

REPORT

Of the 7th meeting of the Subgroup on Platforms of the Customs 2020 Project Group on the Import and Export Customs Formalities Related to Low Value Consignments (CPG 146)

(held via WebEx on 24 June 2021)

1. Adoption of the agenda and administrative issues

The chair welcomed the members of the Subgroup on Platforms of the Project Group on Import and Export Customs Formalities related to Low Value Consignments. The agenda was adopted as presented.

COM informed participants that the reorganisation of the current subgroup into a standalone expert group was under internal validation. It expected to have the necessary documents ready before the summer break.

One participant asked to provide an update on the readiness of Member States for the 1 July deadline, as apparently businesses had received conflicting information on this topic.

COM referred to the expert group meeting with all Member States and the TCG one day later where Member States would be able to provide updates. COM confirmed that one MS would not be ready until mid-January 2022, but would have a manual process in place to comply with all the IOSS requirements.

Several participants from the Member States confirmed their readiness. One Member State participant reported that domestic businesses had indicated that they would not use the IOSS system a lot in the first weeks of July but the normal declaration in the old system that would not be able to handle this amount of declarations.

Business participants voiced concerns about the lack of sufficient operational and logistical lead-time to deploy the processes and instruct personnel. They also asked for fall-back procedures and contingency planning.

COM took note of the concerns, and indicated that if anything could be done at this stage to allay the concerns, they would inform the group.

2. Presentation of the updated use case templates and discussion

COM introduced this item by thanking the facilitators and participants of the three mini groups that had further updated the three use cases since the last meeting and invited the coordinators to guide the group through the use cases.

a. IOSS use case

The facilitators of mini group 1 stated that the use case was not final as a number of comments still needed to be discussed.

One participant stressed that the basis of the pilots should be a MoU between the customs administration and the businesses involved in order to have a clear structure and description of the goals of the pilot. COM agreed about the MoU for which a structured framework should be provided by COM and offered to prepare a draft template for the next meeting.

Participants came back to the topic of the matching key that had already been discussed in the previous meetings. There were divergent views, market place participants were in favour of their market place identifier, whereas logistic providers were in favour of the transport document number.

COM suggested that some of the pilots could test the transport document number as matching key, others the market place identifier.

Participants agreed to merge activities 2 and 3, and rename the new activity “double taxation”

Regarding Activity 4 COM stated that there was an overlap with use case 2, namely the activity on undervaluation where the issue of second hand or refurbished items would be addressed. However, COM suggested keeping this activity in use case 1 in alignment with use case 2 in order to be able to compare the results. One participant said that it was impossible to have an undervaluation in IOSS, to which COM responded that in the last FISCALIS workshop organised in relation to the study on the VAT in the Digital Age, there were many concerns reported. There was a need to prove that this was not the case.

Regarding the roles of secondary actors in the use case COM reiterated that as an alternative the postal operator or the express operators could provide the data to customs instead of a direct reporting by the platforms.

One Member State participant informed the group that cooperation between its domestic postal operator and one platform has ended due to an incompatibility with IOSS requirements. The platform participant in question regretted that this form of cooperation had to end but hoped that it could be revisited in the future.

Regarding the data elements to be used the facilitators of the mini group said that some of them would have to be re-considered, based on the comments by the participants.

COM suggested keeping the current list for the time being, when streamlining the activities the list could be re-considered.

Participants of the subgroup requested COM to finalise the use case 1 as some of the decisions should be taken by COM.

COM agreed and stated that it intended wrapping up the discussion on the use cases in the September 2021 meeting, in order to be able to focus on the operational side of the pilot.

b. Non-IOSS use case

While presenting the updated use case the facilitator of mini group 2 brought up the issue (relevant for all three use cases) about the timing of the data transmission and matching by customs, whether it would be pre-clearance, at the time of clearance, or post-clearance.

COM confirmed that at the beginning of the pilot real time data transmission was not realistic. Therefore, post clearance checks could be an option for the initial phase in order not to block the flow of goods.

One platform participant asked about the form of data exchange and whether any IT developments were needed on the side of the platforms.

COM confirmed that the expectations in this respect for the initial phase were very low. COM would not impose any requirements for any IT developments either on MS or on the platform side. This very important question should be addressed during the practical preparation of the pilot and the approach would depend on the capacities and capabilities of both the MS and the platform in question.

c. Non-Financial Risks /IPR use case

The facilitator of mini group 3 and COM presented the update of the use case on IPR infringing goods. They reiterated that the main goal of this use case was to assess if the data from platforms could help detect IPR infringing shipments and potentially dangerous goods and to improve the practical cooperation between customs and platforms. This would result in platforms being safe havens for consumers to protect them from ordering counterfeit or forbidden goods.

One participant representing an express operator said while IPR shipments were a key concern for express operators they had no possibility to distinguish a counterfeit from a real product. Sometimes even a physical inspection couldn't identify a counterfeit and the involvement of the rights holder (brand holder) was needed to determine whether the product was real or fake. Although they had no means of controlling IPR as a declarant they were jointly responsible (depending on the type of representation). Cooperation with the customs at the place of origin should be the most effective way to stop IPR at the source.

COM confirmed that it was the rights holder who had to determine if goods were genuine or not. The objective of the data exchange with platforms was that customs would know of suspicious consignments in advance in order to conduct more targeted physical inspections.

Conclusion of the meeting

COM thanked all participants for their contributions.

COM will update use case 1, whilst the other use cases were quite stable. The next meeting on 15 September 2021 will focus on operational aspects of the pilot, including the template on MoU.

COM wished participants the best of success for the start of the IOSS in the following week, and a relaxing and healthy summer break.
