

Customs Flash

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General edition, volume 9, number 4
10 February 2014

Union Customs Code, what can we expect?

The last few years the news in the field of customs has been dominated by the modernization of the Community Customs Code, recently resulting in the Union Customs Code (UCC). Recently new food for thought has been served by publishing the delegated acts and implementing acts of the UCC. However, these acts are for the large part based on the implementing provisions that had already been drawn up for the Modernized Customs Code, so the content is not a complete surprise.

Implementing and delegating acts

The main differences between these two acts lay in the goal of the respective act and the legislative procedure, more specific the role of the various stakeholders. Implementing acts are drawn up by the Commission in case certain measures, in this case the UCC, require uniform implementation across the EU. Member States may veto the implementing act. Delegated acts on the other hand only allow the Commission to draw up amendments to certain elements of the UCC, which are of a non-essential nature. In this case the Parliament and the Council have the power to veto or revoke the delegation.

What does the modernization bring?

Most discussions on the UCC and its acts concentrate on the changes to the rules on customs valuation and then more specific the question whether the so called 'first sale of export' may still be used by companies. However the UCC and its acts entail more than the changes on customs valuation only. I.e. Binding Tariff Informations (BTI) for example will become binding not only for the Customs authorities, but also for the company that obtained the BTI and will only be valid for three years. The changes to the origin rules may even be more interesting. Mainly the rules on non-preferential origin catch the eye. The delegated acts include revised non-preferential origin provisions, which remarkably resemble the unofficial provisions of the EU's position in the WTO's Harmonization Work Program (HWP). Apparently, the Commission tries to give these provisions legal binding force by including them in the delegated acts.

What to do?

The UCC has been adopted and it is expected that it will at least take another year for the acts to be final and adopted, but probably longer. It is important that no (further) delays occur, to allow Member States and economic operators enough time to adjust to the new legislation. Although May 2016 may seem far away, considering the various changes that the UCC and its acts will bring, companies may already start looking into the UCC and its draft acts in order to determine its impact and what changes may need to be made to their business (processes). Deloitte is happy to assist you in such a review.

From our side, we will of course continue to monitor the progress closely and keep you updated on the developments. Should you wish to receive more detailed information on any specific topic, please don't hesitate to contact us. We are happy to discuss all related matters with you and what the impact could be on your company.

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