

FIATA

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Policy Brief – ICC Commission on customs and trade facilitation – 16/17 Oct. 2014

The International Federation of Freight Forwarders Associations (FIATA), was established in Vienna in 1926, and is the largest Non-Governmental Organization in the field of International Transport and logistics. Its membership includes National Freight Forwarders Associations, operating in over 100 countries, representing over 45,000 local logistics companies, employing in excess of 10 million persons, as well as individual members domiciled in over 150 countries.

In view of the important discussions to be held during the next ICC Committee on customs and trade facilitation, FIATA would like to share with the distinguished delegates its views on several points addressed in the agenda.

- **WTO Trade Facilitation Agreement (TFA)**: during the last WCO WGTF, held at the WCO from the 29th to the 30th of September, FIATA stated that all the stakeholders have to be involved in the implementation of the TFA and that the role of the private sector is important in this context. It advocated the use of global standards, especially those of the WCO, to ensure a harmonised implementation of the Agreement. At last, FIATA advised the WCO to pursue its works regarding the implementation of the TFA, the provisions of the Agreement being crucial when it comes to facilitating trade.
- **Transport and the environment**: FIATA generally supports the content of the draft paper on transport and environment submitted by the ICC. Nevertheless, while supporting the IMO standards, FIATA would like to remind all parties that a harmonised approach is essential.

The reduction of emission from global logistics transport should take place through the adoption of measures agreed internationally. FIATA believes that several measures used in combination with an overarching objective may seriously contribute to finding proportionate solutions, especially if assisted by much desired common calculation principles and formulas, which could be developed at UN level.

- **Rules of Origin**: FIATA supports the draft Policy Statement on Non-Preferential Rules of Origin submitted by the ICC. FIATA would like however to replace the sentence "ICC is of the concern that this might lead to a global footrace between competing non-preferential origin regimes" by "ICC is concerned that this might lead to confusion".
- **Customs Modernization (electronic signature)**: FIATA supports and encourages the ICC to advocate for the adoption of uniform standards based on the UNCITRAL Model Law on eSignatures. Therefore FIATA agrees with the vision described in the ICC Discussion Paper on Electronic Signatures and the steps proposed to customs administrations.
- **Customs De-Minimis**: FIATA shares the general vision of the ICC on *de-minimis* regimes, especially the fact that the cost borne by governments for processing low value shipments is greater than the revenue collected by Customs administrations as well as also the fact that that harmonising *de-minimis* levels would have a significant positive impact on the global economic recovery and would help invigorate economic growth, particularly for Small and Medium Sized Enterprises (SME), especially in markets such as e-commerce and fast-moving consumer goods.

However, without questioning the aspiration toward standardisation and harmonisation of *de-minimis* thresholds as much as possible, FIATA is of the opinion that threshold values vary

considerably across economies for a variety of reasons, thus proving that a “one size fits all” approach is not feasible in terms of setting a standard *de-minimis* value across the board.

For this reason, widely revealed by international researches, FIATA cannot support the setting up of fixed non-harmonised values and therefore cannot support the threshold of USD 1000 which we find needs further testing and discussion.

According to FIATA, harmonising *de-minimis* levels, taking into account the variety of different economies, could certainly have a positive impact in many regions and eventually at global level. But a baseline level needs to be discussed among States, firstly at the regional level and secondly striving to later achieve global harmonisation.

Last but not least, FIATA thinks that, in order to achieve a certain degree of global standardisation, Special Drawing Rights (SDR's), as defined and maintained by the International Monetary Fund could be referenced instead of real currencies as a form of reserve for foreign exchange. This may prove auspicious in allowing for a solution that could ensure better harmonisation among regional partners.

On the 15th of October, FIATA formally adopted its position on the harmonisation of *de-minimis* value threshold, entitled “The Impact of a harmonised *de-minimis* value threshold”. More information is available on FIATA's website if needed.

Respectfully submitted by the FIATA Secretariat on 16th of October 2014.