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From: General Secretariat of the Council
To: Delegations
Subject: Council Regulation amending Regulation (EC) No 1186/2009 as regards
the elimination of the customs duty relief threshold
- Political agreement

Delegations will find in the Annex, the text of the political agreement of the above Council
Regulation, as reached at the Council (Economic and Financial Affairs) on 12 December 2025.

2023/0157 (NLE)

Draft

COUNCIL REGULATION

amending Regulation (EC) No 1186/2009 as regards the elimination of the customs duty relief threshold

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Chapter V of Title II of Council Regulation (EC) No 1186/2009¹ provides for the relief from import duties for goods sent directly from a third country to a consignee in the Union in consignments with a total intrinsic value not exceeding EUR 150. Until 1 July 2021, the import VAT was also exempted for the importation of goods with a value not exceeding EUR 22. The increase in the volume of low value imports following the explosive growth of e-commerce and the associated facilitations made it challenging for customs authorities to enforce compliance with fiscal and non-fiscal requirements. Therefore, Council Directive (EU) 2017/2455² eliminated the import VAT exemption for these low-value goods to protect Member States' tax

¹ Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty (OJ L 324, 10.12.2009, p. 23, ELI: <http://data.europa.eu/eli/reg/2009/1186/oj>).

² Council Directive (EU) 2017/2455 of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods (OJ L 348, 29.12.2017, p. 7, ELI: <http://data.europa.eu/eli/dir/2017/2455/oj>).

revenue, to create a level playing field for the businesses concerned and to minimise burdens on them.

- (2) At the same time, the customs duty relief for goods below EUR 150 was maintained. However, this has proven to leave the door open for the systematic abuse of that threshold through undervaluing and artificially splitting consignments.
- (3) In a digitalised customs environment where electronic data are available for all imported goods regardless of their value, maintaining a duty relief that was introduced to prevent the disproportionate administrative burden on customs authorities, businesses and private individuals is no longer justified. At the same time, considering the significant volumes of low value imports, it has become necessary to protect the financial interests of the Union and its Member States more efficiently.
- (4) It is therefore necessary to eliminate the threshold laid down in Chapter V of Title II of Regulation (EC) No 1186/2009, under which goods of value not exceeding EUR 150 per consignment are exempted from customs duties at import.
- (5) Given the challenges that the large volume of small parcels entering the EU has demonstrated, both for European consumers and businesses, it is important to proceed with a rapid elimination of the threshold. However, pending the adoption of the new Union Customs Code³, which is expected to establish a new centralised Union IT infrastructure crucial for the effective calculation and notification of the customs debt, a temporary measure should be instituted to facilitate the concrete implementation of the threshold elimination.
- (5a) Under this temporary measure, the existing digital tools at Union and national level will need to be used to manage the practical effects that result from eliminating the threshold. Given the technical limitations of those tools in relation to the huge increase in operations that customs authorities will need to manage following the elimination of the EUR 150 threshold, a simplified temporary tariff treatment based on a single specific customs duty amount per item, without considering their origin and covering goods in consignments with an intrinsic value not exceeding a total of EUR 150, should apply for all economic operators that have

³ Proposal for a Regulation of the European Parliament and of the Council establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013, COM (2023) 258 final.

registered for, and make use of, the special scheme laid down in Title XII, Chapter 6, Section 4 of Council Directive 2006/112/EC⁴ and goods in a postal consignment as defined in Article 1(24) Commission Delegated Regulation (EU) 2015/2446⁵. By contrast, the Common Customs Tariff, as provided for in Council Regulation (EEC) No 2658/87⁶, should continue to apply to all other operators not registered for that special scheme.

(5b) The temporary measure should apply to all economic operators that have registered for, and make use of, the special scheme laid down in Title XII, Chapter 6, Section 4 of Council Directive 2006/112/EC⁷ and goods in a postal consignment as defined in Article 1(24) Commission Delegated Regulation (EU) 2015/2446 as the tariff classification for those goods in the customs declaration is only at the level of sub-headings of the Harmonised System, thus not specific enough to determine the exact customs duty based on the full tariff classification under the Combined Nomenclature.

(5c) Given the large volume of small parcels entering the EU to be dealt with by the customs administrations, the short implementation phase and the need for the national IT tools to be used to establish the simplified temporary tariff treatment, the challenge for Member States to ensure the practical implementation of the elimination of the threshold should be recognised. If traditional own resources based on the application of the simplified temporary tariff treatment prove to be irrecoverable, these challenging circumstances should be taken into account in assessing whether the relevant Member State should be released from the obligation to place at the disposal of the Commission the amounts corresponding to established duties within the meaning of Article 13(2)(b) of the Regulation No 609/2014⁸.

⁴ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1, ELI: <http://data.europa.eu/eli/dir/2006/112/oj>).

⁵ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/2446/oj).

⁶ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1, ELI: <http://data.europa.eu/eli/reg/1987/2658/oj>).

⁷ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1, ELI: <http://data.europa.eu/eli/dir/2006/112/oj>).

⁸ Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (Recast) (OJ L 168, 7.6.2014, p. 39, ELI: <http://data.europa.eu/eli/reg/2014/609/oj>).

(5d) Two assessment and review clauses should be included in this Regulation. One in order to assess whether diversion of trade flows, in particular away from the IOSS-scheme and into a non-IOSS scheme, occur to avoid actors paying the temporary flat rate duty. To carry out this assessment, it is important that the Commission makes use of data at its disposal. The objective of the other assessment and review is to monitor the progress in developing the new centralised Union IT infrastructure which is expected to be crucial for the effective calculation and notification of the customs debt in e-commerce transactions. This assessment is carried out with a view to determining whether the temporary measure established by this regulation need to be extended.

(6) In accordance with the principle of proportionality as set out in Article 5 of the Treaty on European Union , this Regulation does not go beyond what is necessary to meet the objectives of the Treaties, in particular the smooth functioning of the customs union and the single market.

(7) Regulation (EC) No 1186/2009 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Chapter V of Title II of Council Regulation (EC) No 1186/2009 is deleted.

Article 1a

From 1 July 2026 until 1 July 2028, a customs duty of 3 EUR per item in a consignment the intrinsic value of which does not exceed a total of EUR 150 shall apply instead of the amounts otherwise relieved according to the relevant provisions of Council Regulation (EC) No 1186/2009, where:

- a) the importation of the goods is exempt from VAT in accordance with Article 143(1)(ca) of Directive 2006/112/EC; or
- b) the goods are in a postal consignment as defined in Article 1(24) Commission Delegated Regulation (EU) 2015/2446⁹.

Article 1b

1. By 1 October 2026 and every month thereafter, the Commission shall assess whether diversion of trade flows occur. If the Commission determines that this is the case, it shall, if appropriate, submit a proposal for the temporary measure in Article 1a to cover all goods in a consignment the intrinsic value of which does not exceed a total of EUR 150.
2. By 1 December 2027, the Commission shall assess whether a centralised Union IT infrastructure to levy import duties on distance sale consignments will be realistically operational by 1 July 2028. If the Commission determines that this is not the case, it shall, if appropriate, submit a proposal to extend the temporary measure in Article 1a.

⁹ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code.

Article 2

1. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
2. It shall apply from 1 July 2026.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President