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Comprehensive transitional arrangement crucial to provide clarity and stability

European Express Association (EEA) recommendations on transitional arrangements following the UK leaving the EU in March 2019, until a new future trade agreement takes full effect

For the express delivery sector, and its customers, it is essential that the EU27 and the UK ensure a smooth transition between full membership of the EU and the entry into force of an agreement on the future relations between the UK and the EU. A comprehensive transitional arrangement should provide certainty for economic operators, and mitigate negative effects for companies and citizens of the EU27.

The express delivery sector is a key enabler of economic growth through rapid and reliable delivery services. The express industry has developed into a major economic enabler for SMEs in the EU27. SMEs typically do not have their own transport delivery infrastructure. 96% of companies in Europe use express delivery services because they need next-day and guaranteed delivery, for instance, for the delivery of spare parts that are crucial in manufacturing processes.

With this paper, the EEA wants to raise awareness about the key priorities for our sector as well as our customers and share our recommendations on the elements that need to be considered in the discussions on the transitional arrangement, following the adoption of the Council negotiating directives on the transitional period on 29 January 2018.

- **A status quo of current processes is essential to avoid cliff-edge scenarios:** A sudden and disorderly withdrawal of the UK from the EU, including the Customs Union, would be severely disruptive for citizens and companies on both the EU27 and the UK side. Therefore, in order to avoid cliff-edge scenarios, a comprehensive transitional arrangement should be in place until a new agreement enters into force. The agreement should maintain the status quo of current rights and processes, in particular in the areas of customs, road transport and aviation. During this period, the UK would remain a member of the Single Market and the Customs Union and allow for continued freedom of movement. This would provide certainty to economic operators and would mitigate negative effects as much as possible for citizens and companies in the EU27.
- **The transitional arrangement and period should be clearly defined, while accommodating the need for customs authorities and business preparedness:** The transitional arrangement must be clearly defined in order to ensure legal certainty for businesses and citizens. In order to avoid any cliff-edge scenarios for companies and citizens, it is essential to maintain the existing status quo during the transitional period until a new trade agreement between the EU and the UK is in force. The transitional arrangement should not only cover the period up until the new future partnership between the EU27 and UK takes effect but should also foresee sufficient time for industry to prepare for and implement the new requirements stemming from the new relationship. In order to allow for the necessary preparations for the increase of volumes of customs declarations at the border, the express industry but also national customs authorities will need at least 2-3 years from the point at which there is complete clarity about the agreement that will be in place and the functional and technical requirements have been

published in line with the new regulatory regime. The transitional period should reflect the need for these preparatory arrangements.

- **Industry preparedness depends on early guidance on future relationship:** Whilst realizing that it may take several years to conclude the new trade agreement, the EEA encourages negotiators to provide further details on the initial framework for the future EU-UK relationship as soon as possible. Early indications will enable companies to start preparing and focus their resources. The sooner further certainty can be provided, the better.

For the express industry, and its customers, clarity on the transitional arrangement and period is essential. We therefore call upon negotiators to negotiate a clear and firm transitional arrangement at the earliest opportunity and to provide clarity as soon as possible.

The European Express Association (EEA) is the representative organisation for the express industry in Europe. 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. The express industry employs over 250,000 people across the EU and supports a further 175,000 indirect jobs. The trade volume in goods between the UK and the EU equals €450 billion per year (Eurostat, 2016 data).