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Proof of Payment Required: Considerations for Indirect Customs Representatives

The General Court of the European Union recently issued an important judgment clarifying the scope of the information and documentation obligations of indirect customs representatives.[1] *The case also addresses the customs valuation consequences of failing to provide evidence that the declared transaction value has actually been paid.*

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Background

The case concerned VÁM4ALL, an indirect customs representative that had declared the customs value of imported Chinese goods using the transaction value method. During a post-clearance audit, the Hungarian customs authorities repeatedly requested supporting documentation, including evidence that the purchase price had been paid. Although invoices, packing lists, transport documents and other records were provided, neither the importer nor the representative could demonstrate that payment had actually taken place.

As a result, customs rejected the declared transaction value under Article 140 of Implementing Regulation (EU) 2015/2447 and determined the customs value using a fallback valuation method based on comparable import data, leading to a substantial increase in customs duties.

The Court's findings

The referring court asked whether an indirect customs representative is required to provide not only the documents necessary for customs clearance, but also other documents relating to the imported goods, including evidence of payment, when requested during a customs audit.

The General Court answered this question in the affirmative.

According to the Court, an indirect customs representative acts in its own name but on behalf of another person and is therefore considered the declarant. Consequently, the obligations under Article 15(1) of the Union Customs Code apply fully to the representative. These obligations require any person directly or indirectly involved in customs formalities or controls to provide customs authorities with all necessary documents and information.

The Court further noted that the transaction value is based on the price actually paid or payable for the imported goods. Therefore, where payment takes place after the customs

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[1] General Court of the European Union, Case T-224/25, VÁM4ALL, judgment of 3 June 2026.

declaration has been submitted, the indirect customs representative must be able to demonstrate that payment was subsequently made, including by obtaining supporting information from the importer if necessary.

Practical implications

The judgment confirms that the responsibilities of an indirect customs representative do not end once goods have been cleared. Customs authorities may request additional documentation years later during a post-clearance audit. Representatives should therefore ensure that contractual arrangements with importers provide access to relevant supporting documentation throughout the audit period.

The decision also highlights the growing compliance role of indirect customs representatives. In transactions involving extended payment terms or other customs valuation risks, representatives should ensure that sufficient evidence remains available to substantiate the declared customs value.

A note on intercompany transactions

The judgment should not be interpreted as requiring a traditional bank transfer in every case. Within multinational groups, obligations are often settled through netting arrangements, current account structures or cash pooling mechanisms. Documentation demonstrating that a liability has been settled through such mechanisms may also constitute valid evidence that the transaction value has been paid or otherwise satisfied. For that reason, businesses could consider to not only retain payment records, however, also documentation explaining how intercompany balances are settled and reconciled.

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