

TRADE OBSERVER

The official monthly update by CustomsBridge

AUGUST 2025

69

Customs:
Strategy & control

**SPECIAL CUSTOMS REGIMES : STRATEGIC LEVERS
FOR INTERNATIONAL TRADE**

**STOCK RECORDS:
THE INVISIBLE ALLY OF SUSPENSIVE CUSTOMS REGIMES**

**EUROPEAN CUSTOMS: THE MAJOR REFORM UNDERWAY
WITH THE TRUST AND CHECK STATUS**

YOUR CUSTOMS MONITORING

SPECIAL CUSTOMS REGIMES : STRATEGIC LEVERS FOR INTERNATIONAL TRADE

Special customs regimes provide companies with valuable leeway to manage their international flows. Designed to suspend or reduce customs duties, VAT, and trade policy measures, they enable importers and exporters to ease cash flow, defer certain tax charges, and enhance competitiveness. Far beyond mere administrative mechanisms, these regimes are strategic levers for optimizing costs and streamlining logistics operations on a global scale.

Among the most commonly used regimes, the customs warehouse plays a central role. It allows the storage of non-EU goods in approved facilities without immediate payment of duties and taxes. The operator can thus defer tax liabilities, re-export the products as-is, or release them for free circulation according to their needs. This flexibility is particularly valuable for managing seasonal flows, consolidating shipments, or performing simple operations such as labeling.

Temporary admission addresses short-term needs: the provisional import of goods intended for re-export without alteration. Typical examples include artworks for exhibitions, demonstration vehicles, or testing equipment. This regime, backed by a security deposit, allows full or partial exemption from duties and VAT.



Inward processing and outward processing illustrate two inverse but complementary approaches. In inward processing, raw materials or semi-finished products are imported duty-free for transformation within the EU before being re-exported. Conversely, in outward processing, EU goods are sent outside the EU for processing and then re-imported with reduced duties. These regimes support businesses seeking to optimize production, access specific technologies, or leverage competitive processing costs.

Finally, the special use regime allows the application of preferential tariffs if imported goods are intended for a specific purpose—whether for industrial assembly, research, or production in sensitive sectors such as aerospace.

When well-managed, special customs regimes prove to be genuine strategic levers for securing cash flow, reducing costs, and adapting supply chains to the demands of international trade. However, their implementation requires careful operational analysis, the establishment of adequate guarantees, and rigorous compliance monitoring.



STOCK RECORDS: THE INVISIBLE ALLY OF SUSPENSIVE CUSTOMS REGIMES

When a company places its goods under a suspensive customs regime, transparency becomes both a requirement and a guarantee. This is precisely the role of stock accounting: established under Article 286 J of Annex II of the French General Tax Code, it is not a mere bureaucratic formality, but the true core of the system. Serving both as a traceability tool and an operational dashboard, it reassures customs authorities about the legitimacy of the suspension while providing operators with a detailed view of their flows and inventories. In other words, it forms the foundation of trust between businesses and customs.

Practically, stock accounting takes the form of a register tracking the lifecycle of goods step by step. Every movement is recorded: date, quantity, nature of the operation, and customs reason. Upon receipt, the entry is noted; during processing, the consumption of raw materials and the emergence of finished products are recorded simultaneously; at exit, whether for release for free circulation or re-export, the stock decrease is noted.

An example illustrates this principle clearly:
An approved warehouse holds 100 aluminum coils. A delivery of 40 coils brings the total to 140. Twenty are then sent for cutting under inward processing, reducing the balance to 120. Finally, 50 are released for free circulation, leaving the register at 70. In every instance, the algebra of movements matches the physical stock: a guarantee of absolute transparency for both customs authorities and the operator.



To be compliant, the register must include a minimum set of information: date, quantities in and out, theoretical balance, type of operation, and applied customs regime. Two signed copies are required: one kept on-site, and the other submitted to the customs office of reference, every ten days for volume-taxed products (alcohol, fuels) and monthly for others, except in special cases. Approximate record-keeping exposes the operator to financial penalties, and potentially the suspension of their authorization. Losses and damages must also be rigorously recorded.

The digital era has significantly transformed this obligation. Integration into an ERP or dedicated customs module now allows automated entries from electronic declarations, continuous reconciliation of theoretical stock with inventories, and alert generation in case of discrepancies. The result: fewer errors, faster inspections, and better cash flow management.



EUROPEAN CUSTOMS: THE MAJOR REFORM UNDERWAY WITH THE TRUST AND CHECK STATUS

The idea first emerged in spring 2022 with the “Sages’ Report,” which drew a stark assessment of the current limitations of the customs union. In May 2023, the European Commission proposed a broad overhaul of the system, quickly described as a strategic turning point. After several months of discussions, the EU Council adopted a partial negotiating mandate on 27 June 2024, opening the way for talks with the European Parliament. The stated goal: a gradual implementation by the end of 2025, with a phased schedule extending to 2032.

A European Customs Authority and a Data Platform

At the heart of the project is the creation of a European Customs Authority, which France hopes to host in Lille. This decentralized agency will be responsible for coordinating risk management, harmonizing practices, and supporting national services, which are often overwhelmed and uneven in efficiency.

It will also oversee the new EU customs data platform, a single portal (“EU data hub”) scheduled to be operational by 2028. Companies will no longer submit information to 27 administrations and 111 different systems, but through a centralized interface. With the help of AI, this hub is also expected to improve risk targeting and combat fraud, particularly e-commerce-related fraud.

The Future Trust and Check Status

The Commission proposed replacing the current Authorized Economic Operator (AEO) status with a new category, Trust and Check, based on strengthened cooperation with the most reliable companies. Maximum transparency, real-time data transmission, and secure supply chains would be required in exchange for major simplifications: reduced inspections, faster release of goods, and lighter financial guarantees.

The European Union is about to reach a decisive milestone in the history of its customs union, established in 1968. Presented as the “most ambitious and comprehensive reform since its inception,” this overhaul aims to modernize controls, enhance security, and simplify procedures for businesses, in a context of growing e-commerce and increasing geopolitical pressures. customs for decades to come. The Trust and Check status embodies this shift: moving from traditional control to a partnership of trust, where data and transparency become the keys to sustainable competitiveness.



However, the Member States have chosen to maintain the AEO regime, widely used by SMEs, and to gradually adapt its rules. The 2032 deadline remains for the integration of this new reinforced partnership.

Other Measures and Debates

The text also provides for the introduction of a processing tax on small e-commerce shipments, primarily to curb the influx of parcels from Asia. On the other hand, some initial proposals have been abandoned: the reduction of temporary storage periods (90 days remain the standard) and the European harmonization of customs penalties, which was regretted by port operators.

This customs reform, initiated in 2022 and now on the European Parliament's agenda, represents a strategic step for the EU. Between enhancing security, simplifying trade, and digitalizing procedures, it could redefine the role of European





BREXIT / ELO

As of April 28, 2025, the ELO system will be launched to centralize all border formalities under a single reference (barcode), which must be presented by drivers for both import and export operations.

The creation of the ELO, carried out in advance by a designated manager, will also include pairing procedures. After a transition phase (April to August), ELO will become mandatory on September 1, 2025.

MAYOTTE – END OF THE EXCEPTIONAL IMPORT DUTY EXEMPTION

After an exceptional period (December 2024 – June 2025) linked to Cyclone Chido, the standard import duty regime has been reinstated in Mayotte.

From now on, only charitable organizations and State bodies will continue to benefit from exemptions from customs duties, dock dues, and regional dock dues, for all types of goods.

An official note provides details on customs clearance procedures according to the flow and type of operator.

USA/EU – NEW TRANSATLANTIC TARIFF FRAMEWORK

The EU and the United States have issued a joint statement establishing a framework for fair trade exchanges. The text sets a U.S. tariff cap of 15% for most European exports, including automotive, pharmaceutical products, semiconductors, and lumber.

Sectors already subject to MFN duties $\geq 15\%$ will not face additional tariffs.

Starting September 1, certain products will benefit from a special regime, applying only MFN duties: aircraft and parts, generic pharmaceuticals and ingredients, chemical precursors, and non-available natural resources (e.g., cork).

In return, the EU commits to reducing its tariffs on certain U.S. products, notably in the automotive sector.





RUSSIA SANCTIONS – NEW EU GUIDELINES

The EU has issued guidance to strengthen compliance with sanctions targeting Russia and Belarus (Regulations No. 833/2014 and 765/2006). EU entities with subsidiaries outside the EU must exercise “best efforts”, defined as “all necessary and achievable measures” to prevent any activity that would undermine the effectiveness of sanctions (Articles 8a and 8i).

These efforts include: risk assessment, implementation of a compliance program, and preventive measures taken in advance. The level of effort should be proportionate to the risk involved.

A lack of feasibility may be acknowledged if local countermeasures prevent control over a subsidiary.

The Commission recommends anticipating and structuring compliance before any crisis arises.

USA – NEW REQUIREMENT FOR FDA-REGULATED PRODUCTS AT IMPORT

Starting July 9, 2025, all imports of FDA-regulated products must be submitted for FDA review, regardless of value (end of the minimis shipment exemption).

Until now, certain low-value goods (cosmetics, tableware, non-medical radiation-emitting devices, biological samples, non-sensitive food items) could enter without FDA control.

This change stems from improved technological capabilities, allowing systematic electronic filing to secure the supply chain and prevent entry of non-compliant products.

All previous instructions exempting low-value FDA-regulated products from Partner Government Agency filing requirements have been revoked.

EU – NEW RESTRICTIONS ON POULTRY IMPORTS FROM THE UK

Following new avian influenza outbreaks, the EU has updated import conditions for UK poultry. Certain export zones are now banned, while others remain authorized.

These changes affect Annexes V and XIV of Implementing Regulation (EU) 2021/404, which list countries, territories, and zones authorized for entry into the EU of poultry, fresh meat, and germinal products.

Objective: prevent the spread of avian influenza while maintaining trade with disease-free zones.





UPDATED GUIDELINES ON SANCTIONS AGAINST RUSSIA

The European Union has issued updated guidelines to help operators comply with Regulations (EU) 833/2014 and 765/2006. Objective: ensure a high level of compliance and avoid any violations.

Companies must implement risk-based measures, anticipate issues, and establish a sanctions compliance program.

Prohibited actions subject to criminal penalties:

- Violation: engaging in activities prohibited by sanctions.
- Circumvention: disguising a transaction to bypass sanctions.
- Undermining: taking actions that weaken the effectiveness of sanctions.

Operators are encouraged to review key articles (8a, 8i, 15a, 13a), consult the Commission's FAQ, and, if necessary, seek advice from the competent national authority or a specialized legal expert.

NEW POWER OF ATTORNEY SYSTEM FOR ENERGY PRODUCTS

The French Customs Authority (DGDDI) is introducing a new power of attorney mechanism for customs clearance, particularly for energy products. This system allows a legal entity to notify customs of mandates granted for completing customs formalities.

The 2008 decision has now been repealed and replaced by Decision No. NR 25-034, updating the procedures for managing powers of attorney.

Objective: modernize and secure the delegation of customs formalities while strengthening transparency between operators and the administration.

