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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment - Outcome of the European Parliament's first reading (Strasbourg, 15 to 18 April 2019)

I. INTRODUCTION

The rapporteur, Jiri POSPISIL (EPP, CZ) presented a report consisting of 72 amendments to the proposal for a Regulation on behalf of the Committee on the Internal Market and Consumer Protection.

II. VOTE

When it voted on 16 April 2019, the plenary adopted in a single vote the amendments to the proposal for a Regulation.

The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto[1].

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[1] The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics.*** The symbol " ▌ " indicates deleted text.

ANNEX
(16.4.2019)

Establishing the instrument for financial support for customs control equipment ***I

European Parliament legislative resolution of 16 April 2019 on the proposal for a regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment (COM(2018)0474 – C8-0273/2018 – 2018/0258(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2018)0474),

– having regard to Article 294(2) and Article 33, Article 114 and Article 207 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0273/2018),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of 17 October 2018[1],

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinions of the Committee on Budgets, the Committee on Budgetary Control and the Committee on Civil Liberties, Justice and Home Affairs (A8-0460/2018),

1. Adopts its position at first reading hereinafter set out[2];

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

[1] OJ C 62, 15.2.2019, p. 67.

[2] This position corresponds to the amendments adopted on 15 January 2019 (Texts adopted, P8_TA-PROV(2019)0001).

Amendment 1

Proposal for a regulation
Recital 1

Text proposed by the Commission	*Amendment*
(1) The 2 140 customs offices[2] that are present over the external borders of the European Union need to be properly equipped to ensure the operation of the customs union. The need for adequate and equivalent customs controls is ever more pressing not only by reason of the traditional function of customs to collect revenue but also increasingly by the necessity to significantly reinforce the control of goods entering and exiting Union's external borders in order to ensure both safety and security. However, at the same time, those controls on the movement of goods across the external borders should not impair but rather facilitate legitimate trade with third countries.	(1) The 2 140 customs offices[2] that are present over the external borders of the European Union need to be properly equipped to ensure the ***efficient and effective*** operation of the customs union. The need for adequate and equivalent customs controls is ever more pressing not only by reason of the traditional function of customs to collect revenue but also increasingly by the necessity to significantly reinforce the control of goods entering and exiting Union's external borders in order to ensure both safety and security. However, at the same time, those controls on the movement of goods across the external borders should not impair but rather facilitate legitimate trade with third countries***, in compliance with the safety and security conditions***.
[2] Annex of the Annual 2016 Report of the Customs Union Performance available on: https://ec.europa.eu/info/publications/annual-activity-report-2016-taxation-and-customs-union_en.	[2] Annex of the Annual 2016 Report of the Customs Union Performance available on: https://ec.europa.eu/info/publications/annual-activity-report-2016-taxation-and-customs-union_en.

Amendment 2

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission	*Amendment*
	(1a) The customs union is a cornerstone

of the European Union, which is one of the largest trading blocks in the world, and is essential for the proper functioning of the single market for the benefit of both businesses and citizens. In its resolution of 14 March 2018[2a], the European Parliament expressed particular concern regarding customs fraud, which has created a significant loss of income for the Union's budget. The European Parliament reiterated that a stronger and a more ambitious Europe can only be achieved if it is provided with reinforced financial means and called, therefore, for providing continuous support to existing policies, for increasing resources to the Union' flagship programmes, and for additional responsibilities to be matched with additional financial means.

[2a] P8_TA(2018)0075 : The next MFF: Preparing the Parliament's position on the MFF post-2020

Amendment 3

Proposal for a regulation
Recital 2

Text proposed by the Commission	*Amendment*
(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability of modern and reliable customs control equipment. The provision of equivalent customs control equipment is therefore an important element in	(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources***, as well as to a lack of standardised customs controls***. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability ***and proper functioning*** of modern and reliable customs control equipment***. Other challenges, such as the***

addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points.	***surge of e-commerce, the digitalisation of the controls and inspections records, resilience to cyber-attacks, sabotage, industrial espionage and misuse of data, will also increase demand for better functioning of customs procedures***. The provision of equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points. ***All the goods entering the customs territory of the Union should be subject to thorough controls in order to avoid "port-shopping" by custom fraudsters. To ensure that the overall strength is increased as well as convergence in the performance of customs control by Member States, a clear strategy related to the weakest points is required.***

Amendment 4

Proposal for a regulation
Recital 3

Text proposed by the Commission	*Amendment*
(3) Member States have repeatedly expressed the need for financial support and requested an in-depth analysis of the equipment needed. In its conclusions[3] on customs funding on 23 March 2017, the Council invited the Commission to "evaluate the possibility of funding technical equipment needs from future Commission financial programmes and improve coordination and (…) cooperation between Customs Authorities and other law enforcement authorities for funding purposes".	(3) ***A number of*** Member States have repeatedly expressed the need for financial support and requested an in-depth analysis of the equipment needed. In its conclusions[3] on customs funding on 23 March 2017, the Council invited the Commission to "evaluate the possibility of funding technical equipment needs from future Commission financial programmes and improve coordination and (…) cooperation between Customs Authorities and other law enforcement authorities for funding purposes".

[3] https://www.consilium.europa.eu/media/22301/st09581en17-vf.pdf and http://data.consilium.europa.eu/doc/document/ST-7586-2017-INIT/en/pdf.	[3] https://www.consilium.europa.eu/media/22301/st09581en17-vf.pdf and http://data.consilium.europa.eu/doc/document/ST-7586-2017-INIT/en/pdf.

Amendment 5

Proposal for a regulation
Recital 6

Text proposed by the Commission	*Amendment*
(6) It is therefore opportune to establish a new Instrument for financial support for customs control equipment.	(6) It is therefore opportune to establish a new Instrument for financial support for customs control equipment ***that should ensure the detection of practices, such as for example counterfeiting of goods and other illegal commercial practices***. ***Already existing formulas of financial support should be considered.***

Amendment 6

Proposal for a regulation
Recital 7

Text proposed by the Commission	*Amendment*
(7) As customs authorities of the Member States have been taking up an increasing number of responsibilities, which often extend to the field of security and take place at the external border, ensuring equivalence in carrying out border control and customs control at the external borders needs to be addressed by providing	(7) As customs authorities of the Member States have been taking up an increasing number of responsibilities, which often extend to the field of security and take place at the external border, ensuring equivalence in carrying out border control and customs control at the external borders needs to be addressed by providing

adequate Union financial support to the Member States. It is equally important to promote inter-agency cooperation at Union borders as regards controls of goods and controls of persons among the national authorities in each Member State that are responsible for border control or for other tasks carried out at the border.	adequate Union financial support to the Member States. It is equally important to promote inter-agency cooperation***, while considering cybersecurity,*** at Union borders as regards controls of goods and controls of persons among the national authorities in each Member State that are responsible for border control or for other tasks carried out at the border.

Amendment 7

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) This Regulation lays down a financial envelope for the Instrument, which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management[6], for the European Parliament and the Council during the annual budgetary procedure.	(11) This Regulation lays down a financial envelope for the Instrument, which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management[6], for the European Parliament and the Council during the annual budgetary procedure. ***To secure budgetary discipline, the conditions as to how the grants will be prioritised should be clear, defined and based on needs that have been identified for the tasks performed by customs points.***
[6]Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).	[6]Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

Amendment 8

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission	*Amendment*
	(13a) Customs control equipment financed under this Instrument should meet optimal security, including cybersecurity, safety, environmental and health standards.

Amendment 9

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission	*Amendment*
	(13b) Data produced by customs control equipment financed under this Instrument should be accessed and processed only by duly authorised staff of the authorities, and should be adequately protected against unauthorised access or communication. Member States should be in full control of that data.

Amendment 10

Proposal for a regulation
Recital 13 c (new)

Text proposed by the Commission	*Amendment*
	(13c) Customs control equipment financed under this Instrument should contribute to providing optimal customs risk management.

Amendment 11

Proposal for a regulation
Recital 13 d (new)

Text proposed by the Commission	*Amendment*
	(13d) When replacing old customs control equipment by the means of this Instrument, Member States should be responsible for environment friendly disposal of old customs control equipment.

Amendment 12

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) Most customs control equipment may be equally or incidentally fit for controls of compliance with other legislation, such as provisions on border management, visa or police cooperation. The Integrated Border Management Fund has therefore been conceived as two complementary instruments with distinct but coherent scopes for the purchase of equipment. On the one hand, the instrument for border management and visa established by Regulation [2018/XXX][10] will exclude equipment that can be used for both border management and customs control. On the other hand, the instrument for financial support for customs control equipment established by this Regulation will not only support financially equipment with customs controls as the main purpose but will also allow its use as well for additional purposes such as border controls and	(15) Most customs control equipment may be equally or incidentally fit for controls of compliance with other legislation, such as provisions on border management, visa or police cooperation. The Integrated Border Management Fund has therefore been conceived as two complementary instruments with distinct but coherent scopes for the purchase of equipment. On the one hand, the instrument for border management and visa established by Regulation [2018/XXX][10] will exclude equipment that can be used for both border management and customs control. On the other hand, the instrument for financial support for customs control equipment established by this Regulation will not only support financially equipment with customs controls as the main purpose but will also allow its use as well for additional ***related*** purposes such as border controls**,**

security. This distribution of roles will foster inter-agency cooperation as a component of the European integrated border management approach, as referred to in Article 4(e) of Regulation (EU) 2016/1624[11], thereby enabling customs and border authorities to work together and maximising the impact of the Union budget through co-sharing and inter-operability of control equipment.	***safety,*** and security. This distribution of roles will foster inter-agency cooperation as a component of the European integrated border management approach, as referred to in Article 4(e) of Regulation (EU) 2016/1624[11], thereby enabling customs and border authorities to work together and maximising the impact of the Union budget through co-sharing and inter-operability of control equipment. ***To ensure that any instrument or equipment financed by the fund is in the permanent custody of the designated customs point that owns the equipment, the act of co-sharing and interoperability between customs and border authorities should be defined as being non-systematic and non-regular.***
[10] COM(2018)0473.	[10] COM(2018)0473.
[11] Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC (OJ L 251, 16.9.2016, p. 1).	[11] Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC (OJ L 251, 16.9.2016, p. 1).

Amendment 13

Proposal for a regulation
Recital 16

Text proposed by the Commission	*Amendment*
(16) By way of derogation from the Financial Regulation, funding of an action by several Union programmes or instruments should be possible in order to allow and support, where appropriate, cooperation and interoperability across domains. However, in such cases, the	(16) By way of derogation from the Financial Regulation, funding of an action by several Union programmes or instruments should be possible in order to allow and support, where appropriate, cooperation and interoperability across domains. However, in such cases, the

contributions may not cover the same costs in accordance with the principle of prohibition of double funding established by the Financial Regulation.	contributions may not cover the same costs in accordance with the principle of prohibition of double funding established by the Financial Regulation. ***If a Member State has already been awarded or has received contributions from another Union programme or support from a Union fund for the acquisition of the same equipment, that contribution or support should be listed in the application.***

Amendment 14

Proposal for a regulation
Recital 16 a (new)

Text proposed by the Commission	*Amendment*
	(16a) The Commission should incentivise joint procurement and testing of customs control equipment between Member States.

Amendment 15

Proposal for a regulation
Recital 17

Text proposed by the Commission	*Amendment*
(17) In view of the rapid evolution of customs priorities, threats and technologies, work programmes should not span over long periods of time. At the same time, the need to establish annual work programmes increases the administrative burden for both the Commission and Member States without it being necessary for the implementation of the Instrument. Against that backdrop, work programmes should in principle cover more than one budgetary year.	(17) In view of the rapid evolution of customs priorities, threats and technologies, work programmes should not span over long periods of time. At the same time, the need to establish annual work programmes increases the administrative burden for both the Commission and Member States without it being necessary for the implementation of the Instrument. Against that backdrop, work programmes should in principle cover more than one budgetary year. ***Moreover, to ensure that the integrity of the Union's strategic interests are preserved, Member States are***

	encouraged to consider carefully cybersecurity and the risks to potential exposure of sensitive data outside the Union when tendering for new customs control equipment.

Amendment 16

Proposal for a regulation
Recital 18

Text proposed by the Commission	*Amendment*
(18) In order to ensure uniform conditions for the implementation of the work programme under this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) 182/2011 of the European Parliament and of the Council[12] .	***deleted***
[12] 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).	

Amendment 17

Proposal for a regulation
Recital 19

Text proposed by the Commission	*Amendment*
(19) Although central implementation is indispensable in order to achieve the specific objective of ensuring equivalent	(19) Although central implementation is indispensable in order to achieve the specific objective of ensuring equivalent

customs controls, given the technical nature of this Instrument, preparatory work is required at technical level. Therefore, implementation should be supported by assessments of needs that are dependent on national expertise and experience through the involvement of customs administrations of the Member States. Those assessments of needs should be based on a clear methodology including a minimum number of steps ensuring the collection of the required information.	customs controls, given the technical nature of this Instrument, preparatory work is required at technical level. Therefore, implementation should be supported by ***individual*** assessments of needs that are dependent on national expertise and experience through the involvement of customs administrations of the Member States. Those assessments of needs should be based on a clear methodology including a minimum number of steps ensuring the collection of the required ***relevant*** information.

Amendment 18

Proposal for a regulation
Recital 20

Text proposed by the Commission	*Amendment*
(20) To ensure regular monitoring and reporting, a proper framework for monitoring the results achieved by the Instrument and actions under it should be put in place. Such monitoring and reporting should be based on indicators measuring the effects of the actions under the Instrument. Reporting requirements should include ***some*** information on customs control equipment beyond a certain cost threshold.	(20) To ensure regular monitoring and reporting, a proper framework for monitoring the results achieved by the Instrument and actions under it should be put in place. Such monitoring and reporting should be based on ***quantitative and qualitative*** indicators measuring the effects of the actions under the Instrument. ***Member States should ensure a transparent and clear procurement procedure.*** Reporting requirements should include ***detailed*** information on customs control equipment ***and procurement procedure*** beyond a certain cost threshold***, and a justification of the expenses***.

Amendment 19

Proposal for a regulation
Recital 22

Text proposed by the Commission	*Amendment*
(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.	(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of ***amending this Regulation in order to lay down work programmes,*** amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate ***and fully transparent*** consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 20

Proposal for a regulation
Recital 24

Text proposed by the Commission	*Amendment*
(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and	(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and

determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.	determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding. ***Funding under this Instrument should respect the principles of transparency, proportionality, equal treatment and non-discrimination.***

Amendment 21

Proposal for a regulation
Recital 25

Text proposed by the Commission	*Amendment*
(25) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objective of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.	(25) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objective of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation. ***Improving the implementation and quality of spending should constitute guiding principles for the achievement of the objectives of the Instrument while ensuring optimal use of financial resources.***

Amendment 22

Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission	*Amendment*
1. As part of the Integrated Border Management Fund, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from ***unfair and*** illegal trade while facilitating legitimate business activity.	1. As part of the Integrated Border Management Fund ***and with a view to the long-term aim that all customs controls in the Union are standardised***, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States ***to promote inter-agency cooperation at Union borders as regards controls of goods and persons***, to ensure security and safety within the Union and to protect the Union from illegal trade while facilitating legitimate business activity.

Amendment 23

Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The Instrument has the specific objective of contributing to adequate and equivalent customs controls through the purchase, maintenance and upgrade of relevant, state-of-the-art and reliable customs control equipment.	2. The Instrument has the specific objective of contributing to adequate and equivalent customs controls through the ***fully transparent*** purchase, maintenance and upgrade of relevant, state-of-the-art***, secure, cyber-resilient, safe, environmental-friendly*** and reliable customs control equipment. ***An additional objective is to improve the quality of customs controls throughout Member States to avoid the diversion of goods***

towards weaker points in the Union.

Amendment 24

Proposal for a regulation
Article 3 – paragraph 2 a (new)

Text proposed by the Commission	*Amendment*
	2a. The Instrument shall contribute to the implementation of the European Integrated Border Management by supporting interagency cooperation, co-sharing and interoperability of new equipment acquired through the Instrument.

Amendment 25

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission	*Amendment*
1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 300 000 000 in current prices.	1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR ***1 149 175 000 in 2018 prices (EUR*** 1 300 000 000 in current prices***)***.

Amendment 26

Proposal for a regulation
Article 4 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The amount referred to in paragraph 1 may also cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the	2. The amount referred to in paragraph 1 may also cover ***legitimate and verified*** expenses for preparation, monitoring, control, audit, evaluation and other

Instrument and evaluating the achievement of its objectives. It may moreover cover expenses relating to the studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Instrument, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.	activities for managing the Instrument and evaluating ***its performance and*** the achievement of its objectives. It may moreover cover ***likewise legitimate and verified*** expenses relating to the studies, meetings of experts, information and communication actions, ***exchange of data between involved Member States*** in so far as they are related to the ***specific*** objectives of the Instrument ***in support of the general objective***, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.

Amendment 27

Proposal for a regulation
Article 5 – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	1a. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up adequate safeguards and contingency measures to ensure that all the equipment purchased with the support of Union programmes and instruments is put to use by the relevant customs authorities in all relevant cases.

Amendment 28

Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission	*Amendment*
3. When the action supported involves the purchase or upgrade of equipment, the	3. When the action supported involves the purchase or upgrade of equipment, the

Commission shall set up a coordination mechanism ensuring efficiency and interoperability between all the equipment purchased with the support of Union programmes and instruments.	Commission shall set up a coordination mechanism ensuring efficiency and interoperability between all the equipment purchased with the support of Union programmes and instruments***, which shall allow for the consultation and participation of relevant Union agencies, in particular the European Border and Coast Guard Agency. The coordination mechanism shall include the participation and consultation of the European Border and Coast Guard Agency to maximise the Union added value in the field of border management.***

Amendment 29

Proposal for a regulation
Article 5 – paragraph 3 a (new)

Text proposed by the Commission	*Amendment*
	3a. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up adequate safeguards and contingency measures to ensure that all the equipment purchased with the support of Union programmes and instruments meets agreed standards on regular maintenance.

Amendment 30

Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission	*Amendment*
2. By way of derogation from paragraph 1, in duly justified cases, the actions may also cover the purchase, maintenance and upgrade of customs controls equipment for testing new pieces or new functionalities in operational conditions.	2. By way of derogation from paragraph 1, in duly justified cases, the actions may also cover the ***fully transparent*** purchase, maintenance and upgrade of customs controls equipment for testing new pieces or new functionalities in operational conditions.

Amendment 31

Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The Commission is empowered to adopt delegated acts in accordance with Article 14 to amend the customs control purposes set out in point (b) of paragraph 1 as well as Annex 1 where such review is considered necessary.	3. The Commission is empowered to adopt delegated acts in accordance with Article 14 to amend the customs control purposes set out in point (b) of paragraph 1 as well as Annex 1 where such review is considered necessary ***and in order to stay up to date with technological developments, changing patterns in smuggling of goods and with new, smart and innovative solutions for customs control purposes***.

Amendment 32
Proposal for a regulation
Article 6 – paragraph 4

Text proposed by the Commission	*Amendment*
4. Customs control equipment financed under this Instrument may be used for purposes additional to customs controls, including for control of persons in support of the national border management authorities and investigation.	4. Customs control equipment financed under this Instrument ***should primarily be used for customs controls, but*** may be used for purposes additional to customs controls, including for control of persons in support of the national border management authorities and investigation ***to comply with the Instrument's general and specific objectives set out in Article 3***.

Amendment 33

Proposal for a regulation
Article 6 – paragraph 4 a (new)

Text proposed by the Commission	*Amendment*
	4a. The Commission shall incentivise joint procurement and testing of customs control equipment between Member States.

Amendment 34

Proposal for a regulation
Article 8 – paragraph 2 a (new)

Text proposed by the Commission	*Amendment*
	2a. Funding in excess of that ceiling may be granted in cases of joint procurement and testing of customs control equipment between Member States.

Amendment 35

Proposal for a regulation
Article 8 – paragraph 2 b (new)

Text proposed by the Commission	*Amendment*
	2b. The exceptional circumstances referred to in paragraph 2 may include purchasing of new customs control equipment and submitting it to the technical equipment pool of the European Border and Coast Guard. Admissibility of the customs control equipment to the technical equipment pool shall be ascertained in accordance with Article 5(3).

Amendment 36

Proposal for a regulation
Article 9 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
The ***following*** costs ***shall not be*** eligible ***for funding under the Instrument***:	***All*** the costs ***related to actions referred to in Article 6 shall be*** eligible for funding under Instrument***, with the exception of***:

Amendment 37

Proposal for a regulation
Article 9 – paragraph 1 – point a a (new)

Text proposed by the Commission	*Amendment*
	(aa) costs relating to training or the upgrading of skills necessary for the use of the equipment;

Amendment 38

Proposal for a regulation
Article 9 – paragraph 1 – point c

Text proposed by the Commission	*Amendment*
(c) costs associated with electronic systems, with the exception of software directly necessary to use the customs control equipment;	(c) costs associated with electronic systems, with the exception of software ***and software updates*** directly necessary to use the customs control equipment ***and with the exception of the electronic software and programming necessary to inter-link existing software with the customs control equipment***;

Amendment 39

Proposal for a regulation
Article 9 – paragraph 1 – point d

Text proposed by the Commission	*Amendment*
(d) costs of networks, such as secured or unsecured communication channels, or subscriptions;	(d) costs of networks, such as secured or unsecured communication channels, or subscriptions***, with the exception of networks or subscriptions directly necessary to use the customs control equipment***;

Amendment 40

Proposal for a regulation
Article 11 – paragraph 2

Text proposed by the Commission	*Amendment*
2. ***The work programmes shall be adopted by*** the Commission ***by means of an implementing act. That implementing act shall be adopted*** in accordance with ***the examination procedure referred to in*** Article ***15***.	2. The Commission ***is empowered to adopt delegated acts*** in accordance with Article ***14, amending Annex 2a in order to lay down work programmes***.

Amendment 41

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission	*Amendment*
The preparation of the work programmes referred to in paragraph 1 shall be supported by an assessment of needs, which shall consist of the following ***at a minimum***:	The preparation of the work programmes referred to in paragraph 1 shall be supported by an ***individual*** assessment of needs, which shall consist of the following:

Amendment 42

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission	*Amendment*
(b) an exhaustive inventory of available customs control equipment;	(b) an exhaustive inventory of available ***and functional*** customs control equipment;

Amendment 43

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point c

Text proposed by the Commission	*Amendment*
(c) a common definition of a minimum ***and an optimal*** standard of customs control equipment by reference to the category of border crossing points ***and***	(c) a common definition of a minimum ***technical*** standard of customs control equipment by reference to the category of border crossing points***;***

Amendment 44

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point c a (new)

Text proposed by the Commission	*Amendment*
	(ca) an assessment of an optimal level of customs control equipment by reference to the category of border crossing points; and

Amendment 45

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point d

Text proposed by the Commission	*Amendment*
(d) a detailed estimate of financial needs.	(d) a detailed estimate of financial needs ***depending on the size of customs operations and the relative workload***.

Amendment 46

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission	*Amendment*
1. ***Indicators to report on*** progress ***of the Instrument towards the achievement of the general and specific objectives set out in Article 3 are set out in Annex 2***.	1. ***In compliance with its reporting requirement pursuant to point (e)(i) of Article 38(3) of the Financial Regulation, the Commission shall present to the European Parliament and the Council information on the performance of the Programme. The Commission's reporting on performance shall include information on both*** progress ***and shortfalls***.

Amendment 47

Proposal for a regulation
Article 12 – paragraph 2

Text proposed by the Commission	*Amendment*
2. To ensure effective assessment of progress of the Instrument towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 14 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and	2. ***Indicators to report on the progress of the Instrument towards the achievement of the general and specific objectives in Article 3 are set out in Annex 2.*** To ensure effective assessment of progress of the Instrument towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 14 to amend Annex 2 to review or complement the indicators where

evaluation framework.	considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework ***in order to provide the European Parliament and the Council with updated qualitative as well as quantitative information on performance of the Programme***.

Amendment 48

Proposal for a regulation
Article 12 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The performance reporting system shall ensure that data for monitoring the implementation and results of the Instrument are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds.	3. The performance reporting system shall ensure that data for monitoring the implementation and results of the Instrument are ***comparable and complete as well as*** collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds. ***The Commission shall provide the European Parliament and the Council with reliable information on the quality of the performance data used.***

Amendment 49

Proposal for a regulation
Article 12 – paragraph 4 – point c a (new)

Text proposed by the Commission	*Amendment*
	(ca) the presence and condition five years after commissioning of items of equipment funded from the Union budget;

Amendment 50

Proposal for a regulation
Article 12 – paragraph 4 – point c b (new)

Text proposed by the Commission	*Amendment*
	(cb) information on instances of maintenance of the customs control equipment;

Amendment 51

Proposal for a regulation
Article 12 – paragraph 4 – point c c (new)

Text proposed by the Commission	*Amendment*
	(cc) information on the procurement procedure;

Amendment 52

Proposal for a regulation
Article 12 – paragraph 4 – point c d (new)

Text proposed by the Commission	*Amendment*
	(cd) justification of the expenses.

Amendment 53
Proposal for a regulation
Article 13 – paragraph 1

Text proposed by the Commission	*Amendment*
1. Evaluations shall be carried out in a timely manner to ***feed into*** the decision-making process.	1. Evaluations ***of actions funded under the Instrument and referred to in Article 6 shall assess the Instrument's results, impact and effectiveness, and*** shall be carried out in a timely manner to ***ensure their efficient use in*** the decision-making

process.

Amendment 54

Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no later than ***four*** years after the start of the implementation of the Instrument.	2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no later than ***three*** years after the start of the implementation of the Instrument.

Amendment 55

Proposal for a regulation
Article 13 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission	*Amendment*
	The interim evaluation shall present findings necessary to make a decision about a follow-up to the Programme beyond 2027 and its objectives.

Amendment 56

Proposal for a regulation
Article 13 – paragraph 3

Text proposed by the Commission	*Amendment*
3. At the end of the implementation of the Instrument, but no later than ***four*** years after the end of the period specified in Article 1, a final evaluation of the	3. At the end of the implementation of the Instrument, but no later than ***three*** years after the end of the period specified in Article 1, a final evaluation of the

Instrument shall be carried out by the Commission.	Instrument shall be carried out by the Commission.

Amendment 57

Proposal for a regulation
Article 13 – paragraph 4

Text proposed by the Commission	*Amendment*
4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.	4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations ***and lessons learned***, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Amendment 58

Proposal for a regulation
Article 13 – paragraph 4 a (new)

Text proposed by the Commission	*Amendment*
	4a. The Commission shall include annual partial evaluations in its report "Protection of the European Union's financial interests - Fight against fraud".

Amendment 59

Proposal for a regulation
Article 14 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The power to adopt delegated acts referred to in Articles 6(3) and 12(2) shall	2. The power to adopt delegated acts referred to in Articles 6(3)***, 11(2)*** and 12(2)

be conferred on the Commission until 31 December 2028.	shall be conferred on the Commission until 31 December 2028.

Amendment 60

Proposal for a regulation
Article 14 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The delegation of power referred to in Articles 6(3) and 12(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	3. The delegation of power referred to in Articles 6(3)***, 11(2)*** and 12(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment 61

Proposal for a regulation
Article 14 – paragraph 6

Text proposed by the Commission	*Amendment*
6. A delegated act adopted pursuant to Articles 6(3) and 12(2) shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the	6. A delegated act adopted pursuant to Articles 6(3)***, 11(2)*** and 12(2) shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or

European Parliament or of the Council.	of the Council.

Amendment 62

Proposal for a regulation
Article 15

Text proposed by the Commission	*Amendment*
Article 15	***deleted***
Committee procedure	
1. The Commission shall be assisted by the "Customs Programme Committee" referred to in Article 18 of Regulation (EU) [2018/XXX][23] .	
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) 182/2011 shall apply.	
[23] COM(2018)0442.	

Amendment 63

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission	*Amendment*
1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.	1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public***, thereby showing the Union added value and aiding the data gathering efforts of the Commission in order to enhance budgetary transparency***.

Amendment 64

Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The Commission shall ***implement*** information ***and communication actions*** relating to the Instrument, ***and*** its actions and results***. Financial resources allocated to the Instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to*** in Article ***3***.	2. ***In order to ensure transparency,*** the Commission shall ***regularly provide*** information ***to the public*** relating to the Instrument, its actions and results***, referring to, inter alia, the work programmes referred to*** in Article ***11***.

Amendment 65

Proposal for a regulation
Annex 1 – column 3 – row 1

Text proposed by the Commission	*Amendment*
Containers, trucks, rail wagons	Containers, trucks, rail wagons ***and vehicles***

Amendment 66

Proposal for a regulation
Annex 1 – column 3 – row 3 a (new)

Text proposed by the Commission	*Amendment*
	Vehicles

Amendment 67

Proposal for a regulation
Annex 1 – column 2 – row 5

Text proposed by the Commission	*Amendment*
X-ray backscatter portal	X-ray ***based*** backscatter portal

Amendment 68

Proposal for a regulation
Annex 2 – column 2 – row 6 a (new)

Text proposed by the Commission	*Amendment*
	Millimetre wave-based security scanner

Amendment 69

Proposal for a regulation
Annex 2 – point 1 a (new)

Text proposed by the Commission	*Amendment*
	1a. Security and Safety
	(a) Degree of compliance with security standards of customs control equipment at all Border Crossing Points, including cybersecurity
	(b) Degree of compliance with safety standards of customs control equipment at all Border Crossing Points

Amendment 70

Proposal for a regulation
Annex 2 – point 1 b (new)

Text proposed by the Commission	*Amendment*
	1b. Health and Environment
	(a) Degree of compliance with health standards of customs control equipment at all Border Crossing Points
	(b) Degree of compliance with environmental standards of customs control equipment at all Border Crossing Points

Amendment 71

Proposal for a regulation
Annex 2 a (new)

Text proposed by the Commission	*Amendment*
	Annex 2a
	Work programmes

Amendment 72

Proposal for a regulation
Annex 2 b (new)

Text proposed by the Commission	*Amendment*
	Annex 2 b
	Exceptional circumstances for excess funding