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## Reform of the Union customs legislation

Fields marked with \* are mandatory.

#### Introduction

The EU's customs union is the foundation of its single market and its involvement in international trade. The EU agrees on a common set of rules and policies concerning goods crossing the EU borders, which national customs administrations implement and enforce. Customs' mission is to facilitate legitimate trade, collect customs revenue and protect European citizens against products that do not comply with EU food, health and environmental rules, and against security and safety risks including smuggling, crime and terrorism.

Customs authorities supervise all goods entering or leaving the customs union. They use risk management techniques to identify risks and carry out controls of the goods, to ensure that rules are respected and that imported goods are safe and secure for EU citizens. Often, this happens in close cooperation with authorities competent for enforcing sectoral legislation, for example on product safety or animal health.

The EU applies a common customs tariff, which means the same way of calculating the duty for an import in all Member States, in line with the EU's trade agreements, and collects the customs duties for the EU budget. Once a good is in the EU single market, in technical terms 'released for free circulation', it can be moved freely from one Member State to another without customs controls. Any port, airport or external border crossing point is therefore the entrance to the EU. The protection provided by a customs officer in one place, is at the service of all.

However, there are significant differences in the capacity, risk analysis and resources of the national customs administrations. Furthermore, illegal activities can change routes from one entry point to another, making it more difficult to detect. Overall, global trade has evolved rapidly, with a significant increase in terms of volumes, including a rapid expansion of e-commerce. EU rules and standards have evolved as well, calling for an increasing role of customs in performing tasks going beyond revenue collection.

Concerns for the protection of EU public interests, EU citizens and business have risen to the fore. Brexit, the Covid-19 pandemic and the Russian aggression of Ukraine have been accelerators of these changes.

The Commission has engaged in a deep reflection to make the customs union fit for the future. This includes in particular a foresight study, which resulted in a report on the <u>future of EU customs 2040</u>, and the report and recommendations of the <u>Wise Persons Group on the challenges facing the customs union</u>. Evidence gathered by this Group shows that dangerous, non-compliant products still enter the EU market every day and that we leave billions of customs duties uncollected. As a result, it appears that customs in the EU do not yet function "as one" as they should. This leaves the customs union at the mercy of its weakest link.

The European Commission is preparing a proposal to reform the customs union and is assessing its expected impacts. The aim of this consultation is to gather the views and experiences of interested parties (including businesses, trade associations, individuals, public authorities and other stakeholders) regarding the state of the customs union and possible reform elements.

A summary of the responses to this consultation will be published after the end of the consultation period.

### About you

Bulgarian

Croatian

\*Language of my contribution

\*I am giving my contribution as

Academic/research institution

Czech
Danish
Dutch
• English
© Estonian
Finnish
French
© German
Greek
Hungarian
Irish
Italian
Latvian
Lithuanian
Maltese
Polish
Portuguese
Romanian
Slovak
Slovenian
Spanish
Swedish

Company/business organisation
Consumer organisation
EU citizen
Environmental organisation
Non-EU citizen
Non-governmental organisation (NGO)
Public authority
Trade union
Other
* First name
Anu
*Surname
Kultalahti
*Email (this won't be published)
anu.kultalahti@finnwatch.org
*Organisation name
255 character(s) maximum
Finnwatch
*Organisation size
Micro (1 to 9 employees)
Small (10 to 49 employees)
Medium (50 to 249 employees)
Large (250 or more)
Transparency register number
255 character(s) maximum
Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to

Business association

influence EU decision-making.

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## \*Country of origin

Please add your country of origin, or that of your organisation.

This list does not represent the official position of the European institutions with regard to the legal status or policy of the entities mentioned. It is a harmonisation of often divergent lists and practices.

	Afghanistan	0	Djibouti	0	Libya		Saint Martin
	Åland Islands		Dominica		Liechtenstein		Saint Pierre and
							Miquelon
	Albania		Dominican		Lithuania		Saint Vincent
			Republic				and the
							Grenadines
	Algeria		Ecuador		Luxembourg		Samoa
	American Samoa		Egypt		Macau		San Marino
	Andorra		El Salvador	0	Madagascar		São Tomé and
							Príncipe
	Angola		Equatorial Guinea	<b>1</b>	Malawi		Saudi Arabia
	Anguilla		Eritrea		Malaysia		Senegal
	Antarctica		Estonia		Maldives		Serbia
	Antigua and	0	Eswatini	0	Mali		Seychelles
	Barbuda						
	Argentina	0	Ethiopia	0	Malta		Sierra Leone
	Armenia		Falkland Islands	0	Marshall Islands		Singapore
	Aruba		Faroe Islands	0	Martinique		Sint Maarten
	Australia	0	Fiji	0	Mauritania		Slovakia
	Austria	0	Finland	0	Mauritius		Slovenia
	Azerbaijan	0	France	0	Mayotte		Solomon Islands
	Bahamas		French Guiana	0	Mexico		Somalia
	Bahrain		French Polynesia	0	Micronesia		South Africa
	Bangladesh	0	French Southern	0	Moldova		South Georgia
	· ·		and Antarctic				and the South
			Lands				Sandwich
							Islands
	Barbados		Gabon	0	Monaco		South Korea
0	Belarus	0	Georgia		Mongolia		South Sudan
	Belgium	0	Germany	0	Montenegro		Spain
0	Belize	0	Ghana	0	Montserrat	0	Sri Lanka

	Benin		Gibraltar	0	Morocco		Sudan
	Bermuda		Greece		Mozambique		Suriname
	Bhutan		Greenland	0	Myanmar/Burma	0	Svalbard and
							Jan Mayen
	Bolivia		Grenada	0	Namibia	0	Sweden
	Bonaire Saint		Guadeloupe	0	Nauru	0	Switzerland
	Eustatius and						
	Saba						
	Bosnia and		Guam		Nepal	0	Syria
	Herzegovina						
	Botswana		Guatemala		Netherlands	0	Taiwan
	Bouvet Island		Guernsey		New Caledonia	0	Tajikistan
	Brazil		Guinea		New Zealand		Tanzania
	British Indian		Guinea-Bissau	0	Nicaragua		Thailand
	Ocean Territory						
	British Virgin		Guyana		Niger		The Gambia
	Islands						
	Brunei	0	Haiti	0	Nigeria	0	Timor-Leste
	Bulgaria		Heard Island and	0	Niue		Togo
			McDonald Islands	6			
	Burkina Faso		Honduras	0	Norfolk Island		Tokelau
	Burundi		Hong Kong		Northern	0	Tonga
					Mariana Islands		
	Cambodia		Hungary	0	North Korea		Trinidad and
							Tobago
	Cameroon		Iceland		North Macedonia		Tunisia
	Canada		India		Norway	0	Turkey
	Cape Verde		Indonesia	0	Oman	0	Turkmenistan
	Cayman Islands		Iran		Pakistan	0	Turks and
							Caicos Islands
	Central African		Iraq		Palau		Tuvalu
	Republic	_		_		_	
0	Chad	0	Ireland	0	Palestine	0	Uganda
	Chile		Isle of Man	0	Panama	0	Ukraine

0	China	0	Israel	0	Papua New Guinea	0	United Arab
0	Christman Island	0	Italy	0		0	Emirates United Kingdom
	Christmas Island		Italy		Paraguay		United Kingdom
	Clipperton		Jamaica		Peru		United States
	Cocos (Keeling)		Japan		Philippines		United States
	Islands						Minor Outlying
							Islands
0	Colombia	0	Jersey	0	Pitcairn Islands	0	Uruguay
	Comoros		Jordan		Poland		US Virgin Islands
	Congo		Kazakhstan		Portugal		Uzbekistan
0	Cook Islands		Kenya		Puerto Rico	0	Vanuatu
0	Costa Rica		Kiribati		Qatar	0	Vatican City
	Côte d'Ivoire		Kosovo		Réunion		Venezuela
	Croatia		Kuwait		Romania		Vietnam
	Cuba		Kyrgyzstan		Russia		Wallis and
							Futuna
	Curaçao		Laos		Rwanda		Western Sahara
	Cyprus		Latvia		Saint Barthélemy		Yemen
0	Czechia		Lebanon		Saint Helena	0	Zambia
					Ascension and		
					Tristan da Cunha	ļ	
	Democratic		Lesotho		Saint Kitts and		Zimbabwe
	Republic of the				Nevis		
	Congo						
0	Denmark	0	Liberia		Saint Lucia		

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. Fo r the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published. Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

## \*Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

## Anonymous

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

### Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the personal data protection provisions

## Information on your interaction with customs

On average, how frequently are you involved in customs operations, procedures and/or declarations?

- Daily or almost daily
- One or more times a month
- Less than once a month

Do you deal regularly with more than one customs office or Member State?

- Yes
- No

Have your interactions with customs changed due to the UK's withdrawal from the European Union?

- Yes
- No

In your own experience, how important are the following customs issues in terms of the administrative workload they generate for business?

	Very important	Quite important	Somewhat important	Not very important	Not important at all	Don't know
Classification of goods	0	0	0	0	0	0
Determining the origin of goods	0	0	0	0	0	0
Valuation of goods for customs	0	0	0	0	0	0
Correction of errors in declarations	©	©	0	©	©	0
Amendments of declarations because of changes in routing, entry point etc.	0	0	•	•	•	0
Unexpected delays at the border	0	0	0	0	0	0
Adapting to information technology environment to manage customs processes	0	0	0	0	0	0
Getting or verifying data from third parties to use in customs processes	0	0	0	0	0	0
Getting or handling documents for import or export (certificates, supporting documents, permissions, etc.)	0	0	©	0	©	0
Other (please specify)	0	0	0	0	0	©

## Overall views on the Customs Union

In your opinion, how well is customs contributing to the achievement of the below objectives, through its controls of imports and exports?

	Very well	Quite well	Fairly well	Not very well	Not well at all	Don't know
Protecting EU industrial production and employment from competition of unfair trading practices	0	0	0	0	0	0

Coping with global geopolitical developments (e. g. new trade agreements, commercial disputes, punitive tariffs, etc.)	0	0	0	0	0	0
Supporting circular economy and the sustainable use of resources	0	0	0	0	0	0
Keeping up-to-date with new business models and technologies	0	0	0	0	0	0
Combatting global pollution (e.g. plastic waste)	0	0	0	0	0	0
Combatting forced labour, child labour and working conditions in international supply chains	0	0	0	0	•	0
Ensuring supply chain due diligence and promoting EU values internationally (e.g. human rights, environmental protection)	0	0	0	0	•	0
Combatting smuggling	0	0	0	0	0	0
Preventing the financing of criminal activities (e. g. terrorism)	0	0	0	0	0	0
Responding to the Covid-19 pandemic and its socio-economic consequences	0	0	0	0	0	0
Coping with the consequences of the withdrawal of the UK from the EU (Brexit)	0	0	0	0	0	0
Enforcing sanctions and export restrictions for dual use goods (goods used for both civilian and military purposes), e.g. following the Russian invasion of Ukraine	0	0	0	•	0	0
Ensuring compliance with EU standards (animal and plant health, product safety, environment protection, etc)	0	0	0	•	0	0
Ensuring compliance with intellectual/industrial protection rules (IPR, counterfeiting)	0	0	0	•	0	0
Ensuring the protection of the EU's financial interests (collection of duties and taxes)	0	0	0	0	0	0
				_	-	

## Please provide details or specific examples

500 character(s) maximum

Customs' contribution to the achievement of several of these goals (e.g. supply chain due diligence, EU values and standards, combatting forced labour, enforcement of sanctions) and in identification of goods produced in e.g. illegal settlements could be strengthened in many ways. In order to do that, among other things, improvements to quality of data collected by customs and public access to customs' data as specified further in response to below questions are needed.

What do you consider to be the main achievement(s),	improvement(s) or positive
impact(s) of the Customs Union to date?	

5	i00 character(s) maximum

# What do you consider to be the main challenge(s) or disappointment(s) with the Customs Union to date?

500 character(s) maximum

Lack of public access to customs' data – despite numerous calls by the civil society and the European Parliament on the Commission to introduce improvements in this regard. Commission's "Call for evidence for an impact assessment" document also recognises that without reform, enforcement of various (new) EU policy instruments is likely to be challenging. One way to address these challenges, in addition to other measures, is to increase transparency of customs' data.

As of today, what are your (or your organisation's) most important needs and priorities regarding a possible reform of the Customs Union?

	Very important	Quite important	Somewhat important	Not very important	Not important at all	Don't know
Customs authorities in EU27 acting as one (uniform application of rules and of customs controls, no divergences, no weak border points)	•	0	0	0	0	0
Simpler rules for simpler customs processes, less formalities (including for goods sold online)	0	0	0	0	0	0
More effective protection against financial risks (collection of customs duties, VAT and other charges to the benefit of EU and national budgets)	0	0	0	0	0	0
More effective protection against non-financial risks (better enforcement of EU safety, health, environmental and IPR rules on imported goods)	0	0	0	0	0	0
More effective tools to tackle smuggling, illicit or fraudulent trade	0	0	0	0	0	0
More effective sharing of information and data between national customs administrations and other authorities enforcing product requirements on imported goods	•	0	0	0	0	0
Better adaptation of customs to new global, commercial or political developments and crisis	•	0	0	0	0	0
Better performance measurement framework, with easier access to comparable quality data	0	0	0	0	0	0
Others (please specify)	0	0	0	0	0	0

## Issues at stake

Do you see the need to simplify how information is provided to customs and to reduce administrative burden and formalities?  Yes No No opinion
Customs' role in enforcing prohibitions and restrictions and compliance with EU standards
Do you face competition from imported goods that do not respect EU standards?  Ves  No
Please explain
500 character(s) maximum
Do you have evaluations, estimations, or any other evidence on the above- mentioned challenges, in particular with regard to imported products not aligned with EU standards (prohibitions and restrictions)?
In your experience, can non-compliant and/or counterfeit goods easily be purchased online?  Yes  No
Do you see the need for a better, clearer and more efficient framework for cooperation between customs and other authorities responsible for Market Surveillance, law enforcement (including border guards and police), taxation, etc. for sharing data on the products entering or exiting the EU?  Yes No

#### Please explain

500 character(s) maximum

Yes. Customs increasingly play a role in the enforcement of EU rules on supply chain due diligence, forced labour products, CBAM. This requires good cooperation with other competent authorities tasked with enforcement and supervision of these rules.

Should additional information requirements on specific products or EU standards be included in customs processes?

- Yes
- No

#### Please explain

500 character(s) maximum

Yes. The UCC Delegated Act must be amended so that companies that import goods into the EU are required to disclose the name and address of the manufacturer to the relevant customs authorities. In addition, national customs' authorities must collect and make publicly available such data on internal trade that would allow tracking where and by whom goods are imported after they have been released for free circulation in the first point of entry to the EU single market.

#### Contribution to the EU's climate change policies and green agenda

As the fight against climate change is an important overarching objective of the European Union, like any legislative proposal, the intended reform of the Customs Union should take into account links and opportunities to promote the EU's green agenda.

Greening customs: in what areas and through which measures do you see potential for customs authorities/customs controls to reduce their emissions and carbon footprint?

500 cha	aracter(s) maximum			

In what areas and through which measures could customs contribute to reaching the EU Green Deal's objectives? (E.g. promotion of environmental goods, circular economy, reduction of transport emissions, avoidance of carbon leakage, CO2 footprint of goods)

500 character(s) maximum

Customs' role in identifying and preventing entry into the market of counterfeit consumer goods could be strengthened. At present customs' role is, at least in some MSs, limited to identifying counterfeits that pose a risk to consumers' health or property, and doesn't cover misleading consumer claims, e.g. calling a t-shirt organic when it is not. In the future customs will likely play an integral role also in enforcing CBAM.

## Which policy changes or mechanisms should in your opinion be included in a reform of the Customs Union?

0				disagree	know
	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Providing for a fully-fledged EU customs information environment, with emphasis on, for example:	0	0	0	0	0	0
- data management capabilities;	0	0	0	0	0	0
- simplified provision of data (enabling re-use of data, avoiding duplications, etc.);	©	0	0	0	©	©
- streamlined handling of non-customs formalities (building on the concept of "single window").	0	0	0	0	0	0
Adapting customs legislation to e-commerce transactions, for example by strengthening supervision of business-to-consumer flows and liability of involved actors for all fiscal and non-fiscal rules	©	0	0	©	0	0
Integrating the green agenda in the customs agenda and traders behaviours	0	0	0	0	0	0

Do you have any other suggestions for policy measures to be included in a reform of the Customs Union?

500 character(s) maximum

Yes. Improving transparency of customs' data must be prioritised in the UCC reform. The UCC Article 12 needs to be amended to clarify that customs data on trade parties is not confidential and can be disclosed to the public.

If new policy measures were introduced, can you please provide an estimation of the magnitude of the impact that each option would entail for you or your organisation?

	High positive impact	Limited positive impact	High negative impact	Limited negative impact	No impact
Better cooperation of customs and non- customs authorities for better risk management, including reinforced advance cargo information and operational coordination	0	0	0	0	0
Partnership with reliable and trusted traders that can use commercial information instead of burdensome administrative requirements to comply with customs obligations	•	•	•	•	•
Reforming the EU customs governance to provide for an EU layer	0	0	0	0	0
Providing for a single EU customs information environment, with emphasis on, for example data and the concept of single window	0	0	0	0	0
Adapting customs legislation to e- commerce transactions, for example by strengthening supervision of business-to- consumer flows and liability of involved actors for all fiscal and non-fiscal rules	0	©	©	©	©
Integrating the green agenda in the customs agenda and traders behaviours	0	0	0	0	0

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#### Contact

**Contact Form**