Federation of the European Sporting Goods Industry

FESI Position Paper on the

REFORM OF THE UNION CUSTOMS CODE

September 2025

Summary:

FESI represents over 1,800 sporting goods brands and retailers with global, seasonal supply chains. Efficient and predictable customs procedures are essential for competitiveness, affordability and consumer choice. As trilogues on the Union Customs Code (UCC) progress, we call for a balanced outcome that combines strong enforcement with practical implementation.

To achieve this, the sporting goods industry has identified the following key priorities:

- **Trust & Check**: Genuine benefits for compliant traders, with data access limited to customs relevant information and proportionate audits.
- **EU Customs Data Hub**: A single EU interface with harmonised data requirements, strong governance and restricted external access.
- **Handling Fee:** Avoid introducing a new fee without proof of necessity; if retained, exclude EU warehouses, ensure refundability and limit national discretion.
- **Storage & Destruction**: Costs should fall on those introducing infringing goods, with Member States allowed to cover costs voluntarily.
- **Temporary Storage**: Preserve the 90 day period to safeguard supply chain flexibility.
- **Sanctions:** Support the Council's deletion; if reintroduced, ensure proportionality, remove vague wording and include leniency clauses.
- **Definitions - Establishment**: Support the EP's simple, certain registration approach.
- **Entry into Force**: Ensure realistic timelines: authorities ready by 2032, operators phased in from 2034, with mandatory piloting.

In short, the UCC reform must be ambitious yet workable, strengthening enforcement against illicit trade while enabling trusted operators to serve European consumers competitively and efficiently.

1. Introduction

The Federation of the European Sporting Goods Industry (FESI) represents more than 1,800 brands and retailers across Europe. Our sector is highly international, innovative and dynamic, with supply chains that are both global and seasonal. As such, the customs environment is of strategic importance for the competitiveness of our companies and the affordability of sporting goods for European consumers.

We welcome the Commission's ambition to modernise the Union Customs Code (UCC) and acknowledge the significant progress made by both co legislators. With trilogue negotiations now

under way, it is crucial to ensure that the reform strikes the right balance between robust enforcement and practical implementation for legitimate businesses.

For the sporting goods industry, customs reform is not an abstract exercise. The way in which data is collected and shared, how trusted operators are treated, and how costs and obligations are distributed will directly influence product availability, consumer prices and the ability of companies to invest in innovation and sustainability. Our sector operates on long product cycles, with peaks linked to major sporting events, and depends on predictable, efficient and harmonised procedures at the border.

This paper sets out the key priorities of the sporting goods industry for the revision of the UCC. It highlights where further clarity, proportionality and consistency are needed, and explains the potential implications for our members. Above all, it offers concrete recommendations to help policy makers deliver a customs framework that is ambitious yet workable, strengthening compliance and enforcement while supporting Europe's competitiveness and consumer choice.

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2. Trust & Check and Access to Systems (Article 25(3)(f) and Recitals 16 and 39)

FESI welcomes the development of the new Trust & Check trade system, provided that it delivers **tangible benefits** to compliant operators. It should complement, rather than replace, Authorised Economic Operator (AEO) status, giving companies the flexibility to choose the scheme that best matches their risk profile and level of digital maturity. For such a system to be attractive, benefits must be concrete. For example, granting trusted operators preferential treatment in areas where privileges such as the de minimis exemption are being considered for removal.

For the system to be workable, access to company systems and records must remain **proportionate and strictly necessary**. Customs authorities should not be granted open access to enterprise resource planning (ERP) platforms, accounting data or broad commercial records. Instead, access should be limited to information directly relevant for customs purposes, such as the movement of goods, safety and security data, or documents needed to establish customs debt. The proportionality principle reflected in Recital 16 should be embedded directly into the operative text of Article 25(3)(f). Platform validation should be addressed when granting Trust & Check status, not through ongoing or live access to company systems.

For the sporting goods industry, this is particularly important. Full ERP access could expose highly sensitive commercial information, including pricing, sourcing strategies and supplier agreements, undermining competitiveness. Divergent or excessive access requirements would also force costly IT adjustments across thousands of products and suppliers, especially in footwear and apparel where bills of material are complex. Moreover, seasonal peaks linked to back-to-school sales or major

sporting events mean that predictable benefits and time-bound audits are essential to avoid disruption to product launches.

Recommendations:

1. In Article 25(3)(f), delete or narrowly qualify references to “accounting systems” and “commercial records”, ensuring access is limited to customs-relevant data.
2. Insert an explicit proportionality and necessity test into the operative text, reflecting Recital 16.
3. Establish a 12-month audit limit for Trust & Check traders where no irregularities are identified.

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3. EU Customs Data Hub and Data Access (Articles 30–31, 36–37)

FESI strongly supports the development of the **EU Customs Data Hub**, which has the potential to become the cornerstone of a modern, digital and risk-based customs system. By providing a single point of connection for operators, the Hub can simplify compliance, reduce duplication, and ensure that customs authorities receive accurate and timely information to target risky consignments more effectively. This is particularly valuable for the sporting goods sector, where supply chains are global, seasonal and involve thousands of fast-moving products.

To fulfil this role, the Data Hub must function as the **sole interface** for economic operators. National applications should remain strictly internal to customs administrations and must not generate additional requirements for companies, such as extra data fields or parallel connections. The **EU Customs Data Model** foreseen under Article 36 should be harmonised across the Union and limited to the information strictly necessary for customs purposes, avoiding the capture of commercial or sensitive data that goes beyond what is needed.

Just as the Hub is designed to strengthen risk management for authorities, it should also generate **concrete benefits for economic operators** beyond the simplification of submission. This includes tools that improve compliance monitoring, supply chain transparency and strategic planning. For example, operators should be able to access a consolidated report of all their imports and exports across Member States, giving them a Union-wide overview of their customs activities. Such functionality would enhance internal visibility, reduce duplication of reporting efforts, and align fully with the reform’s objectives of digitalisation and transparency.

Strong governance is essential. Clear rules should cover data minimisation, logging of access, incident handling and consequences in the event of misuse by authorities. Article 31 should define in an accessible way which authorities are entitled to access which categories of data, under what circumstances, and with full accountability. Finally, Article 37 on external access should restrict participation to **trusted partners under formal agreements** - such as EFTA countries or the United

Kingdom - and these agreements must ensure equivalent safeguards for data protection, cybersecurity and reciprocity.

For the sporting goods sector, where supply chains are global, seasonal and involve thousands of fast-moving products, the design of the Hub is particularly significant. Multiple national applications or divergent data requirements would force costly IT re-engineering across thousands of SKUs and suppliers, especially in footwear and apparel with complex supply chains. At the same time, strict rules on access are essential to protect commercially sensitive information and maintain confidence in the system. Finally, a well-governed EU Hub would greatly enhance enforcement credibility by strengthening risk targeting and tackling illicit trade, while at the same time simplifying compliance for legitimate businesses.

Recommendations:

1. In Article 30, confirm that national applications cannot impose extra obligations and must interoperate fully with the EU Data Hub.
2. In Article 36, limit the Data Model to information strictly necessary for customs purposes and adopt governance protocols.
3. In Article 31, clearly define authority access, data categories and purpose, and require full audit logging.
4. In Article 37, limit external access to trusted partners with equivalent data protection, cybersecurity and reciprocal commitments.

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4. Handling Fee on Distance Sales (Article 18 – new Council proposal)

The Council's proposal to introduce a **Union-wide handling fee on goods sold via distance sales** represents a new element in the reform. While we understand the intention to create a fairer e-commerce environment and to ensure that low-value consignments from third countries contribute adequately to customs costs, the sporting goods industry believes that the measure requires careful reconsideration.

A harmonised EU-level approach could, in principle, help address distortions between EU-based and non-EU sellers and strengthen consumer confidence in cross-border trade. However, as currently drafted, the proposal raises concerns about fairness, proportionality and its potential impact on legitimate operators.

Key points:

- **Avoid double charging**: Goods released from EU-based customs warehouses, including bonded warehouses, should be excluded from the fee. These consignments have already entered the customs process and are not eligible for the low-value duty exemption. Charging a fee on them would amount to double taxation and risk undermining the role of EU distribution centres.

- **Refundability**: The handling fee should be refundable where customs declarations are withdrawn, goods are returned, or duties are suspended. A non-refundable fee would impose unjustified costs and reduce legal certainty for businesses and consumers.

- **Limit national discretion**: The Council text allows Member States to levy additional charges on top of the EU fee. This risks fragmenting the Single Market, reducing predictability and creating competitive disadvantages. The objective of a harmonised EU fee can only be achieved if national discretion is tightly circumscribed.
- **Economic impact**: A per-item handling fee could drive up consumer prices and discourage participation in sport. It could also distort pricing structures in a way that has not yet been assessed. A full impact assessment should be undertaken before implementation.

Recommendation: The handling fee should not be introduced without a clear demonstration of necessity, proportionality and added value. If co-legislators decide to retain the measure, it must be accompanied by clear safeguards: exclusion of EU-based warehouse consignments, refundability, strict limits on Member State discretion, and a prior impact assessment to understand its consequences for trade and consumers.

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5. Storage and Destruction of Goods (Article 76)

The sporting goods sector is a frequent target of counterfeiters and illicit products, which undermine brand value and expose consumers to unsafe goods. Effective and swift destruction of such items is therefore critical. However, the question of **who bears the costs** remains central.

Those responsible for bringing intellectual property-infringing goods into the Union - such as importers, exporters, carriers and other intermediaries in the supply chain - should bear the costs of storage and destruction. Right-holders are not involved in the supply chain of infringing goods and should not be made to cover these expenses. The Council has moved in the right direction by shifting responsibility towards the holder of the goods or the holder of the transit procedure, and away from right-holders. This principle should be firmly maintained and clarified.

At the same time, to facilitate effective enforcement, Member States should be permitted to assume these costs on a voluntary basis. Some Member States, such as Austria and France, already do so, and this practice has proven useful in accelerating enforcement where recovering costs from importers is impractical. Embedding this option in the legal text would encourage more consistent and timely action across the Union.

Recommendation: Amend Article 76 to confirm that costs are to be allocated to the responsible party, as reflected in the Council's orientation, while explicitly allowing Member States to cover costs on a voluntary basis where this demonstrably improves enforcement.

6. Temporary Storage (Article 86)

Temporary storage plays a vital role in keeping supply chains resilient and efficient. A **90-day period** enables companies using sea freight to EU distribution centres and bonded facilities to consolidate goods, manage multi-leg transport, and absorb delays caused by congestion or adverse weather. This stability helps retailers and consumers by ensuring predictable delivery timelines.

Reducing the period would force premature customs declarations or the use of alternative regimes, adding cost and administrative burden without any enforcement benefit. For sporting goods, which are seasonal, tied to major international events and subject to fluctuating demand, the flexibility offered by 90 days is essential to secure availability in the right place at the right time.

Recommendation: Confirm the 90-day period for temporary storage, as supported by the European Parliament, and ensure that any extensions are proportionate and applied uniformly across Member States.

7. Sanctions and Customs Infringements (Articles 252–254)

We support the approach taken by the Council to delete the proposed EU-level sanctions article and to maintain the current national regimes. While these regimes are not fully harmonised, they are functional and provide sufficient flexibility for Member States to adapt sanctions to the seriousness of the infringement. In practice, this system works and avoids the risks that would arise from introducing EU-wide minimum penalties that could be disproportionate for relatively minor mistakes.

While we appreciate the European Parliament's intention to strengthen deterrence, certain elements of its text raise concerns for business. In particular, the phrase **"and other charges"** to the calculation of penalties lacks sufficient clarity and could result in disproportionate amounts being applied to relatively minor infringements. Moreover, the absence of leniency clauses for voluntary disclosure, force majeure or good faith errors leaves an important gap. Introducing such safeguards would ensure that companies are not penalised when they actively cooperate with customs or when mistakes are clearly unintentional.

For the sporting goods sector, supply chains involve frequent adjustments - such as updates to tariff classifications, valuation corrections, or return flows. Excessive penalties in such situations would significantly increase compliance costs and ultimately affect consumer prices. Even more importantly, a rigid EU-level system could discourage voluntary self-disclosure, undermining the cooperative relationship between economic operators and customs authorities that is essential for effective risk management.

A fair, equitable and proportionate framework should instead be based on **guidance at EU level**. Just as competition law has detailed fining guidelines, customs could benefit from a similar approach, ensuring consistency while preserving flexibility for national administrations. Such guidance could be adopted as secondary legislation and supported by the transparency tools embedded in the EU Customs Data Hub.

Recommendations:

- Maintain the Council's deletion of the sanctions article and rely on national regimes, complemented by EU guidance and transparency mechanisms in the Data Hub.
- If an EU-level framework is retained:
  - Delete the reference to **"and other charges"** when calculating penalties.
  - Set lower thresholds for non-intentional cases to avoid disproportionate fines.
  - Introduce explicit leniency clauses for voluntary disclosure, good faith mistakes and force majeure.
  - Provide EU-level sanctioning guidance to promote harmonisation and fairness across Member States.
  - Record sanctions decisions in the Data Hub for transparency and risk-management purposes, but avoid creating duplicative EU penalties.

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8. Definitions – "Established in the customs territory of the Union" (Article 5(7), read with Article 19)

Many global sporting goods companies operate regional hubs, distribution centres (including bonded warehouses), and third-party logistics arrangements across several Member States. A clear and simple definition reduces administrative friction, avoids disputes about forum shopping, and supports fast time-to-market for seasonal products and major sporting events.

Companies with multiple EU entities should register in the Member State where they first lodge a declaration or apply for a decision. This ensures legal certainty and operational simplicity.

Recommendation: Endorse the European Parliament text and ensure that implementing and delegated acts avoid duplicative registrations when corporate structures evolve.

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9. Entry into Force, Application and Transition (Article 264; Recital 74)

The timetable for implementation will be decisive for the success of the reform. Experience from the Union Customs Code adopted in 2012 shows that ambitious deadlines can be very difficult to meet in practice - several of the IT systems originally foreseen are still not fully operational today. It is

therefore essential to design a **realistic and sequenced approach** that reflects the complexity of building and deploying new EU-wide digital infrastructures.

Economic operators must have sufficient time to adapt, including time for piloting and testing, to avoid disruptions to trade. Customs authorities should be required to make their systems fully operational on the EU Customs Data Hub by the end of 2032, with mandatory use by economic operators only from 2038 – provided that the full scope of IT features for economic operators has been tested, documented and made available. This sequencing will allow authorities to demonstrate readiness before obligations are imposed on businesses.

For the sporting goods industry, which operates on product cycles that can span **eighteen months or more**, stability in specifications is crucial. Seasonal peaks and major sporting events mean that delays or system instability at the border can have a disproportionate impact on product launches and consumer availability. Sufficient transitional time is therefore not only a matter of administrative convenience but a condition for market functioning.

Recommendations:

- Fix clear dates in Article 264 to ensure that authorities are fully ready by 2032 and that obligations for operators apply no earlier than 2034.
- Require a **minimum of twelve months of piloting** for each new module, with published conformance packs and the possibility of parallel runs.
- Establish an **EU implementation board with trade representation** to monitor readiness, approve go-lives and manage derogations.
- Align any changes to the **de minimis regime** with the overall implementation schedule and system readiness, phasing them in gradually to avoid cliff-edge effects.

10. Conclusion

FESI supports a modern, data-driven customs framework that rewards compliance, reduces unnecessary administrative burdens, and strengthens enforcement against illicit trade. The reform must remain **proportionate, predictable and harmonised**, enabling trusted operators to move goods efficiently while protecting consumers and public revenues.

We encourage co-legislators to secure a balanced compromise on the key issues: genuine benefits and proportional data access for Trust & Check, a single interoperable EU Data Hub, pragmatic rules on sanctions, avoidance of unnecessary fees and clear definitions of establishment. We also call for realistic timelines that reflect the complexity of implementation for both authorities and industry.

FESI stands ready to provide further examples and data to support a swift and balanced outcome in the trilogue negotiations.

Federation of the European Sporting Goods Industry

Founded in 1960 FESI - the Federation of the European Sporting Goods Industry represents the interests of approximately 1.800 sporting goods manufacturers (85% of the European market) through its National member Sporting Goods Industry Federations and its directly affiliated companies. 70-75% of FESI's membership is made up of Small and Medium Sized Enterprises. In total, the European Sporting Goods Industry employs over 700.000 EU citizens and has an annual turnover of some 81 billion euro.

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