

Enhancing services to improve the export & import performance of European companies under EU Free Trade Agreements (FTAs)

This guide seeks to boost the capacity of Network advisers to assist local business to import & export goods and services. The guide comprises infographics for training purposes as well as practical tools & good practices to complement internationalisation services of the Enterprise Europe Network.

Around 90% of future global growth is expected to be generated outside of the EU's borders, which is why the EU is seizing the opportunity to negotiate new trade agreements. Over 30 million jobs in the EU depend on external trade.

The right use of Free Trade Agreements (FTA) is crucial in the setup of a business strategy involving international trade.



Integrating advisory services on FTAs in Enterprise Europe Network business support is therefore crucial for European companies to be competitive on the global market. This guide on FTAs has been prepared by the EEN working group on FTA and is now being updated with information on practical tools, i.e. the [Access2Markets](#) trade portal, to enhance existing Network services with more advanced support for EU companies to exploit international trade opportunities.

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Working Group members



The infographics, tools and recommendations included in this document were drafted and designed by our Working Group on FTA in 2019. The guide was updated in 2024.

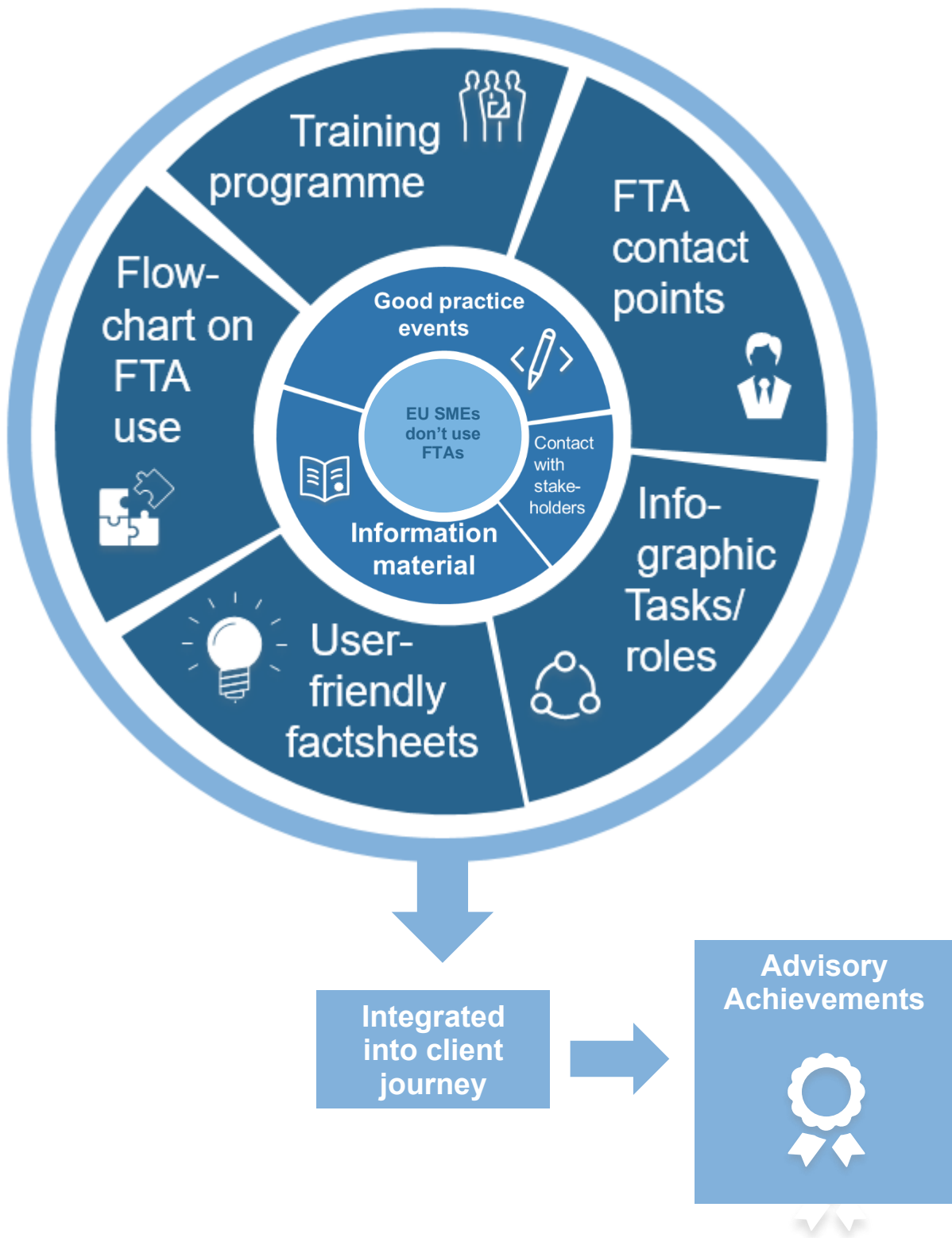
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1. Recommendations in a nutshell

This infographic summarises all recommendations made by the Working Group to increase the export and import performance of European businesses under FTAs



The case for the Working Group's recommendations

■ Why? Our starting point!

- SMEs don't use FTAs systematically, because they are often very complex. It is difficult for SMEs to access Information quickly.

■ How can we tackle the issue?

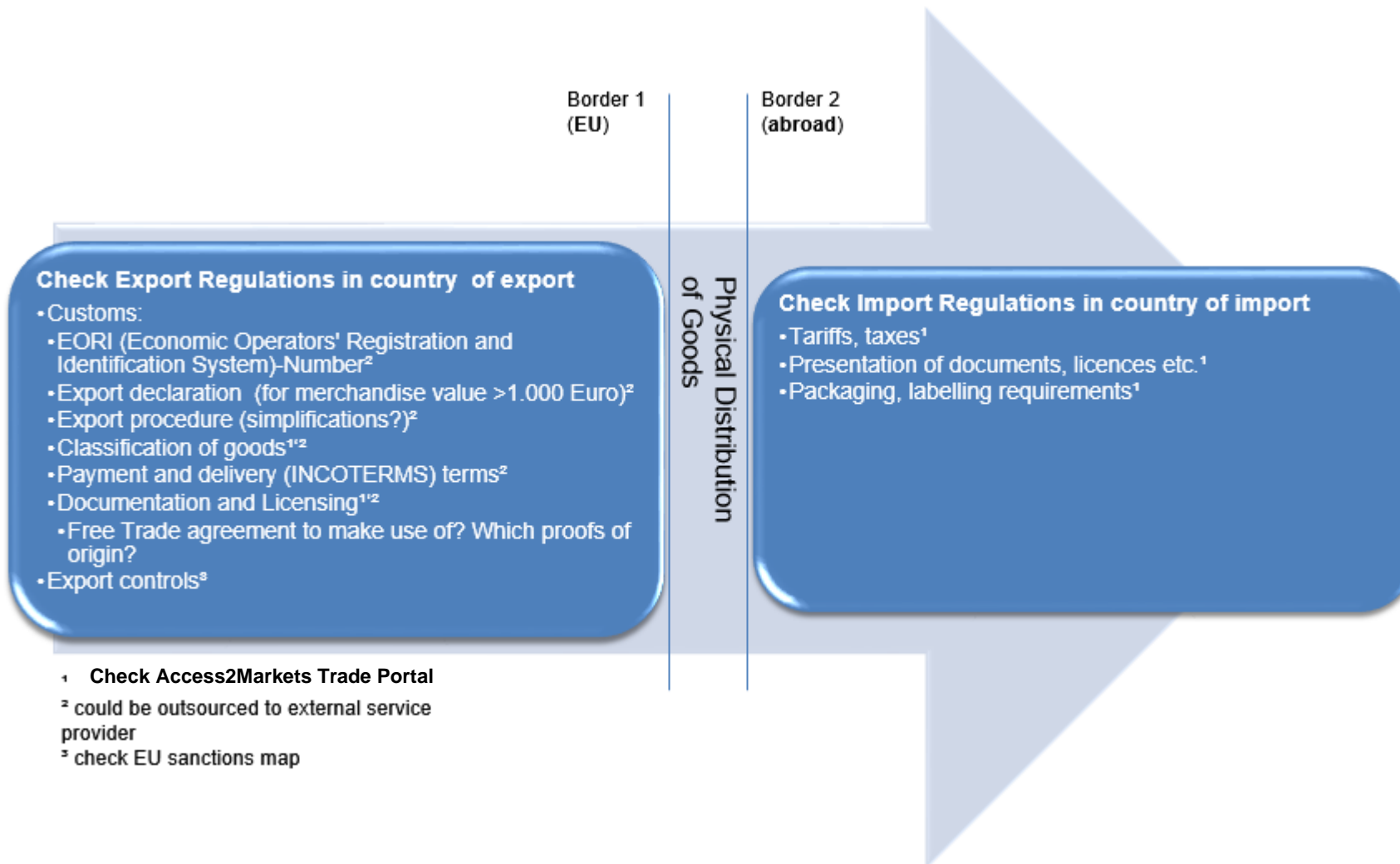
- Network advisers are best placed to support SMEs in their export process and to better exploit FTAs, through user-friendly information material, events and network contacts.

■ What are our recommendations?

- User-friendly factsheets and information materials.
- A privileged cooperation with International Network Partners abroad, especially in countries having a FTA with the EU.
- Closer cooperation with DG TRADE with first-hand information in FTA matters and updates on the Access2Markets trade portals.
- Track the impact on EU SMEs, which received related Network services in the reports for Advisory Achievements.

2. Export process (goods)

This flow chart describes the export process for goods. The following flow charts below can be used by Network partners for training purposes and to explain the export/import process to clients during face-to-face meetings and/or events.



Description of export process (goods)

❑ Check Export Regulations in country of export

❑ Customs:

- National business registration at e.g. public order office
- EORI (Economic Operators' Registration and Identification System)-Number
Businesses and people wishing to trade must use the EORI number as an identification number in all customs procedures when exchanging information with customs administrations (also precondition for Export declaration!), companies can get this number from the customs authorities of the EU country in which they are established.
- Classification of goods: determining the subheadings or further subdivisions of the Combined Nomenclature (CN) under which the goods will be classified
- Export declaration (for merchandise value >1.000 €): An export declaration is an official document that lists and gives details of goods that are being imported or exported.
- Export procedure (simplifications?): several procedures exist to enhance the export process
- Payment and delivery (Incoterms) terms: a set of rules which define the responsibilities of sellers and buyers for the delivery of goods under sales contracts for international and domestic trade (e.g. who has to do the import/export customs clearance)
- Preparation of export documents

❑ Export controls: check goods, country, persons, end-use and purpose of the goods

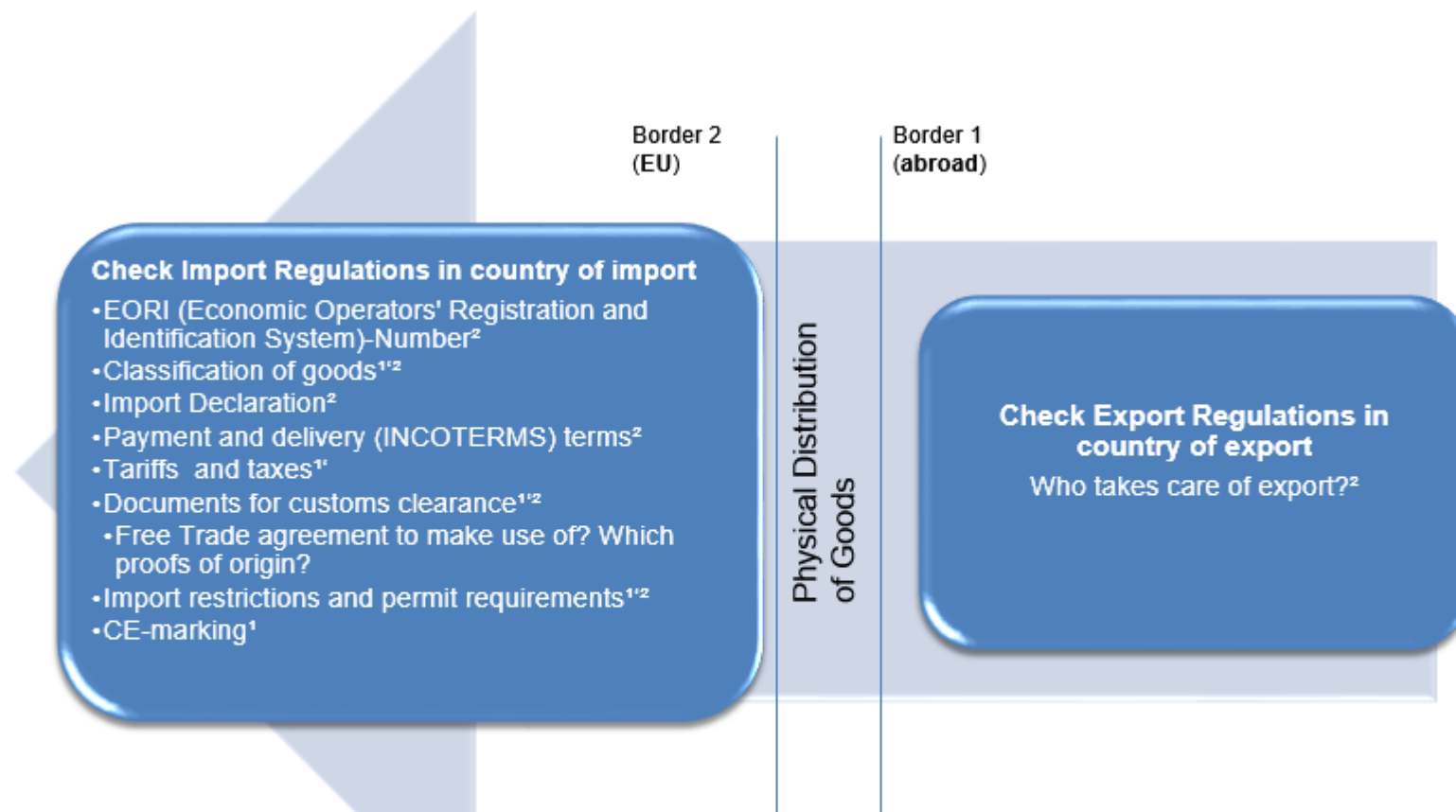
❑ Physical Distribution of Goods

❑ Import Regulations in country of import

- ❑ Tariffs, taxes
- ❑ Presentation of documents, licences etc.
- ❑ Packaging, labelling requirements, certification (e.g. certificate of conformity)

3. Import process (goods)

This flow chart describes the import process for goods.



¹ Check Access2Markets Trade Portal

² could be outsourced to external service provider

Description of import process (goods)

❑ Check Import Regulations in country of import

❑ Customs

- National business registration at e.g. public order office
- EORI (Economic Operators' Registration and Identification System)-Number
Businesses and people wishing to trade must use the EORI number as an identification number in all customs procedures when exchanging information with customs administrations (also precondition for Export declaration!), companies can get this number from the customs authorities of the EU country in which they are established.
- Classification of goods: determining the subheadings or further subdivisions of the Combined Nomenclature (CN) under which the goods will be classified
- Import Declaration: An import declaration is an official document that lists and gives details of goods that are being imported.
- Payment and delivery (INCOTERMS) terms: a set of rules which define the responsibilities of sellers and buyers for the delivery of goods under sales contracts for international and domestic trade (e.g. who has to do the import/export customs clearance)
- Tariffs (anti-dumping etc.) and taxes (import sales tax, excise duty etc.)
- Documents for customs clearance
- Import restrictions and permit requirements
- CE-marking (EU norms)

❑ Physical Distribution of Goods

❑ Check Export Regulations in country of export

- ❑ Who takes care of export?

4. Export/import process (services)

❑ In which form is the service supplied?

- Cross-border supply: is defined to cover services flows from the territory of one World Trade Organisation (WTO) member country into the territory of another WTO member country (e.g. banking or architectural services transmitted via telecommunications or mail);
- Consumption abroad: refers to situations where a service consumer (e.g. tourist or patient) moves into another member country's territory to obtain a service
- Commercial presence: implies that a service supplier of one member country establishes a territorial presence, including through ownership or lease of premises, in another member country's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains);
- Presence of natural persons: consists of persons of one member country entering the territory of another member to supply a service (e.g. accountants, doctors or teachers). The Annex on Movement of Natural Persons specifies, however, that member countries remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis

Source: World Trade Organisation (WTO)¹

❑ Check investment provisions in the country you want to export to

- Free Trade Agreement in place with provisions on Foreign Direct Investment (FDI) and trade in services?

❑ In case of deployment of natural persons: what is needed in third country / EU Member State (residency requirements, certifications, work permit etc.)?

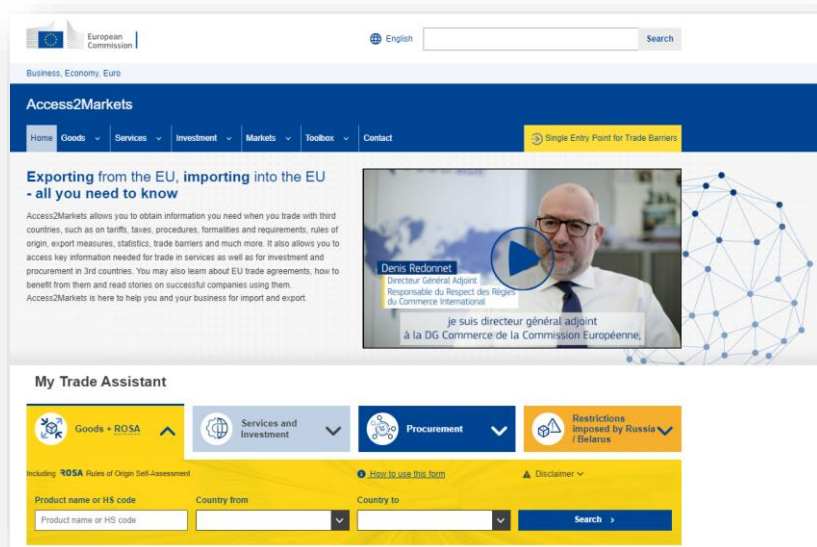
❑ Check VAT provisions

¹ <https://www.wto.org/>

5. Access2Markets Trade Portal

The portal is an essential tool set up by the European Commission (DG TRADE) to improve the export and import performance of European businesses and to exploit preferential tariffs and reduced bureaucracy through regularly alignment under FTAs

To ensure that trade opportunities translate into real market access, the European Commission has set up an efficient and transparent service for businesses: Access2Markets²



What you need to know:

- Access2Markets allows you to obtain information you need when you trade with third countries, such as on tariffs, taxes, procedures, formalities and requirements, rules of origin, export measures, statistics, trade barriers and much more. It also allows you to access key information needed for trade in services as well as for investment and procurement in 3rd countries. You may also learn about EU trade agreements, how to benefit from them and read stories on successful companies using them. Access2Markets is here to help you and your business for import and export..

How to use Access2Markets: An effective use of trade portal may require online tutorial. Follow webinars offered via the portal itself or check out one of the recorded training sessions available in the LEARN section on the Enterprise Europe Network community platform.

² <https://trade.ec.europa.eu/access-to-markets/en/home>

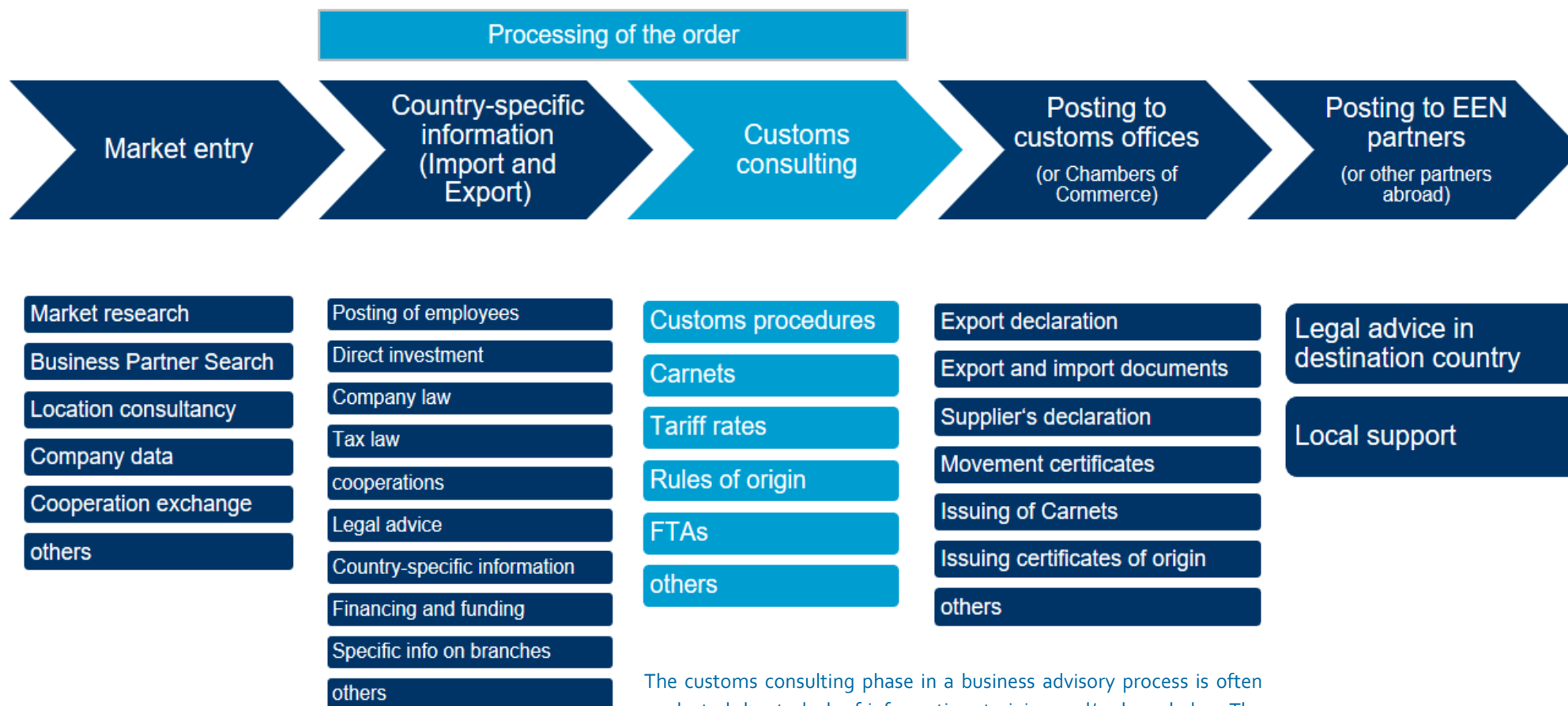
6. Common import and export related services

Which are the most typical import import and export related business services?

- ▣ Import conditions and customs
- ▣ Restrictions and sanctions
- ▣ Taxes and invoices
- ▣ Market entry consulting
- ▣ Certifications
- ▣ Visa and posting of employees
- ▣ Legal questions
- ▣ Free Trade Agreements

7. Typical sequence of service provision

Which are typical tasks and services of Enterprise Europe Network advisers when supporting companies to import and export?



The customs consulting phase in a business advisory process is often neglected due to lack of information, training and/or knowledge. The customs consulting phase should be integrated after or simultaneously with market entry analysis and country specific information, to bring the best support regarding customs procedures where the client is signposted to customs authorities.

8. Mapping of main stakeholders in the region/country

Each Enterprise Europe Network consortium should carry out a mapping of important stakeholders in the region.

This may include the following organisations, support structures and/or IT platforms:



Freight forwarder / forwarding agent

A freight forwarder (or forwarding agent) is the company which acts on behalf of exporters and importers and arranges the collection and delivery of their goods. The forwarder's services for exports may include advice on the routing of goods, negotiation of freight rates with carriers, booking of cargo space, packing and collection of goods and delivery to departure ports, the appropriate INCOTERM to use, preparation of documents (including appropriate preferential documents for proof of origin in FTAs), insurance, and completion of customs documents.

Forwarding is a competitive business and companies in the sector range in size from micro companies, through medium sized ones which may have specialisations, to multinational logistics companies with multimodal networks of worldwide regional offices. Sophisticated online freight tracking systems at every level of forwarder is the norm.

Selection of appropriate forwarders should be informed by knowledge of their accreditation by relevant national bodies.

LINEKA – Lithuanian national association of freight forwarders and logistics: <http://www.lineka.lt/en/about-us>

Belgian Freight Forwarding Association: www.conexbe.be/Organizatiaceb.aspx

Such bodies may be members of the European Freight Forwarders Association if they are in the SME category: www.ffa.com

The global association is FIATA – the International Federation of Freight Forwarders Associations: <https://fiata.com>

See also section below on 'Dealing with freight forwarders'.



eCommerce platforms

eCommerce platforms are likely to offer new opportunities to companies to widen market shares. Such platforms are B2B, electronic commerce-based which enable the selling of products or services through the internet via an online sales portal. The most sophisticated of these will pick up on appropriate FTAs, e.g. Ali Baba. Feedback from Belgian users of such platforms, however, suggests that on many occasions the platform will not provide any support or information concerning custom and tax rules and regulations but will leave it to the company itself to find out all the different rules for exporting to different countries.

Concern has been expressed that in working with an eCommerce platform sometimes means that it can be difficult for an SME to obtain the proof of exportation which can problems with Customs and VAT officials.



Customs authorities

Customs authorities are involved in any extra-EU cross-border transaction where evidence of origin relevant to the FTA is submitted. This may be in the form of preferential certificates of origin (currently the case of the majority of FTAs), certified invoice declarations (e.g. South Korea), or the use of REX – the Registered Exporter scheme which is in place for e.g. Canada within CETA, the comprehensive economic trade agreement. Information on the proofs of origin required for each trade agreement can be found on DG Trade's website.

Customs are also the source of information on the classification of goods, on whether preferential tariff rates apply and on the practical side of taking advantage of trade agreements when exporting to (and importing from) FTA markets. (note that import/export tariffs can be checked on various tools, such as MADB, THD and the Taric database of DG Taxud)

Customs are the authorities dealing with a company's cross-border transactions. The Belgian experience is that customs offices see their role solely as enforcers of laws and regulations, rather than as service and information providers. It could be a mission for the Network to tighten the collaboration with customs in member countries and thus facilitate the collaboration and exchange of information between customs, Network, and companies.



Customs agents and brokers

Customs agents and brokers are private sector specialists in handling customs requirements on behalf of clients and are often located at border points, ports and airports. EEN Belgium have provided a link to a list of authorized Custom agents in Belgium. https://finances.belgium.be/fr/douanes_accises/entreprises/repr%C3%Agsentant-en-douane/liste-des-repr%C3%Agsentants



Banks

Banks, naturally, are likely to be involved in any money transfers and payment mechanisms as well as financing trade. If the payment mechanism is a documentary letter of credit it is often the case that a certificate of origin is called for by the buyer as part of the package of documentation required to effect payment (along with, for example, a shipping document, commercial invoice and packing list.). The origin document may be a preferential one as per the requirements for many FTA countries.



National export promotion agencies (also known as trade promotion agencies)

These are generally Member State government funded departments or agencies of departments which focus on the promotion of exports through the provision of information, advice, events on exporting and appropriate markets and sectors, both at home and in target markets. Information on markets will reference their status as FTA partners and may cover aspects of trading within such an agreement.

It is also the case that export promotion agencies in FTA countries can provide similar services/information to importers as it is in their interest that companies from their country can export to Europe. A typical advantage of such agencies is that they are usually government-backed and can invest in awareness raising, as opposed to private companies that look for immediate profit.



Accountants

Many SMEs use their accountant as first information source or contact point in order to enquire about matters indirectly related to financial questions, such as VAT and customs.

Their experience and knowledge regarding FTAs being very heterogeneous, the Belgian experience – which probably applies to most countries – is that such expertise lays within large accounting firms with international connections, but not within smaller local accounting consultants.

Therefore, there is an identified need of awareness rising amongst the latter, which could be ensured through the Network, possibly through representative associations.



Lawyers and consultants

There will be legal aspects to any transaction but advice will not necessarily cover FTAs. Information on trade agreements will more likely be provided by export or business consultants. .



Tools

Key tools from a Network perspective are the Access2markets trade platform, including EU import conditions and information on rules and proofs of origin, B2B and matchmaking events, and the business opportunity bulletin.

EU instruments which contribute to the internationalisation of European businesses include the Network itself as well as many other organisations grouped under the Single Market Programme such as EEN or the EU Japan Centre

Other tools are available via trade promotion agencies, government departments and chambers of commerce e.g. company missions, trade fair participation or individual support targeted at an FTA country.



Export credit insurers

National export credit agencies can provide a range of services to help companies secure business abroad and facilitate payment. It is recommended that the Network Trade Contact Points include local export credit insurers in the 'Template for mapping of local stakeholders' presented in the following section.

In Lithuania: INVEGA <http://invega.lt/en/home/guarantees/individual-guarantees-loans-2/export-credit-guarantees/terms-and-conditions/> is the main institution responsible.

European credit insurance Group: Credendo: <https://www.credendo.com>

Template for mapping of local stakeholders

Network partners may map relevant local stakeholders and disseminate the list to other consortia in the country using the template below.

enterprise europe network

List of important stakeholders, databases & IT tools supporting European SMEs to export and import goods and services

This list aims at helping EEN business advisers to identify the most relevant stakeholder, databases & IT tools in the import/export process. This list may not be exhaustive and may be complemented. The local/national EEN FTA Ambassador in charge should translate [COMPLETE SHORT INTRODUCTION].

Stakeholder, database or IT tool [PLEASE INTEGRATE WEB HYPER LINK IN NAME OF STAKEHOLDER/TOO]	Main activity and services/support offered SMEs [MAXIMUM ONE PARAGRAPH]	Role in the import/export process and how they could support the business adviser [MAXIMUM ONE PARAGRAPH]
[PLEASE INSERT MAIN STAKEHOLDERS, DATABASES, IT TOOLS – DON'T FORGET TO INTEGRATE THE WEB LINKS INTO THE NAME]	[INSERT DESCRIPTION]	[INSERT DESCRIPTION]
[....]	[INSERT DESCRIPTION]	[INSERT DESCRIPTION]
[....]	[INSERT DESCRIPTION]	[INSERT DESCRIPTION]
[....]	[INSERT DESCRIPTION]	[INSERT DESCRIPTION]
[....]	[INSERT DESCRIPTION]	[INSERT DESCRIPTION]

1

For more information, see template in Annex.

9. Dealing with freight forwarders (practical advice)

Freight forwarders play an important role in cross border trade transactions, acting on behalf of exporters and importers to arrange the collection and delivery of goods or, in the form of couriers or consular agents, to transfer documents relating to the sale of goods or services.

The forwarder's services for exports may include advice on the routing of goods, negotiation of freight rates with carriers, booking of cargo space, packing and collection of goods and delivery to departure ports, the appropriate INCOTERM to use, preparation of documents (including appropriate preferential documents for proof of origin in FTAs), insurance, and completion of customs documents.

Forwarding is a competitive business and companies in the sector range in size from micro companies, through medium sized ones which may have specialisations, to multinational logistics companies with multimodal networks of worldwide regional offices.

Selection of forwarder by the client

When selecting a forwarder, the exporter, importer or trader is advised to check that they are accredited by a relevant industry body. It is a comparatively crowded sector and there may be many to choose from in the market. In the first instance it may be advisable to consult a range of forwarders, giving an outline of shipment requirements, to gain a feel for their knowledge and expertise, as well as getting quotes. It is not a given that their knowledge will extend to FTAs and the appropriate documentation or evidence of origin so it may be helpful to use this, or a simple export checklist as a test area.

Once selected, the use of a particular forwarder does not have to be long term and if the service is not as required there are many others to turn to.

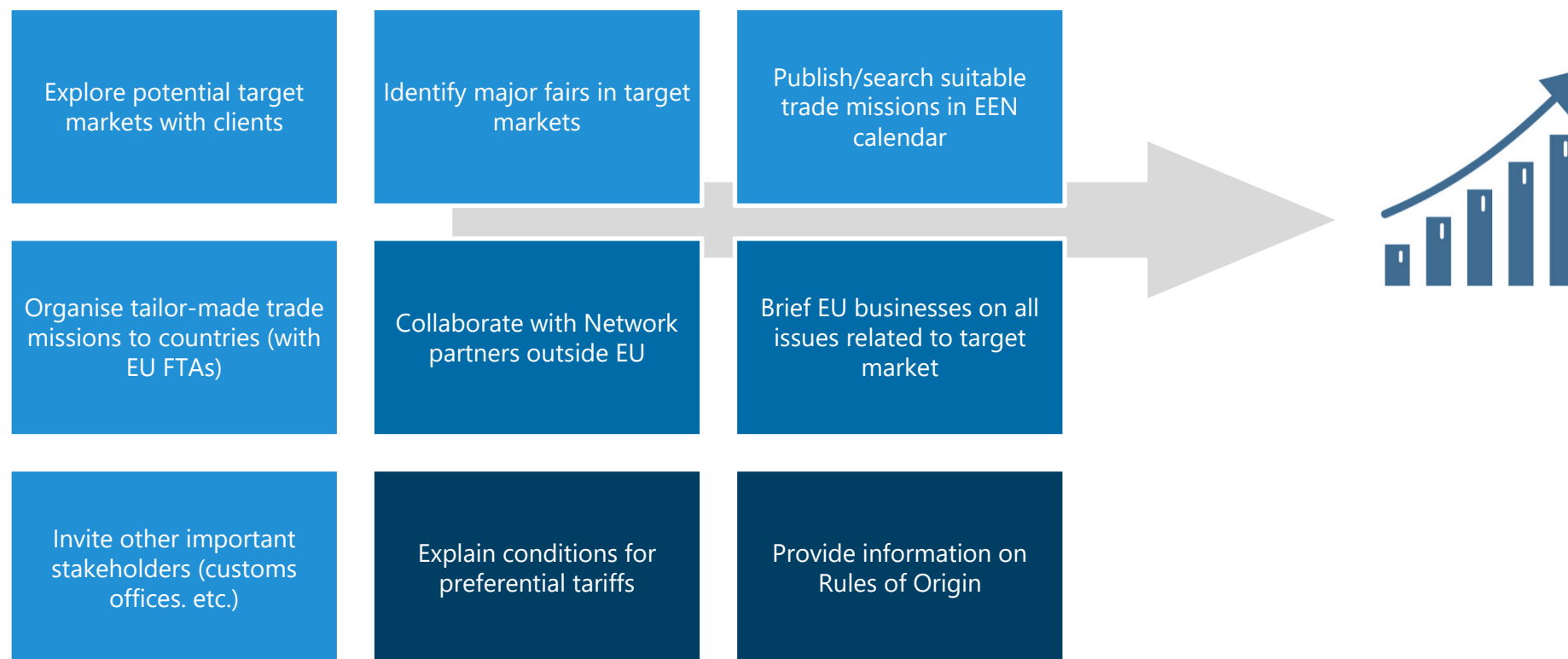
Role of the Network adviser

Network advisers should be aware of the associations of forwarders in their Member State and advise clients accordingly. Such bodies may be members of the European Freight Forwarders Association if they are in the SME category. www.ffa.com

The global association is FIATA – the International Federation of Freight Forwarders Associations. <https://fiata.com>

10. Trade missions (good practice)

Trade Missions towards FTA-countries require a thorough preparation of the participating companies. The following steps should be taken:



Each preparation session for a trade mission should include a short training session for entrepreneurs in how to use Access2Markets³.

11. Event ‘Business meets Customs’ (good practice)

This type of event brings together local export/import oriented companies with all important stakeholders in the region/country. These meetings are excellent occasions to train businesses and match them with important service providers in the export/import process.



12. Integration of FTA related services into the Network's Client Journey

- ❑ **Preliminary:** Relevant training of Enterprise Europe Network staff
- ❑ **Identification of client's needs and intake assessment:** internationalisation
- ❑ **Assessment of expected impact:**
 - ❑ Direct economic impact (FTA benefit, downcuts on custom tariffs, etc.)
 - ❑ Logistics
 - ❑ Indirect economic impact (growth, access to public tenders, etc.)
- ❑ **Delivery of Enterprise Europe Network services**
 - ❑ Supporting the client to reap FTA benefits: information on FTA, targeting of potential markets in regard to FTA, support in fulfilling conditions for FTA use (e.g. support on rule of origin)
- ❑ **Impact assessment** (continuously)
 - ❑ Expected impact vs. actual impact
- ❑ **Achievement:** internationalisation
 - ❑ Milestone: Advisory Achievement – e.g. reduced payment for tariffs
 - ❑ Impact: Access of new market & increase in revenues and profits

Sample client journey for export-oriented company

Company

The company is an Italian premium window producer keen to conquer fast growing Asian markets (within the next 18 months).

Action plan

The Network adviser meets with executive management to carry out an in-depth client needs assessment and to agree on a detailed action plan with clearly defined milestones.

Objectives of the action plan: Italian premium windows manufacturer seeks to enter fast growing Asian markets using Singapore as a hub (exploiting the EU-Singapore free trade agreement).

1st Milestone of client journey

Advisory achievement: support provided to client to comply with Singaporean regulatory requirements.

3rd Milestone of client journey

Advisory achievement: support provided to fully exploit existing FTA with Singapore resulting in lower tariffs for exported windows.

Impact

After 18 months, the Italian Network adviser meets the executive management of the company face-to-face to review whether the objectives laid out in the action plan have been met. If yes, the Network adviser surveys the client's satisfaction of the services rendered and the impact achieved for the company (increase in turnover, profits, etc.). If now, the Network advisers draws up a new action plan.

Intake assessment

The Italian Network business adviser visits the company, assesses the quality of the products, efficiency of the production facilities and internal processes. Then, the Network adviser meets face-to-face with the executive management and product engineers to evaluate whether the company as a whole possesses the required capacity to enter Asian markets.

Services

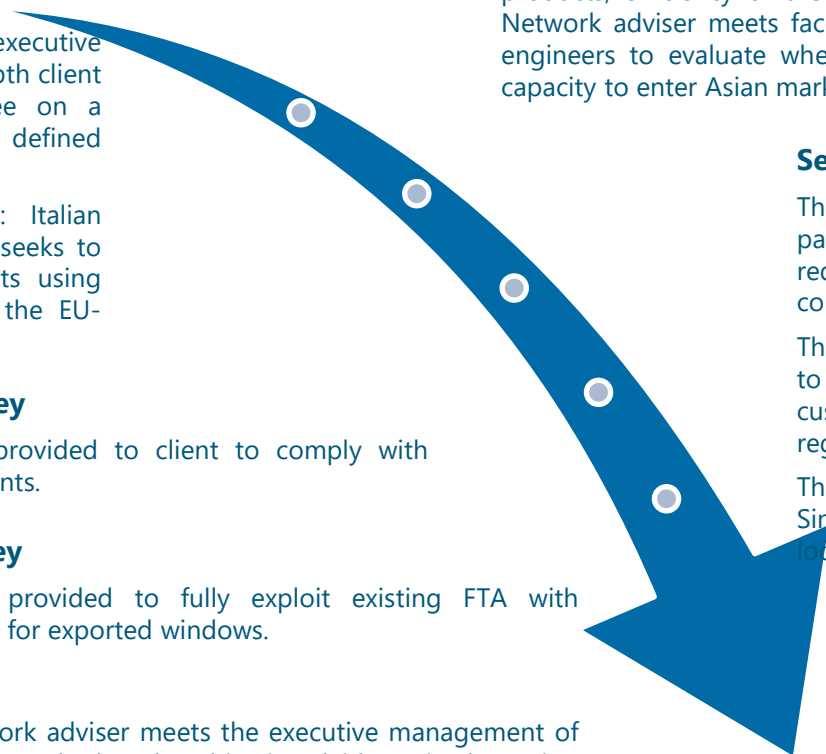
The Italian Network adviser gets in touch with Singaporean partner to obtain information about national regulatory requirements and then assists the window maker to comply with local standards.

The Italian Network advises the window manufacturer how to benefit from preferential tariffs, reduce paper work at customs and how to conform to industrial rules & regulations.

The Italian Network advisers organises a trade mission to Singapore, allowing the Italian company to meet numerous local business partners face-to-face.

2nd Milestone of client journey

Italian window manufacturer signs distribution agreement with Singaporean company.



13. The INCOTERMS: why should Incoterms be indicated in a contract for the international delivery of goods?

The Incoterms determine the costs, risks and customs obligations between buyer and seller internationally for the transport of goods.

The delivery of goods internationally also implies practical agreements between the seller and the buyer. The Incoterms® rules (International Commercial Terms) were created to determine the legal liability of each party. These are in fact international conventions relating to the international transport of goods that allocate costs, risks and customs obligations between the parties on the basis of 11 rules set out in the Incoterms® 2020. These rules are developed by the [International Chamber of Commerce \(ICC\)](https://iccwbo.org/) and are reviewed and adapted every 10 years. The last update was made in 2020.

Incoterms are a series of 11 different codes, consisting of three letters (EXW, FOB, etc.) that represent as many ways to organise international delivery. They allow sellers and buyers, regardless of their cultures and legal systems, to agree on the precise time when the costs and risks associated with the delivery pass from one to the other, who must organise the transport, who must take care of customs formalities, etc.

Incoterms are not mandatory but facilitate international trade provided that the parties concerned select the Incoterm which correctly allocates the cost, risks and formalities.

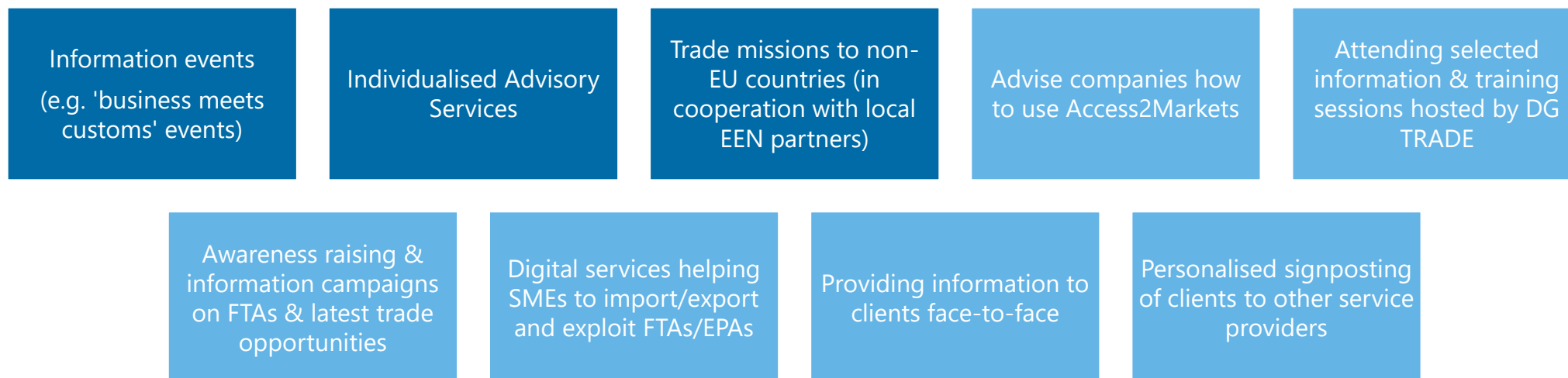
The 11 incoterms divided into families generate for the seller an increasing order of obligations in terms of costs and risks. For initial sales incoterms the risks are transferred to the buyer in the seller's warehouse or to a place (port, airport, grouping platform in case of grouping or multimodal transport) in the seller's country or in a surrounding country. For the incoterms of sale on arrival the charges and risks associated with the main transport are borne by the seller to the final destination in the buyer's country.

The choice of the incoterm is the result of the commercial negotiation between the two parties. The seller and the buyer must take into account their respective capacities to control customs and logistical formalities, including packaging, loading, documentation required by customs.

For more information, see specific page on INCOTERMS: <https://iccwbo.org/business-solutions/incoterms-rules/incoterms-2020/>

14. Eligibility of costs for FTA & import/export related services and activities

This is a non-exhaustive list of activities and services eligible under the Enterprise Europe Network grant agreement to improve the import and export performance of EU companies.



All activities and services listed above need to be project specific and fully integrated into the Enterprise Europe Network's client journey. The objective is to generate concrete impact for businesses resulting in Advisory Achievements published in the Network's Achievements Database.

15. Carbon Border Adjustment Mechanism (CBAM)

▣ Introduction

The Carbon Border Adjustment Mechanism (CBAM) is a component of the European Union's strategy to mitigate climate change by addressing carbon leakage and promote a greener economy. CBAM is a tariff imposed on imports of certain goods to the EU, which are intensive in carbon emissions during their production processes. It aims at ensuring that the ambitious climate action in Europe does not lead to 'carbon leakage', where companies move their production to countries with less stringent emission controls. CBAM ensures that the price of imports reflects their carbon content, thus encouraging cleaner production globally. By doing so, CBAM supports the EU's broader goals under the European Green Deal to become the first climate-neutral continent by 2050, making a significant contribution to the global effort to limit temperature rise to well below 2°C.

▣ What companies need to know about CBAM

CBAM imposes new responsibilities and requirements on companies importing specific goods into the EU. At the moment, the mechanism focuses on iron and steel, cement, aluminium, fertilizers, and electricity. These sectors are critical to the global economy but are also energy-intensive and have been identified as vulnerable to relocation in case when carbon pricing is only applied within the EU. Companies active in these sectors will need to monitor the carbon content of their products, report them and potentially purchase CBAM certificates to cover the carbon price at the EU border. This requires a good understanding of the supply chain and the carbon emissions linked to the production process. Companies will be required to report the greenhouse gas emissions embedded in their imported products and ensure compliance with CBAM regulations and failure in doing so could result in financial penalties. As a result, the importers will have to invest in systems and processes to track and report these emissions. This task may require significant adjustments to current operational practices.

▣ Calculating and reporting under CBAM

Under the Carbon Border Adjustment Mechanism, companies importing into the EU are required to annually report the greenhouse gas emissions associated with their imports. To comply with the CBAM requirements, they need to undertake several steps:

- Initially, they must assess and document the carbon emissions of their products. This task requires staying in contact with suppliers to obtain necessary data. This involves understanding the detailed production process and the energy inputs associated with it.

- ❑ Following this, importers are obligated to register with the national authority designated by the Member State of import, providing detailed information about their imports and the associated emissions. The methodology for calculating CBAM charges mirrors the cost that EU producers bear under the EU Emissions Trading System (ETS). To determine the number of certificates needed, importers must report the total emissions embedded in their goods, including both direct emissions from production and indirect emissions, e.g. electricity used in the manufacturing process. This calculation includes carbon price already paid in the country of origin in order to avoid double charging. For each ton of CO₂ emissions associated with imported goods, importers will have to purchase CBAM certificates to cover the emissions. Their price will reflect the weekly average auction price of EU ETS allowances. Importers will have to get familiarised with this methodology and may seek guidance or use calculation tools provided by the EU.
- ❑ To ensure compliance, companies have to keep records of their emissions reports, certificates purchased, and any other relevant documentation for at least 10 years, as these documents may be subject to audits by EU authorities. Importers also need to stay informed about any changes to CBAM regulations and the list of goods it covers, as these may evolve.
- ❑ Summarising, compliance with CBAM involves a rigorous process of emissions calculation, reporting, certificate acquisition, and record-keeping. This process not only emphasizes the direct responsibility of importers to engage with global efforts to reduce emissions but also indirectly encourages producers outside the EU to adopt cleaner manufacturing processes.

❑ Where to find information about CBAM

Companies can turn to several sources for information and support regarding CBAM. The European Commission's official website should be a primary resource, offering detailed guides, FAQs, and regulatory documents. Also, the Directorate-General for Taxation and Customs Union (DG TAXUD) and the Directorate-General for Climate Action (DG CLIMA) provide sector-specific guidance and updates.

For more personalised support, companies can contact the National Contact Points (NCPs) in EU Member State, that offer guidance on compliance, reporting requirements, and certificate acquisition. Also various EU-funded initiatives, such as the Enterprise Europe Network (EEN), provide advisory services to help SMEs understand and adapt to CBAM. These official channels ensure that businesses have access to up-to-date and reliable information.

The assistance is also available through programs like LIFE program, which supports environmental and climate action projects, including those focused on reducing industrial emissions. Additionally, the European Commission's Technical Support Instrument (TSI) offers assistance to Member States to develop and implement measures that help businesses adjust to CBAM and other environmental policies.

▣ CBAM timetable

Recognising the challenges companies may face in adapting to the new requirements, the EU has incorporated transition periods and adaptation mechanisms within CBAM. The initial phase, starting from 2023, focuses on reporting requirements. During this period, importers of several high-carbon goods are required to start tracking and reporting the emissions associated with their products but are not yet obligated to pay for the emissions. This phase is important for establishing a baseline of data and ensuring that all parties understand their responsibilities and obligations.

From 2026 onwards, CBAM will enter into its full implementation phase. Then importers will be required to purchase CBAM certificates reflecting the carbon content of their imports, aligning the cost of non-EU goods with those produced within the EU's carbon pricing framework.

These key dates and phases are designed to provide a smooth transition towards a more sustainable and fair trading system, encouraging global carbon reduction efforts in line with the EU's climate goals and strategy.

▣ Advantages and disadvantages of CBAM

The introduction of CBAM offers benefits to the environment and the European economy.

Environmentally, CBAM is a move towards reducing global carbon emissions by incentivising cleaner production practices worldwide. By applying a carbon cost to imports equivalent to that borne by EU producers, it encourages non-EU producers to lower their carbon footprint to remain competitive in the European market. This global push for greener production contributes to the international efforts to mitigate climate change and goes in line with the Paris Agreement goals.

Economically, CBAM helps protect European industries from “carbon leakage”, ensuring that ambitious climate actions within the EU do not create disadvantages in the global market. It aims to ensure that European businesses can compete fairly with imports from countries with less stringent environmental regulations. Furthermore, the revenues generated from the CBAM certificates are supposed to be reinvested into the EU's green transition, thus supporting innovation in low-carbon technologies and the development of sustainable infrastructure.

Despite its potential benefits, CBAM also faces challenges and criticisms. On one side there is the complexity and the administrative burden it places, especially on SMEs that lack the resources to cope with the new requirements.

There is also possibility that CBAM may lead to trade tensions, as some countries view it as a protectionist measure rather than a climate action tool. Critics also discuss about the fairness of imposing a carbon price on developing countries, which have less capacity to transition to cleaner production methods quickly. Finally, there are also some issues about the effectiveness of CBAM in significant emissions reductions, as at the moment it applies only to a limited number of products, while expanding its scope could increase its impact but would also add to the complexity and potential for disputes.

16. A brief guide on how to use FTAs

Every product exported from or imported into the EU is classified under a tariff code. The classification helps you understand which conditions and tariffs apply to your specific product. The tariff code, also called product code, provides information on for example the duty rates and other levies that apply to the product, any applicable protective measures and import and export formalities and other non-tariff requirements (health certificates, quality controls, CE marking, etc.).

When a product is traded internationally, a customs duty or customs tariff will often apply. As mentioned higher, the percentage of the tariff (if any) is based on your tariff code. However, when there are special trading arrangements (such as Free Trade Agreements or GSP), there are sometimes lower or no tariffs. These are referred to as preferential tariffs. To apply for a preferential tariff, you need to take into account the rules of origin.

Rules of origin are an essential part of EU trade agreements. Because the agreements often apply lower tariffs to goods coming from partner countries, it is essential to know your product's origin. Rules of origin determine in which country a product was sourced or made - its 'economic nationality' – and help ensure that customs authorities apply lower duties correctly so that businesses benefit from them.

ROSA – the Rules of Origin Self-Assessment tool of the European Commission –can help you find out if your product complies with the basic product specific rules in a step-by-step approach.

Once you know your product qualifies for lower customs duties (your product counts as 'originating'), the next step is to prove its originating status to the customs authorities of the country of destination. Only then, the importer will be able to pay lower customs duties. Each trade agreement sets out specific rules on origin procedures. There are different types of proof of origin depending on the trade agreement. Typically, they can be either

an official origin certificate issued by the exporting country's customs authorities (such as the 'Movement certificate EUR.1')

a self-declaration by the exporter (often referred to as an 'origin declaration' or an 'invoice declaration')

For official origin certificates, the trade agreement includes an example and gives instructions on how to complete it. For self-declarations, the trade agreement indicates what text to include on the invoice or on other documents identifying the products. Once you have all the necessary

documents for customs clearance, including the correct proof of origin for your product, you are ready to present your claim to pay lower customs duties to the customs authorities in the country of destination.

Go to <https://trade.ec.europa.eu/access-to-markets/en/> home to find out what your tariff code is, whether a preferential tariff is applicable, whether your product is eligible (ROSA tool) and how to proceed for there onwards.

Registered Export System (REX)

Important for you to know is also the Registered Export System (REX). REX is the registered export system or scheme which was originally introduced by the EU to address the certification of origin for goods coming in from Generalised System of Preference (GSP) countries and replace the requirement for a GSP Form A, a type of certificate of origin.

REX is based on a system whereby GSP country suppliers register with a central (Brussels-based) data base via “competent authorities” in their home territory. This approved registration enables subsequent, originating shipments from the home country to be evidenced as such with a declaration on the invoice pertaining to a particular shipment.

It is intended that REX will be applied within certain existing and future EU FTAs, the first of which has been CETA.

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en

As REX is promoted and supervised by the customs of the member states, national authorities should be consulted for more information. For example in Belgium, customs is trying to convince companies of the benefits of REX by explaining them in simple terms what it is all about.

17. Annex

Template for mapping of local stakeholders

The logo for Enterprise Europe Network, featuring the words "enterprise", "europe", and "network" stacked vertically in a white, sans-serif font on a blue background.

List of important stakeholders, databases & IT tools supporting European SMEs to export and import goods and services

This list aims at helping Network business advisers to identify the most relevant stakeholder, databases & IT tools in the import/export process in their particular member state.

Stakeholder, database or IT tool	Main activity and services/support offered SMEs	Role in the import/export process and how they could support the business adviser
FREIGHT FORWARDER/FORWARDING AGENT [European Freight Forwarders Association]	A freight forwarder (or forwarding agent) is the company which acts on behalf of exporters and importers and arranges the collection and delivery of their goods. The forwarder's services for exports may include advice on the routing of goods, negotiation of freight rates with carriers, booking of	The business adviser should be aware of the range of freight forwarding agencies and may have personal contacts. Usually, however, the adviser would refer to the

<p>[International Federation of Freight Forwarders Association (FIATA)]</p>	<p>cargo space, packing and collection of goods and delivery to departure ports, the appropriate INCOTERM to use, preparation of documents (including appropriate preferential documents for proof of origin in FTAs), insurance, and completion of customs documents.</p>	<p>appropriate association of forwarders which provides accreditation and is a guarantee of good service.</p>
<p>CUSTOMS AUTHORITIES</p>	<p>Customs authorities may be involved in any cross-border transaction where evidence of origin relevant to the FTA is submitted. This may be in the form of preferential certificates of origin (currently in the case of the majority of FTAs), certified invoice declarations (e.g. South Korea), and the use of REX – the Registered Exporter scheme which is in play for e.g. Canada within CETA, the comprehensive economic trade agreement. Customs are also the source of information on EU preferences and the practical side of taking advantage of trade agreements when exporting to (and importing from) FTA markets.</p>	<p>The business adviser should refer customs-related enquiries to the appropriate authority. It could be a mission for the Network to tighten the collaboration with customs in member countries and thus facilitate the exchange of information between customs, Network, and companies.</p>
<p>CUSTOMS AGENTS AND BROKERS</p>	<p>Customs agents and brokers are private sector specialists in handling customs requirements on behalf of clients and are often located at border points, ports and airports.</p>	<p>The business adviser will have contacts for customs agents and brokers and will be able to direct to the appropriate association.</p>
<p>ACCOUNTANTS</p>	<p>Many SMEs use their accountant in the first instance to enquire about any aspect of business not just the financials.</p> <p>It is often the case though that only the really large firms that have international connections may offer this kind of service.</p>	<p>The business adviser may brief local accountants on FTAs and receive referrals.</p>
<p>BANKS</p>	<p>Banks, naturally, are likely to be involved in any money transfers and payment mechanisms as well as financing trade. If the payment mechanism is a documentary letter of credit it is often the case that a certificate of origin is called for by the buyer as part of the package of documentation required to effect payment (along with, for example, a shipping document, commercial invoice and packing list.) The origin document may be a preferential one as per the requirements for many FTA countries.</p>	<p>The business adviser will have appropriate contacts with reference to banking related enquiries.</p>
<p>EXPORT CREDIT INSURERS</p> <p>European Credit Insurance Group: Credendo</p>	<p>National export credit agencies can provide a range of services to help companies secure business abroad and facilitate payment.</p>	<p>The business adviser should be aware of the range of export finance services and will have appropriate contacts.</p>
<p>LAWYERS AND CONSULTANTS</p> <p>The Law Society of Northern Ireland</p>	<p>There will of course be legal aspects to any transaction but it is not a given that advice will cover FTAs. More likely is that any export or business</p>	<p>Concerning lawyers and consultants, the business adviser will refer to the</p>

	consultant that is engaged can provide information on aspects of trade agreements.	appropriate accredited agency as well as having relevant contacts.
SELECTED TOOLS		
1. eCommerce Platforms	Such platforms, which can be both tools and stakeholders, are B2B, electronic commerce-based which enable the selling of products or services through the internet via an online sales portal. The most sophisticated of these will pick up on appropriate FTAs e.g. Ali Baba. Feedback from some users of such platforms indicates that on many occasions the platform will not provide any support or information concerning custom and tax rules and regulations but will leave it to the company itself to find out all the different rules for exporting to different countries.	The business adviser should be familiar with eCommerce platforms and will be able to provide assistance. Note that concern has been expressed that in working with an eCommerce platform sometimes means that it can be difficult for an SME to obtain the proof of exportation which can problems with Customs and VAT officials.
2. Access2Markets Trade Portal	Access2Markets gives information to companies importing to / exporting from the EU. This includes information about duties and taxes on imports of products into specific countries, statistics on trade flows in goods between EU and non-EU countries, as well as procedures and documents required for custom clearance in the partner country.	The business adviser should be familiar with the database and will be able to assist with any related enquiries.
3. B2B and Matchmaking events	Brokerage events – also known as business ‘speed dating’ – bring together businesses and other organisations looking for partners to take their projects forward. They often take place alongside international trade fairs and conferences. Participants share their partnership offers or requests and schedule meetings in advance	The business adviser creates the business profiles and organises the B2B meetings. The adviser also conducts the follow-up process to capture positive outcomes and possible cooperation agreements.