



FEDEMAC POSITION PAPER – EU IMPORTS

Updated 09.03.09 (version No 9)

Situation apropos of the import of household removal consignments into the E.U the from countries outside the E.U.

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EU Legislation

Quote ‘The Movement of Household Effects imported by natural persons transferring their normal place of residence from a third country to the customs territory of the community are admitted free of import duties and value added tax when the criterion set out in Articles 3 to 10 of Council Regulation (EEC) No 918/83 and Council Directive 83/1281/ (EEC) are met’.

Administration & Operational Problems arising in practice

Imports of Household Removals, coming from countries outside the E.U., destined to a primary residence within the E.U. can now be cleared in Austria, Denmark, France, Hungary, Ireland, Italy, Latvia, The Netherlands, Sweden, and The U.K., at the first customs point of entry into the E.U. for onward delivery to any other E.U. Country without further customs clearance. This is a relatively straightforward procedure using the standard Customs Import formalities as per the Country of first entry.

In the other E.U. Countries a Customs ‘T-form’ document must be established, at point of entry, to bond the consignment on for final clearance in the country of destination. This brings about all the complications of delay, dual customs attention, differences of procedure, lack of operational flexibility, misunderstandings by clients, limiting the choice of preference of choice by origin agents (**especially when sending containers holding shared consignments for delivery to different areas and different countries*) and inevitable extra cost. Such unwarranted distortions also create an imbalance in competition due to the complex different rules that apply throughout the various EU Countries.

The present system, in some EU countries, therefore imposes needless bureaucracy and administration which in turn creates disparity in competition, inefficiency and an unnecessary hindrance to the movement of consignments between the various Member States. *Clearly not a very practical situation especially knowing that one of the doctrines of the single European Market is for ‘the Free Movement of People and Goods’!*

The Removals Industry is key to this important ‘central ideal’ of the internal EU market.

Action initiated by FEDEMAC

FEDEMAC, on behalf of the European moving industry, has for some time been advocating that the more 'liberalised interpretation' should be adopted throughout the EU.

FEDEMAC appreciates the assistance and progressive thinking given by the European Commission who have confirmed that there is nothing wrong with the 'liberalised interpretation' which is open for all EU countries to use.

FEDEMAC has, in the past, prepared Position Papers and a Mission Statement which have been forwarded to the Commission, various M.E.P.'s and other officials as well as being placed on some important websites.

FEDEMAC delegations have had numerous meetings with Commission officials, M.E.P.'s, National Customs and Excise Officials and members of other institutions.

FEDEMAC is working in conjunction with all of these organisations and representatives in a practical way to try to solve the present unsatisfactory situation.

The incompatibility with current legislation appears to be perpetuated by the Customs Authorities of some Member States as a result of their own discretion which, itself, arises from the big differences in the national legislation of the Members States in respect of administrative procedures and requirements for a person taking residence in a country.

Leading M.E.P.'s have asked the Commission questions on behalf of the Removals Industry.

As far back as 2002, the then Commissioner Bolkestein confirmed that "Any natural person transferring its normal place of residence from a third country to the customs territory of the Community **has the right to choose any customs office in the Community for release into free circulation** of its personal property which it imports on this occasion. Given the Single Market rules its **choice is therefore not limited to customs offices located in the Member State in which the person wants to establish its residence**"

Many of our National Member Associations have also contacted their own Fiscal and Customs authorities, with requests that this subject be included on the agenda's of the relevant working committees of the European Institutions.

Yet, still today, we experience the obstacles of bureaucratic burden and lack of harmonised procedures within the E.U.

Important Considerations

A very important consideration here is the content of our very first Position Paper put forward to the Commission by FEDEMAC in 1996. (*Copy attached for reference purposes*)

Not only did this paper outline the problem but it also summarised the proposals being made at the time by the Commission, Working Parties and the European Parliament to amend the relevant article in Regulation (EEC) 918/83.

FEDEMAC, with a view to being of assistance, whilst at the same time taking into account the practical situation, also set out in that Position Paper the aims of the Removals Industry and the possible solution (*It should be noted that since 1996 the French Fiscal Authorities have withdrawn the requirement to charge French TVA (VAT) on the proportion of transport costs/transport service costs over French Territory. See 1996 document – Section A3 - Last Paragraph*).

The issue was further discussed at the Annual Meeting of Customs Authorities in November 1999. There, we understand, it was confirmed that a fundamental principle of the Single Market is that people should be able to declare and clear their personal belongings in any Member State of their choice and that for Customs Clearance purposes **the answer lay in implementing the 'Notification' procedure** proposed by the European Parliament some time ago (*i.e. in line with the proposed FEDEMAC solution put forward in 1996*).

This issue has since also been raised in the working group committees of the relevant national finance representatives at EU VAT meetings in Brussels. We are given to understand that, again, a number of countries do not oppose the 'liberalised interpretation'

Conclusions

At this moment in time, some E.U. countries are already following the 'liberalised interpretation' in practice. Others are still refusing to adopt this which, in effect, maintains internal 'barriers' within the E.U..

The European Commission wants to install a 'Customs Framework' which would allow the most liberal procedures but it would appear that, to do this, the Commission is reliant upon the goodwill of the Member States as Residency Laws are still completely in the hands of the National Member States.

The Residency requirements, themselves, are considerably different in each country and in some the documents are linked to customs import procedures. This, in turn, makes the procedures quite complicated, in certain countries, and is a hurdle to both simplicity and harmonisation throughout the EU.

We are, therefore, at present, left with a situation where some countries allow for full clearance in the EU Country of first arrival whereas others are still insisting that consignments are 'bonded on' to EU Country of destination for final clearance – in effect, maintaining archaic/over-complicated procedures, creating real limits on the flexibility that businesses need to maintain efficiency.

FEDEMAC's members believe that the right to a fair and easy removal and transfer of one's own household furniture and effects stands at the very heart of the EU 'Ideal' and is in the 'spirit' of the Internal Market.

The Professional Removal Industry and the services it provides are closely linked to both the free circulation of workers and the free circulation of goods – “The Mobility of People and Goods!”.

The solution put forward previously meets these requirements.

- Please find attached:
Copy of FEDEMAC position paper/proposed solution 1996.

about FEDEMAC

FEDEMAC (originally CODEMAC) was first founded in 1959 when a number of forward thinking National Removers Associations within Europe formed a coalition in order to exchange views and information. In 1965 the name was changed to FEDEMAC –The Federation Des Entreprises de Déménagement Du Marche Commun- but whilst the abbreviation remains, the organisation is now referred to as The Federation of European Movers Associations.

FEDEMAC was registered as an independent European organisation on 1 January 1995. Today it represents the interests of around 4,000 Professional Removals Companies in 25 European countries.

FEDEMAC's main function is to co-ordinate national activities at a European level. Much of this work is centred on lobbying at the EU Parliament and Commission; liaising with national associations and other trade organisations such as the IRU, MPE, WCO and BEUC; and undertaking other activities at national and EU level as appropriate.

FEDEMAC works continuously towards the harmonisation of working methods, quality standards, training and co-operation within the Moving industry. Communication, magazines, newsletters, directories and the use of modern IT tools form an important part of this work.

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