



Ambassador Tom Hanney
Deputy Permanent Representative
Committee of the Deputy Permanent
Representatives (COREPER I)
Permanent Representation of Ireland to the
European Union
Rue Froissart 50
1040 Brussels

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Dear Ambassador,

Having assessed the text put forward by the Irish Presidency for the on-going trilogue negotiations on the Union Customs Code, BUSINESSEUROPE would like to express its support for a number of proposals made by member states. This concerns notably the "Local customs clearance" (Art. 154), "Centralised Customs Clearance" (Art. 153a and 153b) and the envisaged regulations regarding the fundamental responsibility of the filing of the entry summary declaration for imports by the Freight Carrier.

BUSINESSEUROPE also welcomes that on "Temporary Storage" member states have convergent views with the European Parliament, resulting in almost similar requirements. However, we would like to underline the necessity to have further means available: the possibility to have an informal authorisation procedure, the use of alternative notifications, and records must not contain more information than required at present. Moreover, it should be possible to repack as well as to transport the goods within the framework of the procedure, and where shipments remain in temporary storage for less than 1 working day, there should be no requirement for a declaration to be made.

Contrary to Amendment 24 of the European Parliament, the Council draft does not envisage "multiple filing". BUSINESSEUROPE explicitly supports the Council position as "multiple filing" would not be feasible in practice and would result in legal uncertainty.

BUSINESSEUROPE would like to underline four crucial areas where Union Customs Code contains rules must be operational for companies:

- AEO simplifications (Authorised Economic Operator)
- Non-preferential rules of origin
- First Sale Rule (customs valuation)
- Basic simplifications of the export procedure

AEO simplifications (Authorised Economic Operator)

Compared with their efforts to obtain the status, the current level of AEO simplifications does not provide sufficient advantages to European companies. The following examples would provide some real facilitation, making the status more attractive:

- a) Exemption from a pre-departure declaration and an entry summary declaration (cf. EP amendments 117, 118 and 192);
- b) Local customs clearance without notification and release of the goods at the moment of entry in the declarant's records – also in case of prohibitions when the use of a general licence is possible or the products are well known; use of a global declaration for a fixed period (e.g. month).

BUSINESSEUROPE very much welcomes that the requirements concerning local customs clearance are covered in principle by the Council proposal. However, the proposal should also include simplifications and exemptions for the AEO in the area of pre-departure declaration and entry summary declaration.

Non-preferential rules of origin

In the case of global production chains, Article 53 (2) of the Council text sets out that the place where the last substantial transformation occurred determines the non-preferential origin of the goods. BUSINESSEUROPE welcomes this proposal which will allow companies to operate in the most practical and least burdensome way.

We also welcome that the European Parliament does not see a need for a definition through a delegated act of the currently applied "last substantial transformation". For decades this principle has not caused any problems and proven that it is simple to implement. The powers envisaged in Article 55 of the UCC would therefore not only be superfluous but also counterproductive because they would open the possibility to install list rules entailing considerable and above all unnecessary and unjustifiable burdens on all parties.

First Sale Rule (customs valuation)

Concerning the First Sale Rule, BUSINESSEUROPE deplores that the Council draft does not envisage any direct anchorage in the UCC. To recognise the importance of this provision, it should be included in the basic act, i.e. the UCC. BUSINESSEUROPE proposes that the Council adopts the amendment "COMP B" as put forward by the European Parliament.

Basic simplifications of the export procedure

The envisaged simplifications concerning the export procedure by the Council are limited as they are "special" and thus "restricted". There is no general basis for any form of simplification concerning the export procedure, such as those anchored in



amendment 195 as adopted by the European Parliament. BUSINESSEUROPE calls upon the Council to adapt its position by extending it via this general basis.

Binding Tariff Information (BTI)

In case of conflict, companies are sometimes confronted with the situation that individual member states issue different BTI's concerning the same product. Depending on the case, the clarification can take several years which exposes companies and public authorities to legal uncertainty. BUSINESSEUROPE supports the proposal that in case of conflict the firstly issued BTI takes effect and is upheld until the conflicting parties reach an agreement.

Guarantees

According to the existing Community Customs Code and its implementing provisions no guarantee needs to be furnished for intra-union transports by air and by sea. The status quo should be maintained. The requirement to place a guarantee, as proposed by the UCC (art. 77), would add significant new costs for operators. BUSINESSEUROPE does not see any reasons that would justify the introduction of a said guarantee.

BUSINESSEUROPE attaches greatest importance to the above described issues and calls upon the parties in the trilogue negotiations to take appropriate action. Please do not hesitate to contact us in case you have any further questions.

Yours sincerely,

Adrian van den Hoven

cc: Council working group on the Union Customs Code
MEP Constance Le Grip, Rapporteur on the Union Customs Code
Shadow rapporteurs on the Union Customs