



European Semiconductor Industry Association

ESIA's comments on the European Commission's Roadmap "Taking the Customs Union to the next level"

Brussels, April 21st 2020

I. Introduction

The European Semiconductor Industry Association (ESIA) is pleased to provide the below set of comments and recommendations on the roadmap "Taking the Customs Union to the next level", published by the European Commission on 24 March 2020.

II. General comments and recommendations

ESIA supports the approach outlined in the roadmap to improve the Customs Union by

- **EU-wide deployment of customs IT tools, reinforcing customs risk management** and supporting effective controls **whilst facilitating legitimate trade.**
- **Enhanced customs cooperation and options for systems interoperability with security** and other competent/law enforcement authorities, in line with WTO free trade principles and with the aim creating an **EU level playing field.**

Below please find our comments on these two aspects.

II. EU-wide deployment of IT tools, risk-based management and facilitation of legitimate trade

- The UCC IT Systems should be deployed in full across Member States within the set deadlines. This is the precondition to support efficient and effective controls. Connected to this, the ability to use digital tools for risk-based analysis should be increased: importers and exporters already provide enough data to allow risk-

ESIA is an Industry Association of:

EECA : European Electronic Component Manufacturers' Association

Rue de la Duchesse 11/13, B-1150 Brussels

Tel: +32 2 290 36 60 · Fax: +32 2 290 36 65 · E-mail: secretariat@eusemiconductors.eu · Web: www.eusemiconductors.eu

EECA is registered in the EU Transparency Registry: 22092908193-23

based analysis. Customs authorities need to be enabled through improved and appropriate training and IT-infrastructure to use these data for state-of-the-art risk-based and smart analysis allowing a targeted risk-based approach for inspections and regulatory audits.

- A risk-based customs management based on company and business risk profiles should be applied considering among others the following criteria:
 - The kind of business and the nature of most of the imported goods e.g. no excise and no or few dutiable goods
 - Type of company:); company has implemented a Customs (and export control) related internal control program; company does participate in security initiatives, etc.
- Transparent customs controls: Customs authorities should define the nature and frequency of customs controls according to companies' and business-type risk profiles. ESIA would like to report that currently, in some cases, customs authorities inspect repeatedly the same kind of shipments although there were no prior findings.
- Trade facilitation for low-risk companies: Companies with low-risk profiles should benefit from enhanced simplified procedures, self-assessment and simplified declarations with less data. In addition, if the majority of the shipments are repetitive, customs declarations ought to be submitted on a monthly basis, instead of transaction-based single-declarations. For trusted traders with proper Internal Control Programs there should be no transaction-based regulatory audits. Instead, there could be system-based audits and checks.
- Better coordination with other agencies to avoid duplicative audits and certifications, e.g. audits conducted by the National authorities responsible for Civil Aviation in certain Member States partially duplicate the AEO audits done by Customs authorities.

III. Enhanced customs cooperation and options for systems interoperability with security and other competent/law enforcement authorities, with the aim to create an EU level playing field.

- Harmonise the treatment of AEOs in the EU: Currently AEOs are in some cases treated differently in different Member States, for example as to physical checks,

regulatory audits or authorizations for benefits. The objective should be to level the playing field within the EU.

- Harmonised implementation of customs processing and the treatment of traders within the EU e.g., in the area of customs declarations, for goods description or coding requirements e.g. in IT systems. Narrower interpretations by some Administrations lead to more administrative burden in some Member States. There should be an equal playing field across the EU for all traders.

ABOUT ESIA

The European Semiconductor Industry Association (ESIA) is the voice of the Semiconductor Industry in Europe. Its mission is to represent and promote the common interests of the Europe-based semiconductor industry towards the European Institutions and stakeholders in order to ensure a sustainable business environment and foster its global competitiveness. As a provider of key enabling technologies the industry creates innovative solutions for industrial development, contributing to economic growth and responding to major societal challenges. Being ranked as the most R&D intensive sector by the European Commission, the European Semiconductor ecosystem supports approx. 200.000 jobs directly and up to 1.000.000 induced jobs in systems, applications and services in Europe. Overall, micro- and nano-electronics enable the generation of at least 10% of GDP in Europe and the world. Website: <http://www.eusemiconductors.eu/esia/home>

For more information please contact

Giovanni Corder at ESIA, Tel.:+32 (0)2 290 3660