

EEA position on the  
recommendations of the  
Wise Persons Group on the  
Reform of the EU Customs  
Union

July 2022, TCG Meeting

## The EEA calls for:

- A review of the AEO status – providing more tangible benefits to holders of the AEO status, including green lanes and mutual recognition;
- Re-assessing the current ‘de minimis’ threshold of 150 Euro, based on academic data;
- Expanding the IOSS scheme to more participants and increasing the current threshold;
- Moving to a systemic control system rather than a transactional one at the border;
- Expanding the use of the Single Trader Interface to all customs declarations – which allows declarants to submit declarations to one customs interface, rather than submitting data to customs interfaces of every single Member State;
- Implementing centralized import and export clearance according to the timelines established in the UCC work program;
- Implement a single window for customs and other government agencies controls, allowing to process shipments through an electronic one stop shop.

The EEA also wishes to emphasize that rules should be applicable to all similar economic operators – and that there should be no exceptions that could lead to competitive disadvantages for one industry.

## Recommendation 1

*The European Commission should by the end of 2022 table a package of reform proposals, including of the Union Customs Code, implementing the recommendations contained in this report, relating to processes, responsibilities and liabilities, and governance of the European Customs Union.*

## EEA position

- To make the customs union effective the EU should consider recommendations in terms of governance, legislative and process improvements.
- The current legislative framework is not fit for purpose and does not seize the potential of e-commerce; the EEA agrees with the reform but the timeline as potentially unrealistic.
- We propose that the Commission takes the required time to develop proposals based on detailed public assessments and consultation with trade and other relevant stakeholders.
- We recommend that the EU should expand the successful 2021 implementation of its Import One Stop Shop (IOSS) to include all e-commerce goods while simplifying the registration process and assessing the mechanism for the duty collection.

## Recommendation 2

*A new approach to data: rather than relying principally on customs declarations, introduce a new approach to data.*

### EEA position

- Current work stream on broadening the data set used for customs risk management should be given priority.
- Additional data sources such as traders, platforms and payment service providers should be considered for data collection on B2C shipments to supplement current data sets provided by carriers.
- Express carriers should not be expected or required to collect additional data beyond what is currently required.
- The customs risk assessment procedures resulting from analysis of additional data should not interfere with the time-sensitive express operations at origin and should result in a pragmatic and effective cooperation between stakeholders to ensure greater trade compliance and management of financial risks.
- We require a new policy towards technology, building on the success of the Shared Trader Interface, rather than the current decentralized approach

## Recommendation 3

*A new comprehensive framework of cooperation should include data sharing between European Customs, with Market Surveillance Authorities, other Law Enforcement bodies and tax authorities for a comprehensive management of risks at EU level.*

## EEA position

- The EU should consider creating a single market for excise goods and allow to manage their processing over the Union Scheme. The rules should be simplified so that they are easy to understand, easy to apply and to control.
- The cooperation of law enforcement authorities should result in controls not made at the border for every type of measure, but rather a limited risk assessment in order to allow goods to enter the EU customs territory.
- Additional burden and responsibilities should not be put on the customs representatives and controls, also non-fiscal ones - should be moved away from the border and the customs clearance process.

## Recommendation 4

*A European Customs Agency should be set up to provide EU value-added services to the Commission and the Member States. Its governance should respect the existing allocation of competences.*

## EEA position

- The EU should consider allowing economic operators to file all their customs declarations with the European Customs Agency at any customs office in the EU and use any official language to submit their customs declarations and other data.
- The creation of an European Customs Agency over a defined period of time should be considered.
- The European Agency should have sufficient power to ensure the harmonized implementation and interpretation of the law.

## Recommendation 5

*Introduce a System-Based Approach centred on a reformed Authorized Economic Operator scheme expanded in scope, multi-layered and more effective, to better facilitate trade with confidence.*

## EEA position

- A reworked AEO system should lead to a simplification in the registration process and a demonstrated reduction in fiscal checks for compliant traders and facilitate inspections away from the border. The same benefits should also be extended to the EU's network of AEO Mutual Recognition Agreements (MRAs).
- Further consideration should be given to the EU's transaction-based Customs duties and taxes collection models.

## Recommendation 6

*A new framework of responsibility and trust, in which businesses would seek Authorized Economic Operators status to gain commercial access to the EU market.*

## EEA position

- The EEA in principle supports this recommendation.
- The model should be developed in close cooperation with trade and it should be tangible and achievable. It should not develop into a barrier to trade for SMEs wishing to export to the EU.



## Recommendation 7

*No more customs duty exemption threshold of €150 for e-commerce, together with simplified rates for low value shipments.*

## EEA position

- We request the data that backup this recommendation in Annex 2 of the WPG
- We encourage the Commission to assess the scientific studies commissioned by the Swiss Parliament on the effect of the removal of import duties on industrial products
- We encourage the Commission to request an assessment on whether the current ‘de minimis’ amount of 150 Euro can be increased to a justifiable level (or remove it on industrial products).
- Customs processes for low value shipments should be re-thought and smart, sustainable approaches to the regulation of low value imports that prioritize trade facilitation should be considered.
- We caution against the removal of the existing €150 duty exemption threshold, which if implemented would only add new costs for companies, while placing additional burden on customs authorities already challenged in terms at capacity in light of Brexit, the 2021 VAT e-commerce changes, and Covid-19.
- The EU should consider a novel approach to Low Value Shipment processing.

## Recommendation 8

*A package of measures to green EU customs, digitalize procedures, ensure that prohibitions and restrictions related to sustainability are properly implemented on as well as possibly reform the World Customs Organization Harmonized System Nomenclature to allow for the proper classification of environmentally friendly products that the EU wants to promote in international trade.*

## EEA position

- The EEA supports initiatives to reduce the administrative burden on customs authorities and economic operators.
- The EEA supports the green initiative, although it is not handled independently from the other proposals. Priorities: involvement of trade, realistic timelines, sustainability and digitalisation.
- The Commission should adhere to the published timelines for the implementation of Centralized Clearance.

## Recommendation 9

*Member States and the EU have the responsibility to ensure that Customs are properly resourced, trained, and equipped to have the capacity to fulfil their mission, including proper investigative powers.*

## EEA position

- The EEA agrees with the proposal of the report but we want to highlight that training should take into account the business realities of today. The sponsorship should not be limited to the administration and would require involving trade.
- There should be an increased focus on export trade facilitation and the EU should incorporate and harmonize the latest customs provisions into its agenda to allow local businesses to take advantage of the EU's unparalleled network.

## Recommendation 10

Introduce an annual Customs Revenue Gap Report based on an agreed methodology and data framework to better manage Customs revenues collection.

### EEA position

- The EEA encourages that these reports will be shared with stakeholders, including trade, to ensure full visibility and transparency.



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