

The EU Single Window environment for customs

1 Open Public Consultation - Summary Report

1.1 Overview

This Annex provides the analysis of the results of the Public Consultation (PC) carried out in the framework of the Assignment. The PC was launched on 9 October 2018 and it remained open until 17 January 2019, for a total of just over 14 weeks (i.e. for longer than the usual 12 weeks, to take into account of the winter period). A total of 381 responses were received from 23 MS.

The PC questionnaire consisted of 24 questions, divided into three sections, including one general section about the respondent's profile, one section focusing on the respondents' experience with cross-border operations, and one gathering the respondents' opinion on potential policy measures. Stakeholders could upload additional documents at the end of the questionnaire.

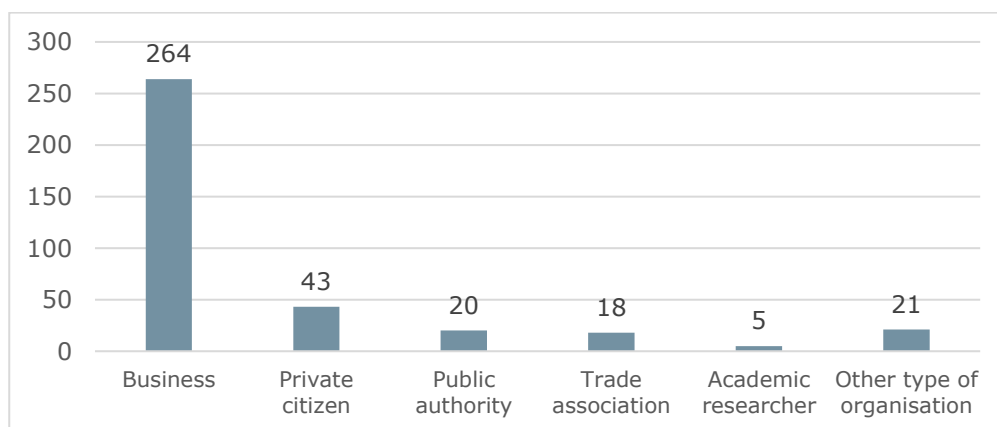
Several questions included in the first two sections did not apply to all types of respondents, since they inquired businesses' and organizations' experience with customs and custom procedures. Consequently, and also due to the fact that several questions were not mandatory, the number of respondents varies from question to question.

The Annex reproduces the structure of the questionnaire. For every question, the statistics of responses and a brief descriptive commentary are provided.

1.2 General section

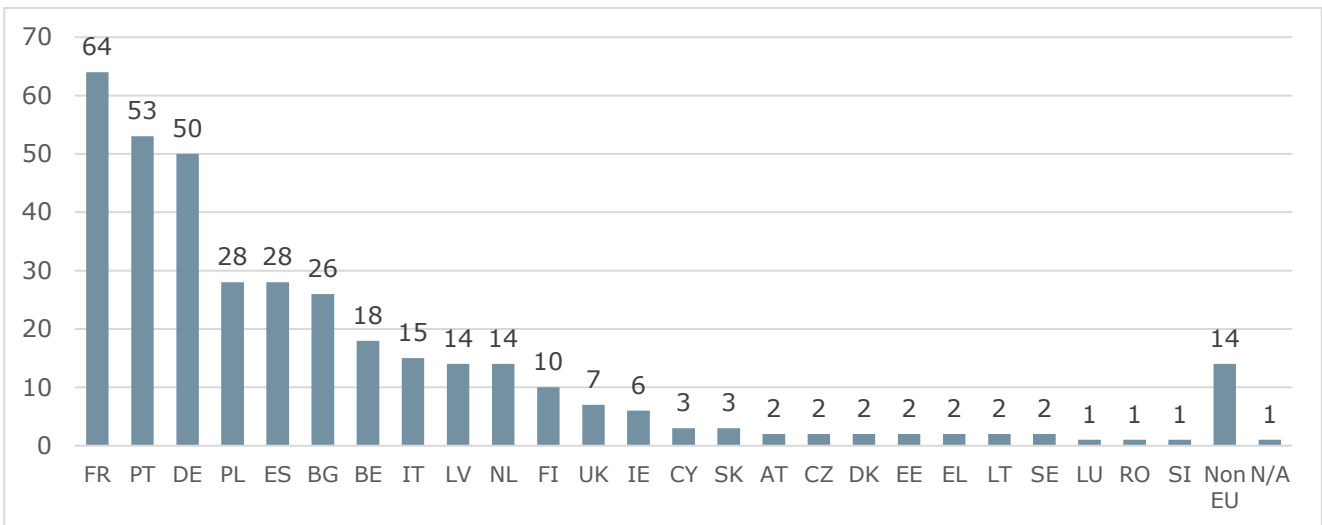
A total of 381 responses were registered for the PC, of which 10 responses were declared invalid due to double entries and empty responses, hence resulting in **371 valid responses** that were used for the analysis. The majority of respondents to the PC (264) identified as businesses, while 18 represented trade associations. Another 43 respondents answered to the PC as private citizens, while a smaller number was recorded for academic researchers (5). Finally, 21 respondents identified as 'other type of organization', which includes mostly business representative and service providers, in a number of cases operating in the custom field.

Question #2.3 Which of the following best describes you?



In total, **25 EU Member States are represented within the PC**. Most respondents came from France (64), Portugal (53) and Germany (50). In addition to responses from EU MS, 14 responses from outside the EU were recorded, mostly from Switzerland (5) and FYR Macedonia (5).

Question #2.6 Where do you live? / In which country is your business or organization based?



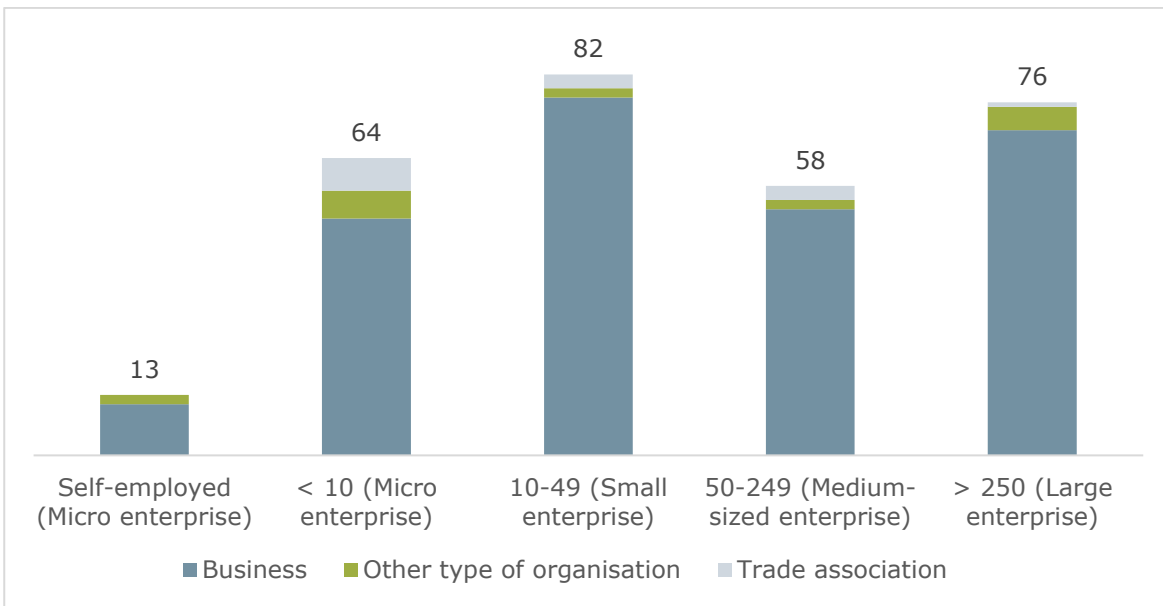
Businesses, trade associations, and other organizations were also asked to report on their sector or activity, on the number of employees, and on whether they had been granted the AEO status. **Manufacturing, retailing and wholesale business is the single most represented activity** (124 respondents). However, **nearly 150 respondents were involved in at least one custom-related activity** (including customs agents, representatives, and brokers; shipping and transport agents; importers and exporters; and port operators). Businesses or organizations involved in raw materials were also represented (31 respondents), while other sectors/activities, such as IT specialists, trade organizations, and constructions were less common. Other sectors and activities included in particular tax, legal, or other consultancy services (6 respondents).

Question #2.7 Which of the following sectors/Activities most relate to the work of your business/organisation?



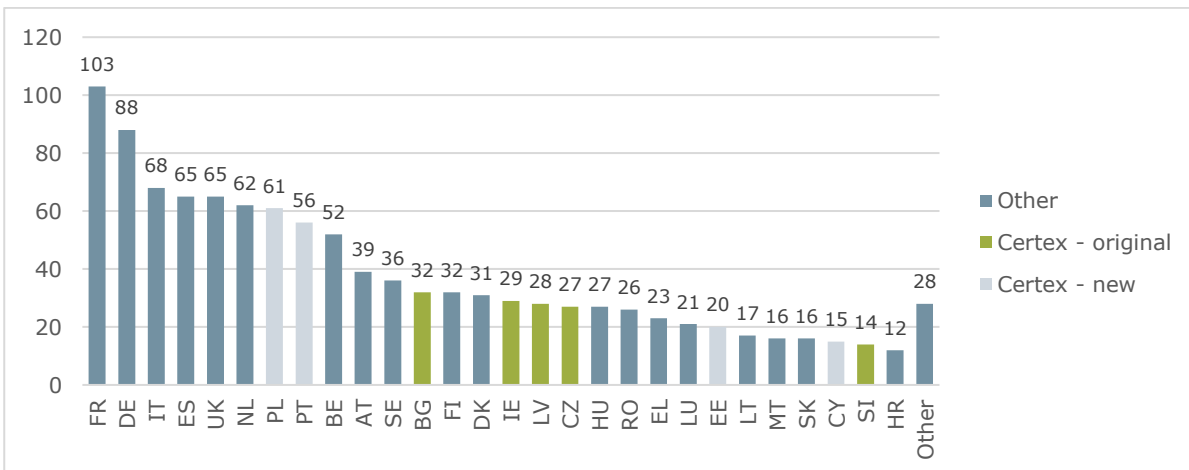
Three quarters of businesses and organizations responding to the PC are micro, small, or medium entities (referred to as MSME thereafter). Small enterprises alone are the largest segment of the respondents, with 77 businesses, and five trade associations and organizations belonging to the group.

Question #2.8 How many employees does your business/organization have?

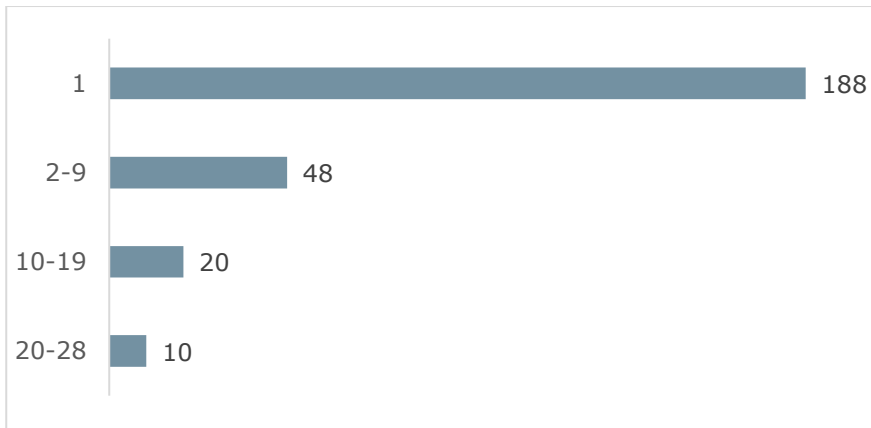


Over 100 businesses/organisations deal with customs operations in France, followed by Germany, with 88 respondents. Other large countries, such as Italy, Spain, and the UK are also represented, followed by the Netherlands, Poland, and Portugal. Notably, none of the first six countries is participating in CERTEX as of early 2019. China (14 respondents) and the USA (9 respondents) are the most represented non-EU countries. **The vast majority of businesses/organisations deal with customs operations in one Member State only**, while less than 50 do so in less than 10 Member States. Only 10 respondents reported that they deal with customs operations in 20 or more EU Member States.

Question #2.9 In which countries does your business/organisation deal with customs operations?

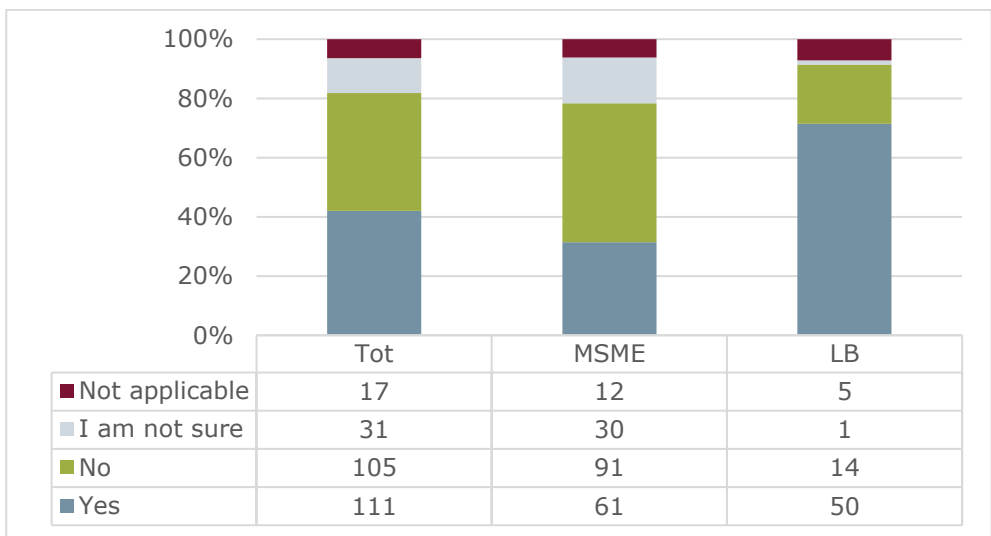


Elaboration of Question #2.9 – Number of Member States in which the business/organisation deals with customs operations.



Overall, **40% of business responding to the PC have the AEO status**, while another 40% do not. The share is much higher for large businesses, with 50 out of 70 respondents having the AEO status.

Question #2.10 Has your business/organisation been granted the Authorised Economic Operator (AEO) status?

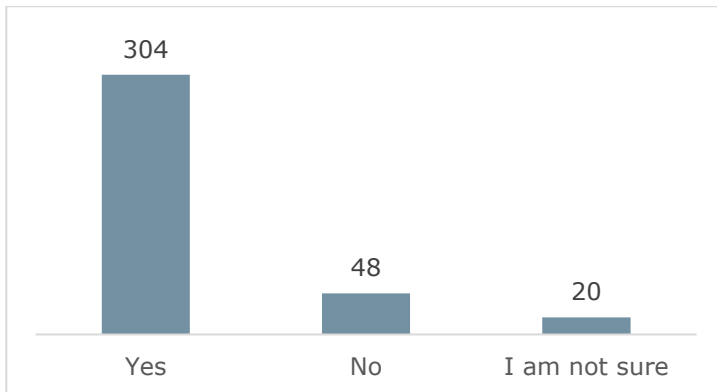


1.3 Experience of cross-border transactions

Section 3 of the PC dealt with respondents' involvement in and experience with cross-border operations.

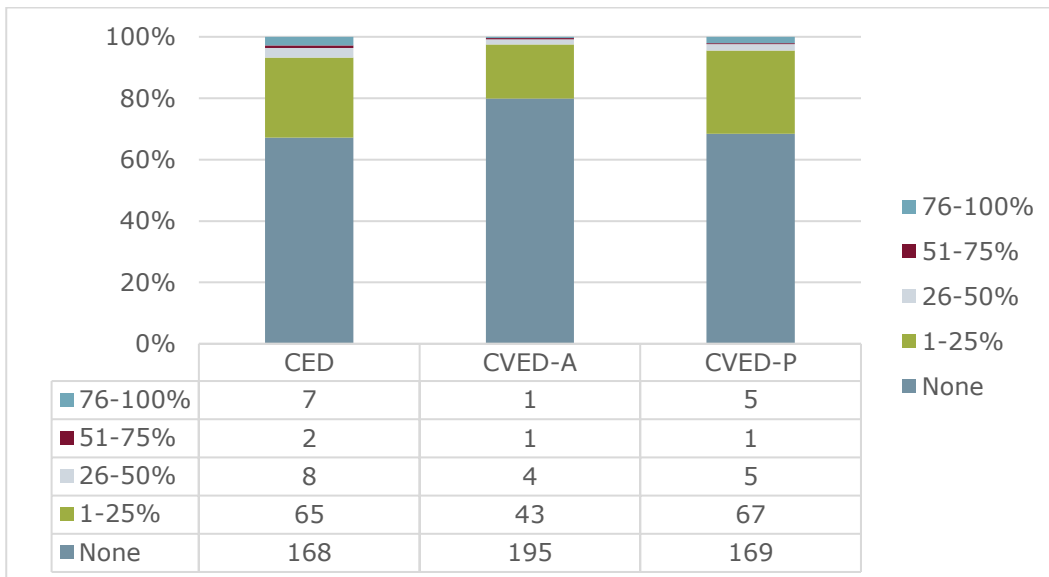
Over 80% of respondents reported that they are involved in customs operations, while only 48 respondents, or 13% of the total, reported they are not involved in cross-border transactions. The share is very similar when only businesses are considered, and when, among them, only SME are considered.

Question #3.1 Are you involved in customs operations and/or other regulatory formalities related to the movement of goods across borders?



Among the businesses and organizations involved in cross-border operations, **between one fifth and one third report that their customs declarations involve CED, CVED-A, or CVED-P**, and a sheer minority that this happens for more than 25% of declarations. Among the three, CED seems to be the most frequently used, while the figures are the lowest for CVED-A.

Question #3.2 What proportion of your business/organisation's customs declarations involve the health certificates listed below?¹

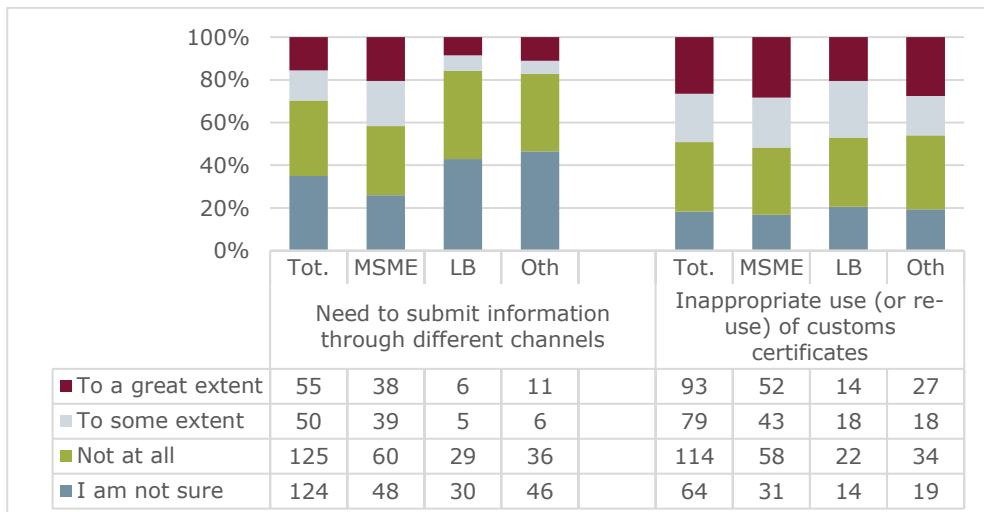
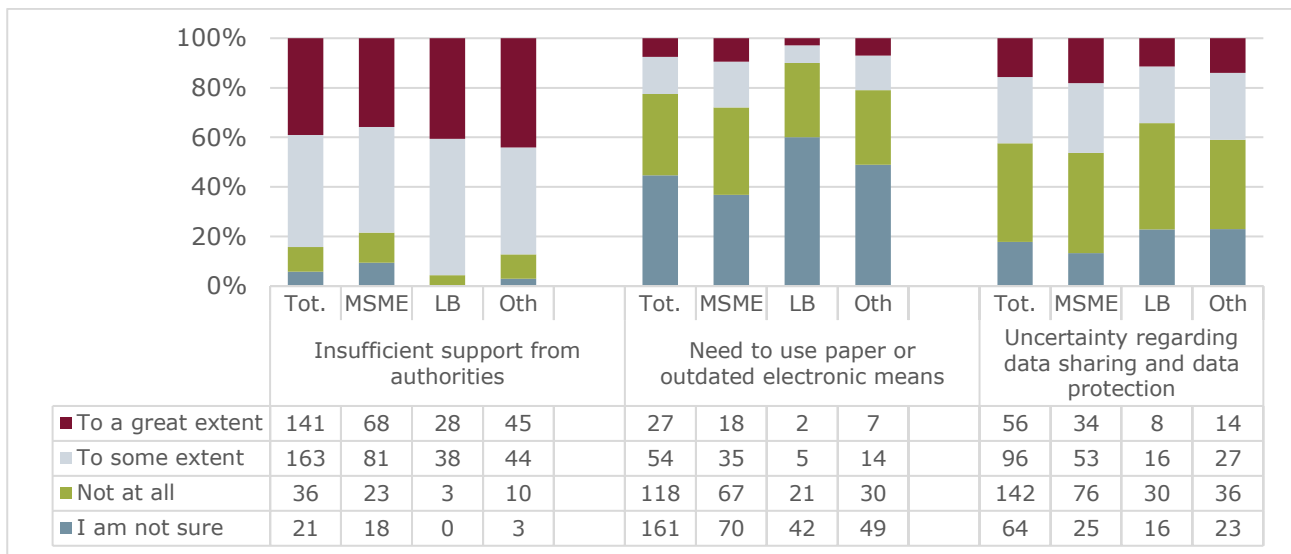
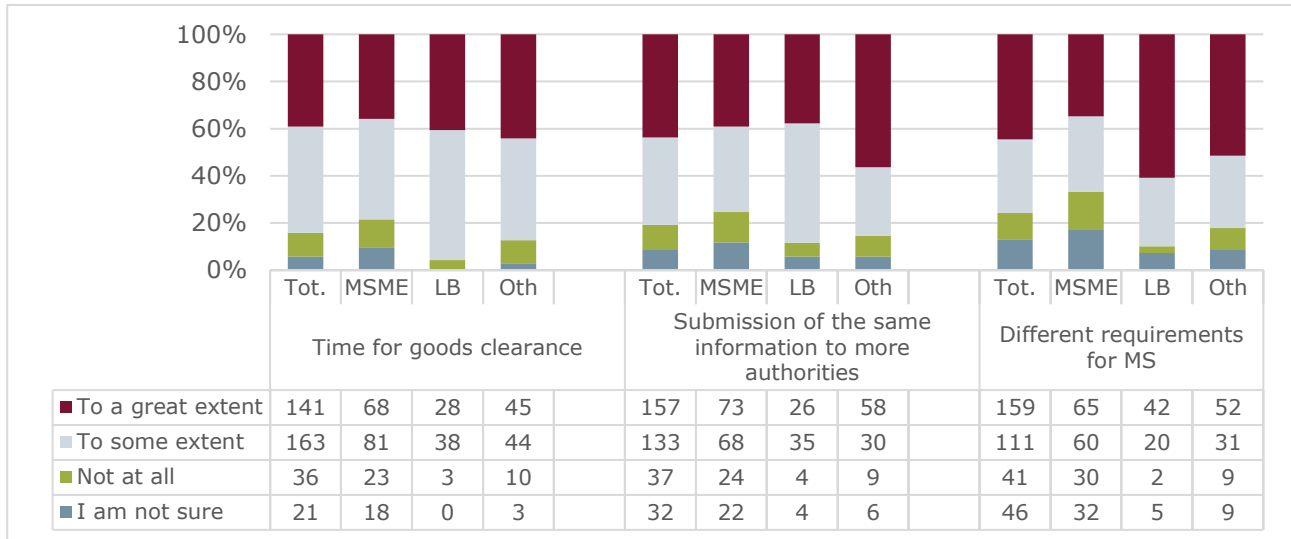


Several issues negatively affect the organisations involved in cross-border operations, including the amount of time required for good clearance and insufficient support and guidance from authorities, the need to submit the same information and related documentation to more than one authority for the same movement of good, and the different data requirements for

¹ Considering only businesses, trade organizations, and other organizations, and excluding those answering 'no' to question 3.1.

different Member States. Other issues, such as uncertainty regarding data sharing and protection and the inappropriate use or re-use of customs certificates, are also recognized as negative impacting factors by between 40 and 50% of respondents.

Question #3.3 To what extent you think that the issues listed below negatively affect organisations involved in the cross-border movement of goods in the EU?

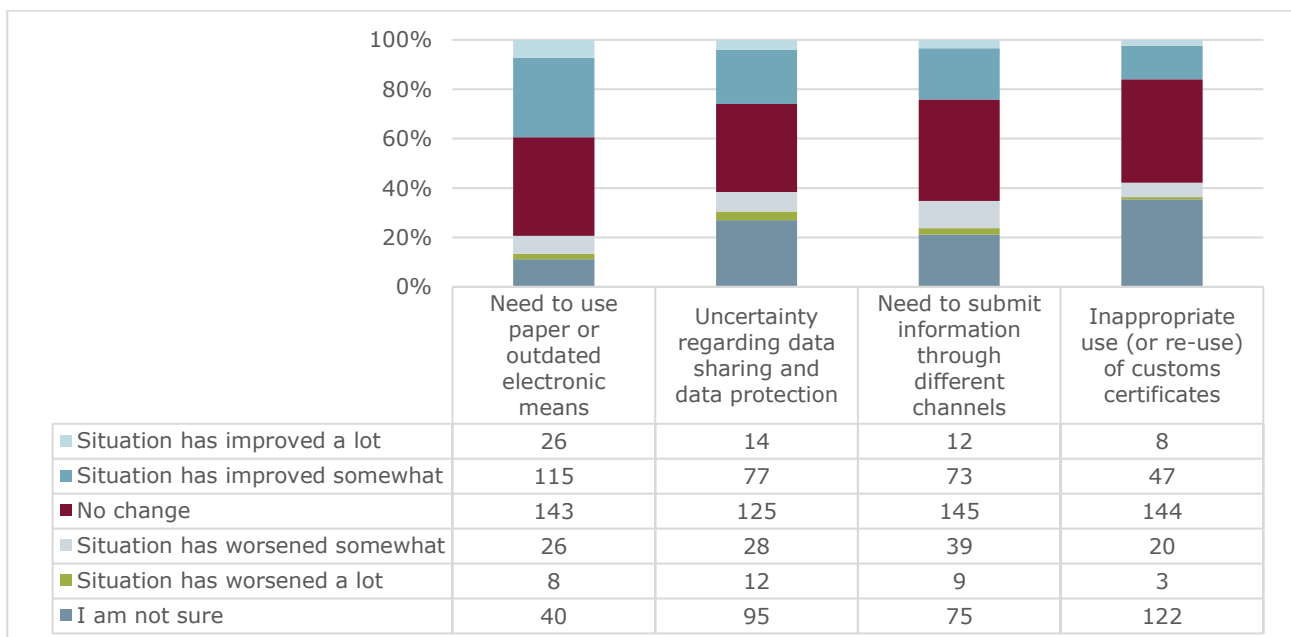
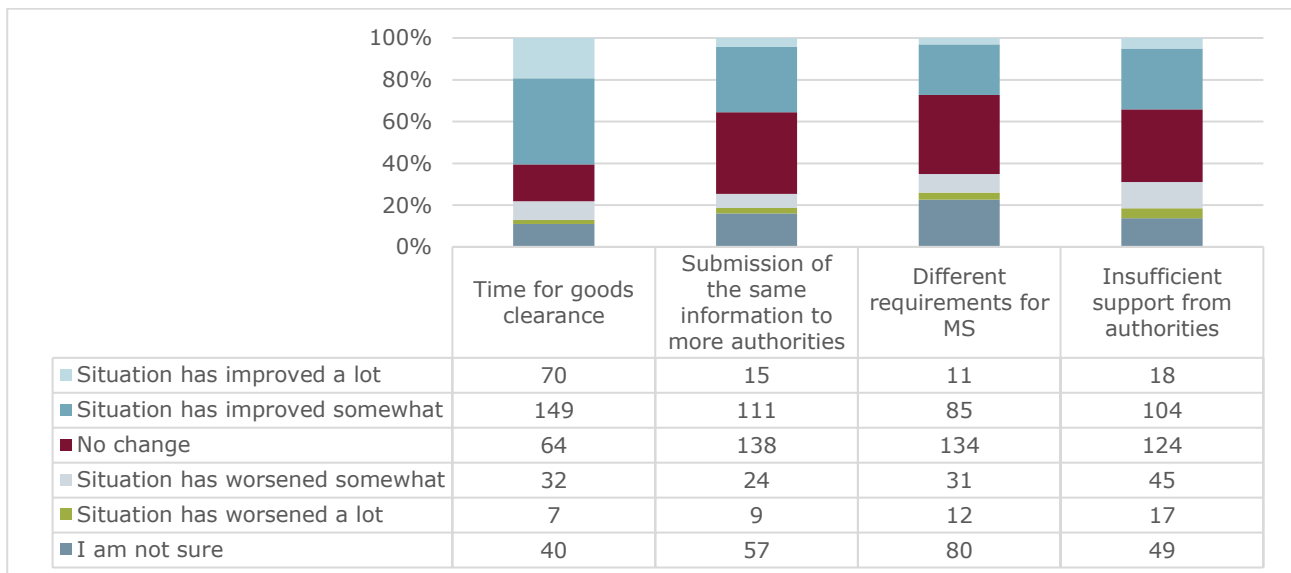


Some 35 respondents also indicated other issues affecting cross-border operations, including a lack of coordination among authorities (e.g. for excise and VAT matters, or between national customs and EU authorities) (mentioned by 4 respondents), differences in the interpretation of UCC among tax authorities (3 respondents), as well as language barriers (2 respondents).

Over 140 respondents also provided some comments on which of these issues affects the operations of businesses the most. **The factor most frequently indicated was the amount of time needed for good clearance** (35 respondents). Notably, in a couple of cases, this was associated with the unpredictability of time. The insufficient information provided and the different data requirements for different Member States, with respectively 22 and 21 respondents each, and the need to use obsolete means, particularly paper, to submit documents (17 respondents).

Approximately 60% of respondents believe that the situation has improved in terms of amount of time needed for good clearance over the last five years, while, for the other issues, most respondents are either unable to answer, or believe that the situation has not changed remarkably. The share of respondents believing that the situation has worsened is always below one sixth of respondents.

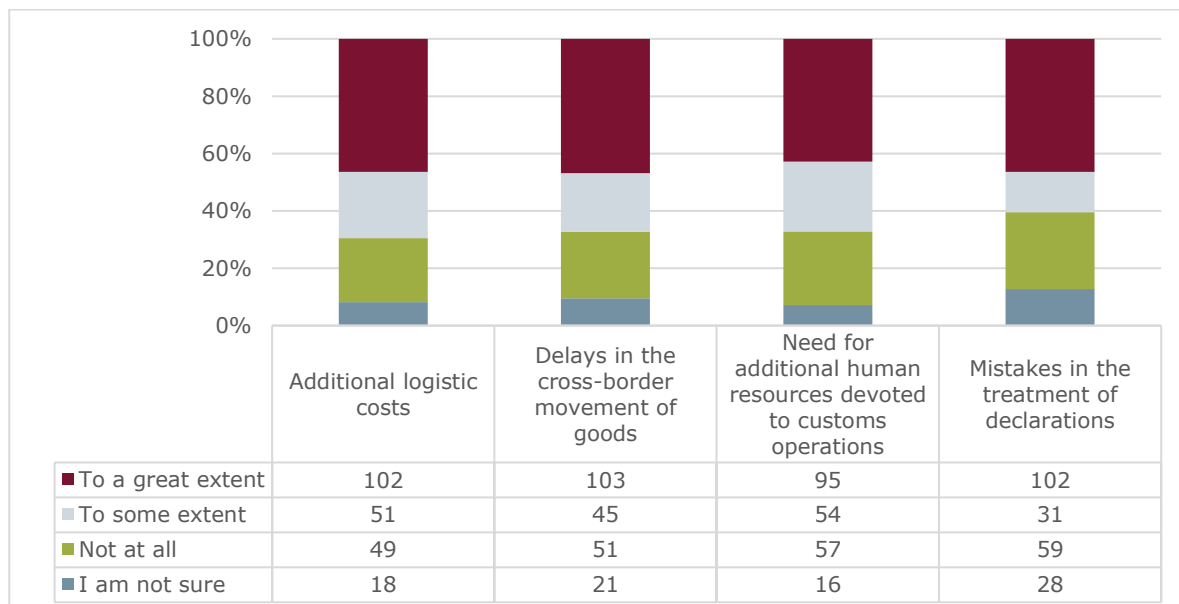
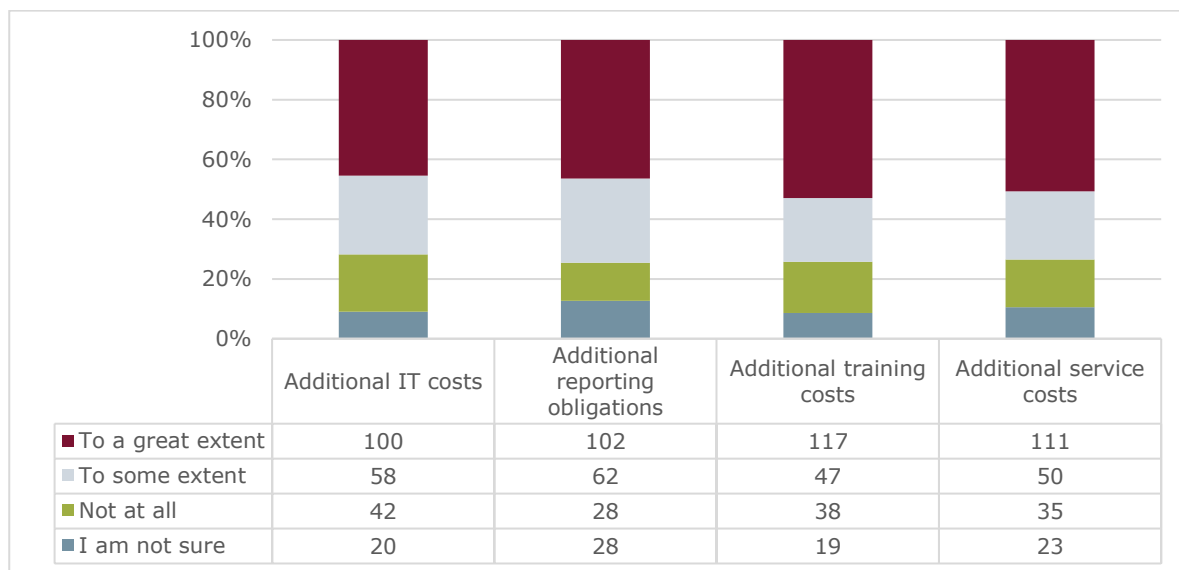
Question #3.4 How do you think the issues below have changed during the last 5 years?



The majority of business respondents (i.e. between 60% and 75%) reported that the issues above translated into several problems to at least some extent. Over half of the businesses answering to the question indicated that the additional training costs and additional service costs, caused problems to the organizations 'to a high extent', and the share remained above 40% for all problems suggested in the questionnaire.

Other problems spontaneously mentioned by respondents include the impossibility to apply the same approach to customs clearance at both European Union and at single Member States level (5 respondents), which makes the process confusing and discretionary; the lack of uniform IT systems and regulations on the matter, which create difficulties and failures in the process (3 respondents); and negative experiences for customers (2 respondents).

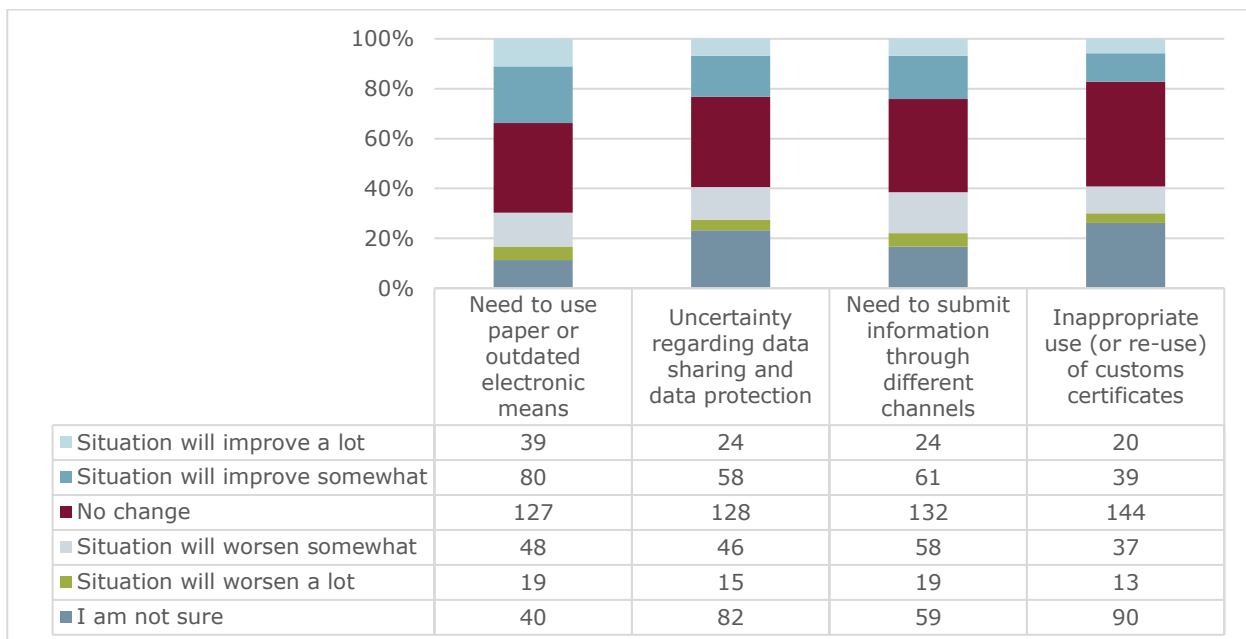
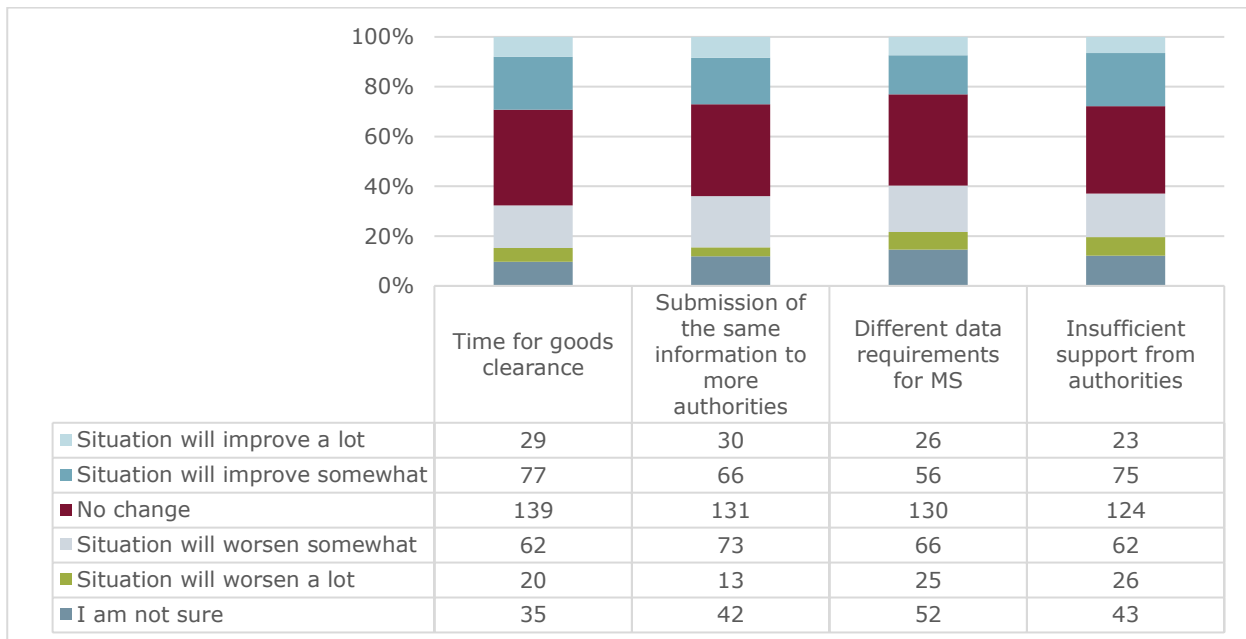
Question #3.5 To what extent have the issues listed in question 3.4 caused any of the following problems to your organisations?



When asked to provide their views on the evolutions of the issues above absent any action by the European Commission, **a relative majority of respondents answered that they do not expect any change compared to the current situation.** Comparatively more optimistic views were provided as regards the use of paper or outdated means, which is expected to improve a lot in the next years by 11% of respondents, and to improve somewhat by another 23% of

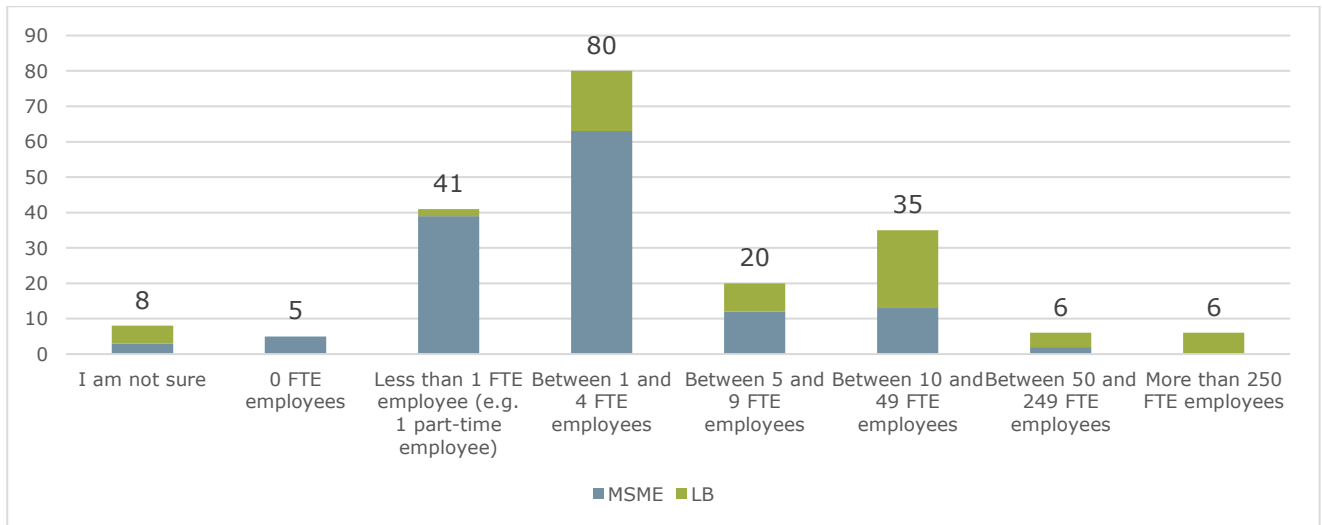
respondents, while for virtually all other problems, the positive and the negative expectations roughly offset one another.

Question #3.6 How do you expect the issues listed below will evolve during the next years based on current trends, without any new action from the European Commission?



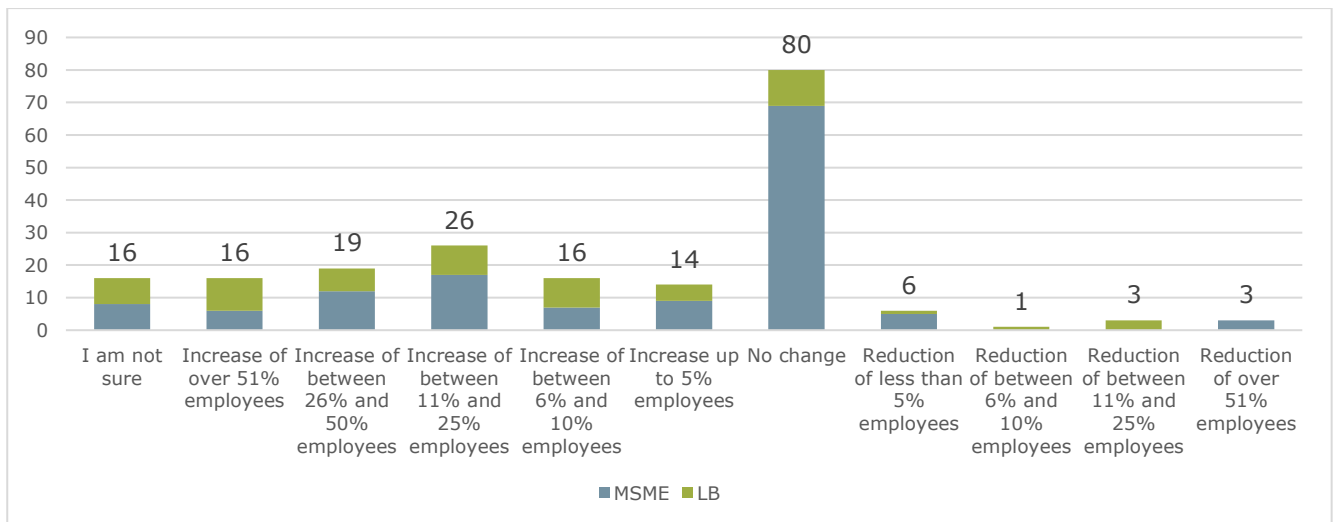
Most businesses, and MSME in particular, report that they devote between one and four FTE to formalities related to movement of goods across borders. Unsurprisingly, large businesses tend to have more staff dedicated to customs operations and related regulatory requirements. Interestingly, only a five MSME, and no large business, report that they have no staff devoted to cross-border operations.

Question #3.7 How many Full Time Equivalent (FTE) employees does your organisation devote to formalities related to the movement of goods across borders (such as customs operations and other regulatory requirements)?



The majority of both MSME and large businesses have not changed the number of FTE employees devoted to custom formalities over the last five years. Other than that, comparatively more respondents (particularly large businesses) report of an increase in the number of employees dedicated to cross-border formalities rather, while very few businesses reduced it.

Question #3.8 How has the number of Full Time Equivalent (FTE) employees in your organisation, who are devoted to formalities related to the movement of goods across borders, changed in the last 5 years?

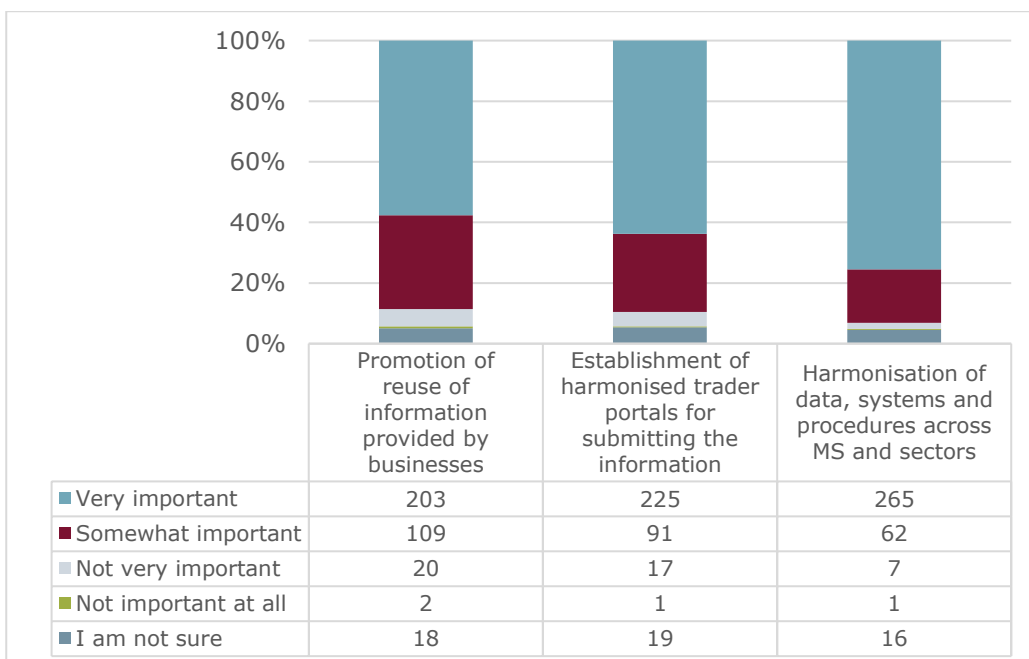
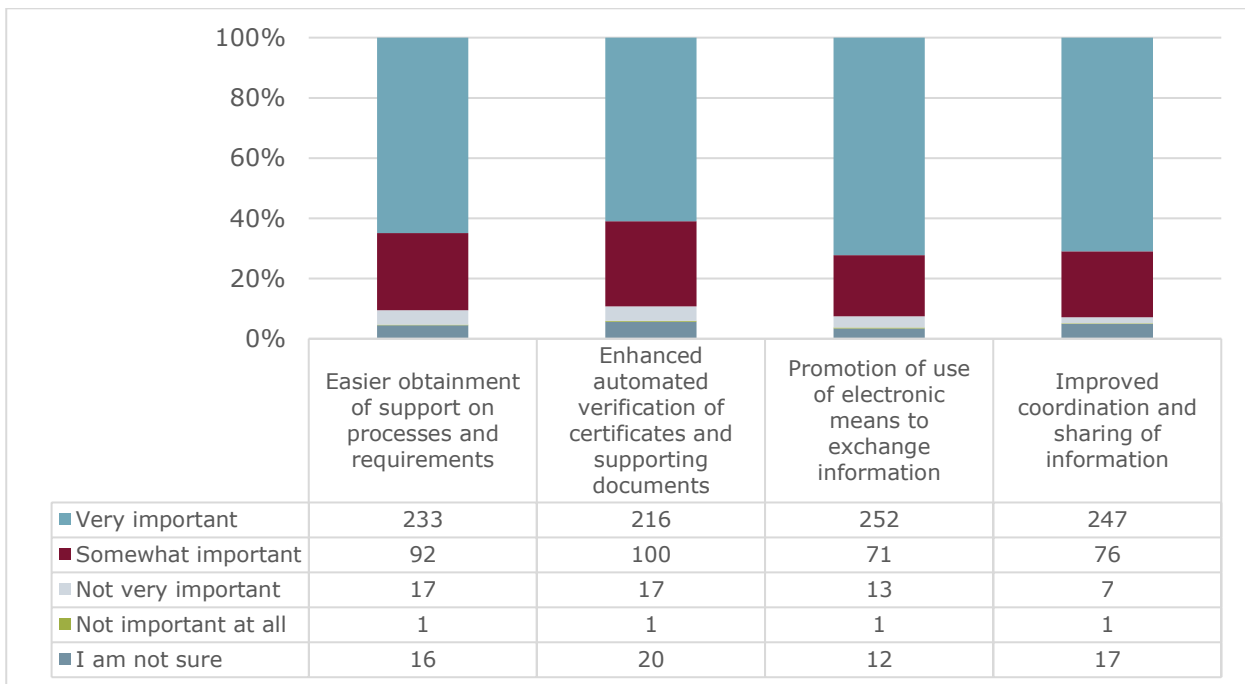


1.4 Potential policy measures and their expected impacts

Section 4 of the PC required respondents to comment on the importance of the objectives of possible EU actions to improve the trade and transport of goods across borders, and on their impacts.

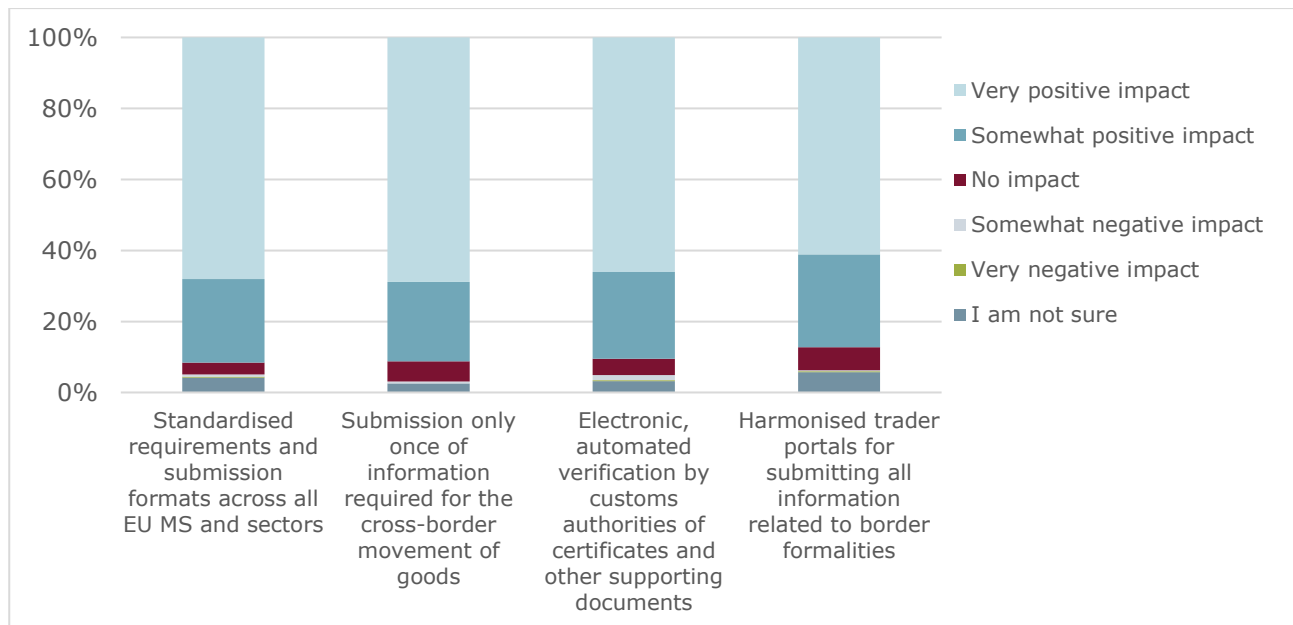
The vast majority considered all the possible objectives of an EU action important, all of which were defined as somewhat or very important by 90% or more of respondents. Answers are similar across respondent types, across size of business, and country. Very few respondents provide additional comments on other important objectives of EU policies, and, in most cases, they can be traced back to the coordination among Member States authorities.

Question #4.1 Possible EU action to improve the trade and transport of goods across borders is likely to focus on one or more of the following objectives. Please indicate how important each of these objectives is to you and your organization.



The PC investigated the extent to which respondents believed that several policy changes would have an impact on businesses' cross-border operations. In particular, the questionnaires covered the standardisation of requirements and submission formats; the simplification of procedures leading to the need to submit custom information only once; the automatization of the validation of certificates and supporting documents; and the harmonisation of trader portals for the submission of information. **Respondents showed widely positive views on the impact of all these changes**, with only 2% of respondents or less suggesting that they would have a negative impact on organisations' operations in the movement of goods across borders.

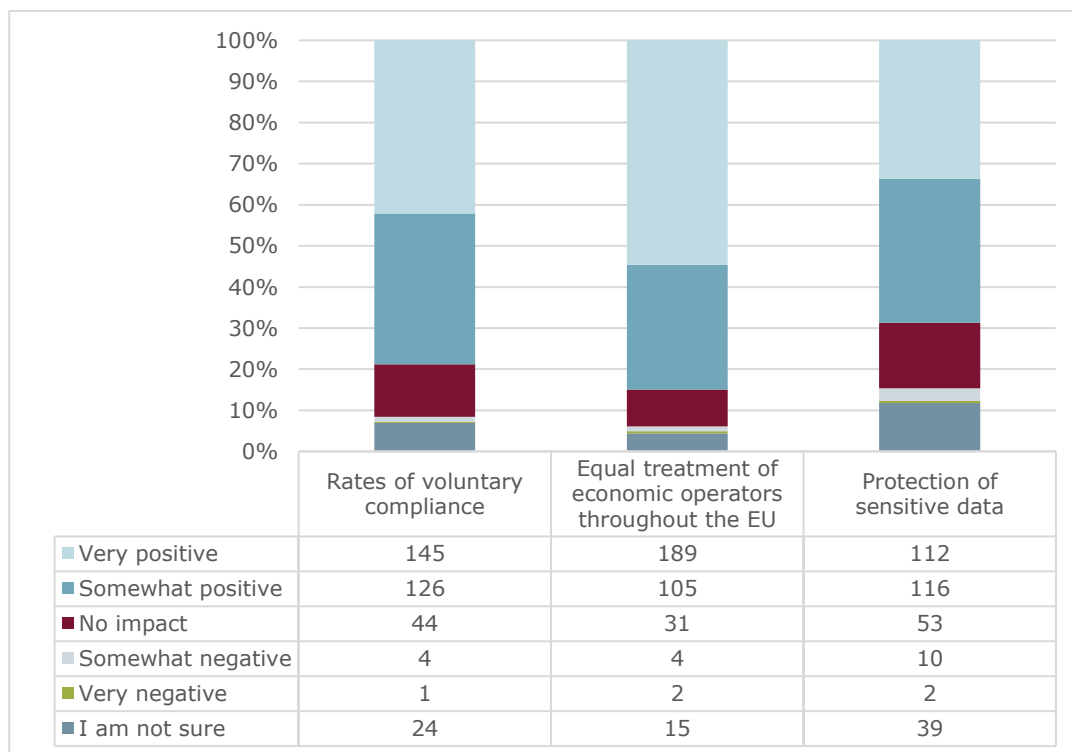
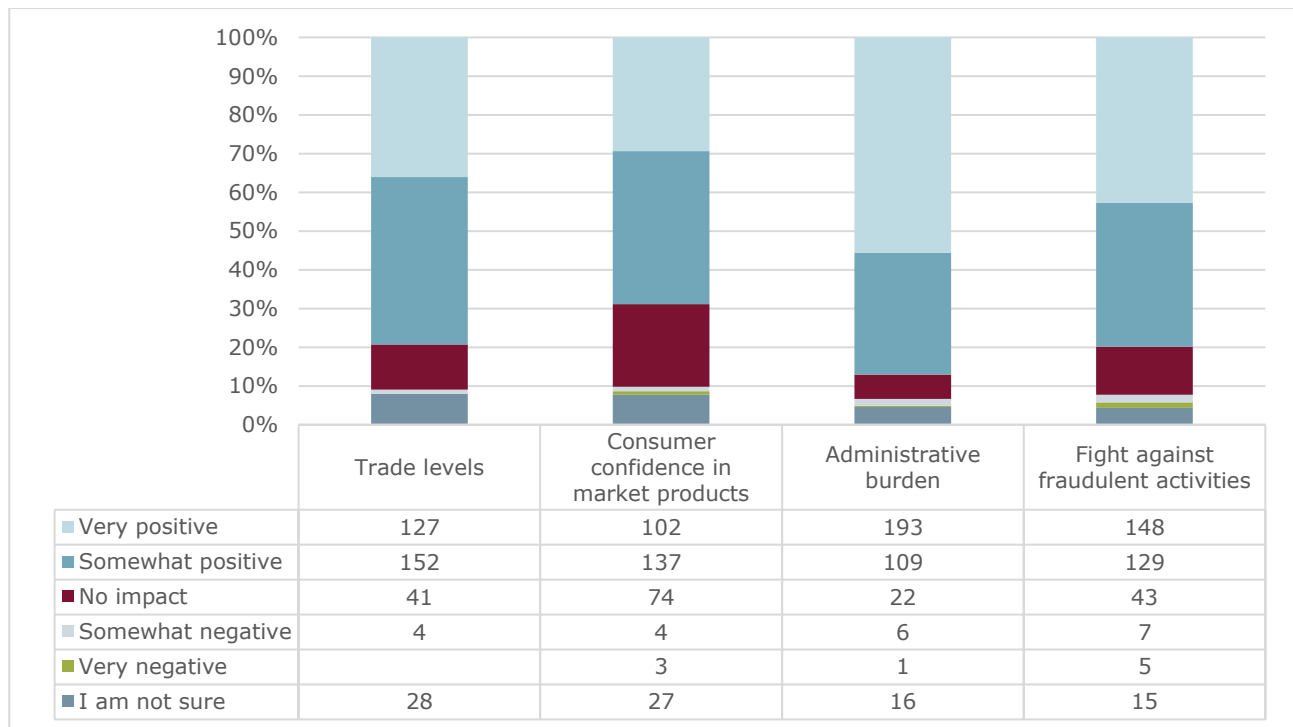
Question #4.2 Compared to the current situation, what impacts do you think the following changes would have on organisations' operations in the movement of goods across borders?



No less than 25 respondents report that these changes would translate into an increased efficiency of cross-border operations, and into a reduction in the amount of time taken for the process. Fewer respondents also commented that possible impacts would include a reduction in the risk of error and an increase security and safety of the process, a reduction of direct costs of operations, and a higher quality of both the process and the final service.

Consistently with the above, **between 80% and 87% of respondents to the PC largely believe that the changes described above would positively impact** on the reduction of administrative burden, the fight against fraudulent activities, and equal treatment of economic operators. The share remained at about or above 70% also for the other possible impacts proposed in the questionnaire. Also in this case, the share of respondents thinking that the changes may have a negative or very negative impact on these aspects, while between 7% (for administrative burden) and 23% (for consumer confidence in market products) believed that they would not have any impact.

Question #4.3 [...] Please indicate what kind of effects (positive or negative) you think that the changes mentioned in question 4.2 would have on the following:



Only 44 of the 371 respondents provided additional comments on other possible impacts of the proposed changes. In most cases, the comments refer to aspects similar to those covered by Question 4.3 (particularly reduction in administrative burden, equal treatment of operators, and increased control thanks to enhanced fight against fraudulent activities). A couple of respondents pointed out that this may also translated in an increase in operators' confidence in their ability to avoid mistake, and the related operators' confidence in authorities. Finally, in another couple of cases, respondents pointed out that an EU action may have a negative on impacts on economic operators, particularly SME, in terms of costs to adapt to the changes.