



TKI 2019 – 2nd call for proposals – Legal Topics

1. Background

The Top Consortium for Knowledge and Innovation Logistics (TKI Dinalog) aims to systematically promote and implement private-public cooperation in the field of research in the Top Sector Logistics. This concerns innovation through fundamental and applied research and the valorisation and dissemination of knowledge, experience and results. Dinalog, NWO and TNO have joined forces in the Top Consortium for Knowledge and Innovation (TKI) in order to boost innovation in the Top Sector Logistics.

The Top Sector Logistics consists of representatives from the “golden triangle” of government, industry and knowledge institutions. Together, they determine which activities are necessary to achieve the sector’s ambitions while maintaining and strengthening an efficient mobility system and reducing environmental impact. The Top Sector Logistics is not simply about transporting more goods, but about smarter ways to do it: more cargo with fewer kilometres and lower CO₂ emissions, more high-quality services, more cost savings.

The ambitions of the Top Sector Logistics are to ensure that, by 2020, the Netherlands holds a leading international position (1) in the processing of flows of goods, (2) as a chain director of domestic and international logistics activities and (3) as a country with an attractive business and innovation climate for the logistics and shipping industry. These ambitions are set out in the Multi-Year Programme Top Sector Logistics 2016-2020 and developed in the following Key Performance Indicators and accompanying targets:

1. Additional revenue from new chain management activities – by 2020, chain management activities will contribute €14.6 billion to GDP.
2. Number of freight kilometres taken off the road – by 2020, at least 85 million freight kilometres will have been taken off the road.
3. CO₂ savings – by 2020, 68,700 tonnes of CO₂ will have been saved or prevented.
4. Number of companies with logistics or chain management activities which are established in or have logistics activities carried out or directed in the Netherlands – by 2020, 100 companies and activities will have been brought to the Netherlands (an increase of 30% compared to 2012).
5. Outflow of qualified professionals from training into the labour market, with logistics training and thorough knowledge of the innovation themes – by 2020, the inflow into higher education will have increased by 50% from 1,400 (2010) to 2,100 (2020).
6. Top rank in Europe on the International Logistics Performance Index (2020).

When the economy picks up, it will accelerate the growth of freight flows, especially in containerised transport (Maasvlakte 2). This will affect our mobility system and physical and environmental space. The challenge facing the Top Sector Logistics is to increase the efficiency of freight transport, to make it more sustainable and at the same time to generate more revenue in an advanced logistics system. By strengthening the chain management function in the Netherlands the logistics sector can take on these challenges. The Netherlands has a strong chain management function in international logistics networks. It is precisely by collaborating with other Top Sectors that this function can be strengthened even further. In addition, this chain management function can make a strong contribution to addressing the broad societal challenges that the Top Sectors are facing.

This call implements the Multi-Year Programme 2016-20201 and Annual Plan 20162 (in Dutch), as defined in the Top Sector Logistics in consultation with the Ministry of Infrastructure and Water Management. This call addresses research needs on a cross-cutting theme which overlaps with other Top Sectors.

2. Legal Topics

The aim of this call is to fill a gap in legal research in the field of international transport and logistics. In an earlier call – Innovations in supply chain compliance and border management (ISCOM) – legal research was explicitly funded. Since this call, in 2014, no proposals for legal research were received or financed. In the meantime, however, the need for legal research has only become more pressing.

This call focuses on legal problems in the supervision of international logistics flows, and as such falls within the roadmap Trade Compliance and Border Management of the Topsector Logistics. The call offers funding for the following two topics.

2.1 Harmonisation of regulation for border crossing movements of goods

The Netherlands is a trading nation. That means that within the EU, the Netherlands plays a disproportionately large role in the facilitation of the flow of goods across its borders. Border crossing is a very efficient process, due to the arrangement between Dutch Customs and various other government agencies that have responsibilities to supervise these border crossing flows. A governance covenant places executive responsibilities at the border on Dutch Customs, on behalf of these other agencies.

While this arrangement creates efficient borders, the volume of regulation that needs to be enforced is still substantial. And due to the increased efficiency of logistics processes, the administrative processes associated with this regulation have become relatively more burdensome.

The recently concluded Trade Facilitation Agreement (TFA) has introduced a new impetus to review the current Dutch situation vis-à-vis border crossing regulation and active supervision. This raises questions about the myriad regulatory frameworks (more than 200 different laws and regulations currently exist) that need to be applied to border crossing goods flows and the legal formalities that are part of these frameworks. In practice, these legal formalities all differ slightly – or substantially as the case may be – creating administrative burdens for businesses engaged in international logistics.

This research topic requires the analysis of the legal formalities of the applicable regulations and design new harmonised legal formalities that help the Dutch government facilitate trade across Dutch borders.

2.2 The legal basis for alternative customs declaration systems for e-commerce

E-commerce has been a strongly growing industry in the world, in Europe and in the Netherlands. E-commerce comes with significant challenges, for instance in the prevalence of home delivery in cities, and in the way e-commerce generates disproportional volumes of return flows. Less well known is the challenge for customs supervision that follows from border crossing e-commerce flows. E-commerce has created a fragmentation of shipment numbers and sizes in the logistics chains that results in businesses and government both struggling to stay in control.

One way of handling adverse effects of e-commerce flows is to revise the VAT-legislation across Europe. Tax-free thresholds that currently exist for VAT and customs duties will be eliminated, and other parties than importers or their immediate logistics service providers might become eligible for charging of VAT. This applies particularly to the e-commerce platforms, such as Amazon and Alibaba. These platforms are resisting this development, and may also differ substantially in terms of, for instance, the volume of data to make this new regulation effective.

This research calls for a fresh, legal, look at existing e-commerce chains to identify how the burden of VAT declaration and charging can be shifted, and, for instance, how regulatory solutions can accommodate differences in business models and actors in e-commerce in the world. This should give rise to new ideas for the design of effective VAT and other tax regimes for e-commerce in Europe and the Netherlands.

¹ If the URL does not open, see the Top Sector website via <https://www.topsectorlogistiek.nl/publicaties/>

² Idem



3. Available budget

The budget available for this call is a maximum of € 300,000 euros. These funds have been made available by the TKI Logistics, from the TKI Toeslag. The funding is explicitly meant for the 100% financing of a PhD position. As such, the type of research that is intended in this call is applied research.

4. Validity of the call for proposals

The deadline for the submission of full application is **14:00 (CE(S)T on 30 April 2019** at the latest. Proposals will be reviewed on a first come, first serve basis.

5. Who can apply

Applications are submitted by the main applicant on behalf of the project consortium. Main applicants (and any co-applicants) are researchers appointed for at least the duration of the application process and the project to one of the following knowledge institutes:

- Dutch universities;
- KNAW and NWO institutes;
- Universities of applied sciences;
- TO2 institutes.

An exception to the required duration of appointment can be made for:

- main applicants with a tenure track appointment which covers at least half of the required duration. In this case, applicants should submit a letter demonstrating that adequate supervision of all researchers for whom funding is sought will be guaranteed for the full duration of the research.
- co-applicants, if they can prove that adequate supervision of all researchers for whom funding is sought can be guaranteed for the full duration of the research.

Public or private parties cannot submit a direct application, but may be part of the project consortium.

Applicants may only submit one application in this call. The main applicant (and any co-applicants) should be actively involved in the project during the period for which funding is sought. The research institute(s) should enable applicants to guarantee adequate supervision of the research throughout the application process and project duration.

The main applicant applies for funding on behalf of the entire consortium. He or she is responsible for scientific coherence, results and financial accountability.

6. What can be applied for

The maximum funding available per project is **€ 150,000**.

Funding:

- can be requested only for projects which involve independent and new research and which start within six months after receipt of the funding award decision. Costs incurred before the formal starting date of the project are not eligible for funding.
- may not replace any existing funding.
- is not provided for contract research.
- should comply or be compatible with European legislation on state aid.

A maximum duration of the project is four years, or until **31 December 2022**. It is not possible to request funding for a longer period.

The program managers of TKI Dialog would like to support you with the application of your proposal. In this way we can help you in finding appropriate partners for your idea and give you independent feedback on your proposal. Please feel free to contact us for more information. In the call documents you can find more information on this call and the procedure for applying.

Do you have any questions? Please contact us at:
info@dialog.nl or phone 00 31 (0) 76 531 53 00