



CUSTOMS
NEWSLETTER

Relief for AWV reporting obligations in international payment transactions

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In the last days of the legislative period, the Federal Government enacted a regulation to reduce bureaucracy as from the beginning of 2025 (Regulation to Reduce Bureaucracy for Citizens, Business and Public Authorities). Inter alia, this affects regulations for reporting cross-border payments under the Foreign Trade and Payments Ordinance (AWV). In the future, payments to or from foreigners, as defined by the AWV, will only have to be reported if they are in excess of EUR 50,000. In addition, some reporting thresholds will be increased and some reporting obligations will be completely eliminated. Private individuals, taxable persons and the administration will benefit from the relief.

The possibility of imposing fines of up to EUR 30,000 for violations of reporting obligations will continue to exist.

1 Reporting obligations for payments under the AWV

The most prominent reporting obligation under the AWV, although often ignored, can be found in sec. 67. Payments made by a resident to a foreigner, or received by a resident from a foreigner, must be reported to the Deutsche Bundesbank if they exceed EUR 12,500. The threshold will be increased to EUR 50,000 with effect from 1 January 2025. The payments are to be categorised and reported to the Bundesbank (German Central Bank) on a monthly basis (Z4 report). The report must be made by the seventh calendar day of the month following the payment. Payments for the import, export or transfer of goods are still not subject to reporting obligations (see sec. 67 para. 2 no. 2 of the AWV).



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The relief is likely to mainly affect private individuals and small and medium-sized businesses whose economic activities include, eg, the cross-border supply of services or real estate rentals. Private payments are also affected, but will still have to be reported in the future if they are in excess of EUR 50,000.

Another new development is that payments in transit trade (previously sec. 68 of the AWV) and payments by maritime shipping companies (previously sec. 69 of the AWV) will no longer be subject to reporting obligations. The relevant provisions have been deleted without replacement.

Residents with claims and liabilities against foreigners must report these if they exceed EUR 5,000,000 in total (see sec. 66 para. 1 of the AWV (Z5 report)). The threshold will be increased by one million euros up to EUR 6,000,000 as from 1 January 2025.

Another new feature is a partial standardisation of the reporting deadlines. For example, as from 1 January 2025, payments within the framework of sec. 67 and 70 must be reported by the seventh working day of the following month. To date, different deadlines have applied.

2 Impact on those required to lodge the report

The amendment of the AWV is likely to mean that numerous payments will no longer have to be reported as from 1 January 2025. However, no fundamental changes have been made to the reporting obligations mechanism. Most companies should therefore have sufficiently taken the changes into account by adjusting their work and organisational instructions.

3 Measures for failure to report

Violations of the reporting obligations can be punished with fines of up to EUR 30,000 (see sec. 19 para. 3 no. 1 lit. b, para. 6 of the Foreign Trade and Payments Act (AWG)). Due to the amount of the fine, violations are subject to a period of limitation of three years for prosecution (see sec. 31 para. 2 no. 1 of the Act on Regulatory Offences (OWiG)). The amounts subject to reporting obligations will be increased as from 1 January 2025. As far as the past is concerned, the thresholds in the version applicable up to 31 December 2024 will remain relevant. Those, subject to reporting obligations, who have not fulfilled their reporting obligations in the past must therefore still observe the old reporting thresholds for a period of three years, retrospectively. Three years following the report in January 2025 – ie in January 2028 – it will no longer be possible to prosecute a failure to report as an administrative offence.

If those, subject to the reporting obligations, recognise that reports were not filed before or after 1 January 2025, they should consider making a disclosure in accordance with sec. 22 para. 4 of the AWG. According to this, a failure to report will not be prosecuted as an administrative offence if the violation

- was committed negligently and
- was uncovered by way of in-house controls, and
- measures were taken to prevent a violation arising due to the same reason.

As a rule, the chances of avoiding a fine by making a disclosure statement are good. It is advisable to create and document work and organisational instructions in order to avoid future violations. It should be noted that the disclosure must be addressed to the competent main customs office. However, payments must be reported to the Bundesbank.