

CUSTOMS AND TAXATION

Why invest in the Netherlands? ...because the Dutch Customs offer a proactive and facilitating approach

The Netherlands provides a strategic location to serve markets within Europe, the Middle East and Africa. Many international companies use the Netherlands as location for their European supply chain operations; as point of entry into the EU market for intercontinental freight by sea and air, or as location for central-, bulk- or regional distribution centers.



The central geographical position of the Netherlands, combined with accessibility and an excellent infrastructure are only some of the reasons why numerous European, American and Asian companies have established their facilities in the Netherlands.

The country is famous for its expertise in international trade, and excellence in transport and logistics.

Another reason why many companies choose the Netherlands as a location for their European logistics is that the Dutch Customs authorities are well-known for their practical and pro-active approach towards facilitating international trade and customs procedures. This fact supports the Netherlands' preferred status as a country in which to locate importing activities.

The Dutch Customs offers a special service to international companies that are interested in the Netherlands as location for their European supply chain operations. An overview of the Dutch customs processes, especially aimed at foreign companies, is

presented on their website

(http://www.belastingdienst.nl/wps/wcm/connect/bldccontenten/niet_in_enig_menu/customs_processes/customs_processes) in an informative film which provides a simple, clear overview of the processes, procedures and requirements to ship goods to, or through, the Netherlands. This includes explanations on what forms are required, before and during the shipment, clear definitions on the differing procedures for import, transit, export or exit shipments, and how to ease all forms of transport to speed up the process.

“With the advent of electronic tracking and shipment of goods, the Dutch Customs authorities are committed to implementing a state-of-the-art system to allow the fastest, easiest, and most consistent procedures to move companies' goods to and through our country,” said the customs foreign investment desk. “Modern supply chain processes and ‘just-in-time’ delivery systems demand nothing less. Through the creation of a centralized clearance procedure, our goal is to create a seamless movement of goods from packing to delivery.”

Customs Advantages for Distributors

Goods that are brought into the European Union (EU) are, from the time of their entry, subject to Customs supervision, meeting the requirements laid down in the EU customs legislation. A key differentiator of the Netherlands is the Dutch Customs' efficiency in customs procedures. Below, the advantageous aspects of working with Dutch Customs, as attested to by many foreign companies that have chosen the Netherlands, are listed.

- Cargo handling: The Dutch Customs Authorities have a great deal of experience with logistics processes given the country's central position, its ports and one of the top airports in Europe.
- VAT deferment upon importation: no actual payment of VAT: Upon the importation of goods into the Netherlands, customs duties and 21 percent import VAT are officially due. Unlike most other EU Member States, though, the Dutch have set up a deferment system for VAT under which import VAT is declared on the periodic return but deducted on the same form. As a result, no VAT is actually paid.
- Proactive attitude of customs authorities: The Customs Authorities are willing to discuss real-life scenarios at a preliminary stage with enterprises that intend to import and export through the Netherlands. Such early communication allows companies to present/explain their specific situations and ascertain whether this scenario is acceptable to Dutch customs up front, as opposed to being hit with costly assessments at a later stage.
- Ruling policy; establishing certainty about the amount of customs duties due: it is relatively easy for entrepreneurs to obtain upfront rulings from the Customs Authorities on, among other issues, customs valuation.
- Experienced and specialized Customs and Tax officers: The Dutch Customs and Tax Authorities have created dedicated teams of specialists. Specific client managers are assigned to individual companies to ensure efficient and adequate communication and interaction between the Authorities and the businesses concerned. In many cases, the officers of the Dutch Customs and Tax authorities are also willing to discuss and communicate with foreign companies in the English language, thus allowing for faster communication.

NNR Global Logistics

New Dutch warehouse for NNR Global Logistics: springboard to Europe and the rest of the world

In October, 2010, NNR Global Logistics opened a new operation in the Netherlands, consisting of a warehouse and offices, in order to reinforce its European presence. In the opinion of Chris Coombe, Managing Director of NNR Global Logistics Netherlands BV, the Netherlands is the only European country that can rightfully call itself "the gateway to Europe" and a major hub to the rest of the world. However, there are other reasons for being pleased with having chosen the Netherlands. "From the very beginning, the support we received from the Dutch Embassy in London, the NFIA, as well as from organizations such as HIDC, SADC and the Customs department, has accelerated and simplified the entire location process a great deal."

NNR Global Logistics is a subsidiary of the Japanese Nishitetsu Group (formerly the Nishi-Nippon Railroad Group). NNR Global Logistics was established in 1948 and offers customers across the globe a complete range of services and solutions in the areas of transport and logistics, including air freight, seaborne freight, customs clearance, logistics, cargo screening, consultancy and IT. NNR currently has 45 locations in Asia, 23 in the US and 15 in Europe, making it one of the top 25 global logistics service providers.

Gateway to Europe and hub to the rest of the world

In order to reinforce its European presence, NNR decided in 2010 to replace its agency, staffed by two employees and already located in the Netherlands, with a warehouse and offices where customers would have the full range of NNR's services available to them. Chris Coombe, Managing Director of NNR Global Logistics Netherlands BV, led the entire process surrounding the establishment of the new Dutch operation from the beginning. "We had chosen the Netherlands very early on in the process. From the perspective of expansion, other European countries certainly have their advantages. However, there is simply no other European country that possesses an infrastructure comparable to that of the Netherlands, and as such, can truly function as a gateway to Europe."

Establishing a new company in a new country is no small matter, as Chris discovered. "When I began working on this project, I actually had no idea where to start. Despite my years of experience at NNR and my many trips across the whole world, I did not possess any specific knowledge of Dutch legislation, regulations and procedures involved in establishing a company, and everything else involved in that process." Chris turned to the Dutch Embassy in London, which put him in touch with the Netherlands Foreign Investments Agency (NFIA). The NFIA provided Chris with all the information and statistical data he needed in order to bring this new market into focus. Moreover, the NFIA put Chris in touch with Holland International Distribution Council (HIDC). HIDC is an association with almost 350 members that provides international shippers with advice, practical assistance and targeted matchmaking during the set-up or restructuring phase of their European distribution activities.

Neutral and Objective

"The support we received from the NFIA and HIDC has accelerated and simplified the entire establishment process considerably. Something that I found very important was that I could always contact them with my questions, and if the NFIA or HIDC couldn't help me themselves, they put me in touch with another organization that could. Moreover, the information was always neutral and objective. We were able to make informed decisions without being influenced one way or the other."

Chris was pleasantly surprised by the service provided by the Customs department during the permit procurement process. "When establishing yourself in a new country, one of the many challenges is that not only are the rules there different to what you are used to, but also all the necessary documents and forms are often only available in the local language. The Dutch Customs assisted us enormously in this."

Contact

Working together, the NFIA, NDL/HIDC and Customs have helped many companies understand how to navigate a complex, often changing distribution environment, and helped them make their growth in the European market easier, clearer and more profitable. See below for contact information of the agencies to find out more information or schedule a meeting.

NFIA

www.nfia.nl

NDL/HIDC

www.hidc.nl

Customs

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