

# Position

## Roadmap: Customs Union Action Plan

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### Feedback

We appreciate the opportunity to provide feedback on the Roadmap “Taking the Customs Union to the next level“. First, we would like to express our content to DG TAXUD with the roadmap and its focus on customs risk management and the objective of an EU Level-Playing Field. In order to turn the roadmap into a long-term customs union strategy Bitkom, Germany’s leading digital association representing more than 2,700 companies of the digital economy, would like to emphasize the following points with regards to 1) the risk-based customs management and 2) the necessary EU level playing field.

#### 1. Risk-based Customs Management

- Capacity for risk-based customs management using digital tools: Customs authorities need to be able to perform targeted risk-based customs Management. Importers and Exporters already provide enough data to allow risk-based analysis. Customs authorities need to be enabled to use these data for state-of-the-art risk-based and smart analysis. To this end, the IT infrastructure needs to be improved allowing risk-based approach for inspections and regulatory audits. In addition, staff at customs authorities need to be properly trained risk-based data analysis.
- Facilitation of risk-based customs management via company risk profiles: Customs authorities should establish practice oriented company risk profiles, from low to high, considering among others following parameters: majority of the imported goods are duty free (zero rated); legal form of a company is a corporation (saving of import duties does not increase the income of their legal representatives); company does not deal with excise goods; company has implemented a Customs (and Export Control) related customs internal control program; company does participate in security initiatives.
- Transparent customs controls: Customs authorities should define nature and frequency of customs controls according to company’s risk profile. In some cases at the moment, customs authorities repeatedly conduct inspections of the same kind of shipments (same goods) though there were no prior findings.

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- Trade facilitation to low risk companies: Companies with low risk profiles should be eligible for tangible benefits such as simplified procedures and simplified declarations with less data. Also, since the majority of the shipments are repetitive, import and export-declaration should be submitted on monthly basis instead of transaction based declarations. Trusted traders with proper Internal Control Programs should be exempted from transaction based regulatory audits. Instead, the ICP shall be controlled regularly.
- Better coordination to avoid redundant audits: Audits conducted by the Federal Office of Civil Aviation is partially redundant with the AEO audit conducted by customs authorities.

**2. Necessary EU Level-Playing Field**

- Harmonize the treatment of AEOs within the EU: Currently AEOs are treated differently by national customs authorities, for examples regarding pertaining inspections or AEO-benefits. There should be an equal level playing field within the EU.
- Harmonize treatment of traders within the EU: With regards to regulatory audits and customs declaration topics like goods description or document coding, German companies are faced with stricter interpretation leading to more bureaucratic workload than in other EU countries. There should be an equal level playing field within the EU for all traders.

Bitkom remains at your disposal to discuss our recommendations in depth.

Bitkom represents more than 2,700 companies of the digital economy, including 2,000 direct members. Through IT- and communication services alone, our members generate a domestic annual turnover of 190 billion Euros, including 50 billion Euros in exports. The members of Bitkom employ more than 2 million people in Germany. Among these members are 1,000 small and medium-sized businesses, over 500 startups and almost all global players. They offer a wide range of software technologies, IT-services, and telecommunications or internet services, produce hardware and consumer electronics, operate in the digital media sector or are in other ways affiliated with the digital economy. 80 percent of the members' headquarters are located in Germany with an additional 8 percent both in the EU and the USA, as well as 4 percent in other regions of the world. Bitkom promotes the digital transformation of the German economy, as well as of German society at large, enabling citizens to benefit from digitalisation. A strong European digital policy and a fully integrated digital single market are at the heart of Bitkom's concerns, as well as establishing Germany as a key driver of digital change in Europe and globally.