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Brussels news

CLECAT URGES MEPS TO SUPPORT TRAN POSITION ON EXEMPTING INTERNATIONAL TRANSPORT FROM POSTING RULES

Earlier this month, the Transport Committee adopted its position on the proposals for drivers' rest periods, posting of drivers and access to the market three proposals, as well as the decision to start negotiations with the Council based on these reports, on Monday 4 June. MEPs voted to hold further discussions and to vote again on the proposals at the July Plenary session.

CLECAT supports the efforts in designing the rules that would both foster efficiency and innovation in transport solutions and ensure the necessary level-playing field with adequate social conditions for the employed in the sector. However, flexibility and balance are really needed, and the latest debate in the June Plenary that overthrew the TRAN Committee decision are of great concern to CLECAT and its members, representing both many small and large logistics service providers and freight forwarders in the EU, through its national member' associations.



CLECAT reiterates its position on the importance of excluding international transport operations (transit, bi-lateral and cross-trade) from the posting of workers rules. It is important to understand that this limited exclusion on specific operations concerns the drivers that should not be considered as posted in a Member State as they simply cross different countries because of the mobile nature of international transport operations. Exclusion of international transport operations from the posting

rules is a matter of competitiveness of the European logistics and industry at large, a seamless functioning of the value chains.

CLECAT urges MEPs to consider the Package's much-needed balance, as achieved by the TRAN Committee, who have carefully considered adequate social conditions for those employed in the sector by securing revised rules on cabotage in road transport and driving and rest times. Now there is no time to waste: it is crucial that an agreement is struck before the European elections in 2019 to prevent the continued imposition of national posting regimes.

Brexit Update

EU AND UK PUBLISH JOINT STATEMENT ON PROGRESS

The European Commission and the United Kingdom published on 19 June a Joint Statement outlining the progress that has been achieved on the terms of the [draft Withdrawal Agreement](#) since the negotiation round that took place on 16-19 March 2018.

This joint statement has been published in view of the upcoming Council meeting (Article 50) of 29 June 2018. Under the caveat that nothing is agreed until everything is agreed, the progress recorded in this joint statement shall be reflected in the Withdrawal Agreement in full. The new elements of agreement are set out in detail in points 3 and 4 of [the Joint Statement](#), which mainly concern customs and indirect tax issues. Both Parties have reached agreement on, among other topics, the articles concerning goods placed on the market, ongoing value added tax and excise duty matters, intellectual property and administrative cooperation for matters related to indirect tax and the closure of customs procedures and temporary storage.

Outstanding issues include, amongst others, the protection of data processed before the end of the transition/implementation period, geographical indications, the treatment of ongoing police and judicial cooperation in criminal matters and the finalisation of ongoing Union judicial and administrative procedures. On Northern Ireland and Ireland, scoping work has continued on the full range of provisions in the Protocol, in the context of both parties' commitment to the Belfast or Good Friday Agreement in all its parts. Both Parties recognise that the backstop on Ireland/Northern Ireland requires provisions in relation to customs and regulatory alignment. Discussions were held on the UK proposal of 7 June which aimed at addressing the customs aspects of the backstop. The finalised results of the North-South mapping exercise on cross border cooperation will be published shortly. The Parties are committed to accelerating work on the outstanding areas, noting that both Parties agree the scope of the draft Protocol reflects the issues that require legally operative agreed text in the Withdrawal Agreement.

The UK has recently released [a technical note which provides further details on the proposal on security coordination](#), while EU Taskforce 50 considers the proposals the UK has outlined in its previous [paper of 24 May](#). Furthermore, the UK Public Bill Committee has now completed its work and has reported on the [Haulage Permits and Trailer Registration Bill](#) with amendments. The Bill will next be considered at [Report Stage](#) and [Third Reading](#) on Tuesday 26 June 2018.

Sources: [UK.gov](#) and [EU article 50](#)



Customs

FIGHTING TRANSIT FRAUD IN THE EU

CLECAT addressed a Conference on fraud in the customs transit system organised by the Robert Schuman Foundation on the 20th June in Brussels. This event was organised as part of the [Hercule III programme](#) of the [European Anti-Fraud Office](#) (OLAF) and included high-level speakers from the EC, EP and the WCO. OLAF investigates fraud against the EU budget, corruption and serious misconduct within the European institutions, and develops anti-fraud policy for the European Commission.

The European Common Transit convention was created in 1987 and serves to facilitate trade and secure collection of duties and taxes where applicable. Since its creation and NCTS the use of the Transit regime has grown substantially, but its use has stabilised in the past years. Nonetheless, the use and purpose of the Common Transit Convention might be needed more than ever with the upcoming withdrawal of the UK from the EU. However, the Transit regime can also be abused by fraud, leading to a threat of the loss of resources to the Member States and the negative impact on the economy. Preventing and combating abuses has recently been the subject of many discussions.

CLECAT presented its views on how the current Transit and excise systems function, the lessons learned from those systems and possibilities for improvement. The Members of CLECAT (Freight Forwarder and Customs Service Providers) act are in about 70-80% of all declarations as the provider of guarantees. Therefore, combating fraud is also in their interest. The Transit system has functioned well in the past 15+ years and whereas there is room for improvement, the cases of fraud compared to the cases of fully compliant movements are very limited. In the rare cases of non-compliance this is not always due to fraud with the intention to avoid duties, but often related to administrative or human errors. Therefore, CLECAT finds it important that, while taking measures to combat fraud, the original goal of Transit to facilitate trade should not be lost. "It is not honest trade that should be combated but fraud", said Dominique Willems, Senior Manager of CLECAT.

In order to strengthen the Transit system, CLECAT considers it important that rules, procedures and IT system are made simpler and more adapted to modern trade and logistical patterns. The evolution of the European Transit system is comparable to that of the EU VAT system; by the increase of its complexity over the years, it became actually more susceptible to fraud. Therefore, CLECAT considers that by just adding extra rules and requirements (like an HS code) irregularities will not decrease, data quality not necessarily better and fraud will surely not be prevented. CLECAT also emphasised the need for good cooperation between authorities and the private sector. CLECAT also provided some best practices of how cooperation based on partnership between authorities and trade by exchanging knowledge, experience and risk information can lead to both a prevention of fraud and a more efficient process.

The conference was webstreamed and can be viewed at the following link [Fighting Transit Fraud in the European Union](#). (CLECAT's presentation starts at app 1h53 -use password TransitFraud18). Later this year the Robert Schuman Foundation will publish its final report.

VAT: NEW RULES ON COOPERATION BETWEEN MEMBER STATES

The Commission has welcomed the political agreement reached by EU Member States on 22 June on new tools to close loopholes in the EU's Value Added Tax (VAT) system. These inconsistencies can lead



to large-scale VAT fraud causing losses of €50 billion for national budgets of EU Member States each year.

[Proposed by the Commission in November 2017](#), the new measures aim to build trust between Member States so that they can exchange more information and boost cooperation between national tax authorities and law enforcement authorities. Once in force, Member States will be able to exchange more relevant information and to cooperate more closely.

The new rules focus on cooperation between Member States, to enable them to tackle VAT fraud more quickly and more efficiently, including on fraud that takes place online. More use will be made of IT systems which should replace the manual processing of data. VAT information and intelligence on organised gangs involved in the most serious cases of VAT fraud will now be shared systematically with EU enforcement bodies. Finally, improved investigative coordination between tax administrations and law enforcement authorities at national and EU level will ensure that this fast-moving criminal activity is tracked and tackled more quickly and more effectively.

The new cooperation rules will be published in the EU's Official Journal and enter into force 20 days later. As the implementation of the automated access to the information collated by the customs authorities and to vehicle registration data will require new technological developments, their application will be deferred until 1 January 2020.

Source: [EU Commission, DG TAXUD](#)

WCO AND IPPC JOIN FORCES ON THE PROTECTION OF PLANTS

World Customs Organization (WCO), and the International Plant Protection Convention (IPPC), signed an agreement to promote cooperation on matters of common interest to help facilitate the international trade of plants and plant products in a safe and efficient manner at the WCO Headquarters in Brussels on 19 June 2018.

The areas where the two organisations will cooperate include, but are not limited to: Electronic Data Exchange (ePhyto), eCommerce, Sea Containers, Single Window and Communication and Advocacy. In addition, the WCO and IPPC will establish a joint work plan with specified activities focused on advancing their common goals.

The WCO and IPPC will exchange documents and publications, keeping each other informed of events and activities that may be of mutual interest. They will consult each other regularly on matters of common interest and will exchange information on new developments in their fields of activities and on relevant activities and projects. Where appropriate, they will also invite each other to participate as an observer, or as a speaker, at meetings and events.

Source: [World Customs Organisation](#)

WCO NEWS MAGAZINE NOW DIGITAL

The WCO has announced that WCO News magazine is now available digitally at <https://mag.wcoomd.org>. The last five editions are also online, including the latest edition which has just been released last week. Older editions will be added progressively.



The June edition of the magazine focuses on the Harmonized System (HS), one of the WCO's flagship instruments, which celebrates its 30th anniversary this year. Several articles look at the history of the HS, its maintenance system, the critical role it plays for a number of actors, the challenges related to its implementation, and whether a structural revision is now necessary.

Source: [World Customs Organisation](#)

Rail

4TH SECTOR STATEMENT GROUP MEETING

On 21 June, CLECAT attended the 4th Sector Statement Group Meeting. During the meeting, the reports on the 10 priority actions, as well as the comments on it, were discussed and the future work of the group was agreed on.

CLECAT signed up to the so-called '[Rotterdam Sector Declaration](#)' Boosting International Rail Freight in June 2016. The Statement identified important measures which are needed to improve the competitiveness of the Rail Freight Corridors in order to make rail freight a more attractive option for all customers, to enhance the operational efficiency of rail freight operators, and to ensure adequate capacity for all users. One such measure includes a single list of important operational issues to be resolved for improving international rail freight, updated annually by the advisory groups of railway undertakings, and proposed to rail freight corridors in order to support their action plan. Additionally, the corridors will continue providing and improving an adequate, generic and comparable set of key performance indicators (KPIs) on the quality of service at regular intervals, and in consultation with the stakeholders, taking into account already existing work carried out by the sector.

The Network of the Rail Freight Corridors agreed to support the Rotterdam declaration of the rail sector and to give regular updates on progress of the 10 sector priorities. For this purpose, the RFC Network agreed to join a common platform of communication named "Sector Statement Group (SSG)" composed of European associations (including CLECAT).

In addition to the existing 10 priorities, the Sector Statement Group introduced Contingency Planning as 11th priority as a result of the Rastatt incident of September 2017. Contingency planning has to become faster and more flexible. This should be achieved by a more harmonised operational framework for rail freight, with international contingency management at its core. The existence of several re-routing options and a common language form a considerable part of such a framework. Furthermore, contingency planning should be monitored on a yearly basis, thereby resulting in a living document.

The next SSG-meeting has been scheduled for the end of October.

PLANNED REDUCTION OF DUTCH TRACK ACCESS CHARGES

The Dutch government proposed last week a package for the rail freight industry which includes a reduction of track access charges by 50% before the end of this year. Additionally, the government plans to facilitate the transition to ERTMS (European Railway Traffic Management System) by using national and EU funds, as well as enabling the driving of trains up to 240 metres. In their entirety, the measures aim at increasing rail freight volumes to 54-61 million tonnes in 2030 compared to 42 million



tonnes in 2016. Moreover, a quieter rolling stock and eco-friendly locomotives shall be operated to reduce the carbon footprint. A financial grant of €12-14 million is planned to be made available from 2019 to 2023, with an evaluation thereof in 2021. Moreover, the government committed to provide European as well as national funds for the deployment of ERTMS. Through these measures, the Dutch government aims to promote the modal shift from road to rail.

Source: [Railfreight](#)

SWEDISH TRACK ACCESS CHARGES UNDER REVIEW

Sweden is currently reviewing its track access charges. According to the national regulator Transportstyrelsen, the marginal costs that are charged for freight and passenger services are too low. Additionally, it ruled that its current charging structure is not compliant with EU law. The costs are calculated on the basis of the total cost for wear and tear, which are distributed over all track access charges. As a result, the marginal cost-based charges are lower than what they are supposed to be, as the capacity charges also cover the cost of wear and tear.

According to the Swedish infrastructure manager Trafikverket, the Swedish system of applying a capacity charge for the railway sector is unique, as operators on lines with a capacity of eighty percent or more pay more to access these paths. Thereby, the use of lines with less capacity is encouraged while simultaneously covering the higher maintenance costs of the highly-used tracks. In order to be compliant with EU law, the infrastructure manager would have to be able to demonstrate the correlation between the higher maintenance costs of the highly used tracks for the capacity chargers in order to justify marginal costs as the costs that are directly incurred. According to the Swedish regulator, such a marginal cost-based charge should only reflect the marginal costs of adding another train to the tracks and nothing else.

Source: [Railfreight](#)

Air

BULC CALLS FOR STRONG EU LINE ON CORSIA IMPLEMENTATION

Commissioner for Transport Violeta Bulc attended the 214th ICAO Council session on 18-19 June, to discuss some of the key parameters of the global market-based measure (known as 'CORSIA') that [was approved in October 2016](#) with a view to stabilise international aviation emissions at 2020 levels. The European Union and its Member States are advocating for the most ambitious outcome and the most robust global scheme, in line with the EU's commitments under the Paris Agreement and the ambition of the Commission to consolidate Europe's global leadership in the fight against climate change.

In a letter to EU ministers, Commissioner Bulc and Climate Action Commissioner Miguel Arias Cañete stated that the EU will resist any attempts to weaken CORSIA, particularly with regard to emissions unit eligibility criteria, transparency, sustainability criteria for alternative fuels. The Commissioners urged Member States, who unlike the EU are full ICAO member states, to support these positions in the ICAO Council meeting.

Source: [European Commission](#)



Forthcoming events

CLECAT MEETINGS

CLECAT BOARD/GENERAL ASSEMBLY

29 June, Sofia, Bulgaria

SAVE THE DATE: INTERMEDIATE CLECAT CUSTOMS & INDIRECT TAXATION INSTITUTE

26 – 27 July, Brussels, Belgium

FFF2018

15 November, Brussels, Belgium

CLECAT/FIATA ROAD INSTITUTE MEETING

7 September, Prague

FIATA WORLD CONGRESS

26-29 September, New Delhi

EP MEETINGS

European Parliament TRAN Committee

9 - 10 July

European Parliament Plenary Session

2 - 5 July, Strasbourg

12 - 14 July, Brussels

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