TAX & CUSTOMS ADMINISTRATION
MALTA

Consumer Guidance Note:

Union Handling Fee on Goods purchased online from Outside the EU

Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of EU Customs law and VAT legislation, and is not to be construed as legally binding, and shall in no way prejudice the powers of the Commissioner for Tax and Customs in terms of any of the Revenue Acts as defined in Chapter 517, Laws of Malta.

1. What is the Union Handling Fee and why has it been introduced?

In terms of article 20 of the new Union Customs Code[1] as adopted by the Council of the European Union and European Parliament on 21 September 2026, customs authorities are required **with effect from 1 November 2026** to collect a Union handling fee (UHF) of a fixed amount per item for the services to be rendered for handling a request for placing goods under the release for free circulation procedure where those goods are sold in distance sales[2].

The fee is part of the EU's new Customs Reform and is intended to contribute towards the costs incurred by customs authorities in processing and supervising the very large number of parcels entering the EU through e-commerce.

The fee covers customs-related activities such as:

- checking information provided to customs;
- carrying out risk analysis;
- maintaining the infrastructure needed to process imports; and
- carrying out documentary and physical controls where necessary.

From **1 November 2026**, a new **€2 Union Handling Fee (UHF)** will apply to goods purchased online from businesses outside the European Union and imported into the EU under a **distance sale**.

The amount of **€2 is charged per item**, irrespective of the total value of the consignment.

This UHF applies over and above the temporary €3 customs duty which is also charged per item although such duty is limited to consignments with an intrinsic value not exceeding €150. For more information on the temporary €3 customs duty please refer here.

2. When does the €2 fee apply?

The Union Handling Fee applies where:

- goods are purchased from a seller outside the EU;
- the goods are located outside the EU when they are sold;
- the goods are transported or dispatched to a customer in the EU by or on behalf of the seller; and
- the transaction qualifies as a **distance sale**.

Importantly, the UHF is **not limited to parcels worth €150 or less**. Unlike the temporary €3 customs duty, the €2 UHF applies regardless of the value of the goods, provided that the transaction qualifies as a distance sale.

For example, an online purchase from a non-EU seller valued at €50 may be subject to the UHF. An online purchase valued at €200 may also be subject to the UHF.

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[1] The EU Customs Reform, entering into force on 21st September 2026, paves the way for a smarter, more resilient and future-ready Customs in Europe. It is a reform built on three pillars: smarter risk management and customs controls, a modern framework for e-commerce, and a stronger partnership with business. More information here: https://taxation-customs.ec.europa.eu/customs/eu-customs-reform_en

[2] 'distance sales' means distance sales of goods imported from third countries or third territories as defined in Article 14(4), point (2), of Directive 2006/112/EC

3. How is the Union Handling Fee calculated?

The UHF is charged per "item"[3], rather than simply on the number of individual products purchased.

Goods that share the same tariff classification and description and, where required, the same origin, may be treated as **one item** within a consignment. Conversely, goods with different classifications or descriptions qualify as **separate items**, resulting in more than one UHF charge.

The way an order is shipped also matters. If an online seller sends goods from the same order separately, for example under different tracking numbers, the shipments may be treated as separate consignments[4], even if the goods were purchased in a single order or arrive on the same day. The €2 UHF is calculated separately on the items declared in each consignment. Therefore, splitting an order into separate consignment may result in additional UHF charges.

Consumers should be aware that the number of products purchased does not necessarily correspond to the number of UHF charges. The amount payable depends on the applicable rules and how the goods are presented and declared to customs.

Practical examples:

Non-EU online shopping scenario	Relevance to the UHF
A parcel contains three identical T-shirts with the same tariff classification and description	These constitute one item and one declaration line, rather than three separate fee-bearing lines **€2 UHF x 1 item = €2**
A parcel contains a jacket, a pair of shoes and a handbag, classified and described differently	These constitute three separate items and declaration lines, potentially attracting multiple UHF charges **€2 UHF x 3 items = €6**
A consumer orders three identical products, but the seller sends them in two separate parcels	The shipments constitute two consignments, resulting in **separate UHF charges**
Two consumers place separate orders and receive their own parcels	Each consignment is declared separately, with the **UHF charged on each different item included in the declaration.**

[3] Definition of "item" – Article 5(78) of Regulation (EU) 2026/2108
[4] Definition of "consignment" – Article 5(44) of Regulation (EU) 2026/2108

4. Who is responsible for paying the Union Handling Fee?

Consumers should not normally be the person responsible for paying the UHF to Customs.

Under the new EU customs rules, responsibility for the customs formalities and the payment of the UHF lies primarily with the economic operator responsible for the customs declaration, such as the relevant online platform, seller, carrier or customs representative.

The EU Customs Code specifically provides that the consumer is not the debtor of the Union Handling Fee in the normal distance-sale situation.

This does not mean that the consumer will not bear the economic cost. A seller or platform may include the fee in the price paid by the consumer or otherwise pass the cost on as part of the transaction.

Consumers may wish to check the total price and any charges shown by the seller or platform before completing an order.

5. Will I have to pay the €2 to the postal operator or courier when my parcel arrives?

Depending on how the purchase and importation are arranged, the UHF may be charged by the seller, online platform, carrier or customs representative as part of the customs process rather than being collected directly from the consumer at delivery. However, it is possible that the postal operator or courier may require the payment of such a charge in order to release the goods if it is not accounted for in previous stages.

6. How is the UHF different from the €3 customs duty?

The **€2 Union Handling Fee and the €3 temporary customs duty are two separate measures**.

	Non-EU online shopping scenario	Relevance to the UHF
Amount	€2 per item	€3 per item
Applies From	1 November 2026	1 July 2026
Purpose	Contributes towards customs processing and supervision costs	Customs duty on low-value imports
Value limit	Applies to consignments involving distance sales, regardless of their intrinsic value	Applies to consignments with intrinsic value up to €150
Duration	Not a temporary measure	Temporary arrangement until 1 July 2028, subject to the EU rules

The €3 customs duty was introduced from 1 July 2026 following the abolition of the previous customs duty exemption for consignments with an intrinsic value of up to €150.

The two charges may therefore apply to the same online purchase.

EXAMPLE – A €50 ONLINE PURHCASE

A consumer purchases goods worth €50 from a non-EU online seller.

If the transaction qualifies as a distance sale and the relevant customs conditions are met, the import may be subject to:

- **€3 temporary customs duty per applicable item**; and
- **€2 Union Handling Fee per item**.

For one customs item, this could therefore result in:

€3 customs duty + €2 Union Handling Fee = €5

Other charges may also apply depending on the transaction, including VAT and any applicable carrier or postal charges.

The €2 UHF is **not a replacement for VAT or customs duty**. It is a separate customs-related charge.

7. Does the fee apply only to purchases from EU-Based online shops?

The UHF concerns **distance sales of imported goods**.

If goods are already in free circulation within the EU and are simply purchased from an EU-based retailer and delivered to a consumer in another EU Member State, the UHF does not apply merely because the consumer is buying online.

The key issue is whether the goods are being imported into the EU as part of a distance sale from outside the EU.

8. What happens if I return my purchase?

The Union Handling Fee is a **non-refundable customs fee**[5].

Once the customs declaration has been accepted, the UHF is incurred because customs authorities have begun processing the request, including checking data, carrying out risk analysis and undertaking any necessary controls.

Consequently, the UHF itself cannot normally be refunded simply because the consumer subsequently returns the goods.

[5] Article 20(6) of Regulation (EU) 2026/2108

This should be distinguished from the treatment of VAT[6] or customs duty, for which separate rules may apply when goods are returned.

Before completing a purchase, consumers should check the website's terms and conditions to confirm whether taxes and duties are included at checkout, as well as refund policies for taxes paid upon the return of any goods.

9. Is VAT charged on the Union Handling Fee?

For information on how VAT will interact with the new €2 Union Handling Fee, kindly refer to the Addendum to the VAT e-Commerce explanatory notes concerning the VAT treatment of the EUR 3 customs duty on distance sales of imported goods not exceeding EUR 150 – from 1 July 2026 until 30 June 2028 and the VAT treatment of the EUR 2 Customs Union handling fee on distance sales of imported goods (expected from 1 November 2026), available here.

10. Concluding Remarks

For more detailed information and practical guidance on the application of the Union Handling Fee, reference may be made to the European Commission's official guidance document: The temporary EUR 3 customs duty and the Union Handling Fee

For further assistance, please contact Customs using the Contact Form or by email at servizz@gov.mt

[6] Addendum to the VAT e-Commerce explanatory notes.



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