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Traveling with Cash and Material Goods: What You Should Know Before Visiting Germany and the European Union

Lately, there have been an increasing number of cases in which customs authorities have carried out targeted cash controls on travelers. Therefore, a number of important rules must be considered when traveling across borders with EUR 10,000 or more. Traveling with certain material goods must be reported to customs when exceeding a defined value.

Cash Declaration

First, the timing of the declaration is important. Many travelers correctly presume that cash must be declared

upon entering a country. It is less well known, however, that cash must also be declared upon leaving for an international trip. For example, travelers flying from Germany to the United States with around EUR 13,000 need to make two customs declarations: the first one at the customs office of the country of departure (Germany), and the second one at the customs office of the destination (USA). For this reason, it is important to identify the customs office's location in advance. At airports, be it Frankfurt Airport or London Heathrow, the declaration is to be made before the security checkpoint.

Non-Compliance Procedures Start at Baggage Screening

If no declaration is made, the screening of the carry-on luggage may already initiate non-compliance procedures, with customs offices in general withholding 25 percent of the carried amount to cover the expected fine.

Where several people travel together, further attention should be paid to how much cash each individual is carrying. The declaration always applies to the person carrying the cash. It is irrelevant whether the money carried by one person is also intended for any accompanying persons. If the money is not declared, customs offices are rigorous. In this case, the money should be split prior arriving at the airport.

Declaration Free of Charge

The declaration is free of charge within the EU. Even if the amount of EUR 10,000 is exceeded, no taxes or duties

are due. If no declaration is filed when it would have been required, fines up to one million Euro are possible.

Material Goods are Treated Differently

Apart from cash, travelers often carry material goods like souvenirs. When traveling to the Federal Republic of Germany from a non-EU country via ship or plane, adults are allowed to carry undeclared goods worth up to EUR 430. Children under 15 may only carry goods worth up to EUR 175. Goods like tobacco products and liquors have different limits and are valued separately.

If these exemptions are exceeded, goods can be seized and draconian penalties may be prepared by customs authorities.

Customs Offenses Comparable to Tax Evasion

Customs offenses are often comparable to tax evasion, with the latter being handled by revenue offices. When it comes to imposing penalties for small offenses, however, customs authorities far exceed what is imposed by revenue offices for comparable offenses.

Using Frankfurt am Main, Germany, as an example, the revenue and finance authorities impose penalties in the form of "daily rates" for smaller tax evasion offenses. The person concerned has a choice of either paying the assessed daily rate or spending 24 hours in custody for each rate. The overwhelming majority decide to make the payment.

The amount of the daily rate depends on the person's individual income situation and varies between EUR 1



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and EUR 5,000. The monthly income available to the individual is determined by the authorities. If souvenirs result in a tax recovery, it is crucial how many daily rates are imposed, as those rates define the overall sum.

These issues are often resolved in mass procedures based on tables listing

the range of sentences. In Frankfurt, for example, the individual must expect three to four daily rates as a penalty for EUR 500 in evaded taxes. Customs authorities, on the other hand, use a different computation method, where the evasion amount is divided by a factor of 40. Customs and duties evasion of EUR 500 then result in some 12 daily rates

as a penalty. Compared with tax evasion of the same amount, this is a significantly more severe punishment!

People affected should obtain legal advice when being threatened with fines, regardless of whether missed cash declaration or a certain carried material good led to problems with the authorities. **P**