUROPE**

## Why Holland?

- Strategic Location in Europe
- International Business environment
- Superior Logistics
- Labour and Logistics in Europe
- Highly Educated, Flexible and Multilingual Workforce
- Quality of Life

## Customs?

- Customs
- Challenges

## What's next?

- Benefits

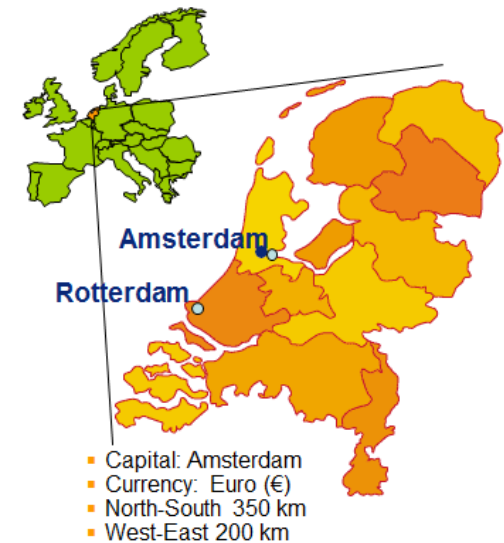
## Contact information?

- Argents, Maco Customs Service, Seabourne Group



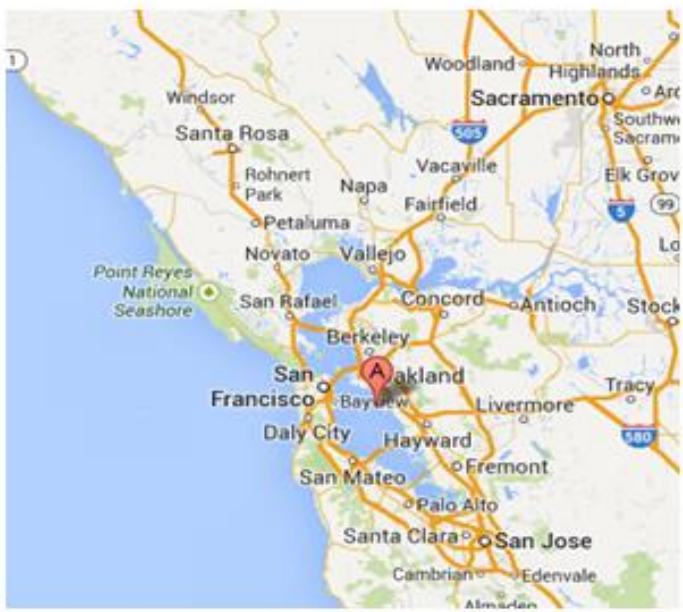
## Strategic Location in Europe

- Geographically small
- Densely populated – 16,4 million people – 394,3 KM2
- Holland – Your Gateway to Europe
- Strategic, central location – 170 million consumers
- Half of the EU within a 500 KM radius
- Economic activity along the corridors from European main port to the hinterland





**San Francisco Bay Area vs Randstad Holland**

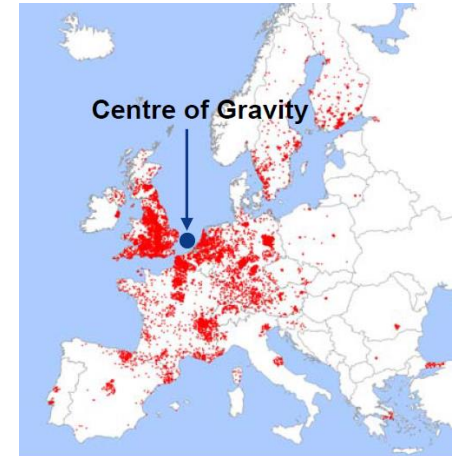


<b>General</b>		
Population	7,0 million	6,9 million
Households	2,6 million	2,7 million
Jobs	3,5 million	3,2 million



## Strategic Location in Europe

- Centre of Gravity
- Positioned in the centre of the main logistics in Western Europe
- Fast and efficient access to European markets
  
- Close to the main integrator hubs:
  - ✓ Brussels + Leipzig (DHL)
  - ✓ Liege (TNT)
  - ✓ Cologne + FedEx (UPS)
  - ✓ Paris (FedEx)



● CoG 2013 1 red dot equals 500 units



## International Business environment

- An international outlook and openness to foreign investments/companies is firmly engrained in the Dutch culture.
- The Netherlands scores high on The Global Competitiveness Report 2012-2013 by the World Economic Forum (WEF).
- These cover a.o.:
  - ✓ Business environment
  - ✓ Political and macro-economical environment
  - ✓ Foreign trade & exchange controls
  - ✓ Taxes, financing, labor market and infrastructure
- Flexible customs and favorable taxation
  - ✓ Cooperative customs authorities
  - ✓ Computerized clearance and inspection systems
  - ✓ VAT deferment at time of import gaining no impact on your cash flow

Country / Economy	GCI 2012-2013	
	Rank	Score
Switzerland	1	5.72
Singapore	2	5.67
Finland	3	5.55
Sweden	4	5.53
Netherlands	5	5.50
Germany	6	5.48
United States	7	5.47
United Kingdom	8	5.45
Hong Kong SAR	9	5.41
Japan	10	5.40
Qatar	11	5.38
Denmark	12	5.29
Taiwan, China	13	5.28
Canada	14	5.27
Norway	15	5.27
Austria	16	5.22
Belgium	17	5.21
Saudi Arabia	18	5.19
Korea, Rep.	19	5.12
Australia	20	5.12

Source: The Global Competitiveness Report 2012-2013 by the World Economic Forum (WEF) based in Geneva.





### Superior Logistics

- Dominated by main ports:
  - By Air
    - ✓ Amsterdam
    - ✓ Brussels
    - ✓ Dusseldorf
    - ✓ Eindhoven
  - By Sea
    - ✓ Rotterdam
    - ✓ Amsterdam
    - ✓ Antwerp
    - ✓ Moerdijk a.o.
- The Netherlands has:
  - A vast and dense national network of road connections to all European countries
  - Multimodal logistic networks for distribution by road, rail, air, short-sea and barge link directly to many European countries



## Superior Logistics

- Superior technological infrastructure
  - A state-of-the-art, 100% digital, advanced fiber-optic network
  - The largest bandwidth on the European continent
  - Home to one of Europe's largest internet hub, Amsterdam Internet Exchange (AMS-IX)
  - It's telecommunications ranks among the top EU nations for:
    - ✓ Speed
    - ✓ Quality
    - ✓ Reliability



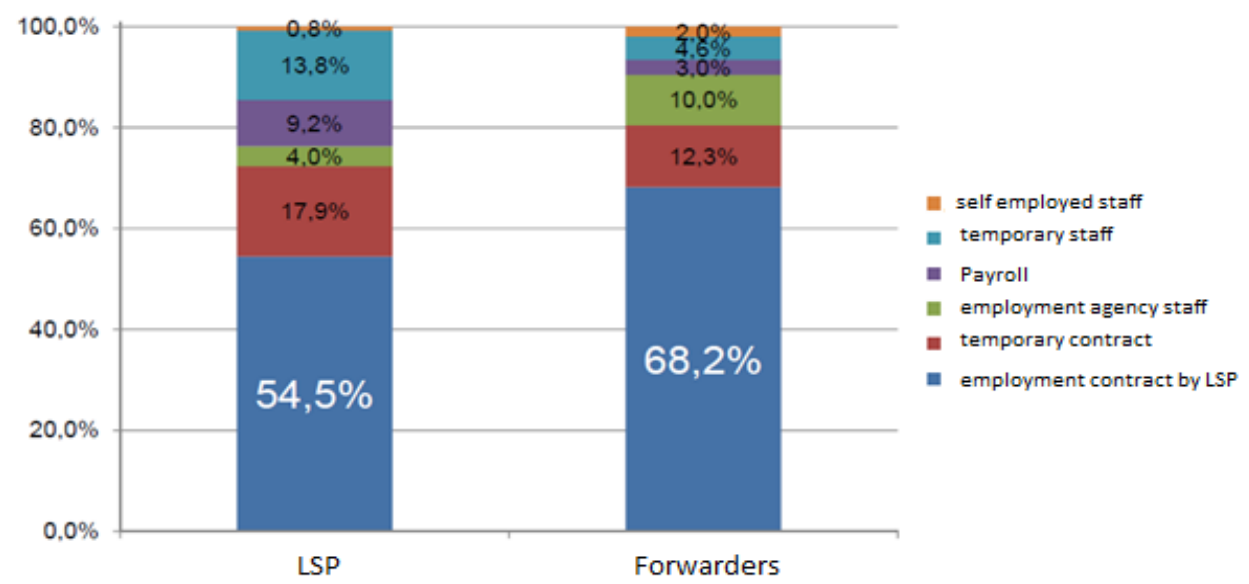
***Microsoft builds a new Datacenter in Noord-Holland (Agriport A7 - Middenmeer) of 2 billion €***





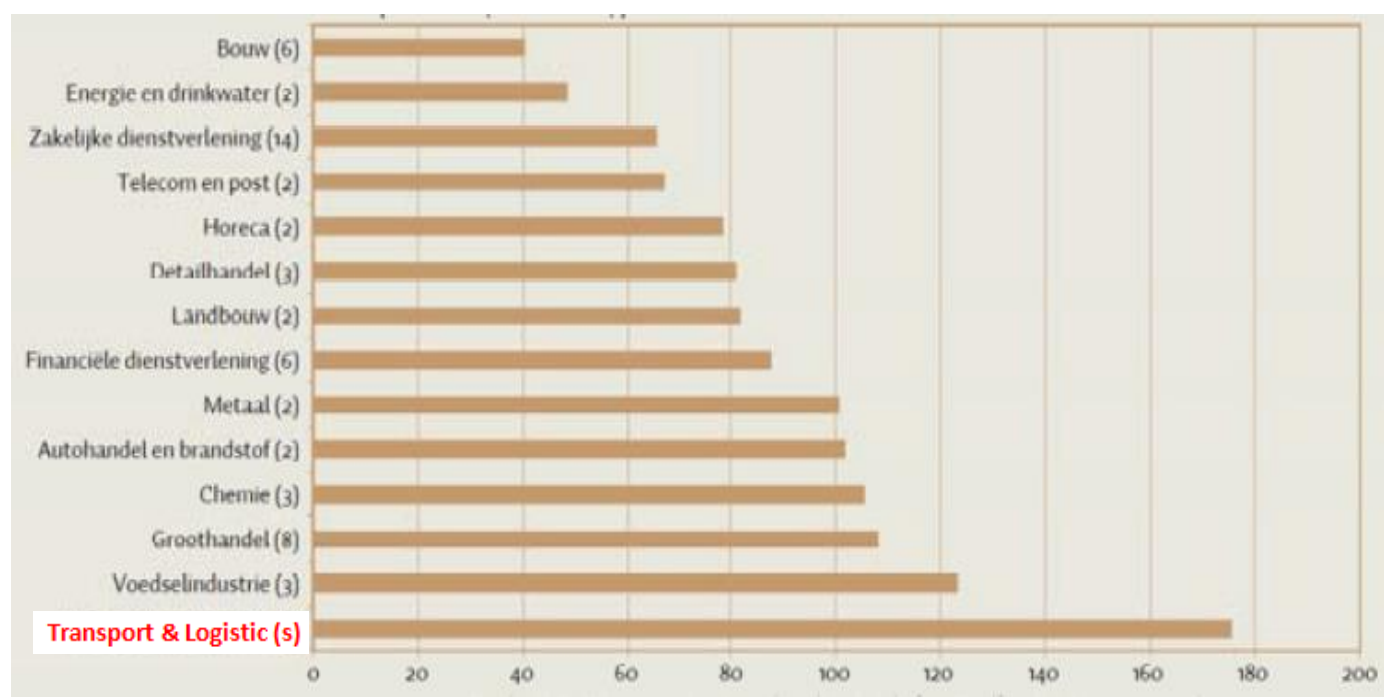
## Labour and logistics in Europe (1)

- Flexible workforce
- Flexible LSP / Forwarders
- Flexible Logistics
- Low Labour costs



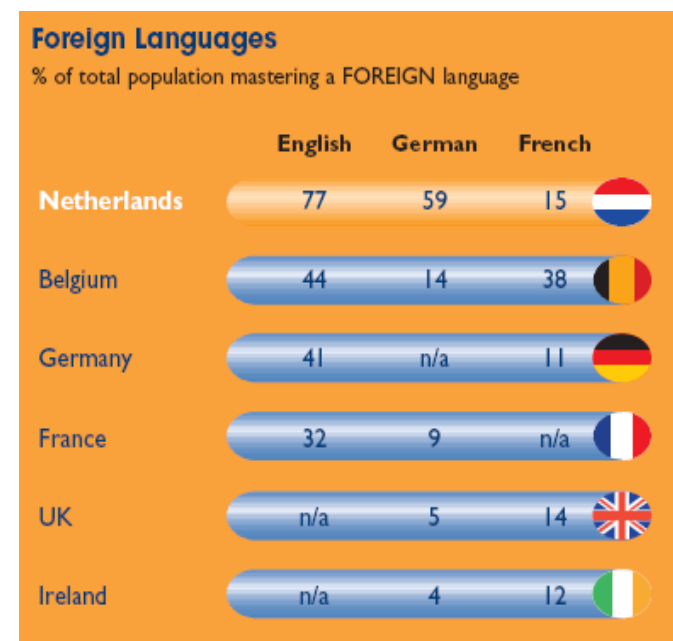
## Labour and logistics in Europe (2)

- Labour productivity Dutch sectors compared to the national frontier (=100%)



## Highly educated, flexible and multilingual workforce

- The Dutch workforce is a key strength of its world-renowned logistics capabilities
- Dutch workers are known for their flexibility, motivation and productivity
- Dutch professionals are among the most multilingual in the world
- Enabling them to successfully operate in companies across any industry serving customers throughout the Continent





### Quality of life

- Historically, the Netherlands has always been open to other cultures; this, in addition to its international orientation, means foreign businesses of many types integrate easily here
- Cooperation, multiple points of view and tolerance are cultural values
- The cost of housing, education, cultural activities as well as food and consumer goods are lower than in many other European nations



## Customs

- (Developments in) customs
  - Worldwide
  - European Union
  - The Netherlands
- Dutch customs in operation
- VAT deferment in the Netherlands
- Fiscal Representation



## Development in Customs (1)

### Worldwide

- Growth in world trade
- Automatisation
- Security
  - Authorised Economic Operator (C-TPAT)
  - Import Control System
  - Green lanes
  - Strategic goods
- Origin regulations / trade agreements





## Development in Customs (2)



### European Union

- European Customs Union
  - One single market
  - Import duties paid at outside border
  - VAT and Excise duties are national taxes
- Customs is European legislation
- National organisation
- European automatisisation
  - New Computerised Transit System
  - Export Control System
  - Excise Movement Control System
  - Authorised Economic Operator (C-TPAT)
- European customs permits



## Development in Customs (3)

### The Netherlands

- NL is a transport and trading country
- Customs facilitates transport and trade
- Based on mutual trust
- Customs permissions
- Authorised Economic Operator
- 100% automated customs clearance
- Import clearance for all EU-countries
- Centralized Clearance



## Dutch customs in operation (1)

- Goods become customs goods when entering EU
- Customs clearance in harbour (airport)
- Inland customs clearance (anywhere in EU)
- Customs control of the goods under permits
- Bonded warehouse
- Inward processing relieve
- Transit Declaration
- Customs placement declaration (European permit)





## Dutch customs in operation (2)

- Control is based on risk analysis
- Digital verification selection for shipments
- Administrative controls after importation
- Customs fundamentals:
  - Customs Value
  - Kind of goods
  - Origin
- Pre clearance
- Rulings (binding tariff information)
- Control by administration not on physical checks



## Dutch customs in operation (3)

- Of course focus on smuggle, counterfeit etc.
- Excellent distribution facilitation.
- Very competitive import VAT-system
- Wide range of customs brokerage services available.
- AEO-certified (C-TPAT).
- Independent broker or provided by logistic service company.
- Through VAT Limited Fiscal Representation access to whole EU-market



## VAT Deferment in the Netherlands



- Value Added Tax (VAT)
  - VAT-charged to all customers
  - Businesses can deduct VAT on purchases
  - VAT must be levied when importing goods
- Most EU-memberstates: VAT to be payed on customs import declaration
- Netherlands: VAT deferment: no VAT to pay on import declaration, instead: administrative control!





## Fiscal representation

- Import of goods for a company in another EU-memberstate
  - Example: import in Rotterdam for a German company
  - No VAT to be payed, make use of VAT deferment in the Netherlands
  - Customs broker is Fiscal Representative
- Very flexible in the Netherlands
  - Distribution of goods
  - Stock of goods
  - Export of goods
  - Delivery within the Netherlands
- No bonded warehouse needed
- Follow the goods administratively
- Stepstone to the European market
- Consignment stock possible
- No legal entity needed in EU



## Article 23 code

### Reverse charge of import VAT



- Only for domestic entrepreneurs or foreigners with a fiscal representative (“FR”)
- Domestic entrepreneur: regular import
- Fiscal representative: incidental import is sufficient
- Bookkeeping which provides up to date data to establish de VAT due related to the reversed charged import VAT.
- Imported goods are separately administrated in the books
- On the moment of import declaration, a copy of the invoice bill of lading etc. are shown clearly mentioning the final recipient and his VAT number or the VAT number of the FR.
- Not applicable for cars, vans and motorcycles; an additional permit is required



## Article 23 code

### Domestic entrepreneur



- Must have a certain presence in the Netherlands constituting a permanent establishment to qualify as a domestic entrepreneur
- A permanent establishment is an industrial or commercial establishment located in the Netherlands
- The establishment is used for supplying goods and/or services to third parties
  - Examples of permanent establishments are:
    - a shop or another fixed retail outlet
    - a workshop or a production plant with an adjoining office
- A store, a warehouse or an office that is used only for certain ancillary or secondary activities
- If not meeting afore said mentioned requirements and providing taxable activities in the Netherlands: Foreign entrepreneur



## Possible challenges for US Companies

- Try to understand cultural difference US – Europe – within Europe
- Take enough time to prepare European strategy
- Take enough time to decide your country of establishment
- Take enough time to choose your best logistical partner for the future
- Due to a possible language barrier have assistance from professionals in the business
- European VAT system
- European Customs
- European logistics





## **Benefits of Argents, Maco Customs Service and Seabourne Supply Chain's collaboration:**

- Value added service of Argents:  
Nationwide Pickup and Handling Service, Fulfillment capabilities, Bonded Warehouse and Distribution Facilities, Competitive Air and Ocean Rates, Consolidation and Deconsolidation Services, Import and Export Customs Clearance, Online Inventory Visibility, Crating and Packing Services, Online Marketplace Integration, Compliance Consulting
- Value added service of Maco Customs Service  
Maco custom connect system, customs broker, customs consultancy, (limited) fiscal representation partner, fully compliant and completely independent
- Value added service of the Seabourne Group  
Warehousing, air/sea freight, pick & pack, re-labeling, quality control, product assembly, stock planning & control, order entry, invoicing, distribution network, track & trace



## Contact Information?



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