

Brussels, 17 October 2022

Joint Position

on the Report of the Wise Persons Group of 31 March 2022 concerning the Reform of the EU Customs Union

The aforementioned Associations welcome the possibility to have the first exchange of views on the **Report of the Wise Persons Group concerning the Reform of the EU Customs Union**¹ at the last meeting of the Trade Contact Group on 12th July 2022.

We also acknowledged that the Call for evidence/public consultation was opened on 20th July 2022 on the Reform of the Union customs legislation and although the time to provide feedback was limited due to the holiday period, most of our Associations have transmitted their feedback.

In addition to our feedback provided and given the far-reaching consequences of the proposals under development, we would be obliged if more information could be provided on when and how the Members of the Trade Contact Group will be consulted on the concrete legal text of the proposal of the EU Commission.

At this moment in time, we would like to address one of the recommendations in the WPG report, namely **recommendation 7, that seeks to remove the customs duty exemption threshold of 150 EUR on imports into the European Union.**

We suggest that the European Commission considers the following factors when examining this recommendation:

1. We would ask the Commission to consider the additional workload (programming IT systems, contacting customers issuing invoices, additional staff and costs) that would be created by the removal of the customs duty exemption threshold of 150 EUR. This would apply to the Trade as well as to EU Customs Administrations.
2. We would also like to recommend the Commission considers the impact on close trading partners, in particular those with which the EU has concluded trade agreements with zero and/or reduced tariff rates (or would like to conclude such agreements).
3. One of the obvious questions that arises is how will shipments be classified and declared using the *super-reduced data set (H7)* scheme for low value shipments? This scheme only requires a 6-digit data set which is insufficient to classify shipments. Would this simplification be dispensed with?
4. The recommended removal of customs duty exemption threshold of 150 EUR is not in line with the World Trade Organization Trade Facilitation Agreement (TFA) to which the EU deposited an Instrument of Acceptance in October 2015. In respect to the *de minimis* topic, the TFA states in Article 7, Release and Clearance of Goods, subsection 8.2 d: “(d) provide, to the extent possible, for a *de minimis* shipment value or dutiable amount for which customs duties and taxes will not be collected, aside from certain prescribed goods. Internal taxes, such as value added taxes and excise taxes, applied to imports consistently with Article III of the GATT 1994 are not subject to this provision.”

¹ https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT_BIS_v5%20%28WEB%29.pdf

5. Further to the above, it is our understanding that the economic impact assessment on the WPG's recommendations, including the recommendation to remove the customs duty exemption threshold of 150 EUR, is still underway. Therefore, any decision on this topic is premature at this moment in time given the potential significant impact on supply chain economic operators, including SME's and EU Customs administrations.

In conclusion, we recommend that the Commission awaits the outcome of the impact assessment into the WPG's recommendations and then allows for time for further discussions and negotiations with all stakeholders involved for any subsequent proposals, including those associated with the removal of the Customs duty de minimis.

The Associations linked with this statement are ready to offer their full collaboration to provide the Commission with their subject matter expertise to make the proposals tangible, efficient, implementable across the European Union.

About PostEurop

PostEurop is the association which represents European public postal operators. It is committed to supporting and developing a sustainable and competitive European postal communication market accessible to all customers and ensuring a modern and affordable universal service. Our Members represent 2 million employees across Europe and deliver to 800 million customers daily through over 175,000 counters.

About the European Express Association

The **European Express Association (EEA)** represents express delivery companies and associations, both large and small, in Europe. By communicating on behalf of the express industry with one single voice, the EEA works to ensure that policy-makers fully understand the challenges we face as an industry and as a result, that policy is implemented in a way which maximises the benefits for all involved.