

UNION CUSTOMS CODE: BUSINESSEUROPE REJECTS MULTIPLE FILING

In principle BUSINESSEUROPE welcomes measures for an effective risk analysis of customs procedures. However, it should be pointed out that in the past already various measures had been taken which had and continue to have immense costs and workload for the business community.

"Multiple filing" with inclusion of economic operators, as currently discussed in the trilogue negotiations of the Union Customs Code, will increase the complexity and lead to potential rises of incalculable misinterpretations. Hence it does not make sense, contributing only to the complexity of the processes with a number of negative implications.

First of all, the different records would have to be collected by means of a common reference number. Having several parties in charge of supplementing the relevant records leads to the following practical problems:

- Data supply from different sources (carrier / importer) must occur under one reference number. A change of the mode of transport (e.g. sea cargo to air cargo, or air cargo to parcel service) or a route change (e.g. Frankfurt airport is closed due to bad weather conditions; or port of Antwerp cannot be called) is not foreseen. It is questionable that the above condition can be implemented in practice, and it would require the setting up of additional labour-intensive coordination.
- The inclusion of various parties inevitably leads to overlapping of competence, resulting in questions of liability in cases of delays or violations.
- All partners would have to be able to use the diverging custom systems in the different EU countries. Until today EU member states could not agree on the necessary harmonisation of customs systems. Consequently a third party (consultant) would have to be engaged as "an interface". Such red tape adds costs for companies without any benefits, and is hence contrary to the EU's stated objective of enhancing the competitiveness of European companies.
- Establishment of "interfaces" increases the risks of errors. Hence one will have to calculate with numerous mistakes due to the characteristics of the system.

Secondly, an improvement of data quality does in principle not depend on who transmits the data to the custom authorities. Moreover, in many cases the requested data is not available to the economic operator (importer) at the time of notification. For example, this is the case:

- for unplanned imports, e.g., the sending of critical spare parts, neither the data nor time is known beforehand;

- with delivery term CIF, CIP, DDU and others as conditions of delivery where the importer is not responsible for the organisation of the transport.

Solely the carrier (or his representative) is able to procure from his consignor (supplier or recipient) the necessary data (they should be generally available to the carrier in any case). Under no circumstances can this be the responsibility of the importer.

Due to long transport times, only sea cargo could be an area where eventually such a system might work. However, introducing such a system in air cargo would inevitably lead to disruptions in the supply chain (increased times of non-operation caused by longer stops at the airport, etc.) due to the very short-term nature of the supply chain.

Globally "dual filing" is used only in the US for containers imported through sea cargo. It is not used in other countries, due to the difficulties described above. Companies based in the US report that the system does not function smoothly, but leads rather often to considerable problems. Its introduction triggered huge expenses for companies. It is doubtful whether an improvement of the data quality was achieved. In connection with the US also the following aspects have to be taken into account:

- only one customs authority is concerned;
- US authorities require the entire data 24 hours before import, and this data can be provided either by the domestic importers or the foreign exporters. ;
- in general the "filing" is carried out by one single party in order to avoid a data mix with inevitable delays.

Finally BUSINESSEUROPE would like to underline that the creation of IT-solutions for such a system, if possible at all, would mean substantial costs for all concerned parties.

For the above explained reasons, BUSINESSEUROPE rejects "multiple filing". The data for the prior entry summary declarations should be provided exclusively through the carrier within the scope of a uniform record (i.e. "single filing").

BUSINESSEUROPE urges the Council, the European Parliament and the European Commission to ensure that the current status quo – i.e. data is provided by the carrier as he has it available – is maintained in the Union Customs Code.
