

Putting more Union in European

# Customs

The Trust and Check

# Trader – the role



Enrika Naujoke, 4.10.2024



UNIVERSITÀ DEGLI STUDI  
DELL'INSUBRIA



CUSTOMS  
PRACTITIONERS  
ASSOCIATION

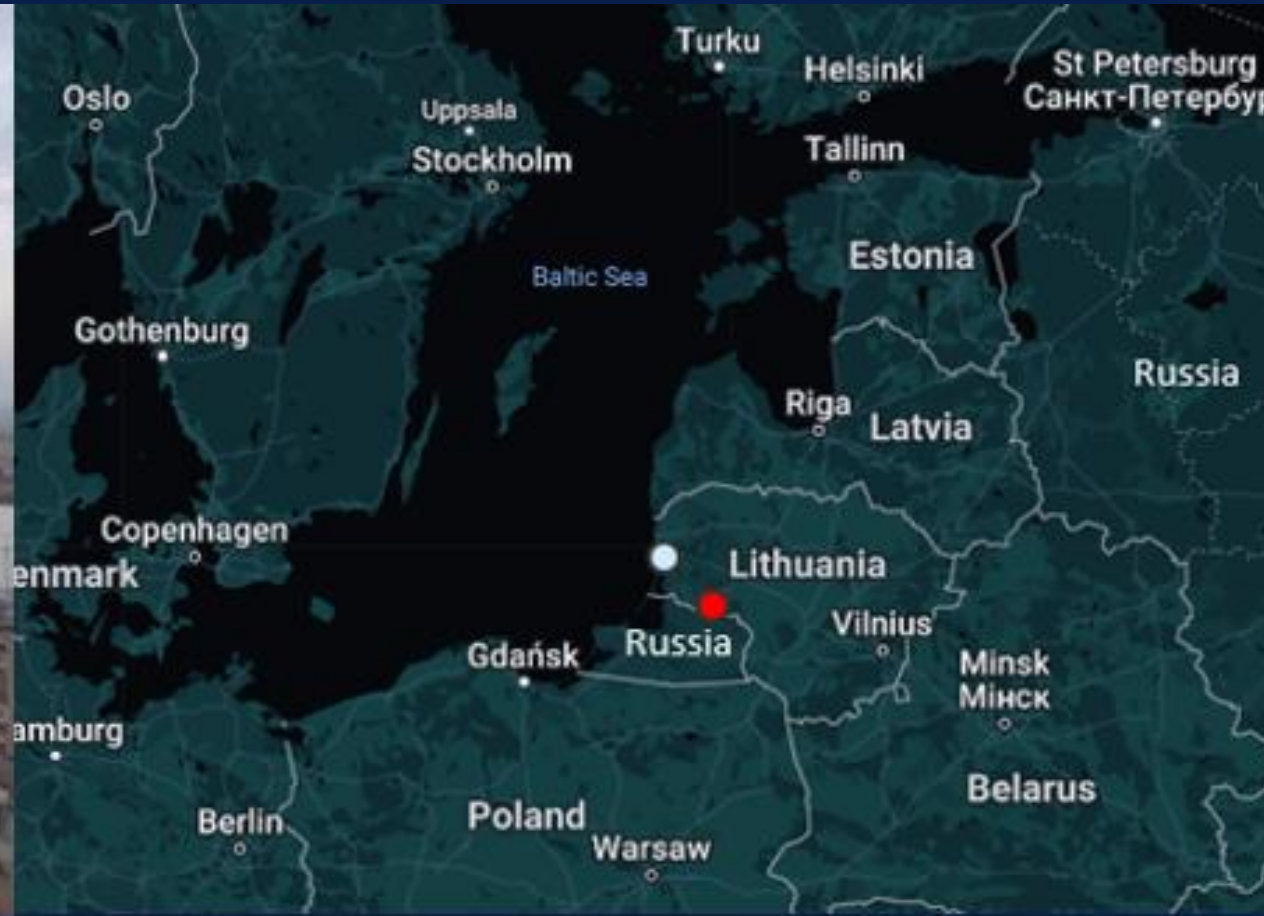


CustomsClear



# EU border 2021 (WPG) vs 2024

Königin-Luise-Brücke/ Queen Louise Bridge  
Lithuania – Kaliningrad (RU)



5 Sep 2024





# Lithuania: international sanctions and customs controls

Jan-Jun 2024:

- 19,567 denials to export

Aug 2024:

- €13,618,175 fine for exporting vehicles in breach of sanctions plus confiscation
- €1 274 960 fine for importing goods from sanctioned Russian companies

Photo by Lithuanian Customs



# More Union

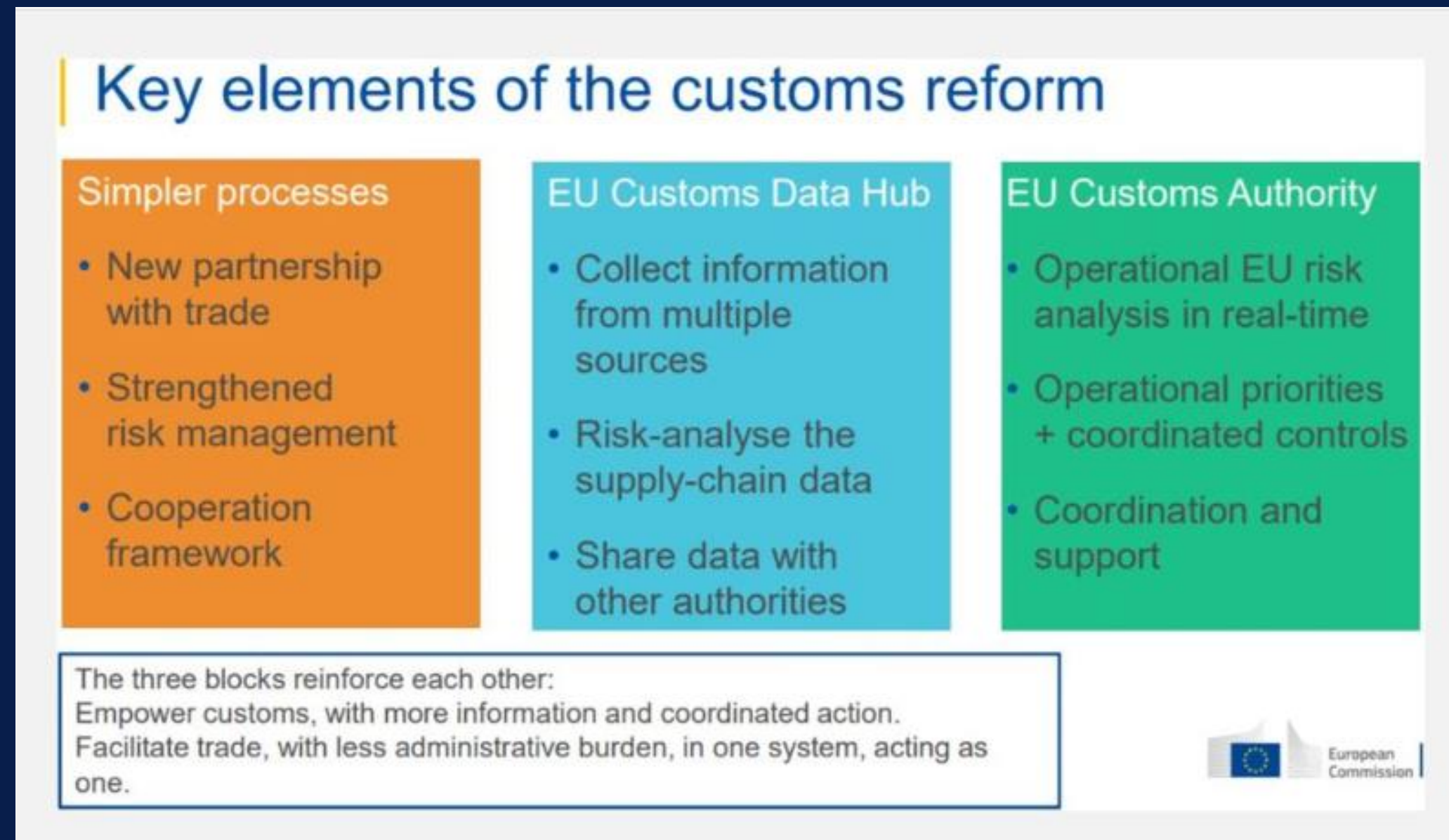
[Link to the document](#)

Customs controls have benefited from the **harmonisation** of the level and requirements for documentary checks in 6 Member States:

- Lithuania
- Latvia
- Estonia
- Poland
- Finland
- Croatia



# UCC Reform – key elements

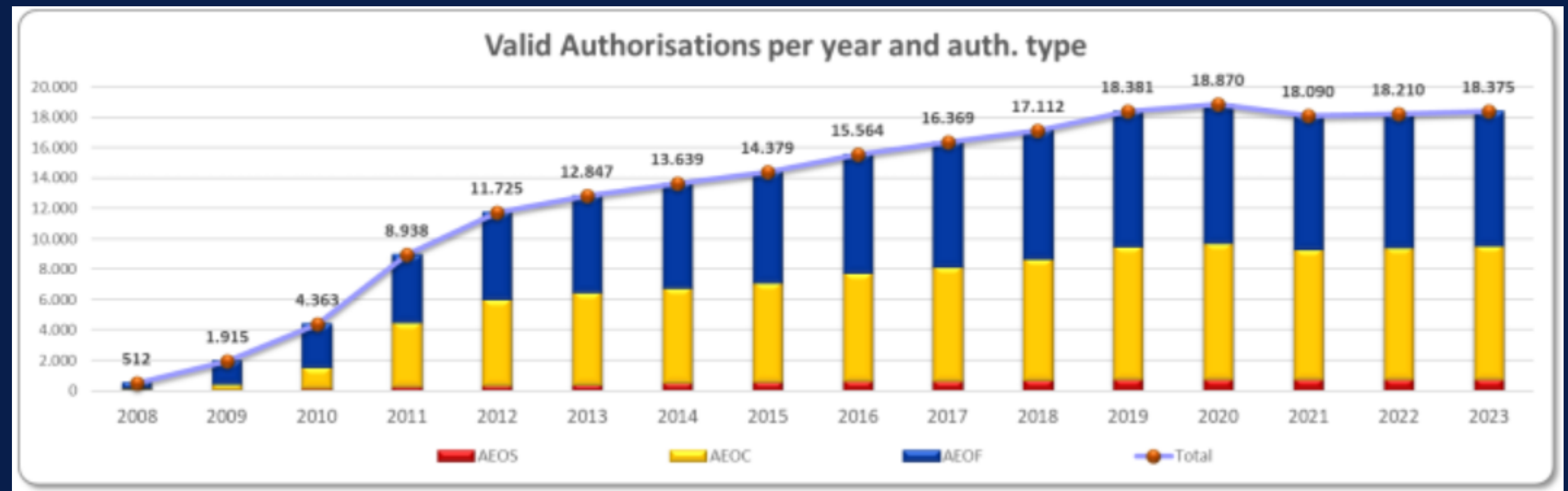


UCC Reform, M. Lux, Customs Compliance & Risk Management Journal (2023)

# AEO in numbers

Sep 2024:

- Lithuania - 166
- Latvia - 49
- Estonia - 39
- Poland - 952
- Finland - 94
- Croatia - 121



[https://taxation-customs.ec.europa.eu/customs-4/aEO-authorised-economic-operator/what-aEO\\_en](https://taxation-customs.ec.europa.eu/customs-4/aEO-authorised-economic-operator/what-aEO_en)



# Converting non-AEOs and AEOs to TCTs

- Almost all existing **facilitations for non-AEOs removed**
- **Additional requirements and new restrictions in comparison** to the current AEO facilitations introduced:

*TCTs grant the customs authorities access to their electronic systems; in return, they get the possibility to **release the goods on behalf of customs** and to defer the payment of the customs debt.*

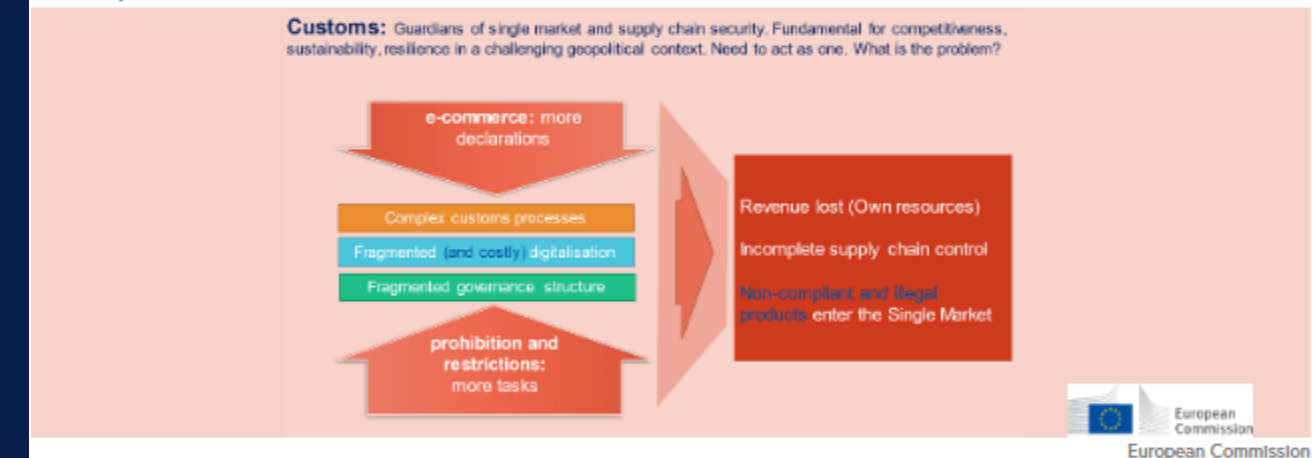
*Michael Lux*

## Replacement of the AEO by the "Trust and Check Trader": what would be the practical changes for AEOs and non-AEOs under the EU Commission's UCC Reform Proposal?

Michael Lux Attorney at Michael Lux BV, former Head of Unit 'Customs Legislation' at EU Commission  
Customs Compliance & Risk Management (CCRM) Journal, Issue 27, June / July 2024



June 06, 2024



Topic: law

The replacement of the AEO with a new designation of "Trust and Check Trader", as proposed under the EU customs reform, is not just a change of name. The European Commission is introducing with this concept both additional requirements and new restrictions in comparison to the current AEO facilitations, as well as removing almost all existing facilitations for non-AEOs. Since under the EU Customs Reform proposal all responsibility for fiscal and nonfiscal compliance will lie with importers and exporters, AEOs who currently benefit from customs simplifications but are not importers or exporters (indirect customs representatives will be treated as such), but rather carriers, warehouse keepers or direct customs representatives, will lose their privileged status as trustworthy economic operator. In this article, the author explains the proposed rules for T&C and the negative consequences for economic operators who will lose this status, as well as the loss of facilitations currently available for economic operators without AEO status.

[www.customsclearance.net/en/articles/replacement-of-the-aeo-by-the-trust-and-check-trader-what-would-be-the-practical-changes-for-aeos-and-non-aeos-under-the-eu-commissions-ucc-reform-proposal](https://www.customsclearance.net/en/articles/replacement-of-the-aeo-by-the-trust-and-check-trader-what-would-be-the-practical-changes-for-aeos-and-non-aeos-under-the-eu-commissions-ucc-reform-proposal)

# The role of a customs broker

Bulgaria, 2020, 40 procedure:

- 94.5 % of importers used the customs broker
- 92.42% of them – direct representation

*Customs representation in the Republic of Bulgaria is essential for achieving efficiency as regards the realized foreign trade operations with third countries.*

*Dr Momchil Antov*

## The role and importance of customs representation in Bulgaria

Assoc Prof Dr Momchil Antov D. A. Tsenov Academy of Economics

Customs Compliance & Risk Management (CCRM) Journal, Issue 11, October / November 2021



October 02, 2021



Adobe Stock

Topic: customs brokers

Tag: Bulgaria direct representation indirect representation

This article discusses features of customs representation in the EU and focuses on its application in Bulgaria. Do economic operators rely on customs representatives in their dealings with the customs authorities?

[www.customsclearance.net/en/articles/the-role-and-importance-of-customs-representation-in-bulgaria](http://www.customsclearance.net/en/articles/the-role-and-importance-of-customs-representation-in-bulgaria)



# Risk of existence to the whole profession

*We are worried that in the UCC reform proposal there will be a limited role to customs agents, which will eventually lead to **risks of existence of the whole profession**.*

*However, customs representatives will be placed in a “no-choice” position – when the TCT status is granted, they are forced to act in indirect representation only, thus unnecessarily assume all responsibility for goods.*

*[...]*

*CONFIAD generally agrees that the UCC should be modernized to become efficient for **all** stakeholders.*



**CONFIAD PAN EUROPEAN NETWORK**  
**CONFEDERATION INTERNATIONALE DES AGENTS EN DOUANE – INTERNATIONAL FEDERATION**  
**OF CUSTOMS BROKERS AND CUSTOMS REPRESENTATIVES**

**CONFIAD'S POSITION PAPER ON THE PROPOSAL FOR REFORMING OF THE UNION CUSTOMS**  
**CODE (COM(2023) 259 final)**

**October 2023**

This paper discusses the position of Confédération Internationale des Agents en Douane (“**CONFIAD**”)<sup>1</sup> on the Proposal for the Reform of the Union Customs Code (“**UCC**”) which was published by the European Commission on 17 May 2023.<sup>2</sup> In this position paper CONFIAD presents its views on and amendments to the core provisions and elements which are of particular interest and importance to the Confederation.

By way of background, CONFIAD was founded in 1982 as the organization of the European Customs Brokers, with the purpose of defending and coordinating the professional interests of its members, supporting the harmonization of the legislative, professional and customs regulations at European level. The members of CONFIAD are national associations representing customs agents in nine EU Member States. CONFIAD is a member of the European Commission's Trade Contact Group and has a permanent presence in Brussels in the form of an AISBL. The Confederation regularly contributes to the policy-making activities of the European Institutions in the area of customs.

[www.confriad.org/wp-content/uploads/2023/10/20231018-CONFIAD-Position-Paper-on-UCC-proposal.pdf](http://www.confriad.org/wp-content/uploads/2023/10/20231018-CONFIAD-Position-Paper-on-UCC-proposal.pdf)

# Current challenges



"The legal complexity is unprecedented."

*Frank Heijmann, Counsellor Customs, Permanent Representation of The Netherlands to the EU*

"The lack of customs HR is increasing.  
Data quality in customs declarations is decreasing."

*Darius Žvironas, Director General, Lithuanian Customs*



1. Legal complexity is unprecedented (int. sanctions, CBAM, EUDR, ESPR, etc.)
2. The lack of customs expertise is increasing
3. Data quality in customs declarations is decreasing



# Data quality: big bet on technology?

## Key elements of the customs reform

### Simpler processes

- New partnership with trade
- Strengthened risk management
- Cooperation framework

### EU Customs Data Hub

- Collect information from multiple sources
- Risk-analyse the supply-chain data
- Share data with other authorities

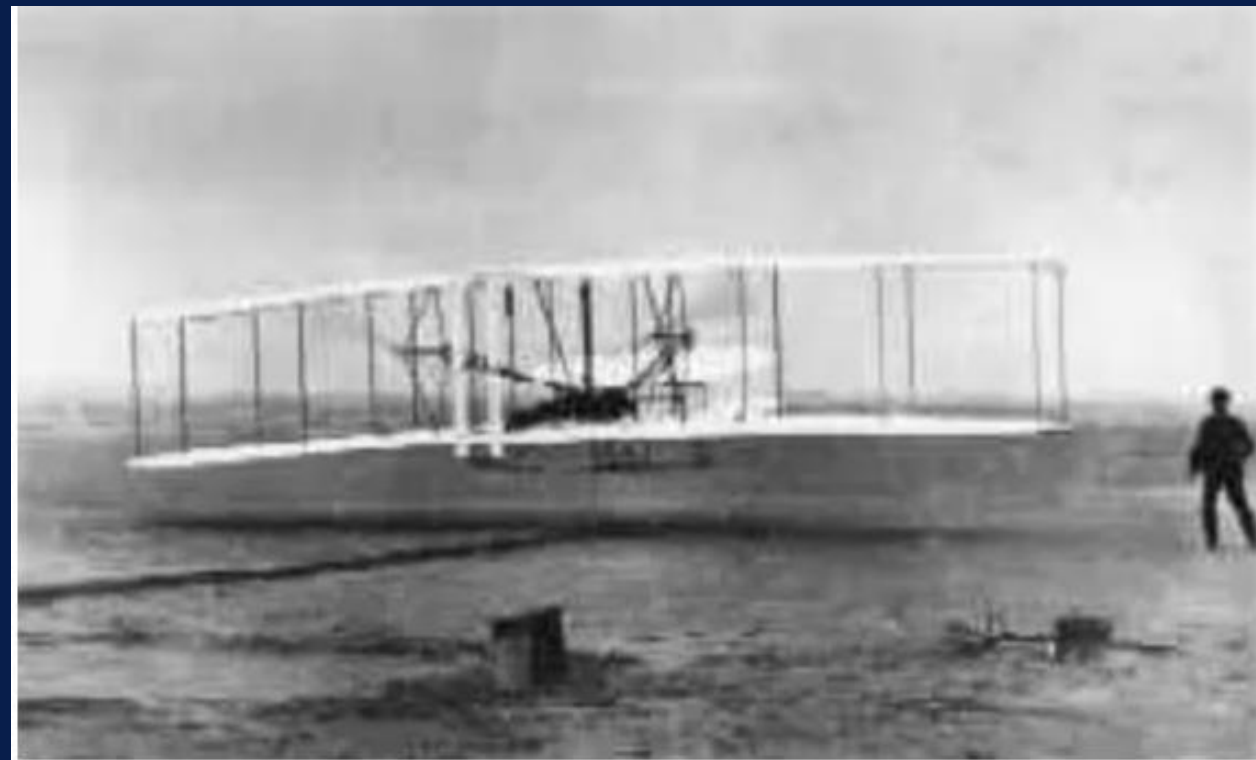
### EU Customs Authority

- Operational EU risk analysis in real-time
- Operational priorities + coordinated controls
- Coordination and support

The three blocks reinforce each other:  
Empower customs, with more information and coordinated action.  
Facilitate trade, with less administrative burden, in one system, acting as one.

# Can cutting edge technology deliver? Yes, if...

Wilbur Wright: "It is possible to fly without motors,  
but not without knowledge and skill."



Orville takes off with Wilbur running beside,  
December 17, 1903.

NPS

[www.nps.gov/wrbr/learn/historyculture/thefirstflight.htm?unit=m](http://www.nps.gov/wrbr/learn/historyculture/thefirstflight.htm?unit=m)





Wilbur Wright

# Knowledge and skills: Customs and/vs Traders

## Article 208

### Core tasks

Of the

1. The EU Customs Authority shall carry out risk management tasks, in accordance with Title IV, Chapter 3.
2. The EU Customs Authority shall carry out tasks in relation to restrictive measures and crisis management mechanism in accordance with Title XI.
3. The EU Customs Authority shall perform capacity building activities and provide operational support and coordination to customs authorities. In particular, it shall:
  - (a) carry out diagnostics and monitoring of border crossing points and other control locations, develop common standards and issue recommendations for best practices;
  - (b) carry out performance measurement for the customs union, and support the Commission in its evaluation of the performance of the customs union, in accordance with Title XV, Chapter 1;
  - (c) prepare the minimum common training content for customs officers in the Union and monitor its use by customs authorities;
  - (d) contribute to a Union recognition system for universities and other schools that offer training and education programmes in the customs field;
  - (e) coordinate and support the creation by the Member States of specialised centres of excellence for Union-wide purposes in relevant customs areas, in particular training and customs laboratories;
  - (f) facilitate and coordinate research and innovation activities in the customs field;
  - (g) elaborate and disseminate operational manuals for the practical application of customs processes and working methods and develop common standards in this regard;

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0258>

# Conclusion

four





*Building the knowledge and skills of all stakeholders in the customs compliance ecosystem in a robust and harmonised way is just as important as building the EU Data Hub.*

*On the role of TCTs: less focus on the minorities (TCTs), more focus on ALL STAKEHOLDERS and what can really make a difference, and bring more Union in European Customs.*

# Thank you

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