

Bonded Warehouse

The benefits of bonded warehousing in
Italy



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Bonded Warehouse

The Bonded Warehouse is a privately managed facility, authorized by the customs authorities and subject to periodic checks, designated to the storage of non-EU goods while maintaining their foreign status. Consequently, these goods are not subject to customs duties (import duties, VAT or any other levies or quantitative restrictions that may apply to goods released into free circulation).

Are there different types of warehousing?

The authorization to operate a Bonded Warehouse also allows management of the following regimes:

- **Tax warehouse**, where national and EU goods can be received, assembled, reconditioned, stored and shipped, always with the payment of taxes suspended;
- **VAT warehouse**, from which goods released into free circulation can transit in order to obtain concessions for the payment of VAT.

Who are the parties involved?

There are two parties involved in Bonded Warehousing:

- the **proprietor**, i.e. the person authorized to manage the warehouse;
- the **importer**, i.e. the party under the obligation to declare goods are being subjected to the Bonded Warehouse regime.

PARTIES

Bonded Warehouse, a place designated to the storage of non-EU goods while maintaining their foreign status.





Why is it a suspensive regime?

The Bonded Warehouse regime is a suspensive economic regime in that while goods are stored in the warehouse, payment of customs duties remains suspended making it possible to negotiate the stored goods as if they were still abroad.

What do the relative provisions allow?

In brief, the operational possibilities provided for by the relative provisions include:

- ✓ the storage of non-EU and EU goods
- ✓ common storage both for goods in identifiable packages and for single items
- ✓ the usual manipulations in order to ensure preservation of the stored goods, improving their presentation or quality and preparing them for distribution or sale
- ✓ temporary removal, for limited periods of time to achieve specific objectives, assessed on a case-by-case basis
- ✓ the transfer from one bonded warehouse to another
- ✓ inward processing or transformation operations under customs control

Benefits

What are the benefits?

The main benefit is the deferral of customs duties collection until the time of sale. This not only represents a financial benefit (in terms of interest and cash flow) but, if VAT warehousing is also used, the need for VAT reimbursement is also eliminated.

In the case of goods sold in **non-EU destinations**, not only is VAT not considered, but the costs related to duties and surcharges are saved in full.

This is an obvious benefit when it comes to **products with long turnover times, unsold lots, long-term storage or products requiring destruction or redistribution from Italy to non-EU countries or subject to expiry** (for example in the fashion sector it is possible to destroy, manipulate or return to the sender old collections without any burdensome payment).

Not having to make any significant advances brings both financial and commercial benefits, increasing competitiveness with goods available and ready for delivery.

In the event of **sale within the EU**, it is possible to transfer an asset placed in the Bonded Warehouse in Italy to another EU party, with the latter then responsible for paying customs duties, thus leaving the seller with none to pay. The purely financial benefit becomes particularly tangible above all for low-turnover inventory or in the case of businesses with a physiological creation of obsolescence.



The payment of charges takes place, upon completion of nationalization, with a deferred system that provides for two monthly deadlines and allows a further deferment of approximately 30 days.

Use of the Bonded Warehouse therefore offers economic operators interesting facilities, especially in the **transit trade**, allowing: the purchase of the goods when the offer on the external market is most advantageous and the sale at the most favourable moment from a remunerative point of view.

But it is on **goods burdened by high duties and long supply times that the best results are obtained**: due to the first aspect, currently also combined with significant market instability, it is often not advantageous for a company to assume the risk and costs of "traditional" importing, without having already acquired the order.

As well as price, however, goods availability and delivery times are almost always decisive aspects of a buyer's evaluation.

Thanks to the use of a private bonded warehouse, this deadlock is overcome, recovering compromised competitiveness because the goods are immediately available without heavy taxation. Furthermore, being able to count on quick and certain deliveries to the customer, it is possible to plan procurement and transport more easily, making the most of the times and opportunities offered by the market.

Procedure

The bonding of goods in a suspensive regime is carried out by means of the **customs declaration** which must, mandatorily, hold all the elements needed for classification of the goods.

The goods are then received in the bonded warehouse and entered in the "customs register". **During their permanence in the bonded warehouse**, the goods placed in a suspensive regime can be manipulated, temporarily removed, transferred to another warehouse or subjected to inward processing procedures according to regulations.

The outcome for products stored in the Bonded Warehouse, and therefore the **epilogue of the relative regime**, may be the **release for free circulation**, i.e. the release for consumption in the EU and payment of customs duties, or re-export to a country outside the customs territory of the European Community.

PROCEDURE



The Sogema service

Consequently, in order to take advantage of the suspensive regime there are a series of measures established by law, such as:

- ✓ verification of the conditions for granting the regime (economic justification, suitability of the premises and spaces, provision of bonds...)
- ✓ a specific stock records, not only related to the single reference but also to the single import invoice
- ✓ an adequate IT system for managing a series of reports normally required by the Customs Office
- ✓ an IT interface with the management system of the Central Customs Office
- ✓ the issuance of authorization by the Regional Directorate of the Customs Office
- ✓ notification of the service regulations containing the operational provisions for warehouse management

Obtaining authorization for Bonded Warehousing and its management therefore requires rather complex operations and specialized personnel. The risk is that these essential factors reduce or even nullify the economic benefits of such management.



That's why Sogema is here!

Sogema, thanks to the know-how of its Custom Dept. and the reliability of its IT system, carries out the nationalization of products on a daily basis in the exact quantity needed to fulfil shipping orders and supports the client in the registering of customs duties and the management of payments.

Clients



A leader in the Watchmaking, Jewellery, Watch Strap and Small Leather Goods sector. Morellato distributes numerous brands in 45 countries around the world, particularly in Europe, the Middle East and Asia. Its distribution network boasts around 3,000 sales outlets. In 2007, acquisition of the Sector Group provided the opportunity to test the logistics outsourcing service. The choice of partner fell on Sogema S.p.A..

This activity has constantly developed with the assignment of the entire range of products marketed by both Morellato and its subsidiary, D.I.P., present on the market with a chain of over 150 Bluespirit stores. The partnership includes: management of product stocks with the use of the Bonded Warehouse, a particularly important aspect considering the value of the products and the extension of distribution to non-EU countries, and a series of value-added services including the processing of products, inbound quality checks, return goods management and after sale management.



*We began working with Sogema S.p.A. in 2007,
following the acquisition of Sector Group.
Since that day, our partnership has continued to grow thanks to
their ability to support our entrepreneurial dynamism with
competitive and effective solutions.*

Marco Carraro - Owner



Dell'Orto technology is used by major car and motorcycle manufacturers and represents Italian excellence. In 2002, the company decided to focus on its core business and outsource logistics, with a mainly external but also in-house outsourcing operation.

Sogema was awarded the tender: it acquired the business unit and manages semi-finished products, components, finished products and spare parts. Over these sixteen years the partnership has constantly evolved, to adapt the solutions to the level of service - constantly higher and more scrupulous - required by the automotive world.



Serving the Automotive world requires Reliability, Precision and Expediuousness. Sogema is the partner that has been guaranteeing us the right performance to satisfy our customers since 2002.

Luca Dell'Orto - Operation Manager



Giuseppe Bellora, a historic company in the home and personal textile sector, has been synonymous with luxury quality since 1883. In 2012, the company launched a policy to outsource non-core activities. The goal also involved complete exploitation of the outsourcing operation to improve IT and operational processes. The search therefore focused on identifying a logistics partner with the ability to make its know-how available and with the necessary spirit of partnership in its DNA.

Sogema SpA, by defining an ad hoc project illustrated in total transparency, was awarded the contract which involves management of the finished product, promotional material, accessories and semi-finished products for garment manufacturers, as well as value-added processes such as return goods management.



In 2012 we decided to focus on our core business. We therefore sought the most suitable partner on the market for this necessary but, considering our market, very delicate step. We chose Sogema and we are extremely satisfied with this choice.

Andrea Lazzaroni - Chief Operating Officer - Executive VP

LIBERTY FABRIC

An English company manufacturing printed fabrics sold all over the world. In 2015, through a third company, it launched a tender for the creation of the World Wide Logistics Platform in Italy.

Sogema proposed a logistics project capable of identifying the best solution for the storage of fabric bolts of various lengths and providing the following services: cutting of the fabric to the measurement required by the end customer, packaging in reels if required, management of sample swatches, worldwide shipping.

The project was successful in both technical and economic content. The consultancy approach and IT know-how were thus translated into constant dedication to continuous improvement by sharing the efficiency achieved.



Sogema., through a mix of Italian flexibility and reliability, is effectively supporting our worldwide business

Gavin Woods - Head of Performance & Planning

About us

Company history

Founded in 1982 from a spin-off of the logistics business of the Gillette Group, after being acquired in 2000 by the international Deufol Group, in January 2022, Sogema returned to being a 100% Italian company. It is focused on offering logistic services with high added value.

Sogema HQ lies north-west of Milan, in an area near Milan Malpensa airport, a perfect location for receiving goods from European and non-European countries, by both sea and air, and for providing widespread distribution throughout Italy, Europe and the World.

Sogema represents the exact opposite of the concept of standardization. Our offer includes diversified and customized warehousing solutions, product customization, up to the integrated management of the Client's entire Supply Chain.

Sogema in numbers

Warehouse size: approx. 29,000 sqm

References managed per year: 60,000

Orders handled/year: 410,000

Order lines handled/day: 20,000

NUMBERS



Group history

Our group is made up of professionals who have complementary personal characteristics and professional skills and share a common goal. We support the client from the very beginning through to final realization of the project, working closely together in the creation of a “built to suit” logistics solution. Our goal is the total satisfaction of the end customer.

What we do

Sogema studies tailor-made outsourcing and in-house logistics solutions. Each client's business is analysed in detail and a unique logistics project is developed. The goal is to simplify and maximize complex processes, allowing continuous measurement and the creation of ad hoc reports. The internal IT Dept. has allowed Sogema to follow clients for all their IT needs, almost in real time, adjusting the IT processes accordingly.

The project

The definition of each project includes the following phases:

- ✓ feasibility study
- ✓ end-to-end design
- ✓ identification of advanced solutions
- ✓ customer support in all phases of the start-up and beyond

Sogema services

- In-coming
- Bonded Warehouse
- Custom Clearance
- Deferred Payments Management
- Quality Check (aesthetic and functional)
- Storage
- Packaging
- Kitting
- Labelling
- Preparation of sample collections
- Order Preparation
- Anti-theft packaging
- After Sale Management
- Reverse Logistics Management
- Restoration of Returned Goods
- Transport coordination
- Consulting

SERVICES



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