

International Shipping: EU Changes

July 7, 2026



Agenda

1. IOSS & VAT
2. EU Changes
3. What's Next
4. Q&A Session

Terminology

VAT

Value-Added Tax

A sales tax charged by EU countries (similar to GST/HST)

- On almost all commercial goods entering the EU
- Rate depends on destination country

Who pays?

Usually the buyer, unless the seller collects it at checkout.

IOSS

Import One-Stop Shop

Specifically designed to collect VAT before import (lets sellers collect VAT at checkout)

- Eligible EU shipments
- Has no effect on customs duties

Who pays?

Buyer pays VAT at checkout; seller remits it through IOSS.

Not a tax: EU VAT collection system

Terminology

Import Duty (Customs Duty)

A tax on imported goods based on the product type (HS code), country of origin, and value.

- Some goods have 0% duty depending on classification or trade agreements.

Who pays?

Usually the buyer, unless the seller prepays it (DDP).

Customs Fees

Administrative fees charged for processing imports (brokerage, clearance, handling). These are not taxes.

Who pays?

Usually the buyer, unless prepaid.

What's Changing?

July 1, 2026

European Union (EU) removed the duty-free entry for low value shipments (de minimis entry) and replace it with a fixed customs duty.

Previously, ***parcels below €150 entering the EU did not incur customs duties***; however, they were subject to value-added-tax (VAT).

Impact to You (Fees) - Now

Every parcel €150 or less imported into one of the 27 EU member states

- **Customs duty fee: €3.00 per line item**
- **Customs declaration fee: €0.15 fee per line item**

This will be in effect between July 1, 2026 and July 1, 2028 (end date is subject to change).

Impact to You (Fees) - Later

Shipments cleared in participating EU member states (i.e. Luxembourg, Netherlands, and Belgium) will be subject to a **€2 handling fee per shipment line item**.

- Not yet but coming in November 2026

France has implemented a small parcel fee as of March 1, 2026 which was suspended July 1.

Impact to You (Fees)

Shipments over €150 are not subject to this new duty and will continue to be assessed duties and taxes under the existing customs rules.

IOSS numbers cannot be used for shipments over 150 euros.

Impact to You (Fees)

- Customs fee applied only when an **IOSS number is provided electronically.**
 - *Input into Customs reference field on Chit Chats when creating shipment manually*
- If **no valid IOSS number** is provided, the **fee will be collected from the recipient**
- Ensure that recipient information is accurate.

Important Takeaways

Chit Chats International Tracked

- All DDU options
 - No return service
 - **Provide recipient information**
- Etsy provides IOSS
 - Exploring DDP for future

Temporarily
Unavailable:
***Denmark &
Luxembourg
but will be
enabled this
week***

Germany - OK



Thank You For Your Time 📧❤️

