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| 12 September 2023 |

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| Questions for the European Commission regarding the 11th Sanctions’ package  |
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**Specific questions**

On the import ban on steel and iron products under article 3g (d) / Annex XVII of Regulation (EU) 833/2014, which we understand will have an impact on different industries that are users of steel and iron products, including automotive, aerospace and defense, machinery.

Specific questions were raised on the use of Mill Test Certificates (MTCs), which have been referred to by the European Commission relevant FAQ:

* The FAQ states that MTCs “may be sufficient…”. It would be important for the industry to understand whether other certificates of origin and/or other documentation will be accepted by the customs authorities.
* To this end, we understand that different customs authorities take different approaches. Additional guidance that takes a flexible and pragmatic view is needed to ensure a harmonized interpretation and implementation of the measure.
* MTCs are not common practice, and can be hard to get, as not all vendors can provide an MTC. In addition, having reviewed a sample of MTCs, industry has alerted us to the fact that they often do not contain country of origin information How would customs administrations deal with situations where importers do not receive evidence from suppliers despite multiple requests (e.g. with references to national anti-foreign sanctions regulations)?
* There is a cost linked to the issuance of MTCs, varying between 150 – 2000 EUR per certificate. This will have a significant impact on companies, especially SMEs. We need to consider that in some cases we are dealing with small consignments, returned goods, re-imports or permanent metal packaging.
* Moreover, the Regulation does not distinguish between old and new steel. This is expected to create additional challenges, as finding country of origin information for used steel or products containing used steel, such as spare parts (some of which have been in circulation for many years) is extremely difficult if not impossible.
* Finally, although Japan, the UK and the US have also adopted a ban on steel and iron products, the proof of origin in the form of MTCs is not an obligation. This may also lead to competition challenges and an uneven playing field for European companies.
* Members have also asked to clarify whether they would need to provide proof of origin for shipments from countries with a close relationship with the EU like Switzerland or Lichenstein.

In view of all these challenges, companies need more time and additional clarifications to be able to fully comply with the Regulation. Therefore, we invite the European Commission to consider:

1. Extending the deadline for the implementation of these controls to at least spring 2024.
2. Provide clarifications regarding the validity of alternative documentation to MTCs.
3. Making a distinction between old and new products and ensuring that the measure is not applied retroactively to products already in circulation.
4. Introducing an exemption for small consignments, permanent metal packaging, returned goods and re-imports.