TRADE OBSERVER

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77

ILLICIT TRADE: BRUSSELS WANTS TO TURN BUSINESSES INTO ALLIES OF CUSTOMS

GAFA TAX : ESCALATING CUSTOMS TENSIONS BETWEEN WASHINGTON AND LONDON

EU-AUSTRALIA FREE TRADE AGREEMENT: THE NEW SHIELD FOR OUR SUPPLY CHAINS

YOUR CUSTOMS MONITORING

ILLICIT TRADE: BRUSSELS WANTS TO TURN BUSINESSES INTO ALLIES OF CUSTOMS

The assessment is unequivocal: faced with increasingly agile criminal networks, traditional control tools are no longer sufficient. In globalized trade flows, fraud hides where it is least expected—at the very heart of supply chains. Against this backdrop, the European Commission published new guidelines on April 14, 2026, aimed at strengthening cooperation between customs authorities and businesses.

Entitled “AEO: Customs cooperation to detect, report and respond to suspicious activities,” the document was developed in consultation with professional organizations. Behind this technical title lies a clear objective: to better combat illicit trade, particularly drug trafficking and organized crime. Although non-binding, these recommendations already align with the future legal framework of the Union Customs Code.

The text is built on a central principle: shared responsibility. In practical terms, Brussels is calling for much smoother information exchange between customs and businesses. The idea is not new, but it is now being structured and expanded. Economic operators are encouraged to proactively report any suspicious activity, while authorities are expected to refine their analytical and targeting capabilities using this field intelligence. Several operational levers are highlighted.

First, the establishment of contact points available around the clock—24/7—in each Member State. The goal is to ensure that urgent alerts from businesses are handled without delay. Second, the development of secure reporting channels to bring sensitive information to light, particularly in cases involving internal complicity. Warehouses, logistics platforms, and transport services are indeed prime targets for criminal organizations.

Another key pillar is the creation of a dynamic dialogue. European and national authorities are encouraged to continuously share developments in fraudulent methods. This is essential, given how quickly illicit networks adapt their strategies. This ongoing exchange is intended to maintain a high level of vigilance by enabling detection systems to adjust in real time.

While the document refers to Authorized Economic Operators (AEOs), its scope is in fact much broader. All companies, regardless of their status, are concerned. This sends a clear message from Brussels: securing supply chains cannot rely on a limited circle of players. Beyond intent, these guidelines reflect a shift in how trade security is approached. By involving the private sector more closely, the European Union aims to address a blind spot in traditional controls: on-the-ground intelligence. **The question now is how businesses will embrace these recommendation, and how Member States will implement them.**

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GAFA TAX : ESCALATING CUSTOMS TENSIONS BETWEEN WASHINGTON AND LONDON

The standoff is now officially underway—and it threatens to send shockwaves through transatlantic supply chains. At the center of the storm: the UK's digital services tax targeting tech giants, and the retaliation promised by the U.S. president. Behind this confrontation lie two competing visions of international trade, with potentially significant consequences for businesses.

From Washington, the message is blunt. The U.S. president has explicitly threatened to impose "massive tariffs" if London does not scrap its 2% digital services tax. Accusing the UK of trying to "make easy money" off American tech giants, the White House is warning of additional duties equal to—or even exceeding—the revenue generated by the British tax.

The situation is all the more volatile given the broader geopolitical backdrop. The recent refusal by Keir Starmer's government to get involved in the Iranian conflict has prompted Washington to hint that the bilateral trade agreement signed in May 2025 could "still be revised."

In London, Downing Street is, for now, standing firm. The government is defending a levy it considers "fair and proportionate," targeting companies with global revenues exceeding £500 million. In a twist typical of global value chains, giants like Amazon, Google, and Apple often pass this tax on to third-party sellers using their platforms.

For years, major digital companies have leveraged legal loopholes to minimize their tax burden in Europe. To curb this, the UK introduced its "GAFA tax" in 2020 as a temporary measure. At the time, London committed to removing it once a global solution was in place. That solution—a 15% global minimum tax negotiated in 2021 under the auspices of the OECD—is still awaiting full implementation, initially scheduled for 2024.
Facing the U.S. tariff threat, the UK's leading business lobby, Confederation of British Industry, is sounding the alarm.

Well aware of their post-Brexit vulnerability, business leaders see their government as under-equipped. They are calling on Keir Starmer to urgently deploy a "trade bazooka"—an anti-coercion instrument that would allow the UK to automatically block certain imports or impose targeted counter-tariffs as a deterrent.
What does this mean for supply chains?
If the U.S. moves forward with tariffs on key UK exports, companies selling on a Delivered Duty Paid (DDP) basis will see their margins eroded by the weight of additional customs duties.
Modern supply chains do not tolerate uncertainty well. This growing tension is already pushing some logistics leaders to consider building buffer stocks or rerouting flows to mitigate risk.

EU–AUSTRALIA FREE TRADE AGREEMENT: A NEW SHIELD FOR SUPPLY CHAINS

Supply chains remain under pressure. Between geopolitical crises, critical dependencies, and volatile trade flows, the European Union is seeking to secure its sourcing and logistics routes. In this context, the conclusion of the EU–Australia Free Trade Agreement (FTA)—after eight years of negotiations, including a failed attempt in 2023—marks a significant milestone. More than a diplomatic symbol, this deal could reshape certain logistics and customs strategies.

For European companies, the expected impact is both immediate and measurable: the agreement provides for the gradual elimination of more than 99% of customs duties. For EU exporters, this could translate into direct savings estimated at nearly €1 billion per year.

However, the real strategic value for supply chain players lies in sourcing. Australia is a key supplier for the energy transition. The agreement secures preferential and reliable access to critical raw materials such as lithium, cobalt, and rare earths—essential components in the production of batteries and electric vehicles. By facilitating these imports, the EU can diversify its supply routes and reduce its longstanding dependence on Asia. On the export side, the agreement also strengthens the protection of numerous geographical indications (GIs/PDOs), a sensitive issue for European industries.

That said, in both customs and diplomacy, every gain comes with trade-offs. The agreement has sparked strong concerns within the European agricultural sector, particularly among livestock producers. They fear a surge in Australian beef and lamb imports benefiting from reduced tariffs under expanded quotas. The issue goes beyond tariffs alone—it touches on so-called “non-tariff barriers.” Industry stakeholders warn of the risk of asymmetric competition, as imported products may not always be subject to the same environmental and animal welfare standards as those imposed within the EU.

Ultimately, this agreement reflects a strategic balancing act: the EU is cautiously opening its agricultural market in order to strengthen its industrial independence. While the deal still needs to pass through a lengthy ratification process, the message for international trade operators is clear: an FTA is never applied automatically. To benefit from preferential “zero-duty” rates, companies must start preparing now. This means auditing tariff classifications and gaining full control over the future rules of preferential origin set out in the agreement.

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AUTONOMOUS TARIFF SUSPENSIONS AND QUOTAS: EYES ON 2027

The DGDDI has announced the launch of European negotiations on autonomous tariff suspensions and tariff quotas, with potential entry into force on January 1, 2027.
As a reminder, this mechanism allows EU companies to import certain raw materials or semi-finished products at zero or reduced duty rates—provided that no equivalent production exists within the European Union.
New applications (submissions) are now available for consultation in Annexes I and II of the official notice.
Source: DGDDI notice

EU – 20TH SANCTIONS PACKAGE AGAINST RUSSIA: TARGETED TIGHTENING OF TRADE AND SERVICES

Published in the Official Journal of the European Union and entering into force immediately, the EU's 20th sanctions package further increases pressure on Russia, with a clear objective: weakening its military-industrial complex.

The measures expand the scope of restrictions, targeting both trade flows and certain strategic services.

What's changing in practice:

- New export bans to Russia, notably on rubber
- Extended restrictions on sensitive goods and technologies (e.g., laboratory glassware, lubricants, additives) that could be used for military purposes
- Ban on the provision of certain cybersecurity services
- New import bans covering metals, chemicals, and minerals not previously targeted
- Introduction of a quota on ammonia to regulate existing flows
- Creation of new document codes (Y681, Y682, Y683, etc.) for customs declaration controls

The package also includes a strengthened anti-circumvention framework, as well as measures targeting financial services—including crypto-assets—and certain propaganda channels.
Key takeaway: a structured but tightening regulatory environment that requires operators to quickly reassess their classifications, trade flows, and internal compliance controls.

Source: Official Journal of the European Union (OJEU)

TRADE DEFENCE – STEEL: THE EU STRENGTHENS ITS FRAMEWORK FOR 2026

On April 13, 2026, the European Parliament and the Council of the European Union reached an agreement on a new trade defence measure targeting the steel sector.

What's changing in practice:

End of the 2018 regime

The new measure replaces the safeguard mechanism introduced in 2018 (set to expire on June 30), while maintaining a quota-based approach adapted to current market conditions.

Stronger quotas and duties

- 18.3 million tonnes per year can be imported duty-free
- 30 product categories covered
- A 50% duty applies beyond quotas (compared to 25% previously), as well as to products outside the scope

New "Melt and Pour" requirement

This is the key change: importers will now have to prove where the steel was melted and poured.

Detailed documentation will be required to ensure genuine traceability of origin—beyond the simple country of dispatch.

EEA: partial exemption

Countries within the European Economic Area remain exempt from quotas but are still subject to the "Melt and Pour" traceability requirement.

Source: Agreement between the European Parliament and the Council of the EU (April 13, 2026)

NEW CUSTOMS CODE: ENTRY INTO FORCE ON MAY 1, 2026

Published in the Official Journal on April 11, 2026, the new French Customs Code marks a major overhaul of the national customs legal framework. Following 36 months of work, it will enter into force on May 1, 2026.

This is not a simple update, but a complete restructuring of the code—without changing the substance of the existing rules. The objective is clear: make customs law more accessible and operational for both businesses and the administration.

A structure built around 7 thematic books:

- General principles and the role of the customs administration
- Customs procedures for goods and financial flows
- Payment and recovery of duties and claims
- Powers of control and enforcement
- Offences, penalties, and liabilities
- Post-clearance procedures
- Specific provisions for Overseas territories