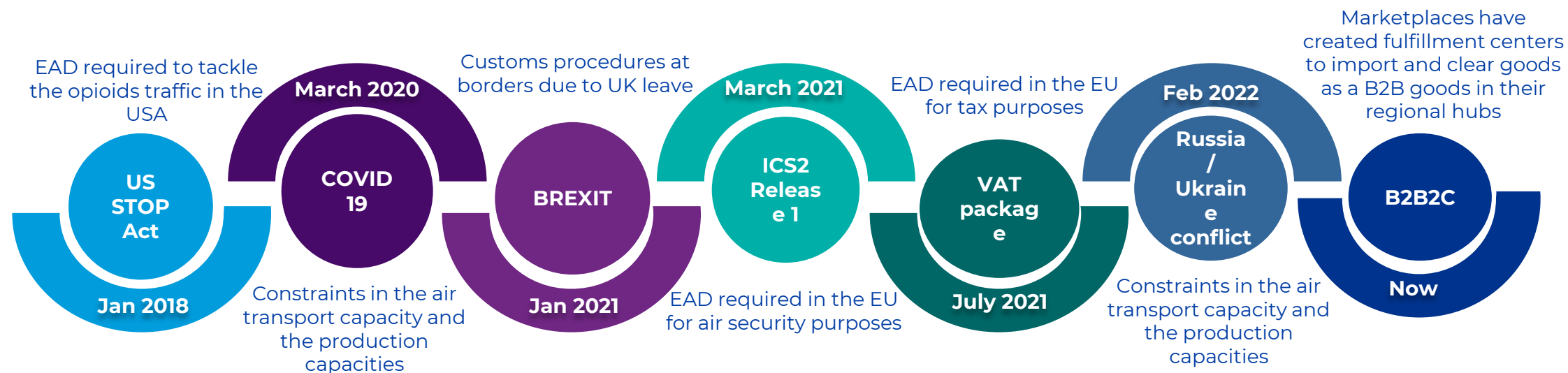


Crossborder postal policy challenges and reforms

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Trends within the postal supply chain

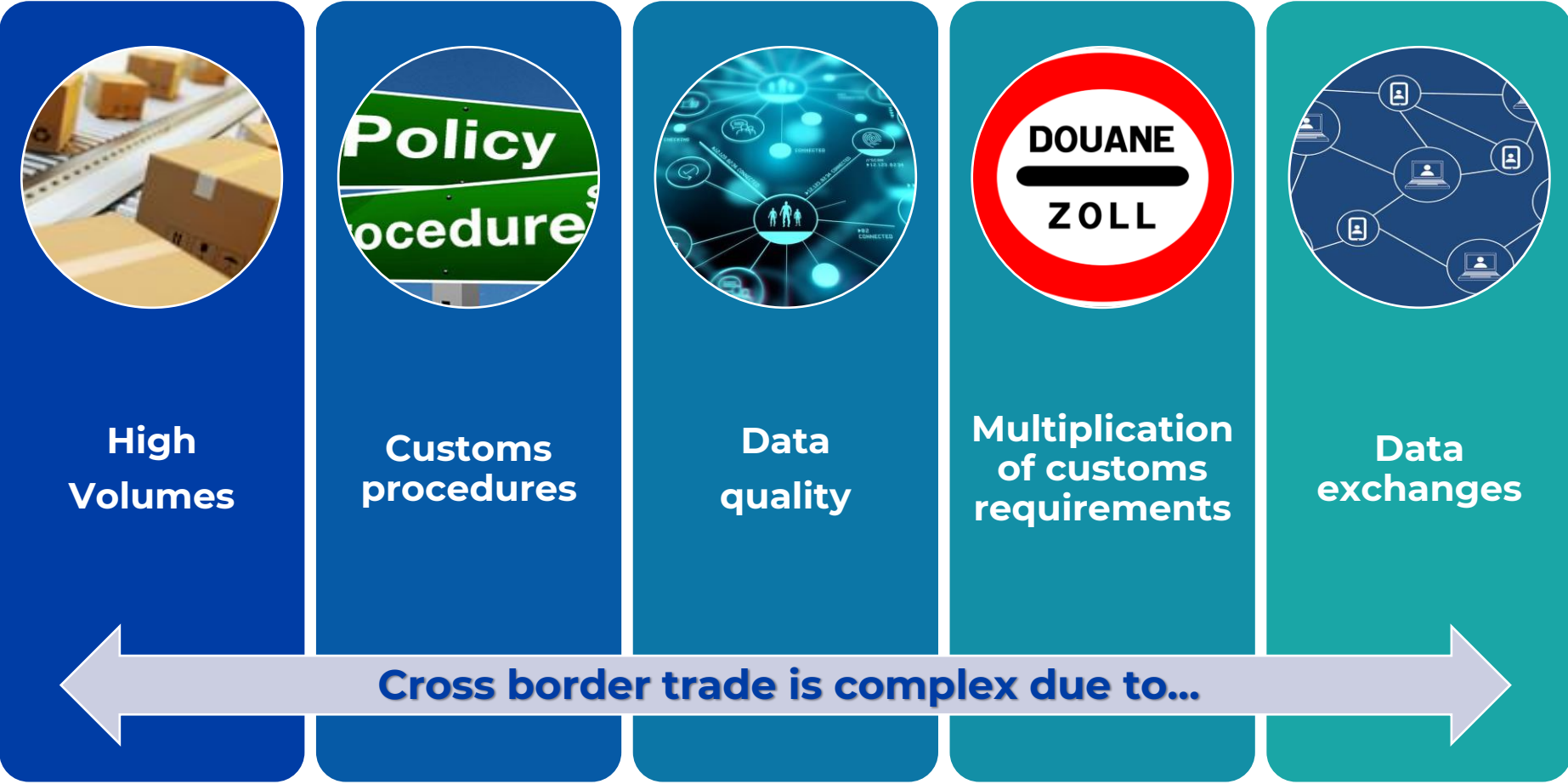
Decrease in postal flows – the main causes have been identified...



...but regulation affecting the e-commerce business is one of the main reasons :

- Upcoming ICS2 Release 2 is conflicting with the UPU regulations, difficulty to implement also by airlines
- Impact of EU regulation on posts from all over the world, not only EU-posts

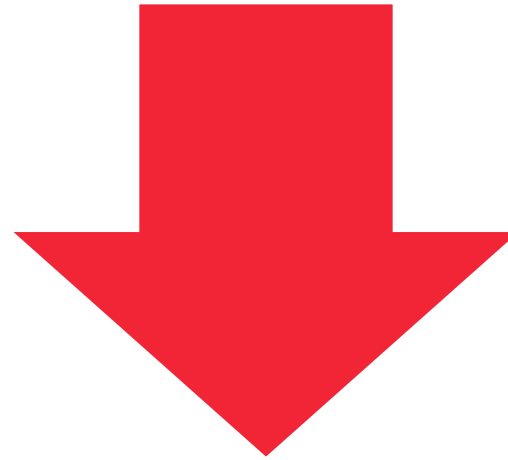
Challenges of international trade



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Impacts of VAT threshold removal

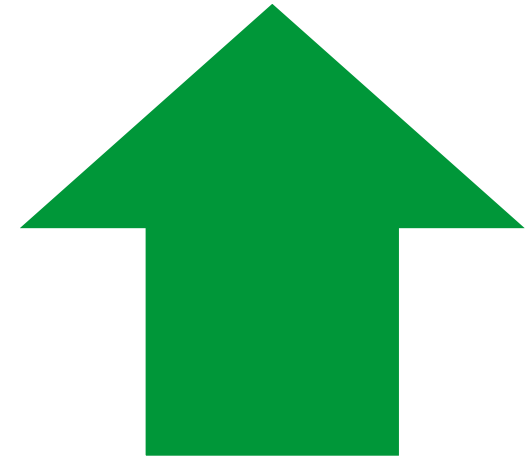
A recent UPU study has showed that the combined ICS2 and the VAT package regulations has led to a loss in volume of **25% for letter post and of 10% for parcels**



- Huge volumes decline due of imported goods
- VAT fraud has not been eradicated
- A more time consuming and more constraint process for the customs broker



- More financial resources for national governments
- Implementation of an easy procedure to collect VAT at the checkout process (IOSS regime)



How to improve the current system?

Create a green lane

- facilitate the clearing of goods for which VAT has been paid through the IOSS regime

Link the data sources

- Creating some technical bridges between commercial data elements and logistics data elements in order to get a clear and full data process

Extend the IOSS regime

- making IOSS compulsory for all (non EU) vendors
- extending the regime to all vendors (and not only to marketplaces)
- extending the regime to items above 150€
- extending the regime to B2B shipments

Easier the returns procedure

- To make as automated as possible (and not in a paper form as today)
- To propose some regulatory evolutions in the UCC (as an example to not prove that items have left the EU territory)

Interconnect the IT systems

- Large usage of interconnected IT systems to share a powerful track and trace system from end to end

Explore new technological solutions

- Promote the development of big data systems to share data between stakeholders
- Blockchain, Cloud systems,...

The upcoming changes

The future regulatory and tax changes will bring more challenges in the cross border ecommerce due to:

- ❑ **The envisaged removal of the 150€ threshold for customs duties** which will create huge burden in the customs clearance processes. The articulation with current provisions of the EU VAT e-commerce package is not clear (future of simplified customs declaration for postal and express items? Will a system equivalent to the IOSS for VAT be created for collecting customs duties?)
- ❑ **The environmental criteria** to be included in the customs relief procedure
- ❑ **The gap of regulatory requirements** between the EU and the rest of the world

Thanks