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Brussels News

INDUSTRY URGES EP TRANSPORT EXPERTS TO KEEP INTERNATIONAL DRIVERS OUT OF POSTING REGIME

The upcoming vote on the report by MEP Kyllönen on the posting of workers in road freight transport is the last chance this Parliament can create a true internal market for road transport through better enforcement of social rules and increased efficiency in transport.

CLECAT and the EEA representing freight forwarders and express carriers call on EP transport experts across all political groups to adopt any provisions that would enable the full exclusion of international transport operations from posting of workers rules. Full exclusion would also underpin the sector's CO2 reduction efforts by allowing carriers to avoid making empty runs, allowing full truckloads leaving and returning to the Member State of establishment irrespective of whether it is a bilateral transport or a cross-trade operation.



We urge the EP transport experts to exclude international operations from a *lex specialis* in view of its adverse consequences for road transport on the European economy and trade

at large. Excluding international transport operations from posting of workers rules will support effective, seamless and reliable road transport operations connecting citizens and businesses alike in the periphery and the centre of Europe with each other.

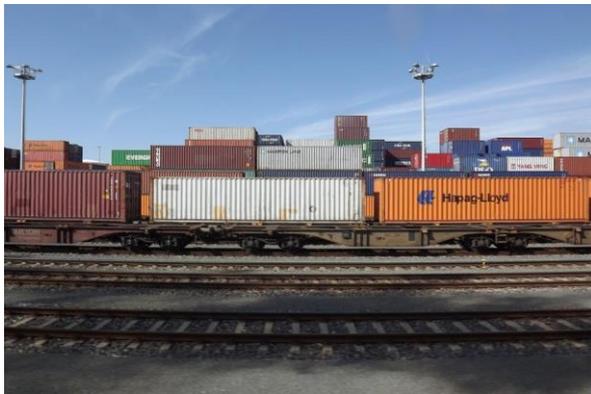
VOTE ON MP1 REFERRED BACK TO TRAN

The European Plenary vote on the first Mobility Package (access to the profession and road haulage market, driving and rest time rules and posting of workers) will take place on Thursday this week at the mini-session in Brussels. The vote in Plenary will take place irrespective of what EP Transport Committee (TRAN) decides in its extraordinary meeting tomorrow, in terms of limiting amendments or shaping (new) compromises.

It was decided on 27 March to refer the files back to the Parliament's Transport Committee (TRAN) as the vast number of amendments that were tabled for Plenary could not be voted and would need to be filtered at the Committee level. This has been done in accordance with [Rule 175](#) of the Parliament's Rules of Procedure. Tomorrow's TRAN meeting will be webstreamed and can be followed via the Parliament's [website](#). The meeting agenda can be found [here](#).

FINAL EP REPORT ON COMBINED TRANSPORT

On 27 March, the European Parliament's Plenary adopted its position on the revision of the Combined Transport Directive (CTD) by approving the Parliament's Transport Committee (TRAN) report from July 2018. The Plenary adopted the TRAN report with a large majority: 497 votes were casted in favour and 78 against. The adopted text is available [here](#).



This marks the closure of the first reading procedure on the European Parliament's side, following the Romanian Presidency's decision to suspend the trilogue negotiations.

The Combined Transport Directive revision process will continue in the Autumn, once the new European Parliament has settled in. However, it is clear that there are large differences between the Parliament position and the Council general approach.

Brexit

NO-DEAL BREXIT PREPAREDNESS

Following the (third) rejection of the Withdrawal Agreement in UK Parliament on the 29th March, the UK Government issued and further updated a number of documents with regards to the UK's withdrawal from the EU in case of no deal reached by 12 April.



The UK Government published an [information package](#) designed to help stakeholders inform their customers about changes at roll on roll off ports and Eurotunnel if the UK leaves the EU with no deal. The Package contains summary information for users of roll on roll off ports and Eurotunnel, a factsheet on the new requirements for traders, hauliers and operators at roll on roll off ports and Eurotunnel and flowcharts that show importers and exporters the process flow on day one of a no deal scenario.

A [Guidance Document on the Customs processes for businesses who move goods from Ireland to Northern Ireland if the UK leaves the EU without a deal](#) was also published. The Guidance only covers the UK Government's temporary approach for moving goods between Ireland and Northern Ireland. The rules aim at keeping cross-border movement of goods processes as they currently are for most goods. The majority of traders moving goods between Northern Ireland and Ireland will not need to get a customs agent or a [UK Economic Operator Registration and Identification \(EORI\) number](#). Goods arriving from Ireland will be subject to import VAT. Further information is available on: [VAT on goods you move from Ireland to Northern Ireland if the UK leaves the EU without a deal](#). The UK Government also published an [impact assessment for VAT and services if the UK leaves the EU without a deal](#).

The Government also adjusted the [notices covering a number of different customs procedures under the provisions of The Customs Import Duty \(EU Exit\) Regulations](#).

Further guidance information was published relating to [Switzerland](#) and [Norway, Iceland and Liechtenstein](#), to help people and businesses prepare for the UK's exit from the EU in all scenarios.

In addition, the following guidance documents were updated:

- [International Agreements if the UK leaves the EU without a deal](#);
- [Temporary rates of customs duty \(tariffs\) on imports after EU Exit](#); and
- [Statutory Instruments relating to Customs, Excise and VAT and the UK's withdrawal from the EU](#).

French Customs provided additional information on Sanitary and Phytosanitary Controls:

- [General principles](#);
- [Preparations for controls](#);
- [Flyer for drivers](#).

In order to stay informed on Brexit preparedness measures in the UK, CLECAT advises its members to [subscribe to the UK government's websites](#) to receive updates by email.

UK RECONFIRMS EU ROAD CONTINGENCY MEASURES

The UK Department for Transport (DfT) has reconfirmed the EU contingency measures for EU-UK road connectivity in the event of no deal, allowing hauliers to continue to operate between the EU and the UK until the end of 2019, without the need for additional permits. New rules allow travel to any EU Member State (empty or laden), as well as a limited amount of cross-trade and cabotage operations on a transitional basis – two such journeys per week for the first four months, reducing to one journey per week for the next three months.

However, if the UK leaves the EU without a deal on 12 April 2019, haulage drivers will need extra documentation to cross the border between the UK and the EU as of that date. As such, UK haulage drivers will need to carry [international driving permit \(IDP\)](#) – 1949 IDP for Spain, Malta and Cyprus; 1926 IDP for Liechtenstein, 1968 IDP for all other EU countries – and a passport. Also, they will



continue to need a [Certificate of Professional Competence \(CPC\)](#), [appropriate goods vehicle operator licence and identity disc](#), [driver's licence](#) and the [tachograph charts or driver's digital smart card](#).

Furthermore, drivers of UK registered vehicles will need to carry a [motor insurance Green Cards for both the vehicle and for the trailer](#) when driving in the EU, Iceland, Liechtenstein, Norway, Andorra, Serbia and Switzerland. A [GB sticker on the rear of the vehicle](#) will also be required, even if the vehicle has a Euro-plate.

In all scenarios (including a deal and a no deal), [new requirements](#) for the separate registration of commercial trailers came into force on 28 March, requiring all commercial trailers weighing over 750kg and non-commercial trailers weighing over 3,500kg to be registered before travelling abroad.

COUNCIL ADOPTS RAILWAY CONTINGENCY MEASURE

On 22 March, the Council adopted a Regulation on a temporary extension of the validity of certain authorisations, certificates and licences that are needed to run the train services between the EU (France and Ireland) and the UK in the event of a no-deal Brexit.

The extension shall allow parties concerned to conclude the necessary agreements and take any other measures to avoid disruption, taking into account the status of the UK as a non-EU Member State. The measures contained therein are conditional on identical standards, requirements and procedures being applied to cross-border rail connectivity by the UK.

The Regulation will apply on the day after the EU treaties cease to apply to the UK, unless a withdrawal agreement concluded with the UK has entered into force by that date, and it will cease to apply nine months later.

The Regulation is available [here](#).

Road

PROJECT CARGO PROVES SUCCESSFUL

On 26 March, CLECAT attended the Supply Chain Security Institute Meeting of the German Freight Forwarders' Association DSLV (Bundesverband Spedition und Logistik e.V.), during which a presentation was given by the Landeskriminalamt (LKA - State Criminal Police) of Saxony Anhalt on the developments of 'Project CARGO'.



Project CARGO focuses on organised crime in relation to cargo theft and is led by the Landeskriminalamt Saxony Anhalt. The project, which started in July 2018 and will run for two years with EU funding, aims at grouping all cases of cargo theft in a central database, operating a stolen goods database and improving international cooperation, particularly through Europol. Next to partnerships with several State Criminal Police offices (Brandenburg, Saxony, Lower Saxony, North



Rhine-Westphalia), there are also partnerships with the German Federal Criminal Police Office (Bundeskriminalamt – BKA), Europol and Eurojust, as well as with Poland, France and Austria.

Based on the high mobility of the perpetrators, the geographical scope of the project extends to all EU Member States. Moreover, participation in the project is intended particularly for countries which are the country of origin, the area of retreat or the area of action of the perpetrators.

Through the international cooperation in the project CARGO, Polish security authorities were able to arrest ten suspects in organised cargo crime and seize stolen goods worth over €100.000 in January 2019. The group of ‘tarpaulin slitters’ that was arrested had been active for two years in Poland, Denmark, Italy, Austria, the Czech Republic and Slovakia. The suspects are accused of having stolen loads of trucks in more than 40 cases along motorways in several European countries. Numerous pieces of evidence and various stolen goods were confiscated, including high-quality home and electrical appliances as well as lawn mowers, chainsaws, etc. Additionally, the Polish authorities confiscated luxury vehicles and assets of the gang members amounting to approximately €600,000.

You will find a press statement of the Landeskriminalamt of Saxony Anhalt on this recent successful capture of criminals, which was facilitated through the project cargo [here](#) (in German only).

Maritime

MODERATE RISE IN GLOBAL OCEAN FREIGHT RATES IN MARCH

Small yet significant rises in European import and export activity, combined with increased Far East imports and continued growth in US exports, has fuelled a moderate improvement in long-term global container rates in March, according to ocean freight rates specialist Xeneta.

Xeneta said the trend, identified in the company’s latest XSI Public Indices report, “builds on the positive rates development recorded last month, which effectively halted a decline underway since August 2018.” The Oslo-based ocean freight rate benchmarking and market analytics platform produces the monthly XSI based on crowd-sourced rates data from many of the world’s foremost shippers and freight forwarders, covering more than 160,000 port-to-port pairings, with 110 million data points. The full story is available [here](#).

Customs and Trade

CUSTOMS COMPLIANCE DAY

On 28 March, [SPEDLOGSWISS](#), the Swiss association for Freight Forwarding and Logistic Services, organised its first Customs Compliance Day. About 120 experts in Customs and logistics joined the event. The theme of the day was the future of Swiss Customs with a large focus on digitalisation and automation of Customs and other border procedures.

CLECAT provided the first presentation with an update of European developments in Customs and trade. An overview was given of various initiatives such as the ongoing implementation of the UCC,



new IT systems, improved procedures, E-Commerce and of course Brexit. DB Schenker and Cippa Transporti provided insight into practical experience with the [DaziT programme](#). The DaziT programme is a key element in the modernisation and digitalisation of the Swiss Federal Customs Administration (FCA). DaziT pursues a holistic transformation approach. Customs, tax and duty collection processes are being simplified, harmonised and fully digitalised. The DaziT programme was officially launched on 1 January 2018 and will run until the end of 2026. Swiss Parliament unanimously approved a guarantee of around CHF 400 million for the programme.

The Director of the FCA, Christian Bock, and the Vice-Director, Isabelle Emmenegger, who are in charge of the DaziT programme, were also present at the Customs Compliance Day. They presented the overall strategic vision of FCA, which is based on optimised use of technology, a modernisation of the culture at FCA, an end to end supply chain approach and trusted trader programmes. They also joined a very open and interesting panel discussion on the role of Freight Forwarders and Customs Agents within their future vision. In the last part of the event, SPEDLOGSWISS presented the importance and possibilities of education in Customs, an IT perspective was given on the modernisation of Swiss Customs by SISA and the Director of AAA Aussenhandelswerkstatt provided information on internal compliance programmes.

Last week, CLECAT also participated in a panel-debate on Customs IT systems at the [SITL Transport & Logistics Innovation Week](#) in Paris together with French Customs, CONEX and Carrefour.

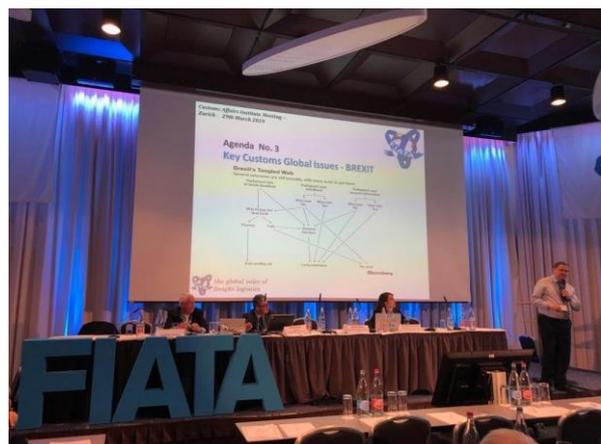
Lastly, on 29 March, CLECAT joined the event of the Trade Facilitation Committee of the Netherlands in Rotterdam at the Erasmus University ([ODB-event](#)), where a debate was held with Customs and other border authorities and various representatives of the business and scientific community.

FIATA HQ SESSION 2019

CLECAT attended the FIATA Headquarters' Session 2019, held on 27-30 March in Zürich, Switzerland. CLECAT took part in the panel discussion of the FIATA's Customs Affairs Institute (CAI), where current topics as to FIATA's involvement in the WCO were discussed, as well as the impact of Brexit on a global scale.

Ms Ekaterina Stoyanova, policy manager at CLECAT who is representing FIATA at the WCO, provided a clear overview of FIATA's involvement in the different working bodies and sub-groups of the WCO. During the meeting, the CAI delegates discussed in more detail three main issues that were considered of particular interest and importance to FIATA Members.

First, CLECAT addressed the E-Commerce phenomenon and its impact on the industry and presented the state of play of the WCO Framework of Standards of Cross-Border E-Commerce and its supporting documents, noting that FIATA has been involved in the WCO work on E-Commerce since the beginning. CLECAT also presented to FIATA Members the WCO developments concerning the comprehensive review of the Revised Kyoto Convention and highlighted the importance of FIATA taking part in the process. Last but not least, CLECAT briefed the delegates on the work of the WCO in the area of disruptive technologies, emphasising the need to embrace future



technologies that have the potential to reshape logistics and explore the challenges and opportunities of the digital age.

EU TRADE DEFENCE REPORT 2018

On 27 March, the European Commission published the [37th Report on the EU's trade defence activity](#). The Report takes stock of the major challenges, developments as well as achievements of the Juncker Commission in the area of trade defence and describes the EU's anti-dumping, anti-subsidy and safeguard activities as well as the trade defence activity of third countries against the EU in 2018.

The report finds that since the beginning of the mandate of the Juncker Commission in November 2014 until December 2018, the Commission has imposed 95 trade defence measures. In the end of 2018, the EU had 93 definitive anti-dumping measures and 12 anti-subsidy measures in place. Almost 44% of them were measures applying to imported steel products. Of all the measures in force, over two-thirds (68%) concern products imported from China.

According to the Commission, the main highlights of 2018 were the major overhaul of the trade defence investigation legislation, high EU trade defence activity, resolute action to safeguard EU steel producers and strong defence of EU exporters targeted in foreign investigations.

This report is accompanied by a [Commission Staff Working Document](#), together with annexes, providing more detailed information and statistics.

Source: [European Commission](#)

THE COMBINED NOMENCLATURE

On 28 March, the European Commission published [the new consolidated version](#) of the Explanatory Notes to the Combined Nomenclature (CN) in 23 EU languages.

The Explanatory Notes to the CN are considered to be an important aid for interpreting the scope of the various tariff headings but do not have legally binding force. The Explanatory Notes were established by Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

Source: [European Commission](#)

TRANSFER PRICING

In March, the Joint Transfer Pricing Forum, which assists and advises the European Commission on transfer pricing tax matters, issued a [Report on the application of the profit split method \(PSM\) within the EU](#). The report provides a short description of the PSM and seeks to clarify some key concepts related to its use, also touching upon some challenging points. It further describes a number of potential splitting factors listed in the Annex.

The PSM is one of the five transfer pricing methods delineated in Chapter II of the [OECD Transfer Pricing Guidelines](#). These methods can be used to establish whether the conditions imposed on the commercial or financial relations between associated enterprises are consistent with the arm's length principle.



The OECD guidelines of 1995 referred to the PSM as a method of “last resort,” to be used when other methods could not be reliably applied. Yet, since the revision of the OECD Guidelines in 2010, the PSM is considered a pricing method to be applied in an equally reliable manner as the other methods in accordance with the “most appropriate method” criterion.

The Report should be regarded as complementary to, and supportive of, the text of the [OECD Revised Guidelines on the application of the Transactional Profit Split Method](#), issued in June 2018.

Source: [European Commission](#)

General

CROSS-BORDER MOBILITY OF COMPANIES

The EU wants to eliminate unjustified barriers to EU companies’ freedom of establishment in the single market. On 27 March, the Council’s Permanent Representatives’ Committee (CEREPER) endorsed a deal reached with the European Parliament on 13 March on [a draft directive that facilitates EU companies' cross-border conversions, mergers and divisions](#).

The directive sets out procedures to verify the legality of cross-border operations under all the national legal orders concerned and introduces a mandatory anti-abuse control procedure. The procedure will allow national authorities to block a cross-border operation when it is carried out for abusive or fraudulent purposes, i.e. when it aims to lead to the evasion or circumvention of national or EU law, or for criminal purposes. The agreed text provides for similar rules on employee participation rights in cross-border conversions, mergers and divisions. It also ensures that employees will be adequately informed of (and consulted about) the expected impact of the operation. Minority and non-voting shareholders’ rights will enjoy greater protection. At the same time, creditors of the company concerned are granted clearer and more reliable safeguards. Finally, the directive encourages the use of digital tools throughout the cross-border operation. It will be possible to complete formalities, such as the issuance of the pre-operation certificate, online. All relevant information will be exchanged through existing, digitally interconnected, business registers. The new rules also offer simplifications that will apply to all three operations such as possibilities to speed up the procedure by waiving reports for members and employees in the event that the shareholders agree or the company or any of its subsidiaries do not have any employees.

Subject to approval of the provisional deal by the European Parliament’s Legal Affairs committee, the directive will be formally adopted by the two co-legislators, following the usual legal/linguistic scrutiny of the text. It will start applying 36 months after its entry into force.

Source: [Council of the EU](#)

ITALY JOINS CHINESE BELT AND ROAD INITIATIVE

On 23 March, Italy concluded an agreement with China during the visit of China’s Prime Minister Xi Jinping in Rome. The signing of the memorandum of understanding (MoU) by Italy to join the Chinese Belt and Road Initiative (BRI), marks the first G7 member to do so. The memorandum that has been



signed by the States includes investments in a number of ports. Further deals are planned to be signed during a visit to China by Italy's Prime Minister, Mr Giuseppe Conte, on 26-27 April.

In response to Italy's participation in the BRI, the EU Commissioner for Budget, Mr Günther Oettinger, argued that "the expansion of transport links between Europe and Asia is in itself a good thing – as long as the autonomy and sovereignty of Europe is not endangered." However, he expressed his severe concerns about Italy's involvement in the BRI, stating that he viewed "with concern that in Italy and other European countries, infrastructure of strategic importance like power networks, rapid rail lines or harbours are no longer in European, but in Chinese hands. Europe urgently needs a China strategy, that lives up to its name."

Mr Oettinger also argued that some Member States of the EU were sometimes not taking into account national and European interests adequately. Therefore, he suggested considering a "European veto right or a requirement of European consent exercised by the European Commission." Also, German Foreign Minister, Mr Heiko Maas, issued a word of warning noting that "in a world with giants like China, Russia or our partners in the United States, we can only survive if we are united as the EU."

Sources: [Railfreight](#), [Euractiv](#)

INFORMAL MEETING OF EU TRANSPORT MINISTERS IN BUCHAREST

EU Transport Ministers discussed multimodality, sustainability and infrastructure at the Informal meeting of the EU Transport Council, which took place in Bucharest on 26-27 March. Ministers underlined the importance of developing a comprehensive approach to multimodal transport from the legislative, services and infrastructure point of view. On a more practical note, integrated ticketing systems, promotion of car-sharing or public transport, digitalisation and interoperability were identified as means for developing multimodality.

Discussing sustainability, many interventions focused on the possible measures to be taken in order to decarbonise transport, such as: promotion of alternative fuels, digitalisation, better planning of services, uptake of new technologies in a neutral way etc.

Regarding the development of TEN-T infrastructure, Member States welcomed the European Commission's initiative to start the revision process of TEN-T Regulation. Following the presentation delivered by Dr. Carlo Secchi, it was agreed that due to the huge investment needs, not only grants, but also financial instruments and blending, should be used for the promotion of priority projects. The Romanian Presidency of the EU Council received warm congratulations for reaching a common understanding with the European Parliament on the CEF 2.0 Regulation.

Forthcoming events

CLECAT MEETINGS

Maritime Institute meeting

11 April, Antwerp, Belgium

Air/Security Institute meeting

18 April, Schiphol Airport, The Netherlands



Board/General Assembly
26 June, Paris, France

OTHER EVENTS WITH CLECAT PARTICIPATION

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
2 April, Brussels
11 April, Brussels
24-25 July, Brussels

European Parliament Plenary
3-4 April, Brussels
15-18 April, Strasbourg

European Transport Council
6 June, Brussels

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