

The new security amendments to the EU Customs Code and its consequences for ports and trade

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Legal basis & terms

- Legal foundation of European customs law = EU customs codex, customs tariff, national decrees on the execution of customs procedures
- Non-community goods = third country goods imported from outside the EU which have not been released for free circulation by the customs authorities

Aims of customs supervision

- Ensuring the safety and security of citizens
- Protecting the financial interests of the Community and its Member States
- Protecting of the Community from unfair and illegal trade while supporting legitimate business activity
- Increasing the competitiveness of European business through modern working methods supported by an easily accessible electronic customs environment.

Aims of customs supervision

- Levy of import duties for the release for home consumption
- Consideration of other import regulations (for example to inform the veterinary & health services when foodstuffs are imported)
- Check if Bans and restrictions are to be considered
- Control,
 - if an approval or a licence is necessary for the importation and if it is presented
 - which documents are needed for the further customs procedures
 - which other duties have to be obliged

customs supervision

- Customs supervision starts with arrival of the goods in the customs territory and presentation of the customs declaration to the authorities
- Declaration has to state which kind of goods are to be imported and under which customs procedure is chosen
- Authorities check the declaration and decide if it can be accepted, in some cases controls are effected and it is checked if the goods are in compliance with the community law
- Import duties are levied (customs duties, VAT and in some cases national excise taxes)
- Transit procedure to third countries start and are observed by the customs authorities

EU Customs approach on security



CONTROL STANDARDS

- ➔ commonly agreed control standards
- ➔ commonly agreed risk indicators
- ➔ close co-operation with other services
global co-operation

TRADE FACILITATION

Authorised Economic Operator program

- Simplified customs procedures
- Facilitation on security requirements

Bans and restrictions

Most important are:

- protection of public policy (measures against smuggling of drugs, counterfeit money, weapons)
- safeguard of health and life of men animals and plants (health protection, protection of species, protection against epidemic plagues)
- protection against violation of copyright and specification of origin

Bans and restrictions

- Issue for all parties involved in foreign trade
- Counterfeid goods or foodstuff not according to health regulations damage whole industries (examples bird flue, counterfeid goods)
- Few companies violate the law which may lead to stricter controls and delays in customs release
- Balance between trade facilitation and the protection of the EU against illicit traffic can only be reached when all parties cooperate

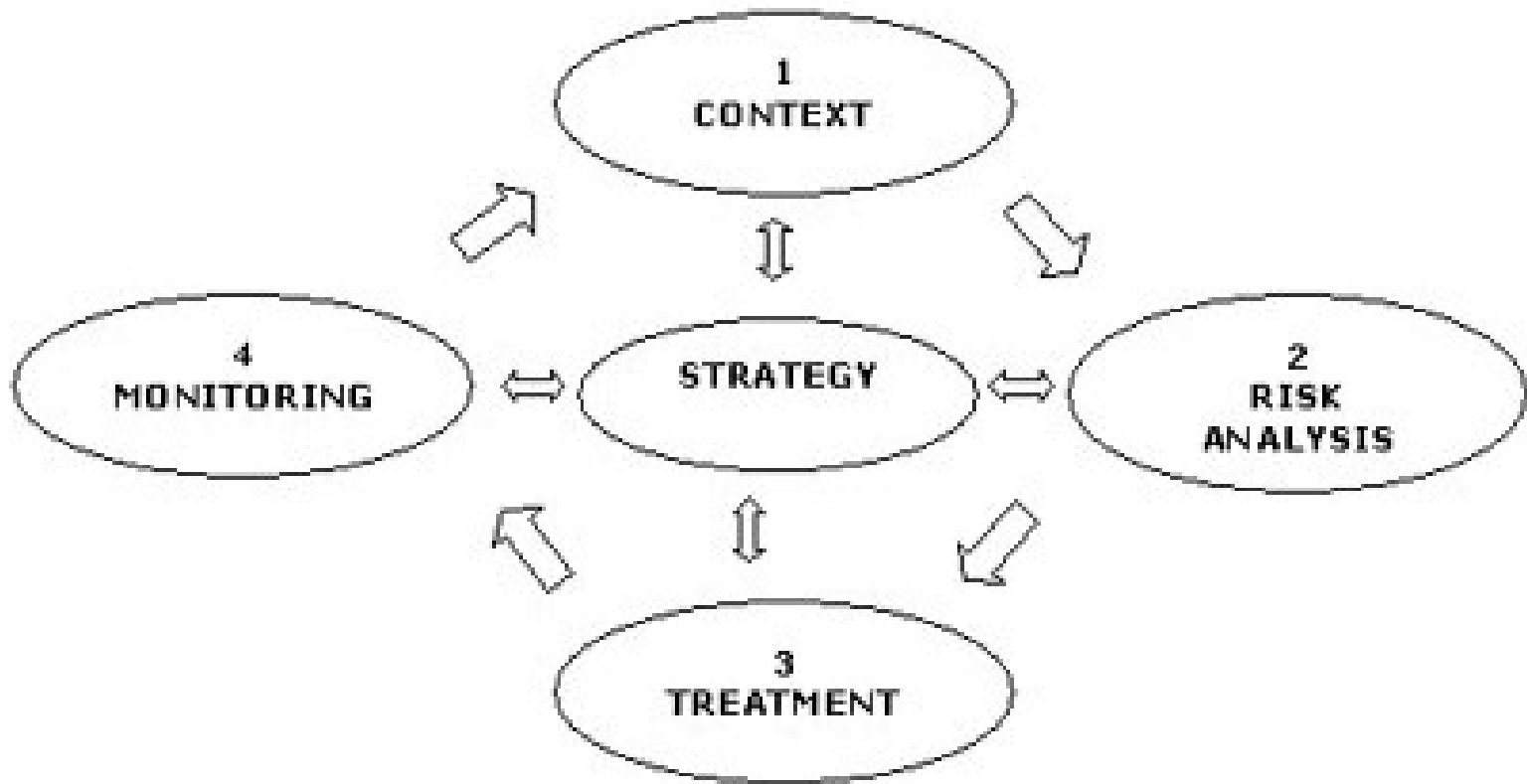
Risk analysis of containers

- Containers for examination must be selected, to verify that the declared goods are in the container and that they are legitimate and that there is no financial, legal, health or environmental risk to the European Community and its citizens
- Key steps in the use of risk management by the customs administrations incorporates various elements of a comprehensive approach to risk management
- Four key steps have to be identified:
 - Context
 - Risk Analysis
 - Treatment
 - Monitoring

Risk analysis of containers

- Risks posed by illegal goods have to be identified
- EU and Member States have worked together to create a Catalogue of Risk Indicators which supports the identification and assessment of risks for economic operators
- Indicators for risks can be:
 - a) entities involved in the transaction
 - b) the type of goods transported
 - c) the origin declared etc.

risk analysis of containers

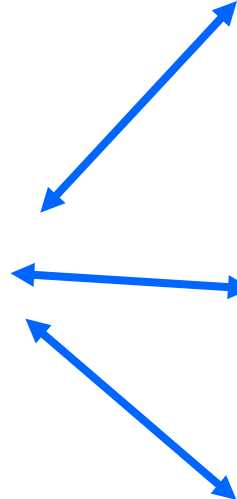
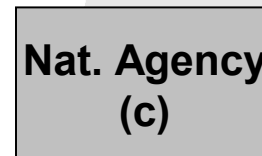
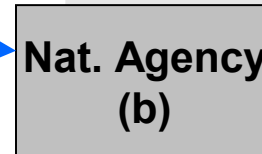
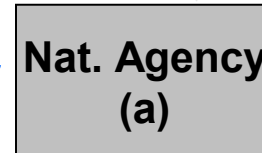


New EU Customs Codex Commission Regulation (EC) No. 648/2005 (OJ L 117/13)

- Customs authorities will be required to exchange information electronically on exports between the customs offices involved in the procedure (export control system): **by 1 October 2007**
- A risk management framework ensuring that customs control of goods crossing the EU borders will have **immediate effect**
- An Authorized Economic Operator (AEO) Certificate will be granted to reliable economic operators: **from 1 January 2008**
- Traders will have to supply customs authorities with advanced pre-arrival information on goods brought into, or out of, the EC: **from 1 July 2009 (new: also in freeports)**

Single Window

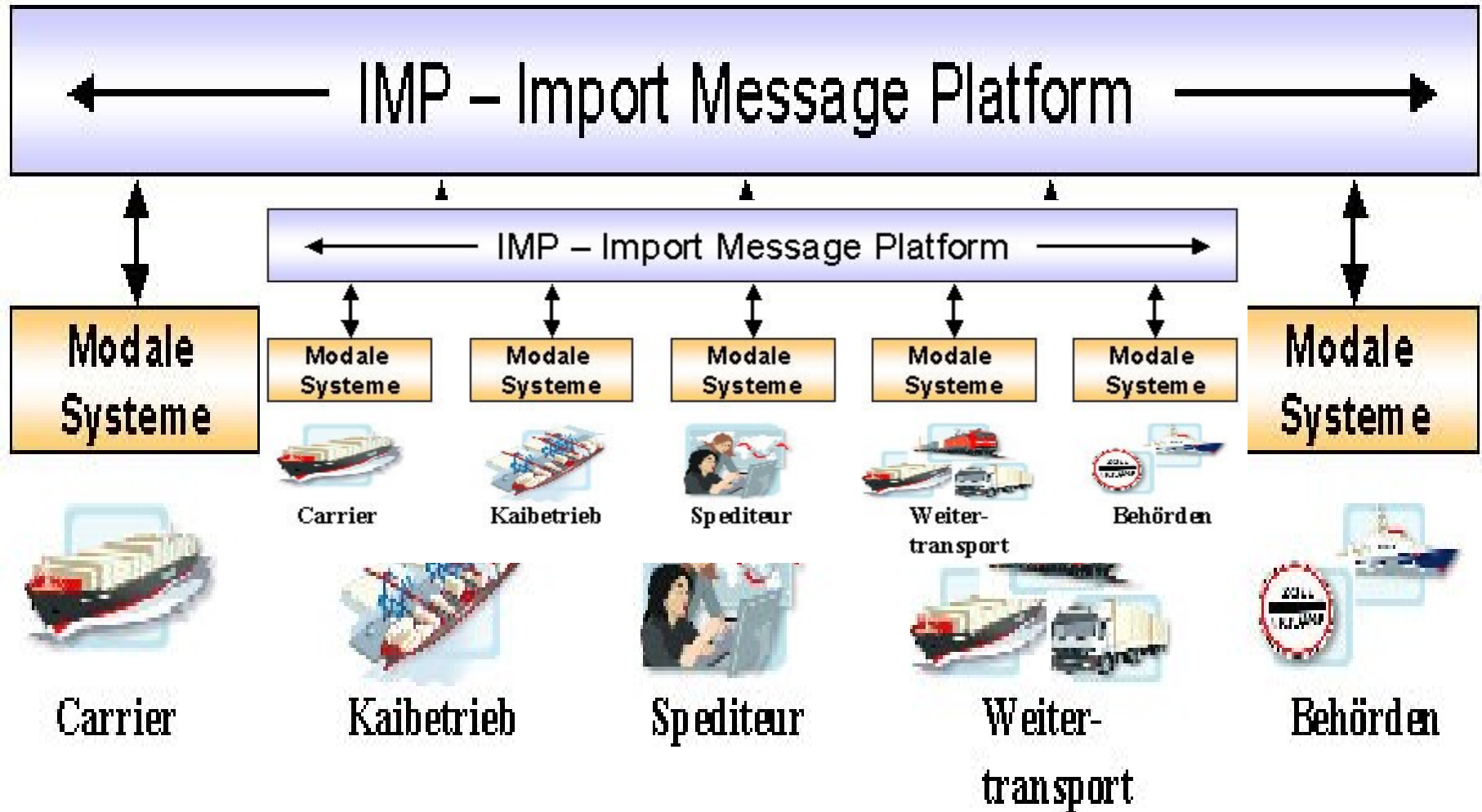
Declaration
+ Acc docs
(Licenses,
Certificates,...)



Consequences of the new customs codex for the ports

- National customs administrations throughout the EU and other border authorities (e.g. police, veterinary administrations, environmental agencies) will be induced to act as though they were a single administration
- Ports in cooperation with the involved administrations and industries have to provide the necessary EDI structure
- A working single window in the ports is a key issue for fast import clearance and quick turnover of goods

Plans for a single window in the port of Hamburg



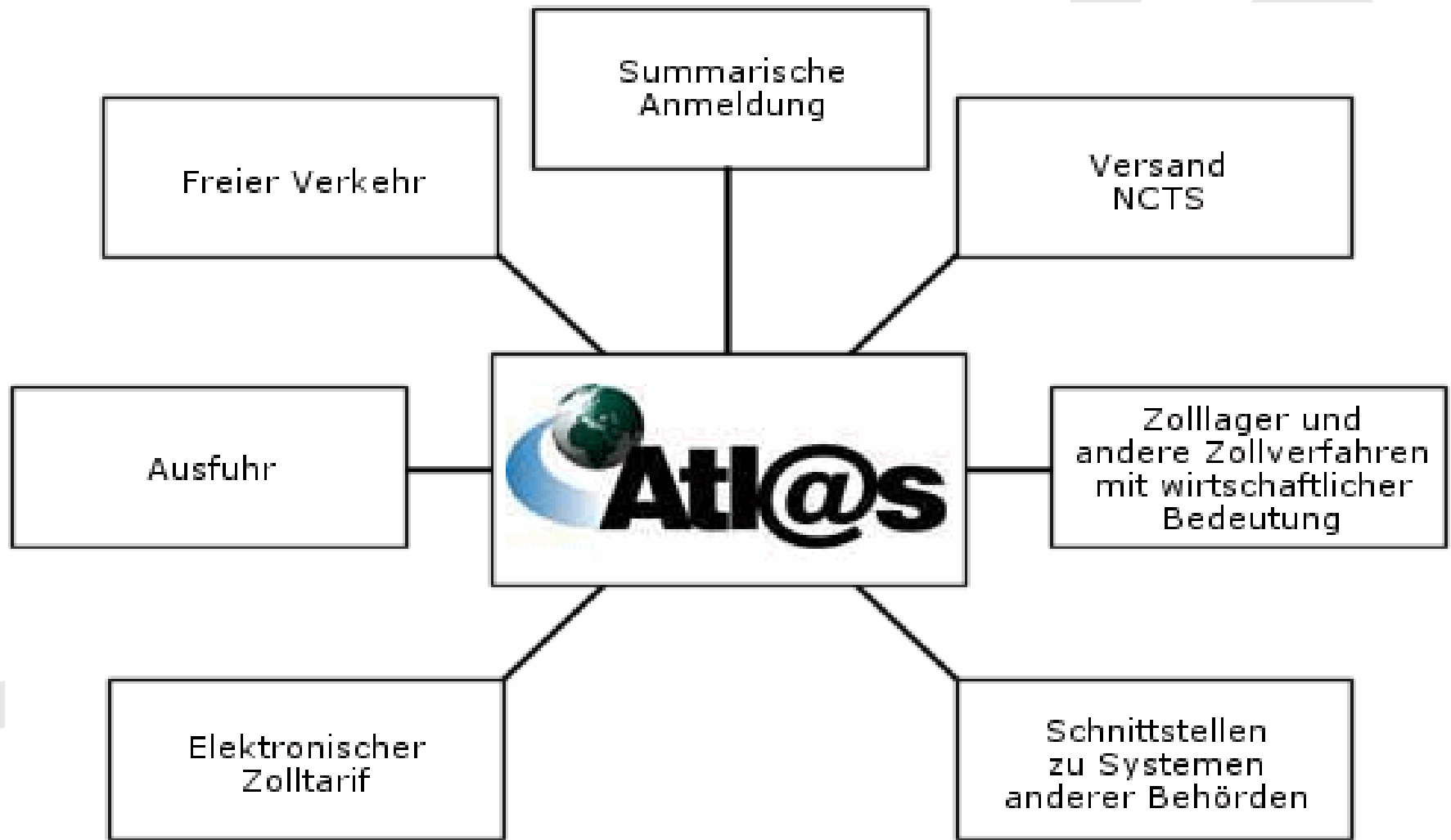
Reasons for developping the IMP

- Challenge: steadily growing number of incoming goods, congested roads, communication problems between the involved parties in the port, only single IT solutions for individual actors
- Consequences: IT is a key issue fo the standardisation and integration for the whole supply chain from the port to the customer
- Main goals:
 - standardisation of the IT-processes in the import clearance
 - reduction of the different interfaces to a Single Window
 - added value: integration of the different modal systems to a completely integrated system

Advantages of this system for carriers, terminals and forwarders

- Proper reaction to the new customs codex comes in force July 2009 which brings more administrative requirements
- Simplification of the declaration for other authorities (only one electronic message has to be handed over which covers all authorities)
- Better and faster information of the involved authorities
- Better basis for planning (yard and transport)
- Reduction of acquisition of data
- Full fledged information on the status of goods
- Advanced process control for all parties

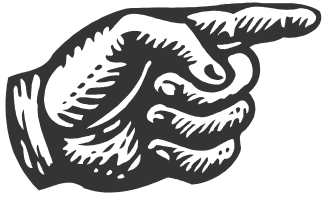
IT System ATLAS



IT System ATLAS

- The IT procedure ATLAS is the electronic service for customs activities in Germany
- No opening and closing times exist for data transfer
- Clearance can even be carried out before the goods arrive via an advanced electronic customs declaration
- Expensive waiting and storage times during customs clearance are thus avoided
- 90 percent of customs clearances for releasing goods for home consumption are done with ATLAS

Thank you!



... any questions?

Don't hesitate to contact me.

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