

# UNLOCK STRESS-FREE EU TRADE:

## *YOUR GUIDE TO INTRASTAT COMPLIANCE IN LUXEMBOURG*

### Introduction: Navigating Intrastat in Luxembourg

For any business in Luxembourg engaging in the movement of goods across EU member state borders, Intrastat declarations are a non-negotiable legal requirement. More than just a statistical exercise, these declarations are fundamental to Luxembourg's and the EU's ability to monitor internal market trade flows accurately. Overlooking or mismanaging these obligations can lead to significant financial penalties, exhaustive audits, and unnecessary operational disruptions.

This comprehensive 2-page guide is designed to provide Luxembourgish companies with a deeper understanding of Intrastat. We'll clarify the intricacies of the system, highlight critical thresholds, detail the mandatory data points, and offer practical strategies to ensure your business remains compliant and penalty-free.

### What Exactly is Intrastat and Why Does it Exist?

Intrastat is a pan-European statistical system established to collect data on the trade in goods between the 27 member states of the European Union. When the single market was introduced, customs formalities between member states were abolished, making it impossible to use customs declarations for trade statistics. Intrastat was created as the replacement mechanism.

For businesses operating in Luxembourg, Intrastat applies to two primary movements of goods:

- **Arrivals:** Goods imported into Luxembourg from another EU member state.
- **Dispatches:** Goods exported from Luxembourg to another EU member state.

#### Key Distinction: Intrastat vs. VAT Declarations

While both relate to intra-EU trade, Intrastat is purely for statistical purposes, whereas VAT declarations (specifically your VAT listing statements for intra-Community supplies) are for fiscal purposes. They are complementary, and discrepancies

between your Intrastat and VAT declarations can often trigger scrutiny from authorities.

## Who Must Declare Intrastat in Luxembourg? Demystifying Thresholds

An Intrastat declaration becomes mandatory when the total value of your company's intra-EU trade (separately for arrivals and dispatches) exceeds specific annual thresholds. These thresholds are designed to capture the bulk of trade without burdening smaller businesses, but understanding when you cross them is crucial.

Current Annual Thresholds for 2025 (Subject to Annual Review by STATEC):

- Arrivals (Intra-EU Imports into Luxembourg): €450,000
- Dispatches (Intra-EU Exports from Luxembourg): €450,000

Understanding the Application of Thresholds:

- **Separate Thresholds:** The €450,000 threshold applies independently to your total arrivals and your total dispatches. For example, you might only need to declare arrivals if your dispatches remain below the threshold.
- **Initial Crossing:** If, during a calendar year, your cumulative trade value (either arrivals or dispatches) surpasses the threshold, you must start submitting declarations for the month in which the threshold was exceeded, and for all subsequent months until the end of that year.
- **Subsequent Year Obligation:** Once you cross a threshold in a given year, you are automatically obligated to declare Intrastat for the entire following calendar year, regardless of whether your trade volume drops below the threshold.
- **Simplification Thresholds:** For businesses with very low trade values, there might be 'simplification thresholds' that allow for less detailed reporting. However, most medium to large traders will fall above these.

# The Critical Importance of Intrastat Compliance

The consequences of non-compliance are far-reaching and can significantly impact your business's financial health and operational stability:

1. **Severe Financial Penalties:** Luxembourgish authorities, through STATEC, impose substantial fines for errors, omissions, or late submissions. These can range from €500 for minor administrative breaches to €15,000 or more for serious or repeated infringements. These are not negligible costs and can quickly accumulate.
2. **Increased Audit Risk:** Inaccurate or missing Intrastat declarations are a red flag that can trigger in-depth audits by STATEC or the Administration des douanes et accises (Customs and Excise Administration). These audits are time-consuming, resource-intensive, and can uncover other compliance issues.
3. **Discrepancies with VAT Data:** As mentioned, Intrastat data is cross-referenced with your VAT declarations. Significant discrepancies can lead to further investigations, requiring you to justify differences.
4. **Operational Disruptions:** Unresolved Intrastat issues can complicate customs procedures, delay VAT refunds, or even affect your ability to trade freely within the EU.
5. **Reputational Damage:** Consistent non-compliance can harm your business's reputation and trust with authorities and trade partners.

## Mastering Intrastat: Essential Data Points for Accuracy

Each Intrastat declaration is a detailed statistical record, requiring precise information for every transaction involving goods. Accuracy is paramount to avoid errors and penalties. Here are the critical data elements you must gather:

1. **Reference Period:** The specific calendar month and year to which the trade relates.
2. **Flow (Direction of Trade):** Clearly indicate whether the goods are an 'Arrival' (A) into Luxembourg or a 'Dispatch' (D) from Luxembourg.
3. **Combined Nomenclature (CN) Code:** This is an 8-digit numerical code used across the EU to classify goods. It's crucial for statistical accuracy and often the most challenging element. Ensure you use the most up-to-date CN codes, as they can change annually.
4. **Partner Member State:** The specific EU country from which goods arrive (for Arrivals) or to which they are dispatched (for Dispatches). This is typically the country of consignment or destination, not necessarily the country of origin or final consumption.
5. **Nature of Transaction Code:** A 2-digit code indicating the commercial nature of the transaction (e.g., outright sale, return of goods, goods for processing, repair, financial leasing). Choosing the correct code is vital.
6. **Net Mass (kg):** The actual weight of the goods in kilograms, excluding all packaging. This must be precise for each type of good.
7. **Quantity in Supplementary Unit:** For certain CN codes, an additional quantity measure is required (e.g., number of items, square meters, litres, pairs). This is specified in the CN classification.
8. **Statistical Value (EUR):** The value of the goods at the Luxembourg border. This includes the invoice value plus any ancillary costs (e.g., freight, insurance) incurred up to the point of entry into/exit from Luxembourg. This often differs from the invoice value for customs or VAT.
9. **Mode of Transport:** The means of transport used at the Luxembourg border (e.g., road, rail, sea, air, postal consignments).
10. **Country of Origin:** For Arrivals only, this indicates the country where the goods were wholly obtained or where their last substantial transformation took place.

## Expert Assistance: Your Path to Seamless Intrastat Compliance

Managing Intrastat declarations in-house can be a significant drain on your resources. The complexity of commodity codes, ever-changing regulations, and the risk of costly penalties make it a specialized task. Many Luxembourg businesses find that entrusting their Intrastat obligations to dedicated experts offers unparalleled benefits.

Why consider professional help?

- **Guaranteed Compliance:** Eliminate the risk of penalties.
- **Significant Time Savings:** Free up your valuable internal resources.
- **Accuracy Assured:** Leverage specialized knowledge in CN codes and statistical valuation.
- **Peace of Mind:** Focus on your core business, knowing your obligations are handled.

Don't let Intrastat become a burden. Partner with us to ensure your EU trade runs smoothly and compliantly.

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