



# Customs Consultative Committee

**5 October 2023**

- 1. CBAM**
- 2. Forced Labour Regulation**
- 3. EU–UK TCA - Rules of Origin**

**Customs Division**  
**Revenue**



# **Customs Consultative Committee**

## **CBAM and Forced Labour Regulation**

**Ronan Gill**

**Customs Division**

**Revenue**

# CBAM 1

- Revenue and EPA participated in a Webinar hosted by IBEC on 11 September
  - Approx. 50 attendees. Event was recorded and available to IBEC members
  - Number of follow-up questions received
- Revenue and EPA issued a CBAM stakeholder engagement email to 277 declarants of CBAM goods on 22 September
  - Awareness of CBAM, transitional phase beginning
  - Quarterly CBAM report on imports for Q3 2023 due by end Jan 2024
  - Queries received and followed up on



# CBAM 2

- Products – Iron, steel, aluminium, cement, electricity, fertilisers and hydrogen
- The Environmental Protection Agency are the National Competent Authority and Revenue is the Customs Authority. We will work together to engage with all stakeholders to implement CBAM.
  - Information Campaign on stakeholder responsibilities
  - Implementing Acts being prepared covering inter alia customs controls required
- CBAM transition phase began 1 October 2023.
- We are advised by the EU Commission that the CBAM reporting portal should be up and running by end October 2023. A further communication will issue to stakeholders at that time.
- Further information is available on the CBAM pages of [www.revenue.ie](http://www.revenue.ie)



# Forced Labour Regulation

- Commission proposal for a Regulation on prohibiting the importation of products made with forced labour to the Union market was adopted in September 2022.
- International Labour Organisation (ILO) released a report in September 2022
  - 27.6 million people in forced labour
  - 86% imposed by the private sector
  - Increase in recent years (24.9 million in 2019)
- ILO definition of forced labour: “All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”.
- The proposal is to prohibit forced labour products
  - Will cover EU manufactured goods (for domestic and exports), and imported products
  - Risk-based enforcement by National Competent Authorities
  - Co-ordination role by European Commission
  - Specific provisions on international cooperation to facilitate implementation



## Forced Labour Regulation 2

- The proposal for a Forced Labour Regulation was adopted in September 2022
- Initial feedback was requested by January 2023
- Discussions resumed in August 2023 under ES Presidency
  - Centralised or Devolved management
  - Destruction of Goods
  - Penalties
- Regulation will enter into force two years after being adopted.
  - Products on market on that date will fall into scope
  - It is not expected to apply retrospectively.



# **Customs Consultative Committee**

## **EU–UK Trade and Cooperation Agreement**

### **Rules of Origin - Electric Vehicles**

**Emma Dooley**

**Revenue Commissioners**

**Ireland**



# EU–UK TCA

## Rules of Origin

- The EU–UK Trade and Cooperation Agreement (TCA) is the free trade agreement which governs the relationship between the EU and the UK after Brexit.
- The TCA outlines the product-specific rules (PSRs) of origin for electric accumulators (used in electric vehicles) and electric vehicles (EVs).
- These rules set out the foreign content allowances for these products:
  - Foreign inputs up to a specified percentage are permitted in the product and it can still be considered as originating in the EU or UK, and therefore can benefit from zero tariffs.





# Origin – Foreign Content Allowance

Current foreign content allowance permitted

- Battery Packs used in EVs 70%
  - Battery parts for electrical accumulators used in EVs 70%
  - Hybrids, plug-in hybrids and EVs 60%
- Under the TCA, it was agreed that foreign content allowances would decrease over time.
  - From 1 January 2024, products will need to be composed of a greater percentage of EU/UK inputs, rather than third country inputs, to benefit from the zero tariffs. Failure to do so will result in a 10% tariff – the Customs Duty charged on 3rd country vehicle imports to the EU.

# Current v New - Foreign content allowance

	Foreign content allowance until 31 December 2023	Foreign content allowance from 1 Jan 2024 to 31 Dec 2026	Foreign Content Allowance from 1 January 2027
“Battery Packs” used in EVs	70%	40%	30%
Battery parts for electrical accumulators used in EVs	70%	50%	35%
Hybrids, plug-in hybrids and EVs	60%	55%	45%