NEWSLETTER

EP RESOLUTION ON THE EU 2050 EMISSIONS

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Brussels News

EFTI REPORT ADOPTED BY EP PLENARY

On 12 March, the European Parliament adopted its <u>final report</u> on the European Commission's proposal for a <u>Regulation on Electronic Freight Transport Information</u> (eFTI). CLECAT is pleased with the adoption of the report and to see that many of the points raised by CLECAT have been taken into account. The Plenary adopted the Transport Committee report with 612 votes in favour, 28 votes against and 23 abstentions.

The main elements of the report pertain to the electronic provision and acceptance of relevant regulatory information by private operators and Member States' competent authorities. Furthermore, the existing IT systems for the provision of regulatory information, currently utilised by private operators, can be re-used. As also requested by CLECAT, elements like the data model and rules and specifications for the IT solutions will be included in delegated acts instead of implementing acts. This means that harmonisation can be better guaranteed. Existing, standardised data models and data sets identified in international conventions should be used as a reference for defining these common eFTI data, procedures and rules for access. Moreover, common procedures and rules for validating the identity of any natural person or legal entity shall also be established by delegated acts. Ultimately, CLECAT is particularly happy to see that, before adopting a delegated act, the Commission would now be required to consult the concerned stakeholders via the Digital Transport and Logistics Forum (DTLF). CLECAT remains an active member of the DTLF and is committed to strong involvement.



The Plenary adoption consolidates the Parliament position and paves way for the Council to start examining the Commission proposal. The Transport Working Party of the Council had a first meeting to examine the proposal today.

Welcoming the report of the European Parliament, CLECAT hopes that the Council will continue to work in the same constructive way on the proposal. When the Council reaches a general approach, the trilogue negotiations with the Parliament and the Commission can start. However, the first trilogue is not expected to take place before the Autumn, when the new Members of the European Parliament and the Commission are settled in. As things stand at present, it is expected that the legislative framework could be adopted in the beginning of 2020.

COMMON UNDERSTANDING ON CONNECTING EUROPE FACILITY

On 13 March, the Council's Permanent Representatives Committee (COREPER) confirmed the common understanding reached by the Romanian Council Presidency and the European Parliament on a proposal to launch the second edition of the Connecting Europe Facility (CEF 2.0), which shall continue to fund key projects in the areas of transport, digital and energy, as part of the next longterm EU budget 2021-2027.

The common understanding covers all provisions of the Regulation apart from financial and horizontal issues that are discussed as part of the next multiannual financial framework (MFF) 2021-2027.

Regarding transport, the CEF 2.0 will promote interoperable and multimodal networks for the development and modernisation of road, rail, maritime and inland waterway infrastructure, as well as safe and secure mobility. The CEF 2.0 will prioritise the further development of the trans-European transport networks (TEN-T), while focussing on cross-border projects that have an EU-added value. As regards the adaptation of infrastructure to improve military mobility within the EU, the CEF 2.0 will require any such investment to be dual-use compatible. This means that it does not only need to meet military, but also civilian needs.

The Council has announced that it expects the negotiations with the next European Parliament to start as soon as possible. The negotiations will also need to take the overall agreement on the MFF 2021-2027 into account.

Source: Council of the EU

Brexit

BREXIT: UNCERTAINTY CONTINUES

In a very turbulent week for Brexit, UK Parliament Members (MPs) rejected the updated Brexit withdrawal agreement (Irish Backstop) for the second time, which was accompanied by a supplementary declaration on the future relationship. MPs also voted against leaving with no deal, and on 14 March voted in favour of a delay of the Brexit date of 29 March. Now that the UK Parliament has supported a delay, Theresa May has to request for an extension to Article 50 from the EU. In case EU Member States agree unanimously, the date of Brexit will be postponed. The Prime Minister is of the opinion that this delay should not last more than three months. But she has also raised the prospect of a much longer extension if MPs won't back her deal, which will be up for a third vote next



week. No date has yet been scheduled for the third so-called 'meaningful' vote. However, the UK Government motion states it must take place before 20 March. Uncertainty for the trade and transport community continues, in view of the diversity of possible outcomes as outlined below:

- 1. No deal at a later date Voting to delay Brexit would not mean that leaving the EU without a deal was ruled out forever. If the EU won't grant a delay, or if the UK and the EU cannot sign off a deal during any extension, then this would still be the default outcome.
- 2. Further vote on PM's deal as mentioned before, Theresa May will have another attempt to get the withdrawal deal through the House of Commons. If it is successful, the Prime Minister could go to the EU summit on 21 March and request the short extension she prefers.
- 3. Major renegotiation If there is a longer extension, the government could propose to negotiate a completely new Brexit deal - possibly after Parliament has had a chance to express its view about alternative deals.
- 4. Another referendum A further possibility is to hold another referendum. It could have the same status as the 2016 referendum, which was legally non-binding and advisory. A referendum can't just happen automatically. Several formal and legislative steps would be required.
- 5. Call a general election Theresa May could decide the best way out of the deadlock would be to hold an early general election in order to get a political mandate for her deal. She doesn't have the power just to call an election. But, as in 2017, she could ask MPs to vote for an early election under the terms of the Fixed Term Parliaments Act. Two-thirds of all MPs would need to support the move.
- 6. Another no-confidence vote Labour could table another motion of no confidence in the government at any time. A vote of no confidence lets MPs vote on whether they want the government to continue. However, if the current government or any other alternative government cannot win a new vote of confidence, then an early general election would be called.
- 7. No Brexit The UK can revoke Article 50 to cancel Brexit, without the need for agreement from the other 27 EU countries. With the UK Government still committed to Brexit, it's very likely that a major event such as a further referendum or change of government would have to happen before such a move. However, any delay to Brexit could lead to questions about whether the 2016 referendum should be reversed. It's not totally clear what the process would be. But an act of Parliament calling for Article 50 to be revoked would probably be sufficient.

With all these scenarios remaining possible outcomes, the current state of play of Brexit is not different from the time when article 50 was triggered. CLECAT hopes that there will soon be clarity for our industry as the freight forwarders, customs brokers, logistic service providers and other supply chain actors cannot be held hostage forever by the Brexit process.

Sources: <u>UK Parliament</u>, <u>BBC News</u>

EU GUIDANCE NOTE ON CUSTOMS MATTERS IN CASE OF NO-DEAL

As mentioned in CLECAT's Newsletter of 11 March, the European Commission prepared a guidance note on Brexit and Customs related matters which deals with the situation where the United Kingdom becomes a third country on the withdrawal date without a withdrawal agreement and hence without a transition period provided for in the draft Withdrawal Agreement (no deal scenario). The guidance provides practical details on the consequences for customs processes as of the withdrawal date and specific measures and explanations for Member States and private sector parties. The note addresses



in depth, inter alia, the registration for EORI numbers, the impact on authorisations, proof of origin and origin procedures, return goods, transit and other special procedures such as warehousing, inward and outward processing.

The Guidance document is accompanied by two Annexes dedicated to transit and export business scenarios. These guidance's should be read in conjunction with the guidance note on excise and VAT issues.

Next to the in-depth guidance document, the Commission has launched an outreach campaign as part of its ongoing efforts to prepare for the UK's exit of the European Union without a deal, calling for intensified preparedness work for all scenarios. This campaign should help to inform (smaller) businesses that want to continue trading with the UK after 30 March on what they need to do to ensure as smooth a transition as possible. According to the EU Commission, preparing for the UK becoming a non-EU country is of paramount importance if significant disruption for EU business is to be avoided.

Source and documents: European Commission

EP PLENARY ADOPTS BASIC AIR CONNECTIVITY

On 13 March, the European Parliament's Plenary adopted the provisional agreement resulting from interinstitutional negotiations on basic air connectivity with 653 votes in favour, 21 against and 5 abstentions. This now allows for the final adoption of the file by the Council, which is planned to take place in the General Affairs Council on Tuesday 19 March.

The adopted text is available here.

Air

CARGO IQ TRIALS SOLUTION FOR FREIGHT FORWARDERS

On 14 March, Cargo iQ announced that it had successfully trialled a new solution for SMEs which aims at providing improved planning and control options to small and medium sized freight forwarders working with member airlines on a small-scale or regional basis. The official launch date will be announced in the coming months.

According to Cargo iQ, the SME solution will make available route map and status updates to the forwarder for individual consignments. Thereby, the freight forwarder would be able to benefit from shipment planning and control through shared Route Maps and operational visibility for a number of milestones along the lifecycle of the shipment. To be able to use the Cargo iQ performance management tools, forwarders would be required to register with an accredited Cargo iQ SME IT Service Provider.

Cargo iQ operates as a not-for-profit membership group that is supported by IATA. Its members have developed a system of shipment planning and performance monitoring for air cargo, which is based on common business processes and milestones.

Source: Cargo iQ



ICAO CORSIA PROGRESS ON TACKLING CO2 EMISSIONS

On 6 March, the Council of the International Civil Aviation Organization (ICAO) during its 216th session adopted a set of decisions regarding the Technical Advisory Body (TAB), which are relevant towards the timely implementation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Amongst others, agreement was reached for the operationalisation of the Technical Advisory Body (TAB), which will make recommendations to the ICAO Council regarding eligible emissions units for use by airlines in CORSIA, and the Emissions Units Criteria (EUC) which would be used by the TAB to undertake the assessment of emissions unit programmes, and subsequently make recommendations on eligible units.

ICAO also announced that an open invitation would be issued on the ICAO CORSIA website, by which emissions unit programmes wishing to be considered by the Technical Advisory Body for eligibility in CORSIA can apply.

The adoption of these decisions at the ICAO 216th Council were welcomed by the European Commission as representing important milestones for the operationalisation of CORSIA, which is the first global scheme addressing CO2 emissions from international aviation.

Sources: ICAO, European Commission

Sustainability

LEARN WORKSHOP AT SITL IN PARIS

On 26 March, TLF and CLECAT organise a workshop at the SITL in Paris where the results of the Logistics Emissions Accounting and Reduction Network project (LEARN) will be presented and discussed. The workshop will demonstrate practical examples of freight forwarders and shippers companies on how they work with emission accounting and measuring with the aim to reduce their footprint.

The Logistics Emissions Accounting and Reduction Network project (LEARN) mobilizes business to reduce their carbon footprint across their global logistics supply chains through improved emissions calculation, assurance and reporting.

Over the past 2 years, LEARN partners – including CLECAT – have been working closely with related organizations, initiatives and already existing networks. This includes the Global Logistics Emissions Council (GLEC), a voluntary partnership of companies, industry associations and programs, led by Smart Freight Centre. The LEARN project has built on and sought to improve the 'GLEC Framework for Logistics Emissions Methodologies' that combines existing methods and fills gaps, making carbon accounting work for industry.

More information on the panel is available <u>here</u>.



EP RESOLUTION ON THE EU 2050 EMISSIONS STRATEGY

On 14 March, the European Parliament's Plenary adopted a <u>non-binding resolution</u> on the European Commission's communication on the EU long-term emissions strategy, published in November 2018. The communication, entitled "A Clean Planet for All," outlines the Commission's strategic long-term vision for the climate-neutral EU economy by 2050, including eight possible pathways.

According to the MEPs, only two of the eight proposed pathways would enable the EU to reach netzero greenhouse gas (GHG) emissions by 2050, the commitment made by the EU under the Paris Climate Agreement. Hence, they support the Commission in pushing for these two scenarios. Furthermore, MEPs ask national, regional and local governments, as well as the EU, to take concrete action in order not to overshoot the 1.5°C climate limit. MEPs also stress that in order to reach netzero GHG emissions in 2050 in the most cost-efficient manner, the 2030 ambition level will need to be raised. Regarding transport, MEPs emphasise that cutting air pollution and reducing CO2 emissions from the transport sector is crucial in urban areas, that zero-emission and low-emission vehicles are essential to provide clean, energy-efficient and affordable mobility and that accelerating the development of a mass-market for these vehicles by scaling up their offer is of key importance.

On the Council side, debates have been taking place in different Council configurations, including Energy, Environment, Competitiveness and Agriculture Councils. Having discussed the matter in early March, EU Energy Ministers showed broad support for a net-zero carbon economy by mid-century. Four countries – Austria, Ireland, Lithuania and Luxembourg – also called for 100% renewable energy by 2050 to be considered by the European Commission, in a letter sent beforehand. On 21-22 March, the European Council would discuss the draft strategy with the aim of providing guidance on the 'overall direction and political priorities.'

Customs and Trade

EU COUNCIL AGREES ON MODERNISED VAT RULES FOR E-COMMERCE

On 12 March, the EU Council agreed on new detailed measures needed to secure a smooth transition to new VAT rules for e-commerce that come into force in January 2021. The new measures should simplify VAT rules for sales of goods online and ensure that online marketplaces play their part in the fight against tax fraud.

The rules provide that online marketplaces will be considered to act as the seller when they facilitate sales of goods with a value up to €150 to customers in the EU by non-EU businesses and will become responsible for ensuring that VAT is collected. The same rules will apply when non-EU businesses use online platforms to sell goods from 'fulfilment centres' in the EU, irrespective of their value. The rules further specify when online marketplaces are considered to facilitate such supplies and detail the records they must keep of sales of goods or services made via their interface.

The updated electronic business portal for VAT or 'One-Stop Shop' put in place by these measures will allow companies that sell goods online to their customers to deal with their VAT obligations in the EU through an online portal in their own language.



Final adoption of the new rules will be possible when the consultative opinion of the European Parliament becomes available. The new VAT rules will apply from 1 January 2021 with Member States having until the end of 2020 to transpose the new rules of the VAT Directive into national legislation. Businesses wishing to make use of the extended VAT One Stop Shop can start registering in Member States as of 1 October 2020.

Source: European Commission

EU CUSTOMS CERTIFICATE OF RECOGNITION

The European Commission launched for the first time the "EU Customs Certificate of Recognition initiative for academic customs study programmes (Bachelor/Master level)". It is a step toward systematic recognition of customs-specific Bachelor and Master study programmes and modules within such programmes and aims to equip students with the optimal competencies to engage in – or further advance in – their Customs career, both in public and private sectors. Such recognised academic programmes are expected to significantly contribute to the rise of Customs performance and professionalism.

Interested academic institutions can now obtain an EU Certificate of Recognition acknowledging the quality of their customs specific study programmes with a label of excellence awarded by the European Commission. The process to obtain the EU Certificate of Recognition is based on the EU Competency Framework for Customs (CustCompeu) and explained in the Application Guide.

The deadline for applications is 15 April 2019. All applications received after this date will be assessed within the EU Recognition process for the year 2020.

Source: <u>European Commission</u>

WCO EXPLORES OPPORTUNITIES FOR TIME RELEASE STUDY

During the eleventh meeting of the WCO Working Group on the WTO Trade Facilitation Agreement, that was held between 4-5 March, WCO Members and external stakeholders discussed the Time Release Study (TRS) and more specifically, how to promote it as a global tool and enhance its activities. The TRS is one of the WCO's strategic tools that has been widely used by WCO Members to improve the efficiency and effectiveness of Customs administrations, other Government agencies and private sector stakeholders in relation to international movement of cargo. The TRS has more recently been employed as a means of tracking progress of the implementation of the WTO Trade Facilitation Agreement.

Delegates also discussed the establishment of a special "Working Group on Performance Measurement" and the ongoing cooperation between the WCO and the World Bank on the Doing Business survey.

Source: World Customs Organization

CONTROL SYSTEM FOR IMPORT OF ORGANIC PRODUCTS

On 14 March, the European Court of Auditors published a follow-up audit on the control system governing the production, processing, distribution and import of organic products, assessing whether



the European Commission had remedied the weaknesses identified in a previous report from June 2012. In addition, the new report covers the import regimes for organic products more extensively. The report concludes that the control system has improved and that the recommendations have generally been implemented but that some challenges remain.

Regarding the control system for imports, the audit finds that when the Commission identifies problems it can be a difficult and lengthy process to remedy the situation, but new rules have been introduced to make enforcement faster and more effective. The report notes that at Member State there were weaknesses in the checks on incoming consignments and found that the checks carried out by control bodies on importers were still incomplete.

The report makes recommendations to address the remaining weaknesses identified in the Member States for EU products, to improve the supervision of imported organic products through better cooperation.

Source: European Court of Auditors

Digitalisation

EUROPEAN PARLIAMENT PLENARY ADOPTS EU CYBERSECURITY ACT

On 12 March, the European Parliament's Plenary adopted the <u>EU Cybersecurity Act</u>, which was initially proposed by European Commission President Jean-Claude Juncker in his State of the Union Address in September 2017, with 586 votes in favour, 44 against and 36 abstentions.

The act is aimed at improving the European response to the increasing number of cyber threats by strengthening the role of the European Agency for Network and Information Security (ENISA). More specifically, it provides for a permanent mandate and more resources for ENISA. Furthermore, the act establishes the first common European cybersecurity certification framework for IT services, systems and equipment, to ensure that certified products, processes and services sold in EU countries meet cybersecurity standards. The act also underlines the importance of certifying critical infrastructure in addition to products. By 2023, the Commission shall assess whether any of the new voluntary schemes contained therein should be made mandatory.

The act now has to be formally adopted by the Council.

Source: European Parliament

General

NEW REGULATION ON FREIGHT FORWARDING IN TURKEY

UTIKAD, the Turkish Freight Forwarders' Association, has informed CLECAT that a new Freight Forwarders Regulation will enter into force on the 1st of July 2019 in Turkey. Freight forwarders who are going to provide their services in rail, road, sea and air transport modes altogether must obtain



the Freight Forwarders Authorization License in order to be able to continue their activities. UTIKAD has taken the necessary steps that the regulation did not enter into force as of 1st January 2019 as originally announced by the government.

Each transportation mode in freight forwarding business used to require different types of certification according to previous practice in Turkey. The new legislation introduces only one license, namely the Freight Forwarders Authorization License, for freight forwarders who are going to do business in four different modes of transport and combined transport on the integration of these modes.

According to UTIKAD, graduates of the FIATA Diploma in Freight Forwarding are entitled to an exemption relating to the 13th Article of the Regulation which imposes licence requirements. Another provision of the Regulation, on which UTIKAD contributed is that the Regulation imposes a compulsory Freight Forwarders Liability insurance for liabilities arising out of forwarding activities in respect of the customers' goods in the forwarder's custody.

For further information on the new Regulation, you can consult UTIKAD's information brochure or contact UTIKAD directly via e-mail at utikad@utikad.org.tr

Forthcoming events

CLECAT MEETINGS

Maritime Institute meeting

11 April, Antwerp, Belgium

Board/General Assembly

26 June, Paris, France

OTHER EVENTS WITH CLECAT PARTICIPATION

ESC Maritime Day 2019

20 March, Rotterdam

SITL Conference – LEARN Workshop for Freight Forwarders and Shippers

26 March, Paris

DSLV Kommission Logistiksicherheit

26 March, Berlin

Zolltag Spedlogswiss

28 March, Switzerland

FIATA HQ meeting

27-29 March, Zurich

ACEA Workshop on High Capacity Road Transport

7 May, Brussels



Global Liner Shipping Conference

13 -15 May, Hamburg

EP/COUNCIL MEETINGS

European Parliament TRAN Committee

18 March, Brussels

European Parliament Plenary

26-29 March, Strasbourg

European Transport Council

6 June, Brussels

European Council

21-22 March, Brussels

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