



FONASBA ANNUAL MEETING 2023

ECASBA PLENARY MEETING

16th OCTOBER 2023

CHAIR: MARCO TAK



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EUROPEAN UPDATE

JONATHAN C. WILLIAMS FICS: GENERAL MANAGER

ECASBA ACTIONS/ISSUES 2023



- ECASBA Seminar, 20th June 2023
- Customs and VAT
- European Maritime Single Window environment (EMSWe)
- ETIAS/EES
- EU Emissions Trading Scheme (ETS)
- European Shipping Summit 2023
- CEF Funding for Transport 2023

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ECASBA Seminar 20th June 2023 :



- Back in Brussels
- Programme:
 - European Update
 - Customs Developments and the outcome of the Wise Persons Group
 - The impact of the EU Green Deal and other environmental initiatives
 - VAT on Transport Services
 - Drug Smuggling through European ports and its impact on the supply chain
 - Single Windows for Maritime and Customs
- External speakers: Sotiris Raptis (ECSA), Damian Viccars (WSC), Nico de Cauwer (IPCSA), Bjarne Løf Henriksen (Danish Shipping) Martins Zeids (DG-MOVE) and Renata Pauliukaityte (DG-TAXUD)

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Customs & VAT:



Main Issues:

- Implementation of the Union Customs Code
- Wise Persons Report
- UCC Update = New UCC

Customs & VAT:



Main Issues:

- **Implementation of the Union Customs Code**
- Wise Persons Report
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Customs & VAT:



Implementation of the Union Customs Code

- Concerns regarding consultation between DG-TAXUD and trade (Trade Contact Group)
- Unrealistic implementation timelines being driven by political, not practical considerations
- ECASBA continues to raise its concerns, in concert with other trade organisations, about the pace of customs system reform and the ability of Member States and trade to keep up
- Lack of functional technical specifications for national reporting systems preventing timely development of trader interfaces

Customs & VAT:



Implementation of the Union Customs Code

- ICS2, Release 3, for maritime transport, has officially been **delayed from 01.03.2024 to 03.06.2024** (Trans-European Coordination meeting 22.09.2023)
- Carriers will now have until 04.12.2024 to move from ICS1 to ICS2
- For multiple filing, traders using maritime transport can start filing ICS2 information at “house” level from 04.12.2024, all traders must comply by 01.04.2025
- Functional testing of conformance by trader systems will start on 1st December 2023

Customs & VAT:



Main Issues:

- Implementation of the Union Customs Code
- **Wise Persons Report**
- UCC Update = New UCC

Customs & VAT:

Wise Persons Report



Customs & VAT:



Wise Persons Report – background and aims

- Wide ranging review of the functioning of the EU Customs Union and proposals to ensure it is fit to face current and emerging trends
- Identified ten main areas where reform is required, for example:
 - Deficiencies in data sharing, lack of EU-wide coordination, IT systems and tools
 - Reliance on transaction-based processes instead of system-based
 - Lack of uniform implementation of customs legislation by Member States, differences in interpretation, control procedures and sanctions, leading to gaps in coverage and protection
 - Requirement for more investment in equipment, people and resources, especially related to e-commerce
- Currently under consideration by DG-TAXUD, feeding into UCC Review/New UCC

Customs & VAT:



Main Issues:

- Implementation of the Union Customs Code
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Customs & VAT:



UCC Update = New UCC - Proposals

- Commission has already started work on the New Union Customs Code – despite the current one not yet fully implemented!
- Four options under consideration, most likely scenario is:
 - Reform of current customs processes
 - Introduction of a “Central EU Customs Space” data hub
 - Establishing an EU Customs Authority to oversee the operational and risk management procedures and the delivery of the simplified processes
- This option will reduce the costs for member states and business by using centralised systems.

Customs & VAT:



UCC Update = New UCC - Implementation

- Estimated cost of the EU Customs Data Space: €559 million over first 15 years then €2 billion to maintain and operate.
- Creation of the EU Customs Authority: €230 million over 15 years
- Timeline for implementation: 2023 - 2041
 - 2023 – 2027: Development of Commission proposal and implementation of all provisions except Customs Authority and Data Hub
 - 2028 – 2034: launch of Customs Authority and establishment of the Data Hub (goes live in 2032)
 - 2035 – 2041: Continued development of data hub (use is mandatory from 2038)
- Good news: The current UCC will be fully implemented in 2025, before the new one is introduced, allegedly!

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EMSWe: European Maritime Single Window environment



- Intended to establish a single, consistent vessel reporting system across the EU (Regulation 2019/1239)
- Current Issues for the shipping industry:
 - Overall implementation timelines for development, testing and introduction of systems at EU, national and operational levels
 - Agreement on, and harmonisation of, datasets
 - Authority to make changes to datasets (DMR's): Comm., MS, Assns?
 - Training timelines for operators

EMSWe: European Maritime Single Window environment



- Current status:
 - Work on datasets now with EMSA, technical work with DG-DIGIT
 - MOVE now concentrating on governance, e.g., allocation of responsibility between MOVE, EMSA and MS, setting of timelines
 - Issues for agents:
 - Clarification of requirements for inputting ENS data
 - Lack of functional specifications for national systems
 - Ability of system operators to ensure systems in place and working before:
 - **Go-live date, currently scheduled for August 2025**

EMSWe: European Maritime Single Window environment



- **Follow Up Actions:**

- ECASBA represented on DG-MOVE consulting groups by Jesper Sebbelin FICS (Denmark) and Capt. Peter Langbein and Bastian Güttner (Germany). Continue to monitor developments and raise our concerns
- Direct contact with DG-MOVE D.1.
- Working with, and supporting actions by, other industry bodies, e.g. ECSA, WSC, DCSA, IPCSA
- Encouraging ECASBA members to raise local concerns with national authorities (our letter March 2021)
- Issued Position Paper and ECASBA Declaration (February 2021)

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ETIAS/EES



- ETIAS (European Travel Information and Authorisation System) is the pre-registration system for travellers from outside the Schengen region. EES (Entry Exit System) is the passport check system
- Introduction of both further postponed due to unspecified “technical difficulties”, EIS for EES now expected “some time” in 2024 and about six months later for ETIAS
- Issues for Agents:
 - Seafarers do not use ETIAS, nor are SID’s checked through EES.
 - Concerns over cruise vessel passenger processing
 - Fake ETIAS websites, only use: www.eulisa.europa.eu/Activities/Large-Scale-It-Systems/Etias

ETIAS/EES



- Seafarers do not use ETIAS, nor are SID's checked through EES:
 - HOME advised in March that guidance issued to national border guards in October 2022 to consider allowing seafarers to enter Schengen region using ILO Convention 108 (Non-biometric) or Convention 185 (Biometric) SID's. (Practical Handbook for Border Guards, section 5.3.1)
 - Seafarers not in possession of a Schengen region visa on arrival, may be granted one at the border for the sole purpose of travelling between the ship and airport, or vice versa. (Practical Handbook for Border Guards, section 5.3.2)
 - **Neither are binding on national authorities but powerful incentive to do so.**

ETIAS/EES



- Concerns over cruise vessel passenger processing:
- Primarily related to processing obligations and space, time and resources in cruise terminals to process
 - Cruise vessel reporting obligations covered under Section IV, Part 2
 - Confirm that checks will only be made at first port of entry and not required again unless vessel exits Schengen region during voyage
 - Discussed with CLIA Europe during March visit. Cruise lines modifying itineraries to keep vessels in Schengen waters for as long as possible
 - Also, lines in discussion with port authorities to ensure adequate processing space and resources
 - CLIA to explain further during Ship Agent Plenary

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EU Emissions Trading Scheme (ETS)



- Part of the EU “Fit for 55” Package, covered by Directive 2003/87/EC
- Applies to vessels over 5,000 grt from 01.01.2024, expected to expand to all vessels over 4,000 grt later, cargo and passenger
- Applies to:
 - 100% of emissions on intra-EU voyages
 - 50% of emissions on voyages to/from the EU and a non-EU port
 - 100% of emissions whilst in port

EU Emissions Trading Scheme (ETS)



- Issues for agents:
 - Changing trade patterns to mitigate or avoid ETS charges
 - Deepsea vessel calls at non-EU port first and then travels intra-EU, ETS fees not payable on voyages between non-EU ports
 - Deepsea vessel unloads cargo at non-EU port for transshipment into EU using smaller vessels = lower ETS charges
- Anti-evasion measures
 - “Neighbouring container transshipment ports” (see next slide) are covered by the ETS and voyages including calls at these ports are subject to ETS fees - but only at 50%

EU Emissions Trading Scheme (ETS)



- Definition of “neighbouring container transshipment ports”
 - Located less than 300 nautical miles from an EU port
 - Transshipment of containers exceeds 65% of port throughput
 - Notified in Commission Implementing Acts issued 31.12.2023 and biennially thereafter
- The current draft Implementing Act only defines two ports, East Port Said (Egypt) and Tanger Med (Morocco)
 - Other neighbouring ports, e.g.: UK, other north Africa and eastern Mediterranean ports, are not subject to ETS fees
 - 50% fee allowance still gives East Port Said and Tanger Med advantages over EU transshipment ports

EU Emissions Trading Scheme (ETS)



- Concerns have been raised by port, terminal and shipper organisations throughout development of the ETS but so far not addressed by the Commission
- Restricted list of “neighbouring container transshipment ports” leaves scope for other non-EU ports to develop transshipment facilities outside coverage of ETS
- Further action by port, terminal and shipper organisations underway following publication of first Implementing Act

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European Shipping Summit 2023



- Venue: Royal Museums of Fine Arts, Brussels, 19th /20th September
 - Sessions (workshops) and Conference Dinner, 19th September; Main Conference: 20th
- Sessions based on three themes: Environment, Industry and People
- ECASBA hosted joint session with World Shipping Council entitled “Dangerous Trade: joining forces against drug trafficking”, looking at the impact of the drugs trade on the maritime supply chain and the people involved, Marco Tak was a panelist together with representatives of lines, ports and authorities
- More than 50 people attended the session
- Total Summit attendance: more than 450



EUROPEAN
SHIPPING
SUMMIT

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CEF Funding for Transport 2023



- “The Connecting Europe Facility (CEF) for Transport is the funding instrument to realise European transport infrastructure policy. It aims at supporting investments in building new transport infrastructure in Europe or rehabilitating and upgrading the existing one”. DG-MOVE website
- Total budget of €25.81 billion (including €11.29 billion for cohesion countries) across the entire programme
- The next funding round will start in 2024 with the “Connecting Europe Days: 2nd – 4th April 2024
- ESPO (port authorities) called a meeting of interested parties (including ECASBA) in Brussels on 18th September.
- Agreement to restart new campaign later this year

CEF Funding for Transport 2023



- As previously, ECASBA will give political support to the campaign

More EU budget for transport | The best Investment Plan for Europe

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EUROPE NEEDS TRANSPORT

Transport helps people move, keeps business and trade up and running, enables the completion of the internal market, enhances tourism and bridges the gap between the different regions of Europe. Imagine a life without transport... If transport stops, the economy stops.



20 MILLION EUROPEANS WORK IN TRANSPORT

1 in 10 Europeans works in the transport sector. On its own, completing the TEN-T network will create 10 million extra jobs by 2030. Better transport infrastructure is also an investment in long term growth and jobs. Investing € 750 billion can generate € 4,551 billion additional GDP. Every billion invested in the core network will create close to 20,000 new jobs.



INVEST IN BETTER TRANSPORT

Europe faces enormous challenges to remain a competitive, mobile and attractive place to live and invest in for the years to come. Moving towards a greener, truly integrated, digital, accessible-to-all, safer, more secure transport system which is socially sustainable requires investments and funding now!



DECARBONISATION OF TRANSPORT IS THE ONLY WAY FORWARD

The decarbonisation targets can only be met if all transport modes continue to invest in greener technologies and in a more efficient and smart logistic chain.



EUROPE'S TRANSPORT INVESTMENT PLAN

The Trans-European Transport Network (TEN-T) as defined in 2013 sets the right priorities in terms of sustainability, cohesion and can contribute in facing the current transport challenges. This plan comes with a corresponding investment programme, the Connecting Europe Facility (CEF). The core network must be completed by 2030, which requires more than €750 billion.



GRANTS ESSENTIAL TO COMPLETE NETWORK

Transport projects with a high societal return do not generate the necessary return on investment. Grants thus remain a vital component. After three years, the current CEF Transport Budget has been fully used. Demand for CEF funds exceed on average 2.5 times the available resources. The completion of the core network is at risk due to insufficient budget.



A STRONGER CONNECTING EUROPE FACILITY

CEF support is the best guarantee to deliver EU high added value. A strong CEF with responsible grant management is essential to complete the Trans-European Networks (TEN-T).



THAT IS WHY MORE EU BUDGET FOR TRANSPORT IS THE BEST INVESTMENT PLAN FOR EUROPE!



ECASBA ACTIONS/ISSUES 2023



- **Conclusions:**
 - Concerns remain on effectiveness of some of the measures and the ability of trade to comply with IT project implementation timelines
 - Introduction of a new UCC whilst the first one is not yet in place is cause for concern
 - Impact of drug smuggling on our people
- **Looking forward:**
 - New Director General of DG-MOVE, Magda Kopczynska, long-standing friend
 - New Commission in 2024, changed priorities?
 - No extension to BER!

ECASBA EUROPEAN UPDATE



- Any questions?

Thank you.