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EEA's Position on the Product safety and regulatory compliance in e-commerce and non-EU imports initiative¹

The <u>European Express Association (EEA)</u> is pleased to provide its position on the Product safety and regulatory compliance in e-commerce and non-EU imports initiative.

E-commerce is fuelling global economic growth by opening new, convenient channels for consumers and allowing businesses of all sizes—especially SMEs—to reach markets across borders. Yet, the flood of low-value direct-to-consumer consignments, particularly from non-EU sources, has created significant complications around customs oversight, product safety, and fair competition.

The EEA is committed to upholding regulatory compliance. We welcome the modernisation of customs procedures—particularly through an effective, centrally managed IT system—and call for greater collaboration, robust digital tools, and consistent enforcement of existing regulations. By addressing these issues, Europe can safeguard consumers, maintain a fair marketplace, and preserve an efficient supply chain.

1. Evolution of E-Commerce and the Express Sector

Expanding Online Demand

- As consumer demand for online shopping grows, the volume of low-value parcels delivered across EU borders has risen sharply.
- This rapid expansion strains customs authorities, which are responsible for detecting unsafe, counterfeit, or non-compliant products.

Essential Role of the Express Industry

- The express sector underpins Europe's supply chain by providing reliable, time-definite transportation.
- From urgent medical shipments to just-in-time manufacturing components, express carriers facilitate seamless trade within and beyond EU borders.
- We submit detailed shipment data and customs declarations to help authorities identify
 risky shipments. However, we acknowledge that regulators have the ultimate responsibility
 for stopping non-compliant goods.

¹ 2025/2037(INI) - Product safety and regulatory compliance in e-commerce and non-EU imports

2. Modernising Customs Processes

Moving Toward a Central EU Customs Data Hub

- A centralised data hub promises efficiency gains and more accurate risk assessments, reducing the complexity of 27 national systems.
- However, reliability is critical. The Union Customs Code (UCC) Work Program has experienced technical and timeline setbacks, so an external feasibility study is advised before full implementation.
- A European Customs Authority (EUCA) could further unify enforcement and ensure consistent application of customs legislation across Member States.

Realistic Timelines for the UCC Reform

- Although EU policymakers urge swift adoption, the Council is still deliberating, and further implementing acts must follow.
- Experience shows up to three years can pass from legislative adoption to entry into force, and the current UCC is still not fully operational after nearly nine years.
- Therefore, 2030 is a more realistic horizon for any new customs measures to take full effect.

Handling Fees and Targeted Controls

- We request clarity on potential handling fees for low-value consignments to avoid burdensome costs on compliant trade.
- We support targeted 'Priority Control Areas' (PCA) and robust risk analysis that allow legitimate operators to remain unimpeded.

Dutch B2B2C Proposal

- The Netherlands proposes shifting from direct B2C to B2B2C (warehousing) for e-commerce imports.
- While this model may improve oversight, it could cause cost increases, delays, and disruptions.
- We prefer a dual approach, preserving direct express shipments while allowing optional bulk warehousing without removing existing facilitations on the direct shipments.
- For further details please see the dedicated position of the EEA on this subject.

3. Product Safety and Enforcement Mechanisms

- Authorities already have tools—including the Digital Services Act (DSA), General Product
 Safety Regulation (GPSR), and customs legislation—to manage non-compliant imports.
- We support compliance with all applicable requirements and submit customs data for product safety risk assessments.
- We welcome additional measures (e.g., 'deemed importer' rules) but stress that ultimate oversight lies with authorities.
- Enhancement of existing tools, better enforcement of already available regulatory framework to address compliance with non-fiscal requirements and to facilitate the coordination of all stakeholders is something the EEA stands behind. Enforcement of safety

controls and sustainability standards should be taken in a holistic manner and preferably outside of the customs clearance and as soon as possible in the supply chain.

4. Streamlining Enforcement and Collaboration

Enforcement and coordination efforts must extend beyond customs authorities alone, as addressing the challenges posed by e-commerce does not hinge solely on implementing the EU Customs Reform; in fact, other complementary initiatives can already be pursued in parallel.

Optimising Resources and Financing

- National customs agencies can leverage existing legislation, risk-based systems, and technology to better detect infractions.
- Additional staffing and funding remain crucial, and revenue from import duties should be reinvested in enforcement and advanced risk analysis.

Promoting Harmonisation

- Enhanced cooperation among customs, market surveillance, and other authorities is key to intercepting non-compliant goods.
- Common risk profiling tools would foster more uniform enforcement EU-wide.

Harnessing Digital Solutions

- Data sharing, AI-based risk profiling, blockchain tracking, random inspections with heavier penalties, and brand-owner collaboration could further strengthen consumer protection.
- Rollout of **Digital Product Passports (DPP)** in high-risk product areas and a qualified EU representative requirement for non-EU online platforms also warrant consideration.
- DPP's will be introduced in many product areas. These should be used consistently to make compliance with product specifications and other regulations verifiable. The DPP should be designed efficiently and, above all, contain information that companies already have on hand due to other requirements to avoid additional bureaucracy for them. With a DPP designed in this way, platform operators and consumers can see at a glance whether the respective product meets all relevant safety regulations.
- Collaborate with the Express industry to share experience and best practices.

Raising Consumer Awareness

• Encouraging "trusted" digital labels and exploring targeted website blocking can empower consumers to avoid risky products, reducing customs burdens and fostering market integrity.

5. International Engagement

- Partnerships with major trading partners (e.g., the US and China) can improve customs oversight and mitigate unfair trade practices.
- The EU might deploy **trade defence instruments** (like anti-dumping measures) if evidence of harmful subsidisation or dumping arises.

• Credibility checks for product safety, counterfeit, undervaluation should have already been carried out at origin prior to export.

6. Other tools/recommendations include:

• Enhanced Data Sharing and Al-Based Risk Profiling:

O Leverage data analytics to identify suspicious patterns of undervaluation and non-compliant shipments in real-time.

• Stricter Seller Verification Mechanisms:

o Platforms should be required to conduct thorough due diligence on sellers and provide customs authorities with verified supplier information.

• Blockchain-Based Product Tracking:

o Implement blockchain solutions to enhance traceability and prevent non-compliant goods from entering the supply chain.

• Randomized Inspections with Stronger Penalties:

o Introduce more frequent spot-checks and impose higher penalties for non-compliance to deter fraudulent activities.

Collaboration with Brand Owners:

o Partner with industry stakeholders to proactively identify and intercept counterfeit goods before they enter the market.

• Deployment of the DPP:

o Accelerate the use of the DPP's for high-risk products to ensure availability of reliable data for imported goods.

Requirement to appoint a qualified EU established representative other than the Customs Representative:

o Require non-EU established platforms to appoint a qualified EU established representative to be responsible for financial and non-financial obligations.

• Harmonizing customs within the EU (one of the objectives of the UCC reform):

o Forcing industries into customs warehousing (as supported by some Member States) due to aggressive controls on direct B2C instead of via true enforcement, may lead to a non-harmonized, again very country specific behavior in both industry and authority side. Furthermore, e-commerce should also support small businesses who might not have the volume/volume forecast to access warehouse offers.

Conclusion

A **cohesive**, **risk-based**, **and data-driven** customs framework will be critical for managing the influx of low-value e-commerce imports without stifling legitimate trade. The EEA stands ready to collaborate with policymakers and enforcement agencies to:

- Strengthen existing tools and digital infrastructures,
- Improve cross-border coordination,
- Promote fair competition and consumer safety.

By ensuring timely and realistic implementation of the UCC reform and other relevant measures, the EU can harness the full potential of e-commerce while protecting consumers and supporting a robust Single Market.

The European Express Association (EEA) is the representative organisation for the express industry in Europe. The industry specialises in time-definite, reliable transportation services for documents, parcels, and freight. It allows European business to rely on predictable, expeditious delivery of supplies, thereby enabling them to attain and maintain global competitiveness.

The express industry employs over 330,000 people across the EU and supports a further 410,000 indirect jobs in Europe through the supply-chain. The express industry's employees are widely spread across EU member states.

The express industry is a truly intermodal sector. Air-road and air-rail operations form an integral part of the industry's hub and spoke system. Our members use the most efficient transport mode to ensure the timely delivery of our customers' goods. This includes the use of aircraft, but also road vehicles and rail where possible.