

Apparel Import in Finland from Pakistan

A Step-by-Step Guide

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Contents

1	Introduction	4
1.1	About us	4
1.2	Limitations of the handbook	4
2	Important definitions & terminologies (explanation)	5
2.1	Types of companies in Finland	5
2.2	What is a business ID (Y-tunnus) in Finland	6
2.3	What is a VAT ID in Finland?	7
2.4	What is an EORI (Economic operators' registration and identification number)	7
2.5	What are the goods classification codes or harmonized system (HS) in international trade	8
2.6	What are the commodity codes or customs classification codes in Finland.....	8
2.7	Why are commodity codes or customs classification codes needed	9
2.8	Anatomy of customs classification codes	9
2.9	HS, TARIC, CN or commodity codes (nomenclatures) and their uses	10
2.10	What is FINTARIC?.....	11
2.11	Custom clearance and what all it includes	11
2.12	What is an Excise Duty	11
2.13	What is a VAT? How to Calculate VAT on an Import Consignment	12
2.14	Examples of Calculating the Import / Custom Duties and VAT	12
2.15	What is an import custom declaration?.....	14
2.15.1	Different ways to declare goods.....	14
2.15.2	How do I submit a customs declaration?	15
2.15.3	Who submits the customs declaration?	15
2.15.4	Provide an EORI number in the customs declaration.....	15
2.15.5	Don't forget to apply for identifiers and authorizations	16
2.15.6	Release for free circulation	16
2.15.7	Use these procedure codes in the customs declaration	16
2.15.8	Additional procedure code.....	16
2.16	What is Preferential Tariff Treatment?	17
2.17	What is a Generalized System of Preferences - GSP Status? Does Pakistan have a GSP+ Status?	18
3	Information about Public Offices & FAQs Related to Import	19
3.1	Important public offices and e-services in Finland related to import	19
3.1.1	PRH	19
3.1.2	What is YTJ?.....	19
3.1.3	Finnish Tax Administration (Vero Skatt)	19
3.1.4	Finnish Customs.....	19
3.2	FAQs	20
4	Importing textile from Pakistan	21
4.1	Basic things to know.....	21
4.1.1	List of Classification or Commodity Codes for Textile Products	21
4.2	Calculation of duties & VAT online (Example of Denim / Jeans).....	23

4.3	Permits or Certifications for Textile Import from Pakistan	25
4.4	Quality Control	25
4.5	Options to Deal Import Formalities.....	25
4.6	What is the best mode of transportation	27
5	Step-by-Step Guide - Importing Apparel.....	28
5.1	Steps of Import.....	28
5.1.1	Step-1 (Sourcing supplier & placing an order to the selected supplier).....	28
5.1.2	Step-2 (Deciding Mode of Transport).....	28
5.1.3	Step-3 (Decision to Outsource or Self-Import).....	28
5.1.4	Step-4 (Prepare the documents for import).....	28
5.1.5	Step-5 (Customs Declaration).....	29
5.1.6	Step-6 (Payment of Duties)	29
5.1.7	Step-7 (Custom Cleared)	29
5.1.8	Step – 8 (Collection and Transportation of Shipment to the company location).....	30
5.1.9	Cost of delayed collection of Shipment.....	30
6	Challenges	30
6.1	General Challenges	30
6.2	Documentation & Regulatory Challenges	30
7	Conclusion	31
8	References	32

1 Introduction

This manual is a creation of **1 Stop Group**, a Finland-based company doing business in business consultancy, IT subcontracting, and aspires to engage in textiles import from Pakistan. Welcome to the “Import Guide on Apparel Import from Pakistan to Finland” – your essential companion for navigating the processes of apparel import between these two countries. In today’s globalized economy, the import of apparel plays a vital role in meeting consumer demands and driving economic growth. As an importer seeking to bring apparel from Pakistan into Finland, understanding the complexities of the import process is crucial for success. This handbook is designed to provide you with comprehensive guidance, practical insights, and invaluable resources to streamline your import operations and navigate the regulatory requirements with confidence. From understanding trade regulations and tariff classifications to managing documentation and customs procedures, each chapter of this handbook is tailored to address the specific challenges and considerations involved in importing apparel from Pakistan to Finland. Whether you are a seasoned importer or a new joiner to the world of international trade, this manual equips you with the knowledge and tools needed to optimize your import processes, minimize risks, and seize opportunities in the global marketplace. Let us embark on this journey together and unlock the potential of apparel import between Pakistan and Finland.

1.1 About us

We **1Stop Group**, are a Finland based company operating with the Business ID (Y-tunnus 2527806-8) having our office located in Kutomotie 16, Helsinki. Besides our consultancy business, we aspire to penetrate Finnish and EU textile markets. The company is owned by Mr. Humayun Shah who is an immigrant entrepreneur and hails from Pakistan. The company was acquired in Finland in 2017. Mr. Humayun Shah is a versatile personality with over 25 years of experience in the corporate sector in Pakistan. He moved to Finland in 2017 and ever since then, has been exploring various business ventures. Our main textiles suppliers are located in Pakistan. However, this is just the beginning and we aspire to source our products from other countries as well. The company wants to differentiate itself in the textile market by promoting its eco-friendly products made of sustainable recycled cotton.

<https://www.linkedin.com/company/1stop-group/>

<https://www.finder.fi/IT-konsultointi+IT-palvelut/1stop+Group+Oy/Helsinki/yhteystiedot/2799687>

1.2 Limitations of the handbook

This handbook is designed to custom fit the import requirements of our company the **1 Stop Group**. The company is a startup engaged mainly in importing textile apparel from Pakistan and strives to engage buyers not only in Finland but in other EU countries as well. We have imported hoodies and T-shirts as a startup and are looking forward to importing denim, and towels and subsequently expanding the canvas and step into various categories of home textiles. The handbook will serve as a step-by-step guide to importing textiles primarily from Pakistan to Finland. However, since most of the guidance is sought from various authentic internet sources, therefore, majority of the content will

be copied as it is from the web sources to avoid confusion and foster clarity for the readers. We have kept a fair amount of flexibility in this handbook to add more details and chapters, should our company expand and engages with suppliers and buyers from other countries in the future. This will entail accommodating guidelines on the variations specific to other countries' laws and regulations related to import. Henceforth, this version will be treated as **version.1** for the company which will guide the company employees in the processes and challenges of apparel import between Pakistan and Finland.

2 Important definitions & terminologies (explanation)

Below are the explanations of some important terminologies used frequently in import. Having a good understanding of these terminologies and their use is vital for importing goods in Finland.

2.1 Types of companies in Finland

We are an **Oy company**; however, there are other forms of companies in Finland and it is important to know what all forms/types of companies are there in the Finnish Business World, before we move forward to import processes. Each type of company has a different scope, tax implications, and liabilities. When establishing a business, the company form, name of the company, and choice of field of activity have to be chosen. When choosing the company form, we must consider, for example, the number of founders, capital requirement, division of responsibility and decision-making, financing, and taxation. While considering the choice of company, it is advisable to contact an establishment offering business advice. Business Finland, Business Helsinki or a Financial Firm or even a well-known Book-keeper can help you choose the right company form for your intended business and get it registered in Finland. Below is a brief description of the forms of companies that exist in Finland.

Proprietorship (Toiminimi)

One of the most common and straightforward methods to begin a business venture is by establishing oneself as a sole proprietor under a chosen business name. As a sole proprietor, the entrepreneur assumes full decision-making authority and responsibility for the company's operations, and may also hire employees as necessary as in other business types. Opting for a sole proprietorship is particularly advantageous for those engaging in part-time entrepreneurship, as it offers a swift and straightforward start-up process.

Limited company (Osakeyhtiö)

The most common form of company structure in Finland is a limited company, which is well-suited for all types of business activities. Establishing a limited company can be done individually or in collaboration with other stakeholders. The influence a shareholder holds in terms of voting rights, profit distribution, and liability is determined by the number of shares they own.

Partnership (Avoin yhtiö)

A partnership arises when two or more individuals mutually consent to it through the signing of a partnership contract. Within a partnership, all the partners possess equal standing in the company's

activities and share personal responsibility for decisions, obligations, and financial liabilities incurred by the business.

Limited partnership (Kommandiittiyhtiö)

A limited partnership distinguishes itself from a standard partnership by including both accountable partners and at least one sleeping partner, who typically serves as an investor within the company operations.

Cooperative association (Osuuskunta)

A cooperative association is a business entity collectively owned by its members. The members may be one or multiple individuals. Each member is entitled to one vote during cooperative association meetings. The liability of members for the cooperative association's commitments, such as debts, is restricted to the amount of share capital they have invested.

Light entrepreneurship

Light entrepreneurship refers to a scenario where individuals independently offer services, such as cleaning, food delivery, translation, or renovation work, and operate as service providers for clients akin to entrepreneurs, without formally establishing their own business. In this arrangement, individuals invoice clients through an invoicing service company, which manages the invoicing process and handles tax payments on their behalf. However, individuals are required to obtain self-employed person's pension insurance if their annual income from business activities exceeds EUR 9,010.28 (as of 2024). Opting for light entrepreneurship may be an appealing choice for those interested in testing the waters of entrepreneurship before launching their own venture, or for those seeking to engage in entrepreneurial activities alongside other employment or educational commitments.

For more details on types of companies, follow the link <https://www.infofinland.fi/en/work-and-enterprise/starting-a-business-in-finland>

2.2 What is a business ID (Y-tunnus) in Finland

The Business ID (Y-tunnus) is a unique code assigned to businesses and organizations by either the PRH or the Tax Administration. It comprises seven digits, followed by a dash and a control mark, such as 1234567-8. Upon registration of a start-up notification in the Business Information System (BIS), jointly managed by the PRH and the Tax Administration, a new business receives its business ID.

Registration of a business in the VAT register, prepayment register, and the employer register of the Tax Administration typically takes around three weeks. Utilizing the online services at ytj.fi for submitting the start-up notification allows for the immediate issuance of a Business ID upon signing the notification, paying the trade register handling fee, and submitting the notification through the online platform. Conversely, if the start-up notification is submitted using a paper form, the Business ID is usually provided within a couple of days after submission.

For more details on company ID, follow the links

[https://www.ytj.fi/en/index/businessid.html#:~:text=The%20Business%20ID%20\(Business%20Identity,%2C%20for%20example%201234567%2D8.](https://www.ytj.fi/en/index/businessid.html#:~:text=The%20Business%20ID%20(Business%20Identity,%2C%20for%20example%201234567%2D8.)

[https://www.prh.fi/en/kaupparekisteri/yrityksen_perustaminen/perusilmoituksen_tekeminen.html#:~:text=Business%20Identity%20Code%20\(Business%20ID,'maistraatti'%20in%20Finnish\).](https://www.prh.fi/en/kaupparekisteri/yrityksen_perustaminen/perusilmoituksen_tekeminen.html#:~:text=Business%20Identity%20Code%20(Business%20ID,'maistraatti'%20in%20Finnish).)

2.3 What is a VAT ID in Finland?

When importing goods from outside the EU, it is obligatory for importers to remit VAT. A business engaged in importing goods from beyond the EU must possess a VAT identification number (VAT ID). For those registered for VAT in Finland, the VAT number is constructed using the country code FI followed by a sequence of digits identical to the Business ID, omitting the dash between the final two digits. For instance, if the Business ID is 0765432-1, the Finnish VAT number would be FI07654321. In instances of import transactions, importers with Finnish VAT registration are required to furnish a VAT return and remit the applicable VAT on imports to the Tax Administration. Conversely, if an importer lacks Finnish VAT registration, the VAT on imports is managed by Customs, rather than the Tax Administration.

For more details on VAT ID and Import VAT follow the links

<https://www.vero.fi/en/businesses-and-corporations/taxes-and-charges/vat/how-to-register-for-vat/>

<https://tulli.fi/en/businesses/import/import-vat>

2.4 What is an EORI (Economic operators' registration and identification number)

Importers and exporters engaging in trade with non-EU countries are required to obtain an intra-EU business identifier known as an EORI number for all of customs declarations. If you are involved in the importation or exportation of goods to or from the European Union (EU), acquiring an EORI number is a must. This identifier is recognized across the EU and serves as a standardized reference for interactions with customs authorities in any Member State. Application for an EORI Number is processed through Finnish Customs. For companies based in another EU member state, the application must be submitted to the competent authority in that respective country. It is important to note that multiple traders' EORI numbers may be necessary for a single customs declaration. For instance, the EORI numbers of the importer, the declarant, and any appointed representatives must be furnished in an import declaration.

[Read our instructions on how to provide the EORI number in the import declaration.](#)

Check the validity of a company's EORI number

If you have already applied for the EORI number earlier, you can check the validity of the EORI number [in the Commission's EORI number validation service](#). Type your EORI number in the field.

- The EORI number of a Finnish company has the format **FI + Business ID**, e.g. FI1234567-8.
- The EORI number of a Finnish private individual has the format **FI-running date-yyymmdd-hhmmss**

For more details or to apply for an EORI follow

[https://tulli.fi/en/about-e-](https://tulli.fi/en/about-e-services/eori#:~:text=EORI%20number%20%E2%80%93%20an%20important%20identifier,for%20almost%20all%20customs%20declarations.)

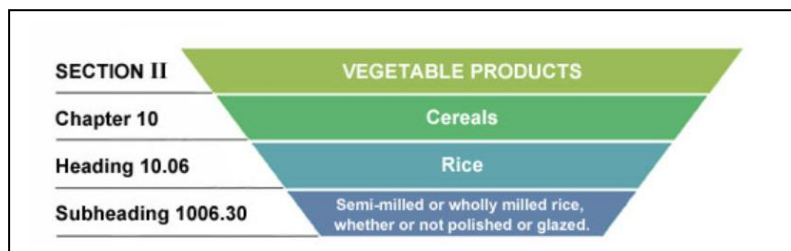
[services/eori#:~:text=EORI%20number%20%E2%80%93%20an%20important%20identifier,for%20almost%20all%20customs%20declarations.](https://tulli.fi/en/about-e-services/eori#:~:text=EORI%20number%20%E2%80%93%20an%20important%20identifier,for%20almost%20all%20customs%20declarations.)

2.5 What are the goods classification codes or harmonized system (HS) in international trade

HS codes — The Harmonized System (HS) codes are universal six-digit codes assigned to each product for import or export purposes. They are termed "harmonized" because they remain consistent across nearly all nations, covering approximately 98% of global exports. These codes provide a standardized numerical classification system for traded goods and are utilized by customs authorities worldwide to identify products during duty and tax assessments, as well as for statistical purposes. Administered by the World Customs Organization (WCO), the HS undergoes updates every five years. Its organization is based on logical categories of economic activities or constituent materials. For instance, textile products are grouped together, while machinery and mechanical appliances are classified separately.

Comprising 21 Sections, the HS is further divided into 96 Chapters (from Chapters 1 to 97, with Chapter 77 reserved for potential future use). Within these chapters, there are 1,228 headings and 5,612 subheadings in the current 2022 edition. Each HS code consists of six digits, with the initial two digits denoting the respective chapter, followed by two digits indicating the heading's position within the chapter. Finally, the last two digits signify the subheading's position within the heading.

Example: HS code 1006.30, indicates Chapter 10 (Cereals), heading 10.06 (Rice), and subheading 1006.30 (Semi-milled or wholly milled rice, whether or not polished or glazed).



2.6 What are the commodity codes or customs classification codes in Finland

The initial six digits are universally consistent and derived from the Harmonized System (HS). In Finland, the commodity code or customs classification code comprises a series of numbers required for various declarations.

- Import declaration when goods are imported from outside the EU (**10-digit** commodity code or TARIC Code).
- Export declaration when goods are exported outside the EU (**8-digit** commodity code or CN Code).
- Statistical declaration, i.e. an Intrastat declaration for intra-EU trade (**8-digit** commodity code).

Customs requires the commodity code for imported goods to accurately assess potential duties and taxes. When completing declarations through the Import Declaration Service, you can utilize the 'Goods search' feature, which contains commonly declared items. Simply input a search term into the goods search, and choose the relevant goods from the provided list. If you locate the goods using the goods search, the commodity code is automatically transmitted to Customs. In cases where the goods are not found through the goods search, you can request the commodity code via chat (**available**

Monday to Friday, 8:00-16:15). Having the commodity code enables you to anticipate the duties and taxes associated with the goods.

- *How much the import of a certain item will cost?*
- *Whether restrictions or prohibitions apply to the import or export of the item?*
- *If it can receive preferential treatment, i.e. the customs duty is lower or not payable at all?*

If you require the commodity code for reasons other than declaration, you can either look it up in the [commodity code service Fintaric](#) or inquire from the [Customs Information Service](#). See [YouTube](#) instructional videos on using Fintaric. Nevertheless, the commodity code is not necessary in all instances. For example, commodity codes are not required

- When declaring goods arriving
 - *In the Åland Islands from another EU country.*
 - *From [an area within the EU but from outside its fiscal territory](#), E.g, from the Canary Islands.*
- or in case of gifts
 - *Having a value of 45 euros or less or*
 - *Gifts received from an individual that does not have alcohol or tobacco products.*

For more details follow the link <https://tulli.fi/en/private-persons/ordering-goods-online/commodity-codes>

2.7 Why are commodity codes or customs classification codes needed

In Finland, all goods are assigned numerical codes, known as commodity codes, serving as a universal language in international trade. Virtually all countries' customs administrations and other relevant authorities mandate the use of these codes.

For goods imported from outside the EU, customs clearance necessitates the declaration of a commodity code for each item. Without a commodity code, goods cannot proceed through customs clearance. It is crucial to accurately identify the appropriate commodity code to ensure the accurate calculation of duties, taxes, and other fees, as well as the proper application of regulations. **Importers bear the responsibility for correctly classifying the goods.**

2.8 Anatomy of customs classification codes

The initial six digits remain consistent globally, while the subsequent digits vary from one country to another. It's important to note this distinction, especially when receiving product codes from foreign suppliers. For instance, let's consider an electric guitar. The accurate HS-Code, as per the EU's TARIC goods nomenclature database on the Dutch Customs website, is 9207 90 10 00. In this specific instance, the digits "10 00" represent further categorization by the Dutch Customs Authority.

9207 90 10 00 = CHAPTER 92 – Musical Instruments; Parts & Accessories of such articles.

9207 90 10 00 = Musical instruments, the sound of which is produced, or must be amplified, electrically (for example, organs, guitars, accordions)

9207 **90** 10 00 = Other

9207 90 **10 00** = Guitars

2.9 HS, TARIC, CN or commodity codes (nomenclatures) and their uses

HS: The Harmonized System Nomenclature

HS is an internationally recognized coding and description system administered by the World Customs Organization (WCO). This nomenclature serves as the foundation for the CN and TARIC classification systems and includes:

- *General rules for the interpretation of the nomenclature.*
- *Sections and chapters as well as notes to them.*
- *4-digit headings and 6-digit subheadings.*

CN: Tariff and statistical nomenclature (used in export from Finland)

The Combined Nomenclature (CN) is employed for statistical reporting, including Intrastat declarations for intra-EU trade and exports. The CN includes:

- *8-digit subheadings.*
- *General rules and special provisions for the nomenclature.*
- *Duty rates on imports from third countries (no preferential tariffs).*

For more information about CN follow the link [Combined Nomenclature](#)

TARIC: TARIC nomenclature (used in import into Finland)

The TARIC code (TARif Intégré Communautaire; Integrated Tariff of the European Communities) is applied to imports into the European Union from non-EU nations and describes specific rules and regulations applicable to particular products upon entry into the EU. It is maintained within the EU customs tariff database and primarily comprises details regarding regulations, potential restrictions, and tariff preferences. TARIC code is based on the universal HS code by providing further specification of the product code. The TARIC nomenclature encompasses various elements, including:

- *10-digit subheadings*
- *Provisions and customs duties of the combined nomenclature*
- *Preferential tariffs*
- *Anti-dumping duties*
- *EU restrictions, provisions, and prohibitions relating to import and export*

Use of the systems

System	Commodity code (Digits)	Number of commodity codes	Use
HS	1234 56	<i>approx. 5 200</i>	<i>Worldwide, not used in customs clearance</i>
CN	1234 56 78	<i>approx. 9 700</i>	<i>EU Member States: export and statistics on intra-EU trade (Intrastat)</i>
TARIC	1234 56 78 90	<i>approx. 18 000</i>	<i>EU Member States: import, basis for national customs tariffs</i>

For more details follow the link

<https://tulli.fi/en/businesses/commodity-codes/uses-of-nomenclatures>

2.10 What is FINTARIC?

Fintaric is a publicly accessible platform provided by Finnish Customs, offering comprehensive access to commodity code details. Tailored to meet the requirements of Finnish importers and exporters, Fintaric utilizes data from the Taric database of the European Commission. It displays commodity codes from the Taric database, along with associated restrictions, taxes, and Finnish national restrictions.

- [Search goods nomenclature](#)
- [Instruction video for searching commodity codes](#)
-

In Fintaric's calculation service, you can estimate the amounts of customs duties & taxes for the goods.

- [Calculation service](#)
- [Instruction video for use of calculation service](#)

[See all the instructions for using the Fintaric service.](#)

2.11 Custom clearance and what all it includes

Customs clearance involves submitting a declaration to Customs for goods procured from overseas and settling the applicable import duties and taxes. These duties and taxes encompass customs duty, excise duty, and value-added tax (VAT), among others. Customs duty is levied on the assessed customs value of the imported product.

The **customs value** typically comprises the purchase price of the goods, along with handling and transportation expenses. The amount of customs duty hinges on both the commodity code and the customs value. It is often calculated as a percentage of the customs value, termed an ad valorem duty. Alternatively, it may be specified as a specific duty, denoting an amount per kilogram or litre.

Customs duty is generally exempted for purchases valued at 150 euros or less.

To access Commodity codes in Finland, follow the link [commodity code](#)

A company has the option to conduct customs clearance for goods and lodge specific declarations electronically via the Customs Clearance Service. Regarding digital authorization, it is possible to delegate authority to another individual or entity to act on one's behalf, or to request authorization to act on behalf of someone else. Authorization can be granted in the realm of customs clearance.

Follow link [Suomi.fi e-Authorizations](#)

2.12 What is an Excise Duty

Excise duties represent indirect taxes imposed on the consumption or sale of specific goods. While primarily collected for fiscal purposes, they are also designed to further social and health policy objectives, as well as environmental and energy policy targets. Excise duties are applicable to products manufactured within Finland as well as those imported into the country.

These duties are product-specific, meaning the amount paid is determined by the quantity of products utilized in taxable transactions or supplied for taxable purposes (products released for consumption). Within the EU, there are two categories of excise duty: those harmonized by directives and those established by individual Member States. Harmonization entails that these products are subject to excise duty across all EU Member States, with minimum tax rates set for such goods. Additionally, there are product categories for which excise duties are determined at the national level.

Harmonized Excise Duties are paid on

- *Alcohol.*
- *Tobacco products.*
- *Liquid fuel.*
- *Electricity and certain fuels.*

National excise duties and tax-like charges are applied on

- *Soft drinks.*
- *Beverage containers.*
- *Oil damage duty.*
- *Waste tax.*
- *Strategic stockpile fee.*
- *Mined minerals.*

Are you liable to pay excise duties?

There are no excise duties on import of textile products from Pakistan.

To find out more details follow the link

<https://www.vero.fi/en/businesses-and-corporations/taxes-and-charges/excise-taxation/>

2.13 What is a VAT? How to Calculate VAT on an Import Consignment

Value-added tax (VAT) is obligatory and is calculated at the standard rate of 24% of the goods' value. However, different rates apply to specific categories: 14% for foodstuffs and food supplements, and 10% for books, subscribed magazines and periodicals, as well as works of art. The VAT amount is contingent upon the taxable amount, which comprises various factors, including among other things:

- *The customs value, that is, the purchase price of the goods and the transport costs.*
- *Possible customs duty.*
- *Possible handling fee payable to Posti or any other courier or transport company.*
- *Possible taxes payable outside Finland, such as VAT to the country of the seller of the goods.*

2.14 Examples of Calculating the Import / Custom Duties and VAT

Below-mentioned examples help to understand how VAT and customs duty are calculated on imported products. To estimate the VAT and customs duty, you may use [the Customs Duty Calculator](#). **Read more about [what parcels are subject to import duties and taxes](#).**

Example 1: You have ordered a blouse from China that costs 200 euros. The postage for the consignment is 35 euros.

Customs duty:

You must pay customs duty for the blouse, because it is delivered from outside the EU and it is worth more than 150 euros.

The customs duty rate on clothes is 12% of the value of the product including the transport costs:
 $(€200 + €35) \times 0.12 = \mathbf{€28.20}$

VAT:

The blouse is delivered from outside the EU, so you must pay VAT for it. The VAT is 24% of the value of the product, including the transport costs, the customs duty and possible handling fee payable to Posti: $(€235 + €28.20 + €3.10) \times 0.24 = \mathbf{€63.86}$

The total amount of import duties and taxes you will pay for the blouse is $\mathbf{€28.20 + €63.86 = €92.06}$.

Example 2: You have ordered a blouse from the Canary Islands that costs 200 euros. The postage for the consignment is 35 euros.

Customs duty:

You don't have to pay any customs duty for the blouse, because the Canary Islands are part of the customs territory of the EU.

VAT:

The Canary Islands are not part of the fiscal territory of the EU, so you must pay VAT for the blouse. Read more about [what parcels are subject to VAT](#).

The value of the product, including the transport costs, is $€200 + €35 = €235$. The VAT is 24% of the value of the product, including the transport costs and possible handling fee payable to Posti: $(€235 + €3.10) \times 0.24 = \mathbf{€57.14}$

The total amount of import duties and taxes you will pay on the blouse is $\mathbf{57.14}$ euros.

Example 3: You have ordered a camera from China that costs 100 euros. The postage for the consignment is 35 euros.

Customs duty:

The camera is delivered from outside the EU and it is worth less than 150 euros, so you don't have to pay any customs duty for it.

VAT:

The camera is delivered from outside the EU, so you must pay VAT for it. Read more about what parcels are subject to VAT.

The value of the product, including the transport costs, is €100 + €35 = €135. The VAT is 24% of the value of the product, including the transport costs, and possible handling fee payable to Posti: (€135 + €3.10) x 0.24 = **€33.14**

The total amount of import duties and taxes you will pay for the camera is 33.14 euros.

For examples follow the link below

<https://arkisto.tulli.fi/en/private-persons/ordering-goods-online/customs-clearance-vat-and-customs-duty>

For VAT rates on various services and goods please follow the link below

<https://www.vero.fi/en/businesses-and-corporations/taxes-and-charges/vat/rates-of-vat/>

2.15 What is an import custom declaration?

When goods are imported from outside the European Union's customs and tax jurisdiction, an import customs declaration is required. [Check the customs and tax areas of the EU](#). Going through the customs clearance process is mandatory.

2.15.1 Different ways to declare goods

- Lodge an import declaration online via [the Customs Clearance Service](#).
- Additionally, businesses can seek [message declarant status](#) if they regularly file a significant volume of customs declarations, although this may necessitate financial investments by the business.
- Typically, businesses are mandated to electronically submit their import declarations. However, individuals returning from travels with commercial goods have the option to present a customs declaration for the goods at the entry customs office using a [SAD form](#).

Note: When completing the customs declaration, select the appropriate customs procedure and transaction type based on the intended use.

2.15.2 How do I submit a customs declaration?

Once the transport company (e.g., Post office) or warehouse keeper notifies you of the goods' arrival, you can proceed to submit an import declaration. The arrival notice includes either the arrival ID or the MRN, which are necessary for the customs declaration process.

- Ensure to submit the customs declaration within the stipulated timeframe. If all the required details of the goods are available and all import requirements are met, the declaration process may only require a few minutes.
- Upon customs clearance and [payment of the customs invoice](#), you will receive the goods promptly. If you possess [authorization for payment deferment](#) granted by Customs, you can obtain the goods after customs clearance and settle the customs invoice at a later time.
- It's worth noting that in certain instances, you may have the option to submit a customs declaration before the goods arrive in Finland. For further information about submitting an import declaration in advance follow link [submitting an import declaration in advance](#)

2.15.3 Who submits the customs declaration?

The responsibility for declaring goods falls on the business (importer). In practical terms, the customs declaration can be filed by either:

- The importer directly.
- A representative authorized by the importer to submit the customs declaration. The representative must be prepared to present a power of attorney to Customs upon request. Further details on serving as a representative follow the link [Read more about acting as a representative](#).

2.15.4 Provide an EORI number in the customs declaration

The importer, the declarant, and any representative involved in the customs process must possess an EORI number. This requirement extends to companies, organizations, municipalities, or states with a Business ID. Failure to have an EORI number linked to a Finnish Business ID will result in the rejection of the import declaration. Similarly, if a foreign company's EORI number is not provided, their customs declaration will be rejected as well.

The validity of a company's EORI number can be verified using the [Commission's EORI number validation service](#). It's advisable for companies to apply for EORI registration well in advance of imports through [EORI number application service](#). The service will ask for login through bank credentials (strong verification).

2.15.5 Don't forget to apply for identifiers and authorizations

- For customs declaration, a business would require [an EORI number](#).
- Using our online services usually requires [identification and authorization](#).
- If you regularly import goods and wish to be able to pay the customs duties later, you can apply for [the authorizations for comprehensive guarantee and payment deferment](#).

2.15.6 Release for free circulation

Release for free circulation stands as the most common and straightforward customs procedure for imports. Under this process, goods arriving from outside the EU undergo clearance into the EU (specifically, Finland). Once cleared, the goods are no longer under customs supervision and can be freely consumed or transported within the EU. Import duties are applied to the goods, along with any commercial policy measures such as import prohibitions or quantitative import restrictions. The customs declaration for these goods can be submitted either by the declarant (importer) or by a representative authorized to submit the declaration. It's essential that the declarant is a business entity established within the European Union.

The goods are declared in [the Customs Clearance Service](#). For further details [Read more about release for free circulation](#).

Example

Once your company imports goods from Pakistan, completes the clearance process for free circulation, and settles any applicable customs duties, it can freely move the goods upon receiving the release decision. These goods can then be sold in your shop without restrictions.

2.15.7 Use these procedure codes in the customs declaration

The customs procedure code 4000 is employed when the intention is to release the goods for free circulation (40), and there hasn't been any previous procedure for the goods (00), indicating that they are being imported into the EU for the first time. When completing the customs declaration, select:

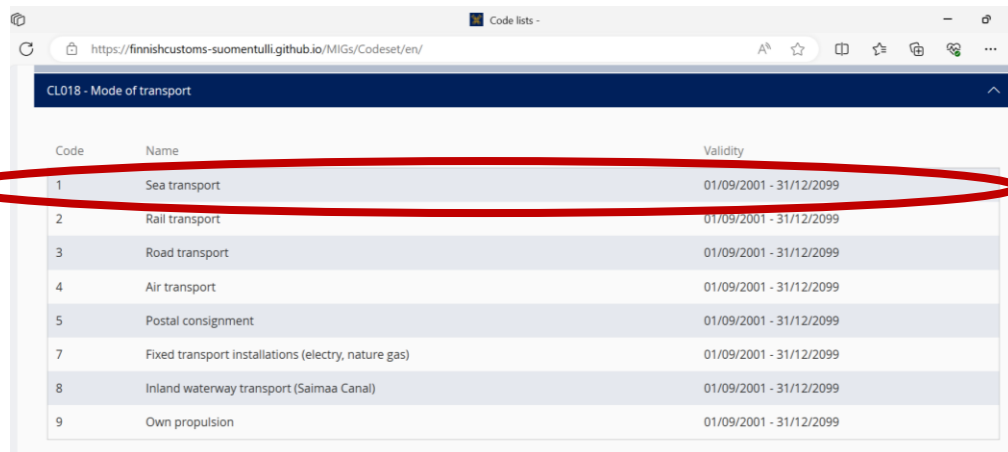
- *The requested procedure code 40.*
- *The code for previous procedure 00.*

2.15.8 Additional procedure code

By using an additional procedure code, you can furnish more detailed information about the goods in the customs declaration. For instance, the additional procedure code C07 is employed when declaring low-value consignments, that is, indicating [consignments of negligible value, up to 150 euros](#). Please be aware that even when there is no additional procedure, the additional procedure code must still be indicated. In such instances, the code to be used is "999 – no additional procedure"

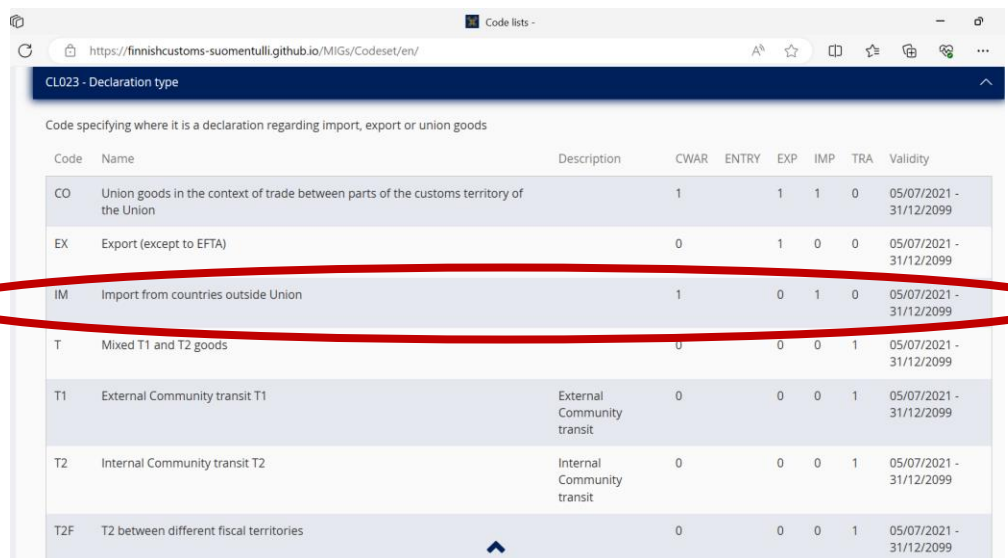
- [List of additional procedure codes](#) (Must read)

Examples of additional procedure codes



CL018 - Mode of transport

Code	Name	Validity
1	Sea transport	01/09/2001 - 31/12/2099
2	Rail transport	01/09/2001 - 31/12/2099
3	Road transport	01/09/2001 - 31/12/2099
4	Air transport	01/09/2001 - 31/12/2099
5	Postal consignment	01/09/2001 - 31/12/2099
7	Fixed transport installations (electric, nature gas)	01/09/2001 - 31/12/2099
8	Inland waterway transport (Saimaa Canal)	01/09/2001 - 31/12/2099
9	Own propulsion	01/09/2001 - 31/12/2099



CL023 - Declaration type

Code specifying where it is a declaration regarding import, export or union goods

Code	Name	Description	CWAR	ENTRY	EXP	IMP	TRA	Validity
CO	Union goods in the context of trade between parts of the customs territory of the Union		1		1	1	0	05/07/2021 - 31/12/2099
EX	Export (except to EFTA)		0		1	0	0	05/07/2021 - 31/12/2099
IM	Import from countries outside Union		1		0	1	0	05/07/2021 - 31/12/2099
T	Mixed T1 and T2 goods		0		0	0	1	05/07/2021 - 31/12/2099
T1	External Community transit T1	External Community transit	0		0	0	1	05/07/2021 - 31/12/2099
T2	Internal Community transit T2	Internal Community transit	0		0	0	1	05/07/2021 - 31/12/2099
T2F	T2 between different fiscal territories		0		0	0	1	05/07/2021 - 31/12/2099

2.16 What is Preferential Tariff Treatment?

Preferential tariff treatment refers to a scenario where the duty imposed on goods imported from outside the EU, known as third countries, is either lower than the standard customs duty or waived entirely, based on certain criteria. This reduction in customs duty can stem from agreements negotiated by the EU or unilateral concessions granted by the EU. Moreover, the allocation of preferential treatment may be restricted to specific annual import quantities. Additionally, preferential tariff treatment tied to import volumes, often subject to quotas, may also arise from agreements within the framework of the World Trade Organization (WTO).

For more details on preferential treatment follow link

<https://arkisto.tulli.fi/en/businesses/import/preferential-treatment-and-general-origin-of-goods>

In addition to individual countries, nearly 200 countries are encompassed within the groups known as GSP, OCT, and ACP/EPA states. The countries and territories belonging to these groups are detailed in

the Commission's TARIC database. Notably, the GSP group comprises countries such as **Pakistan** and India, among others.

For more details follow link

<https://arkisto.tulli.fi/en/businesses/import/preferential-treatment-based-on-origin>

2.17 What is a Generalized System of Preferences - GSP Status? Does Pakistan have a GSP+ Status?

Since 1971, the EU has been providing preferential tariff treatment to developing countries through its Generalized System of Preferences (GSP). The EU's common trade policy aligns with and backs the objectives of development cooperation policy, focusing on eradicating poverty and fostering sustainable development and good governance in developing nations. Under this system, products originating from developing countries receive preferential tariff treatment, which entails either reduced duties or duty-free status, without requiring reciprocal preferential treatment from these countries for EU-origin products.

<https://arkisto.tulli.fi/en/businesses/import/generalised-system-of-preferences-gsp->

There are three arrangements in the GSP regulation

- *The general arrangement (around 11 countries).*
- *The special incentive arrangement for sustainable development and good governance, GSP+ (8 countries).*
- *The special arrangement for least-developed countries, EBA (around 47 countries).*

<https://arkisto.tulli.fi/en/businesses/import/generalised-system-of-preferences-gsp->

In all, there are around 76 developing countries in the system that actually are granted preferences. **Pakistan was granted GSP+ status on January 1, 2014**, following the country's ratification of 27 international conventions and its commitment to their implementation. In total, there are eight GSP+ countries. The EU GSP+ serves as a specific incentive mechanism aimed at fostering good governance and sustainable development through trade facilitation. This incentive affords Pakistan zero-rated or preferential tariffs on approximately 66% of tariff lines, thereby bolstering the country's capacity to export to the EU market.

https://www.eeas.europa.eu/delegations/pakistan/european-union-releases-fourth-gsp-report-evaluating-implementation-27-international-conventions_en?s=175

To have more detailed insights into the benefits of GSP status for Pakistan, follow pdf booklet by the Government of Pakistan at the link below

<https://tdap.gov.pk/wp-content/uploads/2024/01/GSP-Booklet-17-03-22-Small-size.pdf>

3 Information about Public Offices & FAQs Related to Import

This part of the handbook shall give a brief account of the important public offices and their functions and share some frequently asked questions with their answers.

3.1 Important public offices and e-services in Finland related to import

The following are the key public offices:

3.1.1 PRH

The Finnish Patent and Registration Office (PRH) oversees the Finnish Trade Register, where information about companies is recorded. Entries in the Trade Register are made based on notifications, applications, and communications submitted to the PRH. It is the authority responsible for registering new companies in Finland. For more details about PRH and its scope of work, follow the link <https://www.prh.fi/en/index.html>

3.1.2 What is YTJ?

The Business Information System (BIS), known as "YTJ" in Finnish, is a collaborative effort and jointly managed between the Finnish Patent and Registration Office (PRH) and the Finnish Tax Administration (Vero). For more details about YTJ and its scope of work, follow the link <https://www.ytj.fi/en/>

3.1.3 Finnish Tax Administration (Vero Skatt)

Vero Skatt is the Finnish Tax Administration that implements taxation. One of the most important public offices for individuals and companies in terms of tax payments, VAT returns, and most of the company's financial obligations. For more details about Vero and its scope of work, follow the link <https://www.vero.fi/en/individuals/>

3.1.4 Finnish Customs

Finnish Customs plays a pivotal role in facilitating the trade of goods, ensuring accuracy, efficient taxation, and providing customer-centric services while safeguarding society, the environment, and citizens. Its responsibilities encompass collecting customs duties, overseeing customs controls for import and export goods, managing international traffic, and enforcing customs regulations. Additionally, Customs compiles international trade statistics and investigates customs-related offenses.

To fulfill its core functions, Finnish Customs operates distinct departments for foreign trade and taxation, enforcement, administration, and customs offices. The Customs Offices Department comprises seven customs offices, each with subordinate branch offices, including Sea Customs, Airport Customs, as well as offices in Vaalimaa, Nuijamaa, Imatra, Tornio, and Mariehamn.

For addresses and contact information of customs offices please follow the link <https://arkisto.tulli.fi/en/about-us/contact-information/customs-offices-that-issue-customs-clearance-carnets>

Legally mandated, Finnish Customs oversees import controls for various goods, including consumer products and non-animal food items. Within Finnish Customs, the Customs Laboratory evaluates product compliance and safety. As part of the European Union's customs system, Finnish Customs operates as a government agency overseen by the Ministry of Finance, employing results-oriented management practices. Collaborating closely with the private sector, as well as domestic and foreign authorities, Finnish Customs maintains effective partnerships to fulfill its mandate.

For more details about Finnish customs responsibilities and scope of duties follow link <https://www.suomi.fi/organization/finnish-customs/52326058-8510-458c-99ee-49b5f1a16b9e>

For the official website of the Finnish Customs Authority follow the link below. This is an old version of the Finnish customs website while the English version of the updated website is still under development <https://arkisto.tulli.fi/en/frontpage>

It is, however, advisable to type the particular query about Finnish customs rules and regulations in Google search and then follow the required link of Finnish customs authority tull.fi to fetch focused information.

3.2 FAQs

- **How do I verify a company in Finland?**

The Finnish Register of Foundations provides information on registered foundations. Utilize the PRH Virre Information Service to obtain a complimentary electronic Trade Register extract. Additionally, you can purchase various documents, including the company's financial statements, articles of association (organizational rules), extracts from the Finnish Register of Foundations, and electronic abstracts of the Finnish Register of Enterprise Mortgages.

For further information on this topic, please refer to the [Virre Information Service](#).

- **What is a Proforma Invoice? Can it be used for customs clearance?**

A proforma invoice serves as an initial bill or estimated invoice sent to the buyer to request payment for goods or services before their delivery. It typically contains a description of the goods, the total amount due, and other transactional details. However, it's important to note that a proforma invoice cannot be utilized for customs clearance or payment to the seller. Instead, a commercial invoice is necessary for these purposes. Additionally, it is the commercial invoice that facilitates payment to the seller and provides customs officials with essential details to calculate import duties, taxes, and ensure compliance with the destination country's regulations.

- **Does Pakistan have a GSP+ status?**

Yes, **Pakistan was granted GSP+ status on January 1, 2014**, following the country's ratification of 27 international conventions and its commitment to their implementation. In total, there are eight GSP+ countries. The EU GSP+ serves as a specific incentive mechanism aimed at fostering good governance and sustainable development through trade facilitation. This incentive affords Pakistan zero-rated or preferential tariffs on approximately 66% of tariff lines, thereby bolstering the country's capacity to export to the EU market.

https://www.eeas.europa.eu/delegations/pakistan/european-union-releases-fourth-gsp-report-evaluating-implementation-27-international-conventions_en?s=175

To have more detailed insights into the benefits of GSP status for Pakistan, follow pdf booklet by the Government of Pakistan at the link below

<https://tdap.gov.pk/wp-content/uploads/2024/01/GSP-Booklet-17-03-22-Small-size.pdf>

- **What duties & taxes apply to importing textiles from Pakistan?**

Importing textiles from Pakistan entails payment of only VAT @ 24% on the **customs value of goods**. Since Pakistan has a GSP + status, therefore, no import duty is levied on the import of textiles from Pakistan. Excise duty is also not applicable as it is levied only on alcohol, tobacco products, and certain fuel and oil-related products but not textile products.

- **What is the contact information of customs offices?**

Follow the below link for contact numbers and addresses of various customs offices.

<https://arkisto.tulli.fi/en/about-us/contact-information/customs-offices-that-issue-customs-clearance-carnets>

4 Importing textile from Pakistan

4.1 Basic things to know

Before we start importing textiles from Pakistan, we need to know the following:

4.1.1 List of Classification or Commodity Codes for Textile Products

Denim Jeans Men	-	6203 42 31 00
Denim Jeans Women	-	6204 62 31 90
Towels	-	6207 91 00 11
Hoodies	-	6210 40 00 00
T-Shirts	-	6109 10 00 10

GOODS TREE

Search 6203423100 X

Commodity information for 6203423100 (Import on the 4.4.2024)

XI	TEXTILES AND TEXTILE ARTICLES:
62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED:
6203	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear):
6203 41	- Trousers, bib and brace overalls, breeches and shorts:
6203 42	-- Of cotton:
6203 42 11	--- Trousers and breeches:
6203 42 31	---- Other:
6203 42 31 00	----- Of denim

Measurement unit
NAR (Number of items)

Notes

Footnotes

Calculate this commodity

<https://asiointi.tulli.fi/asiointipalvelu/fintaric/GoodsTree>

Browse (Import on the 10.5.2024)

- ▶ 6107 Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted:
- ▶ 6108 Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, négligés, bathrobes, dressing gowns and similar articles, knitted or crocheted:
- ▶ 6207 Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles:
- ▶ **6207 91 00 11** --- Bathrobes, dressing gowns and similar articles of terry towelling and similar woven terry fabrics
- ▶ 6208 Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, pyjamas, négligés, bathrobes, dressing gowns and similar articles:
- ▶ 6208 91 00 11 --- Négligés, bathrobe, dressing gowns and similar articles:

<https://asiointi.tulli.fi/asiointipalvelu/fintaric/GoodsTree>

- ▶ 6105 Men's or boys' shirts, knitted or crocheted:
- ▶ 6106 Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted:
- ▶ 6107 Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted:
- ▶ 6108 Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, négligés, bathrobes, dressing gowns and similar articles, knitted or crocheted: 🕒 📄 📄 📄
- ▼ 6109 T-shirts, singlets and other vests, knitted or crocheted:
 - ▼ 6109 10 - Of cotton:
 - ▶ **6109 10 00 10** -- T-shirts
 - ▶ 6109 10 00 90 -- Other

<https://asiointi.tulli.fi/asiointipalvelu/fintaric/GoodsTree>

4.2 Calculation of duties & VAT online (Example of Denim / Jeans)

Calculating / Estimating Custom Duties & VAT on FINTARIC

(Step-1)

TULLI FINTARIC ? Instructions

CALCULATION

Commodity

Customs value
VAT code, quota
Additional codes
Meursing codes
Certificates
Amounts of goods
Result

Select import or export and change the date of the calculation if necessary. If you know the commodity code, enter the code in the box Commodity and select the right country. If you don't know the commodity code, find the right code using the magnifying glass. Go forward in the calculation by clicking Next.

Procedure
 Import Export Transit

Date *
4.4.2024

Commodity *
6203423100

Country *
Pakistan (PK)

← Previous Clear all Next →

<https://asiointi.tulli.fi/asiointipalvelu/fintaric/Calculation?direction=0&date=20240404&goods=6203423100&country=>

(Step-2)

CALCULATION

Commodity
Customs value
VAT code, quota
Additional codes
Meursing codes
Certificates
Amounts of goods
Result

Customs value

6203423100 - - - - Of denim

Enter the customs value, which is based on the price generally payable for the goods. The customs value also includes the transport costs up to the first point of entry in the EU, for example. In the case of calculation of the transit guarantee, you can leave the customs value field empty and the system will use the statistical average price when determining the value. Read more about [customs value from tullii.fi-site](#). Enter the net weight, that is the weight of the goods. If the consignment involves other expenses, such as insurances, enter this sum under incidental expenses. Do not change the preferential treatment code 100, unless you are applying for preferential treatment. Read more about [preferential treatment from tullii.fi-site](#). Go forward in the calculation by clicking Next.

Customs value (€) 200 **Net weight (kg)** 10 **Incidental expenses (€)**


Preference

200 - GSP duty rate
100 - Erga Omnes third country duty rates
200 - GSP duty rate

← Previous Clear all Next →

https://asiointi.tulli.fi/asiointipalvelu/fintaric/Calculation?direction=0&date=20240404&goods=6203423100&country=#NVEDA_5351_638496645909063070

(Step-3)

 ? Instructions

CALCULATION

Commodity

Customs value

VAT code, quota

Additional codes

Meursing codes

Certificates

Amounts of goods

VAT code, quota

6203423100 - - - - - *Of denim*

Select the right VAT rate from the drop-down menu. Read more about [import VAT from tullii.fi-site](#) . If there are quotas available for this commodity code, you may also select a quota. Go forward in the calculation by clicking Next.


VAT code

Q099 - Value added tax 24%

← Previous Clear all Next →

https://asiointi.tulli.fi/asiointipalvelu/fintaric/Calculation?direction=0&date=20240404&goods=6203423100&country=#NVDA_5351_638496646604093168

(Step-4)

 ? Instructions

CALCULATION

Commodity

Customs value

VAT code, quota

Additional codes

Meursing codes

Certificates

Amounts of goods

Result

6203423100 - - - - - *Of denim*

Below you can see result of the calculation, which is just an estimate.

Regulation	Type	Base	Rate	Amount
R0978/12 (C142)	A00 (Duty)	200 €	0 %	0,00 €
Q1501/93 (P305)	B00 (Value added tax)	200 €	24 %	48,00 €
Total:				48,00 €

← Previous Clear all Next →

https://asiointi.tulli.fi/asiointipalvelu/fintaric/Calculation?direction=0&date=20240404&goods=6203423100&country=#NVDA_5351_638496646604093168

4.3 Permits or Certifications for Textile Import from Pakistan

- It is mandatory to have Oeko-Tex certification for the supplier to export products to Finland or any EU country. This falls in the ambit of purchased department to make sure the products purchased from Pakistan are Oeko-Tex certified.

<https://www.oeko-tex.com/en/>



OEKO-TEX® STANDARD 100 is a label for textiles tested for harmful substances. It sets the benchmark for textile safety, from yarn to finished product. Every item bearing the STANDARD 100 label is certified as having passed safety tests for the presence of harmful substances.

<https://www.oeko-tex.com/en/our-standards/oeko-tex-standard-100>

- Labels on the products should be in Finnish, Swedish, and English for free circulation of products in Finland. Other EU languages must be there if the company wants to sell the products in other EU countries or else the products may be stopped at the Finnish customs.

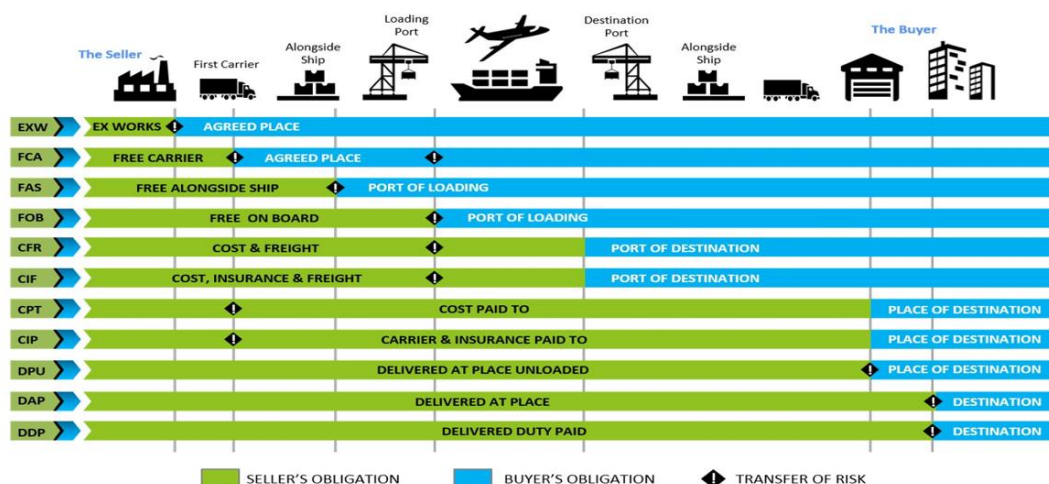
4.4 Quality Control

Make sure that you have a reliable quality control setup or an outsourced organization in Pakistan that would check the quality of products at the manufacturing unit before they can be packed for shipment to Finland. In addition, this organization would also ensure all the certifications required to export products to Finland are complied with and that the production timelines are met. Though quality control falls in the ambit of the purchase department, yet, the import employees need to know about quality control mechanisms.

4.5 Options to Deal Import Formalities

- The Incoterms 2020*

Point of Delivery and Transfer of Risk



- ***Option-1 - Outsourced the entire process end-to-end to a freight forwarding or logistics company***

This entails a cost to be paid to an outsourced expert (company). The most suitable incoterms for this type of arrangement are either **DAP or DDP**. In this case,

- The shipment is picked up from the factory in Pakistan by the freight forwarding or logistics Company.
 - Dispatch formalities in the sender's country (Pakistan) are completed by the outsourced company.
 - The shipment is booked and transported by air or sea to Finland (in the case of Pakistan road and railway do not apply). Freight, insurance, handling charges, and all other payments are paid by the outsourced company.
 - Customs clearance, payment of duties, taxes, and VAT are done by them as well.
 - Shipment is transported to the buyer's warehouse or location.
- ***Option-2 - Do the entire process yourself - by the importer***
 - The importer arranges to pick up the shipment from the factory in Pakistan and transport it to the air or seaport.
 - Dispatch formalities in the sender's country (Pakistan) are completed by the importer or his representative.
 - The importer gets his shipment booked and transported by air or sea to Finland (in the case of Pakistan road and railway do not apply). Freight, insurance, handling charges, and all other payments are paid by the importer to the transportation and handling companies.
 - Customs clearance, payment of duties, taxes, and VAT are done by the importer or he pays to a clearing agent for customs clearance.
 - Shipment is transported to the buyer's warehouse or location by post or courier.
- ***Option-3 - Do it through a logistics company but keep the decision-making in the importer's control***
 - The Finnish Customs System is one of the best in the world. It is very convenient to contact the Finnish Customs help desk and the guidance rendered by the customs staff is very detailed and helpful.
 - However, unless the employees of the importer are experts in importing textiles, it is advisable to choose a clearing agent from the options given by the logistics company and negotiate rates and service charges. Market rates must also be collected before finalizing a logistics company, the transport means, and the clearing agents. A little market research can save a good amount of money for the importer. The importer can always ask the logistics company to share options of transportation (shipping lines or airlines) and the clearing agents.

- Later, when the importer has acquired expertise in customs clearance in Finland, he can do the clearance process on his own through the Finnish Customs online services and save service costs incurred on customs clearance.
- **Benefits of choosing option 3.**
Outsourcing the import formalities end-to-end to freight forwarding or logistics companies but with full involvement and control of the importer is recommended and can fetch following benefits:
 - Freight forwarding or logistics companies are subject matter experts and they follow all the timelines and know the regulations in detail.
 - There are a number of electronic or paper forms that need to be filled while booking the shipments from Pakistan (Export part) and during the import process in Finland such as proforma invoices, commercial invoices, selection of correct TARIC Codes, packing lists, documents of certifications, the certificate of origin, GSP + status, and customs declaration etc. In addition, payment of customs duties, VAT, and transport charges online also requires some previous experience.
 - There are various coordinations that need to be done with other service providers, such as, the transportation company in Pakistan (responsible to lift the shipment ex-factory and transport it to the air or seaport. Similarly, booking services of a transport company and coordinating with it is required in Finland as well. These all bookings and coordination is done by the freight forwarding company if the services are outsourced.
 - The importer receives the information and can track the shipment from the point when the shipment is moved from the manufacturing unit in Pakistan onward till it reaches the destination (importer's location or warehouse)

4.6 What is the best mode of transportation

- **Sea**
Suitable for larger consignments as it is cheap but takes more time. For sea transport, it takes a minimum 45 days. Plus some additional days at the port of export and at the port of destination to complete the formalities would require approximately 15 days, making it a total of 60 days to receive the shipment from seller to buyer.
- **Air**
Suitable for smaller consignments, such as samples. It is more expensive but delivery is faster. It takes approximately 14 days for the consignment to reach the buyer from the seller. It is important to note that some airlines are expensive in freight but then there are fewer stops or connecting flights and the shipment is transported in one go with no delays. Freight from these airlines get priority customs treatment. In contrast, opting for cheaper air freight entails the risk of delays as the airlines have several stops and connecting flights and the possibility of partial transport of shipment in one flight while the rest in other flight is always there. This will cause delays in the complete shipment to reach the buyer's location. In addition, partial shipments are difficult to track and are normally not cleared unless a

complete shipment has arrived at the destination airport. This can possibly cause additional demurrage charges to the buyer.

Demurrage rates are the fee (generally a per container per day fee) that are charged on containers that are left in the port yard or airport warehouses for too long before being collected.

5 Step-by-Step Guide - Importing Apparel

5.1 Steps of Import

5.1.1 Step-1 (Sourcing supplier & placing an order to the selected supplier)

Make sure to place the manufacturing order with a certified and mature supplier. Our company focuses on environmentally friendly materials used in denim and other textile products. Make sure the supplier is well aware of EU product sizes in textile products, its supply chain is well established, and that the supplier can meet the demands of the fast fashion industry in terms of meeting timelines. This is only possible when the supplier is already mature in their R&D and has been in export business with EU. This part of sourcing the supplier is the responsibility of the purchase team. Read [Chapter 4.1](#) for clarity in sourcing suppliers.

5.1.2 Step-2 (Deciding Mode of Transport)

- Sea (For larger consignments) as it is cheap but takes more time.
- Air (For smaller consignments, such as samples. (More expensive but faster delivery).

The volume of consignment and urgency will decide the mode of transport. Sea transport is way cheaper than air transport. The company normally gets a bigger volume of consignments transported by sea unless the urgency of delivery requires the consignment to be delivered by air. For smaller consignments, such as samples, the company resorts to transportation by air. For a detailed comparison see [chapter 4.6](#) above.

5.1.3 Step-3 (Decision to Outsource or Self-Import)

Option 3 is the best for a start-up company like ours. However, the final decision lies with the CEO of the company. Read the options in [chapter 4.5](#), especially option 3 and its benefits.

5.1.4 Step-4 (Prepare the documents for import)

It is important to prepare all the documents needed to import textiles apparel from Pakistan to Finland. A specimen checklist as follows.

- Y-tunnus of importing company.

- EORI Number of importing company.
- VAT ID of importing company.
- A proforma invoice is required for the initial assessment of customs duties (in textiles imported from Pakistan only VAT assessment is required). Subsequently, a commercial invoice is used for customs clearance.
- Correct TARIC Codes (Commodity codes) of the products.
- Additional codes related to the product.
- Packing list.
- Mandatory certifications.
- Certificate of origin.
- GSP + status application.
- Strong identifiers (Banking ID).
- Bill of lading or airway bill.
- ETD (estimated time of delivery).
- Mandates to the representative or a clearing agent if services are outsourced.
- Other e-forms required for customs declaration.

5.1.5 Step-5 (Customs Declaration)

Lodge an import declaration online via [the Customs Clearance Service](#).

See [chapter 2.15](#)

When goods are imported into the customs territory of the EU by air directly from countries outside the EU, an entry summary declaration (ENS) and an arrival notification (AN) must be submitted for the goods with messages to the Commission's ICS2 system or in the Commission's [ICS2 service \(STI-STP\)](#). A presentation notification (FI332) must also be submitted. The entry summary declaration must include all goods in the means of transport.

5.1.6 Step-6 (Payment of Duties)

Remember we have estimated customs duties earlier through [the Customs Duty Calculator](#), also see [chapter 2.14](#). Pay the customs duties through [payment of the customs invoice](#). You will receive the goods promptly. If you possess [authorization for payment deferral](#) granted by Customs, you can obtain the goods after customs clearance and settle the customs invoice at a later time

5.1.7 Step-7 (Custom Cleared)

Customs cleared means your shipment has completed the customs clearance process and that any applicable duties and taxes have been calculated and paid. When a shipment is cleared by customs, the customs officer will release the shipment and it is free to move on to its next destination.

5.1.8 Step – 8 (Collection and Transportation of Shipment to the company location)

Ideally, the last-mile delivery is already tied up with either Posti or another courier when finalizing the delivery terms with the logistics company and clearing agent. At this point, just coordination is required to get the shipment transported to the company's warehouse.

5.1.9 Cost of delayed collection of Shipment

The shipment can stay in the customs warehouse for a maximum 3 days within which it must be picked up by you or a courier from Finnish Customs. There are charges of approx 55 euros per day for storage in the customs warehouse if the product is stored beyond these days.

6 Challenges

6.1 General Challenges

- Bigger suppliers normally have bigger MOQ (minimum order quantity). As a start-up company, we need to be careful to convince the supplier for a relatively smaller minimum order quantity and at the same time not ensure not to comprise the quality standards of the ordered products.
- Ensure, the supplier knows the European market and their labels, Finnish and Swedish Language must be there on the labels. This can cause your consignment to be returned.
- Make sure your consignment is picked up on time from the customs warehouse or else there will be additional charges the company will have to bear.
- There are various documents and information to be shared with Finnish customs and the importer must be able to share them correctly and on time.
- Estimation of custom duty and VAT etc is incorrectly worked out by the employee of the company due to a lack of knowledge and experience in working on the customs portal.

6.2 Documentation & Regulatory Challenges

- There are a number of e-forms to be filled accurately while custom clearance is processed, that is, during the import declaration phase. If the employees are not experts in the process, there are chances of delays that come with a cost. In the case of a start-up company, it is, therefore, recommended to outsource customs clearance till the employees are conversant with the procedures. Finnish customs staff is however, one of the best in the world and they guide you through the process in detail.

- It is mandatory to have Oeko-Tex certification for the supplier to export products to Finland or any EU country. Without this certification, there are chances that the shipment will be stopped or returned.
- Correct TARIC code must be mentioned for each type of product being imported. Incorrect TARIC Codes (commodity codes) can delay customs clearance.
- All documents mentioned in [Chapter 5.1.4](#) must be correctly shared with the customs authorities or else customs clearance can be delayed.
- The employees engaged in import processes are generally unaware of the customs terminologies and processes. For instance, if GSP + benefits are not applied on time, it will cost additional customs duty on importing textiles from Pakistan.

7 Conclusion

The import of textile apparel from Pakistan to Finland is a straightforward and simple process if the intricacies involved in it are known. However, it can become a nightmare if there are loop holes in the level of expertise and understanding. Understanding the EU market needs and wants and sourcing the suppliers to transport the goods and get customs clearance, requires in-depth knowledge of the procedures, and dos and don'ts. Through this handbook, the company has made an effort to compile all necessary information about apparel imports from Pakistan to Finland. However, since this is the first handbook in the company, there will be room for improvement. The missing information will be plugged in with the passage of time and experiences.

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