

## Customs Tips for Your Home-Based Business in Germany

**WIESBADEN, Germany** – Family members stationed in Germany with their military or DoD civilian spouses might want to carry on the very American tradition of starting a home-based business in their government quarters, especially nowadays with the Corona Virus pandemic. In this case even the very best of intentions may cause them to run afoul of host law and Army in Europe Regulations. A home-based business can be many things – selling face masks, haircut services, selling aroma candles, kitchen containers, or skin care products. Maybe photography or child care is what you like best. Whatever your preference is, you have to follow German and military policies for your home-based business.

It is imperative that before starting your business, even if it web-based, that you contact your installation commercial affairs officer. He or she will tell you about local policies and help you gain permission from the base or garrison commander for the business. Without proper permission, you could lose your Individual Logistical Support privileges and be faced with an adverse police report in your records!

Running a business out of quarters for which a Living Quarter's Allowance (LQA) is received is potentially problematic and can result in loss of LQA eligibility. Civilian employees should consult their servicing CPAC prior to engaging in any form of home-based business from a quarters for which LQA is received.

On the German side, you will first need to register your small business and then find out whether or not it will be subject to taxation by German authorities. It is highly recommended that you discuss that question with a legal professional. On top of that, you may need an entry in the register of companies and other licenses.

From a customs perspective, the first point to note is that U.S. Forces plated vehicles are for your personal use only. Using one as part of a business is illegal. Examples of abuse would be if you used your U.S. Army Europe-plated van to deliver goods to customers, transport children as a child care provider or import pottery from Poland for resale. Registering your business vehicle in the German system to be legal is advised.

The second point is that mail that you send or receive as part of your business must go through a commercial shipping company or the German postal service. The APO system is an entitlement for your personal use and using it to send or receive business wares and letters is not allowed.

Third, you must declare any goods intended for resale to German Customs when you bring them into the country. If you buy commercial items in other countries, you must stop at the border and tell German customs your goods are for resale. You are not allowed to use AE Form 550-175A, Import/Export Certificate & Purchase Permit, to avoid paying duty.

Goods sold in the commissary, post or base exchange, and the AAFES catalog are generally tax-free so you cannot buy anything there for your business either. Examples could be a computer for running the business or baking supplies for a cake enterprise. Not surprisingly, using VAT forms to support your business is off-limits too.

People who don't follow the rules risk receiving a hefty fine and tax demand from German authorities, and military administrative or civilian misconduct action as well, where applicable. Here are the main points again:

- Do not use tax-free gasoline or a U.S. Army Europe plated POV for business activities.
- Do not use the military postal service to send or receive any business-related materials or mail.
- Do not use customs entitlements to import or export merchandise, advertising materials or other business-related materials.
- Do not use any item bought in the PX or commissary for your business.
- Do not use VAT forms for any item intended for commercial purposes.
- Do not use Family and Morale, Welfare and Recreation facilities, such as photo or craft shops, to support your business.
- Do not store merchandise in your government quarters or use them as a showroom.
- Almost all business-related income must be reported to both German and American tax authorities.

So are you running a business? Do you need a German tax number or even a U.S. tax ID? "To answer these and other questions, talk to your installation commercial affairs officer to be sure where you stand," Sellman concluded. You can also download the pertinent directive, Army in Europe Regulation 210-70 (On-Post Commercial Solicitation), to get further information.

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