

**ANNEX 1 [TO BE ADDED AT THE END OF THE TERMS]**
**1. Definitions**

In this Annex 1 the words described below have the following meaning:

<b>Terms</b>	<b>Meaning</b>
Consumer	The end user consumer who purchased Goods to the Customer.
Customs Declarant	The customs broker or postal operator to whom We sub-contract all or part of the Customs Clearances and Customs Duties payment. The Customs Declarant may act as a direct representative (customs broker) if he acts in the name and on behalf of the Consignment importer or may act as indirect representative, if he acts in his own name but on behalf of the Consignment importer.
Customer's Documentation	The documentation which You need to provide to Us in advance in order to fulfil all formalities regarding Customs Clearance, security, Customs Duties. The list of the documents which You must provide to Us in advance is set out in paragraph 2 below.
Data Sets	The electronic documentation required for safety and security, for Customs Clearance and for calculation and payment of taxes and duties as described under paragraphs 3, 4 and 5 below.
Electronic Interface	A taxable person operating an electronic interface such as a website, a portal, a gateway, an application program interface (API), facilitating a distance selling of Goods. A market place can be an Electronic interface and be a taxable person as "deemed supplier" of Goods according to EU VAT rules.
Excise Goods	Goods subject to excise duties such as alcohol and tobacco.
HS Code	The relevant classification for Goods imported in accordance with the Harmonized System of the World Customs Organization, in accordance with the European Union legal requirements.
Intrinsic Value	The price of the Goods themselves when sold for export, excluding transport and insurance costs (unless they are included in the price and not indicated separately in the invoice; in such case the transport and insurance costs shall be reported for

	a zero value in the Data Sets) and excluding any other taxes and charges as ascertainable by the Customs.
IOSS	The European Union “Import One Stop Shop” scheme that can be used for centralized tax payment of Low Value Consignment (“LVC”, see the definition below). You must be involved in a distance selling of LVC to register under IOSS either as supplier of the Goods or as deemed supplier when You are an Electronic Interface such as a market place.
LVC	A “Low Value Consignment” i.e. a Consignment containing Goods which intrinsic value at import is not exceeding €150 or the equivalent value in another currency and not containing Excise Goods.
Mail	Letters, documents, Goods, parcels, newspapers and magazines packaged and addressed in accordance with Our specifications. Mail may also be unpackaged and/or unaddressed if the Services provides for this.
Return(s)	The Consignments that the Consumer decides to ship back to You in accordance with the contractual conditions agreed with You and with the local law as applicable.
Surcharges	Surcharges means any costs generated by anomalies occurred in the customs formalities process compared to the normal process for customs declaration (standard or simplified). Surcharges may be generated by any sub-contractor used by Us to provide the Services (carrier, Customs Declarant, handler...) or by Us.
Undeliverable(s)	The Consignment(s) that cannot be delivered to the Consumer, for instance in case of wrong address, impossibility to agree on the delivery with the Consumer or refusal of the Consignment by the Consumer.
VAT	The value added tax applicable on the Intrinsic Value of Consignments imported in the country where they are delivered to the Consumer.

## 2. Requirements regarding the Customers’ Documentation

Without prejudice to the generality of clause 6.3 of the Terms, for any shipment of a Consignment to a country where Customs Clearance must be accomplished, You must communicate in advance to Us, depending on the Pro Carrier service used, the following Customer's Documentation:

- the S10 barcode or relevant barcode supported by data that must be labelled on the Consignment;
- data containing correct invoice values, descriptions, HS Codes, SKUs of the Goods in the Consignment for transportation and Customs Clearance
- the electronic Data Sets required for safety and security (in particular for air transportation), for Customs Clearance and calculation and payment of Customs Duties. The specific requirements, modalities and conditions regarding the Data Sets are described under paragraphs 3 to 5 below);
- the other documents specifically needed for importing the relevant Goods in the EU;
- the power of attorney required to the benefit of the Customs Declarant to accomplish Customs Clearances and the payment of Customs Duties to be agreed by You in the conditions described in paragraph 8 below by acceptance of this Contract or the specific power of attorney that may be provided by You to Us on request.

In addition, You may be required to provide a financial guarantee, if required by Us, if You use a Pro Carrier solution whereby Customs are paid in advance by the Consumer to the Customer and the payment of such Customs Duties to Customs is entrusted to Us by You.

### **3. General requirements regarding Data Sets:**

Without prejudice to the generality of clause 6.3 of the Terms, You are responsible for the provision of full, complete and accurate Data Sets in electronic form for Customs Clearance and Customs Duties payment (as applicable).

The content of the Data Sets depends on the destination country, on the value and nature of the Goods included in the Consignment and on the Pro Carrier services used by You. The requirements regarding the content of the Data Sets are described in the Pro Carrier API documentation. The Pro Carrier API documentation can at any time be provided to You by the key account manager who manages the business relationship on Our behalf.

There are two types of Data Sets:

- A simplified electronic Data Set can be used for certain Pro Carrier services concerning Low Value Consignments.
- A complete Data Set for Customs Clearance purpose is needed for other services where standard Customs Clearance process needs to be implemented, such as for Consignments with an intrinsic value exceeding €150 or containing Excise Goods (where allowed)

It is strongly recommended to communicate the full electronic Data Set to Us in advance to facilitate the Consignment processing and delivery. In some cases, for specific Pro Carrier services, the provision of the full Data Sets in advance is mandatory.

The Customer's Documentation and the Data Sets serve as the basis for the Consignment's transportation and Customs Clearance.

The Customs Declarant shall rely on the Customer's Documentation and on the Data Sets for the declaration of the Goods to Customs. This also applies when You are registered under IOSS in the European Union.

Missing or erroneous information/documentation in the Customer's Documentation and the Data Sets may lead to (i) delay in the Consignment delivery, (ii) its refusal during the label printing process, (iii) its refusal during the Consignment transport or processing, or (iv) its refusal during the Customs Clearance procedure (see also paragraphs 4, 5.1 and 5.2 below).

In all cases, the Data Sets must contain a precise description of the Goods by You.

The provision of the HS code of the Goods in the Data Sets is highly recommended. If the HS code is missing in the Data Sets, You may be charged the costs incurred by the Customs Declarant for completing the HS code. You, as supplier of the Goods (or deemed supplier), are in the best position to determine the right HS code classification. If the HS code is missing, incomplete or is obviously inaccurate, the Customs Declarant may allocate an HS code based on their best knowledge and the Goods description provided by You.

In this case, the allocation of an HS code by the Customs Declarant shall be at Your risk and You shall be responsible for any error or inaccurate HS code allocated by the Customs Declarant.

#### **4. Security pre-controls (electronic advance data):**

The electronic Data Sets contain information required by Customs for security control for air transportation. They must be communicated by Us to Customs before the Consignments are shipped by Us to the destination country.

We may receive instructions from Customs of the destination country and must respond diligently before the departure of the Consignment.

We may liaise with You to obtain the information requested by Customs. If You do not respond in due time or if Customs sends a "do not load" message, the relevant Consignment will be returned to You or destroyed at his costs. We will not be liable for the return or destruction of the Consignment or the delay incurred for responding to Customs' message or complying with Customs' instructions.

#### **5. Customs Clearances/Data Sets/Customs Duties:**

##### **5.1. Our , and Your, rights and obligations in relation to Customs Clearances:**

We may at Our sole discretion:

- suspend or return the Consignment to You at Your costs if the Customer Documentation or the Data Sets needed for Customs Clearances are missing or incomplete (in paper form and in electronic form as required for the relevant service);
- complete or rectify the customs documentation on the basis of Our best knowledge if an information is missing, incomplete or is obviously erroneous, at Your risk and costs.

##### **5.2. Customs Duties - Payment obligations**

You shall pay to Us any Customs Duties borne by Us (or Our Customs Declarant) within seven (7) days of the date of Our invoice.

We will charge You an administration fee of 3% of the total Customs Duties paid by Us (or Our Customs Declarant).

We may suspend the delivery of the Services to You until complete payment of the Customs Duties as payable by Us or the Customs Declarant(s) to Customs.

You shall be liable for the reimbursement to Us of the Customs Duties, including when the Consignment has been sent under DAP incoterm and is returned by the Consumer or is Undeliverable (see paragraph 6 below). In such event, in addition to the Customs Duties You shall reimburse to Us the costs incurred or suffered by Us for the export formalities for the Returns and the Undeliverables sent back to You and the Customs Duties paid in advance by the Customs Declarant and not reimbursed by the relevant Customs.

### **5.3. Special Arrangement:**

You are aware that in some European Union countries, the Customs Declarant may use the Special Arrangement scheme. In this case, You must inform the Consumer that the VAT rate shall be the normal rate applicable in that country whatever the nature of the Goods and that no reduced rate shall be applied.

The Special Arrangement shall not be applicable if You are IOSS registered or an Electronic Interface involved in the distance selling of Goods to the Consumers, such as a market place.

## **6. Returns and Undeliverables**

6.1. Unless expressly agreed in writing with Us, Our transportation and delivery services do not include the Return of the Consignment to You and We shall have no liability in this regard.

6.2. We shall use our reasonable commercial efforts to send back the Undeliverables to You [at Your cost].

6.3. We does not guarantee that the Undeliverables can be returned to You and that the Customs Duties (if paid in advance) shall be refunded. This process depends on the local Customs conditions and current practices that are not under Our control.

## **7. Power of attorney:**

7.1. By entrusting Us for the international transport and delivery of Your Consignment(s) and accomplish related Customs Clearances:

7.1.1. You hereby appoint Us to act in Your name and on Your behalf as a direct representative (which where relevant shall have the same meaning as “direct agent” set out in section 21(1)(a) of the Taxation (Cross-border Trade) Act 2018) to accomplish all Customs Formalities and pay all Customs Duties to Customs which We (or the Customs Declarant) may [be liable as Customs Declarant and get credited of the sums due when re-exporting the Goods as applicable];

- 7.1.2. You authorize Us to delegate Customs Clearance to any Customs Declarant of Our choice in all dealings with Customs where appropriate;
- 7.1.3. You declare that You have received a letter of authority or power of attorney from the Consumer to accomplish the Customs Clearances (and as applicable the payment of Customs Duties) for the importation of such Goods in the country where the Consumer is established, according to the local rules.
- 7.1.4. On request, You shall provide, or procure the provision of, a letter of authority confirming Our empowerment to act as direct representative and We shall have no liability for any failure or delay in the performance of the Customs Clearances which is due to a failure to provide, or delay in providing, such letter.

## **8. Incoterms and trading terms**

- 8.1. Unless the Customs Declarant is prior informed that the seller of the Goods is registered under IOSS in the European Union:

8.1.1. the Consignment is deemed shipped under the DDU incoterm, "Delivery Duty Unpaid".

Please refer to the International Chamber of Commerce incoterms:

<https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/>

This means that the Consumer is liable for the customs declaration and the payment of the Customs Duties, as applicable;

8.1.2. the addressee is reputed to be the buyer of the Goods (the Consumer) and the importer in the country where they are delivered.

- 8.2. In the event that You are registered under the EU IOSS scheme, You must communicate Your VAT IOSS registration number to Us with Your electronic Data Sets for its communication to the Customs Declarant within EU. If You are IOSS registered and You do not communicate this information, the Consignment is deemed sent under DDU incoterm and We and Our Customs Declarant shall not be liable for invoicing the VAT to the Consumer.
- 8.3. For all transportation and delivery solutions offered by Pro Carrier based on pre-payment of Customs Duties by You, such as DDP or DTP solutions ("DTP" is not an incoterm but a trading term where the Customs Duties are paid in advance by the Consumer to You, but the Consumer and the Customs Declarant remain liable on the basis of a DDU incoterm), You are liable to Us for the payment of all Customs Duties in due time according to the contractual terms agreed with Us and the law of the country(ies) where Customs Clearance are accomplished. We may at Our sole discretion use the financial guarantee delivered by You (see paragraph 10 below) as a way of getting reimbursed for the Customs Duties.

## **9. Where You are IOSS registered**

When You are IOSS registered (or the client selling the Goods is using Your services), You must:

- NOT indicate You (or Your client) VAT IOSS registration number on any paper form transportation documentation attached to the Consignment.
- communicate Your VAT IOSS registered number (or the one of Your client) ONLY with the electronic Data Sets in order to restrict the communication of the VAT IOSS registered number to a limited number of persons in the logistic chain.

We shall use our reasonable efforts (i) to keep Your VAT IOSS registered number confidential, to the extent compatible with the Customs Clearances process and (ii) to organize its communication on a need-to-know basis to the Customs Declarant in charge of the Customs Clearances in the relevant country of the European Union.

We are not liable for any accidental communication of Your (or Your client's) VAT IOSS registered number to third parties or for their communication by any third party.

You acknowledge and agree that Surcharges may be applicable to IOSS registered companies in certain countries for the Customs Clearances.

When You are not IOSS registered but Your client is a seller of Goods who is IOSS registered, You must communicate to Us the identity of the seller and his VAT IOSS registered number in the conditions above described.

## **10. Financial guarantee**

As described above in paragraph 2, We may request a financial guarantee from You to cover the Customs Duties to be paid by Us (via the Customs Declarant) on Your behalf where You have collected the Customs Duties and Surcharges from the Consumer in the destination country.

The financial guarantee shall guarantee the payment of the Customs Duties and any additional costs such as fines, storage and/or destruction costs imposed by the Customs of a transit or destination country.

The terms and conditions of the financial guarantee must be in a form satisfactory to Us. The financial guarantee may be provided in the form of a deposit or a first demand bank guarantee and must cover an amount equal to the Customs Duties payable by You over a period of a minimum of ninety (90) days in respect of Consignments entrusted to Us as part of the Services (or any other minimum coverage period as requested by Us based on Our assessment of the risk). The amount of the financial guarantee must be adjusted within four (4) calendar days from Our request to cover the minimum Customs Duties payment period requested by Us.

We may suspend any Service to You with immediate effect and without notice if the financial guarantee is deemed insufficient to cover Our and/or Our Customs Declarant(s) risk exposure. We shall not be liable for the consequences of such suspension of the Services.

You are advised to increase the financial guarantee in advance to cover the financial risk during Your business peak periods and avoid any suspension of the Services due to insufficient financial guarantee.