



Trade Negotiations between the European Union and the Philippines

EU Proposal for Provisions on Customs and Trade Facilitation

Explanatory note - February 2017

This explanatory note gives a general overview of the European Union's (EU) proposal on Customs and Trade Facilitation in the Free Trade Agreement (FTA) envisaged between the EU and The Philippines. The text of the EU proposal was presented to the Philippine Government experts shortly in advance of the negotiating round and is now available on the [website](#) of the European Commission.

Why do we negotiate rules on customs and trade facilitation?

When a firm in Europe exports to The Philippines, customs officers at the Philippine border check the products to make sure they meet the rules and requirements. The same applies to exports from the Philippines to the EU.

These customs checks are useful because they stop harmful or illegal goods from finding their way into the market. They also allow collecting customs duties and other taxes. Thus, governments get the money they count on for their budgets. The checks however, must not hinder legitimate trade and impose unnecessary burdens on operators.

Members of the World Trade Organization (WTO) – the majority of the countries in the world, including the Philippines and the EU – have already agreed to an international agreement on trade facilitation, which covers the customs procedures to be applied to import, export and transit operations, and helps to facilitate trade flows.

In the bilateral agreement with the Philippines the EU intends to go further and agree on facilitating measures that go beyond the reach of the WTO Agreement.

Main objectives

The EU wants to make sure that the customs rules and other requirements, formalities and procedures related to import, export and transit of goods between the EU and the Philippines are modern and as simple as possible. This is to ensure that:

- customs controls are effective, ensuring that all imported goods are safe and respect Intellectual Property Rights;
- companies legitimately trading goods between the EU and the Philippines get their goods easier and faster through customs.

To this end the EU proposal calls for:

- an exchange of information on customs requirements (i.e. legislation, implementation and customs procedures),
- application of modern and simplified customs procedures in line with international rules and standards, including the prompt release of goods by customs,
- further simplification of procedures for reliable operators,
- transparency of all customs requirements, including mechanism of consultations between administrations and the business community, and provision of information,
- commitment to further simplify and standardise data and documentation required by customs and other agencies,
- customs control systems based on risk management.