



73rd Trade Contact Group Plenary Session

19 March 2026

Disclaimer: This presentation is intended to help support the meeting participants in their general understanding. It is of course without prejudice to any specific factual scenarios.

Taxation and
Customs Union

Welcome

Minutes and Report Adoption: TCG working session January 2026

- Report of distributed via CIRCABC on 23 February 2026
- No comments on content received to date

Continuous Dialogue with Trade

Provisional schedule for the TCG meetings in 2026

- 21 January working session
- 19 March
- 27 April working session
- 1 July (tbc)
- 12 November (tbc)

Agenda adoption

73rd TCG Agenda Adoption

Draft Agenda shared on 5 March 2026

Welcome and Adoption of Agenda

Item 1: **Update on the Customs Reform** [9:15 – 9:30]

Item 2: **CBAM** [9:30 – 10:15]

Item 3: **Centralised Clearance and VAT – presentation by Mr. Aubert and Mr. Salder (IVA)** [10:15 – 10:45]

Item 4: **Maritime Industrial Strategy and EU Ports Strategy** [10:45 – 11:30]

COFFEE BREAK [11:30 – 11:45]

Item 5: **Rules of Origin: EU – India FTA** [11:50 – 12:10]

Item 6: **Study on Special Procedures** [12:10 – 12:30]

Item 7: **E-commerce** [12:30 – 13:30]

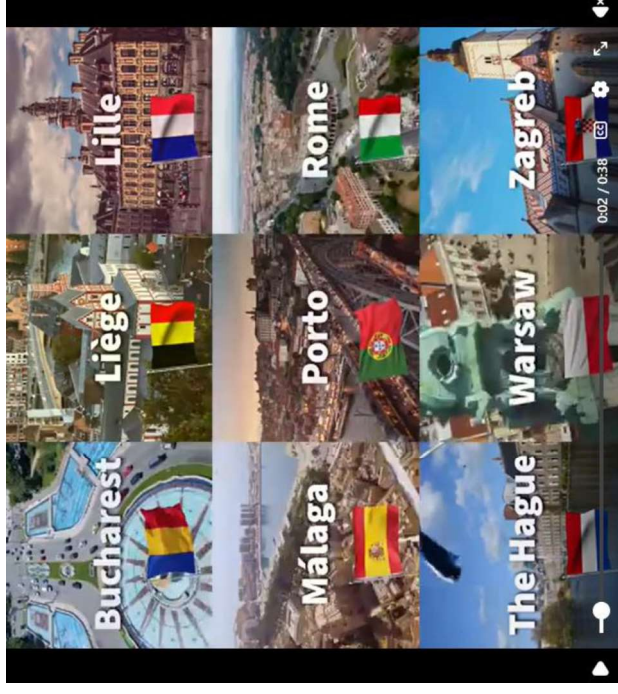
Item 8: AOB

Opening Remarks

1. Update on the Customs Reform

Decision on EU Customs Authority Seat

- The final decision on the seat will be taken on 25 March.
- Under the agreed procedure, the Council and the Parliament will each independently select **two preferred candidate cities** from the nine that have applied, based on an assessment carried out by the European Commission.
- If one candidate appears on both shortlists, it is selected. Otherwise, a series of voting rounds will select a candidate.



Timeline and communication

The following dates are of public interest and media attention on customs policy.

- 25 March: Vote on EUCA Seat
- 26 March (evening): Trilogue aiming for political agreement
- 1 July: Removal of EUR 150 de minimis threshold and application of EUR 3 fixed customs duty on e-commerce
- Council first reading position
- Commission communication
- European Parliament plenary vote
- Publication in Official Journal
- Entry into force

Consultation on IA / DA

E-commerce temporary measures

- Ahead of 21 January working session
- In parallel to Commission internal consultation

Union Customs Code

Direct application

- Consultation in spring/summer

After transition period

- Consultation in 2027

2. CBAM



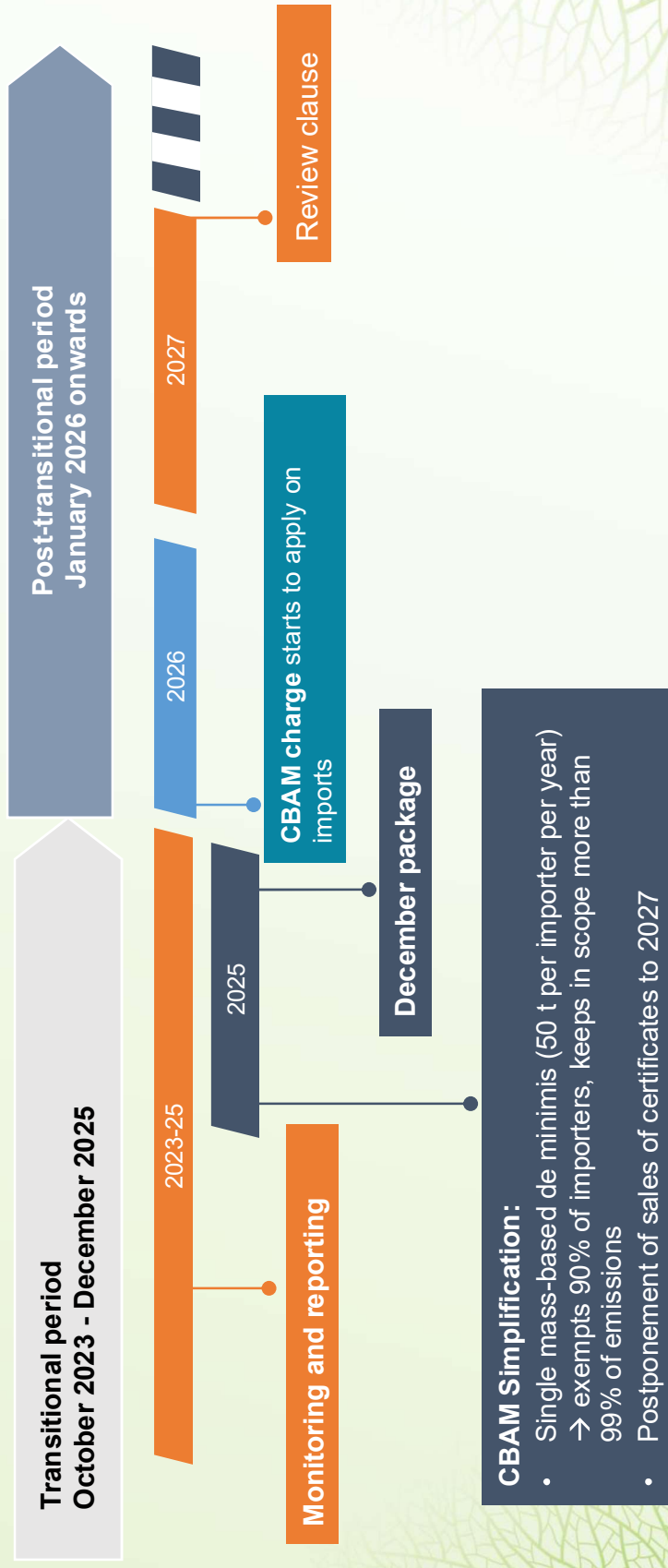
European
Commission

The Carbon Border Adjustment Mechanism

CBAM Status update



Milestones – Simplifying and strengthening CBAM



Overview on secondary legislation

IA: CBAM registry	adopted in December 2024
IA: conditions for authorisation of CBAM declarants	adopted in March 2025
IA: conditions for CBAM application to goods brought to EEZ	adopted in October 2025
IA: methodology for the calculation of emission	adopted in December 2025 Guidance expected March 2026
IA: verification principles of verifiers	adopted in December 2025 Guidance expected April 2026
DA: conditions for accreditation of verifiers	adopted in November 2025 Guidance expected April 2026
IA: price of certificates	adopted in December 2025
IA: adjustment for free allocation	adopted in December 2025
IA: customs communication and information on imported goods	adopted in December 2025
IA: amending the IAs on CBAM registry and authorisation of CBAM declarants	adopted in December 2025

Overview on secondary legislation

IA: CBAM declarations	<i>in progress, to be adopted in 2026</i>
DA: conditions for sale and re-purchase of CBAM certificates	<i>in progress, to be adopted in 2026</i>
IA: carbon price	<i>in progress, to be adopted in 2026</i>

CBAM December 2025 package

At the end of the transitional period, the Commission adopted a comprehensive CBAM package comprising of:

1. Broad review report
2. Two legislative proposals:
 - a. Revision of CBAM
 - b. Temporary Decarbonisation Fund

Downstream extension: New goods to be added

- Focus on goods where iron & steel and aluminium constitute dominant CBAM input – as mandated by the Steel and Metals Action Plan
- Criteria for the selection follow the same logic as for the original scope: carbon leakage risk, relevance of emissions, technical feasibility
- Vast majority of products are industrial components. A small share (6%) of the downstream goods concerned are final consumer goods, such as washing machines.
- The proposed extension would add 180 CN codes

Downstream good category	Number CN codes
Industrial Machinery & Machine Tools	34
Vehicles & Chassis	39
Metal Hardware & Fabrications	28
Vehicle Components & Systems	21
Domestic Appliances & Consumer Goods	18
Construction & Lifting Equipment	17
Engines, Motors & Power Generation	7
Electrical & Electronic Components	6
Medical, Laboratory & Safety Devices	5
Agricultural & Lawn Equipment	5
Total	180

Anti-Avoidance

- Ensure attribution of emissions to **pre-consumer metals scrap**
- Empower the Commission to address **mis-declaration of emission intensities** due to lack of supply chain traceability
- Empower the commission to identify high-risk goods and origins for which the **use of actual emission values** will require additional proof

Electricity

Improvements of the methodology to calculate the embedded emissions of electricity

- Change of default values: from the current CO₂ EF (only fossil-fuel based) to an average emission factor of the exporting country that also accounts for electricity generated from renewable sources.
- Streamlining of conditions to declare actual emissions

Other elements:

- Some adjustments in the context of the Art. 2(7) exemption

Temporary Decarbonisation Fund

What is the problem?

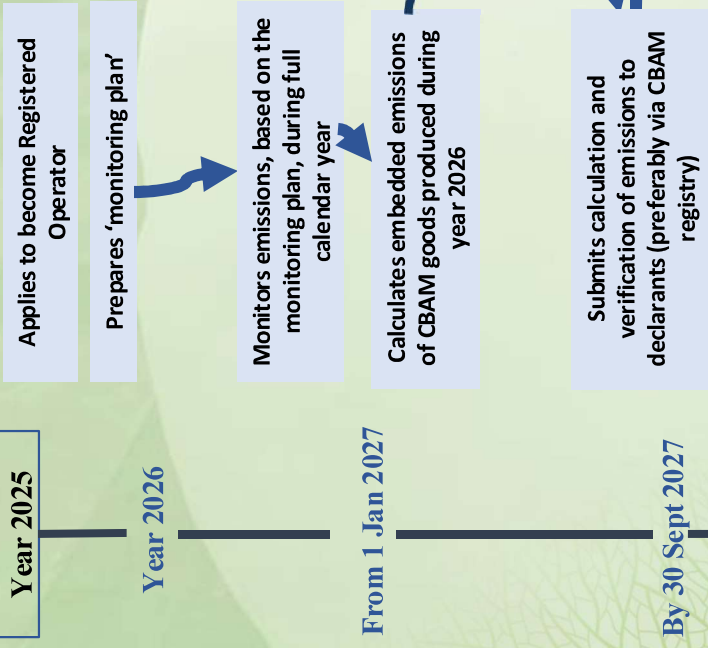
- CBAM phase-in and FA phase-out act in tandem.
- However, CBAM ensures protection against carbon leakage on the EU internal market only.

What is the solution?

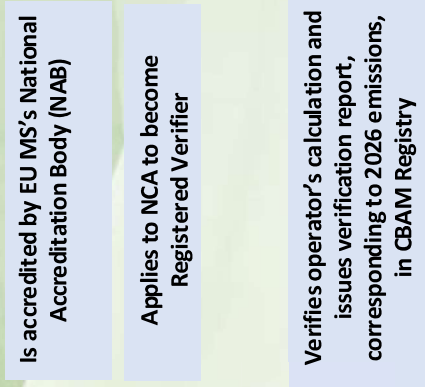
- **Temporary:** 'bridge' solution until permanent solution is found in ETS review (proposal mid-2026) for 2026 and 2027 only.
- **Eligibility:** operators of EU ETS installations producing CBAM goods identified as being at remaining risk of carbon leakage.
- **Conditionality:** targeted decarbonisation support (estimated 190M€) as additional measure.
- **Cost-efficiency:** direct management relying on existing ETS infrastructure and processes.
- **Resources:** 100% from Member States' share of total CBAM revenue (25% vs 75% as NOR).

CBAM implementation – Overview of stakeholders

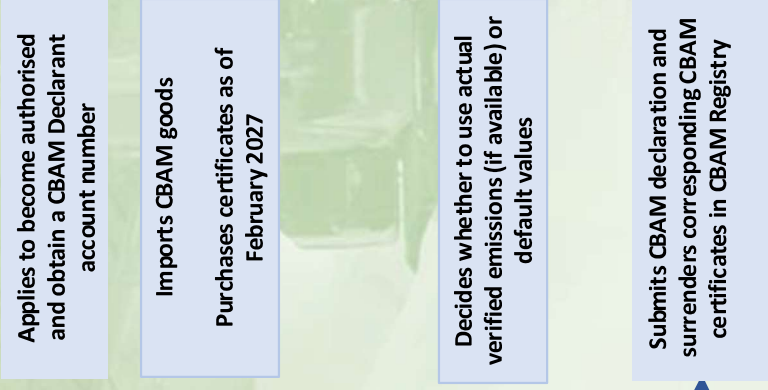
THIRD-COUNTRY OPERATOR



VERIFIER



DECLARANT



CBAM implementation - Authorisations

Please apply for CBAM Authorisation ASAP and no later than on 31 March 2026

This process takes time and requires number of inputs from declarants and including financial guarantees when such are requested.

Europa.eu CBAM page includes all required information necessary to request authorisation and is regularly updated

- [See Authorization Management Module section](#)
- And other sections
- How to lodge application
- How to check do amendment
- How to adjust guarantee
- Etc.

Page contents

- CBAM Definitive Registry (from 2026 onwards)
- Authorisation Management Module (AMM)
- Module for non-EU installation operators (O3C)
- CBAM Transitional Registry (from 2023-2025)
- Useful documents

Authorisation Management Module (AMM)

Importers of CBAM goods (or their indirect customs representatives) are urged to apply for the status of authorised CBAM declarants. Please read carefully and follow the instructions below as soon as possible to submit your CBAM application.

As of 31 March 2025, a new section of the CBAM Registry allows importers and indirect customs representatives to apply for the status of authorised CBAM declarant in the Member State of establishment, which is independently from where the goods are imported to. A list of the national competent authorities can be found on this website in the section [“List of National Competent Authorities for CBAM”](#).

CBAM Registry module to be used is the [Authorisation Management Module \(AMM\)](#). The AMM encompasses features related to CBAM Authorisations. This module facilitates the entire process, from the initial authorisation requests submitted by applicants to the consultation process between competent authorities and the Commission, culminating in a decision to grant or refuse the CBAM authorisation.

AMM Videos - Authorisation Management Module

Video Name	Description
Introduction to training	This video presents the purpose, objectives, and audience of the training, and provides an overview of the main CBAM AMM concepts, including applications, authorisations, guarantees, and the roles of different actors.
Consult my homepage and my user information	Guides users through the homepage layout, main widgets, notifications, menu, language options, and user profile.
Consult my notifications	Familiarises users with the notifications system, including viewing received and sent notifications, checking key details such as sender, subject, and read/unread status, responding to requests, and managing notifications through actions like archiving.
Set my email preference	Assists users in setting their email preferences for system notifications, including adding email addresses, selecting a preferred language, and configuring alerts for new notifications.
Access the user manual	Guide users on how to access the user manual, ensuring they can easily locate and refer to it for additional information and guidance on system functionalities.
Lodge an application	Guide users through the process of lodging a new application by filling in the required information across the three tabs: (Stakeholders details, Activity details, and Financial and operational details).

CBAM implementation - Authorisations

Volumetrics for Authorisation Management Module (AMM)



IT system

No major issues reported by NCAs or users

Applications

Week application (2-8 March): 464

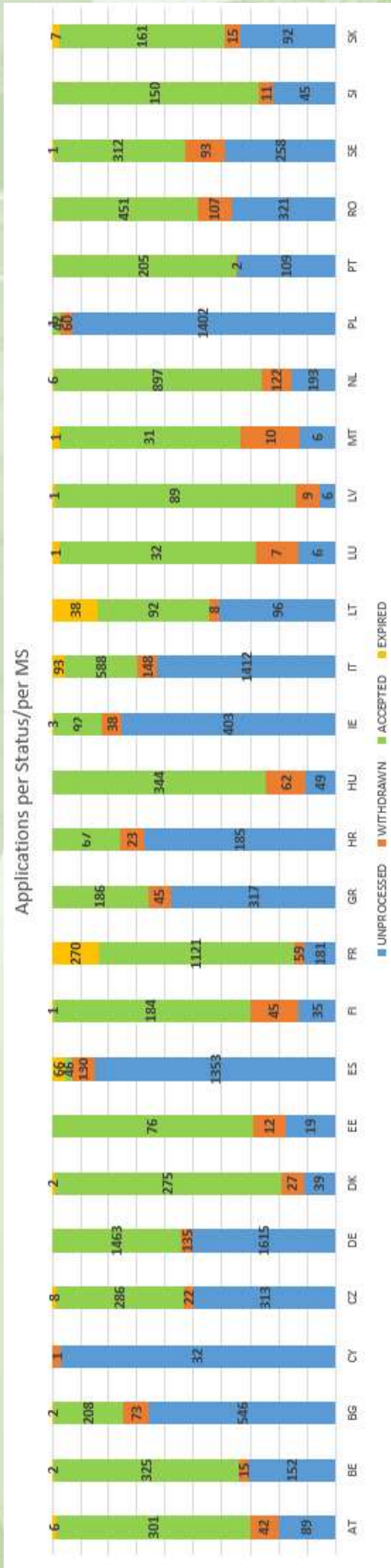
Total Applications Received: 19128

Authorisations

Last week :487

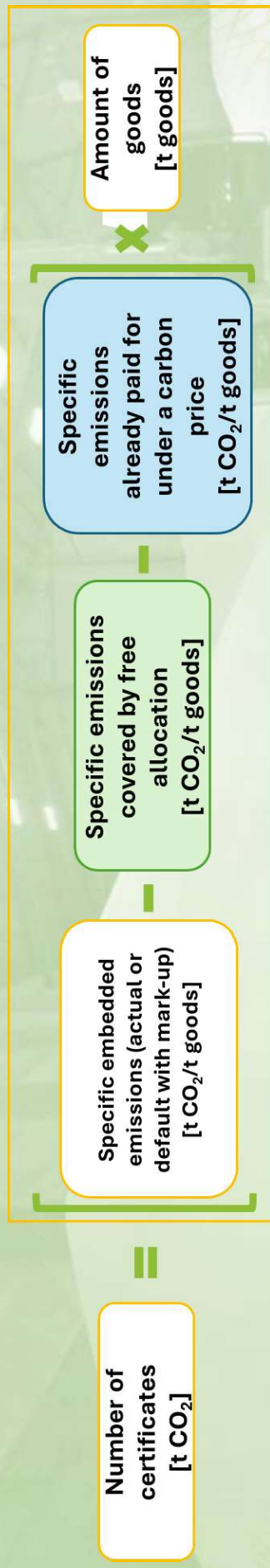
Total Authorized

Declarants: 8000



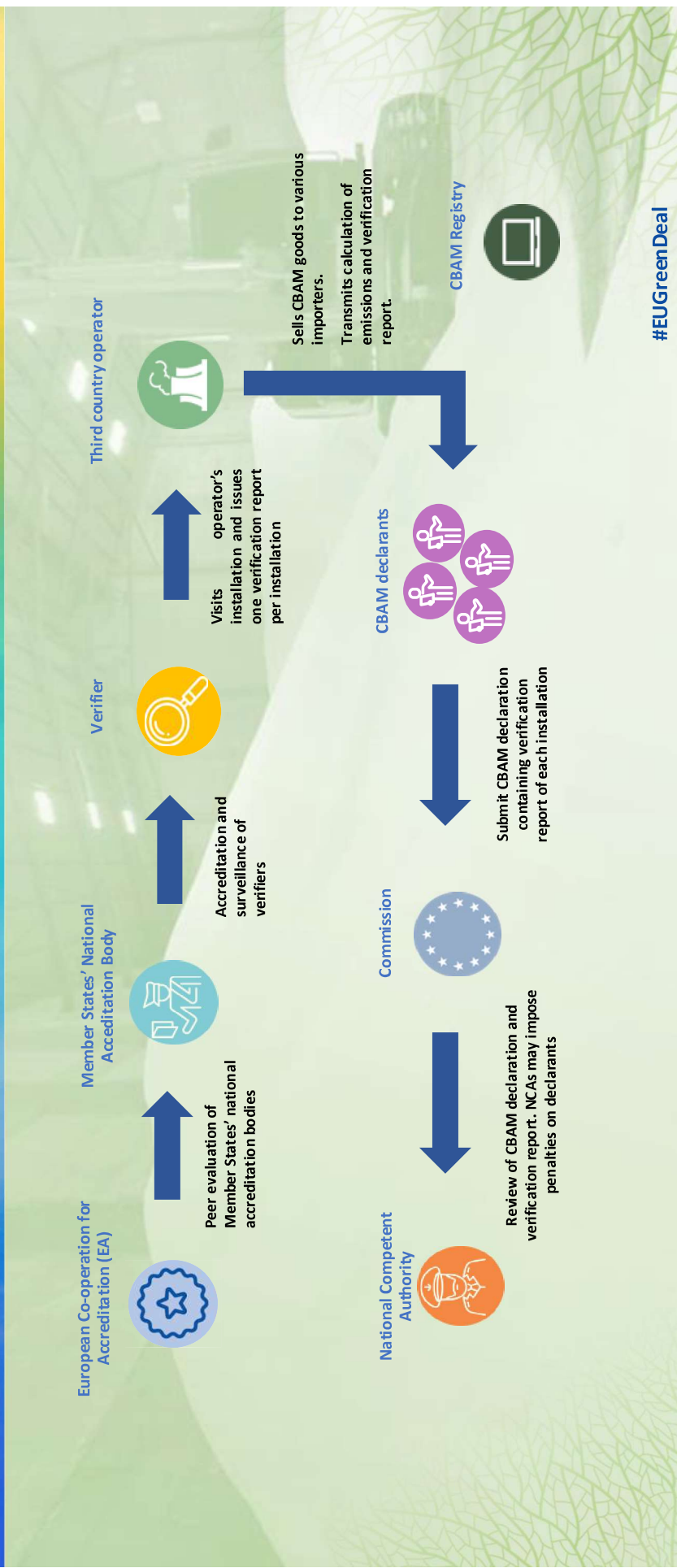
The CBAM 3.1 went live on 1/01/2026

CBAM implementation – Emission calculation



- Implementing act on methodology on embedded emissions ([EU 2025/2547](#))
- Implementing act establishing default values ([EU 2025/2621](#))
- Implementing act on free allocation adjustment ([EU 2025/2620](#))
- Implementing act on carbon price effectively paid in third country (*in progress*)

CBAM implementation – Accreditation and verification



CBAM implementation - Emission calculator

- The Commission is preparing a calculator which will be published on the CBAM website
- The calculator will provide CBAM declarants the possibility to simulate the determination of the number of CBAM certificates to be surrendered, based on the general calculation formula and different elements contained in secondary legislation (such as CBAM benchmarks, default values, etc.)
- CBAM declarants will be able to estimate the CBAM obligation based on the different published parameters based on default values by providing information on:
 - Imported good (CN or TARIC code)
 - Country of origin
 - **Imported volume in tonnes (the only parameter to be provided by the CBAM declarant)**
 - Year of import
- At a later stage, the deduction of the carbon price paid in a third country will be added to the emission calculator

CBAM 2026 Go live readiness

From January 2026 following CBAM policies apply:

- Importers must either be **authorised** or provide a **CBAM application reference number** in the customs declaration when importing **more than 50 tonnes of CBAM goods into the EU**, using the relevant **TARIC document code Y238**.
- The CBAM application must be submitted **before importing goods into the customs territory of the Union and before 31 March 2026** (*foreseen until 27 September 2026 - time limit for the procedure*).
- CBAM applies simplification for importers below **50 tonnes**. Those do not need to be authorized but need to use **specific TARIC document type code Y137** in customs declaration
- **Emissions related to CBAM for importation year 2026** and related costs will be measured in 2026 and a subject of payments for CBAM certificates in 2027
- **Emission calculation during year 2026** can be established using default values , and free allocation benchmarks. Later in 2026, EC will publish the default carbon price values.
- **The price of the certificates for Q1 2026** will be **published on the CBAM website on 7th April 2026** based on average auction price of EU ETS allowances.
- **The sale of CBAM certificates and the submission of declarations** have been **postponed until 2027**.
The price of the certificates for 2027 will be calculated depending on the weekly average auction price of EU ETS allowances.

#EUGreenDeal

CBAM Registry – exclusion

- The CBAM Registry collects customs import data to monitor the CBAM de minimis threshold (50 tonnes of CBAM goods) and to track cases of unauthorised importers exceeding it.
- For all imports above 50 tonnes of CBAM goods the Registry checks the whether the declaration includes an **authorization** or an **application reference number***.
- **All the cases were those CBAM obligations are not followed are reported to NCA.**
- The NCA analyses such cases and, if a valid risk is confirmed, the request for a customs risk (RIF) will be triggered by CBAM Registry
- Using customs system (CRMS2), a **Risk Information Form (RIF) is created** – requesting that **further imports of CBAM goods by that declarant be stopped** (goods can remain in temporary storage within the 90-day time limit while a solution is found).
- If / when the importer becomes an authorised CBAM importer, the RIF will be archived.

*The CBAM application must be submitted before 31 March 2026 (foreseen until 27 September 2026 - time limit for [the Green Deal](#)).

Quality of data

- Unfortunately, the majority of cases detected by the Registry are caused by insufficient data quality:
 - Missing application reference number
 - Error in identifying the importer
 - Misspelled application reference number
 - Use of multiple TARIC codes for a single CBAM goods item (e.g. exemption below 50 tonnes and account number)
- All these mistakes cause additional workload for NCAs and for importers, who are contacted by NCAs and asked to provide additional clarification and information.
In some Member States, up to 96% of cases are caused by data quality issues.
- Please communicate **the guidance on the use of CBAM-related import TARIC codes** among your peers. For more information, please contact your national customs authority.

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EU CSW-CERTEX Readiness Status

As of 1 January 2026 it is mandatory to have valid CBAM authorization to import CBAM goods.

National customs systems are integrated with EU CSW-CERTEX for CBAM to perform the necessary validations of CBAM authorisations.

MS Greece performs the validations in manual regime.

In particular, EU Customs Authorities validate that the importer or the indirect customs representative is an authorised CBAM declarant (i.e. has valid CBAM Account number) before releasing CBAM goods for free circulation unless an exemption TARIC document code (e.g. Y137, Y238) is applicable.

CBAM milestones in 2026

- From August/ September onwards
 - The Registry will calculate emissions using default emission values and import declaration data to determine the required number of certificates for 2026
 - Registration of accredited verifiers will start on 1 September
 - Opening of applications for authorisation for the EFTA EEA countries Norway and Iceland
- In December 2026
 - Third-country operators will be able to upload emission information and
 - Verifiers will be enabled to start the verification process
- From January 2027 – CBAM will be fully applicable to Norway and Iceland

TARIC Document Codes Readiness Status

The following CBAM related TARIC document type codes may be used by importers in customs declarations for imports of CBAM Goods as of 1 January 2026 :

- Y128: CBAM account number
 - Main TARIC document code to be used by the authorised declarants as of 1/1/2026
 - CBAM Account number in data element 12 03 001 000 or 12 04 001 000
 - TARIC document type code Y128 in the data element 12 03 002 000 or 12 04 002 000
- Y137: De minimis exemption (art. 2a., except electricity and hydrogen)
 - Importer **not authorized** but they import **less than 50 tonnes** of CBAM goods:
 - TARIC document type code Y137 in the data element 12 03 002 000 or 12 04 002 000 of customs declaration
- Y238: **Importer does not yet have a CBAM authorisation but submitted application before the import declaration**
 - To be used for Authorised CBAM Declarant applications submitted until **31 March 2026** (except electricity and hydrogen)
 - TARIC document type code Y238 in the data element 12 03 002 000 or 12 04 002 000
 - CBAM Application reference number in data element **12 03 001 000 or 12 04 001 000**
 - **Time limit for this exemption** foreseen until 27 September 2026
- Y134: Exemption - Goods originating in Büsingen, Heligoland, or Livigno (Article 2(4) of Regulation (EU) 2023/956)
- Y135: Exemption - Goods to be moved or used in military activities (art. 2(3) of CBAM reg)
- Y136: Exemption - Electricity generated or hydrogen originating in the exclusive economic zone or on the continental shelf of a Member State (art. 2(3b), only for 2804 10 00 and 2716 00 00')
- Y237: Goods of EU origin

Thank you for your attention!

If you have any questions, please contact us:

TAXUD-CBAM@ec.europa.eu

3. Centralised Clearance and VAT – presentation by Mr. Aubert and Mr. Salder (IVA)

CENTRALISED CLEARANCE AND VAT

73rd Plenary Meeting of the Trade Contact Group

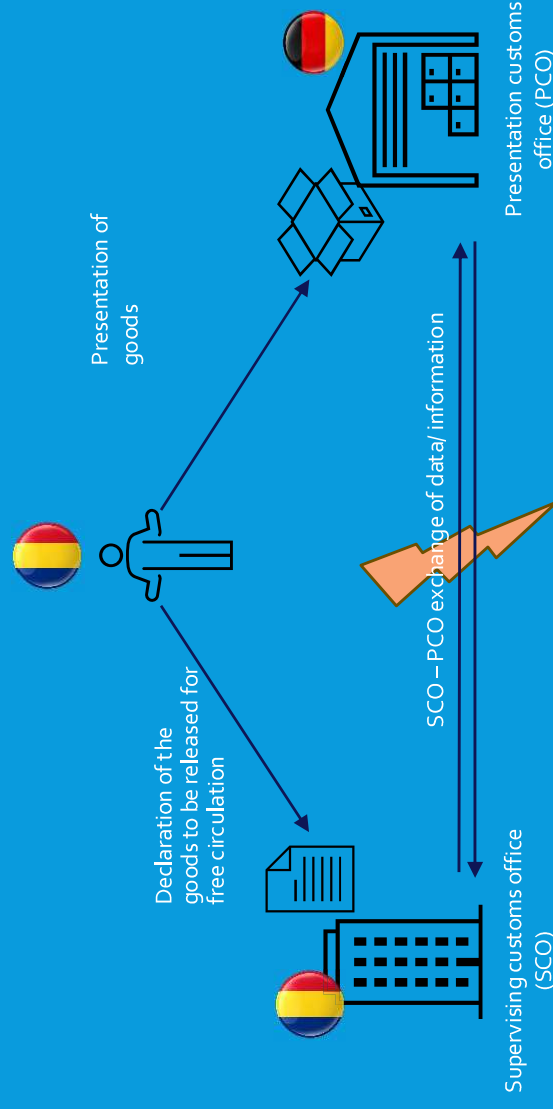
March 19, 2026

Brussels

Jean Aubert, Dr. Christian Salder

- ## Centralised Clearance for Import (CCI) and VAT
1. The current state of play and its shortcomings
 2. Exchange of Data/Information
 - 2.1. Reliability of exchange of information
 - 2.2. Digital infrastructure
 - 2.3. Liability
 3. Import VAT management in different Member States
 - 3.1. Assessment of import VAT and deferred payment
 - 3.2. Advantages of procedure 42 and OSS
 4. Summary and way forward

1. THE CURRENT STATE OF PLAY AND ITS SHORTCOMINGS



2. EXCHANGE OF INFORMATION

Reliability of exchange of Data/Information

- Possible issues when the exchange of information occurs between customs offices of different Member States that do not share the same digital infrastructure.
- In general, uniform data format is foreseen according to Art. 2 UCC DA.
- No relevance for most cases as of now in EIDR (Entry in Declarant Record), since supplementary declaration to be made anyway (Art. 167 UCC).

Types of declarations used:	
✓ Standard Declaration	- 10
✓ Simplified declaration	- 5
✓ EIDR	- 33
Declaration made in the trader's system (EIDR)	



2. EXCHANGE OF INFORMATION

Consequences

Scenario a)

No release for free circulation = no availability of the goods

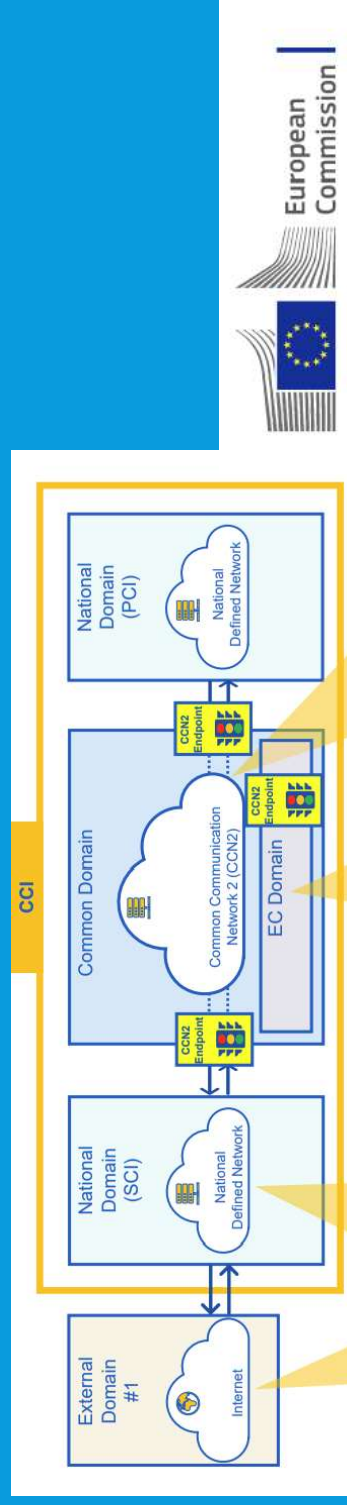
Scenario b)

Entry into free circulation without assessment of import VAT = liability for economic operator associated with multiple risks

2. EXCHANGE OF INFORMATION

2.2. Digital Infrastructure

- Does exchange work in practice? E.g. Germany: "Whether exchange works is to be tested in each application for authorization process with regard to the Member States involved."
- Foreseen infrastructure: Common Communication Network 2 (CCN2) as "Mini-EU-Datahub" for CCI purposes



- Uncertainty in exchange of information in practice is a major restraint for economic operators because of potential liabilities (2.3.)
- **Following the TCG plenary held on 19Th March: TAXUD-B1 clarified these concerns.**

3. IMPORT VAT MANAGEMENT IN DIFFERENT MEMBER STATES

3.1. Assessment of import VAT and deferred payment

- No uniform provisions regarding assessment of import VAT and deferred payment throughout the EU (Art. 201 of the Directive 2006/112/EC)
- Preferable system: offsetting import VAT in the periodic VAT return
 - Efficient handling (mostly) without the need for a guarantee
 - No additional administrative effort
- Disadvantageous system: Member States with compliance-intensive deferment models
 - Separate authorization process with need for expertise and controlling in that Member State
 - Language barrier, unfamiliarity with administrative processes
 - Separate system to monitor besides periodic VAT return



3. IMPORT VAT MANAGEMENT IN DIFFERENT MEMBER STATES

3.1. Assessment of import VAT and deferred payment

Currently, no notable relief through CCI if monitoring of different obligations and different processes regarding import VAT in different Member States remain.

3. IMPORT VAT MANAGEMENT IN DIFFERENT MEMBER STATES

3.2 Potential solutions

- a) Offsetting of import VAT within the import VAT assessment. Right to deduct import VAT would lead to import VAT not being charged in the assessment procedure.
 - Challenge:
 - Deduction of input VAT, currently, cannot be assessed by customs authorities in many Member States due to lack of competence.
- b) Uniform obligation to allow inclusion of import VAT into the periodic VAT return
 - Challenge:
 - Need for registration in Member State of PCO in order to make the periodic returns (based on current legislation)

3. IMPORT VAT MANAGEMENT IN DIFFERENT MEMBER STATES

3.2 Potential solutions

c) Based on ViDA legislation:

- Exemption from import VAT if transfer of goods is declared in OSS (One Stop Shop - corresponding to the idea of iOSS) or fall under local reverse charge.
- Challenge: IOSS not implemented in the ViDA legislation for CCI purposes. Up to now no suitable instrument to control duly taxation supply of goods.
- Reminder : Directive 2025/516 (aka ViDA Directive) amending Directive 2006/112 (aka VAT Directive) in its recital "supports the objective of a single VAT registration (38)...rules should be laid down for the mandatory application of reverse charge (40)...such a scheme should be specially design to simplify the VAT compliance obligation associated with certain transfer of goods (42).

4. SUMMARY AND WAY FORWARD

Alignment of customs and import VAT should be a focus for the future



4. SUMMARY AND WAY FORWARD

Major restraints to be resolved

- Uniform import VAT management throughout the EU
- Possibility to incorporate import VAT into periodic returns and/or (i)OSS
- Minimise registration requirements

4. SUMMARY AND WAY FORWARD

- One of the goals of the CCI is to avoid multiple customs procedures in different EU Member States. This is supported by trade and is important for strengthening the single market.
- However, there is a disconnect of VAT and customs law.
- Import VAT cannot be controlled and assessed by the SCO.
- Some relief could be achieved through partial expansions of existing mechanism (OSS) possible or offsetting in the VAT assessment itself while minimizing registration requirements. The IVA believes this would also be compatible the “spirit” of the VIDA reform and particularly the introduction of single VAT registration, mandatory reverse charge and the strengthening of the role of OSS.
- Indeed, if this becomes possible for intra-EU movements on 1st July 2028, why not have a similar approach for import VAT in a CCI case (cf. R38 to R42).



4. SUMMARY AND WAY FORWARD

There are certain instruments available that could help to achieve the goals of CCI and align the regime with import VAT rules.

IVA is ready to support and/or take part :

- In a DG TAXUD mandated working group working on legislative deliverables bringing together VAT and Customs policy specialists from the trade and the MSs administrations and whose roadmap would be to eradicate the VAT vs Customs anomalies which often annihilate the benefit of CCI.

THANK YOU!

73rd Plenary Meeting of the Trade Contact Group

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Brussels

Jean Aubert, Dr. Christian Salder

4. Maritime Industrial Strategy and EU Ports Strategy

EU Industrial Maritime & Ports Strategies

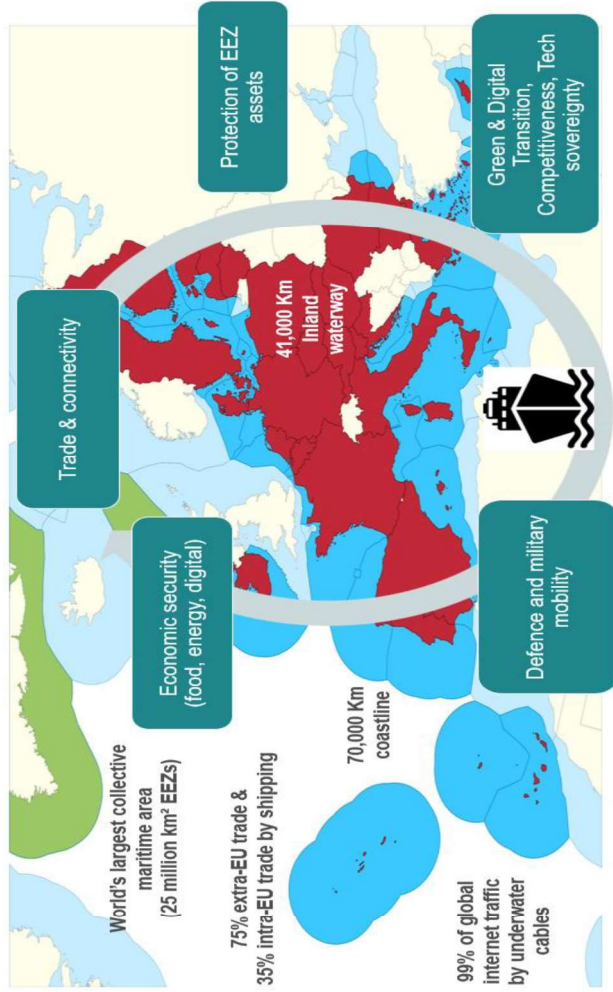


Two strategies – one common goal:

A competitive, resilient and sustainable European waterborne ecosystem including ports, maritime manufacturing, servicing and shipping industries.



Europe as a waterborne continent: Maritime Manufacturing & Shipping strategic assets



EU shipbuilding

The EU leads globally in **high-end shipbuilding** and **maritime equipment**.

97%
of cruise ships

67%
of icebreakers

*Percentages are EU global market shares

EU commercial ship production*



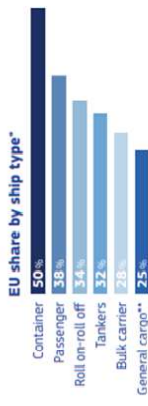
*Average number of units delivered per year between 2021-2025, e.g., out of all ships delivered 6% were ferries.

EU shipping

76%
of all EU imports are delivered by ship

The value of these imports is close to
€ 1.3 trillion

EU-owned shipping fleet – the world's largest
34%



**Non-specialised ship designed to carry a wide range of goods

EU Industrial Maritime Strategy (EIMS)

Build, Equip, &
Repair

Transport &
Connect

Secure & Protect



Access to
Innovation

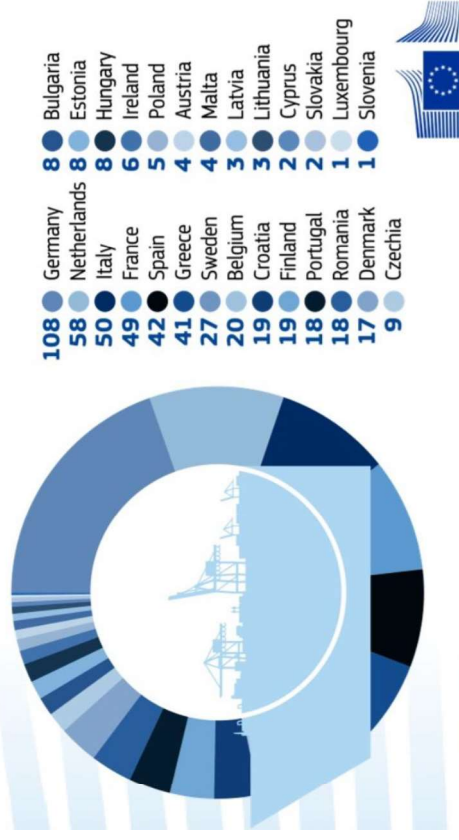
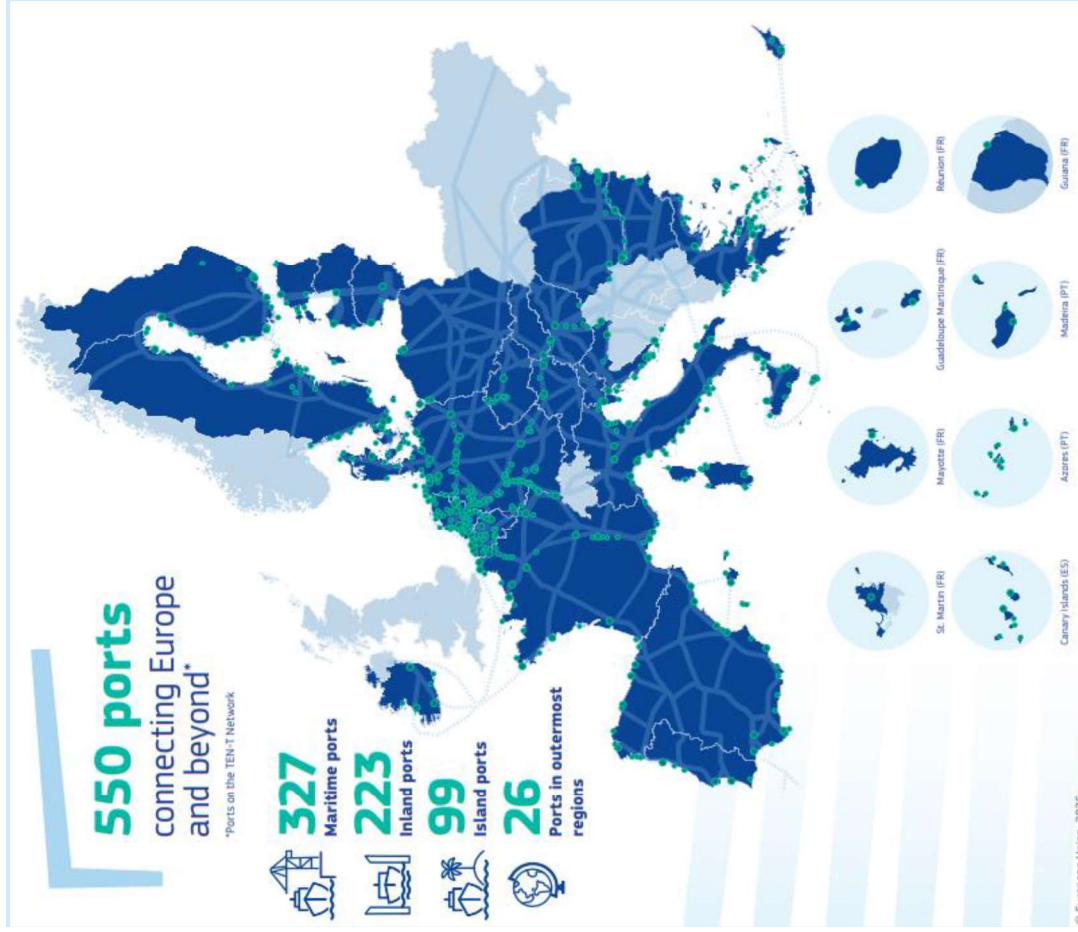
Access to Finance
& Investment

Access to
Skills & Quality
Jobs



EU ports in numbers

Europe's economic security, clean industrial transition and global connectivity depend on **strong, competitive, sustainable and secure ports.**



EU Ports Strategy: 5 pillars

Boosting the competitiveness, security and sustainability of EU ports

The Strategy supports EU ports by

Strengthening competitiveness, innovation and digitalisation.

Establishing **guiding principles for EU funding & investments in third-country ports**, developing **guidance on foreign ownership of EU ports**, and promoting **innovation**.

Protecting and securing ports.

Combating **drug trafficking & emerging threats**, port worker **background checks** & third-country **port assessments**, sharing **cybersecurity best practices**, & conducting an EU-wide security risk assessment.



Advancing the energy transition, sustainability and clean industries.

Taking measures to promote **electrification & improved grid connection**. Setting out a **new roadmap for competitive small and medium-sized ports**.

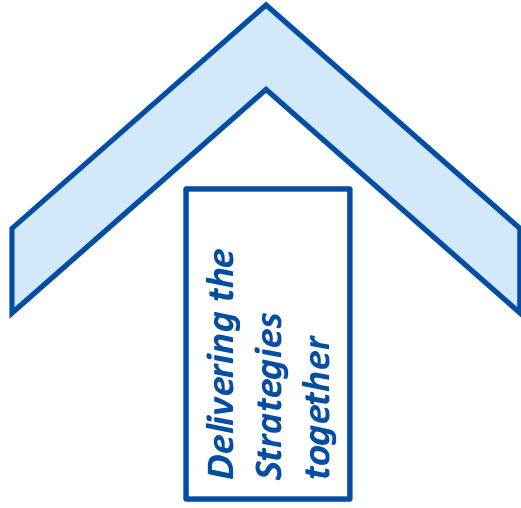
Promoting social cohesion, skills and quality jobs.

Clearer & more **coordinated funding principles** while facilitating access to advisory services & de-risking tools, with particular attention to the needs of small & medium-sized ports.

Facilitating access to finance and investment.

Supporting **small & medium-sized ports** by promoting innovation, clean energy, security & connectivity, developing a **skilled workforce** & providing guidance on **maritime safety** & alternative fuels.

Process & Next Steps: EIMS & EPS



Cooperation with stakeholders

Successful implementation will be based on cooperation with:

- Member States and regional authorities
- Industry and social partners
- Civil society and all interested stakeholders.



Establish a **high-level Maritime Industries and Ports Board** chaired by the responsible Commissioner and EVPs to have a continued exchange on the implementation of the actions outlined in the EU industrial Maritime & Ports strategy.

Simplification of administrative formalities

- Strong call for simplification in the stakeholder consultation process
- Need to leverage Europe's waterborne single market potential
- Building on the on-going and upcoming EU actions:
 - European Maritime Single Window environment (EMSWe)
 - Customs reform, including Customs Data Hub
- Further simplification efforts
 - Cooperate with MS to streamline national requirements
 - Cooperate with industry to identify further simplification of administrative procedures and data requirements

Actions by the Commission

Pursue a prompt interconnectivity between the Maritime National Single Windows and the future Customs Data Hub

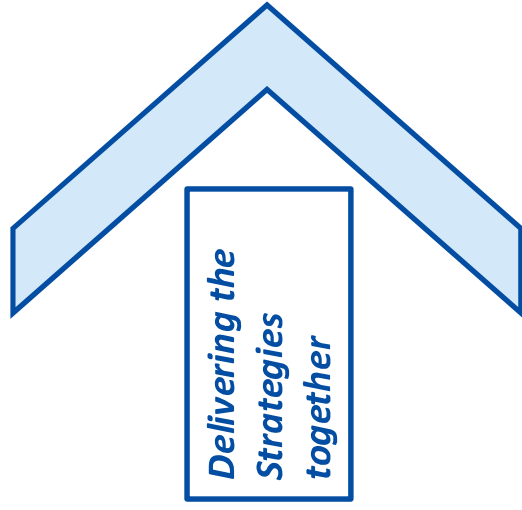
Consult the maritime industry on identifying further simplification of administrative procedures and data requirements

Recommendations to Member States

Complete the implementation of the EMSWe Regulation

Work jointly with the Commission towards simplifying and streamlining national and EU reporting requirements

Process & Next Steps: EIMS & EPS



Cooperation with stakeholders

Successful implementation will be based on cooperation with:

- Member States and regional authorities
- Industry and social partners
- Civil society and all interested stakeholders.

Establish a high-level Maritime Industries and Ports Board chaired by the responsible Commissioner and EVPs to have a continued exchange on the implementation of the actions outlined in the EU industrial Maritime & Ports strategy.

Coffee break

5. Rules of Origin: EU – India FTA

Planning

- Negotiations on Rules of Origin concluded on Friday 9 January
- Whole FTA formally concluded on 27th January in India
- Legal scrubbing ongoing: completion in July 2026
- Application of the FTA: objective is early 2027

Section A – Rules of Origin

- Mostly standard text ('absorption principle' is included)
- Bilateral cumulation
- Divergences to standard EU practice:
 - Wholly Obtained products:
 - 'Vessels conditions': chartered vessels is possible if vessel is chartered by a national of India or a Member State of the European Union or a legal person who fulfils the ownership condition
 - waste and scrap excluding precious metals
 - Tolerance: standard, but for Chapters 1 to 8 and chapters 10 and 13: max 5 % of the weight of the product (instead of 10% usually)
 - Sets: non-originating component of max 10% of the value of the set

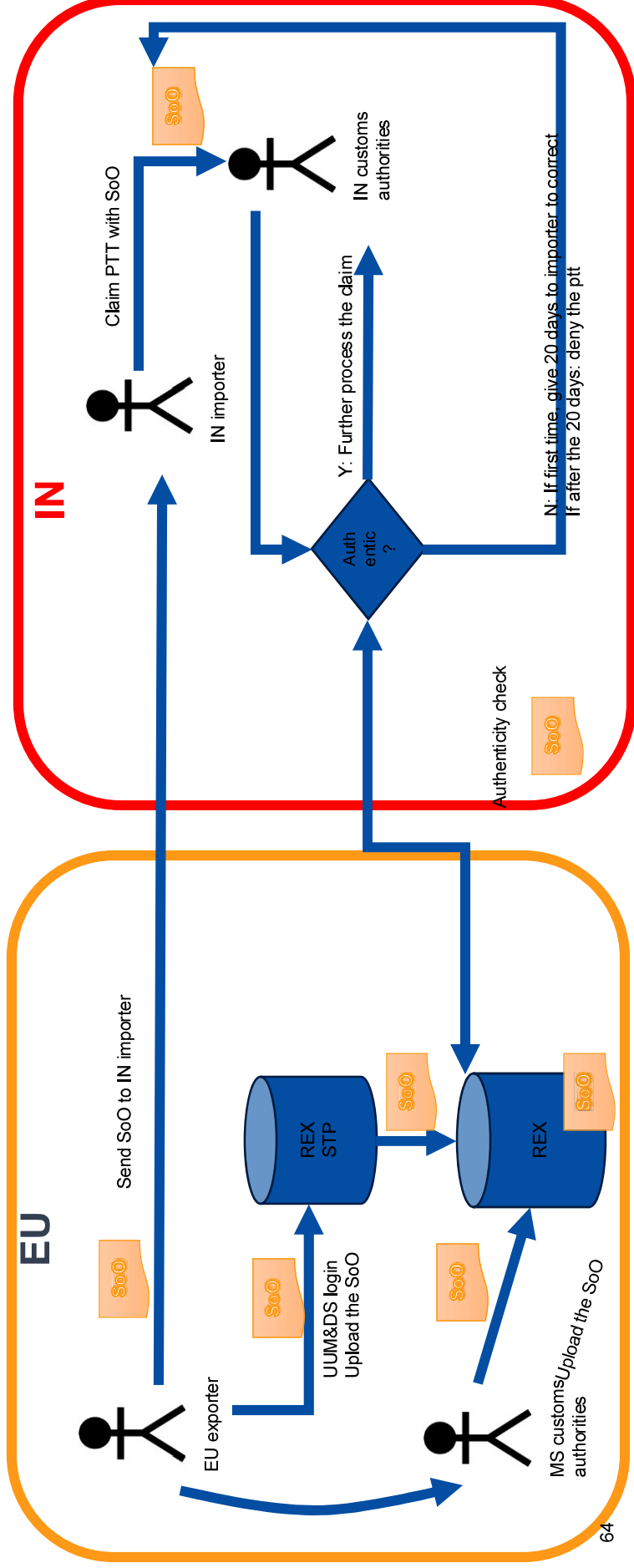
Section B – Procedures - Claim

- Claim for preferential tariff treatment on the basis of a statement on origin made out by the exporter in the exporting Party (self-certification)
 - In the EU: REX number
 - In India: IEC (Importer Exporter Code)
- In the EU, claim on the basis of Importer's Knowledge
- Retrospective claim possible (limit of 1 year in India)
- India will amend CAROTAR for the EU:
 - The Indian importer will not be obliged to provide more information than the statement on origin
 - The EU exporter may still share more information with the Indian importer if he agrees (as in all other EU FTAs).

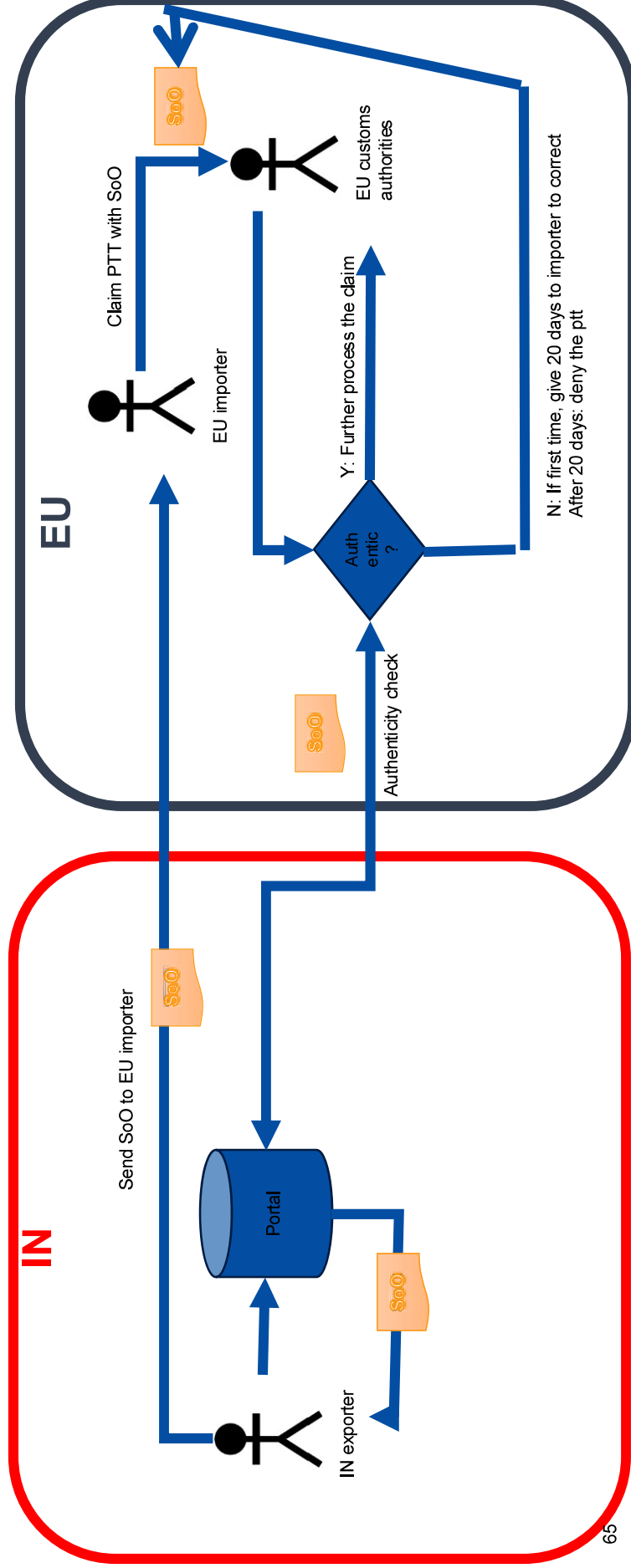
Section B – Procedures – Authentication

- The 2 Parties will put in place an authentication mechanism allowing the importing Party to verify authenticity of a SoO.
- If the importing Party is not able to confirm the authenticity of a statement on origin, the importer has 20 days to regularize the situation before preference is denied.
- In the EU:
 - New system will be an evolution of the REX system and the REX Trader Portal
 - System should be ready around Nov 2026 for presentation and training to stakeholders (Business and Customs)

Authentication mechanism: EU exports



Authentication mechanism: IN exports (EU imports)



Section B – Procedures – Statement on Origin

- On a separate document
- Accompanied by an invoice or any other commercial document describing the products
- In English except the statement itself which may be indicated in all EU languages
- 12-month validity
- Exporter identification number is mandatory (no 6000€ threshold)
- One SoO per consignment (not SoO for multiple shipments)
- No signature

Statement on origin

Free Trade Agreement between the European Union and India

1. Unique identification number of the statement on origin (1): _____

2. Exporter details Name: Reference number (2): Address: Telephone Number (optional): E-mail Address (optional):		3. Importer details (optional) Name: Address: Telephone Number (optional): E-mail Address (optional):		
4. Invoice number or any other commercial document (3), and date	5. Description of the Product(s) or Item Number in the Invoice or other commercial document (4)	6. HS Tariff Classification (5)	7. Origin criterion (6)	8. Application of Article 2(2) (7)
9. Declaration of the exporter (8) The exporter of the products covered by this document declares that these products are of (9) origin				
10. Place and Date				

Section B – Procedures – Verification

- 1st step: first verification with the importer (no obligation to provide more than the SoO)
- 2nd step: administrative cooperation
 - Customs authorities of the exporting Party may not share confidential information with the importing Party
 - Deadline to respond: 7 months (shorted than usually)
- No direct contact between the importing Party's customs and the exporter
- If the importing Party does not follow the opinion of the exporting Party, it may not deny the preference without consultation

Product Specific Rules – VA calculation

2 methods of calculation (idem EU-Japan EPA):

- Maximum value of non-originating materials based on ex-works prices
- Minimum qualifying value content based on FOB
- Differential between the two methods: 5 %

$$\frac{VNM}{EXW} * 100 \leq MaxNOM (EXW) (\%)$$

$$QVC(FOB) (\%) \leq \frac{FOB - VNM}{FOB} * 100$$

Product Specific Rules – AGRI/FISH - PAPs

- AGRI/PAPs (chapters 1 to 24): EU standard rules except, in particular, more flexible rules regarding the limit on non-originating milk in processed agricultural products (CAOBISCO products), and a lower tolerance for some basic agricultural products. Blending Irish whiskey will be allowed.
- Fish (chapters 3 and 16): EU standard rules with the exceptions of a quota allowing a limited portion of India's shrimp exports to benefit from a derogation.

Product Specific Rules – Chemicals

- Chemical products (chapters 28 to 39): the rules were agreed on the basis of EU standard rules rather than the complex combined rules initially requested by India. For all chemical products, with the exception of a very limited number, the agreed rules are :
 - Change of classification rule : CTSH; or
 - Value added rule : 55% MAXNOM (EXW) (5% more flexible than EU standard); or
 - Processing rules : 3 key alternative processing rules : chemical reaction, biotechnological process, and isomer separation.

Product Specific Rules – Wood,... - Textile

- Wood/pulp and paper (chapters 44, 47, and 48): agreement on the main rule applied by EU operators: change of classification rules (CTH or CC), with value added rules as alternative for some products.
- Textiles and clothing (chapters 50 to 63): EU standard rules for both fabrics and clothing (double transformation rule for clothing).

Product Specific Rules – Metals

- Ferrous metals (chapters 72 and 73) : the requirement of “melt and pour“ has been agreed for the products covered by the EU steel measures but not for the articles of iron and steel (EU rules)
- Non-ferrous metals (chapters 74 to 81): EU standard rules with the exception of a derogation quota for aluminum articles for both Indian and EU exporters, which reflects historical trade patterns.

Product Specific Rules – Machinery and electronics

- chapters 84, 85

84.09	CTH; or MaxNOM 50 % (EXW); or Min QVC 55 % (FOB).
84.10	CTH; or MaxNOM 50 % (EXW); or Min QVC 55 % (FOB); or CTSH and MaxNOM 55 % (EXW); or CTSH and Min QVC 50 % (FOB). ⁴⁵
84.11	CTH; or MaxNOM 55 % (EXW); or Min QVC 50 % (FOB).

⁴⁵ For the period of 7,5 years from the entry into force of this Agreement alternative product-specific rules of origin apply, as specified in Annex XXXX

Product Specific Rules – Cars and batteries

8507	<u>Transitional rules (10 years from the EIF)</u>	<u>Permanent rules</u>
<ul style="list-style-type: none"> - Batteries modules and "batteries packs", of a kind used as the primary source of electrical power for propulsion of vehicles of headings 87.01, 87.02, 87.03 and 87.04 	<p>CTSH; or assembly of battery packs; or 70% MaxNOM (EXW)</p>	<p>CTH; or 40% MaxNOM (EXW);</p>
<ul style="list-style-type: none"> - Batteries cells and parts 	<p>CTH; or 70% MaxNOM (EXW)</p>	<p>CTH; or 50% MaxNOM (EXW)</p>
<p>8701 – 8705</p>		
<ul style="list-style-type: none"> - BEVs; - "plug-in hybrid"; 	<p>55 % MaxNOM (EXW)</p>	<p>50 % MaxNOM (EXW)</p>
<ul style="list-style-type: none"> - ICE; - mild hybrid 	<p>50 % MaxNOM (EXW)</p>	

6. Study on Special Procedures

Study on the implementation and simplification of the customs warehousing, specific use and processing customs procedures

Trade Contact Group

19 March 2026



syntesia
POLICY & ECONOMICS



Center for Social
and Economic Research

Agenda



1 The study

2 Approach and methodology

3 Implementation questionnaire

4 In-depth interviews and case studies

5 Survey of economic operators

6 Questions and discussion

The study



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Study purpose and scope

- ▶ The study will focus on 5 special procedures that have never been fully assessed:
 - ▶ **Insight sought about what works well - economic rationale and benefits, good practice examples etc.**
 - ▶ **And less well - admin burdens, abuse, fraud...**
- ▶ **Two-fold purpose of the study:**
 - 1. Backward-looking: assess the implementation and impacts of the selected special procedures**
 - 2. Forward-looking: identify potential simplifications and improvements, and likely impacts of these**
- ▶ **Overall aim is to provide evidence for policy-making and actionable insight for the Commission and MS**
- ▶ **Scope includes all legislative, technical and procedural aspects, as well as relevant sectoral**

Procedure	Core objective
Customs warehousing	Hold non-Union goods under customs control
Temporary admission	Bring in goods for short, permitted use
End-use	Preferential duty tied to prescribed final use
Inward processing	Process non-Union inputs in the EU
Outward processing	Process Union goods outside the EU, re-import results

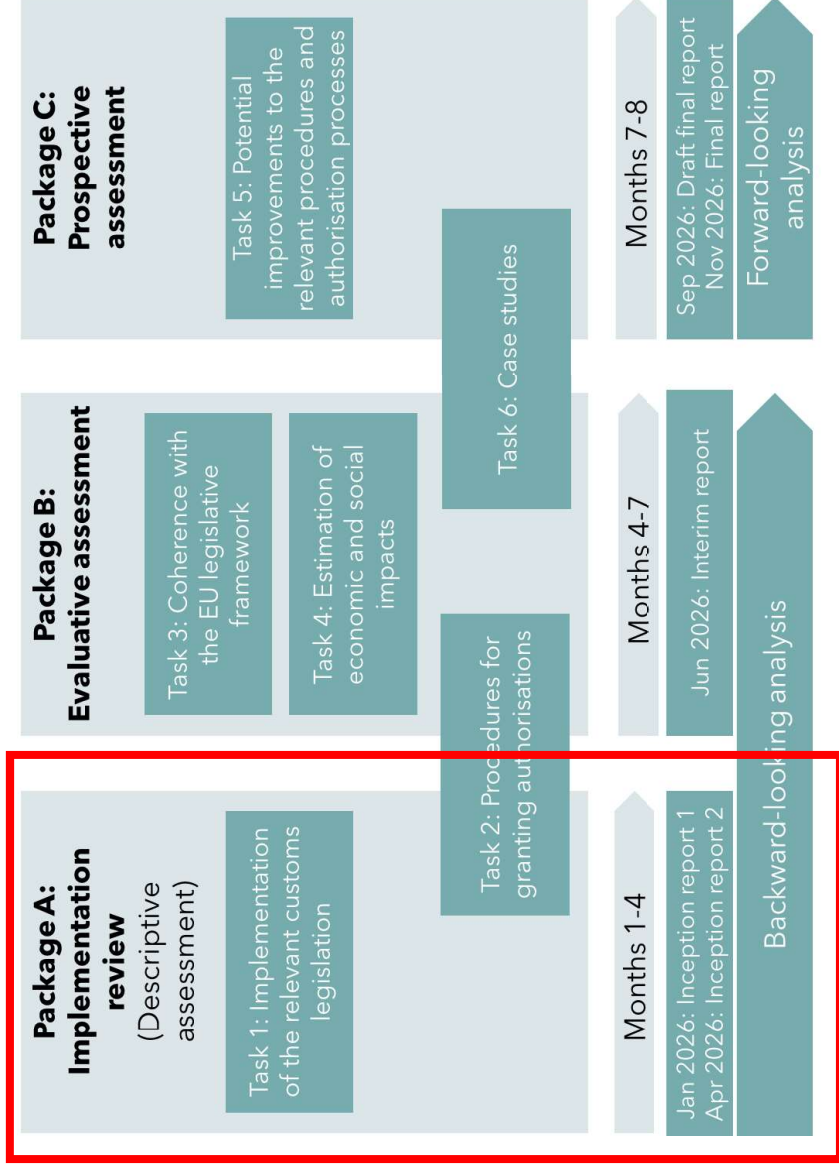
Overall approach



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Overall approach to the study

- ▶ The study will perform 6 tasks, taking a sequential, cumulative structure
- ▶ Package A is the implementation review, a comprehensive mapping of current practices that will:
 - Provide a clear evidence base on national implementation and application
 - Identify limited number of issues for investigation in Packages B and C
- ▶ Targeted and streamlined data collection will:
 - Maximise added value of each step and avoid duplication



Methodology and support needed from the trade community

- ▶ **The study will draw on specialised methods to provide a full and robust assessment**
- ▶ **Focus on both process and quantifying impacts**
- ▶ **Customs authorities and EOs will be consulted in several ways**
- ▶ **Your support is crucial to the study's success**
- ▶ **We need help at two stages:**
 - 1. Imminently: the implementation questionnaire**
 - 2. Later in the spring:**
 - **Help identify interviewees**
 - **Participate in interviews on specific topics**

Type	Method	Will contribute to Task(s)...					
		Task 1	Task 2	Task 3	Task 4	Task 5	Task 6
Data collection	Desk research	✓	✓	✓	✓	✓	✓
	Implementation and application questionnaire	✓	✓				
	Survey of economic operators	✓	✓	✓	✓		
	Interviews with key stakeholders	✓	✓	✓	✓	✓	✓
Data analysis	Case studies			✓	✓	✓	✓
	Standard Cost Model		✓		✓		
	Econometric modelling				✓		
	Cross-cutting analysis and reporting activities	✓	✓	✓	✓	✓	✓

Implementation questionnaire



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Implementation questionnaire

Purpose

- ▶ The questionnaire is the main source of evidence on how the special procedures are actually implemented
- ▶ Overall, the questionnaire will gather input in three key areas:
 - ▶ Understand the prevalence of each type of procedure across different sectors
 - ▶ Identify challenges and inconsistencies
 - ▶ Gain initial insights about impacts
- ▶ Extended version for customs authorities will map implementation and practical application of the special procedures

Why we need help from the TCG

- ▶ Existing insight is limited on traders' experience with the special procedures
- ▶ Your input will:
 - ▶ Feed directly into the assessment of practical implementation
 - ▶ Identify issues of interest and concern for in-depth interviews and case studies in the next phase of the study
 - ▶ Help determine areas where clarifications and simplifications may be required

Structure of the questionnaire

- ▶ **The questionnaire in a Word file - allowing it to be shared and collaborated on within organisations and with members**
- ▶ **Two horizontal sections:**
 - ▶ **Prevalence of use**
 - ▶ **Overall views and conclusions**
- ▶ **Five procedure-specific sections, focusing on:**
 - ▶ **Experiences of the sector/members with practical implementation and application of the procedures in question**

#	Section
0	Introduction
1	Prevalence of use
2	Customs warehousing
3	Temporary admission
4	End-use
5	Inward processing
6	Outward processing
7	Overall views and conclusions

Questionnaire design

- ▶ Procedure-specific sections follow a similar structure, to make it easier to complete the questions
- ▶ Questions focus on challenges, impacts, and practical relevance
- ▶ Wherever possible, close-ended or multiple-choice questions, with answer options provided based on desk research, were used
- ▶ Open-response questions included for further details and insights, as well as for you to elaborate on key problems and effects of each procedure
- ▶ Cross-cutting section covering aspects like possible areas of divergence and room for improvement

Section 5 – Inward processing

This part is intended to provide information on the experiences of your sector and members with the implementation and application of **Inward Processing**, and with their effects.

Q5.1. Regarding the special procedure of inward processing: Have your sector and / or members encountered any significant difficulties or challenges in dealing with implementation, application and/or compliance?

Regarding Inward Processing:	None	Minor	Moderate	Major	Don't know
Difficulties with... [Tick one per row]					
Clarity and understanding of regulatory provisions					
Practical use of the procedures in day-to-day operations					
Compliance requirements and customs controls					

What were the main difficulties encountered (if any)? Why did they arise, and what solutions or mitigating measures have you used to tackle them?

Section 7 – Overall views and conclusions

Considering your overall experiences of the five special procedures in the scope of the study, please note your agreement or disagreement with the following statements about **aspects their rationale and implementation**. [Tick one per row]

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
The legal provisions on the special procedures in the UCC and its Delegated and Implementing Acts are clear and understandable						

Process



In terms of the process:

- ▶ **On 4 March, you received an email from DG TAXUD with the questionnaire in Word format**
- ▶ **If feasible, we would kindly ask each TCG member to coordinate with its members and return one completed questionnaire**
- ▶ **The deadline for completion is 10 April**
- ▶ **During this period, the study team is available to support you by providing hands-on support or clarification via email or call**
- ▶ **In case of practical problems in completing the questionnaire, we remain ready to discuss and find suitable solutions**

In-depth interviews and case studies



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In-depth interviews and case studies

Purpose of interviews

- ▶ In-depth interviews will build on the questionnaire and inform both the assessment of special procedures (Package B) and potential future improvements (Package C) by providing deeper insight into specific issues:
 - ▶ Explore challenges and practical experiences further
 - ▶ Examine specific topics or use cases in greater detail
 - ▶ Perspectives on implementation impacts in specific sectors
 - ▶ Help identify good practices and areas for simplification

How the TCG can support this work

- ▶ We would particularly welcome support in:
 - ▶ Identifying interviewees → Identifying relevant companies and experts with practical experience on specific procedures or issues
 - ▶ Participating in interviews → Taking part in interviews to share concrete experiences and insights from your sector
- ▶ Timing: Interviews are planned between May and early summer 2026

In-depth interviews and case studies

Purpose of case studies

- ▶ **Case studies will provide an in-depth analysis of selected issues, supporting all aspects of the study:**
 - ▶ **Focus on specific aspects where challenges, inefficiencies or inconsistencies arise**
 - ▶ **Provide concrete examples, good practices and insights**
 - ▶ **Support robust conclusions and potential recommendations**

Approach

- ▶ **We envisage 8 to 10 case studies**
- ▶ **Focus on a limited number of priority topics and specific aspects of the procedures where issues arise**
- ▶ **Combine evidence from desk research, interviews and other data sources**
- ▶ **Findings will be used to illustrate and strengthen the overall analysis**

Survey of authorisation holders



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Survey of authorisation holders

Purpose and approach

An online survey of economic operators (EOs) authorised for one or more of the special procedures across the EU.

- ▶ **To collect evidence on practical use, benefits, challenges and costs of the procedures**
- ▶ **To complement the questionnaire and interviews by capturing direct feedback from businesses**
- ▶ **Results will support the overall assessment of implementation and identification of areas for simplification**
- ▶ **Envisaged for May 2026, to be distributed as an online survey**

Role of TCG members:

- **While no active role is required, we would be grateful if you could support awareness of the survey where relevant**
- **We may also reach out for support with dissemination if needed**

Questions and discussion



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Questions and discussion



- ▶ Does the approach and methodology make sense?
- ▶ Do you have specific questions about the support needed from the TCG and your members?
 - ▶ The implementation questionnaire
 - ▶ In-depth interviews and case studies
- ▶ Initial feedback on the implementation questionnaire (clarity, feasibility, covered elements)
- ▶ Do you have comments on how the study could support your work and add value for the trade community (e.g. specific issues to focus on, types of impacts to examine, areas of potential simplification)?
- ▶ Any other questions or comments?

Thank you for your attention!

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7. E-commerce

E-commerce PCA



20,040

pieces of toys and small electronics

Cosmetics



5,772
pieces

Personal Protective
Equipment



2,092
pieces

Food supplements



3,474
pieces

E-commerce PCA: non-compliance rates

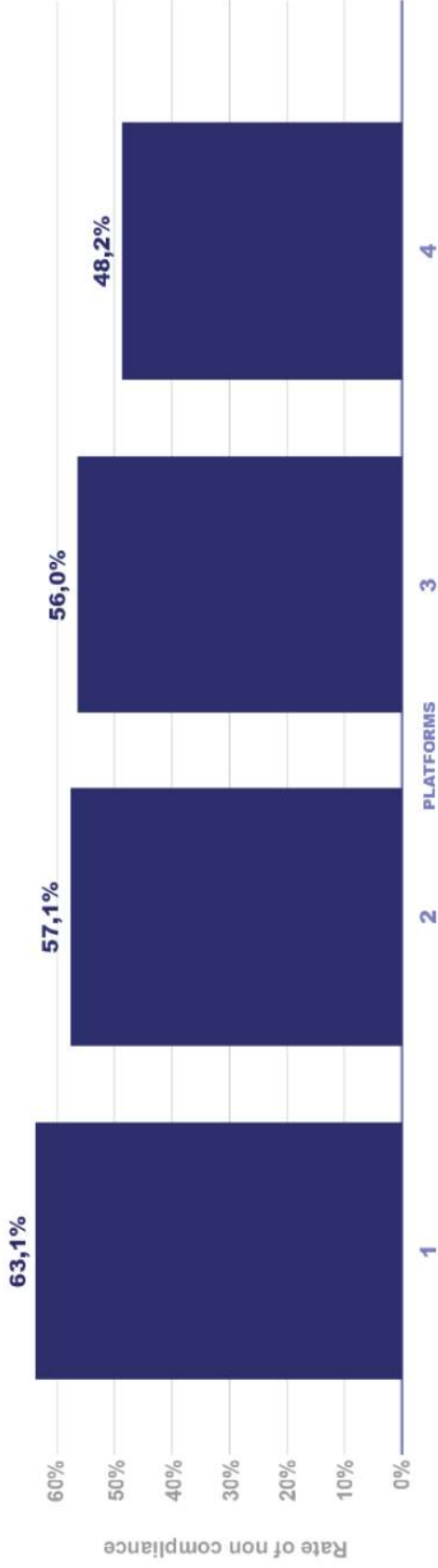


E-commerce PCA: Phase 1

RATE OF NON-COMPLIANCE IDENTIFIED OF MARKETPLACES

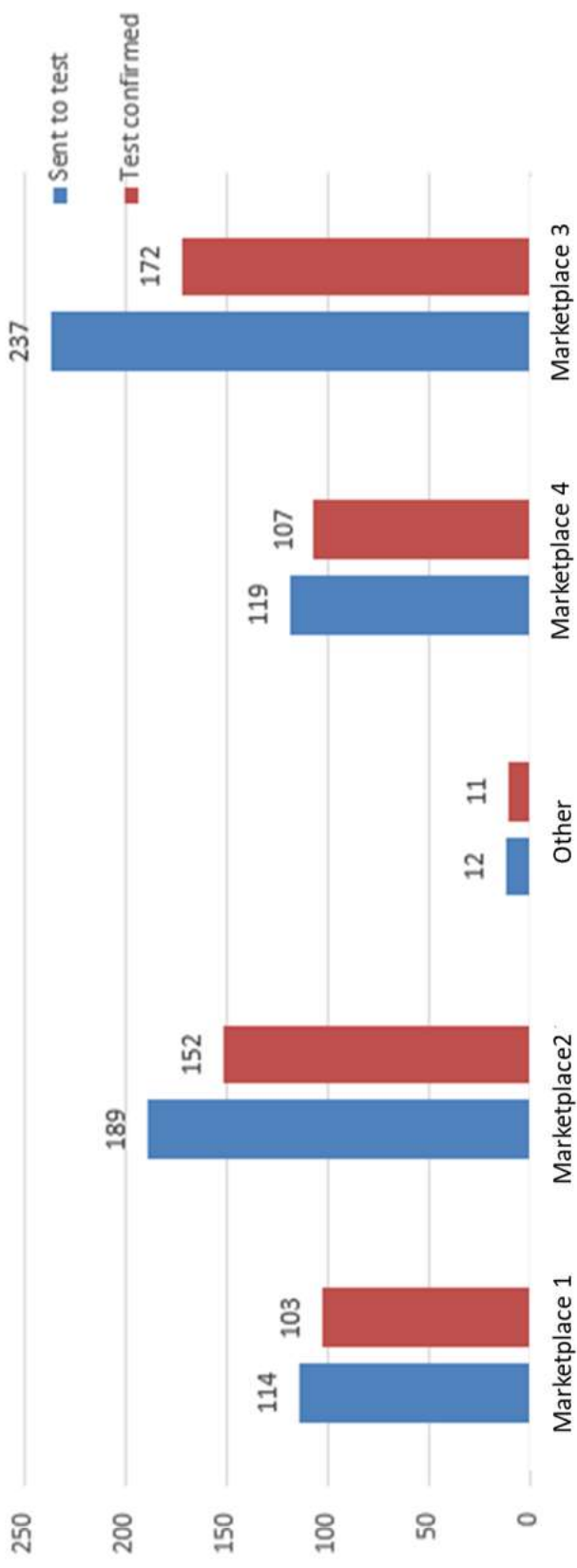
PCA - Toys and small electronics

Rate of non-compliance by marketplace (Toys and small electronics)
April-June 2025



E-commerce PCA: Phase 1 - Laboratory

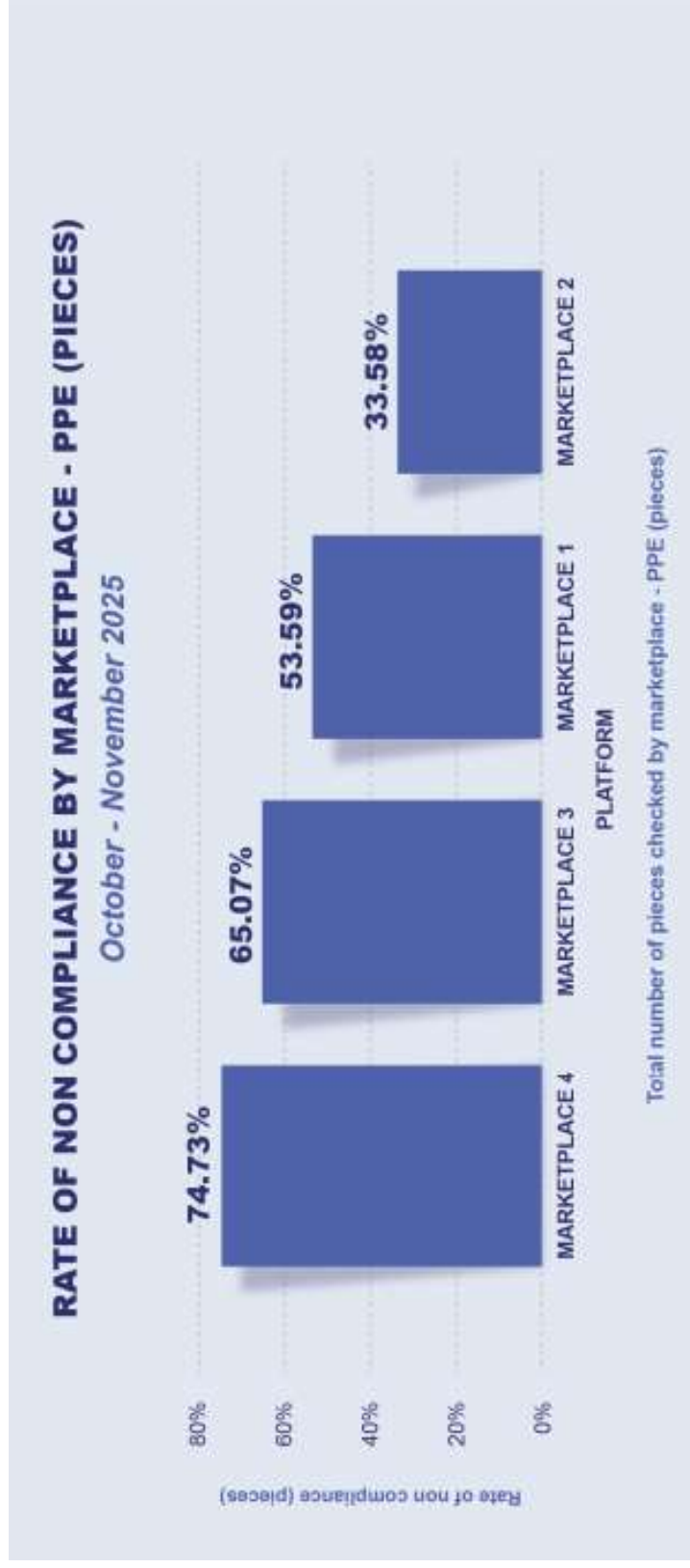
Number of pieces sent to laboratory tests and confirmed dangerous or non compliant per marketplace



E-commerce PCA: Phase 2 - Cosmetics



E-commerce PCA: Phase 2 - PPE



E-commerce PCA: Phase 2 – Food supplements



E-commerce PCA: Publication

- Additional information is available on DG TAXUD's website:
 - [Large scale EU customs control action shows most third-country e-commerce goods do not follow standards - Taxation and Customs Union](#)
 - [Protein powder, sunglasses, moisturiser: what do these products have in common? If you buy them online, they most likely violate EU product standards - Taxation and Customs Union](#)

Practical implementation of the EUR 3 Customs Duty

DG TAXUD A2 – Customs legislation

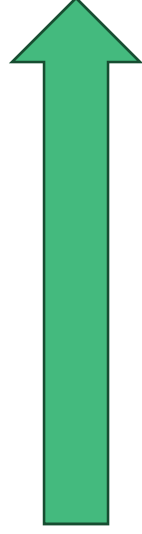


Background

Where we are:

- 14 January 2026: CEG-GEN
- 21 January 2026: Trade Contact Group
- 12 February 2026: CEG-GEN

DA and IA redrafted
NEW APPROACH



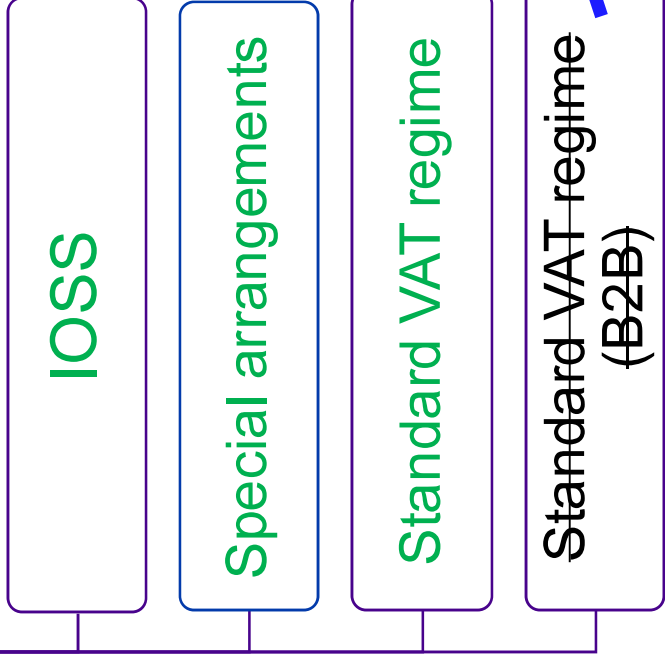
Main comments received

- ✓ Goods subject to **P&R** should be declared in H1
- ✓ Goods currently declared in **H7** should continue to be declared in H7, even where the VAT is paid under the standard procedure
- ✓ The notion of **declarant** should be clarified
- ✓ The **item** shall be clearly defined
- ✓ **Additional information** in declarations should be limited
- ✓ The **reimbursement** of the new EUR 3 duty should be limited

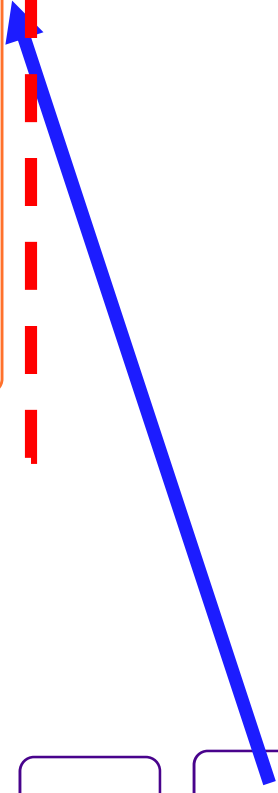
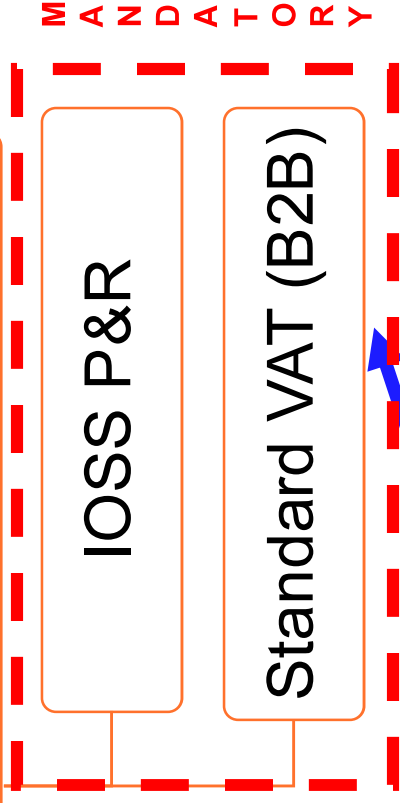


New differentiation between H7/H1 flows

H7



H1
up EUR 150



Definition of goods in postal consignment



WHY ?

- To make sure that **all VAT models**
 - (IOSS, Special arrangements and VAT standard procedure) in **distance sale** of imported goods with a value up to EUR 150
- are **subject to the EUR 3 customs duty**, unless they benefit from preferential measures → To open the possibility for goods that enjoy a preferential tariff treatment pursuant to an international agreement, for instance, customs union with Turkey or international agreements with UK, Japan or Korea to do so.

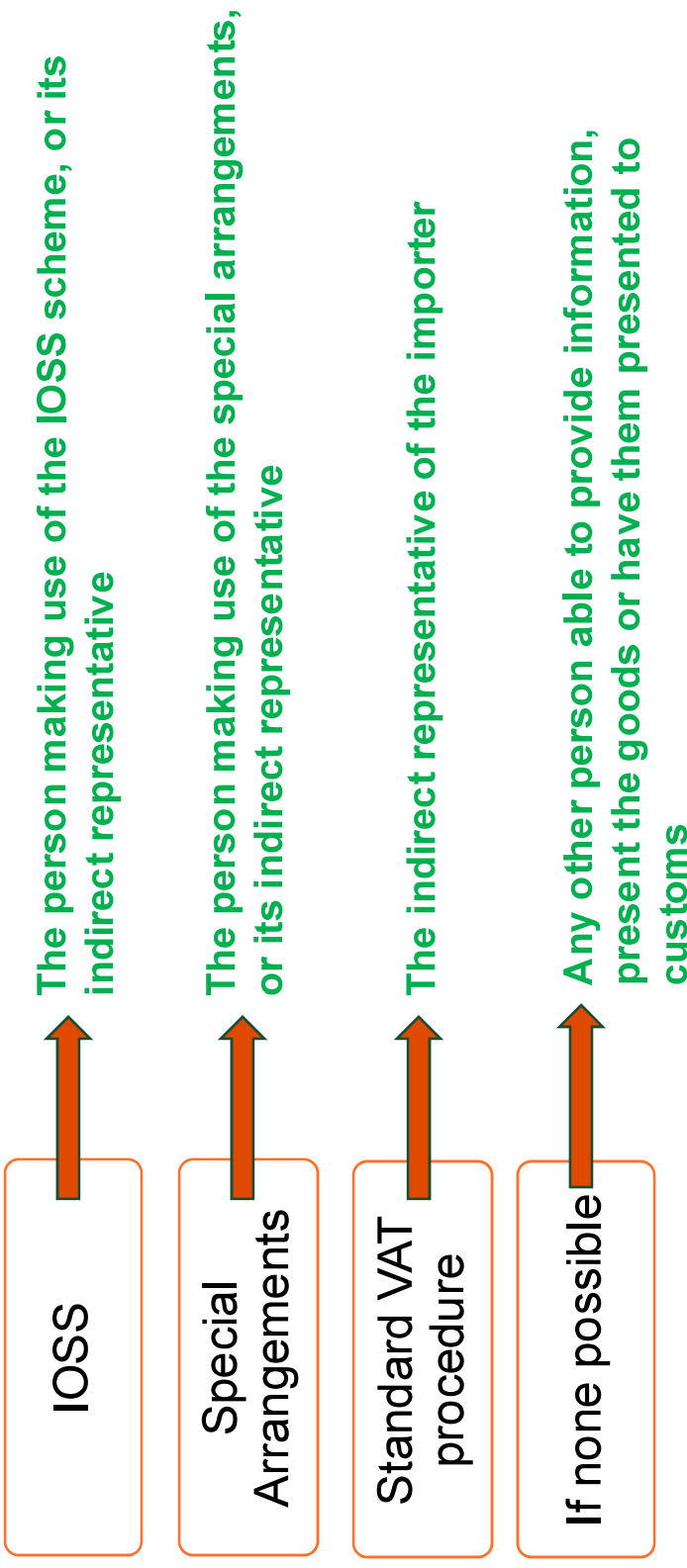


(24) 'goods in postal consignment' means goods in a consignment of an intrinsic value not exceeding EUR 150, sold in distance sales of imported goods, as defined in Article 14(4) point (2) of Directive 2006/112/EC, excluding goods the importation of which is exempt from VAT in accordance with Article 143(1)(ca) of Directive 2006/112/EC, unless they benefit from preferential measures;

Declarant

WHY:

Change in scope of “goods in postal consignments” and clear political mandate by ECOFIN not to charge the consumer



Definition of Item

- Article 1 (58) UCC DA : **new definition introduced**



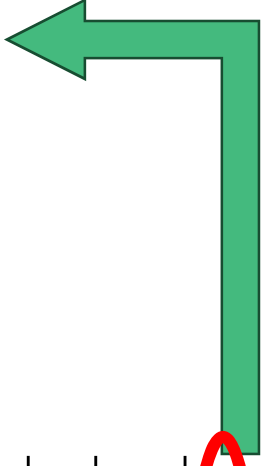
(58) 'item' : means one or more goods in a consignment sharing the same tariff classification, description and, if provided in accordance with the data requirements applicable to the relevant customs declaration or to the data to be provided or made available to the customs authorities, origin;

- In line to the **definition** included in the **customs reform**
- **Articles 222 and 228 UCC- IA:**
 - to clarify the **relation** between item and the declaration, and
 - to exclude the possibility of the **simplification of grouping** items to the one in Article 177 UCC when applying the EUR 3 customs duty.

Calculation EUR 3 customs duty in H1

Code	Description
1	Tariff arrangement erga omnes
2	Generalised System of Preferences (GSP)
3	Tariff preferences other than those mentioned under code 2
4	Customs duties under the provisions of customs union agreements concluded by the European Union
5	Goods subject to the EUR 3 customs duty pursuant to [Legal reference]

NEW tariff preference code '5' in D.E. "14 11 000 000 Preference"
 → connected to TARIC measure
 → **Automated calculation**



Annex B to Commission Implementing Regulation (EU) 2015/2447



Other changes (1)

- **Product Identifier**
 - Revision of the definition of the product identifier
 - To be provided in **H1, H6 and H7** for goods sold in distance sales up to EUR 150
 - Data provisions eliminated: ~~TARIC code / website link~~
- **Returns: eliminate the possibility to invalidate the customs declaration and thus claim an automatic refund for the customs duties due to the return of goods in distance sales, up to EUR 150**, as defined in VAT, **after** their release for free circulation.
 - ➔ **Repayments for defective goods are kept, Article 118(1), (2) UCC**
 - ➔ **Repayments for other goods than goods in distance sales up to EUR 150 are kept Article 148(3) UCC/DA**



Other changes (2)

- **Article 243(5) UCC/IA: results of verification clause**

to empower the customs authorities to apply all the measures related to distance sales where a **verification** shows that there is a **series of sales** and one qualifies as a distance sale (grouping of individual orders).

- **Annex B UCC/IA: new code F53 in ‘additional procedure’**

- to indicate the use of the VAT standard regime for goods sold in distance sales up to EUR 150
- **deletion** of current code ‘C07’ referring to the eliminated Article 23 DRR.

- **Article 221(4) UCC/IA: competent customs office**

updated to require that goods in distance sales continue to be declared in the **Member State of consumption** of the goods to ensure the appropriate VAT calculation, unless the VAT has been collected via IOSS.

8. AOB

Thank you



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Slide 7: Commissioner Gentiloni, Source: EC - Audiovisual Service, Photographer: Christophe Licoppe

Slide 13: Queen singing and Frozen Disney remix, source: youtube.com;



Annex