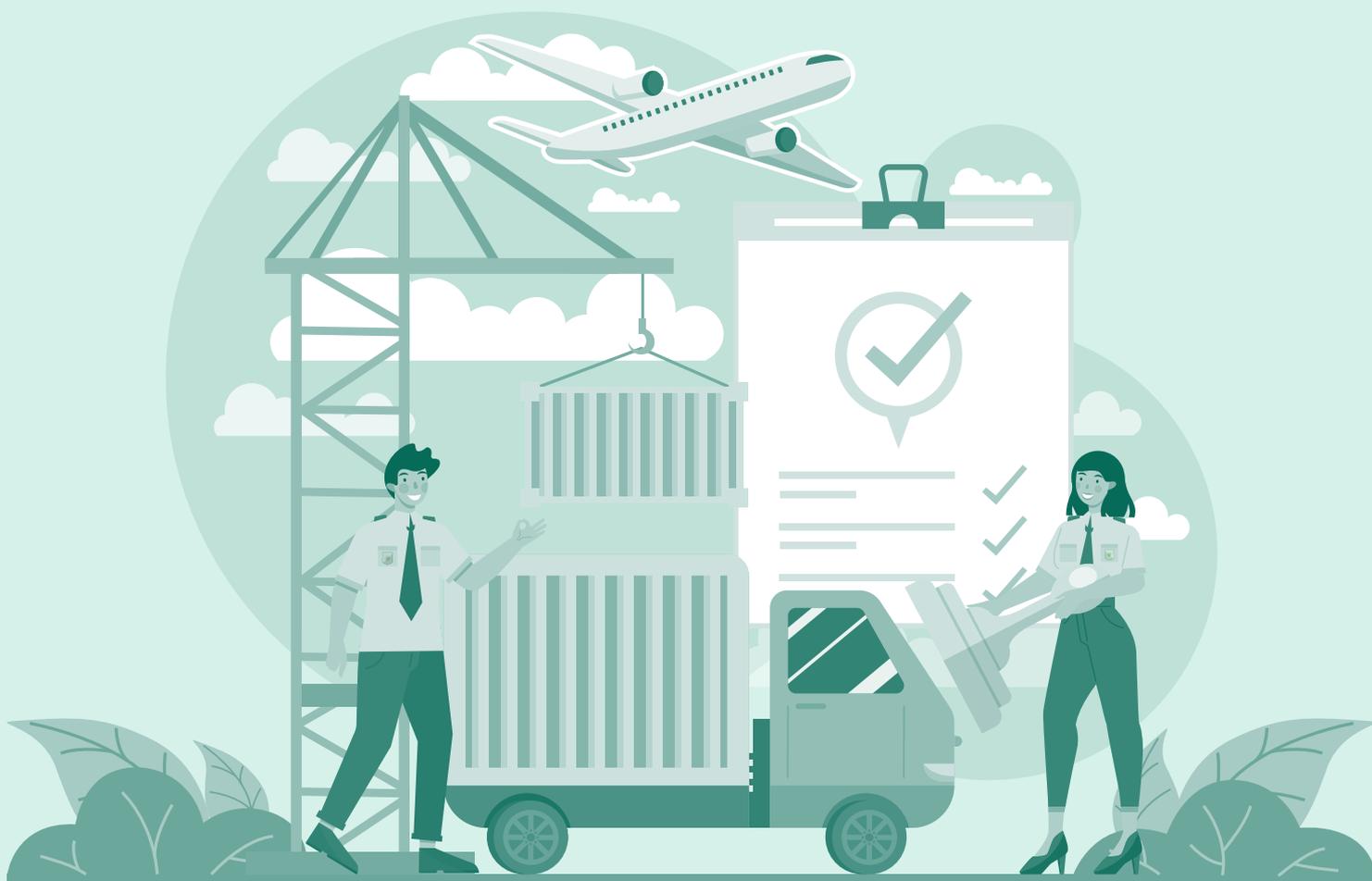




Customs Administration of the
Netherlands
Ministry of Finance

Annual Report Overleg Douane Bedrijfsleven (ODB) 2023





Foreword

As in previous years, there was plenty to discuss at the 2023 National Committee of Trade Facilitation or the NCTF (Overleg Douane Bedrijfsleven or ODB). The talks ranged from the review of the Union's customs legislation to the sanctions measures against Russia. Inspiring dialogues were conducted in the ongoing search for solutions to shared challenges, such as improving IT systems and enhancing logistics cooperation.

This ODB annual report covers the key issues that emerged in 2023. We also discuss the progress of the Customs Business Strategic Development Agenda to provide an overview of the cooperation within the ODB.

We are proud to stress the continuing value of the ODB to public-private cooperation between Customs and Logistics.

*Also on behalf of the business community,
Nanette van Schelven, Director-General of Customs, chair of the ODB*



1 ODB introduction

In the National Committee of Trade Facilitation (referred to below as the ODB), public and private sector representatives discuss issues related to EU cross-border movement of goods, customs logistics and customs clearance and excise. The ODB has held the status of National Committee on Trade Facilitation (NCTF) of the World Trade Organisation since 2016. This includes Customs Netherlands, umbrella organisations representing cross-border trade and logistics operators, consultants and IT suppliers, the Dutch Human Environment and Transport Inspectorate (ILT), the Netherlands Food and Consumer Product Safety Authority (NVWA), and some relevant ministries. We aim to strike the best possible balance between enforcement and trade facilitation.



2 Key developments in and around the ODB

ODB consultations

The ODB has a general meeting headed by the Director General of Customs, which was held three times in 2023. We also distinguish between the ODB IT, ODB Current Status, and ODB MLT (medium-term) working groups. Last year, ODB IT and ODB Current Status met four times, and ODB MLT once. For important developments, the working groups can set up (temporary) sounding boards and working groups and organise activities (such as theme sessions and webinars).

ODB sounding board groups

In 2023, ODB sounding board groups were in operation for ICS2 (Import Control System 2), DMS (Customs Declarations Management System), AES exit (Automated Export System) and the Union Customs Law Review (Reform UCC). Besides the permanent members of the ODB, individual members from companies participate based on their specific expertise. The ICS2 sounding board group also includes aviation (release 2) and maritime (release 3) companies. The introduction of AES exit has gone relatively smoothly not least owing to the efforts of the business community and software developers. Meanwhile, the vast majority of companies are operating in compliance with the new regulations and formalities. The AES exit sounding board group was discontinued in late 2023 and reviewed in early 2024. The review results will be shared within the ODB for future focus groups.

ODB composition and structure

The structure of the ODB (with three working groups and temporary sounding board groups falling under them) is reviewed periodically. Portbase and Cargonaut joined the ODB IT in 2023. Their role as managers of the Port Community System makes them a valuable addition. The composition and structure of the ODB remained unchanged in 2023.

ODB event

No ODB event was held in 2023. There is no longer any need to organise the event. That is because of the improvement seen in recent years in the provision of information about the ODB and relevant developments at Customs to members of the umbrella organisations. Examples include the publication of ODB reports on www.douane.nl. However, Customs is exploring the possibility of organising an annual national meeting with and for the broader stakeholders (including ODB members and their constituencies, the business community, and customers).

Trade Facilitation Agreement

In 2022, Greece asked the Ministry of Foreign Affairs (BZ) for help in implementing the *Trade Facilitation Agreement*. That was in the context of economic diplomacy. On 16 January 2023, BZ gave presentations on Dutch policy on trade facilitation. They were held during the online workshop *Exchange of best practices on Trade Facilitation*. The ODB secretary gave a presentation on the Dutch NCTF (ODB).

Regional NTFC Maturity and Capacity Building Conference

At the request of the World Bank Group, the ODB secretary gave the same online presentation at the Regional NTFC Maturity and Capacity Building Conference 2023 in Belgrade. This aimed to showcase the national public-private partnerships Customs takes part in.



3 Key themes of the ODB in 2023

Revision of the Union Customs Code (UCC)

The revision of the Union Customs Code (UCC) will lead to several changes, which presents Customs with one of its biggest challenges. In early 2023, the ODB and the Directorate-General for Taxation and Customs Union (DG TAXUD) organised a special session at the Tax & Customs Museum to exchange views on the Commission's review proposal. The Reform UCC working group also started operations under the ODB MLT, where this particular topic is regularly discussed. This working group, chaired by the Directorate General of Fiscal Affairs (DGFZ), primarily focuses on exchanging information. The large volume of changes (in both business and Customs) underlines the importance of joint action.

Extended additional tax assessment period

In 2023, Customs included the ODB in the legislative amendment on the Extended Additional Tax Assessment Period and its implications. This legislative change will take effect on 1 July 2024 only (for now) for free circulation declarations. An inadvertently incorrect or incomplete customs declaration will no longer be subject to a criminal penalty but an administrative fine. A customs debt incurred in such cases is subject to a 3-year additional tax assessment period. Those who disagree with the administrative fine can lodge an objection with Customs. Previously, opposition to the criminal order had to be filed with the public prosecutor's office.

State of Play

In mid-2023, Customs published the first State of Play (SvdU, Stand van de Uitvoering). This report focuses on bottlenecks experienced by citizens, businesses, and customs staff when performing customs tasks. The signals from the ODB were also included. The ODB will also be actively involved in the creation of subsequent SvdUs. Many signals in the SvdU 2023 have a long history, which makes the solutions complex. That does not alter the fact that Customs discusses bottlenecks within the political, policy and implementation triangle and looks for solutions. In 2024, relevant developments will also include the ODB again.

Certificate of Good Service

In 2023, Customs included the ODB in the Certificate of Good Service results. This certificate is a tool that measures and improves Customs' service to business. Customs and business have identified aspects of service delivery that are important to both parties. These aspects form part of a broader survey of Customs customers. Customs wants to move towards a certificate of service that better reflects experiences and impressions from across the business community. The reporting methodology and the target groups surveyed are now being examined in more detail. Customs will also organise an in-depth session with ODB members, during which they can provide more substantiation on issues of disagreement.

CBAM

The European regulation Carbon Border Adjustment Mechanism (CBAM) has been partially in force since October 2023. This is a border carbon adjustment on imports of certain goods (including steel, iron and fertilisers). The full regulation will take effect on 1 January 2026. Companies will then start paying the carbon offset through CBAM certificates. In the transition period, companies must report quarterly on carbon emissions released from the production of imported CBAM goods. Customs has always shared the information on the subject with the business community. For instance, the topic was presented in the ODB, and Q&As and letters were prepared for companies (in cooperation with the Netherlands Emissions Authority [NEA], Customs' enforcement partner in this field). A webinar on CBAM was also organised in November 2023. In 2024, Customs remains committed to effectively providing information in response to signals from business.

Sanctions measures against Russia and Belarus

New sanctions packages against Russia and Belarus were published in 2023 concerning the invasion of Ukraine. The war and sanctions significantly impact both logistics chains and the deployment of Customs. That makes timely and adequate coordination essential. The ODB holds regular and intensive meetings on the measures. In particular, entrepreneurs need clarity on the required documents, how Customs enforces, and a quick and clear line of communication. To address the latter point, Customs has continuously updated the FAQ list on sanction measures on the special information page 'War in Ukraine' (Customs for Business) throughout the year.

Customs Declarations Management System (DMS)

The implementation of the new EU data model is one of Customs' largest current IT projects. This entails all kinds of changes in declaration systems: from AGS to DMS, from GPA/SPA/IIAA to DMS and the audit file. The participants engaged in lengthy preparations under the ODB IIAA to DMS sounding board group.

95% of companies have now joined the normal procedure (Import, Export and Storage). The presentation message for the IIAA procedure are operational and companies can be connected.

The implementation of the IIAA with the supplementary declaration procedure in 2023 was not completed by the specified deadline. It is of great importance that the business community, software vendors and Customs continue to work together in 2024 and 2025 to successfully complete the migration to the EU Data Model.

Emergency procedures

The Emergency Procedure Bottleneck Identification Working Group was established In 2023. It consists of representatives from Customs, umbrella organisations and the business community. The working group examined the current emergency procedure. The bottlenecks from the survey were inventoried and shared with Customs and the business community. The biggest bottlenecks include the administrative burden on business and the pressure on Customs to handle the paper flow.

To reduce the inconvenience of disruptions to imports and exports, the working group is going for 'quick wins'. They include improving messaging monitoring to customs systems and proactive communication with businesses. A new procedure has also been jointly developed to speed up handling emergency declarations from AEO-certified filers via an AEO mailbox. A pilot will test whether this working method covers the entire logistics process.

Transport developments

From 1 December 2024, NCTS Phase 4 will no longer be supported from Brussels. After that, the process for a new transit application will start via DVA phase 5 (Customs Transport Application). That will lead to changes for all users of the transport process, such as businesses, software vendors and customs staff. With the new application, Customs complies with amended European legislation under the Union Customs Code (UCC). That involves a new data structure, modified messages and the addition of two work processes. Information on this subject was communicated in mid-2023. MIG DVA has also been published at www.douane.nl and a sounding board group DVA was launched in January 2024.

IT Faults

In 2023, the business community and Customs faced persistent and sometimes repetitive messaging faults. Most of these faults are caused by infrastructural problems and the failure of essential interface systems to correctly process declaration flows. To avoid these problems as much as possible in the future, a number of *infra-changes* have been successfully put in place. These were scheduled for Life Cycle Management (LCM) in 2024, but have been brought forward.

Customs will also invest in the testing system on the performance of the declaration process, with all its necessary interfaces.

Other discussion points, questions and communications

Besides the key issues outlined above, numerous other topics were discussed. Outside the ODB meetings, Customs answered a wide range of questions from the business community, shared communications with the ODB and involved the ODB in its general communications. A small sample of the topics covered: Customs' labour market campaign, the horizontal excise directives, Single Window, Venue (e-commerce) and Fiscal Penalty Order (FSB).



4 Strategic Development Agenda

In early 2023, there was a session at the Tax & Customs Museum on Customs' Strategic Multi-Year Plan (SMP) programmes and projects that interface with the Strategic Development Agenda. That included a substantive discussion of the business community's strategic documents and ongoing SMP projects at Customs.

There were in-depth thematic meetings around a number of topics. The subjects included communication towards business, an introduction to other policy departments, the point of contact for companies and customs officers' knowledge of the logistics business.

Following the theme sessions, working visits were paid to the Douane Telefoon (Customs Hotline) and the Maasvlakte. This aims to create a clearer image of shared challenges. The in-depth theme-based meetings will continue in 2024. Customs is in the process of developing a vision for 2035, which also involves the ODB.



The Netherlands Trade Facilitation Committee

The participating organisations in the ODB are:

Ministry of Finance Directorate General of Customs
Ministry of Finance Directorate General for Fiscal Affairs (DGFZ)
Ministry of Foreign Affairs
Ministry of Economic Affairs and Climate
The Dutch Food Safety Authority (NVWA)
The Human Environment & Transport Inspectorate (IL&T)
Air Cargo Netherlands (ACN)
Alliantie Douane Softwareleveranciers (ADS)
Cargonaut Netherlands
evofenedex
Federatie Nederlandse Expeditie (FENEX)
Transport en Logistiek Nederland (TLN)
Nederlandse Orde van Belastingadviseurs (NOB)
Portbase
Register Belastingadviseurs (RB)
Verenigde Nederlandse Cargadoors (VNC)
VNO-NCW/MKB Netherlands
Verenigde Nederlandse Terminal Operators (VNTO)
Topsector Logistiek

This is a publication of:

Douane Nederland

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ODB 003 - 1Z21FD