

PRESENTATION

The customs control on the valuation of goods is at the centre of the debate among European institutions, practitioners and scholars. There are several reasons that explain the considerable attention being paid to the subject within the European Union.

The current European customs system is based upon the application of ad valorem customs duties, meaning that the customs value of goods generally represents the basis for the application of the duties on import goods.

Therefore, the smooth and regular functioning of the EU Customs Union is dependent on the clarity and consistency of the rules on customs valuation. It is apparent that the customs valuation of the goods entering the EU must be as clear and as standardised as possible throughout the EU to promote legitimate trade and allow healthy competition between operators.

Furthermore, customs duties represent a traditional own source for the EU budget. The revenue from customs duties are estimated to be about 10% of the total revenues of the EU budget. Shortfalls in duty collection can therefore affect the financial interests of the European Union.

Lack of certainty and uniformity in customs evaluation represents both a distortion of the uniform application of the single customs tariff, and a threat to the finances of the European Union.

This is particularly true at a time when the EU is increasingly engaged in efforts to strengthen its overall competitiveness and financially support member states in their economic recovery.

Legal regulations regarding valuation are standardised at European level, but their implementation is mainly entrusted to national customs authorities.

Controls on customs valuation are the shared responsibility of European bodies and national authorities. While EU bodies are in charge of monitoring the proper functioning of the EU Customs Union, the day-to-day direct controls on imports are carried out by national customs authorities.

Consequently, the best method to study and propose a uniform application of the European customs value was to carry out an essentially comparative study, i.e. to make a comparative analysis of how the customs authorities of some European states perform the customs valuation, and the consequent inspections carried out on imported goods.

We chose to be realistic, focusing on the actual implementation of the customs valuation provisions by the customs authorities in the Member States.

Despite the fact that controls carried out by national authorities have to comply with European law, in practice they are modelled according to the administrative regulations of each Member State.

We therefore chose an ‘on site’ approach, and conducted our research in close contact with the national customs authorities.

A questionnaire was drawn up and submitted to the customs authorities. National reporters were also given the task of preparing a report by conducting interviews with the national authorities involved.

Furthermore, the customs authorities actively participated in the meetings organised at the University of Valencia, the Erasmus University Rotterdam, the University of Munster and the University of Bologna. These meetings made it possible to focus on the main issues of the research, and direct discussion with the operators proved particularly useful.

At present, there is much discussion about the role of statistical values in customs valuation. There have been some very important rulings by the ECJ in this field, which have attracted great interest among operators and the general public. For this reason, we made a case law review in which the main and most recent rulings of the Court of Justice on customs valuation are reported. The conclusions are not definitive, but there are some fixed points that can be helpful for operators and control authorities.

A parallel issue, related to customs valuation, is its relationship to valuations of imported goods for other taxes, in particular, the arm's length valuation for income taxes (transfer pricing).

This topic has long been debated in the international trade literature and within international discussion forums. There are difficulties in achieving regulatory alignment, particularly in the European Union where taxation is multilevel. However, since the administrative management of customs and direct taxation is centralised in national customs and tax authorities, and these are often closely related, an appropriate solution for alignment would be to introduce administrative regimes.

Several options have already been implemented by the customs and tax authorities of some countries, which, in the case of imports between related parties, strive to achieve alignment for customs and direct taxation in the valuation of goods.

We therefore prepared a dedicated paper in which we also outlined some solutions, at an administrative level, which could achieve a realignment of customs value with respect to transfer pricing. These are based on already existing European provisions and could therefore be endorsed at the European level, especially by the European Commission in guidance documents. In this way, the EU would take a further step towards harmonising customs valuation and the EU Customs Union would be in line with the current trends adopted in large customs areas that have already introduced realignment programmes at an administrative level.

Lastly, with a view to a possible further enlargement of the Customs Union, we also focused on the problems connected with enlargement. We focused on Balkan countries, which are aiming to be

come integrated into the European Union, and have signed treaties for the establishment of free trade zones with the EU.

The last essay in this volume addresses the theoretical and practical issues related to the potential integration of the Balkan countries, with particular attention to the case of Albania, highlighting the opportunities, but also the challenges that third countries face in integrating within the European Union.

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