

Mr Paolo Gentiloni
EU Commissioner for Economy
European Commission
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1049 Brussels
Belgium

Copy to Steven Quest, Director General DG TAXUD, Philip Kermode, Director Customs DG TAXUD,
Permanent Representations to the EU

COVID-19: Call on the Commission to address specific Customs issues

19 March 2020

Dear Commissioner Gentiloni,

As stated by the European Council and the European Commission, the COVID-19 outbreak is having a major impact on transport which in turn affects the whole EU economy, because of disruptions of supply chains. Keeping cargo flows running is vital for public health and the economy. It is crucial that the security of supplies and the integrity of the logistics chains in the EU are preserved in the interest of EU citizens and the EU economy. Customs plays a major role in safeguarding the security of supplies and the integrity of the supply chains. Both the authorities and the private sector which ensure the fulfilment of Customs formalities – the sector which is represented by CLECAT – require additional measures, support and communication to keep cargo flows running.

Therefore, we urgently request the Commission to address the following points:

- **Allowing delayed payment of Customs debts and other related taxes and payments.** Across Europe, governments have announced measures which allow the delayed payment of taxes such as income tax, corporate tax and VAT. Unfortunately, no such measures were announced in relation to Customs duties and other related taxes and payments, such as interest and fines. The Union Customs Code allows for delayed payment of Customs debts in special circumstances (for example in article 108, 112 and 114). We recognise that that such decisions in principle should be taken on an individual basis by Member States. However, given the special circumstances the COVID-19 pandemic has caused, we are of the view that general EU action would be required. We have noted that several Member States have indicated that they are willing to take measures in relation to delayed payment, but nonetheless are waiting for further communications from the Commission in this respect. Without such action, the industry which fulfils more than 80% of Customs formalities, including the payment of Customs debts and provision of guarantees, will be severely impacted, leading in the short and longer term to a halt in vital EU supply chains.

- **Toleration of the overstepping of guarantees.** For the same reasons as for the delayed payment of Customs debts, we also request to tolerate the overstepping of guarantees.
- **Extension and flexibility in deadlines for Customs procedures and other formalities.** Due to long waiting times at external and internal EU borders, reduced capacity for the public and private sector, general disruption in transport and at the same time a major increase of certain goods, deadlines for closure of Customs procedures cannot be met in all cases. The issue is especially pressing in relation to Transit procedures but is also affecting other procedures such as supplementary declarations, temporary admission, export and temporary storage. We therefore urge the Commission to allow for an extension of deadlines where procedures have already started and longer deadlines for procedures which still have to commence. Where such measures should be taken by individual Member States, we request the Commission to assist and advise Member States in doing so. If no such action would be taken, additional Customs debts and administrative burden will occur, putting an even heavier strain on supply chains.
- **Additional flexibility on amendment or cancellation of Customs procedures.** Many Customs procedures, declarations or other notifications might need to be cancelled or amended due to the current situation. Consequently, additional flexibility to do so would be required to allow the cancellation or amendment of Customs procedures, declarations and other notifications.
- **Allow the provision of documents, certificates and other paper-based evidence in digital format.** Despite the EU's ambition to digitise all exchange of information related to Customs formalities, still many documents, certificates and other paper-based evidence need to be provided physically by economic operators to Customs authorities. Likewise, where certain validation by authorities such as stamps or signatures is required, this equally remains to be done physically and in person by those authorities. In order to safeguard the health of both the officials and the employees of economic operators and to minimise workload and waiting times, we urgently request pragmatic solutions which allow for the digital exchange of the documentation. Preferably this is done by exchanging digital copies through email as this is easily deployable and accessible by all parties concerned. Simplified declarations for example for proof of preferential origin is not a solution, as this leads to additional issues as described in the previous points.
- **Easement and/or additional capacity for the granting and checking of authorisations and licences.** In order to move and store certain goods across EU external and internal borders, in many cases additional authorisations and licenses are required. In order to keep supply chains functioning, the rapid granting of authorisations required for the trade and movement of for example food, pharmaceuticals and medical equipment is crucial. We understand that the safety and security of such goods is highly important especially in the current circumstance. Therefore, in cases where easement cannot be provided, we request to provide additional capacity to ensure that the trade and movement of certain products can be maintained. We also understand that it is not always Customs which grants such authorisations and licences. Nonetheless, Customs plays an important role and improved cooperation and communication with the other relevant authorities and economic operators is essential.

- **Reduce non-essential or non-time pressure related physical and administrative checks to a minimum and focus on crucial formalities.** Because of reduced capacity on the one hand and additional measures and demand for certain products on the other hand, enormous delays and disruption have occurred at external and internal EU borders. We therefore urgently call upon the EU Commission to advise and assist Member States authorities to reduce non-essential or non-time pressure related physical and administrative checks to a minimum and focus on crucial formalities.
- **Provide clear, timely and EU-wide communication related to Customs formalities.** Communication by Member States, EEA countries and other EU trade partners on for example closure of Customs offices, additional measures or otherwise tend to be targeted solely towards their own economic operators and are often provided in the local languages. In international trade such national or even local communication is not sufficient. Traders and their service providers need to have clear, timely and EU-wide communication. The EU Commission would be the main institution which could provide such communication.

We appreciate the Commission's coordinated response to counter the economic impact of the Coronavirus in other areas and hope the recommendations related to Customs will be taken into account likewise in order to ensure the flow of essential goods across the EU borders.

Yours sincerely,



Nicolette van der Jagt
Director General

Response to this letter can be sent to willems@clecat.org

CLECAT represents the interest of thousands of companies in the Freight Forwarding, Logistics Services and Customs Services. Multinational, medium and smaller sized companies all fall within its Membership. Together these companies handle about 65% of all transport in Europe and the industry performs over 80% of all customs formalities in the EU.