

The Customs Test

What the UCC Means
for the Future of EU Trade?



JULY 2025

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Introduction



The **Union Customs Code (UCC) reform** marks a turning point in the European Union's approach to **customs management**, a once-in-a-generation shift toward a **data-driven, centralized, and fully digital customs system**. [1] With the **European Parliament** having adopted its position in **early 2024** and the **Council** having agreed on a **partial negotiating mandate under the Polish Presidency**, the reform is entering its most decisive phase. [2] As the Council continues discussions ahead of a **full General Approach** under **the Danish Presidency**, it is critical to ensure that the **final framework**, whether negotiated in trilogues or through subsequent institutional deliberations, reflects both the ambition of the original reform and the **operational realities of today's cross-border trade**. [3]

The reform package, as proposed by the **European Commission**, introduces welcome innovations: a **new EU Customs Authority**, a **unified EU Customs Data Hub**, and an **integrated liability regime for platforms and importers**. [4] It sets out to **modernize customs procedures, tackle abuse of the €150 de minimis threshold**, and increase **safety and compliance** at the EU's borders. A phased implementation is expected, beginning in 2028, with mandatory adoption of the Data Hub by 2038. [5] A proposal to introduce a customs handling fee on low-value consignments is also under discussion, though the amount is yet to be determined and will be defined **via delegated acts**.

However, **key provisions**, including the **end of low-value exemptions, simplified duty calculations**, and the **expanded liability of online platforms**, risk creating unintended burdens unless implemented with greater legal clarity, digital coordination, and proportionality. [6]

The upcoming phase of the **Union Customs Code** reform presents both significant opportunities and serious implementation risks. Efficient customs procedures and streamlined digital infrastructure are essential to ensuring **legal trade flows smoothly across the Single Market**. However, without **sufficient legal clarity, operational proportionality, and consistent enforcement**, the reform may unintentionally increase friction in cross-border commerce, particularly for intermediaries that facilitate high volumes of legitimate, low-value goods. Diverging national practices and unclear liability frameworks risk undermining compliance incentives and placing obligations on actors without corresponding control or visibility into the supply chain. [7]



As the Council prepares to finalize its position and the reform advances to the next legislative phase, this paper identifies multiple critical priorities for the process ahead:

Simplicity and proportionality: Providing the **removal of the de minimis threshold** and **introduction of new charges or duties** does not lead to **excessive administrative complexity** for low-risk, low-value shipments. [8]



The UCC should adopt a **risk-based approach**, concentrating enforcement efforts on **higher-risk trade flows**, such as **B2C imports** from third countries with a high incidence of under-declaration (e.g., China).



Simplified procedures or **low-value exemptions** should be preserved for integrated and trusted markets such as **Norway, Switzerland, and the United Kingdom**. As the examples provided maintain **close regulatory alignment** and **established trade relations** with the EU, and continued facilitation would prevent unnecessary trade barriers while supporting legitimate, low-risk commerce.



Establishing **clear, consistent rules for platform liability** that account for the limits of what can be verified or controlled by intermediaries.



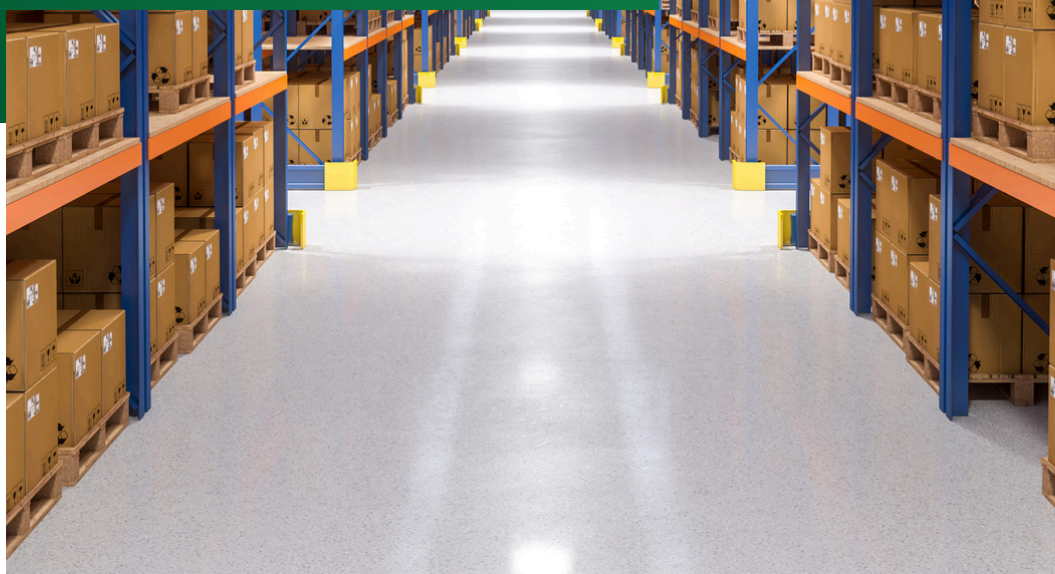
Guaranteeing that the **new EU Customs Data Hub** and **Customs Authority** are implemented in close cooperation with private-sector operators, supported by **clear APIs, transition timelines**, and **safeguards for sensitive commercial data**.

The UCC reform is not just a regulatory update, it is a foundation for the next decade of EU trade. To succeed, it must balance control and competitiveness, accountability and innovation. Platforms, logistics providers, and cross-border sellers are ready to partner in this effort. What they now ask for is a **legislative framework** that is **workable, future-proof, and fair**.

Overview of the UCC Reform

The European Commission's proposal to reform the **Union Customs Code (UCC)**, published in May 2023, set out an **ambitious vision**: to build a **modern, data-centric customs framework** capable of managing growing volumes of international trade, while enhancing the EU's capacity to **detect risk**, provide **product compliance**, and **protect fiscal revenue**. [9] The package aimed to streamline customs processes by replacing fragmented national systems with a single EU Customs Data Hub, empowering a new EU Customs Authority, and **phasing out traditional import declarations** in favor of **real-time data exchange**.

This vision was widely supported by stakeholders across sectors. However, it also raised **practical concerns**, especially for **operators at the intersection of digital commerce, logistics, and customs compliance**, around **implementation feasibility, liability allocation, and interoperability** with existing systems. [10] As the legislative process progressed, the European Parliament and Council of the EU each took steps to refine the proposals in response to these concerns.



Parliament's Amendments: Flexibility and Practical Adjustments



In March 2024, the European Parliament adopted its **first-reading position** with broad **cross-party support**. [11] While endorsing the overarching objectives of the reform, Parliament introduced several **important modifications** aimed at ensuring **proportionality** and **feasibility** for economic operators.



Preserving the AEO scheme

alongside the new “**Trust & Check**” model, to ensure continuity for businesses already **certified** under the current UCC;



Extending the temporary storage period

rejecting the Commission's proposal to reduce it from **90 days to 3** — a change deemed **operationally unworkable** by both express carriers and postal services;



Introducing a pilot phase for the EU Customs Data Hub

to test **technical viability** before full deployment;



Integrating the Single Window Environment

into the future architecture of EU customs, supporting **interoperability** and **efficiency**.

Council's Position under the Polish Presidency

In the first half of 2025, the Council of the EU, under the Polish Presidency, made progress on finalizing its negotiating stance for trilogue discussions on the Union Customs Code (UCC) reform. On 24 June 2025, the Customs Union Working Party reached agreement on a Presidency compromise text, marking a key step toward a partial negotiating mandate. [12] The text reveals the Council's emerging positions on several core elements of the reform:



Platform liability model: The compromise confirms support for holding platforms liable for **customs duties** and **import VAT** in **business-to-consumer (B2C)** distance sales. When the platform or facilitator is not established in the EU, it must appoint an **indirect customs representative with AEO status**, who assumes **full liability** — a significant clarification ensuring enforceability within EU jurisdiction.



Removal of the €150 de minimis threshold: The Council backs the Commission's plan to remove the **duty exemption for low-value consignments**, with implementation foreseen by **2028**. **Simplified customs valuation methods** will accompany this change and the introduction of **"bucket tariffs"** under the Combined Nomenclature, aimed at easing compliance for platforms.



EU customs handling fee: The compromise includes provisions for a **Union-level handling fee** to cover costs associated with customs supervision of **distance sales** which creates growing concern over the financial sustainability of managing **high volumes of low-value imports**.



EU Customs Data Hub: The Council supports **a phased rollout**, with the system to be available to operators by **2028**. The text stresses the need for **interoperability**, **robust testing**, and **gradual decommissioning of national IT systems** to ensure **reliability** and **continuity**.

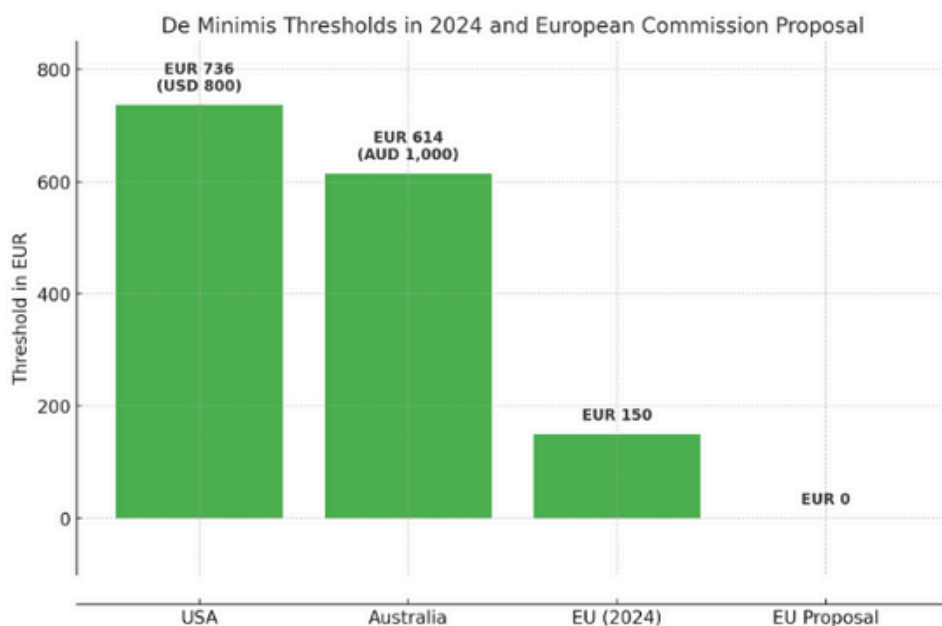


Data Hub implementation: Discussions continue regarding the **pace** and **governance** of the EU Customs Data Hub. Several Member States have stressed the need for **gradual deployment**, with the system becoming available to **e-commerce** businesses by **2028** and mandatory by **2038**.



EU Customs Authority: There is broad agreement on the creation of an **EU Customs Authority** with a **coordinating** and **supporting role**, particularly in **crisis management**, **risk assessment**, and **IT development**. However, key **operational** and **structural questions**, including the Authority's **location** and **mandate boundaries**, remain under discussion.

On 24 June 2025, the Council reached agreement on a Presidency compromise text, forming the basis for a partial negotiating mandate. With the Danish Presidency of the Council now underway, it is expected to lead the upcoming trilogue negotiations with the European Parliament toward a final agreement.



[13]

The Road Ahead: Opportunity and Uncertainty

While institutional alignment is emerging around the overarching goals of the Union Customs Code reform, important differences persist on several **implementation-critical elements**, especially those affecting **e-commerce operators** and **digital platforms**. Key proposals such as the introduction of a **Union-level handling fee**, the **removal of the €150 de minimis threshold**, the use of **simplified “bucket tariffs”** for customs duty calculation, and the formalization of the **“deemed importer”** model under an expanded **IOSS framework** pose practical and **legal challenges** that remain under discussion.

Against this backdrop, private-sector stakeholders central to Europe’s **cross-border digital trade** are calling for a reform that balances ambition with **operational clarity**. For the reform to succeed, **precision in execution** and **legal certainty** for platforms, intermediaries, and consumers will be essential. The next section examines how core UCC provisions stand to impact digital commerce platforms, logistics providers, and the consumers they serve.

E-Commerce Platform Implications

The UCC reform sets a new governance model for EU customs, holding platforms liable for VAT and customs duties under the “**deemed importer**” model. With the **phase-out of Special Arrangements** and the **€150 threshold** by **2028**, platforms must now manage full compliance for **low-value B2C imports**. More Europeans are embracing online shopping. According to Eurostat, 77% of internet users in the EU made online purchases in 2024, up from 59% in 2014. The highest participation was among those aged 25–34, with 89% buying online, while even 53% of users aged 65–74 placed online orders. [14]



As reflected in the Council’s Presidency compromise text of 24 June 2025, the policy direction consolidates around a liability framework that holds digital platforms accountable for both customs duties and **VAT on goods** sold to EU consumers. While this builds on the existing VAT collection model under the Import **One-Stop Shop (IOSS)**, its extension to customs duties, coupled with the **planned removal of the €150 de minimis threshold** by **2028** represents a fundamental shift in the compliance obligations facing e-commerce platforms.

The reform also codifies the concept of a “**deemed importer**,” designating **entities/persons (platforms for ease of further reference)** that facilitate sales by non-EU sellers as the official **customs declarant**, responsible not only for **VAT** but also for customs duties and compliance with all applicable **border measures**. As of July 2028, Special Arrangements for postal and express consignments are set to be phased out, eliminating previously available **opt-outs** that had enabled **simplified** customs treatment for **low-value parcels**. The implications of these changes are examined across three dimensions: **thresholds**, **liability**, and **data integration**.

THRESHOLD REMOVAL



€150
EXEMPTION
ENDS IN 2028

PLATFORM LIABILITY



CUSTOMS
DUTIES + VAT
ACCOUNT-
ABILITY

DATA INTEGRATION



LINKED TO EU
CUSTOMS
DATA HUB

De Minimis Threshold Removal

The Commission’s original proposal called for eliminating the €150 duty-free threshold for **imported** goods, citing widespread abuse through **under-declaration** and **misclassification**. This proposal has gained traction within the Council, with the 24 June 2025 Presidency compromise text confirming support for its removal. According to the latest Council conclusions, the goal is to create **a level playing field** and reduce fraudulent practices often associated with **low-value parcel imports**. The implementation timeline foreseen is 2028, aligned with the broader reform of customs and **VAT collection systems**.

While the objective is understandable, the practical consequence is a surge in administrative complexity. Millions of **low-value consignments**, previously exempt from customs duty, would now require the same treatment as **high-value goods**, which shifts that **disproportionately** impacts **high-volume e-commerce platforms** and their **logistics partners**. Without a corresponding system of **simplified entry procedures** or **fully interoperable digital tools**, this change threatens to **increase processing costs, delay shipments, and erode the consumer experience**, particularly for **low-margin sellers** and **time-sensitive deliveries**.



While some stakeholders express concerns regarding the removal of the de minimis threshold entirely, citing its importance as a **trade facilitation tool** and questioning the link to **improved border safety**, the common approach was identified as a gradual **phase-out**. We consider this approach a pragmatic compromise that acknowledges the political momentum behind the reform while offering businesses time to **adapt**. However, even under a phased model, it remains essential that **simplification mechanisms**, such as **bucket tariffs** and streamlined **entry procedures**, are **fully operational** prior to any removal, to avoid regulatory gaps and disruption to parcel flows. [15]

Although the Parliament previously signaled **openness** to simplification in this area, including potential **thresholds** for **low-risk operators**, such proposals have not yet been reflected in the Council's preparatory texts. Additionally, while the Commission now proposes simplified customs calculations based on just four categories of goods, the operational details, including **classification standards and mapping to platform inventory systems**, are still under discussion. [16] Logistics industry representatives have expressed support for the bucket tariff system in principle, particularly as it reflects prior industry recommendations. However, they caution that successful implementation depends on clear product classification protocols and uniform enforcement across Member States. The risk of removing the de minimis threshold before these simplifications are fully operational could result in a **regulatory vacuum**, increased **administrative burdens**, and significant **delivery delays**. [17]

Platform Liability Expansion

The most significant structural change for platforms is the **proposed expansion of their legal liability** for customs duties in addition to **VAT**. This liability applies to platforms facilitating **distance sales** into the EU, regardless of whether they directly manage fulfillment or logistics, as long as they determine the **supply chain** and **bear commercial risk** and it aligns with the Commission's aim to increase customs revenue recovery by concentrating obligations onto a **smaller number of high-volume intermediaries**, particularly under the new "**deemed importer**" model. [18] The definition of the "**deemed importer**" should be explicitly tied to **long-distance** sales from **third countries** to ensure consistent enforcement and close **existing compliance gaps**. In such cases, the **facilitating platform, not the merchant** must bear **full, non-transferable responsibility** for customs compliance, including **data provision, customs debt payment, and risk management**.

Verification capacity: Platforms often host **independent sellers** whose product data is **self-reported**. [19] Imposing strict liability on platforms without clarifying the limits of their **verification** responsibilities creates **legal ambiguity** and **commercial risk**.

Regulatory incoherence in the attribution of importer liability: The designation of a **(deemed) importer** under the reformed UCC risks producing **substantive legal overlap** with the concept of "**importer**" embedded in **parallel regulatory frameworks**, such as the **GPSR, the Market Surveillance Regulation, and sector-specific product legislation** which may give rise to **interpretative uncertainty** and **fragmented accountability**, particularly in **transnational supply chains** involving **digital platforms, intermediaries, or multi-actor distribution networks**.

Handling returns and discrepancies: In **cross-border e-commerce**, goods are frequently **returned**, and **shipment values** vary. Responsibility for **misdeclarations, damaged goods, or post-sale value changes** must be clearly **allocated**, or **platforms risk** being penalized for **errors** outside their **control**.

Divergence in Member State enforcement: Even with a **centralized Customs Authority**, national customs administrations may continue to **interpret** and enforce liability provisions **differently**. Without harmonized implementation, platforms may be **exposed** to **inconsistent audit standards, sanctions, or liability regimes** across the **Single Market**.

Concerns over platform liability were raised in industry consultations from late 2024 to early 2025, with logistics providers and platform operators advocating for a proportionate regime based on each actor's control and verifiability. **Clear responsibility delineation** is essential for **legal certainty** and **efficiency**. **Transport** and **clearance actors** should not bear liability for **product safety** or **regulatory compliance**, which lies with **sellers** or **platforms**. Without safeguards, intermediaries risk undue legal and administrative burdens.



B2B2C Model and T&C Limitations

The proposed reform introduces a new **B2B2C customs framework**, under which **platforms** or **intermediaries** facilitating transactions between **third-party sellers** and **end-consumers** may be designated as deemed importers, even when they are not the **legal seller of record**. [20] This model is intended to close **enforcement gaps** in cross-border e-commerce, but it introduces **substantial legal** and **operational uncertainty**.

Importantly, whether a **platform** qualifies as a **deemed importer** may depend on the **degree of commercial control** it exerts, which in practice is often defined in its **Terms and Conditions**. In cases where a platform's Terms and Conditions do not clearly establish **commercial control** or **risk ownership, liability** may still be **imposed** based on **broad** or **inconsistently interpreted criteria**, creating compliance uncertainty. This creates a compliance risk for platforms whose T&Cs were not originally designed with customs enforcement in mind.

In parallel, this model is closely linked to the **handling fee mechanism** discussed by the Commission, where **B2B2C consignments** may trigger customs clearance obligations and associated charges (e.g., **per-consignment fees**). Without harmonized definitions or guidance on what constitutes control in a **B2B2C structure**, platforms may be forced to restructure their **contracts, risk profiles, or operational workflows** to remain **compliant**, especially when handling **low-value third-country shipments**. Logistics providers have expressed concerns about proposals that **would institutionalize B2B2C warehouse models** as a compliance requirement, particularly if goods must be stored prior to onward distribution. Express delivery networks operate on integrated, time-sensitive models that rely on **fast customs clearance** rather than **static inventory**. The definition of the "**deemed importer**" should be explicitly tied to long-distance sales from third countries to ensure consistent enforcement and close existing compliance gaps. In such cases, the **facilitating platform, not the merchant**, must bear **full, non-transferable responsibility** for **customs compliance**, including **data provision, customs debt payment**, and **risk management**.

Mandating **warehouse-based checks** would disrupt **express services**, **increase costs**, and **delay deliveries**, especially in sectors like **medical supplies** and **industrial parts** where **time-to-market** is **critical**. A **risk-based approach** that prioritizes **compliance history** and **operator reliability** is preferred over **blanket warehousing mandates**.

How Platform Control & Customs Rules Intersect



**AMBIGUOUS
UNCLEAR T&CS MAY STILL
TRIGGER LIABILITY**

Handling Fee Mechanism

As part of the broader UCC reform, a customs handling fee is under discussion to address the **disproportionate administrative burden** created by the **high volume** of **low-value B2C consignments** entering the EU from third countries. [21] While often referred to in stakeholder discussions, the **specific fee amount** is not included in the **legal base of the UCC** and will instead be determined through **delegated acts**.

Purpose-driven targeting: The **fee** should apply specifically to **low-value B2C imports** from third countries that impose a **measurable strain** on customs infrastructure. In contrast, **B2B bulk shipments** (already subject to full customs oversights) should remain **excluded** to avoid unnecessary cost increases for **established supply chains**.

Application by consignment: The mechanism should operate on a **per-consignment basis**, rather than **per-item**, to reflect the **structural customs** burden of **low-value parcel flows** and discourage **fragmentation** or **manipulation of shipments** to **avoid fees**.

Uniform EU-wide implementation: **Fragmented** or **isolated adoption** by Member States would risk encouraging “**forum shopping**,” allowing operators to **route goods** through the most **lenient jurisdictions**. To preserve the integrity of the **Single Market**, the handling fee must be implemented uniformly across the EU.

The proposed Union handling fee, if applied **per item** risks **disproportionately** penalizing **bundled imports**, which are key to efficient logistics. The fee structure should clearly differentiate between **fragmented single-item imports** and **bulk-cleared goods**, providing that **consolidated shipments** remain economically viable and are not discouraged by **excessive charges**. Carriers should be allowed to use **Commission-published average transport and insurance costs** instead of **actual costs** for **customs valuation**. This would **simplify procedures, reduce disputes**, and **support large-scale automation**. Tables could draw on data from sources like **IATA** or **IRU** and be regularly updated. **High-volume operators** would especially benefit through greater consistency. Additionally, logistics operators should be responsible for collecting and remitting the handling fee to ensure **practical, enforceable**, and **tech-integrated implementation**.



Logistics and delivery providers are uniquely positioned to do so, as they:



Physically process and deliver each parcel entering the EU;



Physically process and deliver each parcel entering the EU;



Have real-time access to data on the content, value, and origin of consignments;



Can verify the number of packages and ensure traceable collection mechanisms through existing operational systems.

In contrast, other actors in the supply chain, such as **marketplaces**, **payment providers**, or **non-EU sellers**, often lack the visibility or infrastructure to reliably collect the fee at the point of **customs clearance** or **delivery**. [22]

Collection by **logistics operators** would allow integration into the **transport** and **clearance process**, backed by **standard transport** documents such as the **CMR**, **airway bill**, or **bill of lading**, all of which already indicate the responsible **transport party**. Customs authorities could **cross-reference** this information for **auditing** and **enforcement purposes**.

Where appropriate, certification schemes such as **AEO-S (Authorised Economic Operator – Security and Safety)** can be used to support **reduced-fee** or **simplified collection mechanisms**, further reinforcing **trust** and **operational efficiency**. Although some stakeholders broadly accept the principle of introducing a handling fee, its design and implementation remain critical. To avoid excessive administrative burden, any such fee must be clearly **defined**, **digitised**, and **seamlessly integrated into existing operational processes**. As intermediaries already advance duties and fulfil customs clearance obligations, further responsibilities should be proportionate and accompanied by **clear guidance** on enforcement and cost recovery to prevent inefficiencies or disruptions in parcel flows.



Stakeholders in the e-commerce and logistics sectors have expressed strong support for a balanced, proportionate fee mechanism, one that **increases compliance without penalizing legitimate trade or introducing unnecessary complexity** and they stand ready to support its implementation, provided that it is clearly defined, risk-targeted, and harmonized across the EU.

EU Customs Data Hub

The proposed EU Customs Data Hub represents the **centerpiece** of the Commission's digital vision, a single portal that would eventually replace **national customs IT systems**. In theory, this should benefit **high-volume operators** by creating a **streamlined, EU-wide customs** entry point. However, concerns remain around both the **feasibility** and **governance** of this new architecture. [23]



**HOW THE
DATA HUB
WILL
INTERFACE
WITH PRIVATE
SECTOR
SYSTEMS**



**WHO RETAINS
CONTROL OF
DATA
OWNERSHIP
AND
LIABILITY,
AND**



**HOW THE NEW EU
CUSTOMS
AUTHORITY WILL
INTERACT WITH
NATIONAL
AUTHORITIES
DURING RISK
PROFILING, DATA
AUDITS, AND
ENFORCEMENT.**

The Commission proposes a **phased rollout** of the **Data Hub**: available to **e-commerce by 2028, all businesses by 2032, and mandatory by 2038**. While this may ease the **technical transition**, concerns persist about **deployment speed** and **integration costs** for **smaller sellers** using **platform infrastructures**. Logistics operators question the feasibility, noting that integrating over **100** often **outdated** and **non-interoperable** national IT systems makes a 2028 launch highly **ambitious**. Stakeholders stress the Data Hub must be fully operational before removing the de minimis threshold to avoid **increased border friction** and **costs**. Additional concerns include **data duplication, poor interoperability, and unclear governance and security**.

From a platform perspective, several risks arise:

Integration costs and technical gaps: Even large platforms with established customs systems will **need time** to integrate with the Hub, especially if its architecture is not developed with **private sector APIs** and **standards in mind**.

Data governance and legal clarity: Platforms handle significant volumes of **commercial** and **consumer data**. Clear rules are needed on what data must be shared, who has access, and how data security is ensured.

Enforcement oversight: The creation of an **EU-level customs enforcement body** introduces a new layer of authority. Without clear appeal mechanisms or **transparency obligations**, there is a risk of **regulatory overreach**, particularly for platforms that already invest in **compliance** through **risk screening** and **seller controls**, the handling fee must be implemented uniformly across the EU.

Additionally, **the success of data-sharing mechanisms** depends not only on **what platforms provide** but also on the **quality of feedback** they receive. Platforms need timely and structured information from customs authorities, such as alerts on **non-compliant sellers**, **counterfeit goods**, or **repeated under-declaration**, to take **swift action on their end**, and the **feedback loop** would enable platforms to **delist problematic sellers** or **products efficiently**, reinforcing **customs enforcement** through **proactive cooperation**. Without such reciprocity, the burden of detection and enforcement may fall **unfairly** on platforms without giving them the necessary tools to act.

These issues were identified in stakeholder responses published in 2022, which urged co-development of the Data Hub and greater transparency around the Customs Authority's decision-making. [24]

Emerging Concerns and Grey Areas

As the Union Customs Code (UCC) reform advances through the legislative process, a number of unresolved issues continue to generate **uncertainty** for digital commerce platforms and cross-border operators. While the core elements of the reform (etc. EU Customs Data Hub), extended **platform liability**, and **the removal of the €150 de minimis threshold** are broadly endorsed in the Council's compromise text, several fiscal, technical, and enforcement-related uncertainties persist. If left unaddressed, these could compromise the reform's effectiveness and legal coherence.



Potential Double Taxation and Legal Inconsistencies

A central concern is the risk of overlapping or **conflicting VAT** and **customs obligations**, especially if platform liability frameworks diverge across Member States. [25] The abolition of the **€150 VAT import exemption**, which is expected to align with the removal of the customs threshold by 2028, would require marketplaces to **manage both VAT and customs collections at checkout for all consignments, regardless of value**. While this convergence is intended to **simplify the consumer experience**, it also **increases compliance exposure for platforms**, particularly under the new “**deemed importer**” status. Without a harmonized approach across customs and tax administrations, platforms could face fragmented enforcement, duplicative reporting, or inconsistent audit standards.

Legal & Tax Risks for Platforms



✗ What platforms fear

- VAT + customs collected twice
- Conflicting rules across Member States
- Reporting duplication

✓ What platforms need

- Stronger criteria for fiscal reps
- Clear “deemed importer” guidance
- Consistent enforcement across EU

Moreover, under current discussions, non-EU marketplaces that **do not adopt** the **Import One-Stop Shop (IOSS)** regime will be required to appoint **fiscal representatives** — a step considered essential to ensure effective tax control and **enforcement**. While this adds to **compliance obligations**, it also puts forward **accountability**. Additionally, there is a need to further **bolster** the criteria for such representatives to **protect tax collection**.

Disparate Treatment of Postal vs. Express Channels

Without **transitional provisions**, platforms using **hybrid logistics** models may face **compliance challenges**, creating **reputational** and **operational risks**, especially if Member States apply **different thresholds** or enforcement to **postal vs. courier shipments**.

The proposed handling fee could further **distort competition** if applied unevenly across **shipment types** or **trade lanes**, disproportionately affecting platforms reliant on **specific hubs** and benefiting those with **integrated global logistics**.

Additionally, the proposed handling fee, could create further **distortion** between **shipment types** or **trade lanes**. If introduced without coordination, it may apply **unevenly** or **disproportionately** to platforms that concentrate **parcel traffic** through **certain hubs** or **countries**, intensifying **competitive imbalances** i.e., benefiting platforms with their own **logistic global channels**.

Postal vs Express Channel Impact

Postal Operators

- Rely on simplified forms
- Strongly affected by removal of Special Arrangements
- Risk of disruption for small sellers

Express Couriers

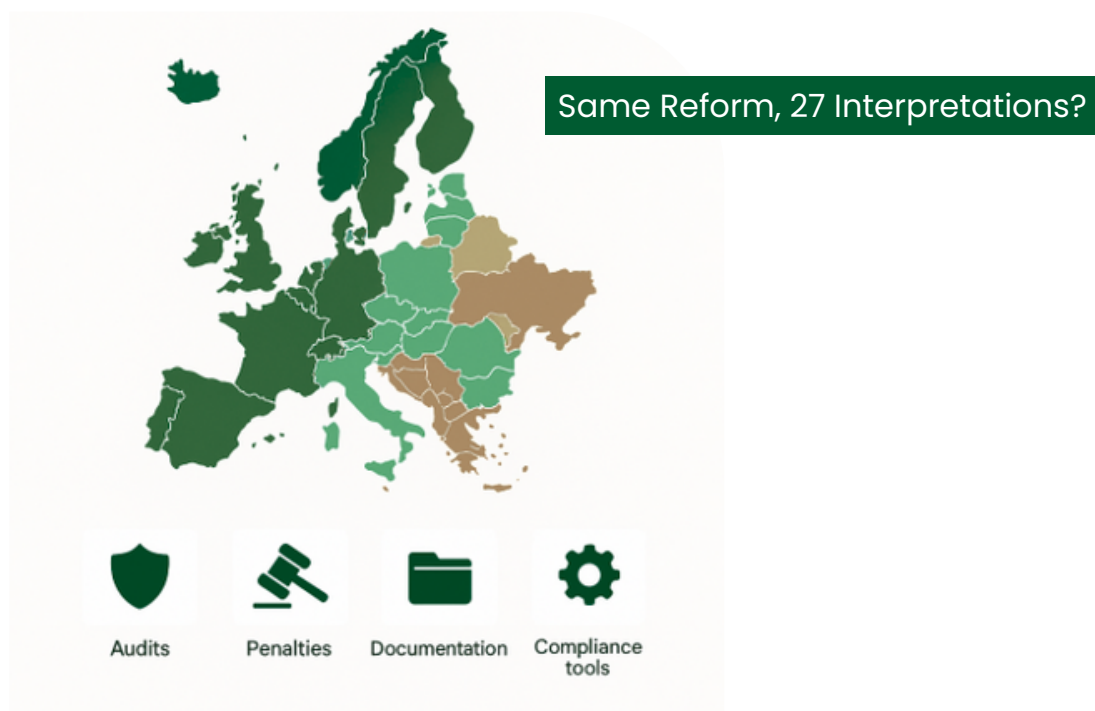
- Already subject to advanced compliance
- Larger capacity for adapting
- Often private & global

Fragmented National Enforcement and Operational Bottlenecks

Despite efforts to centralize enforcement through the EU Customs Authority, Member States will retain primary control over **inspections, audits, and penalties** in the **medium term**. This **decentralization** raises the risk of **implementation asymmetries**, where some countries apply **stricter standards** or **audit thresholds** than others.

For platforms active in all 27 EU markets, this leads to **legal fragmentation, duplicative technical changes, and trade delays**. One Member State may accept platform compliance under the deemed importer model, while another may impose extra documentation or inspections due to differing interpretations. It may also give an edge to non-EU platforms that register in more lenient Member States, avoiding stricter, audit-heavy jurisdictions.

Such challenges are amplified by the phased rollout of the EU Customs Data Hub during which national systems will coexist with the centralized infrastructure. Coordinated guidance and mutual recognition will be crucial throughout this transition. The UCC's lack of a common framework for **customs infringements** and **non-criminal sanctions** could lead to divergent practices and "**customs forum shopping**." A **uniform, transparent, and proportionate approach** would allow businesses to implement EU-wide internal compliance systems with confidence, reduce legal uncertainty, and support fair competition while facilitating cross-border trade.



Cross-Border Compliance Gaps for Third-Party Sellers

Expanding **platform liability**, particularly under the proposed **“deemed importer”** and IOSS facilitator rules, raises serious concerns about **fairness** and **enforceability**. In practice, platforms often lack direct control over the declarations or documentation provided by **non-EU third-party sellers**, many of whom operate outside the EU’s regulatory scope. Imposing **full customs liability** on **intermediaries** for **goods** they do not handle or **verify risks** creates a **structural compliance imbalance**. Rather than reinforcing the level playing field, such measures could penalize platforms that facilitate **legitimate trade**, while allowing **less compliant sellers** to continue **exploiting enforcement gaps**. A clear, risk-based liability framework is needed, one that provides accountability without shifting undue burden onto **digital facilitators** acting in good faith.



The risk is that platforms become **legal proxies** for customs enforcement, assuming **liability** for **supply chain elements** they cannot **verify** or **control**. Without mechanisms such as:

SAFE-HARBOR PROTECTIONS FOR PLATFORMS ACTING IN GOOD FAITH,

**TIERED LIABILITY MODELS BASED ON SELLER CONTROL
AND TRANSACTION VALUE,**

OR INCENTIVES FOR VERIFIED SELLER ONBOARDING PROCEDURES,

The liability regime may become legally ambiguous and commercially unsustainable.

Platform Liability vs
Third-Party Seller Control

Seller



Platform
(Deemed Impoter)



Buyer



⚠️ Liability without Control

- ✓ Safe-Harbor
- ✓ Tiered Liability
- ✓ Verified Onboarding

Regulatory Spillover: ESG and Digital Compliance at the Border

Beyond **fiscal enforcement**, there are signs that customs could become a broader tool for **environmental** and **product compliance**. Discussions at the EU level have suggested that the future EU Customs Authority could take on a broader role in ensuring compliance with **safety, sustainability**, and **ethical standards**, particularly in light of legislation such as the:

Corporate Sustainability Due Diligence Directive (CSDDD),

General Product Safety Regulation (GPSR),

Digital Services Act (DSA)

Under this vision, it could lead to scenarios where customs authorities are empowered to block or delay shipments based on **ESG** or **conformity criteria**, even without **direct safety violations**. [25] Express carriers have flagged a worrying trend of increasing **non-fiscal enforcement burdens** being placed on logistics operators, including responsibilities tied to **product compliance, environmental claims** (e.g. **deforestation-free certification**), and **carbon emissions** (e.g. **CBAM reporting**). While transporters fulfill their obligations related to fiscal clearance and **safety checks**, they often lack the **legal authority** or **supply chain visibility** to verify **product-level characteristics**. [26] A clearer boundary must be established between the obligations of **digital platforms, importers, and logistics actors** to avoid overloading border operators with compliance functions outside their control. For digital platforms, this trend could lead to broad **pre-screening duties** for all products entering the EU, with **few legal safeguards and high costs**. Combined with IOSS and UCC rules, it risks creating a **fragmented and disproportionate enforcement regime**, especially for **low-value or frequent shipments**.

The idea of **"implied empowerment"**, which assumes permission to operate as a customs representative on behalf of importers under **specific circumstances**, must be introduced for express carriers. In **high-volume trade**, the result would formalize a practice already acknowledged in many Member States, **simplifying** customs declaration procedures without **sacrificing consumer choice** or **legal protections**. In situations when carriers assist customs declarations but do not have **clear, per-shipment requirements**, such a clause can offer legal clarity.

To avoid distortions in **warehouse investment** and **logistics strategies**, equivalent customs simplifications should be extended to a broader range of **bonded warehouses** operating within the EU. Providing fair access to key facilitations across all compliant warehousing models would support **optimized supply chains** and **reduce administrative complexity** for e-commerce operators regardless of **warehouse designation**.

Implications for Integrated Markets and EFTA Partners

Although the UCC primarily applies within the EU customs territory, its impact will extend to closely **integrated markets** such as the **EFTA countries**, the **United Kingdom**, and other preferential **trade partners**. Given the **volume of cross-border flows** and **regulatory alignment** with these regions, the reform must avoid creating **unintended trade barriers**. [27]



To preserve seamless trade, the final framework should support **mutual recognition** of **key compliance statuses**, including **AEO** and **“Trust & Check”** and ensure that **new data exchange** and **customs coordination requirements** remain **interoperable** across systems. The UCC should be implemented in a way that supports legal certainty, reduces friction at the border, and protects the integrity of the broader European economic area.

New Frontiers of Border Compliance: ESG, Safety & Sustainability



Environmental Claims
(e.g Deforestation free)



Product Safety
(GPSR, DSA)

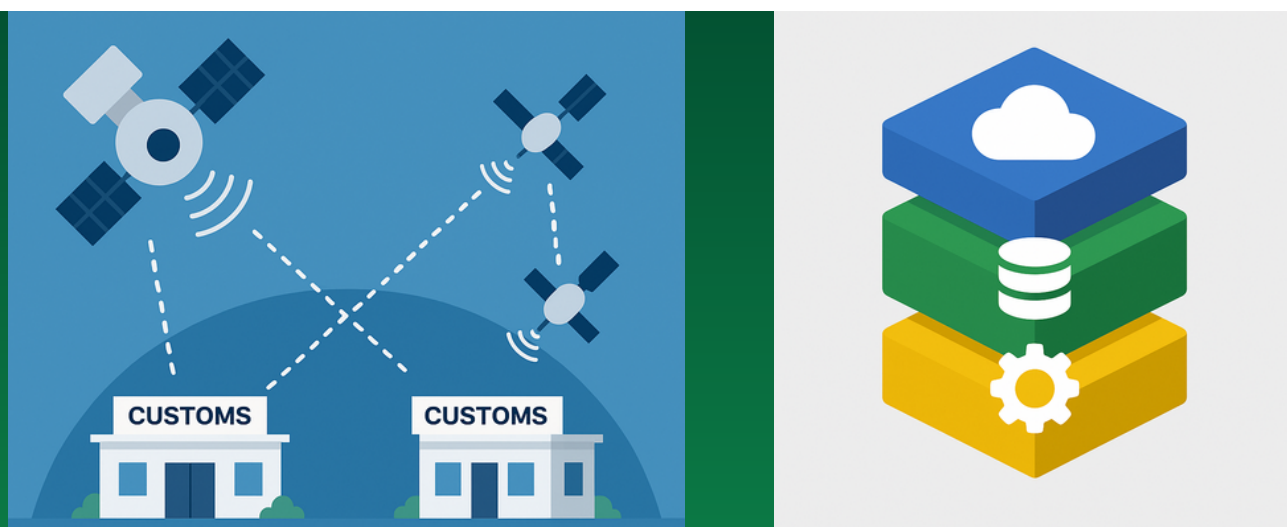


Carbon Tracking
(CBAM)

Business Case for Proportional, Digital-First Customs

The success of the Union Customs Code (UCC) reform will ultimately depend on whether it achieves its dual objective: **protecting the Single Market while enabling fast, efficient, and compliant trade**. Platforms that facilitate **cross-border digital commerce** are uniquely positioned to contribute to both goals, provided that the **legal** and **operational environment** allows them to do so.

Over the past decade, **large digital intermediaries** have become essential infrastructure for EU consumers and sellers alike. They have also become key players in customs facilitation. From **fraud detection** and **transaction monitoring** to **digital labeling** and **supply chain vetting**, platform operators already perform a wide range of functions that align with the Commission's customs reform agenda which represent a significant **untapped asset**, one that could be leveraged more fully if the UCC reform adopts a **co-regulatory, digital-first approach**. [28]



Scale and Infrastructure Already in Place

Platforms process millions of **customs-relevant transactions** per day across the EU, supported by **robust IT systems**, **automated risk engines**, and **compliance algorithms**. [29] These systems are already designed to:

**Flag potentially
fraudulent
sellers;**

**Track supply
chain origins and
logistics data;**

**Facilitate
cooperation with
tax and customs
authorities in real
time**


These investments many developed **voluntarily** or in response to earlier regulatory efforts such as **DAC7**, **IOSS**, and the **Digital Services Act** exceed the compliance capabilities of most individual traders or even national authorities. [30] They demonstrate that digital platforms are not just **actors** in the customs system, but **strategic assets** capable of enhancing its overall performance.

As the EU moves toward centralizing customs clearance through the “deemed importer” model, it should recognize that platforms already **invest** heavily in **due diligence**. Without a **proportionate**, risk-based approach, new obligations may disproportionately burden those with the most advanced compliance systems.


Increasing Compliance Through Partnership, Not Proxy Enforcement

The Commission's reform vision rightly emphasizes **smarter, data-driven** enforcement however achieving this requires not just centralized systems like the **EU Customs Data Hub**, but trusted interfaces between public and private actors.

Platforms can provide structured, **high-quality data** directly into the customs ecosystem but only if:



Liability is proportionate to control over data;



APIs and protocols are developed jointly with operators;

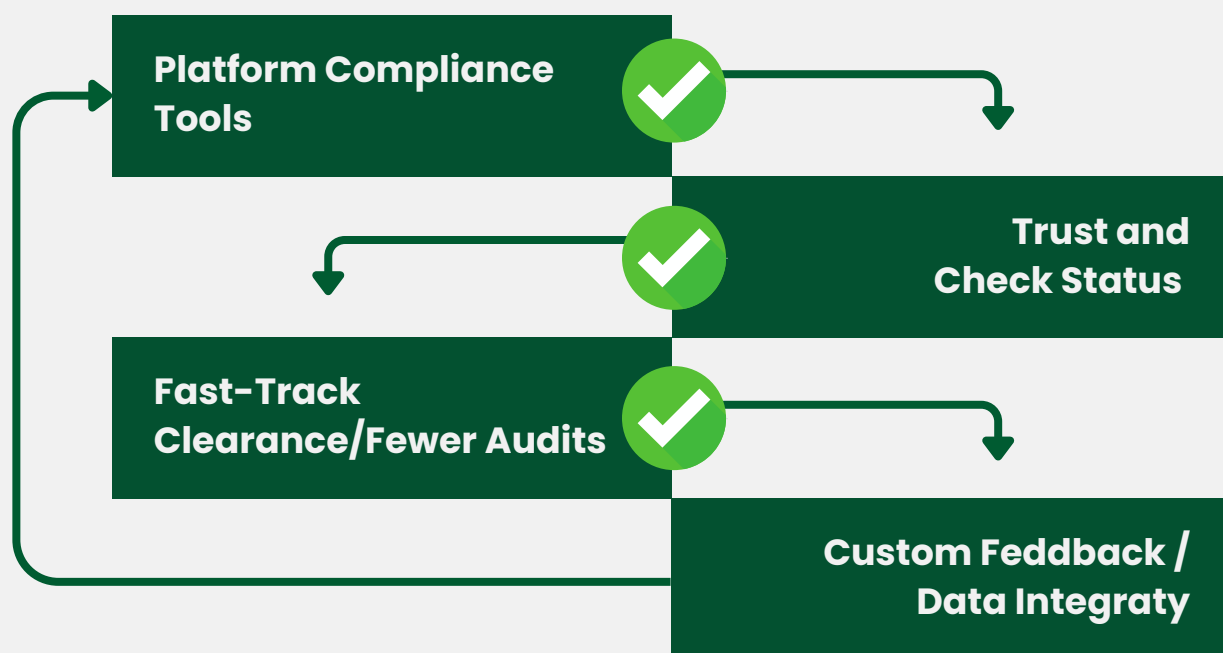


Data governance and audit rules are transparent and reciprocal

For example, granting **"Trust & Check"** status to platforms that demonstrate **advanced compliance tools** would incentivize further **investment** and **innovation**. The category, which builds on the **AEO (Authorised Economic Operator)** framework, should be clearly defined, with **fast-track clearance, reduced documentation, and data-sharing protocols** as core benefits.

In contrast, assigning **blanket liability** to platforms for **third-party behavior**, without **procedural protections** or **shared system design**, risks creating a **compliance bottleneck** rather than a solution.

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Supporting SMEs and Consumer Confidence

Platforms play a critical role in supporting **small businesses**, particularly non-EU SMEs, to access the EU market. [31] If compliance burdens rise too steeply, for example, due to the **withdrawal of Special Arrangements** or **expanded checkout collection obligations**, platforms may be forced to restrict access to **smaller sellers**, shading the EU's stated support for SMEs. Worse, sellers may shift to **informal** or **unregulated** channels, bypassing customs entirely and undermining consumer protection.

A proportionate and digitally coordinated customs model also supports consumer confidence. **Transparent, predictable** border procedures support **reliable delivery, prevent surprise charges, and reassure consumers** that goods meet EU safety and environmental standards, especially **critical** in **sensitive categories** such as **electronics, cosmetics, toys, and food supplements**.

The move to simplify **customs duty calculations** (by reducing the number of applicable duty categories to **just four** for **most low-value goods**) is welcome. But unless this simplification is accompanied by **platform-accessible classification guidance** and **audit-safe mapping tools**, it may not reduce the **real-world complexity** of customs declarations for **e-commerce operators**.

Strategic Risks to Digital Single Market



Fragmentation



Higher Costs



Delay

Avoiding Strategic Disruption to the Digital Single Market

Overburdening platforms with fragmented or excessive customs obligations risks **strategic harm** to the **Digital Single Market**. If Member States **interpret** rules differently, impose their own **audit** practices, or apply the proposed **customs levy unevenly**, platforms will face **compliance fragmentation** and **higher costs**, potentially leading to **reduced consumer choice**, **longer delivery times**, and **price distortion**.



This is particularly risky given the convergence of customs reforms with:

VAT IN THE DIGITAL
AGE (VIDA);

ENVIRONMENTAL DUE
DILIGENCE MEASURES;

DIGITAL SERVICES ACT
PLATFORM ACCOUNTABILITY

SINGLE MARKET
EMERGENCY INSTRUMENT

The Union Customs Code reform must complement, not conflict with, these frameworks. A **co-designed customs system** that embeds compliance by design not by delegation can provide **trust** and **performance** across the Single Market.



The message is clear: **digital platforms** are **willing** to invest in **partnership**. They offer **tools, data, and infrastructure** that can make the UCC reform not just **operational**, but **transformational**. What is required in return is a regulatory approach based on **mutual trust, interoperability, and proportional responsibility** — one that empowers compliance rather than outsourcing blame.

Recommendations



As the Union Customs Code (UCC) reform advances through the legislative process, it is essential that the final framework reflects both the Union's strategic objectives and the practical requirements of cross-border trade operators. The next phase, whether finalised through trilogues or further institutional deliberations, presents an opportunity to address key outstanding issues in the areas of **liability**, **procedures**, and **governance**. They are intended to support the development of a **digital-first**, **enforceable**, and **economically sustainable** EU customs regime.

On Liability & Compliance

→ Clarify legal boundaries for platform liability



The final UCC text should define platform liability in a proportionate and risk-based manner, especially under the emerging “deemed importer” concept. Legal obligations should clearly distinguish between situations where platforms exercise operational control (e.g., in fulfillment models) and those where independent sellers act autonomously.

- Introduce **safe-harbor provisions** for platforms that demonstrate **effective due diligence** and **fraud prevention measures**.
- Establish a clear responsibility and **data-sharing framework** between **platforms, sellers, and carriers**, aligned with existing **product compliance rules**.

→ Avoid imposing liability for unverifiable or unmodifiable data

Liability should not extend to customs-related data that platforms cannot reasonably verify or alter, particularly in the case of external third-party sellers.

- Codify that **liability** is limited to **data** within the **platform’s control**, using objective criteria to define what constitutes “**reasonable**” verification.



→ Enable platform participation in facilitation schemes

The future “Trust & Check” model, building on AEO principles, should be fully accessible to platforms with advanced compliance systems, especially those already investing in fraud detection and API-based customs integration.

- Recognize **platform-level eligibility**, not only **individual traders**.
- Provide meaningful incentives: **fast-track clearance, reduced checks, simplified submissions**.



On Procedures



→ Preserve simplification for low-value consignments

With the confirmed withdrawal of the €150 VAT and customs exemption from 2028, the final agreement must ensure that alternative simplification paths are available, especially for low-risk, high-volume e-commerce flows.

- Introduce a **low-risk consignment threshold** or **simplified entry mechanism** based on **risk profiling** and **digital documentation**.
- Officially recognize **pre-approved bulk clearance models** for **trusted platforms** and **centralized logistics hubs**.
- Allow use of average **transport** and **insurance** cost tables to reduce **administrative complexity** in customs valuation, express carriers should be permitted to apply **averaged costs** published by the Commission instead of calculating actuals **per shipment**.



→ Ensure technical interoperability with the EU Customs Data Hub

As the phased deployment of the Data Hub progresses (2028–2038), platforms must be enabled to integrate through co-developed and documented digital interfaces.

- Publish **early-stage API specifications** and **standardised data schemas**.
- Establish a joint **public-private implementation task force** to guide **rollout** and **troubleshooting**.



→ Allow sufficient transition and alignment periods

A staggered rollout where not all Member States or systems will be aligned immediately necessitates clear transitional rules.

- Enable **parallel operation** of **national systems** and the **EU Data Hub** during the **onboarding phase**.
- Apply **minimum transition periods** for the liability framework to allow platforms to update **onboarding tools**, **seller verification**, and **reporting systems**.

On Governance



→ Establish structured stakeholder involvement in the EU Customs Authority

The new governance model must embed private-sector input from the outset.

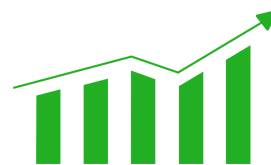
- Create a **Business Advisory Panel** to the EU Customs Authority, involving **platform operators**, **postal services**, **SME representatives**, and **express carriers**.
- Use this forum to advise on **customs levy design**, **classification models**, **enforcement consistency**, and **phased deployment feedback**.

→ Standardize audit, inspection, and appeal processes

Enforcement fragmentation across Member States must be addressed to prevent **market distortion** and **legal uncertainty**.

- Introduce a **harmonized inspection** and **penalty framework** across the EU.
- Guarantee appeals to the EU level in **cross-border disputes**, whether via the Commission or the Customs Authority.





→ Align with broader EU digital, VAT, and trade policy reforms

The customs reform must be tightly coordinated with related frameworks, including:

- VAT in the Digital Age (ViDA): especially as **platform** obligations under the “**deemed supplier**” model **converge** with customs rules;
- CSDDD and ESG screening mandates: to prevent **duplication of enforcement** at the **border**;
- Withdrawal of the Special Arrangements regime: set for **July 2028** — transition must be **orderly** and **risk-calibrated**.

Conclusion

The Union Customs Code (UCC) reform marks a defining opportunity to **modernize** the EU’s customs system for a **digital, fast-moving, and globally integrated economy**. It is a moment to build a harmonized, transparent, and risk-based framework capable of managing the surge in e-commerce while upholding the Single Market’s core principles.

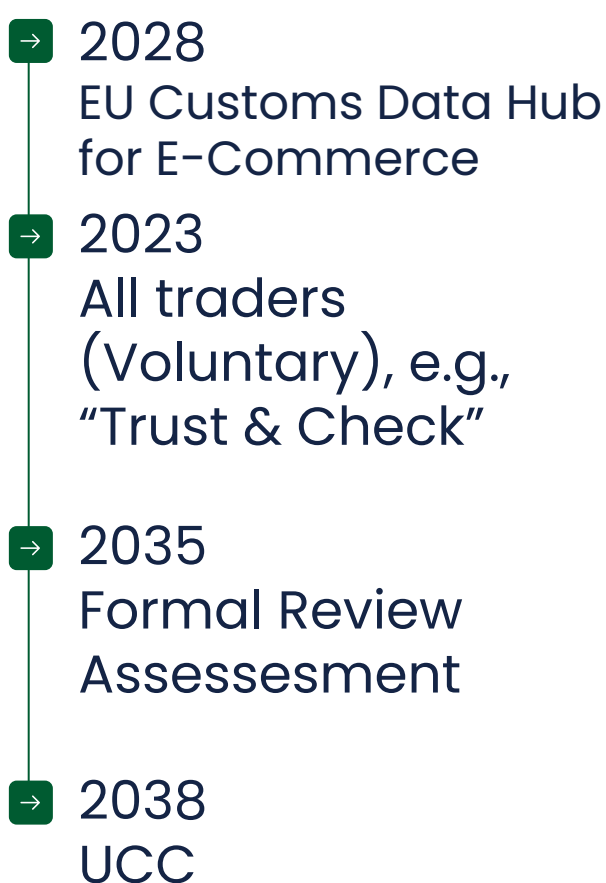
Following the Council’s position under the Polish Presidency, the EU moves closer to finalizing the most comprehensive overhaul of its customs regime in decades. Decisions in this next phase will determine whether the law can balance **enforcement effectiveness** with **operational feasibility**—especially for **platforms** acting as **trusted cross-border commerce facilitators**.

Each measure brings opportunities, but also risks if introduced without clear **legal definitions, coordinated transition planning, and inclusive governance**. Platforms and logistics providers are **not seeking exemptions**. They ask to be **treated** as **capable partners** in this modernization effort. Having invested heavily in **risk screening, data systems, and compliance tools**, these actors can help drive reform success but when **liability** is imposed without **control**, or **obligations** are added without **clarity**, the system **risks fragmentation and inefficiency**.



To deliver on the reform's goals, four principles must guide implementation:

- Proportional Liability: **Responsibilities** should reflect the **platform's role** and access to **verifiable information**.
- Simplification with Safeguards: **Removing thresholds** must be **matched** with **low-risk clearance** paths and **simplified duty calculations**.
- Interoperability and Transition Support: The **Customs Data Hub** must be developed with **business input**, offering **practical APIs** and **realistic timelines**.
- Co-Governance: Private-sector expertise should inform the **design, monitoring, and enforcement** of the **new system**, not just during consultation but through structured, ongoing input.



The principles are vital as the Commission and co-legislators shape the technical specifications and delegated acts that will give the reform teeth. The UCC reform is not just an administrative shift, it is a strategic test of the EU's ability to regulate the digital economy with fairness, clarity, and foresight. Done right, it could set a global standard for smart, tech-enabled border management. Done hastily or without coherence, it could undermine trust and discourage participation in legal trade.

The EU now faces a choice: secure its borders while staying open to the innovation and connectivity that will shape its economic future.

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