CLECAT
European Association for Forwarding, Transport, Logistics and Customs Services

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POSITION PAPER

EU Customs Reform

CLECAT, the European Association of Freight Forwarders, Logistics service providers and Customs Agents, agrees with the need to modernise the EU customs system, at a time when business suffers from diverging local practices and a lack of harmonised treatment between national customs authorities. CLECAT observes that the European Commission has in its **Communication '*taking the Customs Union to the next level*'** proposed new concepts seeking to better ensure a cohesive and harmonized interpretation of the rules across the EU and to better equip it to face current global challenges and protect the Single Market.

The customs reform proposals are bold, in particular the proposal for an EU Customs Data Hub, an EU Customs Authority, the shift to the (deemed) importer as the person responsible for duties and all compliance aspects, as well as a partial harmonisation of customs sanctions.

CLECAT welcomes the opportunity to comment on the draft proposals and will provide a general overview of its reflections on the reform. We are looking forward to the discussions with the European Commission, the European Parliament and EU Member States to ensure a balanced customs reform.

Summary and Recommendations

- In order to better reflect the need for balance between trade simplification and enforcement, CLECAT considers that the impacts of the reform on European small and medium-sized enterprises (SMEs) needs to be examined in detail in order to avoid that the intended reduction of administrative burdens fails and **trade will be suffering from a lack of know-how on customs and trade issues** and as such exposed to new risks due **a lack of consideration of the business realities**.

- CLECAT is very concerned about the changing **role of intermediaries (such as customs agents) in the movement of goods across borders**. Intermediaries play a significant role in customs clearance, also dedicating considerable efforts to educate companies about customs regulation. If intermediaries were to diminish in their role or disappear, at least partially, there is a risk that **companies will in the future lack the much-needed knowledge to handle various aspects such as goods origin, customs value or commodity codes**. It is crucial to consider this risk, especially for companies that heavily rely on customs brokers.

- CLECAT regrets that the important role of customs intermediaries is not recognised, as they can only under certain conditions benefit from the new system-based approach. Compliant companies will also benefit from reduced customs inspections, carried out away from the border. It remains important to realise that this approach may be more difficult to implement into the systems of smaller enterprises with less resources, the reason for their reliance on the services of customs intermediaries. However, current facilitation advantages will largely disappear for customs agents acting under direct representatives as they will not be able to extend **Trust and Check trader (T&C)** status and facilitations to non-T&C companies, while the requirements for obtaining such a status become more stringent. CLECAT regrets this **'all or nothing approach'** as the current AEO

advantages will disappear when not acting as a Trust and Check trader, while the requirements for obtaining such a status become more difficult, especially for SMEs.

- Policy makers need to realise that today, companies need to invest a lot of financial and administrative resources to obtain the AEO status. The benefits of the Trust and Check (T&C) trader status may not outweigh the investment. CLECAT doubts most SME importers will invest in their IT and other systems to obtain the status of T&C trader as they may prefer to outsource their customs affairs to intermediaries, given that they often neither possess the necessary expertise, nor inhouse human resources. CLECAT foresees that **many SME's will not become T&C, and as such will not benefit from any of the current facilitations when they make use of a customs intermediary**. This will obstruct well-functioning supply chain processes. It is therefore pertinent to provide equal treatment to companies that use the services of customs intermediaries.

- CLECAT calls on the EU policy makers **to allow customs representatives acting under direct or indirect representation to extend their facilitations, including their T&C status, to non-T&C economic operators.** Especially in cases where the importer occasionally imports goods or due to the size of his organization is incapable of fulfilling the demands of T&C, the importer should be able to rely on and benefit from the T&C facilitations granted to his representative. We emphasize that using a third-party direct customs representative should not differ a lot from using internal customs expertise as in both cases the importer is fully liable for any customs duties due.

- CLECAT shares the Commission's premise that the fiscal and non-fiscal compliance responsibility lies with the importer/exporter and that the customs office in the Member State in which the importer/exporter is established, is best positioned for company supervising and auditing. At the same time, the Commission proposal allows for the possibility to release import goods in any Member State – and thus also elsewhere than in the Member State where the importer is established but without any of the existing or future facilitations which will be the case for all economic operators without the Trust and Check status. With many importers not having the T&C status and customs representatives reluctant to represent importers under indirect representation, legislators should acknowledge that this may lead to 'customs shopping' (the filing of customs clearance declarations by the indirect customs representative in Member States with less stringent criminal law) which would not serve the purpose of a Single European Customs Union.

- As the Commission has recognised, the operators who have the commercial information on the goods are not the ones making the customs filings. The person dealing directly with customs is not able to account for the regulatory requirements associated with the beneficial cargo. The customers' broker/intermediary has no interest to appoint a representative in a third country to check whether the Union's fiscal and non-fiscal rules have been adhered to. The associated risks of this would create high liabilities and severe sanctions for incorrect data provided. Also, CLECAT contests that customs legislation can be the basis for transferring obligations and responsibilities of non-fiscal legislation towards indirect customs representatives. CLECAT proposes that an alternative representative for importers not established in the EU for non-fiscal legislation could be the '**Authorized Representative'**, a status which is already introduced in national and EU legislation on product safety.

- Finally, we note that **temporary storage** is an important practice to allow companies some margin of manoeuvre to decide what to do with the goods before placing them under a customs procedure. Reducing this timeline from 90 days to 'no later than 3 days after the notification of

their arrival or no later than 6 days' as after the notification of their arrival in the case of an authorised consignee' will have a considerable negative impact on European businesses and should be extended to a minimum of 30 days. Also, it should be noted that customs warehousing in its current form is not a direct alternative for Temporary Storage.

Introduction

The European Commission presented a proposal for the reform of the Union Customs Code (as well as amendments of several other legal acts): 'Taking the Customs Union to the next level', COM(2023) 257 on May 17. The EU Commission has followed recommendations of the Wise Persons Group (WPG) report, calling for urgent fundamental and wide-ranging reforms to the legislative framework and functioning of the EU Customs Union. The proposal comes at a time when business has observed the failure to centralise customs activities and IT systems (except for ICS2) as well as a lack of harmonisation of customs sanctions. Trade flows are increasing, especially in e-commerce, and a growing amount of EU legislation requires closer scrutiny of supply chains.

The Commission presented its reform also at a moment when trade is witnessing numerous delays by Member States to implement new IT system changes to implement the UCC. According to the European Commission the current approach of connecting national IT systems at EU level is reaching its limit: it is expensive to develop and maintain 27+1 IT systems, and for trade to connect to different national systems, whilst the speed of adaptation to change is slow and customs data remains fragmented.

CLECAT welcomes the opportunity to comment on the draft proposals and will provide a general overview of the European intermediary sector's concerns and reflections and questions on the reform. We are looking forward to the discussions with the European Commission, the European Parliament and EU Member States to ensure a balanced customs reform.

Role of Customs intermediaries

CLECAT is the European organisation representing the interest of freight forwarders, logistics service providers and customs brokers. These companies are users of all modes of transport and make extensive use of IT systems, customs services, dedicated terminals and warehousing to respond to the needs of their customers, the shippers and owners of cargo. Therefore, freight forwarders and customs brokers play a crucial role in global supply chains and the exchange of information within these supply chains.

A customs intermediary (customs broker or forwarder) is a private sector professional, who is acting on behalf of an importer or exporter in the clearance of their shipments. His primary role is to help ensure that a shipment meets all import or export requirements as mandated by law. This can include ensuring that the correct documentation and declarations have been lodged including the classification of the goods, the request for the correct customs regime and duties, taxes and relevant fees have all been paid.

Trade usually requires the services of a customs broker when a trader does not have the knowledge and skills to correctly make a commercial declaration to customs. In doing so, the customs agents will need to fully understand what documents or permits may be required, and how to classify goods using the Harmonized System (HS) code, apply the commercial measures, determine the correct certification of preferential origin or determine the non-preferential origin. In this respect CLECAT

regrets that the EC has not taken on board the recommendation of the WPG for capacity building in view of its recognition that customs require serious investment in training and capacity building, which should also include appropriate human resource policy to attract new talents and skills to the sector.

CLECAT will in this paper address some of the concepts proposed by the European Commission and highlight the risks that may be created for economic operators due to the reduced role of the customs brokers and freight forwarders.

1. Changes in Representation

The Commission proposes in Article 27 of the proposal for the Regulation the following changes with regard to the role of customs representatives:

1 An indirect customs representative acting in its own name but on behalf of an importer or an exporter shall be considered the importer or the exporter, respectively.
2 A customs representative having the status of Trust and Check trader shall only be recognised as such when acting as indirect representative. When acting as a direct representative, the customs representative may be recognised as Trust and Check trader if the person in whose name and on whose behalf that representative is acting has been granted such status.
3 The Commission (instead of currently the Member States for their territory[1]) shall determine, in accordance with Union law, the conditions under which a customs representative may provide services in the customs territory of the Union.

CLECAT notes that the above presented changes will have a fundamental impact on customs brokers and freight forwarders in the EU and their clients, often small and medium sized companies who may prefer to outsource their customs affairs to a third party with the professional knowledge.

The proposal notes that the option to appoint a customs representative under direct and indirect representation will still be available as noted in recital 17 and article 27. However, the indirect representative of an importer or an exporter assumes all the obligations of importers or exporters, not only the obligation to pay or guarantee the customs debt, but also the respect of other legislation applied by the customs authorities. The Commission concludes that the use of an indirect customs representative established in the Union is therefore an available and proportionate alternative for importers and exporters who do not have a commercial presence in the Union. In this scenario, the customs representative will need to ensure that customs duties are paid and non-fiscal legislation is adhered to, which is a risk, as the customs broker or forwarder is usually not in a position to check this thoroughly. The new definition of the importer makes the customs broker acting on behalf of the importer in indirect representation, liable for compliance of the goods, including financial and non-financial risks.

This approach has also been taken in Article 5 of Regulation (EU) 2023/956 establishing a carbon border adjustment mechanism (CBAM), according to which the indirect customs representative may act as the CBAM declarant for an importer established in the EU and must do so for a person

[1] The current text of Art. 18(3) UCC reads: "Member States may determine, in accordance with Union law, the conditions under which a customs representative may provide services in the Member State where he or she is established. However, without prejudice to the application of less stringent criteria by the Member State concerned, a customs representative who complies with the criteria laid down in points (a) to (d) of Article 39 shall be entitled to provide such services in a Member State other than the one where he or she is established."

established outside the EU. As CBAM declarant, the indirect customs representative must then fulfil all legal obligations under that Regulation.

When acting as a direct representative, the customs representative may be recognised as Trust and Check trader **ONLY** if the person on whose name and behalf it is acting has been granted such status. **CLECAT calls for the possibility for customs agents who hold the Trust & Check Trader status to be also recognised as such in case the importer is not a Trust & Check trader.**

CLECAT strongly believes that customs brokers and freight forwarders who have obtained the Trust & Check status should maintain the possibility to provide services with a minimum level of facilitation (including deferment of payment and the use of comprehensive guarantees with a reduced amount or waivers) to their clients who do not have the capacity and resources to obtain this status.

Based on current practices, we can confidently assert that trade will benefit from direct representation, and it is particularly crucial and widely used by SMEs. CLECAT contests the notion that customs clearances under direct representation are any less secure in relation to the objectives of the reform than those conducted by an indirect representative. Depriving a broad spectrum of economic operators of specialised customs support constitutes a potential risk for supply chains.

Representation and compliance with non-fiscal legislation

Importers and exporters will have increased responsibility for complying with non-fiscal regulations and legislation. The European Commission is setting ambitious standards in areas such as the environment, health, safety and security in line with the EU Green and Digital transitions which companies need to comply with. This means they will need to ensure that their manufacturers in third countries adhere to the same EU legislation as EU producers. It has been noted by the legislator that this will create opportunities for intermediaries to offer services that ensure compliance with fiscal and non-fiscal rules, in other words that customs duties are paid, and non-fiscal legislation is adhered to. The question remains whether the broker is able and willing to verify manufacturing compliance in third countries in view of the liabilities. Customs agents will remain reluctant to assume the full responsibility of the importer, when it comes to, for example, production-, material- and third country supplier controls, a knowledge which is inherently and, in most cases, inclusively available to the importer.

CLECAT proposes to amend article 27(1) as follows:

> An indirect customs representative acting in its own name but on behalf of an importer or an exporter shall be considered the importer or the exporter for the purposes of Articles 20 and 22, respectively with the exception of the obligations in Article 20(1)c and Article 22(1)c.

CLECAT has serious doubts whether customs legislation can be the basis for transferring obligations and responsibilities of non-fiscal legislation towards indirect customs representatives.

CLECAT further believes that an importer should also have the option to call for various ‘representatives’ for the non-fiscal areas. An importer must be able to not only engage a customs representative for customs obligations but also other expert parties for non-fiscal obligations. An alternative representative for importers not established in the EU for non-fiscal legislation could be the ‘Authorized Representative’, a status which is already outlined in the product safety regulation (regulation (EU) 2023/988).

Finally, with regards to article 27.3 (changes in customs representation) which notes that 'the Commission shall determine the conditions under which a customs representative may provide services in the customs territory of the Union', there seems to be no evidence in the text of any proposed harmonisation for conditions for customs representatives. CLECAT calls for a separate initiative to further secure and strengthen the unified approach towards customs representatives in each Member State.

2. AEO and the transition to Trust and Check Status

The European Commission proposes that until 2031, the AEO regime will include both AEO Security (AEO-S) and AEO simplification (AEO-C). Starting from 2032, the AEO regime will undergo changes. While it will still be possible to apply for AEO-S due to international agreements with third countries and mutual recognition, with this possibility remaining valid beyond 2037. However, from 2032, it will no longer be possible to apply for AEO-C as the Trust and Check regime will be introduced. From 2035 AEO-C holders will be assessed for eligibility as T&C traders.

The new Trust and Check trader status could provide benefits and simplifications extending beyond the current advantages provided to AEO, including the possibility to give part of the data on the goods after the release, perform certain controls and release (self-release), self-assessment on the customs debt and deferred payment. Whereas the Trust and Check traders will enjoy certain benefits and simplifications, they will also be subject to several obligations, such as the obligation to give customs full access to their systems, records and operations.

CLECAT notes with some concern that the transition towards the Trust and Check traders regime takes an 'all or nothing' approach. In case a company is not a Trust and Check trader, the current AEO advantages will disappear and there will be no advantages left under the proposal which is particularly detrimental to SMEs as the requirements for obtaining the T&C status become more difficult, especially for SMEs. **CLECAT calls on the legislators to make it possible for economic operators who do not seek to become T&C to benefit from facilitation granted by their customs representative.**

More in general the benefits of the T&C status for the customs representative must be clarified. A waiver for guarantee is one of the most important benefits, but this is not clear in the proposal, and more benefits will be needed since responsibilities will increase under indirect representation.

Benefits or Burden to SME's

CLECAT estimates that for many SME importers, T&C Trader status is too ambitious, as it requires considerable investment. Even if many importers opt for this, there will remain a many importers will not be in a position to qualify for this status Whilst the Impact Assessment (section 6.7) claims that 60-70 % of current AEOs are SME's and that an average 75% of international trade is handled through AEOs, a number which CLECAT considers to be overestimated, it should be noted that even 25% of the number of importers, who do not become T&C traders represents a considerably large group.

The lifeline for these importers could be the use of customs broker operating under indirect representation. However, the majority of customs brokers will not be interested to offer their services under indirect representation, in view of the increased responsibilities for non-fiscal legislation. They will only do this for certain customers they consider fully trustworthy. As a result, indirect representation will not be available to all importers, which means that no simplification such as duty deferment and the possibility of reduced guarantee will be available to them.

This could have major effects on the supply chain. Customs supervision will require communication between the customs offices of the Member States, where the importer is established and the customs office in the Member State, where the goods are brought into the union. A third Member State may even be involved, if the goods are released for free circulation in another Member State. This will take a lot of time if importers are not T&C Traders and are not indirectly represented which may cause delays and congestion at the external borders (in particular at larger seaports and airports). A further clarification is needed on the practical execution of the self- release mechanism of the T&C facilitation on goods needing further controls upon entry.

➔ The solution, as noted above while respecting the Commission's premise that importers/exporters are responsible, is **to make it possible for importers, who cannot become T&C traders and/or cannot find an indirect representative to make the use of the reform's facilitations possible under direct representation.**

Forwarders and customs brokers, who are T&C traders could play a key role in this, whilst keeping the responsibility of the importer and exporter intact.

3. The Place of importation

CLECAT concurs with the position that shifting the place of importation and thus the place where the customs debt is incurred to the importer's business premises, as it fits well into the concept of a Customs Union. This also allows avoiding the use of a duty suspension procedure (e.g., external transit, customs warehousing) for the transport from the place of entry into the customs territory to the importer's place of business.

However, if the rules determining the place (i.e., the Member State) of the incurrence of import VAT are not adjusted accordingly in parallel, the number of cases in which the place of the incurrence of the customs debt differs from the place of the incurrence of the import VAT debt will increase.

CLECAT is of the view that if the importer is the debtor, then Article 201 VAT Directive should be aligned accordingly, instead of leaving it to the Member States to determine the person liable for import VAT.

4. The Customs Date Hub

The Commission proposes in Title III of the reform that all declarations and notifications – and thus all relevant information in the context of imports and exports – from importers, carriers, warehouse keepers, e-commerce platforms, etc. are to be made available to the EU and national authorities concerned via a central platform (the EU Customs Data Hub) for risk analysis and be re-used in subsequent processes.

While a **centralised EU solution through an EU Customs Data Hub (EUCDH)** may be highly desirable, CLECAT notes that already today under the existing UCC, Member States and the European Commission should take the opportunity to centralise and harmonise as much as possible, while using the best and most future proof technology. Any future EU-wide solution should be implemented in a proper and effective way, otherwise it would be questionable whether the benefits would outweigh the efforts already put into the ongoing implementation of the UCC and the costs of change.

Having said this, CLECAT considers the proposal for single data entry point for customs formalities and a Customs data hub highly ambitious. With the ongoing implementation of the UCC, until 2025 and beyond, both trade and customs continue to face a wave of changes to national systems and

interfaces, that require considerable investments in human and financial resources. The data hub implies an enormous change in IT, just after the UCC implementation. Therefore, with a new and harmonised system planned for, CLECAT regrets that the European Commission has not discussed with trade how this will impact business processes and needs. Adapting to new governance changes after the implementation of the UCC will mean investments of resources, costs, capacity and knowledge which cannot be spent to improve companies' own systems, processes and services.

CLECAT agrees that the expanding responsibilities of Customs administrations requires a more sophisticated understanding and management of risks. More effective collection and sharing of information between Member States is needed, as well as data analysis at EU level, which will be supported by the proposed 'data warehouse' to facilitate better targeted customs controls. This requires the deployment of state-of-the-art customs control equipment.

On the other hand, CLECAT notes the need to clearly define the circumstances/requirements to grant other (partner) authorities access to the data provided in the EUCDH. Defining clear requirements would prevent sharing data or giving insights in data if this is not necessary or allowed.

In this context, CLECAT once more highlights the need to recognise the role and importance of customs intermediaries and ensure that they can equally benefit from the new system of account management and associated facilitations, alongside traders. It is also pertinent to provide equal treatment of companies that use the services of customs intermediaries. This is particularly important for small and medium sized enterprises (SMEs) that often do not possess the necessary knowledge and expertise and use the services of professional customs intermediaries to handle their customs formalities.

5. Importer's criminal or administrative liability, infringements and sanctions

The proposal contains a common minimum list of infringements of customs rules, a minimum list of non-criminal sanctions and criteria justifying the reduction or increase of a sanction.

The Commission has proposed a common minimum list of acts and omissions that are considered to be customs law infringements, the criteria for aggravating or mitigating circumstances, and a minimum list of administrative sanctions (which still need to be examined in detail). The Commission also notes that clerical or minor errors shall not constitute a customs infringement unless the customs authority can establish intent.

Even though a partial harmonisation has been proposed, the sanctioning of infringements remains the responsibility of the Member States. Therefore, the risk that economic operators are treated unequally within the Union remains. Because of this, economic operators can be treated unequally if EU Member States add their own national sanctions which should be avoided.

Today national authority takes a different view with regard to the tariff classification, the origin of the goods, the customs valuation, or the applicability of a restriction. Consequently, the risk that economic operators are treated unequally within the EU remains. A uniform interpretation of the abovementioned topics would benefit all. Clear guidelines would also diminish the risk of sanctions in Member States. But as long as Member States are responsible for criminal law, (EU) customs law should not interfere with the national criminal law regarding the (criminal) sanctions.

CLECAT regrets that the European Commission has not introduced the harmonisation of the time limits for the notification of the customs debt in the case of infringements falling under criminal law,

CLECAT also believes that it is increasingly important to make a good distinction between the various non-fiscal tasks. After all, not all non-fiscal tasks are equally necessary to be checked when crossing EU external borders. Certainly, checks on goods from the perspective of a social interest (CO2, child labour, counterfeiting, etc.) can take place later based on the administrative records of the company.

6. The EU Customs Authority

CLECAT in principle welcomes the recommendation for a European Customs Authority, which will serve as a central and joint governance structure that will secure the **harmonisation of customs operations** across the EU. An agile and well-functioning EU customs agency, with vigorous and clearly defined roles and responsibilities, will contribute to **improved uniformity** in the interpretation and implementation of customs rules and procedures, and contribute to the timely and smooth development of the customs IT systems. As such the EU Customs Authority should also play an important role in helping to ensure harmonization in the application of EU sanctions and other measures that have an impact on trade with third countries for instance through the development of common guidelines in enforcement. Ensuring this harmonization across Member States would help companies that are confronted with the increase in restrictive measures including sanctions.

Furthermore, an EU customs agency will support and standardise operational capacities and availabilities of technical equipment on the ground. There is also a need for an application of **common standards** to be applied regarding human resources and capacity building and training, where the proposed EU agency can be expected to play an important role. This agency could further **support dialogue and cooperation between different government agencies** active at the EU borders.

CLECAT further notes that it is increasingly important to make a **clear distinction between the various customs non-fiscal tasks**. While those tasks are equally important, not all are equally pressing and need to be inspected at the time the goods cross the border. For example, inspection of goods from the perspective of social or environmental interests could be carried out later in the process, based on the accounts of a company. These goods, as such, do not pose a serious threat to EU citizens.

7. E-Commerce

The proposals for e-commerce, including the online platform acting as an importer, up to a value of EUR 150 flat rate duties according to 4 groups of goods can be applied **and the Import One-Stop Shop can be used for goods beyond the current value threshold of EUR 150**, are interesting proposals. This creates the necessary transparency for buyers as they will have an idea of the final price to pay. However, it is unclear why access to the simplified classification based on 4 groups of goods (“buckets”), is only available to B2C distance sales’ goods. Also, there is a remaining risk that companies will try to put their products in a basket with the lowest rate. It could also lead to more customs controls. To diminish the effect on the number of controls, establishing ‘green lanes’ could be an opportunity for the e-commerce sector.

8. Redefinition of the importer–importer/deemed importer

Another important change envisaged – which can be supported by CLECAT - is that the online platform based in the EU will act on behalf of the supplier and customer as the importer ("deemed importer"), calculate the customs duties itself and pay them on a monthly basis, but declare each consignment, irrespective of the value of the goods. The deemed importer will be the person responsible for the customs debt (and all the other obligations of an importer), which will be incurred when he/she has

accepted (i.e., received) the payment for the distance sale (provided the goods actually arrive in the customs territory of the Union for delivery to the customer).

9. Temporary storage

Currently, goods must (in accordance with Article 149 UCC) be placed under a customs procedure or re-exported within 90 days following their presentation to customs. To ensure appropriate customs supervision, the Commission proposes to reform temporary storage which is to cover only the period between the carrier's notification of the arrival of the goods in the customs territory of the Union and the time when the goods are placed under a customs procedure (this also includes the previous re-export which will now be merged with the export procedure). The storage period will be limited to 3 days or, in the case of an authorised consignee, 6 days. In case of longer storage, placing under the customs warehousing procedure will be required.

CLECAT considers that temporary storage is a useful mechanism that gives companies some flexibility before placing them under a customs procedure. As today goods often remain much longer in temporary storage, CLECAT would want to better understand the cost impact and the impact on the efficiency of the maritime logistics supply chain. There are many unanswered questions such as the conditions under which the goods can stay longer under temporary storage (up to 10 days) and whether the goods need to be relocated physically when placed under customs procedure.

CLECAT requests, that in Article 86. Point 5. of the reform proposal, the maximum time limit for temporary storage is raised to 30 days from the maximum 3 or 6 days. Whilst agreeing, that the current 90 days allowance is generous and, in many cases, not utilised to the full, CLECAT strongly disputes, that 3 to 6 days after arrival is sufficient for any type of EO to guarantee the availability of sufficient amount of information for a follow up customs procedure. CLECAT would also like to point out that customs warehousing in its current form is not an alternative for temporary storage. The Commission seems to underestimate, that the requirement for an authorisation and the management of a customs warehouse are much more complex, than for temporary storage.

Conclusion

CLECAT agrees with the need to reform EU but remains concerned about the consequences of the proposal for SME importers/exporters as well as SME customs representatives. This relates in particular to the future role of intermediaries who have an important role in the logistics supply chain of many European businesses. There is a risk that companies will in the future lack the much-needed knowledge to handle various aspects such as goods origin, customs value or commodity codes for which importers/exporters request the services of customs representative.

CLECAT proposes the Commission and EU policy to increase the role of **direct customs representatives**. Especially in cases where the importer occasionally imports goods or due to the size of his organization is incapable of fulfilling the demands of T&C, he should be able to rely on and benefit from the T&C facilitations granted to his representative. We emphasize that using a third-party direct customs representative should not differ much from using internal customs expertise as in both cases the importer is fully liable for any customs duties due. As an alternative, the importer should be able to seek the services of an Authorised Representative with regards to non-fiscal legislation.

CLECAT also calls on the Commission and Member States to continue with the implementation of the current IT systems as well as the simplifications currently included in the UCC. During any transition period legal clarity is important for trade, to ensure that trade understands which rules to adhere to.

CLECAT appreciates that many important details of the Communication will be defined via delegated and implementing acts. Finally, CLECAT calls for regular exchanges with business through the Trade Contact Group to ensure that the business realities are well considered by the European Commission when drafting the further detailed pieces of legislation including the delegated and implementing acts.