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**ROAD FREIGHT TRANSPORT BREXIT CHECKLIST****IRU checklist on how to bridge the regulatory gap post Brexit for the road transport industry****I. PROPOSED IRU CHECKLIST****1. Transition****Issue**

Strong trade-focused negotiations are expected for the post-Brexit settlement. However, the negotiations are also expected to cover other domains such as customs, transport, security, and financial services.

**IRU position**

Considering the complexity and thus possible length of trade-related negotiations and in order to avoid challenges during the negotiation periods for both the withdrawal agreement and post-Brexit settlement, the negotiating parties need to agree as soon as possible on a comprehensive transition regime that would safeguard the status quo for a sufficient time during which the full EU *acquis communautaire* will be applied. Such an agreement should be communicated to industry in due course in order to allow businesses to prepare properly.

**2. Access to the profession/market****a) Establishment and transport managers****Issue**

According to articles 3 (1) (a) and 4 of the Regulation (EC) No 1071/2009, an undertaking needs to have an effective and stable establishment in the EU in order to engage in road transport operations in the EU and it must have a transport manager that is an EU resident. Post Brexit, a UK-based and an EU-based haulier would no longer fulfil that criteria which would enable them to operate in the respective target market.

**IRU position**

The EU criteria for access to the profession and the respective UK equivalent should be mutually recognised under any type of EU-UK post-Brexit settlement. Therefore, undertakings established in the EU and UK and wanting to operate as professional road hauliers in the EU or UK markets should be able to do so provided that they meet the following four requirements:

- established good repute in the industry
- appropriate financial standing
- proven professional competence
- effective and stable establishment in either the UK or the EU.

The criteria of the country of establishment of the haulier shall prevail over the criteria of other EU Member States and the UK post Brexit. The reason for this is that some of the EU Member States request today more burdensome or less demanding criteria concerning the requirement of good repute.

Therefore, it is absolutely key that the UK and EU mutually accept and recognise each other's criteria in this respect.

In 2016, around eight million freight units were moved between the UK and the EU 27, and over 12 million passengers transited through the port of Dover alone. Furthermore, the UK is the second most important trade and economic partner of the EU after the US and ahead of China. Since road transport significantly enables trade between the UK and the EU, such treatment is justified and it further supports economic realities. The respective legal basis could be embedded either inside a comprehensive road transport agreement between the UK and the EU, or in an EU-UK free trade agreement.

b) Cross-border international road haulage

**Issue**

According to Regulation (EC) No 1072/2009, the international carriage of goods in the EU is subject to the possession of a Community Licence. These Community Licences can only be issued by the competent authorities in the EU, of which the UK will no longer be a part, post Brexit. Hence Community Licences would no longer be valid in the UK and therefore cross-market operations would no longer be permissible.

**IRU position**

The international carriage of goods by road for hire or reward between the UK and the EU should take place under the community licencing system laid down in EU regulation 1072/2009 and under a similar British authorisation for UK based carriers that could be developed during the transition period. Once developed, the EU and the UK shall mutually recognise each other's licencing systems, subject to the fact that they have been developed according to comparable criteria and standards. There should be no restrictions on the movements of trucks for own-account purposes (whether internationally or domestically).

c) Cabotage

**Issue**

Transport between two points situated on the territory of an individual Member State of the EU by a UK-registered haulier and transport between two points situated on the territory of the UK by a vehicle registered in a Member State of the EU are not authorised under a post-Brexit land transport agreement.

**IRU position**

Any sort of regulation concerning road freight cabotage should be laid down in an EU-UK post Brexit settlement and not in individual bilateral agreements between the UK and the EU 27. Such a regulation should foresee the possibility to derogate from the generally established rules under well defined circumstances such as is currently the case for the vehicle logistics industry in the UK.

**3. Certificates and driving licences**

a) Driving licence

**Issue**

Within the EU, driving licences are recognised between EU Member States according to EU Directive 2006/126/EC.

**IRU position**

Post Brexit, a UK driving licence shall be recognised in the EU and vice versa. Such mutual recognition shall be laid down either in a land transport agreement between the UK and the EU or ensured through the accession of the UK to the Vienna Convention on Road Traffic of 1968. Being a signatory of the aforementioned convention is also important, because it regulates the mutual acceptance of foreign registered vehicles.

b) Certificate of professional competence for road transport managers and operators

**Issue**

According to articles 3, 4, and 8 of EU Regulation (EC) No 1071/2009, natural persons engaged as road transport operators in the EU and transport managers employed by an undertaking engaged in road transport operations must hold a certificate of professional competence issued by a competent authority within an EU Member State. Certificates issued by UK authorities will therefore no longer be valid post Brexit.

## **IRU position**

EU and UK certificates of professional competence for road transport managers and operators shall be mutually recognised post Brexit.

### **4. Customs**

#### **a) Authorised Economic Operator (AEO)**

##### **Issue**

Within the EU, there is one AEO scheme to which UK operators will no longer be able to participate in post Brexit. Therefore, authorisations granting the status of Authorised Economic Operator (AEO) and other authorisations for customs simplifications, issued by the customs authorities of the United Kingdom, will no longer be valid in the customs territory of the EU and vice versa.

##### **IRU position**

The EU and the UK government should conclude and implement a Mutual Recognition Agreement (MRA) that ensures the mutual recognition of

- EU AEOs in the UK, and
- UK AEOs in the EU

Furthermore, it is important to mention that AEO schemes shall remain voluntary in the EU and the UK post Brexit.

#### **b) Transit**

##### **Issue**

The UK government has outlined several times that it would like to leave the EU Customs Union.

##### **IRU position**

Transit needs to be facilitated. For example, Irish-EU traffic should be permitted without hindrance through the UK, and UK traffic to or from all intermediate EU states should similarly be unrestricted.

In order to ensure that transit movements are as smooth as possible, IRU urges the UK and the EU government to agree to keep the UK as a member of the New Computerised Transit System (NCTS). This system is based on electronic declarations and processing, which will help to provide good management and control of the transit of goods within the system. Alongside the NCTS, international tools on transit, notably the UN TIR system, shall apply.

Furthermore, IRU calls for a deregulation of the international carriage of goods for hire or reward and for own-account as well as movements of empty vehicles in transit across the territories of the EU and the UK.

### **5. Other**

##### **Issue**

The EU law regulating weights and dimensions (Directive (EU) 2015/719, which amends Directive 96/53/EC), and the Council Directive 94/74/EC, amending Directive 92/12/EEC, on the general arrangements for products subject to excise duty and on the holding, movement, and monitoring of such products, are of high importance for the industry. Both directives will cease to apply for UK-EU transport movements post Brexit. The latter is problematic because a haulier could potentially risk paying excise duties on fuel twice, notably when the truck enters the territory of the UK coming from an EU Member State.

##### **IRU position**

It is of utmost importance that the content of both laws becomes part of a comprehensive EU-UK land transport agreement post Brexit.

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