

Reform of the Union Customs Code

BACKGROUND

On March 26, 2026, the Council and the European Parliament reached an agreement on the revision of the Union Customs Code (MUCC), proposed by the Commission on May 17, 2023 (COD 2023/0156). With the MUCC, the European Union (EU) moves toward a fully digitalized filing and control framework for customs matters. The most discussed changes the MUCC will introduce are the **e-commerce package**, the establishment of the **EU Customs Data Hub**, which will overhaul the method of customs filings, and the **European Customs Authority**, to be established in Lille, which will oversee the Data Hub and harmonize risk assessment.

While important, other notable changes may significantly impact businesses trading with and in the EU. Below, we provide a summary of some of these other key changes.

KEY CHANGES THE MUCC WILL BRING



New Definition of Importer

The MUCC introduces the concept of an importer, and it is a fluid one. The importer can subsequently be the person determining that goods are to be brought into the EU, the person who has taken over this power, the person deciding to place the goods under a customs procedure, or even the carrier or holder of the goods. There shall only be one importer at a time.



New Responsibilities for the Importer

The importer is responsible not only for providing information to the authorities and paying customs duties. The importer must ensure that the goods entering the EU comply with other relevant legislation, such as product and food safety requirements, which is also a requirement for releasing the goods into free circulation.



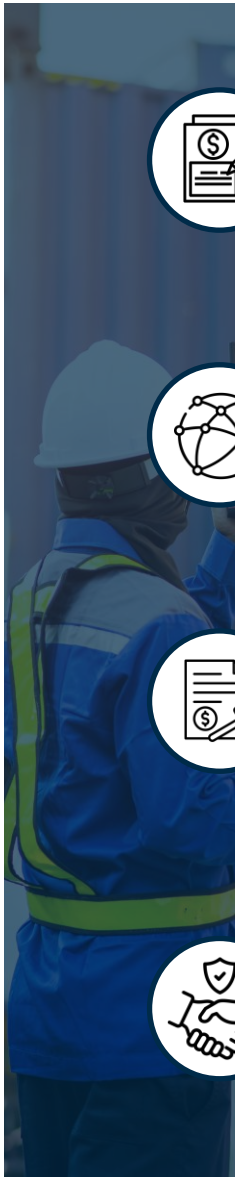
Indirect Representation

Importers not established in the EU can appoint an indirect representative for dealings with customs authorities. That indirect representative will be considered the importer and will assume the importer's responsibilities. Similarly, for indirect representation of a non-EU exporter, the indirect representative shall be considered the exporter and assumes the exporter's responsibilities. In the case of indirect representation of an EU-established importer/exporter, there will be joint responsibility.



Importer for Distance Sales

The person supplying or facilitating distance (B2C) sales becomes the importer and will thus be responsible for the goods brought into the EU.



Binding Valuation Information (BVI)

A decision relating to BVI can be obtained from the customs authorities. Such a decision is binding between the holder and all EU Member States and is valid for three years. The BVI can, for example, be applied for in the context of upward or downward transfer pricing adjustments and the inclusion or exclusion of royalty payments in the customs value.

Harmonization of Customs Infringements

The MUCC provides a list of customs infringements that must be made subject to penalties under Member States' national legislation. These include, for example, failure to comply with the obligations of an importer/exporter and failure to comply with the obligations related to customs procedures.

Harmonization of Penalties

The MUCC provides forms of penalties to be used, such as pecuniary charges and revocation of an authorization. Other penalties are also allowed, including warnings. In the case of distance sales (B2C), penalties for systematic infringements can amount to up to 4% of the total value of goods imported into the EU during the preceding 12 months.

Trust and Check Trader

In addition to the Authorized Economic Operator (AEO) status, economic operators established in the EU can apply for the status of Trust and Check (T&C) trader. Obtaining this status requires an extensive compliance program, including providing authorities with data access that is as close to real time as possible regarding the movement of goods. In return, a T&C trader can self-release goods and periodically calculate and pay the customs duties, effectively taking over certain tasks of the authorities. T&C traders will remain under the scrutiny of the authorities.

TIMELINE

The official text is expected to be published by October 2026 at the latest, so that the MUCC can enter into force on November 1, 2026. Some articles will apply immediately, such as the handling fee; others will apply from 2028, and some even later. Most articles will apply 12 months after entry into force. Although the official text has not yet been published, the direction is clear following the agreed provisional text, and businesses should begin preparing now, especially because the changes may affect more than customs operations.



INTERDEPENDENCIES ACROSS TAX, SUPPLY CHAIN, AND OPERATING MODEL

VAT

The revised definition of importer and the shift in responsibility for B2C distance sales may affect existing VAT reporting and remittance models, including tax determinations and the process of collecting the necessary evidence.

Physical Network/Operating Model

The move toward a centralized EU Customs Data Hub and new compliance concepts, such as T&C trader, may support further centralization of customs operations and drive a redesign of logistics networks.



Transfer Pricing

While increased data transparency will require closer alignment of transfer pricing policies, the introduction of BVI offers an additional instrument to gain legal certainty on the interplay between customs value and transfer pricing.

Legal Entity Set-Up

The new importer concept may necessitate revisiting legal entity roles, contractual allocations of risk, and respective remuneration, resulting in changes to the legal entity set-up and cascading through the breadth of internal processes.

HOW A&M CAN HELP



Considering the responsibilities and potential liabilities of importers, exporters, and customs representatives, it is important to begin mapping roles within your supply chain, reviewing contracts and agreements, and determining where liabilities lie and where they should lie upon importing into and/or exporting from the EU. Assess whether AEO or T&C status would be appropriate. In the case of any agreements made with the authorities in respect of customs valuation, check and discuss the option of applying for a BVI.

Our experts are happy to discuss the MUCC in more detail and assist you in preparing for the changes ahead across your entire organization.

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