



## Customs Flash Belgium

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### Customs authorities increasingly focus on Export Controls

#### Introduction

The Customs Authorities are responsible for enforcing several measures at EU borders on behalf of other competent authorities. When declaring goods for export, a consolidation table will determine if the declared goods could be considered as dual use goods. If so, the exporter or declarant will have to state that the goods are not subject to dual use control measures, or provide an export authorisation.

Recent cases have shown that Customs authorities go further by taking into account export control measures during their audits and AEO reviews.

The latter goes hand in hand with the EU Commission Proposal for an updated "Dual Use Regulation" introducing some significant changes in the control over dual-use items exports.

#### Facts

The new regulatory settlement seeks to enhance the control on certain products and activities and to optimise the existing licensing architecture. The Proposal, if accepted, will place more obligations for the private sector regarding compliance.

The implementation of an Internal Compliance Program will be an obligatory element in order for companies to make use of simplified licensing mechanisms such as Global licenses or General authorisations. In return, the existing simplification will be significantly expanded.

The Internal Compliance Programme is used to assure that companies act in accordance with export control laws. On the other hand, the purpose of the Authorised Economic Operators (AEO) status is to build confidence that a business will comply with customs requirements. Both programmes provide the status of "reliable exporter" and offer benefits related to simplified export procedures. Nevertheless, the two sets of procedures are currently not officially related.

The proposal also brings a new "human security" approach, leading to an additional category of controlled goods to cover cyber-surveillance technologies, particularly the export of certain monitoring centres and data retention systems. Further to this, the EU Proposal imposes targeted catch-all provisions in order to assure the control over non-listed products in certain "risk sectors" related to data privacy and depending on the export destination. This may include additional control over certain telecommunication equipment, biometrics, location tracking devices, etc. These expanded catch-all provisions could create an additional layer of uncertainty which can only be mitigated by proper due diligence by the company itself.

## What does it mean for you?

Although not completely overlapping, the convergence of the "Authorised Economic Operator" status with "Internal Compliance Programme" could reduce duplication of controls required in the companies' structure and avoid inefficiencies.

Next to that, in order to include the export control measures as part of their AEO status, companies should maintain specific compliance procedures related to staff training, products classification, licence applications, additional database and sanctioned party screening tools. ICP will introduce additional due-diligence and disclosure requirements, including the reporting of suspicious transactions.

## What to do?

Compliance is reinforcing competitiveness, helping companies avoid severe penalties and reputational damage. However, reducing the regulatory compliance burden will facilitate business and help to concentrate on growth rather than following complex bureaucratic procedures. Deloitte's Customs and Global Trade (CGT) team can help optimise internal compliance processes.

Deloitte's CGT team can make sure that companies' business activities fully comply with the export control regulations in the most beneficial way.

## Contacts

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