

**E U R O P E A N E C O N O M I C A R E A**  
**S T A N D I N G C O M M I T T E E**  
**O F T H E E F T A S T A T E S**

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**SUBCOMMITTEE I ON THE FREE MOVEMENT OF GOODS**

**EEA EFTA Comments on the European Commission's proposal to establish a system of pre-arrival and pre-departure declarations (the 24-hour rule) (COM 2003 452 of 24 July 2003)**

**Executive Summary**

**The EEA EFTA States welcome the Commission's initiative to enhance security in cross-border trade. It is however important to ensure that the new system does not create unnecessary barriers to trade between the EU and the EEA EFTA States.**

**Taking due account of the possible negative impact for the operators involved, it should be of common interest to find pragmatic and practical solutions to the introduction of the new system.**

**The Commission's proposal will not only lead to amendments in the Community Customs Code, but also evoke the need to establish implementing provisions for the practical application of the foreseen measures, for example in relation to the definition of time limits and data to be submitted, how to handle the risk analyses and how to certify authorised operators. The EEA EFTA States are prepared to actively provide input to the process of elaborating these implementing provisions. Keeping the anticipated timeframe for the implementation of any measures in mind, the EEA EFTA States propose that negotiations to find mutually acceptable solutions start in September 2004.**

**I Introduction**

1. The Commission published on 24 July 2003 a communication on a simple and paperless environment for customs and trade and on the role of customs in the integrated management of external borders. One element of this proposal is the establishment of a system where pre-arrival declarations have to be submitted to EC customs not less than 24 hours before the goods arrive in the EC, the so-called 24-hour rule.

2. The need to consult on the elaboration of the new system has been recognized and the EU Council gave on 24 November 2003 its support to increased cooperation with third countries, in particular in the neighbouring areas. So far, two constructive meetings have taken place between the Commission services and customs and trade facilitation experts of the EFTA countries. The EEA EFTA States underline the common denominator with the Commission's approach in order to find suitable and adequate solutions.

## **II Trade aspects of a system of pre-arrival declarations**

3. In the light of the fact that customs services are responsible for screening passengers and freight at national borders, it is logical to assume that the proposed security measures have the potential to create a technical barrier to trade between the EEA EFTA States and the EC. It is a condition for the well functioning of the EEA Agreement that new cross-border measures do not make trade more difficult. The system of pre-arrival declarations should therefore under no circumstances create new barriers to trade.

4. Taking due account of the close interconnection of trade within the EEA, any inappropriate measure would harm the economy on both sides. Thus, economic operators both in the EU and in the EEA EFTA States, for example importers, exporters, freight forwarders and customs agents, would be affected by the proposed measures.

## **III Legal and customs aspects of a system of pre-arrival declarations**

5. For the EEA EFTA States, Protocol 10 (on simplification of inspections and formalities in respect of carriage of goods) to the EEA Agreement may serve as a legal basis for the installation of a specific set of rules concerning the pre-arrival declarations and the implementation thereof.

6. The proposal will as a first step imply amendments of the Community Customs Code. Secondly, several very important *implementing provisions* will be established. It is thus crucial that the EEA EFTA States are closely associated in the elaboration of the new implementing provisions. The success of the new regime of pre-arrival declarations will essentially depend on a reasonable and pragmatic set of such rules.

7. The EEA EFTA States would like to underline that their customs services have a high standard of control which is equivalent to those of the EU Member States, for example in the fields of technology, control of importers and exporters and trade environment. It is consequently evident that a common understanding between the parties involved will be attainable.

8. Attention should be paid to the tools that already exist. Information submitted for example through the *New Computerised Transit System* (NCTS) might serve as a good starting point to set up specific criteria for the content of pre-arrival declarations. Additionally, there are also several issues linked to risk assessment, including the use of *existing conventions on safety and security*, e.g., for pharmaceuticals, radio-active products and veterinary products. On the other hand, questions on how to *authorise operators*, how to define the notion "*close-to-border trade*", how to regulate *maritime transport* and, finally the *definition of time limits*, need to be analysed fundamentally and thoroughly. The EEA EFTA States are prepared to actively provide input to the process of establishing implementing provisions securing a continued free circulation of goods within the EEA.

## **IV Follow-up**

9. The EEA EFTA States are looking forward to continuing the open and constructive dialogue with the EC in the elaboration of the new rules. In order to be able to agree on appropriate measures as soon as possible, a continuous flow of information has to be secured

and negotiations should start at the latest by September 2004. For that reason, it might be helpful to establish an EEA Consultation Group according to Article 14 of Protocol 10 to the EEA Agreement. Moreover, the opinion of industry has to be taken into consideration by all parties involved.