

## Position Paper

July 2008

### **AEA comments on art. 793 CCIP– single transport contract**

In preparation of the upcoming Commission's publication of the preliminary draft of the implementing provisions (IP) of the modernised Customs Code (MCC), AEA welcomes the opportunity to state its general support for the modernisation and simplification of the Customs Code as well as its recent adoption in the 2<sup>nd</sup> reading. AEA has continuously been committed to constructively contribute to the debate concerning the Customs code as well as its implementing provisions.

For the moment, AEA is unaware of any provision for art. 793 (CCIP) in the modernised Customs Code. We would therefore like to ask you to consider the remarks made in this position paper, especially regarding the high importance of this article for Customs authorities as well as air carriers.

Art. 793 - 'single transport contract' - enables carriers to move goods from one Member State for final export via another. In practice, this contract enables the following: the Office of Export will become the Office of Exit. Therefore, all the necessary documents only have to be provided to Customs officers at the Office of Export who will release the goods, which will actually leave the EU in another Member State.

If the provisions granted in the current art. 793 are not to be retained in the implementing provisions of the modernised Customs Code, an unnecessary amount of paperwork would be created which not only goes against the idea of e-Customs – the project initiated by the European Commission aiming at a paperless environment for customs and trade - but also against the idea of e-Freight – IATA's project to have a paper-free freight industry as from 2010. Cancelling the provisions of the current art. 793 would produce more paperwork as all export documents, e.g. Air waybill, Export Accompanying Document (EAD), licences, export certificates, CAP Transit documents (T5's and AAD's), etc, would have to be provided for manual processing and physical checks would have to be carried out first at the Office of Export and subsequently, at the Office of Exit where the goods actually leave the European Union. The workload at respective airline hubs would inevitably increase for Customs and would subsequently lead to an increase in transit times, as well as in delays wherefore also in costs for air carriers. Temporary storage at hubs for all the goods would be impossible due to a simple lack of space.

This article is extremely important as it simplifies customs procedures not only for the carriers but also for Customs authorities and the declarant. Certain countries seem to be determined to take out any provisions with regard to the single contract; however it

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- Aer Lingus
- AeroSvit
- Air France
- Air Malta
- Air One
- Alitalia
- Austrian
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- Brussels Airlines
- Cargolux
- Croatia Airlines
- Cyprus Airways
- Czech Airlines
- DHL
- Finnair
- Iberia
- Icelandair
- Jat Airways
- KLM
- LOT
- Lufthansa
- Luxair
- Malev
- Olympic Airlines
- SAS Scandinavian Airlines
- Spanair
- SWISS
- TAP Portugal
- TAROM
- TNT Airways
- Turkish Airlines
- Ukraine International Airlines
- Virgin Atlantic Airways

is felt from the air carriers that this single contract takes away a considerable amount of administrative burden from Member States as well.

Furthermore, AEA would like to draw the Commission's attention to the fact that the declarant does not necessarily know the actual Office of Exit. Air carriers operate in a globalised and rapid changing environment where they constantly have to be flexible when it comes to their operational imperatives. E.g. due to business consolidation, consignments and flight routes can change without the shipper/declarant necessarily informed beforehand. For this reason, the declarant will need to treat the Office of Export as the same as the Office of Exit to avoid possible discrepancies leading to a delay in any processing and financial re-imburement of export refund.

In such cases, where the declarant does not know the Office of Exit, AEA would kindly request clarification on the responsibility of the carrier. With respect to the Export Control System (ECS) for instance, current legislation does not clearly define that the carrier is responsible for providing proof that the goods have left the EU.

Last but not least, carriers have concerns that the Regulation is applied in an inconsistent way throughout the various Member States. Even more problems stemming from an inconsistent implementation would be expected as from 1 July 2009 when ECS phase 2 comes into force. AEA urges the Commission to make sure that the IPs of the modernised Customs Code are implemented in a consistent way throughout all Member States.

We very much look forward to get the European Commission's feedback on the points raised in this paper and remain open to any further discussion on this matter.