

ePAL Checkout vs Customs: marketing one pager

Customs Holds: 5 common causes & how to prevent them before the parcel leaves the warehouse



TL:DR

Customs holds are rarely random. They are usually mechanical. When a shipment is stopped, delayed or returned, it is almost always because the data submitted at checkout and the data evaluated at the border do not align.

Customs holds are expensive because they are reactive.

The only reliable fix is upstream alignment, right at the start of the journey.

That is what ePAL was built to provide.

1. Incorrect or incomplete HS classification

What happens: The product clears checkout but is flagged at customs because the HS code is too broad, missing required destination-level detail or not aligned with descriptions on declarations.

Why it matters: Many countries require HS10 or deeper classification, not just HS6.

Typical result: Manual inspection, delay, reclassification, additional fees.

How to prevent it: Identify destination-specific HS10/11 classification and correct customs descriptions.

2. IOSS logic and Intrinsic value issues

What happens: An order appears IOSS-eligible at checkout but customs calculate intrinsic value differently.

Why it matters: Streamlined IOSS shipping & clearance depends on IOSS eligibility.

Typical result: IOSS flow rejected. Duties and possibly Taxes unexpectedly applied, even if already paid.

How to prevent it: Carry out auditable IOSS validation at checkout and/or fulfilment. Align checkout calculations with customs FX logic and intrinsic value rules.

3. VAT and duty misalignment

What happens: VAT is calculated correctly, but duty is missing or tax-on-duty is miscalculated.

Why it matters: Customs systems validate consistency between value, duty and VAT.

Typical result: Declaration flagged for inconsistency. Packages intercepted & delayed, if only for investigation.

How to prevent it: Retrieve duty rates dynamically and calculate VAT on duty correctly.

4. VAT on shipping applied incorrectly

What happens: Shipping VAT is applied at flat rate instead of following the VAT rate of products in the basket.

Why it matters: Several EU countries require proportional allocation of shipping VAT.

Typical result: Clearance discrepancies or rejected declarations, delays & investigations, additional VAT.

How to prevent it: Apply destination-specific shipping VAT rules and apportion correctly across product lines.

5. Missing compliance checks (sanctions, excise, restricted goods)

What happens: A shipment includes goods or recipients that trigger compliance flags.

Why it matters: Screening is required at multiple levels: goods, destination and recipient.

Typical result: Shipment delayed, blocked or investigated.

How to prevent it: Run sanctions, restrictions and excise checks before fulfilment.

The common thread

Most customs holds are not caused by fraud or negligence.

They are caused by small data mismatches between Checkout, Fulfilment, Declaration and Customs evaluation logic. When those systems are not aligned, delays are inevitable. When processes are in conflict with regulations, regulations win. That's why ePAL was build from the regulations up.