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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the non-application of customs duties on imports of certain goods

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

By Regulation (EU) 2020/2131 of 16 December 2020 on the elimination of customs duties on certain goods¹, customs duties on imports of certain types of lobster were eliminated for a 5-year period, until 31 July 2025.

This was the result of a Joint Statement of 21 August 2020 of the Union and the United States announcing the elimination or reduction of customs duties for a limited number of tariff lines as a step to improve relations between the Union and the United States and to mark the beginning of a process towards more free, fair and reciprocal transatlantic trade. By Presidential Proclamation of 22 December 2020, the United States in exchange provided duty relief for a comparable economic value on products such as prepared meals, certain crystal glassware, surface preparations, propellant powders, cigarette lighters and lighter parts.

As part of a political agreement announced by Commission President von der Leyen and United States President Trump on 27 July 2025, and as laid down in the Joint Statement of 21 August 2025 ('Joint Statement'), in which both sides agreed on a Framework on an Agreement on Reciprocal, Fair, and Balanced Trade, the Union expressed the intention to immediately take the necessary steps to extend the Joint Statement of the Union and the United States of 21 August 2020 with respect to lobster, coupled with an expanded product scope to include processed (i.e. prepared) lobster.

Therefore, the objective of this proposal is to provide for the non-application of the same customs duties, similarly to Regulation (EU) 2020/2131 in order to ensure the continued non-application of customs duties on imports of certain types of lobster as well as to additionally not apply customs duties on imports of processed (i.e. prepared) lobster.

- **Consistency with existing policy provisions in the policy area**

The objective of this proposal is to maintain additional opportunities for Union and United States operators, by not applying tariffs or reduce them. It should avoid deterioration of trade relations with the United States. It is fully consistent with the Treaty on European Union (TEU), which stipulates that the Union should encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade².

- **Consistency with other Union policies**

The proposal is consistent with other Union policies.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 207 of the Treaty on the Functioning of the European Union (TFEU).

¹ OJ L 430, 18.12.2020, p. 1–4.

² Article 21(2)(e) of TEU.

- **Subsidiarity (for non-exclusive competence)**

According to Article 5(3) of the TEU, the subsidiarity principle does not apply in areas of exclusive Union competence. The customs union and the common commercial policy is listed among the areas of exclusive competence of the Union in Article 3 of the TFEU. This policy includes the negotiation of trade agreements and the adoption of trade policy measures including tariff reductions pursuant to, inter alia, Article 207 TFEU.

- **Proportionality**

The Commission proposal is in line with the principle of proportionality, and necessary in light of the objective to avoid deterioration of trade relations with the United States.

- **Choice of the instrument**

Regulation of the European Parliament and of the Council.

3. **RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable

- **Stakeholder consultations**

Not applicable

- **Collection and use of expertise**

Not applicable

- **Impact assessment**

In light of the political commitment by Commission President von der Leyen and on 27 July to immediately take the necessary steps to extend the Joint Statement of the Union and the United States of 21 August 2020 with respect to lobster, coupled with an expanded product scope to include processed (i.e. prepared) lobster, and due to the political imperative to move ahead quickly in order to lower trade tensions between the Union and the United States, the formal impact assessment process has been waived. For the Union, lobster, including processed (i.e. prepared) lobster, is not a sensitive product as the Union continues to be a net importer of the products covered by the proposed Regulation. In 2024 the Union imported EUR 72 million of these lobster products from the United States (22% of overall extra-Union imports), while the total trade concerned was around EUR 342 million in 2024 (around EUR 320 million in imports into the Union and EUR 21 million in exports from the Union).

The continued non-application of import duties and the expansion of its scope to also include processed (i.e. prepared) lobster will continue to support the food-processing industry and the hospitality sector.

- **Regulatory fitness and simplification**

Not applicable.

- **Fundamental rights**

The proposed regulation is consistent with the Treaties and the Charter of Fundamental Rights of the European Union because the proposed regulation would not limit the exercise of any fundamental right, such as the freedom of professional occupation, given that import duties would only be reduced, not increased. Where the proposed regulation reduces import duties on certain products, but not others, the choice is made under a proper legal basis. Where the proposed regulation would grant implementing powers to the Commission to suspend the reduction of import duties, this suspension would only reinstate the legal situation existing before the adoption of the proposed regulation.

4. BUDGETARY IMPLICATIONS

The continued liberalisation of industrial tariffs will have a limited negative impact on the budget of the Union in the form of forgone customs duties due to tariff liberalisation for the products covered by the tariff lines in annex to this proposed regulation. From the entry into force of Regulation (EU) 2020/2131 until May 2025 (most recent data), Union import duties forgone for the lobster products under the scope of Regulation (EU) 2020/2131 amounted to a total of EUR 37.3 million, of which US imports represented EUR 26.5 million³. Based on the duties that would have been collected in the absence of Regulation (EU) 2020/2131 for the period August 2020-May 2025 from third countries that do not benefit from a duty-free treatment under existing preferential trade agreements with the Union, the estimated annual budget impact amounts to approximately EUR 7.5 million⁴. Duties forgone taking into account the expansion of the scope to prepared/processed lobster, if applied to the same time period (August 2020 to May 2025), would amount to an additional EUR 242 thousand⁵, almost entirely stemming from US imports. On this basis, the annual budget impact relating to the non-application of customs duties for prepared/processed lobster is estimated to amount to approximately EUR 48 thousand and the annual budget impact relating to the non-application of customs duties for all goods in Annex to the proposed regulation is estimated to amount to approximately EUR 7.5 million⁶.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable

- **Explanatory documents (for directives)**

Not applicable

- **Detailed explanation of the specific provisions of the proposal**

Article 1 provides for the non-application of customs duties on an *erga omnes* basis for the tariff lines listed in the Annex to the proposed Regulation.

³ The value of duties forgone was calculated based on imports from third countries that do not benefit from a duty-free treatment under existing preferential trade agreements with the EU (Eurostat categories “Extra EU-27” and “Trade agreements in place - All - Preferential (76 countries)”).

⁴ Source: Eurostat.

⁵ The value of duties forgone was calculated based on imports from third countries that do not benefit from a duty-free treatment under existing preferential trade agreements with the EU (Eurostat categories “Extra EU-27” and “Trade agreements in place - All - Preferential (76 countries)”).

⁶ Source: Eurostat.

Article 2 provides the circumstances in which the Commission may suspend, or unsuspend, the non-application of customs duties for these goods.

Article 3 provides the Committee procedure to be followed for such suspension of the non-application of customs duties.

Article 4 provides that customs duties paid in excess of those applicable in accordance with the proposed Regulation for imports into the Union between 1 August 2025 and the date of entry into force of the proposed Regulation, are eligible for reimbursement upon request.

Article 5 provides details on the entry into force and application of the proposed Regulation.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the non-application of customs duties on imports of certain goods

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Union and the United States of America (the ‘United States’) have the largest and deepest bilateral trade and investment relationship in the world and have highly integrated economies. The total two-way trade between them was worth more than EUR 1.6 trillion in 2024. This deep and comprehensive partnership is underpinned by significant mutual investment with mutual investments in each other's markets worth around EUR 5.3 trillion.
- (2) To avoid disruption and continue improving the trade and investment relationship with the United States, on 16 December 2020 the Union adopted Regulation (EU) 2020/2131 of the European Parliament and of the Council¹ on the elimination of customs duties on certain goods, in particular certain types of lobster, applicable from 1 August 2020. That Regulation expired on 31 July 2025.
- (3) In line with the political agreement between the Union and the United States of 27 July 2025 and the Joint Statement of 21 August 2025 on a European Union – United States Framework on an Agreement on Reciprocal, Fair and Balanced Trade² (the ‘Joint Statement’) and to secure continued access for Union goods to the United States market, the Union should provide for non-application, for a further period, of the customs duties on imports into the Union of the types of lobster covered by Regulation (EU) 2020/2131. In line with the political agreement, the non-application of customs duties should also include imports of processed lobster classified under Combined Nomenclature (CN) code 1605 30 90.
- (4) Accordingly, the customs duties on imports of the goods classified under the CN codes listed in the Annex should apply at a level of 0 % for as long as the United States is effectively implementing the Joint Statement.

¹ Regulation (EU) 2020/2131 of the European Parliament and of the Council of 16 December 2020 on the elimination of customs duties on certain goods (OJ L 430, 18.12.2020, p. 1–4, ELI: <http://data.europa.eu/eli/reg/2020/2131/oj>).

² [Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade - European Commission](https://policy.trade.ec.europa.eu/news/joint-statement-united-states-european-union-framework-agreement-reciprocal-fair-and-balanced-trade-2025-08-21_en), link: https://policy.trade.ec.europa.eu/news/joint-statement-united-states-european-union-framework-agreement-reciprocal-fair-and-balanced-trade-2025-08-21_en

- (5) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to suspend the non-application of the customs duties in specific circumstances. Those powers should be exercised in accordance with the examination procedure provided for in Regulation (EU) No 182/2011 of the European Parliament and of the Council³.
- (6) In view of the importance of avoiding disruption of the trade and investment relationship between the Union and the United States, this Regulation should enter into force on the day following that of its publication. For the same reason, this Regulation should apply with retroactive effect from 1 August 2025. Customs duties paid in excess of those applicable pursuant to this Regulation in the period between 1 August 2025 and the date of entry into force of this Regulation should be reimbursed upon request,

HAVE ADOPTED THIS REGULATION:

Article 1

Non-application of customs duties

The applicable customs duties of the Common Customs Tariff on imports into the Union of the goods classified under the Combined Nomenclature (CN) codes listed in the Annex shall be 0 %.

Article 2

Suspension

1. The Commission may adopt an implementing act suspending in whole or in part the application of Article 1 in the following circumstances:
 - (a) where the United States fails to implement the Joint Statement or otherwise undermines the objectives of improving the trade and investment relationship between the Union and the United States and the objectives pursued by the Joint Statement, or undermines access of Union economic operators to the United States market, or otherwise disrupts the trade and investment relationship between the Union and the United States;
 - (b) where there are sufficient indications that the United States will act in the manner referred to in point (a) in the future;
 - (c) where a change of objective circumstances has occurred with regard to those existing at the time the Joint Statement was issued.That implementing act shall be adopted in accordance with the examination procedure referred to in Article 3(2).
2. The implementing act referred to in paragraph 1 shall apply for as long as the circumstances referred to in paragraph 1 persist.

³ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: <http://data.europa.eu/eli/reg/2011/182/oj>).

Article 3

Committee procedure

1. The Commission shall be assisted by the Trade Barriers Committee established by Article 7 of Regulation (EU) No 2015/1843 of the European Parliament and of the Council⁴.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 4

Reimbursement of customs duties

At the request of the economic operators concerned, the national customs authorities of the Member States concerned shall reimburse any customs duties paid in excess of those applicable pursuant to this Regulation for imports into the Union between 1 August 2025 and the date of entry into force of this Regulation, of goods classified under the CN codes listed in the Annex.

Article 5

Entry into force and application

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 August 2025.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

⁴ Regulation (EU) 2015/1843 of the European Parliament and of the Council of 6 October 2015 laying down Union procedures in the field of the common commercial policy in order to ensure the exercise of the Union's rights under international trade rules, in particular those established under the auspices of the World Trade Organization (OJ L 272, 16.10.2015, p. 1, *ELI*: <http://data.europa.eu/eli/reg/2015/1843/oj>).

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council on the non-application of customs duties on certain goods

1.2. Policy area(s) concerned

Trade

1.3. Objective(s)

1.3.1. General objective(s)

Maintain additional opportunities for the Union and United States operators and avoid deterioration of trade relations with the United States, by not applying tariffs or reducing them.

1.3.2. Specific objective(s)

Specific objective No

Not apply customs duties on certain types of lobster, including prepared/processed lobster, on an *erga omnes* basis. This is in view of the expiry, on 31 July 2025, of the original Regulation not applying customs duties on certain types of lobster (Regulation (EU) 2020/2131 of 16 December 2020) and the commitment, as part of the political agreement between Commission President von der Leyen and US President Trump on 27 July 2025, to immediately extend the lobster Regulation and expand its scope to processed (i.e. prepared) lobster.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The expected result is the continued non-application of (MFN) tariffs for certain types of lobster under similar conditions as Regulation (EU) 2020/2131 and adding processed lobster to the scope of non-application of these tariffs. This is to follow up on the political agreement between Commission President von der Leyen and US President Trump on 27 July 2025 and thus to limit further trade tensions between the Union and the United States. The continued non-application of tariffs for the products concerned is expected to have a limited negative impact on the budget of the EU in the form of forgone customs duties. Lobster is not a sensitive product for the Union and the extension of the non-application of import duties and the expansion of its scope to processed (i.e. prepared) lobster will continue to support the Union's food-processing industry and hospitality sector.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

N/A as the sole objective of the Regulation is to not apply customs duties on certain products.

1.4. The proposal/initiative relates to:

☒ a new action

- ☐ a new action following a pilot project / preparatory action¹¹
- ☐ the extension of an existing action
- ☐ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

Adoption of proposed Regulation according to Ordinary Legislative Procedure and entry into force of proposed Regulation are to be pursued in the shortest possible timeframe.

The Regulation is meant to apply with retroactive effect from 1 August 2025 (date of expiry of the original Regulation that already stipulated the non-application of tariffs for most of the lobster products covered by this Regulation).

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

According to Article 5(3) of the TEU, the subsidiarity principle does not apply in areas of exclusive Union competence. The customs union and the common commercial policy is listed among the areas of exclusive competence of the Union in Article 3 of the TFEU. This policy includes the negotiation of trade agreements and the adoption of trade policy measures including tariff reductions pursuant to, inter alia, Article 207 TFEU.

1.5.3. Lessons learned from similar experiences in the past

The original Regulation (Regulation (EU) 2020/2131 of 16 December 2020) resulted in the non-application of customs duties for most of the lobster products covered by this proposed Regulation applied for 5 years, without significant negative consequences for the Union. The non-application from duties for the lobster products concerned and its expansion to processed/prepared lobster are important factors to avoid deterioration of the EU-US trade relation. It is therefore important to continue the non-application of such tariffs for the products concerned, as well as for processed/prepared lobster, as indicated in the political agreement of 27 July 2025.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

N/A

1.5.5. Assessment of the different available financing options, including scope for redeployment

N/A

¹¹ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.6. Duration of the proposal/initiative and of its financial impact

☐ **limited duration**

- ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY
- ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ **unlimited duration**

- Implementation with a start-up period from 2025 to YYYY,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned

☐ **Direct management** by the Commission

- ☐ by its departments, including by its staff in the Union delegations;
- ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated
- ☐ international organisations and their agencies (to be specified)
- ☐ the European Investment Bank and the European Investment Fund
- ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation
- ☐ public law bodies
- ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- ☐ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

N/A

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

N/A as this is a simple non-application of all customs duties (*erga omnes*) on a certain number of goods.

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

N/A as this is a simple non-application of all customs duties (*erga omnes*) on a certain number of goods.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

N/A as this is a simple non-application of all customs duties (*erga omnes*) on a certain number of goods.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

N/A as this is a simple non-application of all customs duties (*erga omnes*) on a certain number of goods.

2.3. Measures to prevent fraud and irregularities

N/A as this is a simple non-application of all customs duties (*erga omnes*) on a certain number of goods.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Name of the proposal

Proposal for a Regulation of the European Parliament and of the Council on the non-application of customs duties on imports of certain goods

3.2. Budget lines

Revenue line: Chapter 1 2, Article 1 2 0

Amount budgeted for the year concerned: EUR 21 082 004 566

(only in case of assigned revenues):

The revenues will be assigned to the following expenditure line (Chapter/Article/Item): n/a

3.3. Financial impact

☐ Proposal has no financial implications

☒ **Proposal has no financial impact on expenditure but has a financial impact on revenue**

☐ Proposal has a financial impact on assigned revenue

The effect is as follows:

(EUR million to one decimal place)

Revenue line	Impact on revenue ¹²	XX months period starting dd/mm/yyyy (if applicable)	Year N
Chapter 12 , Article 120–Customs duties and other duties referred to in point (a) of Article 2(1) of Decision 2014/335/EU, Euratom	-2.5	5 months period starting 01/08/2025	2025

Situation following action					
Revenue line	2026	2027	2028	2029	2030

¹² In the case of traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.

Chapter 12, Article 120	-7.5 million EUR	-7.5 million EUR	-7.5 million EUR	-7.5 million EUR	-5 million EUR
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(Only in case of assigned revenues, under the condition that the budget line is already known):

Expenditure line ¹³	Year N	Year N+1
Chapter/Article/Item		
Chapter/Article/Item		

Situation following action					
Expenditure line	[N+1]	[N+2]	[N+3]	[N+4]	[N+5]
Chapter/Article/Item ...					
Chapter/Article/Item ...					

4. OTHER REMARKS

The calculations were based on statistical data available, estimating that the forgone customs duties due to tariff liberalisation for the products covered by the tariff lines in annex to this Regulation represent approximately EUR 7.5 million/year in duties collected from third countries that do not benefit from a duty-free treatment under existing preferential trade agreements with the EU (average August 2020-May 2025 period).

¹³ To be used only if necessary.