

# NEWSLETTER

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# Brussels news

## FREIGHT FORWARDERS FORUM 2018 - REGISTRATION OPEN

CLECAT's annual Freight Forwarders Forum entitled "Customs, Trade and Skills – What's the deal?" will take place on the 15<sup>th</sup> November at the WCO in Brussels.

The customs and trade landscape as we have known it in recent decades is changing drastically. For many



years, initiatives breaking down trade barriers through the expansion of the EU were successful, reducing duties and simplifying border procedures. Today, increasing political and social issues across the globe are reversing these efforts. Trade conflicts, Brexit, tax evasion, immigration, terrorism and threats to consumers and the environment are all realities that the European Union must face. Finding the balance between protecting society and facilitating compliant trade has become increasingly difficult.

The Forum will discuss these questions and give first hand insights from the European Commission, WCO and industry experts. Capitalise on this unique opportunity to learn about changes in trade and customs and the impact they will have on your sector.



More information is available at the <u>CLECAT conference webpage</u>. The outline of the programme is available here. The conference is free to register and attend. If you are interested to join, please register here.

#### 5Y ELP EVENT: LAST MILE TO THE NEXT EUROPEAN ELECTIONS



The European Logistics Platform organises an after-Summer Cocktail Reception to celebrate its 5-Year Anniversary on the 5<sup>th</sup> September in the European Parliament in Brussels. A panel of speakers including amongst others Henrik Hololei, Director General of DG MOVE and Thierry Vanelslander Professor Logistics, University of Antwerp will

discuss what has been achieved and what lies ahead of us in the upcoming months prior to the European Parliament elections in May 2019.

5 years ago the European Logistics Platform was created to bring together policy makers and industry stakeholders to collectively tackle the challenges of the logistics sector. Through the organisation of many debates in-and outside of the European Parliament, but always with the support of the MEPs of the ELP Advisory Board, a better understanding of logistics and of its importance for the growth and competitiveness of the EU has been promoted.

Trade, digitalisation, climate change, innovation, employment, investments: all of this has been on the table in open debates. Bearing in mind these subjects, with less than a year to go before the European elections, the European Parliament has the chance to conclude its reports to the benefit of all involved in logistics in Europe.

To register please send an e-mail to info@europeanlogisticsplatform.eu or register HERE.

# DSLV 'LOGISTICS FOR EUROPE' INITIATIVE LAUNCHED

The German Freight Forwarders' Association DSLV LOGISTICS FOR EUROPE launched today, on behalf and with the support of its members, the initiative "Logistics for Europe", a campaign that emphasises the importance of the European Union for society and economy while advocating the need of a border-free Europe.

Logistics and international trade depend on a border-free Europe without import restrictions, customs formalities and border controls. Before the establishment of the European Union, the logistics sector was faced with countless hours of waiting time at the borders due to the significant amount of formalities that had to be taken care of. Through the free movement of goods and the freedom of establishment in the EU, transport companies and their clients can to avoid high administrative burdens and expensive waiting times, which ultimately results in a benefit for the consumer.

The supporters of the initiative highlight the achievements of Member States have accomplished by joining forces, as well as the dangers that the EU is currently facing by the rise of populism in many Member States. In this regard, the initiative warns for the populist movements which are undermining the European idea and revert back to a system of national restrictions and protectionism. Therefore, the 'Logistics for Europe' initiative also stresses the urgent need to convince those in doubt about the importance of the European Union, e.g. through reforms, new concepts and visions. The website invites those that are interested in supporting the cause and setting a sign for an open Europe, to provide their logo to the initiative (see <a href="here">here</a>).



#### TRANSPORT IN THE EU: CURRENT TRENDS AND ISSUES

The European Commission was drawing attention to the EU Transport Report that was issued in April this year with a tweet: 'Still wondering what to read this summer? The #EU transport report presents the main challenges faced by the sector, sets out the key trends & issues: <a href="http://ow.ly/heHD30lrOa2">http://ow.ly/heHD30lrOa2</a>

# DIGITAL LOGISTICS – TAKING THE EXTRA MILE TO TRANSPORT **COLLABORATION**

On 25 October, the SELIS project is hosting a workshop on digital logistics, entitled "Digital Logistics - Taking the extra mile to transport collaboration" in Brussels.

The SELIS project, of which CLECAT is a member, aims to contribute to the development of a Shared European Logistics Intelligent Information

Space. It consists of 37 European partners from 13 countries. SELIS' main objective is to develop a platform for pan-European logistics applications and to create a communication and navigation platform for the European logistic communities.

The workshop will provide an opportunity to gather a wide range of national and international logistics players around the greatest urban logistics challenges and having them participate actively in the debates that have been organized in order to foster commercial relationships and data sharing.

The event will take place on 25<sup>th</sup> October from 10.00-16.00h at the office of SUMY in Brussels. If you are interested in attending the workshop, you can register <u>here</u>.

#### DRAFT OPINION ON CO2 EMISSION STANDARDS FOR HDV'S

MEP Henna Virkkunen (EPP, FI) has published her draft opinion on CO2 emission performance standards for new HDVs, for submission to the ENVI Committee, more specifically MEP Bas Eickhout (Greens/EFA, NL) who is the rapporteur for the dossier in the ENVI Committee. The draft opinion will be presented by MEP Virkkunen at the TRAN Committee's meeting on 6th September.

In her draft opinion for the ENVI Committee, MEP Virkkunen noted the importance of finding a good balance between the ambition of transport emission targets, promoting innovation in the EU's automotive industry and enhancing Europe's competitiveness, while creating high-skilled employment. She suggested that the accounting of CO2 emissions should be based on a 'well-towheel'-approach, in order to take into account the environmental performance of fuel or energy and the end-use in vehicles, thereby allowing the assessment of environmental performance in a more realistic way. Furthermore, she recommended that existing alternative fuels should be added to the Regulation from the beginning, thereby allowing a new generation of alternative fuels to be taken into account without delay.

CLECAT has issued a position paper in which it welcomes the Commission's proposal as the right step in enabling access to transparent, accurate emissions data. CLECAT would welcome a strengthening of the proposal by increasing the emission reduction target for 2025 and 2030 and taking measures to ensure that production of low- and zero-emission vehicles is boosted while also reducing emissions of traditionally-fuelled vehicles. The paper also notes that amendments to the manufacturer-specific emission target, following verification of vehicle emissions, must appropriately reflect the divergences found while respecting the fact that all HDVs are different, even within the same vehicle class.



CLECAT looks forward to the development of a Regulation which is ambitious, balanced and respectful of actual technological capabilities and investment cycles.

# Road

#### DENMARK AMENDS RULES FOR COMBINED TRANSPORT

In response to pressure by the European Commission, the Danish government amended its rules on combined transport to meet the requirements set out in Directive 92/106/EEC starting 1st July 2018.

As a result of the changed Danish law, combined transport operations between EU countries are recognised as combined transport, irrespective of the origin or destination of the goods (including non-EU countries). Additionally, the existence of a combined transport operation does not necessarily need to be proven anymore solely based on stamped documents, but it also sufficient to do so in other forms.

Furthermore, empty runs in a combined transport operation will only be classified as combined transport when that transport is carried out in conformity with the rules contained in Directive 92/106/EEC to or from a port- or rail-combi-terminal. However, in case a foreign transport company carries out the transport to the loading site or the unloading point on Danish territory, it will be classified as a cabotage operation.

Previously, combined transport in Denmark required that the original point of loading, as well as the final point of unloading were both situated in the EU. The Commission's criticism was based on the fact that as long as at least two Member States are involved in the combined transport operation, the operation should be covered by the legislation on combined transport irrespective of whether it begins or ends outside of the EU.

The new Danish legislation can be found here (in Danish). An unofficial English translation of the new Danish legislation is available <u>here</u>. Please note that only the Danish version is the authentic version of the legislation. No rights can be derived from the English translation.

#### CROSS-BORDER TEST SERIES WITH LONG-HDV'S

The test series with long-HDVs (LHVs) that started in July in Flanders can now be extended to a crossborder test series between Belgium and the Netherlands. The extension is the result of an exception under EU law. According to Article 350 TFEU, the enabling-clause, the states of the Benelux countries are not precluded from completing regional unions to the extent that the objectives of those regional unions are not attained by the application of the European Union treaties. Applied to this case in practice, this means that the Benelux countries may allow these cross-border operations on their territories, which simultaneously acts as a pilot project for Europe.

The current project is based on a decision by the Council of Benelux Ministers taken at the end of 2015, according to which operations of LHVs with a maximum weight of 60t and a maximum length of 25.25m would be possible between the Netherlands and Belgium. Luxembourg expressly excluded the application of LHV cross-border operations into its territory.



Generally, operations into the Walloon region of Belgium could be possible, provided that the drivers of the LHVs meet the requirements of the respective other region on driving such vehicles.

Source: Verkehrsrundschau

# Rail

# **EC APPROVES GERMAN FUNDING FOR ENERGY-EFFICIENT RAIL TRANSPORT**

In January 2018, Germany had notified to the Commission a scheme to provide public support for investment in technologies to make rail transport more cost- and energy-efficient, with an overall budget of €500 million from 2018 to 2022.

Under the proposed scheme, companies that provide electrically powered rail transport services may be compensated for up to 50% of the expenses incurred from energy-efficient measures, as e.g. the acquisition of modern energy-saving rolling stock including hybrid locomotives or automated solutions. To benefit from the funding, the companies will have to demonstrate a year-on-year improvement of 1.75% in their energy efficiency. From 2020, this must increase by at least 2%.

On 26 July, the European Commission approved under EU State aid rules the German scheme to support railway companies that invest in energy efficiency technologies, as the measure will promote the shift of freight traffic from road to rail and contribute to a reduction of CO2 emissions, while being simultaneously proportionate and necessary to achieve the objective pursued.

According to Commissioner Vestager "electrically powered rail transport is one of the most environmentally friendly transport options. By promoting a shift from road to rail, the German scheme will contribute to meeting the EU's environmental and transport objectives, without distorting competition".

Source: European Commission

#### TOWARDS PAPERLESS TRANSPORT IN RAIL FREIGHT

In the rail sector, the functional and technical requirements for the electronic version of a consignment note were finalised in January 2017. The IT platform, Raildata, has now been established. Currently it is only used for B2B flow of information, but it could also be used for B2A communication, e.g. the communication between railway operators and infrastructure managers. However, the B2A part of the chain is still subject to ongoing negotiations about the legal requirements. Moreover, paper documents are currently still required in the B2A flow of information by some administrations.

On the B2B-level, several parties have started adopting the electronic version. The consignment note can be used through a centralised data bank managed by Raildata, or alternatively on a bilateral basis between the parties.

However, the change to the new technology requires investments in IT tools based on the new procedures, which some industry players are still reluctant to make, especially as the investment will only become profitable once the electronic version is adopted and recognised on a broader scale.



The electronic freight document applies within the jurisdiction of the region covered by the COTIF (the Convention concerning International Carriage by Rail) including Europe, the Maghreb and the Middle East. However, the International Rail Transport Committee (CIT) is currently expanding its reach to also cover transportation between Europe and China and expects to finalise the functional and technical requirements by the beginning of 2019.

CLECAT has been advocating intensively for the use of paperless transport documents in freight transport and welcomes an advancement in more widespread use of paperless transport in rail freight, which will make the sector more efficient in the long term.

Source: Railfreight

# Air

#### FREIGHT GROWTH SLOWDOWN CONTINUES

Recently IATA released data for global air freight markets which showed that demand, measured in freight tonne kilometres (FTKs), rose by 2.7% year-on-year in June 2018. This represents a continued slowdown in air cargo growth, which began earlier in 2018, with a total growth of 4.7% in the first half of 2018, amounting to less than half of 2017's growth rate.

Simultaneously, freight capacity, measured in available freight tonne kilometres (AFTKs), rose by 4.1% in June 2018, thereby representing the fourth month in a row in which capacity growth has outstripped demand growth.

According to IATA's Director General and CEO, Alexandre de Juniac, a 4% growth is expected over the course of the year. He argued that the deterioration in world trade is a real concern and further stated "Trade wars never produce winners. Governments must remember that prosperity comes from boosting their trade, not barricading economies".

Source: **IATA** 

# **Brexit Update**

#### **UK PARTICIPATION IN HORIZON 2020 AFTER BREXIT**

The UK government has published a policy paper in which it clarifies the UK's eligibility to participate in Horizon 2020 projects after Brexit and provides details on the UK's commitment to underwrite funding and the extension to the UK's funding guarantee until the end of Horizon 2020. In the paper the government declared that its priority remains to ensure the finalisation and conclusion of a draft withdrawal agreement, meaning that the UK Horizon 2020 participants and projects would be unaffected by Brexit.



According to the UK's White Paper from July 2018, the UK will contribute to the EU's budget in 2019 and 2020, thereby entitling it to benefit from the implementation of the budget as if it had remained a Member State over this period.

In case of a no-deal scenario, i.e. if the Withdrawal Agreement is not ratified, the underwrite guarantee and the post EU Exit extension to the guarantee are the two major components of the government's planning. In 2016, the UK government announced that it would underwrite Horizon 2020 funding for all successful UK bids that were submitted while the UK was still an EU member, even where they are notified of their success after the exit, for the lifetime of the projects. In July 2018, the government announced that in a no-deal scenario it would extend its guarantee to cover all successful collaborative bids to Horizon 2020 that involve UK entities until the end of the programme, thus also to those who apply after the exit day until the end of Horizon 2020. That guarantee would cover the lifetime of their projects, even where they last beyond 2020. In that case, UK applicants would be able to apply to and participate in all Horizon 2020 calls that are open to third country participants after the date of exit, thereby enabling them to continue collaboration with European partners.

# Customs

# **GUARANTEE WAIVERS AND REDUCTIONS**

On 13 August the Commission adopted a regulation which amends the UCC DA on the conditions for a reduction or waiver of a guarantee. This amendment is very important to the international trade and logistics community of the EU, because it provides a much more realistic and reasonable approach towards an essential facilitation for all parties involved.

When dealing with customs, in many cases a financial guarantee has to be provided. Such a guarantee can be for existing or potential customs debts. A guarantee for existing customs debts is generally used at importation to pay and administer duties throughout a certain period. The most common kind of guarantee, however, is a guarantee for potential customs debts. Such a guarantee is (simply put) required for situations where goods coming from outside the EU are already in the EU but not yet imported. This can occur for example with goods in transit or in a customs warehouse or temporary storage facility. Eventually the goods will be imported and duties paid, or the goods leave the EU again and there are no duties. In case this doesn't happen, and goods disappear without paying the proper duties or (re)export formalities, customs require a guarantee up front. The amounts of guarantees required can be millions of Euros even for smaller sized companies. It is, however, in only less than 1% of all cases that something goes wrong and the guarantee has to be used.

The UCC provides possibilities to reduce or even waive such a guarantee. This was already possible in the previous customs code. However, this was not applied in a harmonised manner and the differences between Member States were huge, with some not applying it at all and others waiving the guarantees almost as standard. With the attempt to provide this possibility in a harmonised way across Europe through the UCC, a requirement found its way into the legislation which made the entire possibility of a reduction or waiver almost useless. According to the original text of the UCC, a company had to demonstrate that it had sufficient financial resources to meet its obligations, for the part of the reference amount not covered by the guarantee. This means that if a guarantee was reduced, a company had to show that had the money was available to pay customs debts that would never occur in the first place, making a full guarantee more financially interesting than the facilitation.



Together with other trade representatives and several Member States, CLECAT requested for this requirement to be deleted and replaced by a more realistic and reasonable text, for example taking into account the risk that the customs debt will actually occur. After difficult but good discussions with the Member States and various other Commission services in the past year, the amended text of DG TAXUD was adopted last week as requested by CLECAT and the other parties. In addition to the deletion of the financial resources requirement, the text has also been adjusted to ensure that AEO companies do not have to be checked twice, as they already have to provide proof of compliance and financial solvency. CLECAT is thankful to DG TAXUD for their efforts and good cooperation on this matter. However, even though it is a very important step, it will not be the last as customs authorities of Member States will now have to implement it in practice. CLECAT and its Members will monitor this implementation closely to ensure that the implementation is done in a harmonised and fair manner.

The full text of the amendment is available here: Commission Delegated Regulation (EU) 2018/1118

#### **UCC AMENDMENTS ON DEFINITION OF EXPORTER**

Just before the adoption of the amendments to the UCC DA concerning the guarantees, another set of UCC DA amendments was also adopted. These amendments include the long-awaited new definition of exporter and several other bigger and smaller changes.

In Article 1(19) of the UCC, the definition of 'exporter' is mentioned. It had to be modified in order to allow for greater flexibility to business partners in the choice of the person which may act as exporter. The original definition was problematic insofar as it determines as 'exporter' only one person, who has to meet three cumulative requirements: being established in the customs territory of the Union, holding a contract with a consignee in a third country, and having the power to determine that the goods are to be brought outside the customs territory of the Union. Therefore, the new definition of 'exporter' is less restrictive and limit the conditions for being an exporter to the essential requirements for the functioning of the export procedure. There are now only two requirements left: the exporter must have the power to determine that the goods are to be taken out of the EU and the exporter must be established in the customs territory of the Union. Only in cases where the business partners do not agree on the person who may act as exporter or the person is not established in the customs territory of the Union, the exporter is determined by the customs legislation. CLECAT is very pleased with this new definition, because it provides the much needed flexibility for trade.

Furthermore, the amendments include various other changes for example on temporary storage, mixed storage and the EU Customs Data Model (Annex A&B of the UCC DA). The changes range from small formal changes to changes with significant impact on customs processes in practice. As always with customs, from a trade perspective there are some positive changes and some might not be welcomed by



all companies. Nonetheless, CLECAT is pleased to see a general improvement of the UCC. This improvement will however be a continuous process, which will last until the end of the transitional period and beyond in order to achieve the original intentions of Simplicity Service and Speed.

The full text of the amendment is available here: Commission Delegated Regulation (EU) 2018/1063



#### **2018 CUSTOMS FORUM - SPANISH CUSTOMS AGENTS**

CLECAT and its members have been invited to take part in the 2018 Customs Forum of the Spanish Association of Customs Agents. The programme of the event is available at https://foroaduanero.sponsorship-group.com/programa

The event will take place at the Parador de Cadiz 'Hotel Atlantico' and will feature an interesting programme. More information is available at https://foroaduanero.sponsorshipgroup.com/



# Forthcoming events

## **CLECAT MEETINGS**

# CLECAT/FIATA ROAD INSTITUTE MEETING

7 September, Prague, Czech Republic

# CLECAT MARITIME INSTITUTE/DIGIT WORKING GROUP

11 September, Brussels, Belgium

#### CLECAT BREXIT WORKING GROUP AND CUSTOMS INSTITUTE

SAVE THE DATE 17-18 September, Brussels, Belgium

## FIATA WORLD CONGRESS

26-29 September, New Delhi, India

#### **CLECAT Board/GA Meeting**

14 November, Brussels, Belgium

#### FFF2018 – CUSTOMS, TRADE and SKILLS – What's the Deal?

15 November, Brussels, Belgium

#### **CLECAT CUSTOMS AND INDIRECT TAXATION INSTITUE**

SAVE THE DATE 16 November, Brussels, Belgium

## OTHER EVENTS WITH CLECAT PARTICIPATION

## **DSLV BREXIT MEETING**

5 September, Berlin, Germany

## EUROPEAN TRANSPORT FORUM: POTENTIAL FOR DECARBONISING EUROPE

25 September, Brussels, Belgium

#### ENERGY VISIONS SERIES: CLEANER, CONNECTED AND COMPETITIVE

26 September, Brussels, Belgium



## **EU CUSTOMS SINGLE WINDOW PROJECT**

25-27 September, Gdansk, Poland

## XVI Foro Aduanero / Customs Forum – CGAA

4-7 October, Cadiz, Spain

#### **FEDESPEDI AEO EVENT**

11 October, Milan, Italy

# Intermodal Freight Transport Conference

18-19 October, Hamburg

#### **EP MEETINGS**

# **European Parliament TRAN Committee**

29 - 30 August, Brussels 6 September, Brussels

# European Parliament IMCO Committee, Workshop on UCC Transitional Period

6 September, Brussels, Belgium

# **European Parliament Plenary Session**

10 - 13 September, Strasbourg

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