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Germany

International Trade

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This country-specific Q&A provides an overview of international trade laws and regulations applicable in Germany.

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Germany: International Trade

1. What has been your jurisdiction's historical level of interaction with the WTO (e.g. membership date for the GATT/WTO, contribution to initiatives, hosting of Ministerials, trade policy reviews)?

Both the European Union ("EU") and its Member States are members of the WTO.

The EU became a WTO member on 1 January 1995 under its former name, the European Communities. Germany has been a WTO member since 1 January 1995, and a GATT member since 1 October 1951. EU Member States typically engage with the WTO through coordinated efforts by the EU, with occasional references to specific Member States in disputes or notifications, particularly in areas like intellectual property.

Both the EU and Germany have played a central role in international trade development. In 2018, the European Commission, with a mandate from the European Council, initiated the modernization of the WTO. The EU, in collaboration with the Inter-Parliamentary Union, organizes the Parliamentary Conference on the WTO during WTO Ministerial Conferences, facilitating global parliamentary exchange on international trade matters.

Germany has not been subject to a trade policy review. The EU, however, has been subject to a trade policy review fifteen times, most recently on 5 and 7 June 2023.

The EU typically submits notifications, which are valid for all EU Member States. However, Germany does notify measures specific only to Germany. For example, most recently, on 20 October 2023, Germany notified laws and regulations under Art. 63.2 of the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement"), particularly a Regulation on the Implementation of the Trade Mark Ordinance (*Markenverordnung*) and Regulation on the Implementation of the Design Ordinance (*Designverordnung*). To date, Germany has not notified any law to the WTO in 2024.

Germany is also active in other initiatives, contributing to the Global Trust Fund and the Fisheries Fund. Germany similarly founded and finances the Global Alliance for Trade Facilitation together with the United States and Canada. In October 2024, Germany pledged EUR 150,000

to the Standards and Trade Development Facility (STDF) to help developing economies and least-developed countries (LDCs) improve their sanitary and phytosanitary (SPS) capacities.

Ministerial Conferences have not yet been hosted by the EU nor its Member States.

2. Are there any WTO agreements to which your jurisdiction is not party (e.g. Government Procurement Agreement)? Is your jurisdiction seeking to accede to these agreements?

The EU and Germany are party to all WTO agreements.

3. Is your jurisdiction participating in any ongoing WTO negotiations (e.g. E-Commerce Joint Initiative) and what has been its role?

In 2018, the European Commission was given a mandate by the European Council to pursue modernisation of the WTO to adapt it to a changing world, and to strengthen its effectiveness.

Together with 90 other WTO Members, the EU participates in negotiations for the electronic commerce initiative. The negotiations produced a stabilized text on 26 July 2024. In addition, the EU participates in the investment facilitation for development initiative and the joint initiative for micro, small and medium-sized enterprises ("MSMEs").

In February 2024, the Investment Facilitation for Development Agreement ("IFD Agreement") was finalized and released to the public. The EU was among the 126 WTO members requesting the Investment Facilitation for Development Agreement be incorporated as a plurilateral agreement under Annex 4 of the WTO Agreement.

The EU continues to be active in the fossil fuel subsidies reform, the initiative to reduce plastics pollution and transition to sustainable trade in plastics, and the Trade and Environment Sustainability Structured Discussions.

4. Has your jurisdiction engaged in the WTO

dispute settlement system in the past 5 years? If so, in which disputes and in which capacity (as a party to a dispute or as a third party)?

The last dispute in which Germany was engaged in its own right was in 2006 as a respondent to a request for consultations lodged by the United States against France, Germany, Spain and the United Kingdom concerning trade in large civil aircrafts.

Since 2006, the EU represents its Member States and between 2018 and 2022, the EU has participated in 63 cases in different capacities: in 13 cases as complainant, in seven cases as respondent, and in 43 cases as a third party.

In 2024, the EU formally launched consultations under the Dispute Settlement Understanding (DSU) to challenge China's anti-subsidy investigation into EU dairy, against Taiwan's discriminatory rules on offshore wind projects, and against Colombia due to its failure to comply with rulings by the WTO Panel and Appeal Arbitrators concerning anti-dumping duties on imports of frozen fries. Germany indirectly played a role in the case, as Colombia's anti-dumping duties included imports of frozen fries originating from Germany. However, the EU leads the dispute.

5. Has your jurisdiction expressed any views on reform of the WTO, in particular, the dispute settlement system and the Appellate Body?

The EU represents its Member States in the WTO reform process.

The EU has been a constant supporter of reforms and highlights their importance for the WTO's legitimacy and to prevent a breakdown of the WTO's legal framework.

Prior to the 13th Ministerial Conference, Valdis Dombrovskis, then vice-president of the European Commission, reiterated that WTO dispute settlement is *"(...) vital in providing stability for companies to invest and export. The EU and others have now made good progress on a set of reforms, but there is still work to be done to have a fully functioning system, including the possibility of appeal review, as soon as possible."*

This statement emphasizes the EU's strong support for the WTO and its dispute settlement system. Already in 2018, together with other WTO members, the EU submitted a proposal to the WTO to amend the DSU. In 2019, the European Parliament then adopted a resolution on the Crisis of the WTO Appellate Body, in which it

expressed full support for the informal process facilitated by Ambassador Walker.

In October 2022, the European Commission released the so-called "EU concept paper on WTO reform", which serves as a basis for discussions both internally (with the European Parliament and the Council) and externally with other WTO members. This was followed by a communication on "Reinforcing the deliberative function of the WTO to respond to global trade policy challenges" to the General Council of the WTO in 2023.

6. What are the key bilateral and/or regional free trade agreements (FTAs) in force for your jurisdiction and from which dates did they enter into force?

The EU is party to many bilateral and regional FTAs. In terms of regional FTAs, the Agreement on the European Economic Area (EEA) between the EU, Iceland, Liechtenstein, and Norway is of key relevance, as it incorporates these three countries into the EU's internal market, guaranteeing the freedom of movement for goods, services, people, and capital. It also promotes unified related policies such as on competition, transport, energy, and economic and monetary cooperation. The following section focusses on four key FTAs.

First, the EU-UK Trade and Cooperation Agreement reshaped the relationship between the EU and the UK after Brexit. It entered into force on 28 April 2021, setting out preferential arrangements in areas such as trade in goods and services, digital trade, intellectual property, public procurement, energy, law enforcement and judicial cooperation between the EU and UK. Although the level of economic integration of the UK does not match its former status as a Member State, the Agreement "goes beyond traditional free trade agreements and provides a solid basis" for preserving the longstanding friendship and cooperation".

Second, the Comprehensive Economic and Trade Agreement (CETA) provisionally applies from 21 September 2017. According to the European Commission, the Agreement features some of the strongest commitments ever included in a trade agreement, including on promoting labour rights, on protecting the environment, and on sustainable development. CETA eliminates duties on 99 % of all tariff lines and improves and secures EU companies' access to the Canadian services market. Before the Agreement can enter into force, it requires ratification by all EU Member States.

Third, the EU-Vietnam Free Trade Agreement (EVFTA) is

the most comprehensive FTA between the EU and a developing country. It entered into force on 1 August 2020 and develops the commercial dimension of bilateral relations between the EU and Vietnam.

Fourth, and as a new addition to EU FTAs, the EU-New Zealand Trade Agreement, which entered into force on 1 May 2024. It adds a "a like-minded ally" in the economically dynamic Indo-Pacific region.

7. Is your jurisdiction currently negotiating any FTAs (or signed any FTAs that have not yet entered into force) and, if any, with which jurisdictions? What are your jurisdiction's priorities in those negotiations (e.g. consolidating critical mineral supply chains, increasing trade in financial services, etc.)? For both FTAs under negotiation and signed FTAs, when are they expected to enter into force?

The EU is currently negotiating and finalizing FTAs with various countries.

Additionally, negotiations between the EU and India resumed on 17 June 2022, with the goal of establishing an EU-India Free Trade Agreement. The objectives encompass the removal of trade barriers, protection of geographical indications (GIs), protection of investments by providing a predictable and secure investment environment and the establishment of enforceable rules related to trade and sustainable development.

After the EU-Singapore Free Trade Agreement entered into force on 21 November 2019, negotiations for a Digital Trade Agreement commenced on 20 July 2023 and led to its conclusion on 25 July 2024. An Investment Protection Agreement is awaiting ratification. These agreements aim to eliminate customs duties, reduce bureaucracy, enhance trade for specific goods, stimulate green growth, and encourage investment between the EU and Singapore.

A political agreement was reached with Mercosur States (Argentina, Brazil, Paraguay, and Uruguay) on 28 June 2019, regarding a new EU-Mercosur Trade Agreement. Objectives include increasing bilateral trade and investment, lowering trade barriers, and promoting sustainable development. However, ongoing negotiations involve challenges related to EU deforestation rules.

The EU has been in negotiations on an FTA with Indonesia since 2016. A 19th round of talks was held in July 2024. Likewise, the EU remains in FTA negotiations

with the Philippines: talks have resumed in March 2024. The EU has also resumed FTA negotiations with the Philippines in March 2024. This furthers the EU's 2021s EU Indo-Pacific Strategy, as the EU intends to negotiate more FTAs with ASEAN countries.

On 31 October 2023, the EU-Korea Trade Committee agreed to launch negotiations on a Digital Trade Agreement.

8. Which five countries are the biggest trading partners for your jurisdiction in relation to each of exports and imports and which goods or services are particularly important to your jurisdiction's external trade relationships?

Five most important trading partners of Germany in 2022 (by total trade value):

- China
- United States of America
- Netherlands
- France
- Poland

Five most important German export destinations in 2022 (by export value):

- United States of America
- France
- Netherlands
- China
- Poland

Top five states Germany imported from in 2022 (by import value):

- China
- Netherlands
- United States of America
- Poland
- Italy

Most important goods (2022):

- Germany's top five exports by category
 - Motorized vehicles and vehicle parts
 - Machinery
 - Chemical products
 - Data processing equipment, electrical and optical products
 - Pharmaceuticals and related products.
- Germany's top five imports by category

- Motorized vehicles and vehicle parts
- Data processing equipment, electrical and optical products
- Machinery
- Chemical products
- Pharmaceuticals and related products.

which German and EU companies develop their digital products and also affect market access of trading partners.

9. What are the three most important domestic and three most important international developments that are likely to have the biggest impact on your jurisdiction's trade profile and priorities?

Domestic Developments:

- Sustainable and ethical trade
 - The EU's goal of climate neutrality has led to landmark initiatives such as the Carbon Border Adjustment Mechanism (CBAM).
 - The EU is working on a regulation prohibiting products made with forced labour in the Union market.
 - In June 2023, a new EU regulation on deforestation-free products entered into force.
 - In Germany, a new law on due diligence regarding human rights and environmental protection in supply chains has entered into force in 2023 (see question 10).
- Developments in automotive trade and general adaptation of transformative technologies
 - Germany's most important exported products are motor vehicles. The ability of German manufacturers to adapt to the transition to electric vehicles (EVs) will strongly determine Germany's trade profile.
 - EVs and batteries are part of a larger transformation in technologies. Fierce competition in e.g. 3D-printing, semiconductor technologies, quantum technologies and biotechnologies puts pressure on German and EU enterprises to maintain, increase or prevent a loss of future market share.
- Rules on digital trade
 - The EU already regulates the internal digital market, for example through the General Data Protection Regulation ("GDPR"), the Digital Markets Act ("DMA"), the Digital Services Act ("DSA") and the Artificial Intelligence ("AI") Act.
 - The Regulations shape the environment in

International Developments:

- Russian war of aggression against Ukraine
 - Russia's war of aggression has significantly reduced and restricted (through restrictive measures) trade between Russia and the EU, including of commodities, energy and financial products.
 - The EU and the G7 have stopped treating Russia as a Most-Favoured-Nation within the WTO framework.
 - In turn, German trade flows and investments have diverted to other (neighbouring) countries and regions.
- Exposure to supply chain risks and reduction of dependency on (competing) foreign actors ("friendshoring")
 - Following the COVID-19 pandemic and Russia's war of aggression against Ukraine, the EU has expressed its desire to reduce its exposure to supply chain risks.
 - This includes initiatives such as the EU Chips Act, the revision of the Capability Development Plan or the EU critical technology list for de-risking.
- China and emerging economies
 - China's pivotal role in emerging economies creates challenges as the EU's approach is aimed towards an inclusion of emerging economies into a rule-based global market.
 - Intensified competition for price, quality, and access to resources.
 - China's broader foreign-policy conduct, including potentially more assertive stances, also add political pressure on the EU to react or potentially retaliate.

10. Has your jurisdiction taken any specific domestic measures to address sustainability issues in international supply chains, for example in relation to forced labour, human rights and environmental issues? Is it seeking to address these issues in any FTAs or other international agreements?

Both the EU and Germany have taken measures to address sustainability issues.

On 22 July 2021, the *Lieferkettensorgfaltspflichtengesetz* (Act on Corporate Due Diligence Obligations in Supply Chains) was adopted in Germany. Since 2024, this law applies to all companies with more than 1000 employees and requires them to conduct appropriate human rights and certain environmental due diligence in their supply chains. Furthermore, the European Supply Chain Directive CSDDD came into force on July 25, 2024. The aim of this directive is to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. The deadline for Member States to transpose the directive into national law is 26 July 2026. From 2027 on, the first group of companies will have to abide by the rules, until full application is reached on 26 July 2029 (staggered approach).

As regards the inclusion of sustainability issues in FTAs, the EU maintains that modern trade agreements must contain rules on trade and sustainable development. As a result, according to the rules in the EU's trade agreements, the EU and its trade partners must:

- effectively implement international labour conventions and environmental agreements, including:
 - respect of core principles of the International Labour Organization (ILO), and;
 - effective implementation of the Paris Agreement on Climate Change.
- protect the regulatory space, reserving the right to be more ambitious;
- effectively enforce their environmental and labour laws;
- not deviate from environmental or labour laws to encourage trade or investment, and thereby prevent a 'race to the bottom';
- sustainably trade natural resources, such as timber and fish;
- combat illegal trade in threatened and endangered species of fauna and flora;
- encourage trade that supports tackling climate change;
- cooperate for a shift to a circular and resource-efficient economy, and deforestation-free supply chains, and;
- promote practices such as corporate social responsibility.

11. Is your jurisdiction taking any specific domestic measures to promote near-shoring/on-shoring for strategic goods (i.e. domestic

subsidies, import tariffs, or export restrictions)? Is it seeking to address these issues in any FTAs or other international agreements?

Post COVID-19, the EU has implemented and is further exploring reshoring of pharmaceuticals, medical products, semiconductors, and solar energy. As regards semiconductors, the EU, for example, adopted the EU Chips Act, mobilising public and private investments for manufacturing facilities, ensuring the security of supply and resilience of the semiconductor sector in the EU.

We do not expect that the German government will follow a complete reshoring strategy. Nonetheless, the German government has recognised its dependency on imports in critical sectors, such as raw materials. Within the framework of the EU Chips Act, a new plant for semiconductors near Dresden is under construction.

12. What is the legal regime governing trade sanctions in your country? Has it evolved in response to ongoing geopolitical developments, such as the on-going crisis in Ukraine?

The Council of the EU decides on trade sanctions. EU sanctions are passed as regulations, which are directly applicable and therefore binding in all Member States and for EU citizens and entities.

Implementation and enforcement of sanctions, including the prosecution of violations, falls within the jurisdiction of the Member States, and is monitored by the European Commission. For example, Germany adopted the *Sanktionsdurchsetzungsgesetz II* (Second Sanctions Enforcement Act), aiming to improve sanctions enforcement.

The EU's legal regime has evolved following Russia's war of aggression against Ukraine. For example, Directive (EU) 2024/1226 came into force on 19 May 2024, introducing common standards for criminal offences and penalties for violation of EU sanctions and aiming to facilitate the investigation, prosecution and punishment of sanctions breaches across the EU. The regulation contains a list of crimes that penalize both the violation and the circumvention of EU sanctions. This includes, but is not limited to the failure to freeze assets, the breaching of travel bans and arms embargos and providing prohibited or restricted economic and financial services etc. The deadline to transpose the directive into national law is 20 May 2025.

Furthermore, the EU's sanctions against Russia are

unprecedented in scope and depth. Notably, the EU's latest sanctions packages included provisions that may indicate steps towards the extraterritorial applications of certain aspects of EU sanctions.

13. Does your jurisdiction use trade remedies and, if so, what remedies are most commonly used? And in which jurisdictions and on which products are they most commonly applied?

The EU uses trade remedies such as anti-dumping, anti-subsidy measures as well as safeguards. By the end of 2023, 182 trade defence measures were in place: 156 of which anti-dumping, 25 anti-subsidy, and one safeguard. Most EU trade defence measures are applied to imports from China, Russia, India, Korea, and the US.

Anti-dumping measures covered 91 products, including processed metal products, chemicals, and fabrics, against 26 countries including China, Brazil, Egypt, Iran, and Indonesia.

Anti-subsidy measures covered 21 products, including certain tyres, e-bicycles, solar glass, and biodiesel, against nine countries (China, India, Egypt, Indonesia, Argentina, Morocco, Canada, Turkey and the US).

14. What is the key legislation relating to anti-dumping duties, countervailing duties and safeguards? What are the authorities responsible for investigating and deciding whether these remedies are applied?

The framework for the EU's main trade defence instruments—anti-dumping and anti-subsidy measures as well as safeguards—is set out in separate regulations.

Anti-dumping and anti-subsidy measures are governed by Regulation (EU) 2016/1036 and Regulation (EU) 2016/1037, respectively. Pursuant to Art. 14(1) of Regulation (EU) 2016/1036 and Art. 24(1) of Regulation (EU) 2016/1037, individual proceedings and the results of the proceedings (i.e., the decision to impose duties) are published by a notice in the EU's Official Journal and the anti-dumping or countervailing duties are implemented by way of separate implementing regulations.

Regulations (EU) 2015/478 and 2015/755 allow for the imposition of safeguard measures against imports.

The European Commission is the main actor in EU trade defence. It decides whether to launch an investigation and conducts the investigations. Unless the trade

defence committee, composed of EU Member State representatives, issues a veto with a qualified majority, the European Commission may impose, amend, or terminate definitive trade defence measures.

15. What is the process for a domestic business and/or industry to seek trade remedies (i.e. key documentation, evidence required, etc.)? How can foreign producers participate in trade remedies investigations in your jurisdiction?

EU businesses may lodge a complaint with the European Commission through a representative acting on behalf of a major proportion of the EU industry, i.e. the complainants represent at least 25 % of total production physically located in the EU of the product concerned.

Complaints must include supporting evidence to allow the European Commission to decide whether to initiate an investigation. Specifically, evidence of dumping / subsidies, injury, and causality and additional information, e.g. a list of all known other producers in the EU, must be presented. Once a complaint has been lodged, the European Commission has 45 days to initiate an investigation or to reject the complaint.

Foreign producers can participate in the investigation if they are so-called exporting producers of the product under investigation from the country concerned. Exporting producers are defined as any company in the country concerned which produces and exports the product under investigation to the Union market, either directly or via a third party, including any of its related companies involved in the production, domestic sales or exports of the product under investigation. Unrelated importers (i.e., importers unrelated to the exporting producers) of the product under investigation from the country concerned to the Union can also participate.

Furthermore, each Notice of Initiation of an investigation contains instructions on how to register as an "interested party". The Trade Hearing Officer of the European Commission is responsible for ensuring the rights of the interested parties are protected in trade defence investigations.

16. Does your jurisdiction have any special regulations or procedures regarding investigation of possible circumvention or evasion of trade remedies? What are the consequences of circumventing or evading trade remedies?

EU regulations imposing trade defence measures include monitoring clauses to reduce the risk of circumvention. To address circumventions, the European Commission may introduce additional trade remedies against third countries or expand the scope of existing trade remedies to include additional products, cf. Art. 13 Regulation (EU) 2016/1036 and Art. 23 Regulation (EU) 2016/1037. In 2023, the European Commission initiated 10 anti-circumvention investigations investigating alleged actions by exporters designed to circumvent trade defence measures. Compared to 2022, twice as many new investigations were initiated in 2023.

17. What are the substantive legal tests in your jurisdiction for the application of remedies? Does your jurisdiction apply a lesser duty rule and/or a public interest test in anti-dumping investigations? Are there any other notable features of your jurisdiction's trade remedies regime?

In order to impose anti-dumping and anti-subsidy measures, the European Commission must find proof of dumping or subsidies of imports from the country concerned, injury to EU industry, causation of the injury by the dumping or subsidies, and that it is in the interest of the EU to impose measures, i.e., that possible trade remedies would not cause more harm to the EU economy as a whole than benefit the affected EU industry.

The imposition of safeguards substantively requires the import of a product into the EU in greatly increased quantities, serious injury or threat thereof to EU producers of like or directly competing products, causation, and it is in the interest of the EU to impose measures,

Art. 7 para. 2 and Art. 9 para. 4 Regulation (EU) 2016/1036 contain a lesser-duty rule, i.e., the rate of duty for each case is based on the dumping margin, unless a lower rate would remove the injury. As regards anti-subsidy investigations, Art. 12 para. 1 and Art. 15 para. 1 Regulation (EU) 2016/1037 stipulate that countervailing duties shall not exceed the amount of countervailable subsidies established. However, the European Commission may in special circumstances impose measures at the level of the full dumping margin where there are significant raw materials distortions.

18. Is there a domestic right of appeal against the authority's decisions? What is the applicable procedure?

European Commission actions are subject to judicial review by the General Court or the Court of Justice of the European Union ("CJEU").

Under Art. 263 Treaty on the Functioning of the EU ("TFEU"), plaintiffs may seek annulment of anti-dumping or anti-subsidy measures before the General Court. Art. 265 TFEU allows Member States, EU institutions or natural or legal persons to bring action against the European Commission for failure to act on a previous request for trade remedies. Action for damages may be brought under Art. 268, 340 TFEU. Under the procedure enshrined in Art. 267 TFEU, EU Member States' national courts may seek preliminary rulings from the CJEU on the interpretation or validity of EU law.

19. Has your jurisdiction's imposition of any trade remedies been challenged at the WTO? If so, what was the outcome? A general explanation of trends can be provided for jurisdictions involved in significant trade remedies dispute settlement.

EU trade remedies have repeatedly been challenged at the WTO, resulting also in numerous findings of violation. Most prominently, in *EC – Fasteners (China)* (DS397), China challenged the non-market economy provision in the EU Basic Anti-Dumping Regulation and the EU anti-dumping measures on certain iron or steel fasteners, obtaining an unprecedented finding that the EU Basic Anti-Dumping Regulation was, in relevant parts, "as such" in violation of the Anti-Dumping Agreement and had to be modified.

Most recently, China challenged the EU's countervailing duties on imports of battery electric vehicles (DS626). China requested the establishment of a panel on 9 August 2024. In addition, Indonesia requested consultations after the EU introduced definitive anti-dumping measures on imports of fatty acid on 7 February 2024 (DS622). In both disputes, a panel has not yet been established.

20. What authorities are responsible for enforcing customs laws and regulations and what is their role?

EU customs laws are enforced by the Member States. The Central Customs Authority (*Generalzolldirektion*) is responsible for enforcement in Germany and coordinates/supervises the German customs offices. The customs offices, for example, administer customs duties and taxes on imports and carry out controls/inspections

of persons and goods.

21. Can importers apply for binding rulings from the customs authority in advance of an import transaction? How can customs decisions be challenged?

Importers may seek a Binding Tariff Information (BTI) to determine the tariff classification of the product in question. BTIs are issued by national customs authorities, are valid for three years throughout the EU, and are binding for all EU customs authorities.

Decisions by German customs authorities can be challenged by lodging an objection with the issuing authority as well as before Fiscal Courts, cf. Art. 44 Regulation (EU) 952/2013 (Union Customs Code), sec. 347 ff. Fiscal Code of Germany (*Abgabenordnung*). Further, plaintiffs can apply for temporary injunctions.

22. Where can information be found about import tariffs and other customs charges?

Tariffs are set at the EU level and can be accessed via the EU's online TARIC consultation. German customs authorities generally operate free of charge. However, special services such as processing goods outside of normal business hours or outside of customs offices incur charges. These are governed by Germany's Customs Charges Ordinance (*Zollkostenverordnung*).

23. Does your jurisdiction have any of the following features: a. Authorised Economic Operator (AEO) or equivalent programme? b. Mutual recognition arrangements (MRAs) with other jurisdictions in relation to their AEO programmes? c. Suspension of duties on any goods imports (for example, for goods for which there is no domestic production)? d. Allowing goods imports valued below a certain amount to enter duty free (de minimis shipments)?

- The EU has an AEO program. The AEO certification is valid across all member states and covers economic operators authorised for customs simplification (AEOC), security and safety (AEOS) or a combination of the two.
- The EU maintains MRAs with China, Japan, Moldova, Norway, Switzerland, UK, and the US.
- Tariff suspensions may be adopted under Art. 31 TFEU and primarily cover raw materials, semi-finished

goods and components not available within the EU. Suspensions can fully or partially waive duties other than anti-dumping duties. Suspensions are granted only if they are likely to benefit the EU economy. No suspensions are granted for finished products.

- Consignments of goods with an intrinsic value not exceeding EUR 150 are relieved from import duties but subject to VAT.

24. What free trade zones and facilities such as bonded warehouses are available in your jurisdiction?

The UCC provides for customs warehouses and free zones in Art. 237 et seqq. UCC. Free zones are established by EU Member States.

In Germany, free zones are established by way of a federal law, cf. Sec. 20(1) Customs Administration Act (*Zollverwaltungsgesetz*, *ZollVG*). Germany maintains free zones in Bremerhaven and Cuxhaven.

25. What are the domestic scrutiny and transparency arrangements before and during negotiations for a trade agreement? What domestic ratification procedures are required once a trade agreement is concluded?

While the Common Commercial Policy is an exclusive EU competence and ratification by EU Member States is thus not generally required, in practice, virtually all EU trade agreements have been treated as mixed agreements. These are agreements that touch upon areas for which Member States retain competence such as certain aspects of trade in services (i.e. cultural and audio-visual services, social, education and health services, transport). Such mixed agreements require ratification at the EU level in line with Art. 218 TFEU as well as ratification by Member States. In Germany, both chambers of parliament have to approve the trade agreement bill for ratification. While negotiations are underway at the EU level, the German government continuously keeps parliament and the federal states informed, cf. *Gesetz über die Zusammenarbeit von Bund und Ländern in Angelegenheiten der Europäischen Union* (EUZBLG) and *Gesetz über die Zusammenarbeit von Bundesregierung und Deutschem Bundestag in Angelegenheiten der Europäischen Union* (EUZBBG).

The European Commission aspires to be "the world's most transparent public institution in the field of trade policy." To that end, the European Commission publishes negotiating text proposals, round reports and other

information related to ongoing trade negotiations and trade agreements. Impact assessments, sustainability impact assessments, and details on meetings by European Commission officials and outreach activities are also available. The European Commission also holds consultations on trade negotiations with stakeholders and maintains a framework for dialogue with civil society.

26. What are the domestic procedures for local traders to request the government take action against measures of other jurisdictions that are inconsistent with WTO and/or FTA rules?

Regulation (EU) 2015/1843 (Trade-Barriers-Regulation) lays down a complaints mechanism for EU companies and Member States, allowing them to lodge complaints with the European Commission regarding obstacles to trade. Obstacles to trade are trade practices of a third country in respect of which international trade rules establish a right of action. Such a right of action exists when international trade rules either prohibit a practice outright, or give another party affected by the practice a

right to seek elimination of the effect of the practice in question.

Pursuant to Art. 3 et seqq. of the Trade-Barriers-Regulation, complaints may be lodged on behalf of the Union industry or of Union enterprises regarding obstacles to trade that have an effect on the market of the Union or a third country. Such complaints shall contain sufficient evidence of the obstacles to trade and the injury resulting therefrom. Once a complaint has been lodged, the European Commission shall decide within 45 days whether to open a Union examination procedure.

Where such a procedure establishes that action is necessary in the interests of the Union in order to ensure the exercise of the Union's rights under international trade rules, the EU may take appropriate measures such as initiating WTO dispute settlement proceedings. 24 investigations under the Trade Barriers Regulation have been initiated to date. Most recently, the EU obtained commitments from Saudi Arabia in March 2022 to remove barriers to trade with ceramic tiles and ensure WTO compliance. For 2024, there are no updates.

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