



31. May 2010

Joint Statement of Concern

The European Commission's proposed changes to Customs Valuation would raise import duties resulting in increased prices for industry and consumers

The European Commission's Taxation and Customs Union Directorate-General (DG TAXUD), assisted by various Customs Code Committees, is currently drafting the new Implementing Provisions of the Modernised Customs Code (MCCIPs). Among other revisions, it is proposed that the MCCIPs shall eliminate the possibility of using 'earlier sales for export' as a basis for valuing goods that are sold through complex supply chains. The proposed changes also significantly expand the royalties and licence fees subject to customs duties.

We, the undersigned, urge the EU to retain the possibility of using the "first sale for export" principle and refrain from expanding the royalties and licence fees subject to customs duties.

This current proposal for changes to EU customs principles would result in higher import duties which in turn would lead to price increases on a broad range of goods imported into the European Union (EU), including semi-finished products. In particular, such a proposal would hurt Small and Medium-size Enterprises (SMEs) that must import and export goods for their business. Many EU businesses have based their import compliance strategies on existing customs valuation principles which are consistent with international norms and ensure predictability. Increased costs would place a disproportionate and unwelcome burden for EU businesses, in particular during these significantly challenging economic times. Ultimately, the proposed changes would lead to more job losses in the EU. Meanwhile, it is very likely that enlarging the scope of royalties and licences potentially subject to customs duties would undermine the expansion and development of the most creative and innovative industries in the EU.

Price increases would reduce the competitiveness of EU businesses that are dependent on imported goods and would eventually be passed on to EU consumers at a time of economic uncertainty. **We urge the EU to reject these proposed changes and ensure that EU customs principles remain stable to the benefit of consumers, industry and customs authorities alike.**

The undersigned,

American Chamber of Commerce to the European Union (AmCham EU);
 BUSINESSEUROPE; European Chemical Industry Council (Cefic); European
 Association for Forwarding, Transport, Logistic and Customs Service (CLECAT);
 Customs Platform; DIGITALEUROPE; EURATEX; EUROCOMMERCE; European
 Express Association (EEA); European Semiconductor Industry Association (EECA-

ESIA); European Community Association of Ship Brokers and Agents (ECASBA); European Shippers Council (ESC); EUROPRO / SITPRO; Federation of the European Sporting Goods Industry (FESI); Interactive Software Federation of Europe (ISFE); Japan Business Council in Europe (JBCE); Japan Electronics and Information Technology Industries Association (JEITA); Orgalime; Toy Industries of Europe (TIE)