Import of goods

For the purposes of the VAT Act, the import of goods means the following:

- the placing of non-Union goods under the customs procedure of release for free circulation or the temporary importation customs procedure with partial relief from import customs duties;
- the placing of goods covered by the outward processing procedure under the customs procedure of release for free circulation;
- other cases which result in a customs debt within the meaning of the Union Customs Code.

Therefore, the delivery of non-Union goods to Estonia is considered to be the import of goods under specific customs procedures. If non-Union goods delivered to Estonia are initially placed under a customs procedure not specified above (e.g. customs warehousing, temporary admission, etc.), the import of goods within the meaning of the VAT Act and the VAT obligation do not arise yet.

The import of goods occurs when the original customs procedure is discharged and the goods are released for free circulation. The goods are deemed to be imported in Estonia if the goods are placed under the above-mentioned customs procedures in Estonia or where otherwise a customs debt is incurred and the goods have been delivered to Estonia (subsection 3 of § 6 of the VAT Act). If a customs debt has been incurred in cases other than those provided for in subsection 1 of § 6 of the VAT Act, but the goods have been transported to another Member State or to a non-Community country, the import of goods does not take place in Estonia and there is no VAT liability in Estonia if the customs debt is incurred.

In addition to the above, the import of goods within the meaning of the VAT Act also means the conveyance of goods with the customs status of the Union to Estonia from a non-Community country which is outside the VAT territory of the Union but at the same time part of the customs territory of the Union (i.e. a special territory, e.g. the Åland Islands, the Canary Islands; subsection 4 of § 6 of the VAT Act).

The placing of non-Union goods under the customs procedure of release for free circulation is not deemed to be import if it (subsection 2 of § 6 of the VAT Act):

- was preceded by the placing of the goods under the temporary admission procedure with partial relief from import customs duties;
- is directly followed by the transport of the goods to a third country which is a part of the customs territory of the Union, and the goods are to remain under customs supervision until they are taken out of Estonia.

This provision specifies the concept of import of goods by laying down the principle that the import of goods can take place only once with regard to the transport of the same goods to Estonia. The concept of import of goods precludes the release of goods for free circulation when the goods are taken from a customs warehouse to a special territory (e.g. Åland Islands). Although, in this case, the customs authorities clear the goods for free circulation (because the Åland Islands are part of the customs territory), for the purposes of VAT it is re-export, since the Åland Islands are not part of the Community's VAT territory.

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