

## New nature of transaction codes for 2022 – further explanations

They are governed by Commission Implementing Regulation (EU) 2020/1197, Annex I, Part C. Classifications, Table 1. Nature of transaction breakdown (OJ L 271, 18 August 2020). The nature of transaction code consists of two digits and denotes a **transaction type** according to which a particular goods item was traded. It is important to note that new nature of transaction codes (hereinafter: NoT codes) will be applied as of the reporting month **JANUARY 2022** onwards in the Intrastat (and customs) declarations as follows:

- **The previous NoT code 11 is divided into new NoT code 11 and NoT code 12.**

**The new NoT code 11** refers to outright sale/purchase transactions between companies that are VAT payers (B2B transactions). These are transactions involving the actual change of ownership with financial compensation, regardless of any instalment payments. Outright sale/purchase transactions (including transactions with instalment payments) in which **at least one contractual partner is a natural person** must be reported with **NoT code 12** in future. In that case (e.g. distance sale, etc.), it is important to know, already at the time of cross-border movement of goods, that the buyer is **a natural person** in the EU Member State of destination (**B2C transactions**). Since natural persons are NOT in the VAT system, the VAT ID number of consignee/purchaser is QV999999999999.

- **The previous NoT code 12 is divided into the new NoT code 31 and new NoT code 32.**

The transactions that were reported in 2021 with NoT code 12 must be reported in 2022 with either NoT code 31 or NoT code 32. NoT code 32 is used for the movement of goods intended for sale after approval or after trial. It refers to the movement of goods from one EU Member State to a warehouse (e.g. consignment, call-off) in another EU Member State, whereby the change of ownership of the goods to a limited number of potential buyers (companies or private consumers) is expected. This definition includes return stocks, consignment stocks and stocks transferred through the mediation of a commission agent. In terms of taxes, it is the movement of goods, which is first recorded as an "Arrangement for the transfer of goods" in the Recapitulative Statement, and subsequently, after the sale/purchase is done, as "Delivery of goods within the EU". On the other hand, NoT code 31 also refers to the movement of goods from one EU Member State to a (logistics) warehouse in another EU Member State, whereby the change of ownership of the goods to an **unlimited number of potential buyers** is expected. In other words, NoT code 31 is used if the intention is to sell goods from a warehouse in another EU Member State on the open market.

- **The previous NoT code 13 is included in the new NoT code 34.**

Barter trade (compensation in kind) is to be reported in 2022 using the new NoT code 34, as well as any other transaction involving the change of ownership without financial compensation. The previous NoT code 13 is eliminated and is no longer used in 2022.

- **The previous NoT code 14 is included in the new NoT code 33.**

In previous years, transactions classified as financial leasing have been reported in Intrastat forms with NoT code 14. In the reporting period from January 2022 onwards,

financial leasing transactions must be reported with the new NoT code 33. The previous NoT code 14 is eliminated in 2022.

- **The previous NoT code 19 is completely eliminated.**

In 2022, there is no new NoT code 19, nor a replacement for it. All types of transactions involving a change of ownership for a compensation can be reported using other corresponding NoT codes that are in force in 2022.

- **The previous NoT code 29 is completely eliminated.**

Given that all types of return of goods or replacement of returned goods can be reported using other corresponding NoT codes that are in force in 2022, the previous NoT code 29 is completely eliminated.

- **The previous NoT code 30 is included into the new NoT code 34.**

All transactions involving a change of ownership without financial compensation (free of charge consignments, donations, etc.), which have been reported with NoT code 30 in the previous years, will be reported with new NoT code 34 in the reporting period from January 2022 onwards.

- **The previous NoT code 70 is completely eliminated.**

From 2022 onwards, there will no longer be NoT code specifically for operations under joint defence projects. The movement of goods in the context of such projects must be reported using other appropriate NoT codes in force in 2022.

- **New NoT code 31**

The new NoT code 31 must be used when reporting the movement of goods to a warehouse in another EU Member State, whereby the goods in question are intended to be sold to an unlimited number of customers (businesses or private consumers) on the open market. At the time of the physical movement of goods across the border, there are still no buyers for the goods. If there is any doubt concerning the use of the new NoT code 31 or the new NoT code 32, traders should know that in such cases it is important to first consider whether the definition of NoT code 32 can be applied to the transaction in question. If NoT code 32 is not applicable, NoT code 31 should be used for the movement of goods to another EU Member State.

- **New NoT code 32**

The new NoT code 32 covers the movement of goods that have been reported with NoT code 12 in the previous years. It is used when reporting the supply of goods for sale after approval or after trial and for reporting the movement of goods to a consignment or call-off warehouse in another EU Member State, whereby the goods in question are intended to be sold to a limited number of customers (businesses or private consumers). This definition includes the return/transfer of unsold stocks and stocks transferred through the mediation of a commission agent. If NoT code 32 is not applicable, NoT code 31 should be used for the movement of goods to another EU Member State.

- **New NoT code 33**

In 2022, the new NoT code 33 must be used for financial leasing transactions.

- **New NoT code 34**

In 2022, the new NoT code 34 integrates the previous NoT code 30 (free of charge consignments, donations, etc.) and NoT code 13 (barter trade), which have been used in the previous years.

- **New NoT code 71**

In 2022, the new NoT code 71 includes the movement of goods released for free circulation in the Republic of Croatia under the customs procedure 42 or 63, with a subsequent export/dispatch to another EU Member State (the so-called quasi import). The previous NoT code 67, which has been used for quasi import, is completely eliminated. NoT code 71 can be used only by non-residents and tax representatives in the Republic of Croatia.

- **New NoT code 72**

In 2022, the new NoT code 72 includes the movement of goods from one EU Member State to the Republic of Croatia for subsequent export to third countries, with the submission of an export customs declaration in the Republic of Croatia (the so-called quasi export). The previous NoT code 66, which has been used for quasi export, is completely eliminated. NoT code 72 can be used only by non-residents and tax representatives in the Republic of Croatia.