

Financial, operational, and sustainability benefits for donors!

The Association of Dutch Food Banks (VBN), thanks to its inclusion in **Article 7:4, paragraph 8 of the General Customs Regulations**, has expanded its options for acquiring goods that are still in a bonded warehouse environment or have customs status. This provides a structured and legal route for converting consignments that can no longer be sold for commercial or customs-related reasons into valuable aid, instead of destruction or conversion into animal feed.

Which goods are covered by the regulation?

The exemption applies to **goods that meet basic necessities**, such as foodstuffs, medicines, clothing, and blankets. Equipment and office supplies for VBN's own use can also be imported exempt, provided they are shipped free of charge. These goods primarily include:

- Fruit and vegetables from overseas (e.g., via Rotterdam/Westland/Barendrecht).
- General products from overseas (e.g., via Rotterdam/Schiphol and bonded warehouses) that are no longer suitable for commercial use.
- T1 goods that were intended for ships and aircraft, for example, but have missed their departure.

The exemption does not apply to alcoholic products, tobacco products, coffee and tea, and motor vehicles (except ambulances).

What are the main benefits for donors?

The new general permit for VBN members creates a win-win situation for donors and food banks, focusing on financial security and social impact.

1. Exemption from Import Duties and VAT

The exemption scheme applies to goods donated free of charge and without commercial intent to VBN as a philanthropic institution:

- Exemption from Import Duties (IR) and VAT (Sales Tax): The donor or owner of the goods is exempt from paying import duties and VAT on import through the correct exemption permit. The exemption applies to import duties and import sales tax, but not to excise duties and consumption tax (such as those on non-alcoholic beverages).
- No VAT Adjustment for Unsellable Goods: When food is donated that is no longer saleable (for example, due to packaging shortages, a short shelf life, or not meeting quality standards), there are **no VAT consequences for the donor**. The previously deducted purchase VAT does not need to be adjusted (no BUA adjustment).

2. Avoiding Destruction Costs

Currently, importers often choose to destroy goods that can no longer be marketed. By donating to VBN, the owner of the goods **does not have to pay destruction costs**.

3. Sustainability and Corporate Social Responsibility

- Combating Food Waste: VBN's primary objective with this program is to increase opportunities to acquire goods that would otherwise be destroyed or become animal feed. This directly contributes to combating food waste.
- CSR/ESG policy: Donations of food that is no longer marketable can be **deducted from profit as a business expense**, without a legal maximum, depending on the company's CSR/ESG policy. Donating products to food banks aligns with a company's sustainability policy.

4. Simple and centralized process

- One point of contact: The supplier communicates with a single central point of contact within VBN, from which the disposal and collection are coordinated. This coordination point develops expertise in customs procedures.

- **Reliable processing:** By using a customs agent, VBN assures the supplier that the goods are released into free circulation in the EU through controlled customs clearance under the general customs procedure.
- **Simple customs clearance and distribution process:** Inclusion in Article 7:4, paragraph 8 of the General Customs Procedure is a general authorization for all food banks, allowing for standardized acquisition of goods after customs clearance. The process is designed for simplicity, control, and speed (consider the time pressure for fresh produce).
- **Simple customs process:** The customs process is handled by VBN, in collaboration with a specialized customs agent, Customs Support, who has committed their cooperation and has made capacity available.

What are the steps in the process?

The main steps are:

- **Presentation and approval:** Goods are presented to the central VBN contact point. VBN makes a quick assessment at the national level whether the consignment can be (partially) absorbed.
- **Quality check:** An inspection is carried out to assess the quality of the goods. Goods must still be of edible quality, even though they are no longer suitable for regular commercial sale. If the quality is insufficient to be included in the VBN system, destruction will take place at the supplier's expense.
- **Authorization:** If the goods are blocked (for example, due to an organism), the Netherlands Food and Consumer Product Safety Authority (NVWA) must give explicit permission for customs clearance. This is a critical step.
- **Declaration:** Once the quality and quantity are approved, the consignment is presented for customs clearance. The customs agent handles the digital declaration for philanthropic goods.
- **Release:** After acceptance of the declaration and any digital inspection, the goods are released by customs.
- **Logistical handling:** To avoid demurrage and detention costs, VBN does not currently accept containers, but pallets with boxes.
- **Transport:** Disposal/collection is coordinated by VBN. The fresh produce is sent to the hubs of the Fruit and Vegetable Brigade (GFB). Dry groceries are distributed to one of VBN's large Regional Distribution Centers (RDCs) (such as Rotterdam, Amsterdam, Tilburg, and Arnhem).

What is a key concern?

Maintaining proper customs records is crucial to ensure customs oversight of the correct use of the exemption.

- **Registration:** Customs declarations and related documents (such as pro forma invoices and/or packing lists) must be stored by VBN in the pre-registration and distribution system.
- **Audit-proof registration** is necessary to verify that the cleared goods have been delivered to the food banks and used for free distribution to customers.

Summary

VBN's inclusion in the General Customs Regulations offers donors a controlled, financially attractive, and socially responsible solution for parties stranded in customs. This is achieved through a standardized and simple customs clearance process with expert support. VBN sincerely hopes, together with its donors, to provide valuable assistance to many families in the future through this program!

If you have any questions or need to contact us about the above, please send us an email: welkom@voedselbankennederland.nl with the subject line "Achter-de-douane"