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PRESS RELEASE

The Internal Market Committee votes for simple, modern and centralised customs rules

The European Express Association (EEA) applauds the outcome of yesterday's vote of the Internal Market and Consumer Protection Committee (IMCO) of the European Parliament on the Proposal for a Union Customs Code (UCC) (2012/0027(COD) - COM (2012) 64 final).

With this vote, the European Parliament has sent a clear message that it fully supports the need for modernised customs legislation that delivers greater protection of the citizens of the EU and increases economic competitiveness.

Key elements supported by the Parliament included the simplification of EU customs procedures, the implementation of centralised clearance for the EU and the creation of a new pan-European e-customs environment. Overall the UCC represents a unique opportunity for the EU to create truly harmonised and simplified customs procedures and systems.

The Committee reintroduces the principle of 'centralised clearance' adopted in 2008 as a cornerstone for modernising customs rules but which had been subsequently removed from the latest legislative proposal. Centralised clearance is of great importance as it would allow EU businesses to declare goods electronically and pay their customs duties and VAT in the Member State where they are established in the EU irrespective of the Member State through which goods are physically brought in or out.

Additionally, the Parliament has approved a clear and reasonable deadline for implementing electronic customs processes which would finally put an end to the out-dated, out-moded and costly paper-based system still applied for customs procedures.

The following existing customs simplifications have also been reintroduced into the UCC, removing significant additional and unnecessary red tape which would prove costly both for industry and customs authorities alike:

- The simplification for air and maritime cargo in transit which has been in existence since 1993

The loss of this simplification could cost the express industry alone approximately € 80 million per annum and at the same time significantly increase the volume of customs processes having to be undertaken. Other transport sectors face possibly even greater increased costs with the withdrawal of this simplification.

- The simplification for declaring the goods in temporary storage which has existed since 2006

The loss of this simplification would increase bureaucracy with businesses being required to file the same information twice. This change would represent an increase of approximately 26 million additional declarations having to be filed into customs systems per annum for the express industry, representing

about 30% of its total volume of declarations. This proposal would increase the level of administrative processes to be managed by customs authorities.

- The benefit for traders holding an ‘Authorised Economic Operators’ (AEO) status to use all available simplification procedures and to benefit from advanced notification of release or control of goods before they have arrived in the EU

The MEPs also introduced for the first time since the introduction of the AEO programme in 2008 a new tangible benefit with the provision of a single guarantee for all customs duties and other charges which could be subject to a 100% waiver for traders holding an AEO status.

In accordance with its resolution of 1 December 2011 on the modernisation of customs, the IMCO Committee has played a key role in ensuring that the ambition for modernised, harmonised and simplified customs rules is not lost.

Without these proposals from the Parliament, the UCC will fail to deliver the seamless pan-European system required to improve the competitiveness of European economy, leaving the EU with out-dated and costly processes, duplication of filing and a ‘pick and choose’ approach to trade facilitation thereby putting the EU Customs Union at a disadvantage compared to other important trade blocks. Failure to implement these key proposals would have a negative impact, not only upon industry and consumers but also, on the efficient and effective management and deployment of resources by customs authorities.

The EEA is confident that the report adopted yesterday is a sound basis for the trilogue discussions which will start in January 2013. Not having the provisions mentioned above included in a compromise text will constitute in the opinion of the EEA a red line for any agreement with the Council.

Steve Pope, Chairman of the EEA’s Customs Committee said: “The EEA would encourage all parties to engage in active discussions that secure truly adequate and modern customs rules for the 21st century.”

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About the EEA

The express industry provides a fully “integrated” service that accelerates the process of transporting goods across the globe. At the point where express shipments cross international borders, the express industry plays a unique and crucial role. Members of the European Express Association represent over 30% of customs clearances and some of the largest customs brokerage operations in the EU. Not only does the express operator handle the customs clearance of a given shipment, it also looks after the payment of duties and taxes as required by the relevant geographical jurisdiction.