

Customs Reform Unpacked

The Largest EU Customs Reform in Over 50 Years

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Customs law is having a moment. The EU has finalised its most far-reaching customs reform since 1968. With global trade facing heightened uncertainty from different angles, the reform arrives at a critical juncture. This briefing is the first in a short series examining the key aspects of the reform in detail. It provides an overview of the reform's background and main changes. Subsequent briefings will take a closer look at the individual building blocks of the reform in order to analyse whether the overhaul is sufficient to make the EU customs union fit for a world trade climate that is growing tougher by the day and an e-commerce sector that shows no signs of slowing down.

Background

After the European Commission presented its reform proposal in May 2023, it moved at a notable pace: just over three years later, on 19 September 2026, the revised Union Customs Code (**UCC New** – Regulation (EU) 2026/2108) was published in the EU Official Journal. The revision is the EU's answer to the growing demands of global trade and rapidly expanding e-commerce – a field where business has long outpaced the regulatory framework.

The reform replaces the existing legal framework for customs operations across the entire EU and is designed to make the customs union function as a single entity. At its core are two innovations: the EU Customs Authority (**EUCA**) and a centralised EU Customs Data Hub, which is set to replace the current patchwork of national IT systems with one digital interface for all customs data. The reform promises modernisation, harmonisation, and less paperwork. But the digital upgrade and streamlined processes come with a flip side: greater oversight and sharper controls.

The New Watchdog and its Toolkit

For the first time, the reform establishes with the EUCA a European customs authority headquartered in Lille, France. The EUCA is intended to strengthen cooperation between the customs authorities of the Member States by enabling Union-wide risk and crisis management (Article 57 UCC New). In practice, EUCA will conduct periodic threat assessments and continuously analyse customs data across the Member States in order to develop effective supervision strategies and issue control recommendations to national authorities on a “comply or explain” basis.

This gives the EU authority overseeing the customs union across all Member States, while day-to-day customs operations remain in the hands of national customs authorities. It will also oversee the enforcement of sanctions across the EU and assist the Commission with its annual assessment of the customs union's performance. At the same time, the EUCA will work closely with other European agencies, in particular Europol (EU law enforcement), the EPPO (European Public Prosecutor's Office), Frontex (EU border management) and the EU Product Compliance Network (product safety coordination).

Another core task of the EUCA will be the development of an **EU Customs Data Hub**. This platform is designed to replace the currently fragmented customs IT landscape with a single EU trade interface through which all imports into and exports from the EU, as well as the entire exchange of information and all customs formalities, can be handled. The existing national customs IT systems will be gradually absorbed into the EU Customs Data Hub. The EUCA will oversee the updated import and export data on the platform to help identify high-risk consignments that should be prioritised for inspection.

Instead of submitting data to up to 27 national customs administrations, businesses will in future only need to provide their customs declaration data once through the EU Customs Data Hub. As the Data Hub gradually absorbs all customs data across the EU, national customs authorities, in turn, will have full access to the data, enabling them to pool information and respond to specific risks more quickly, consistently and effectively. Customs authorities will gain unprecedented insight into trade flows, which may well translate into more frequent and more targeted controls. For businesses, the message is clear: customs compliance should move up the priority list.

The clock is ticking: The EUCA is expected to begin operations in 2027. The EU Customs Data Hub is set to go live on 1 July 2028 – initially with mandatory use for e-commerce operators only. Other economic operators will be able to use the platform on a voluntary basis from around 2031, before it becomes mandatory for all traders from 1 March 2034.

Earning the Watchdog's Trust

The reform introduces a new tier for traders willing to go the extra mile, introducing the **"Trust & Check" status for traders (*Trusted Traders*)**. Trusted Traders must provide customs authorities with near-real-time access to their electronic records, demonstrate robust compliance and product safety standards, and maintain a spotless financial track record. In return, Trusted Traders shall benefit from streamlined procedures: goods can be released without active customs intervention, customs debt payments can be deferred, and controls are reduced. Once appointed as a Trusted Trader, customs clearance is effectively delegated to the trader itself. Rather than waiting for a customs decision on each consignment, Trusted Traders release goods at their own premises on the basis of real-time data shared with customs authorities, who retain the right to intervene but no longer need to actively approve each shipment (Article 78 UCC New).

For businesses that do not meet the stricter Trusted Trader requirements, the existing Authorised Economic Operator (**AEO**) scheme remains available –albeit reformed and with tighter monitoring, including mandatory on-site reviews at least every three years. It is a trade-off, the more transparency you offer, the more flexibility you get. That said, the entry requirements are steep. It remains an open question how many businesses will have the resources – and the appetite – to qualify, particularly given that the AEO status has so far been met with restraint by companies, with fewer than 10,000 approved AEOs for customs purposes registered in 2024.

Small Parcels, Sharp Teeth

Cross-border e-commerce is where the reform bites first – and hardest. As of 1 July 2026, the previous customs duty exemption for consignments with a goods value below EUR 150 has already been abolished. The exemption had increasingly come under scrutiny, as the rapid expansion of cross-border e-commerce and the oftentimes undetected undervaluation of low-value consignments had created scope for sidestepping import duties. By closing this gap, the legislator aims to ensure fair competitive conditions for all market participants.

Under the new regime, the reform introduces the concept of the **“deemed importer” for distance sales**, under which the seller or the online platform facilitating the sale may be designated as the importer for customs purposes. This fiction mirrors the existing “deemed supplier” concept under the EU’s import VAT rules. The designated entity becomes responsible for customs formalities, applicable charges and compliance with EU product requirements.

With the old exemption for low-value consignments gone but the EU Customs Data Hub not expected to go live until 1 July 2028, millions of small parcels still need to be processed through 27 national customs systems. To bridge this gap, a **flat interim customs duty of EUR 3 per item** has applied since 1 July 2026 (Regulation (EU) 2026/382). On top of this, the UCC New introduces a permanent Union handling fee to cover the administrative costs of customs processing for e-commerce consignments. The **handling fee will be set at EUR 2 per line item** and will apply from November 2026. One thing is clear: the days of duty-free e-commerce under EUR 150 are well and truly over.

New duties and fees are one thing – but the reform also arms itself for enforcement. Platforms that systematically breach their customs obligations face a dedicated sanctions regime: **finest of up to 6% of the annual value of goods imported** into the EU, withdrawal of customs privileges, and restrictions on access to online platforms. For major e-commerce operators, non-compliance is no longer a calculated risk – it is a confrontation with a watchdog that bites back.

Coming Up Next

The legislative process may be complete, but the real work is just beginning. Member States now have 12 months to transpose the new rules, the EUCA is set to launch in 2027, and the EU Customs Data Hub will follow in mid-2028. In a short series of upcoming briefings, we will take a closer look at the individual building blocks of the reform addressing in particular the business side. We will break down the key developments to keep an eye on and map out the action required to stay one step ahead!

BLOMSTEIN will keep you updated on further developments. If you need advice or have any questions about the EU customs reform, please do not hesitate to contact [Leonard von Rummel](#) or [Ines Florinde Horn](#) or anyone on the team.

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