

Brussels, 14 March 2025  
(OR. en)

7017/25

LIMITE

ENFOCUSTOM 40  
ENFOPOL 82  
UD 44  
COMER 41  
FISC 65  
ECOFIN 279  
JAI 311

#### NOTE

From:	Presidency
To:	Delegations
No. prev. doc.:	16560/24
Subject:	E-commerce - Problems and possible solutions from the authorities' perspective – follow up

One of the phenomena that we have witnessed in recent years is the enormous development of e-commerce. This is having a major impact on the trade in goods, as it has led to – among other things – the emergence of a significant number of shipments (largely of low value), which in turn translates into a large number of customs declarations. Efficient handling of the above-mentioned type of trade also requires the creation of logistics centres in the EU.

Unfortunately, the situation described above has resulted in e-commerce becoming a source of fraud. It is being used, among other things, for smuggling drugs, counterfeit products and other goods in respect of which trade is restricted or even prohibited by law. The customs authorities are unable to monitor most shipments. In addition, customs administrations do not have access (or have only limited access) to data relating to online sales platforms. Furthermore, it must be borne in mind that e-commerce is characterised by the diversity of entities involved in it (sellers, buyers, agents etc.), which in turn makes it difficult to fully identify them.

The VAT package for e-commerce introduced in 2021, which included, among other things, the creation of a single point of contact for imports (IOSS), turned out to be only a partial solution. Although customs administrations have gained access to new data, those data are insufficient to control the flow of goods within e-commerce.

The situation described above calls for action to counter the irregularities relating to e-commerce.

At EU level, several working groups, projects and other initiatives are addressing the risks of e-commerce with respect to customs authorities. Reform of the customs union also addresses the issue of e-commerce.

At the same time, those issues were discussed at a conference organised by OLAF in Budapest (in November 2024), at which participants shared difficulties and formulated ideas for solving those problems during panel discussions and workshops.

In addition, during the meeting of the Law Enforcement Working Party – Customs, which took place in December 2024, the Hungarian Presidency presented a discussion paper (16560/24) indicating the challenges facing EU customs authorities in connection with the development of e-commerce. The paper also included the following questions addressed to the Member States:

- Do you consider that data extracted from platform websites are suitable for the authorities' monitoring and selection activities?
- Do you have any best practices for identifying undervaluation? Do you also obtain information from the platform, or only from the recipient of the package?
- Do you compile statistics on the intentional misuse of the IOSS identifier?

The responses submitted by Member States (see document WK 3415/25) allow us to draw the following conclusions:

- Access to and use of data can be advantageous for public authorities, but at the same time it can sometimes make it difficult to identify and trace a product. Other problems may include differences and variations in pricing, product conformity and the fact that checks on the price paid can only be carried out ex post (after a certain time).
- Data-driven risk analysis and advanced data analysis and data mining techniques have been developed for the purpose of selecting suspicious e-commerce packages. For other import flows, risk profiles have been developed for this type of consignment and have been programmed into automated selection tools. Those profiles are continuously assessed and adjusted. In one Member State, private individuals can lodge a declaration and must also provide proof of purchase, indicating the amount paid for the goods. In the other Member State, the information requested from customers is rarely accompanied by results. Elsewhere, they either do not have access to such data or problems arise due to the limitations of the data.
- Apart from one Member State, no statistics are compiled regarding instances of abuse, and access limitations also present a problem.