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## **PROPOSAL**

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	29 October 2020
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2020) 673 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013

Delegations will find attached document COM(2020) 673 final.

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Encl.: COM(2020) 673 final



EUROPEAN  
COMMISSION

Brussels, 28.10.2020  
COM(2020) 673 final

2020/0306 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Union Single Window Environment for Customs and  
amending Regulation (EU) No 952/2013**

{SEC(2020) 360 final} - {SWD(2020) 237 final} - {SWD(2020) 238 final} -  
{SWD(2020) 239 final}

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

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

The international trade environment is constantly evolving. New rules are continually being imposed to regulate the movement of goods across borders and ensure safety and security. The Union Customs Code<sup>1</sup> (UCC) provides the legal basis for a modern and electronic customs environment. In accordance with Article 3 UCC, customs authorities are entrusted with ensuring the security and safety of the European Union (EU) and its residents, and the protection of the environment in close cooperation with other authorities where appropriate, while maintaining a balance between customs controls and the facilitation of legitimate trade. This role of customs includes enforcing more than 60 EU non-customs legal acts<sup>2</sup> at the external borders of the EU relating to specific policies applied in various domains, such as health and safety, environment protection, fisheries and agriculture, market surveillance and product compliance<sup>3</sup>, cultural heritage, among others. These acts impose different obligations for the import, export or transit of the most sensitive goods affecting an estimated 39.7 million customs declarations each year. They generate burdensome reporting obligations for traders that in most cases require additional documents other than the customs declaration.

In recent years, ‘single window’ initiatives have gained momentum as a way of streamlining the border clearance process within and across the EU. The concept of a single window is to be understood as a digital solution for the exchange of electronic information between different government authorities, and between the latter and economic operators. In 2008, the Member States and the Commission made a commitment to promote an electronic customs environment in the EU<sup>4</sup> by endeavouring to establish a framework of single window services. The 2014 Venice Declaration<sup>5</sup> proposed a progressive action plan to implement an EU Single Window Environment for Customs and to develop its legal framework. This was reiterated in the 2016 Communication from the Commission on Developing the EU Customs Union and its Governance<sup>6</sup> which announced the Commission’s plans to explore a workable solution for the development and creation of an EU Single Window Environment for Customs. The approach was supported by the ECOFIN Council Conclusions of 23 May 2017<sup>7</sup>. The First Biennial Report on Progress in Developing the EU Customs Union and its

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<sup>1</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

<sup>2</sup> This number reflects the official list of prohibitions and restrictions. In reality, the number of rules to be enforced at the external borders of the EU is even higher. For instance, the requirements for market surveillance and product compliance laid down in Regulation (EC) N°765/2008 (to be replaced in 2021 by Regulation (EU) 2019/1020) are one of the 60 elements of prohibitions and restrictions but they relate to the enforcement of more than 100 pieces of EU legislation regulating products.

<sup>3</sup> Product compliance covers not only compliance with product harmonisation legislation but also other requirements such as product safety and accessibility for persons with disabilities.

<sup>4</sup> Decision No70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade (OJ L 23, 26/01/2008, p. 21).

<sup>5</sup> ST-16507/14.

<sup>6</sup> COM (2016) 813 final.

<sup>7</sup> 7585/1/17 REV 1.

Governance<sup>8</sup> also focused on priority areas outlined in the Council Conclusions and announced the Commission's plan to continue working towards an EU Single Window Environment for Customs.

In line with these priorities, the Commission launched a pilot project in 2015, the EU Customs Single Window-Common Veterinary Entry Document (EU CSW-CVED). The project was jointly administered by the Directorate-General for Taxation and Customs (DG TAXUD) and the Directorate-General for Health and Food Safety (DG SANTE) to enable the automated verification by customs of three non-customs regulatory formalities submitted with the customs declaration as evidence of compliance. Five Member States' customs administrations initially participated in this pilot on a voluntary basis. Its successor, the EU Customs Single Window Certificates Exchange System (EU CSW-CERTEX), expanded the scope of regulatory requirements and introduced new functionalities, such as quantity management<sup>9</sup>. The number of participating Member States has risen from five to nine, and more policy areas are being covered.

The EU CSW-CERTEX pilot has been successful in addressing the need to ensure a suitable digital environment for all parties involved in international trade. By providing a centralised solution, this pilot reduced the need for participating Member States to develop their own solutions, thereby generating economies of scale. The automated process for verifying compliance with non-customs regulatory requirements has had very positive impacts on business operations, particularly on the reduction of administrative burdens, the equal treatment of economic operators and the fight against fraudulent activities. Despite its success, the desired benefits of the pilot cannot be realised without the participation of all Member States. In several non-participating Member States, customs and partner competent authorities continue to work on a fragmented basis, posing a significant barrier to an efficient goods clearance process. The situation is further complicated by emerging national single window initiatives, which remain isolated and are characterised by different modalities based on the level of existing customs IT architecture, priorities and cost structures. The existing problems are unlikely to improve without EU action, mostly because the regulatory requirements concerned involve the movement of goods across borders and must therefore be fulfilled at EU level.

The Covid-19 pandemic has made it more important than ever to establish a stronger framework for the Customs Union and to further facilitate the fulfilment of customs and EU non-customs formalities to support the economic recovery. To this end, the increased digitalisation of customs and Union non-customs regulatory formalities applicable to international trade opens new opportunities for Member States to improve digital cooperation. In line with President von der Leyen's political guidelines<sup>10</sup>, this proposal will set the appropriate conditions for digital collaboration between customs and partner competent authorities to properly implement the external aspects of many internal market policies and to reduce the administrative burden of trade. One aspect of this digital collaboration framework places an onus on regulatory authorities to enable economic operators to submit to a single

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<sup>8</sup> COM (2018) 524 final.

<sup>9</sup> The activity of monitoring and managing the quantity of goods authorised by partner competent authorities in accordance with Union non-customs legislation based on the information provided by customs authorities on the clearance of related consignments.

<sup>10</sup> [https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf)

point both customs and EU non-customs data required for goods clearance. This will lead to reductions in duplication, time and cost of compliance for economic operators.

This proposal is the first step in implementing a wider action plan<sup>11</sup> launched in September 2020, fully in line with the Commission's long-term vision of taking the Customs Union to the next level. Such approach is also reiterated in the 2020 Second Biennial Report accompanying the Commission Communication to the European Parliament, the Council and the European Economic and Social Committee on Taking the Customs Union to the Next Level: a Plan for Action<sup>12</sup>.

In addressing the identified problems affecting the goods clearance process (particularly insufficient coordination and fragmented interoperability between customs and partner competent authorities), the proposal will pursue three specific objectives:

1. define a governance framework for enhanced cooperation between customs and partner competent authorities and develop interoperable solutions<sup>13</sup> where beneficial and appropriate;
2. improve working practices between the regulatory authorities involved in international trade to enable more automated, electronic and integrated processes for dealing with goods clearance; and
3. determine a data harmonisation framework and enable re-use of data for the fulfilment of different formalities required by customs and non-customs authorities for international trade.

These objectives will be achieved by building on the existing pilot project, EU CSW-CERTEX, developed by DG TAXUD, and making its use mandatory on all Member States by establishing a legal basis. This will facilitate information sharing and develop a framework for digital cooperation between customs and partner competent authorities on a number of regulatory formalities for which the data required for goods clearance is provided by all relevant partner competent authorities in EU electronic systems. The connections between EU CSW-CERTEX and future EU electronic systems managing non-customs formalities will be established progressively once the respective EU non-customs legislation and operational aspects are in place. A fully integrated EU regulatory environment would deliver long-term benefits to the EU in multiple domains.

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

This proposal is consistent with the UCC's aim to put in place a modern and electronic customs environment and to promote digital cooperation between customs and the different government authorities across policy domains. It also complements the extensive e-customs

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<sup>11</sup> COM (2020) 581 final.

<sup>12</sup> SWD (2020) 213 final.

<sup>13</sup> Interoperability is defined by the European Interoperability Framework as "the ability of organisations to interact towards mutually beneficial and agreed common goals, involving the sharing of information and knowledge between these organisations, through the business processes they support, by means of the exchange of data between their ICT systems. [https://ec.europa.eu/isa2/sites/isa/files/isa\\_annex\\_ii\\_eif\\_en.pdf](https://ec.europa.eu/isa2/sites/isa/files/isa_annex_ii_eif_en.pdf)

projects detailed in the UCC Work Programme<sup>14</sup>, and is in line with the Multi-Annual Strategic Plan for electronic Customs (MASP-C), which ensures the operational planning and implementation timeline of all e-Customs IT projects.

The most relevant EU initiative in this area, EU CSW-CERTEX, is only voluntary and has a limited scope. The proposal will build on this existing pilot solution and make it mandatory for all Member States to exchange data on a number of regulatory formalities for which all Member States provide the relevant clearance information in EU electronic systems. The desired benefits of this project in terms of efficiency gains, enforcement and reduction of fraud and errors will be realised only if all Member States participate.

- **Consistency with other Union policies**

The breadth of the initiative, which relates to international trade and is focused on customs and a wide range of non-customs regulatory formalities required for the import, export or transit of goods, makes its alignment with other EU policies especially important. As outlined in the first section, high-level EU policy aims to establish an EU Single Window Environment for Customs in line with the Commission's wider agenda to increase digitalisation and simplify clearance processes. Within this framework, the EU Single Window Environment for Customs would follow the objectives of the EU eGovernment Action Plan 2016-2020<sup>15</sup>, which seeks to increase the efficiency of public services by removing existing digital barriers, reducing administrative burdens and improving the quality of interactions between national administrations. The initiative is also consistent with the Tallinn Declaration<sup>16</sup>, which sets objectives on digital-by-default for interactions between the general public and businesses and principles of once-only<sup>17</sup> and interoperable by default. A significant development in this regard was the eIDAS Regulation<sup>18</sup>, which established a new legal structure for electronic identification, signatures, seals and documents throughout the EU.

Additional related initiatives are being established at EU level to maximise the growth potential of the digital economy in line with the wider vision of the Commission's Communication on Shaping Europe's digital future<sup>19</sup> to promote the digital transformation and interoperability of public administrations across Europe. For instance, the Implementing Regulation on the information management system for official controls<sup>20</sup> makes specific mention of the EU Single Window Environment for Customs as the appropriate framework for cooperation and seamless information sharing between customs and the government authorities responsible for certifying compliance with the regulatory requirements applicable

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<sup>14</sup> Commission Implementing Decision (EU) 2019/2151 of 13 December 2019 establishing the work programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code C/2019/8803.

<sup>15</sup> COM/2016/0179 final.

<sup>16</sup> <https://ec.europa.eu/digital-single-market/en/news/ministerial-declaration-egovernment-tallinn-declaration>

<sup>17</sup> The Once Only Principle entails that citizens and businesses provide diverse data only once in contact with public administrations, while public administration bodies take actions to internally share and reuse these data, even across borders, always in respect of data protection regulations and other constraints.

<sup>18</sup> Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

<sup>19</sup> COM (2020) 67 final.

<sup>20</sup> Commission Implementing Regulation (EU) 2019/1715 of 30 September 2019 laying down rules for the functioning of the information management system for official controls and its system components (the IMSOC Regulation) (OJ L 261, 14.10.2019, p. 37).

to the human, animal and plant health policy domain. Other legal acts address the EU Single Window Environment for Customs as a possible interface between existing IT systems. In particular, Regulation (EU) 2019/1020 on market surveillance and compliance of products<sup>21</sup> refers to the voluntary use of the EU Single Window Environment for Customs for exchanging data between customs and market surveillance authorities during the customs clearance process. These exchanges fall outside the scope of this project, which covers the mandatory use of EU CSW-CERTEX by all Member States.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

### **• Legal basis**

The legal basis for the EU to act is provided by Articles 33, 114 and 207 of the Treaty on the Functioning of the European Union<sup>22</sup> (TFEU). Articles 33 and 114 TFEU give the European Parliament and the Council the right to take measures to strengthen customs cooperation between Member States and between the latter and the Commission to ensure the proper functioning of the internal market. In particular, this proposal seeks to ensure the proper implementation of the external aspects of a wide range of internal market policies. Article 207 TFEU builds on the premise that the scope of the initiative extends beyond cooperation between customs authorities to include trade facilitation and protection against illicit trade as an important aspect of trade policy. These three TFEU articles also constitute the legal basis for the UCC, which is amended through this act.

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

The complex regulatory set-up and the continuous introduction of new rules governing regulatory requirements for goods clearance has led to insufficient coordination and fragmented interoperability between customs and the competent authorities in charge of these requirements. This concerns not only the Customs Union, but also the internal market across a range of policy areas related to cross-border operations regulated by EU law. These inherently transnational problems will limit the benefits of gradual digitalisation and modernisation of processes related to the clearance of specific goods subject to EU non-customs regulatory requirements in various policy areas. In addition, national initiatives will be few due to resource constraints, while the voluntary pilot solution, EU CSW-CERTEX, will lose momentum if not followed by mandatory action. Hence, the EU is well placed to carry out coordinating action, reduce fragmentation and generate economies of scale, particularly given its responsibility for the Customs Union and the effective application of rules in the internal market.

The objectives of the proposal can be better achieved at EU level for several reasons. A centralised solution (EU CSW-CERTEX) to facilitate digital cooperation and information exchanges between national single window environments for customs and Union non-customs systems, along with the increasing digitalisation of Union non-customs formalities, will yield interoperable customs and non-customs domains, reduce administrative burdens for all affected stakeholders and generate substantial economies of scale. EU action is also expected to confer direct benefits on regulatory formalities where quantities of authorised goods can be

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<sup>21</sup> Regulation (EU) 2019/1020 of the European Parliament and of the Council on market surveillance and compliance of products (OJ L 169, 25.6.2019, p. 1).

<sup>22</sup> Consolidated version of the Treaty on the Functioning of the European Union (OJ C 326, 26.10.2012, p. 47).

split across multiple customs declarations through the introduction of an automated quantity management at EU level.

EU action in this area will also improve the functioning of the internal market by enhancing and harmonising the customs enforcement of EU non-customs requirements imposed on the international trade in goods. This would bring clear added value to the interaction between customs and partner competent authorities and economic operators. Ultimately, EU intervention will generate positive economic impacts by means of increased efficiency and trade facilitation, and social and environmental benefits due to improved coordination and risk management at the border. This will lead to better compliance and enforcement of EU non-customs requirements designed to protect public health and safety and will improve security and protect animal welfare and the environment across the EU.

- **Proportionality**

In line with the proportionality principle, the scope of this proposal is limited to non-customs regulatory formalities laid down in EU legislation for which an EU electronic system is in place to store relevant information required by customs to verify compliance with the respective measures. The interconnection of these systems with the national single window environments for customs through the EU CSW-CERTEX and the digital information exchanges laid down in the proposal are necessary to improve and ensure consistent enforcement of these regulatory formalities throughout the EU. This is particularly the case when the legislation allows authorised quantities of goods to be split across multiple customs declarations that can be lodged EU-wide, or prohibits the imports or exports of goods subject to quotas after a certain threshold is reached. While customs authorities need to verify the quantities used in the clearance of previous consignments, manual checks are both time-consuming and insufficiently accurate. These problems cannot improve without new EU action, partly because they relate to EU formalities. Furthermore, the rules provided in this proposal to harmonise the national single window environments for customs are necessary to achieve a level playing field for economic operators in the fulfilment of the regulatory requirements concerned. As the Staff Working Document on the Impact Assessment report found, the costs related to the proposed measures are commensurate with the policy objectives to be achieved.

- **Choice of the instrument**

The choice of instrument is a Regulation of the European Parliament and of the Council to ensure uniform application of regulatory compliance across the EU.

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

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

Not applicable

- **Stakeholder consultations**

Feedback was collected from the following stakeholders:

- Member State customs authorities;



- Partner competent authorities (i.e. the Commission and Member States' partner competent authorities or agencies) that rely on customs to control or implement their policies at the border. These include veterinary, sanitary, phytosanitary, agricultural and fisheries, environmental and pharmaceutical authorities;
- Economic operators dealing with cross-border goods movement, whether as individual companies or represented by national, European and/or international trade and business associations, including manufacturers, importing/exporting businesses, shipping and transport companies, port and airport operators, etc.;
- International trade and customs organisations such as the United Nations Economic Commission for Europe (UNECE), the World Customs Organisation (WCO) and the World Trade Organisation (WTO);
- Other interested groups such as academics/researchers, professional consultants and the general public.

Extensive public and targeted consultation activities were carried out, with the data fed into the impact assessment report. The public consultation was launched on 9 October 2018 and ran until 17 January 2019. A questionnaire was available online in all official EU languages<sup>23</sup>, which consisted of 24 questions focused on respondents' profiles, experiences of cross-border operations, and opinion on potential policy measures. A synopsis of the consultation was published on the Europa website<sup>24</sup>. The consultation showed widespread agreement about the existence and seriousness of the problems identified and welcomed the possibility of EU action to address these. In total, 371 valid responses were received, most of which represented businesses. The potential objectives of a new initiative were considered important by over 90% of respondents. All proposed changes triggered by new EU action were expected to have very positive impacts on business operations, particularly on the reduction of administrative burdens, the equal treatment of economic operators and the fight against fraudulent activities.

Much of the data collection took place in the framework of the Customs 2020 project group to study a possible framework to develop an EU Single Window Environment for Customs including the legal context. Launched in December 2016, the project group continued to meet regularly until June 2019, combining the expertise of customs and IT delegates from 19 Member State administrations and six representatives of trade associations. Principally, the project group analysed and discussed issues and trends related to the single window concept at EU and national level to assess the gap between the current situation faced by administrations and economic operators and its outlook for the future. Among its deliverables, the project group collaborated closely to develop the problem definition and the policy objectives and policy options that were taken forward as part of the impact assessment report.

Additional data was also collected at a high-level seminar on the EU Single Window Environment for Customs hosted by the Romanian Presidency in May 2019 with the participation of senior management from national customs administrations, candidate countries, representatives of trade associations and keynote speakers from the US Customs and Border Protection and international organisations. A series of workshops were held to

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<sup>23</sup> Except Irish, due to resource constraints.

<sup>24</sup> <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1739-EU-Single-Window-environment-for-customs>

address the relevance of the policy options in the government-to-government and business-to-government context, with informal polls conducted to obtain feedback on the identified policy options.

- **Collection and use of expertise**

The consultation activities allowed the collection of both qualitative and quantitative data, which were processed and analysed systematically using appropriate techniques. Qualitative data (including interview responses) was reviewed and analysed from different angles and presented in narrative form. Quantitative data (including survey responses and figures provided by stakeholders) was processed using Excel, and analysed using statistical methods such as frequency counts, cross-tabulations and simple trends. Results were presented as tables, charts and graphs.

- **Impact assessment**

An impact assessment report<sup>25</sup> was prepared to inform the Commission's decision on the preferred policy option for the proposal and support its implementation. An inter-service steering group in which the relevant Commission Directorates-General (DGs) participated, supported the preparatory work. The responsible Directorate-General for Taxation and Customs Union submitted the impact assessment for quality assessment to the Regulatory Scrutiny Board (RSB) on 13 March 2020. Following the meeting on 29 April 2020, the RSB issued a negative opinion on 5 May 2020, suggesting several areas for further improvement. These included further articulating the vision of the initiative, developing a more complete analysis of the policy options (especially for centralised national databases), providing justification for the discarded option covering a single-entry point at EU level for all regulatory formalities, and explaining how the judgement criteria were weighted against the impact analysis. The revised report was resubmitted on 18 June 2020 and the RSB issued a positive opinion on 15 July 2020. The final recommendations for improvement included further addressing the potential uncertainties in the results of the net benefit analysis and integrating the views of the stakeholder groups on the viable options into the assessment criteria.

The impact assessment draws on evidence from a wide range of sources, which has been analysed using the usual methods for social and economic research. Eight policy options were identified, falling into three broad categories, which could be packaged to form a policy choice:

- Category I (options 1-4; combination of options possible): options for government-to-government to facilitate information sharing and digital cooperation between customs and partner competent authorities. Each option has a different scope. Option 1 makes EU CSW-CERTEX mandatory and covers EU regulatory requirements for which relevant customs-related information is available at EU level for all Member States, providing an automated quantity management functionality. Option 2 covers EU regulatory requirements for which information is available at national level. Option 3 covers national regulatory requirements, and Option 4 third-country documents.

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<sup>25</sup> SWD (2020) xxx final.

- Category II (options 5-7; only one option possible): options for business-to-government, cooperation aimed at improving economic operators' interactions with authorities. Option 5 sets up a common portal for the management of Union non-customs formalities. Option 6 establishes single windows at national level to provide economic operators with harmonised single-entry points to fulfil customs and non-customs formalities. Option 7 institutes a single-entry point at EU level to fulfil customs and non-customs requirements.
- Category III (option 8): a cross-cutting option to streamline the way customs and partner competent authorities identify economic operators. It would rely on the expanded use of the existing Economic Operator Registration and Identification (EORI) system, either for registration and validation (8i) or just for validation (8ii).

Options 1, 2, 6, 7 and 8(ii) were retained for in-depth analysis based on a screening exercise. The impact analysis identified impacts of a similar nature for all options. Direct economic impacts would consist of one-off implementation and recurrent costs, and savings from reduced administrative burdens for all affected stakeholders. Enhancing cooperation and facilitating the sharing of information between the authorities responsible for goods clearance would also allow improvements to risk management processes and reduce instances of fraud and human error. This would in turn generate improved compliance and enforcement of the non-customs legislation, and related social and environmental benefits.

Different packages of options were compared in terms of effectiveness (i.e. enforcement of relevant regulatory requirements and trade facilitation), efficiency, coherence with other policies and proportionality to identify the preferred option. This showed that the largest benefits were obtained from packages including both category I and category II options, while option 8(ii) adds incrementally to any package. Options 1 and 6 were found to be cost-effective, coherent and proportionate, while options 2 and (especially) 7 were problematic in these respects due to their complexity and high costs. The preferred package is thus options 1+6+8(ii).

- **Regulatory fitness and simplification**

Not applicable

- **Fundamental rights**

The harmonised implementation of EU legislation in the area of regulatory compliance will help guarantee the equal treatment of economic operators throughout the EU, while improving the transparency of relevant customs activities. Customs formalities contain both personal and commercially sensitive data. Any business and technical data requirements under the initiative will ensure broad coverage of the processing of personal data as a fundamental human right in accordance with Regulation (EU) 2016/679<sup>26</sup> and Regulation (EU) 2018/1725<sup>27</sup>.

<sup>26</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

<sup>27</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

#### **4. BUDGETARY IMPLICATIONS**

The financial and human resources required are included in the attached financial statement.

#### **5. OTHER ELEMENTS**

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

The Commission will ensure that arrangements are in place to monitor and evaluate the functioning of the EU Single Window Environment for Customs. Regular monitoring will rely as far as possible on EU-level sources, such as disaggregated reports on Customs Union Performance and EU CSW-CERTEX business and IT deliverables and statistics. National customs administrations will be consulted to determine whether and to what extent it will also be possible to use other sources.

By 31 December 2027 and every three years thereafter, the Commission should submit to the European Parliament and the Council a report on the functioning of the EU Single Window Environment for Customs, including an overall evaluation of the EU CSW-CERTEX system. Given that some elements of digital cooperation will not yet be fully applicable at the time of the first evaluation, the focus will be to take stock of progress, identify areas for improvement and come up with recommendations for the future. The second evaluation will take a more summative approach. The Commission will evaluate the functioning of the EU Single Window Environment for Customs in light of the improved digital collaboration between customs and partner competent authorities involved in goods clearance, to ensure simplified processes for economic operators and the efficient enforcement of EU non-customs formalities.

The monitoring indicators are expected to be collected where possible on an ongoing basis by the EU CSW-CERTEX system. For evaluation purposes, annual statistics will be compiled and compared between successive years. Where possible, a comparison with the baseline situation taken as the trend or average of the three years that precede the entry into application can be used.

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

The proposal for a Regulation has the following structure:

##### **Chapter I - General Provisions**

Chapter I sets out the general provisions for this Regulation, including its subject matter and definitions of key terms. It establishes the EU Single Window Environment for Customs as an integrated set of interoperable electronic services delivered at EU and national level. These services are intended to help fulfil and enforce Union non-customs formalities required for placing the goods under a given customs procedure in order to facilitate trade and further protect the Union. The general and specific objectives of the legislative proposal define the scope of the EU Single Window Environment for Customs and set the context for regulating the electronic services that will ensure its accurate and efficient functioning.

More concretely, this involves: 1) creating a central EU system to interconnect the national single window environments for customs and EU non-customs systems, enabling digital cooperation between the regulatory authorities involved in the clearance of goods, 2)

harmonising the national single window environments for customs and their functionalities, and 3) establishing specific rules for digital administrative cooperation.

## **Chapter II - EU Customs Single Window Certificate Exchange System (EU CSW-CERTEX)**

Chapter II sets out the provisions for the central EU Customs Single Window Certificate Exchange System (EU CSW-CERTEX). It provides for EU CSW-CERTEX to be established as a real time interface between national single window environments for customs and EU non-customs systems.

EU CSW-CERTEX will be developed and maintained jointly by the Commission and the Member States. It will cover EU non-customs formalities digitalised at EU level, for which the relevant information required by customs for clearance is provided by all partner competent authorities at an EU system. These formalities are specified in the Annex<sup>28</sup> to the Regulation and may be amended by means of delegated acts. The Commission will connect EU CSW-CERTEX to the respective EU non-customs systems, and the Member States will connect it to the national single window environments for customs.

The personal data exchanged between the national single window environment for customs and EU non-customs systems will be processed in EU CSW-CERTEX without being stored. This processing will take place for two main purposes: to facilitate information sharing between the national environments for customs and EU non-customs systems, and to perform data transformation, where necessary, to run processes seamlessly across customs and non-customs digital domains. The categories of data subjects requiring personal data processing comprise natural persons, including authorised staff of customs, partner competent authorities or any other certified body whose information is contained in the customs declaration or the supporting documents required to fulfil all EU non-customs formalities covered by EU CSW-CERTEX. An additional category of data subjects includes the Commission staff and any third party providers acting on its behalf involved in operational and maintenance activities related to EU CSW-CERTEX. The Commission and Member States will be joint controllers of the processing of personal data in EU CSW-CERTEX in accordance with Regulations (EU) 2016/679 and (EU) 2018/1725.

## **Chapter III - National Single Window Environments for Customs**

Chapter III sets out the provisions for the national components of the EU Single Window Environment for Customs, which, for the purposes of this Regulation, are called national single window environments for customs. Each Member State will be responsible for developing, implementing and maintaining the accurate and efficient functioning of the national single window environments for customs.

To ensure harmonised compliance and enforcement of EU non-customs regulatory requirements, the national single window environments for customs will focus on enabling customs authorities to automatically verify these formalities, and allowing partner competent authorities to perform quantity management of authorised goods based on their release by customs.

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<sup>28</sup> In particular, EU CSW-CERTEX should initially cover sanitary and phytosanitary requirements, rules regulating the import of organic products, environmental requirements in relation to fluorinated greenhouse gases and ozone depleting substances, and formalities related to the import of cultural goods.

To further align compliance processes and facilitate trade, the national single window environments for customs will become a single communication channel where economic operators will fulfil the relevant customs and specific EU non-customs formalities required for placing the goods under customs procedures. This facilitation mechanism will enable economic operators to submit to a single point both customs and EU non-customs data required by the multiple authorities involved in goods clearance. This will lead to reductions in duplication, time and cost of compliance for economic operators. The EU non-customs formalities subject to this specific facilitation measure are a subset of the overarching formalities listed in the Annex that will be identified by the Commission by means of implementing acts following the assessment of a set of criteria relevant to trade facilitation as well as legal and technical feasibility. The national single window environments for customs may also serve as platforms for 'coordinating' respective controls, providing a one-stop-shop solution in line with Article 47(1) of Regulation (EU) No 952/2013.

The processing of personal data within the national single window environment for customs will be carried out in accordance with Regulation (EU) 2016/679. Each Member State will be the sole controller of the data processing operations within their respective environment and will notify the Commission in case of any personal data breach compromising the security, confidentiality, availability or integrity of the personal data.

#### **Chapter IV - Digital Cooperation: Information Exchange and Other Procedural Rules**

Chapter IV contains the key provisions for the efficient functioning of the EU Single Window Environment for Customs. This chapter is divided into three main sections corresponding to different aspects of the digital cooperation and information sharing between customs, partner competent authorities and economic operators as explained below.

Section 1 sets out rules for the exchange of information between national single window environments for customs and EU non-customs systems processed through EU CSW-CERTEX applicable to all EU non-customs formalities listed in the Annex. These information exchanges will serve the following purposes:

1. making the relevant data available to customs authorities to better enforce non-customs regulatory policies through the automated verification of these formalities;
2. providing the relevant data to partner competent authorities so they can monitor and determine the remaining quantity of authorised goods that have not been written off by customs in the clearance of other consignments;
3. facilitating the integration of customs and EU non-customs procedures for a fully automated goods clearance process, supporting the implementation of “one-stop shop” solutions;
4. enabling automated data sharing between customs and partner competent authorities prescribed by EU legislation.

Where necessary, EU CSW-CERTEX will also perform transformation of data for purposes of system and business interoperability.

Section 2 sets out additional provisions that apply only to the subset of EU non-customs formalities covered by EU CSW-CERTEX, which should be identified by the Commission by assessing if a set of relevant criteria have been met. The additional facilitation measures

for these specific formalities require the national single window environments for customs to become a single communication channel where economic operators will fulfil both customs and EU non-customs formalities. This solution will simplify clearance procedures and address key problems, such as the need to submit similar information to multiple authorities through multiple systems for the same movements of goods. In particular, economic operators will be able to submit all the required data for placing the goods under customs procedures and receive electronic feedback at a single point from the involved regulatory authorities.

The Commission will determine a framework for data harmonisation and rationalisation to enable the reuse of data provided by economic operators in line with the ‘reporting only-once principle’. More concretely, it will define the common data elements between the customs declaration and the application for supporting documents and identify the additional data elements that are required only by EU non-customs legislation. For the purposes of this Regulation, the latter will be referred to as a ‘partner competent authority (PCA) data set(s)’. The customs declaration data and the PCA data set(s) will constitute an integrated declaration containing all clearance related information needed to fulfil the customs and EU non-customs formalities concerned. Among other possibilities, this streamlined approach could enable economic operators to jointly submit all required data for placing the goods under customs procedures. From a procedural and timing standpoint, this can be achieved in line with Article 171 of Regulation (EU) No 952/2013, which allows for the customs declaration to be submitted prior to the presentation of the goods. The submission of the customs declaration together with the relevant PCA data set(s) means that the economic operator is simultaneously declaring the goods for a customs procedure and applying for the required supporting documents.

EU CSW-CERTEX will forward the relevant data from the national single window environment for customs to the appropriate EU non-customs systems to make them available to partner competent authorities to perform their duties. Upon receipt, partner competent authorities will review the information sent to them and provide their clearance decisions to customs via EU CSW-CERTEX. In turn, customs authorities will forward this information to the economic operator. The EORI number will be used as the identifier for sharing and cross-referencing information related to these exchanges.

To help implement this Regulation, additional procedural rules are introduced in Section 3 on all EU non-customs formalities required for international trade. These involve the use of the Economic Operator Registration and Identification system (EORI) by partner competent authorities and the appointment of national coordinators.

An EORI number is assigned to each economic operator engaged in customs operations as an identifier for all dealings with customs authorities in the EU. The Commission maintains a central EORI system to store and handle EORI related data. To facilitate collaboration between the different authorities involved in the goods clearance process, partner competent authorities will be granted access to the EORI system for validation purposes. This means that they can request the EORI number from economic operators in the context of their formalities and validate it against the EORI system.

Each Member State will appoint a competent authority as the national coordinator to assist the parties involved in all matters relating to the EU Single Window Environment for Customs. The national coordinator will be the contact point for the Commission, while promoting cooperation at national level and ensuring that the respective national environments are connected to the EU CSW-CERTEX in order to effectively implement this Regulation.

## **Chapter V - Costs of EU CSW-CERTEX, work programme, and monitoring and reporting**

Chapter V contains the provisions related to the allocation of costs, the establishment of a work programme, and monitoring and reporting.

All costs associated with developing, integrating and operating EU CSW-CERTEX, including its interfaces with EU non-customs systems will be borne by the Commission, while the Member States will incur the costs relating to the interfaces of EU CSW-CERTEX with the national single window environments for customs. By 31 December 2027 and every three years thereafter, the Commission will submit an assessment report on the functioning of the EU Single Window Environment for Customs to the European Parliament and the Council. The Member States will be responsible for providing the information required to produce this report.

The Commission will prepare a work programme to support the phased implementation of the provisions associated with the EU non-customs formalities listed in the Annex.

## **Chapter VI - Procedures for adoption of implementing and delegated acts, amendments to and final provisions**

Chapter VI sets out the provisions for adopting delegated and implementing acts in accordance with Articles 290 and 291 TFEU, two amendments to Regulation (EU) No 952/2013 and the entry into force and application.

As set out in Article 3 of Regulation (EU) No 952/2013, the mission of customs authorities to facilitate legitimate trade and to ensure the security and safety of the EU and its residents, and the protection of the environment in close cooperation with other authorities where appropriate is in line with the objectives of this Regulation. For this reason, the definition of customs legislation laid down in Article 5(2) of Regulation (EU) No 952/2013 will be amended to include a new point (e) referencing this Regulation and the provisions supplementing or implementing it.

The second amendment adds a subparagraph to Article 163(1) introducing the presumption that the supporting documents certifying compliance with EU non-customs formalities covered by EU CSW-CERTEX are in the declarant's possession and at the disposal of the customs authorities at the time when the customs declaration is lodged. This obligation is deemed to be fulfilled since customs authorities will be able to obtain through EU CSW-CERTEX the data required for clearance based on the information exchanges outlined above.

The Regulation will enter into force 20 days after its publication in the Official Journal of the EU. The articles relating to the integration into EU CSW-CERTEX of the EU non-customs formalities listed in the Annex will apply progressively on the dates specified for each formality therein. The articles concerning the additional facilitation measures affecting the specific EU non-customs formalities to be identified by the Commission by the means of implementing acts will apply as from 1 January 2031.

## **The Annex**

The Annex to this Regulation will contain the list of EU non-customs formalities required for the international trade in goods, whose respective systems will be connected to EU CSW-CERTEX in order to exchange information with the national single window environments for



customs. This list will contain the EU non-customs systems and the relevant EU legislation in force governing the formalities covered by this Regulation. These formalities will be integrated into the EU Single Window Environment for Customs through a phased implementation until 3 March 2025. The Annex may be amended by delegated acts, with an objection right for the European Parliament and the Council.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Union Single Window Environment for Customs and  
amending Regulation (EU) No 952/2013**

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 Articles 33, 114 and 207 thereof,

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee<sup>29</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Union's international trade is subject to both customs legislation and Union non-customs legislation. The latter is applicable to specific goods in policy areas such as health and safety, the environment, agriculture, fisheries, cultural heritage and market surveillance. One of the main tasks assigned to customs authorities in line with Regulation (EU) No 952/2013 of the European Parliament and of the Council<sup>30</sup> is to ensure the security and safety of the Union and its residents, and the protection of the environment, where appropriate, in close cooperation with other authorities. The authorities responsible for Union non-customs regulatory formalities ('partner competent authorities') and customs authorities often work in silos, creating complex and burdensome reporting obligations for traders and inefficient goods clearance processes conducive to error and fraud. To address the fragmented interoperability between customs and partner competent authorities in the management of goods clearance processes and to coordinate action in this area, the Commission and the Member States have taken a number of commitments over the years to develop single window initiatives for the clearance of goods.
- (2) In accordance with Article 4(6) of Decision No 70/2008/EC of the European Parliament and of the Council<sup>31</sup>, the Member States and the Commission are to

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<sup>29</sup> OJ C [...], [...], p. [...]

<sup>30</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

<sup>31</sup> Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade (OJ L 23, 26.01.2008, p. 21).

endeavour to establish and make operational a framework of single window services. As stated in the final report on Evaluation of the electronic customs implementation in the EU of 21 January 2015<sup>32</sup>, while certain elements of that Decision remain highly relevant, other parts either have been superseded or are not concrete enough to encourage and incentivise further advances, in particular on the single window initiative. Following up on this, the Council Conclusions of 17 December 2014 on Electronic Customs and Single Window Implementation in the European Union<sup>33</sup> endorsed the Venice Declaration of 15 October 2014<sup>34</sup> and invited the Commission to present a proposal for the revision of Decision No 70/2008/EC.

- (3) On 1 October 2015, the Council adopted Decision (EU) 2015/1947<sup>35</sup> approving, on behalf of the Union, the Agreement on Trade Facilitation, which entered into force on 22 February 2017. That agreement represents the most extensive effort at trade facilitation and customs reform under the World Trade Organisation. It contains provisions that aim to significantly improve goods clearance and the effective cooperation between customs and other regulatory authorities on trade facilitation and customs compliance issues. In accordance with Article 10(4) of the agreement, members are to endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for the import, export or transit of goods through a single entry point to the participating authorities or agencies.
- (4) Trade facilitation, and safety and security, concern all authorities involved in the goods clearance process across Union borders. The rapid rise in international trade has increased the need for better cooperation and coordination among those authorities. The ongoing process of digitalisation allows this situation to be addressed more efficiently by connecting the systems of customs and partner competent authorities and enabling a systematic automated exchange of information between them. As such, the current framework of regulatory compliance is insufficient to support an effective interaction between customs and partner competent authorities, whose systems and procedures are characterised by fragmentation and redundancy. A fully coordinated and efficient goods clearance process requires a streamlined Union regulatory environment for international trade that delivers long-term benefits to the Union and its residents in all policy areas.
- (5) The EU eGovernment action plan 2016-2020 set out in Commission Communication of 19 April 2016<sup>36</sup> seeks to increase the efficiency of public services by removing existing digital barriers, reducing the administrative burden and improving the quality of interactions between national administrations. In line with this vision and the wider efforts to simplify and digitalise reporting processes for the international trade in goods, the Commission developed a voluntary pilot project called European Union

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<sup>32</sup> Final report prepared by Coffey International Development, Europe Economic Research Ltd and Ramboll Management Consulting on request of the Commission.

<sup>33</sup> ST16507/14.

<sup>34</sup> Annex to the Council Conclusions of 17 December 2014.

<sup>35</sup> Council Decision (EU) 2015/1947 of 1 October 2015 on the conclusion, on behalf of the European Union, of the Protocol Amending the Marrakesh Agreement establishing the World Trade Organisation (OJ L 284, 30.10.2015, p. 1).

<sup>36</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, EU eGovernment Action Plan 2016-2020 - Accelerating the digital transformation of government, COM(2016) 179 final of 19 April 2016.

Customs Single Window Certificates Exchange. This project allows customs authorities to automatically verify compliance with a limited number of non-customs formalities, enabling information to be exchanged between the customs systems of participating Member States and the respective Union non-customs systems managing non-customs formalities. While the project has improved clearance procedures, its voluntary nature clearly limits its potential to generate substantial benefits for customs authorities, partner competent authorities and economic operators.

- (6) To achieve a fully digital environment and an efficient goods clearance process for all parties involved in international trade, it is necessary to establish common rules for a harmonised and integrated European Union Single Window Environment for Customs (EU Single Window Environment for Customs). This environment should include a set of fully integrated electronic services delivered at Union and national level to facilitate information sharing and digital cooperation between customs and partner competent authorities and to streamline goods clearance processes for economic operators. The EU Single Window Environment for Customs should be developed in alignment with the possibilities for trustworthy identification and authentication offered by the eIDAS Regulation<sup>37</sup> and the once-only principle where appropriate, as reiterated in the Single Digital Gateway Regulation<sup>38</sup>. To implement the EU Single Window Environment for Customs, it is necessary to establish, on the basis of the pilot project, a certificates exchange system, the EU Customs Single Window Certificates Exchange System (EU CSW-CERTEX), that interconnects national single window environments for customs and Union non-customs systems managing specific non-customs formalities. It is also necessary to harmonise national single window environments for customs, integrate those environments into the EU Single Window Environment for Customs, and establish a set of rules on digital administrative cooperation within the EU Single Window Environment for Customs.
- (7) The exchanges of digital information through EU CSW-CERTEX should cover Union non-customs formalities laid down in Union legislation that customs authorities are entrusted to enforce. Those formalities impose different obligations for the import, export or transit of certain goods, and their verification through customs controls is fundamentally important to the effective functioning of the EU Single Window Environment for Customs. EU CSW-CERTEX should cover digitalised regulatory formalities laid down in Union legislation and managed by partner competent authorities in electronic Union non-customs systems, storing the relevant information from all Member States required for goods clearance. It is therefore appropriate to identify the Union non-customs formalities which should be subject to digital cooperation through EU CSW-CERTEX. In particular, EU CSW-CERTEX should initially cover sanitary and phytosanitary requirements, rules regulating the import of organic products, environmental requirements in relation to fluorinated greenhouse gases and ozone depleting substances, and formalities related to the import of cultural goods.

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<sup>37</sup> Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

<sup>38</sup> Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1).

- (8) EU CSW-CERTEX should facilitate information sharing between the national single window environments for customs and Union non-customs systems. This means that when an economic operator submits a customs declaration requiring the compliance of Union non-customs formalities, customs authorities and partner competent authorities may automatically and effectively exchange and verify the required information for the customs clearance process. An improved digital cooperation and coordination between customs authorities and partner competent authorities should lead to more integrated, faster and simpler paperless processes for goods clearance and better enforcement of and compliance with Union non-customs formalities.
- (9) The Commission, in collaboration with the Member States, should develop, integrate, deploy and maintain EU CSW-CERTEX. To deliver appropriate and harmonised single window services at Union level for Union non-customs formalities, the Commission should connect the respective Union non-customs systems with EU CSW-CERTEX. Member States should be responsible for connecting their national single window environments for customs with EU CSW-CERTEX.
- (10) Any processing of personal data in EU CSW-CERTEX should facilitate information sharing between the national environments for customs and Union non-customs systems without any storing of data. It should also transform data, where necessary, to enable information exchange between both digital domains. The information technology facilities used for data transformation should be located in the Union.
- (11) Depending on the type of non-customs formality, the electronic information to be exchanged through EU CSW-CERTEX might contain different categories of data subjects and their personal data required to lodge the customs declaration or to apply for supporting documents. Customs declarations might contain personal data of several categories of data subjects, including exporters, importers, consignees, and additional supply chain actors. Supporting documents might contain the same information for other categories of data subjects, such as consignors, exporters, consignees, importers and licensees. A third category of data subjects whose personal data might be processed in EU CSW-CERTEX includes authorised staff of customs authorities, partner competent authorities or any other certified body, as well as Commission staff and any third party providers acting on its behalf involved in EU CSW-CERTEX operational and maintenance activities.
- (12) Where personal data is processed by two or more entities who jointly determine the purpose and means of processing, those entities should be joint controllers. Since the Commission and the Member States are responsible for the functioning of EU CSW-CERTEX, they should be joint controllers of the processing of personal data in EU CSW-CERTEX in accordance with Regulations (EU) 2018/1725<sup>39</sup> and (EU) 2016/679 of the European Parliament and of the Council<sup>40</sup>.

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<sup>39</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

<sup>40</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

- (13) The increased digitalisation of customs and Union non-customs regulatory formalities applicable to international trade has opened up new opportunities for Member States to improve the digital cooperation between customs and partner competent authorities. In pursuit of those priorities, several Member States have started to develop frameworks for national single window environments for customs. Those initiatives differ substantially depending on the level of existing customs information technology architecture, priorities and cost structures. It is therefore necessary to require Member States to establish and operate national single window environments for customs for Union non-customs formalities covered by EU CSW-CERTEX. Those environments should constitute the national components of the EU Single Window Environment for Customs, enabling electronic information sharing and collaboration between customs, partner competent authorities and economic operators to ensure compliance with and efficient enforcement of customs legislation and Union non-customs formalities covered by EU CSW-CERTEX. In line with this objective, the national single window environments for customs should enable the automated verification by customs authorities of formalities in respect of which data is transmitted from the respective Union non-customs system through EU CSW-CERTEX. The national single window environments for customs should also allow partner competent authorities to monitor and control the quantities of authorised goods ('quantity management') that have been released by customs through the Union. This should be ensured by providing the necessary clearance information to the Union non-customs systems through EU CSW-CERTEX. In practical terms, quantity management at Union level is necessary to enable a better enforcement of non-customs regulatory formalities by automatically and consistently monitoring the consumption of authorised quantities for the release of goods, avoiding their overuse or mishandling.
- (14) To further simplify goods clearance processes for economic operators, the national single window environments for customs should become a single channel to communicate with customs and partner competent authorities. The Union non-customs formalities subject to this additional facilitation measure are a subset of the overarching formalities covered by EU CSW-CERTEX. The Commission should identify those formalities progressively by assessing the fulfilment of a set of criteria relevant to trade facilitation, taking into account their legal and technical feasibility. In order to further enhance trade facilitation, it should be possible to use the national single window environments for customs as a platform for coordinating controls between customs authorities and partner competent authorities in line with Article 47(1) of Regulation (EU) No 952/2013.
- (15) Each Member State should be the sole controller of the data processing operations performed within its national single window environment for customs. The data processing operations should be performed in accordance with Regulation (EU) 2016/679. Given that some of the data originating from the national single window environment for customs is to be exchanged with Union non-customs systems through EU CSW-CERTEX, each Member State should be required to notify the Commission in case of any personal data breach compromising the security, confidentiality, availability or integrity of the personal data processed within its environment.
- (16) A fully coordinated goods clearance process requires procedures that support digital cooperation and information sharing between customs authorities, partner competent authorities and economic operators to fulfil and enforce Union non-customs formalities covered by EU CSW-CERTEX. Interoperability means the capability to

run these processes seamlessly across customs and non-customs systems and domains without losing the context or meaning of the data exchanged. To enable a fully automated verification of Union non-customs formalities, EU CSW-CERTEX should ensure technical interoperability as well as consistent meaning. It is important to align customs and non-customs terminology to ensure that the exchanged data and information is preserved and understood throughout the exchanges between Union non-customs systems and national single window environments for customs. In addition, to ensure a harmonised enforcement of Union non-customs formalities across the Union, EU CSW-CERTEX should identify the customs procedures for which the supporting documents can be used based on the administrative decisions indicated by the partner competent authority in the supporting documents. From a technical perspective, EU CSW-CERTEX should make customs and non-customs data compatible by converting their format or structure where necessary, without changing their content.

- (17) In view of the Union non-customs formalities covered, EU CSW-CERTEX should serve several purposes. It should make available the relevant data to customs authorities to better enforce Union non-customs regulatory policies through the automated verification of those formalities. It should provide the relevant data to partner competent authorities to monitor and determine the remaining quantity of authorised goods not written off by customs in the clearance of other consignments. It should also support the implementation of the ‘one-stop shop’ principle for the performance of controls referred to in Article 47(1) of Regulation (EU) No 952/2013, by facilitating the integration of customs and Union non-customs procedures for a fully automated goods clearance process. Some legal acts of the Union may require data transfers between national customs systems and the information and communication system established in the relevant act. EU CSW-CERTEX should therefore enable automated data sharing between customs authorities and partner competent authorities where required by those acts.
- (18) To establish a single communication channel with the authorities involved in goods clearance, the national single window environments for customs should allow economic operators to submit the necessary data required by customs legislation and Union non-customs legislation at a single point and receive any related information from the authorities involved directly from that point. The single communication channel should be used only for the Union non-customs formalities covered by EU CSW-CERTEX and identified as suitable for additional facilitation measures.
- (19) There is a significant overlap between the data included in the customs declaration and the data included in the application for supporting documents. To enable the re-use of data so that economic operators do not need to provide the same data more than once, it is necessary to reconcile and rationalise the data requirements for customs and the Union non-customs formalities covered by EU CSW-CERTEX. The Commission should therefore identify the data elements included in both the customs declaration and the application for supporting documents. The Commission should also identify the data elements that are required only by Union non-customs legislation (‘partner competent authority (PCA) data set(s)’). The customs declaration data and the PCA data set(s) should constitute an integrated declaration including all clearance related information needed to fulfil the customs and Union non-customs formalities covered by EU CSW-CERTEX.

- (20) To allow economic operators to fulfil customs and non-customs formalities affecting the same goods movements, the national single window environments for customs should enable them to submit all data required by multiple regulatory authorities for placing the goods under customs procedures through an integrated declaration. It should be possible to submit such data together with the customs declaration lodged prior to the expected presentation of the goods to customs, in accordance with Article 171 of Regulation (EU) No 952/2013.
- (21) To transmit the information provided by the economic operators at the national single window environments for customs to all authorities concerned, EU CSW-CERTEX should enable the necessary exchanges of information between the customs and non-customs domains. In particular, EU CSW-CERTEX should receive the data required for fulfilling the applicable Union non-customs formalities from the national single window environments for customs and distribute it to the respective Union non-customs system. This exchange should enable partner competent authorities to review the information transmitted to the respective Union non-customs systems and take their clearance decisions that should be forwarded to customs via EU CSW-CERTEX. Customs authorities, in turn, should make this information available to the economic operators through the national single window environments for customs. The EORI number should be used as the identifier for sharing and cross-referencing the information related to these exchanges.
- (22) In accordance with Article 9 of Regulation (EU) No 952/2013, an EORI number is assigned to each economic operator engaged in customs operations as an identifier for all dealings with customs authorities in the Union. The Commission maintains a central EORI system to store and handle EORI related data. To facilitate collaboration between the different authorities involved in the goods clearance process, partner competent authorities should have access to the EORI system to validate the EORI number that they can request from economic operators in the context of their formalities.
- (23) Close cooperation between the Commission and the Member States is essential to coordinate all activities associated with the effective functioning of the EU Single Window Environment for Customs. Given the broad and diverse scope of those activities, it is necessary for each Member State to appoint a competent authority as national coordinator. The national coordinator should be the contact point for the Commission, and should promote cooperation at national level, while ensuring system interoperability. The Commission should provide coordination where necessary, and help ensure the efficient enforcement of Union non-customs formalities.
- (24) The development of the EU Single Window Environment for Customs entails various implementation costs. It is important to allocate those costs between the Commission and the Member States in the most appropriate way depending on the type of services provided. The Commission should incur costs related to the development, maintenance and operation of the central component of the EU Single Window Environment for Customs, EU CSW-CERTEX, and its interfaces with Union non-customs systems. The Member States should incur costs related to their role in ensuring interfaces with EU CSW-CERTEX and developing, maintaining and operating the national single window environments for customs.



- (25) Detailed planning is required to progressively integrate various Union non-customs formalities from diverse policy areas into EU CSW-CERTEX. To that end, the Commission should prepare a work programme to incorporate those formalities into EU CSW-CERTEX and to develop connections between the Union non-customs systems processing those formalities and EU CSW-CERTEX. The main objective of the work programme should be to support the operational requirements and implementation timeline of these activities. The work programme should be reviewed regularly to assess overall progress in applying the provisions of this Regulation.
- (26) The Commission should regularly monitor the functioning of the EU Single Window Environment for Customs to evaluate the performance of EU CSW-CERTEX and to ensure the efficient enforcement of Union non-customs formalities covered by EU CSW-CERTEX. The Commission should submit regular assessment reports on the functioning of the EU Single Window Environment for Customs to the European Parliament and to the Council. Those reports should take stock of progress, identify areas for improvement and propose recommendations for the future in light of progress made towards an improved digital collaboration between customs and partner competent authorities involved in goods clearance to ensure simplified processes for economic operators and the efficient enforcement of Union non-customs formalities.
- (27) To ensure an efficient and effective functioning of the EU Single Window Environment for Customs, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU) should be delegated to the Commission in respect of amendments to the list of Union non-customs formalities covered by EU CSW-CERTEX; specification of the data elements to be exchanged through EU CSW-CERTEX and identifying the data elements that are common to both the customs declaration and the application for supporting documents together with the PCA data set for each of the relevant Union act applicable to Union non-customs formalities integrated into EU CSW-CERTEX. It is of particular importance that the Commission carry 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 of 13 April 2016 on Better Law-Making<sup>41</sup>. 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.
- (28) To ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards the establishment of the respective responsibilities of the joint controllers for compliance with the obligations under Regulations (EU) 2016/679 and (EU) 2018/1725; adoption of specific rules for the information exchange to be processed through EU CSW-CERTEX, including, where appropriate, any specific rules to ensure the protection of personal data; determining the Union non-customs formalities integrated into EU CSW-CERTEX that may be subject to additional digital cooperation; adoption of procedural arrangements for the additional exchanges of information processed through EU CSW-CERTEX, including, where appropriate, any specific rules governing the

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<sup>41</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1).

protection of personal data and adoption of a work programme to support the implementation of the provisions related to the connection of the relevant Union non-customs systems to EU CSW-CERTEX and the integration of the respective Union non-customs formalities. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>42</sup>.

- (29) Regulation (EU) No 952/2013 should be amended so as to integrate the EU Single Window Environment for Customs into the concept of customs legislation, and to better integrate customs and Union non-customs procedures by enabling them to run simultaneously. Firstly, since this Regulation puts in place a mechanism for customs authorities to enforce regulatory formalities affecting the goods clearance process, it is necessary to include it and its supplementing and implementing provisions in the definition of customs legislation set out in point 2 of Article 5 of Regulation (EU) No 952/2013. This approach is in line with Article 3 of Regulation (EU) No 952/2013, which entrusts customs authorities with the task of ensuring the security and safety of the Union and its residents in close cooperation with other authorities where appropriate, while facilitating trade. Secondly, Article 163(1) of Regulation (EU) No 952/2013 stipulates that the supporting documents required to apply the provisions governing the relevant customs procedure are to be in the declarant's possession and at the disposal of the customs authorities at the time when the customs declaration is lodged. Since customs authorities will be able to obtain through EU CSW-CERTEX the necessary data associated with Union non-customs formalities, this obligation should be deemed to be fulfilled, and Article 163(1) of Regulation (EU) No 952/2013 should therefore be amended accordingly.
- (30) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 and delivered an opinion on xx/xx/202x.
- (31) The integration of Union non-customs formalities into EU CSW-CERTEX requires implementing new information technology infrastructure to establish connections between the national single window environments for customs and Union non-customs systems, identifying the data to be exchanged, and developing technical and functional specifications. The timing needed to advance these developments at Union and national level should therefore be taken into consideration for the application of this Regulation. Furthermore, the implementation of additional digital cooperation measures is expected to take substantially longer as it requires prior identification of the Union non-customs formalities concerned together with the relevant technical developments. It is therefore necessary to defer the application of certain provisions of this Regulation.
- (32) Since the objectives of this Regulation, namely the improved enforcement of Union regulatory requirements across Union borders and facilitation of international trade, cannot be sufficiently achieved by the Member States alone due to the inherently transnational nature of the movement of goods across borders and its complexity, but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on

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<sup>42</sup> 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).

European Union. In accordance with the principle of proportionality set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

## **Chapter I**

### **General provisions**

#### *Article 1*

##### **Subject matter**

This Regulation establishes a European Union Single Window Environment for Customs that provides an integrated set of interoperable electronic services at Union and national level through the European Union Customs Single Window Certificates Exchange System to support interaction and information exchange between the national single window environments for customs and the Union non-customs systems referred to in the Annex.

It lays down rules for the national single window environments for customs and rules on digital administrative cooperation and information sharing within the European Union Single Window Environment for Customs.

#### *Article 2*

##### **Definitions**

For the purposes of this Regulation, in addition to the definitions in Article 5, points (1), (2), (5), (8), (12), (15) and (16), of Regulation (EU) No 952/2013, the following definitions shall apply:

- (1) ‘national single window environment for customs’ means a set of electronic services delivered by a Member State to enable information to be exchanged between the electronic systems of customs authorities, partner competent authorities and economic operators;
- (2) ‘partner competent authority’ means any Member State authority or the Commission empowered to perform a designated function in relation to the fulfilment of the relevant Union non-customs formalities;
- (3) ‘Union non-customs formality’ means any formality for the international trade in goods laid down in Union legislation other than customs legislation;
- (4) ‘supporting document’ means any certificate, attestation, declaration of conformity, licence or permit issued by partner competent authorities to certify that Union non-customs formalities have been fulfilled;
- (5) ‘quantity management’ means the activity of monitoring and managing the quantity of goods authorised by partner competent authorities in accordance with Union non-customs

legislation based on the information provided by customs authorities on the clearance of related consignments;

(6) ‘Union non-customs system’ means any Union electronic system that stores information from all relevant partner competent authorities, which is needed by customs authorities to verify compliance with the respective Union non-customs formalities.

### *Article 3*

#### **European Union Single Window Environment for Customs**

A European Union Single Window Environment for Customs is hereby established. It shall include the European Union Customs Single Window Certificates Exchange System, national single window environments for customs and the Union non-customs systems referred to in the Annex.

## **Chapter II**

### **European Union Customs Single Window Certificates Exchange System**

### *Article 4*

#### **Establishment of the European Union Customs Single Window Certificates Exchange System**

An electronic European Union Customs Single Window Certificates Exchange System (EU CSW-CERTEX) is hereby established. EU CSW-CERTEX shall connect the national single window environments for customs with the Union non-customs systems referred to in the Annex.

### *Article 5*

#### **Roles and responsibilities for EU CSW-CERTEX**

1. The Commission, in collaboration with the Member States, shall develop, integrate and operate EU CSW-CERTEX.
2. The Commission shall connect the Union non-customs systems referred to in the Annex with EU CSW-CERTEX and enable information to be exchanged on the Union non-customs formalities listed in the Annex.
3. The Member States shall connect the national single window environments for customs with EU CSW-CERTEX and enable information to be exchanged on the Union non-customs formalities listed in the Annex.
4. The Commission is empowered to adopt delegated acts in accordance with Article 21 amending the Annex, in particular to cover other Union non-customs formalities.

## *Article 6*

### **Processing of personal data in EU CSW-CERTEX**

1. Processing of personal data may take place in EU CSW-CERTEX only for the following purposes:
  - (a) enabling information to be exchanged between national single window environments for customs and the Union non-customs systems referred to in the Annex as regards the Union non-customs formalities listed therein;
  - (b) performing the transformation of data listed in Article 10(2), where necessary, to enable the exchange of information referred to in this paragraph, point (a).
2. EU CSW-CERTEX may process personal data only on the following categories of data subjects:
  - (a) natural persons whose personal information is contained in the customs declaration;
  - (b) natural persons whose personal information is contained in the supporting documents, or in any other additional documentary evidence required for the fulfilment of the Union non-customs formalities listed in the Annex;
  - (c) authorised staff of customs authorities, partner competent authorities, consignment verification authorities or any other relevant authority or authorised body whose personal information is contained in any documents referred to in points (a) and (b);
  - (d) Commission staff and third party providers acting on behalf of Commission that perform EU CSW-CERTEX-related operations and maintenance activities.
3. EU CSW-CERTEX may process only the following categories of personal data:
  - (a) name, address, country code and identification number of the natural persons referred to in paragraph 2, points (a) and (b), required either by customs legislation or by Union non-customs legislation to fulfil their respective formalities;
  - (b) name and signature of the authorised staff referred to in paragraph 2, points (c) and (d).
4. EU CSW-CERTEX shall not store any information exchanged between the national single window environments for customs and Union non-customs systems.
5. The transformation of personal data referred to in paragraph 1, point (b), shall be performed using information technology infrastructure located in the Union.

## *Article 7*

### **Joint controllership of EU CSW-CERTEX**

1. As regards the processing of personal data in EU CSW-CERTEX, the Commission shall be a joint controller within the meaning of Article 28(1) of Regulation (EU) 2018/1725, and customs authorities and partner competent authorities shall be joint controllers within the meaning of Article 26(1) of Regulation (EU) 2016/679.
2. The Commission shall, by means of implementing acts, establish the respective responsibilities of the joint controllers to comply with the obligations under Regulations (EU) 2016/679 and (EU) 2018/1725. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(3) of this Regulation.
3. The joint controllers shall ensure that they:
  - (a) work together to process the request(s) made by the data subject(s) in a timely manner;
  - (b) assist each other in matters involving the identification and handling of any data breach related to joint processing;
  - (c) exchange the relevant information necessary to inform data subjects pursuant to Section 2 of Regulation (EU) 2016/679 and Section 2 of Regulation (EU) 2018/1725;
  - (d) ensure and protect the security, integrity, availability and confidentiality of the personal data processed jointly pursuant to Article 32 of Regulation (EU) 2016/679 and Article 33 of Regulation (EU) 2018/1725.

## **Chapter III**

### **National single window environments for customs**

#### *Article 8*

##### **Establishment of national single window environments for customs**

1. The Member States shall establish national single window environments for customs. Each Member State shall be responsible for the development, integration and operation of its single window environment for customs.
2. The national single window environments for customs shall enable the exchange of information and cooperation by electronic means between customs authorities, partner competent authorities and economic operators for the purposes of compliance with and efficient enforcement of customs legislation and the Union non-customs formalities listed in the Annex.
3. The national single window environments for customs shall provide in particular the following functionalities:
  - (a) enable customs authorities to automatically verify compliance with the Union non-customs formalities listed in the Annex based on the data received from Union non-customs systems for goods clearance purposes;

- (b) allow partner competent authorities to perform, where applicable, quantity management related to the Union non-customs formalities listed in the Annex;
  - (c) provide a single communication channel for economic operators to fulfil the relevant customs formalities and Union non-customs formalities subject to additional digital cooperation in accordance with Article 12.
- 4. The national single window environments for customs may be used as a platform to coordinate controls in accordance with Article 47(1) of Regulation (EU) 952/2013.

#### *Article 9*

#### **Personal data processing within the national single window environments for customs**

- 1. The processing of personal data within the national single window environments for customs shall take place in accordance with Regulation (EU) 2016/679 separately from the processing operations referred to in Article 6 of this Regulation.
- 2. Each Member State shall be the sole controller of the data processing operations taking place within its single window environment for customs.
- 3. Each Member State shall notify the Commission of any personal data breach that compromises the security, confidentiality, availability or integrity of the personal data processed within its single window environment for customs.

### **Chapter IV**

## **Digital cooperation - information exchange and other procedural rules**

#### **SECTION 1**

### **DIGITAL COOPERATION RELATED TO UNION NON-CUSTOMS FORMALITIES**

#### *Article 10*

#### **Information exchange processed through EU CSW-CERTEX**

- 1. For each of the Union non-customs formalities listed in the Annex, EU CSW-CERTEX shall enable information to be exchanged between the national single window environments for customs and the relevant Union non-customs systems for the following purposes:
  - (a) making available the relevant data to customs authorities to perform the necessary automated verification of those formalities in accordance with Regulation (EU) No 952/2013;

- (b) making available the relevant data to partner competent authorities to perform the quantity management of authorised goods in Union non-customs systems based on the goods declared to customs authorities and released by those authorities;
  - (c) facilitating the integration of procedures between customs and partner competent authorities for a fully automated goods clearance process and coordination of controls in accordance with Article 47(1) of Regulation (EU) No 952/2013;
  - (d) allowing any other automated data transfer between customs and the relevant partner competent authorities required by Union legislation referred to in the Annex.
2. For each of the Union non-customs formalities listed in the Annex, EU CSW-CERTEX shall provide for the following:
- (a) aligning customs and non-customs terminology where possible, and identifying the customs procedures for which the supporting documents can be used based on the administrative decisions of the partner competent authority indicated in the supporting documents;
  - (b) converting the format of data required to fulfil the relevant Union non-customs formalities into data compatible with the customs declaration and vice versa without changing their content.
3. The Commission is empowered to adopt delegated acts in accordance with Article 21 specifying the data elements to be exchanged through EU CSW-CERTEX in accordance with paragraph 1 of this Article.
4. The Commission shall, by means of implementing acts, adopt specific rules for the information exchange referred to in paragraphs 1 and 2, including, where appropriate, any specific rules to ensure the protection of personal data. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 22(2).

## SECTION 2

### ADDITIONAL DIGITAL COOPERATION RELATED TO UNION NON-CUSTOMS FORMALITIES

#### *Article 11*

##### **Streamlining the fulfilment of customs and Union non-customs formalities**

For goods subject to any of the Union non-customs formalities listed in the Annex, the national single window environments for customs shall provide the following functionalities:

- (a) allowing economic operators to submit the relevant information required for the fulfilment of the applicable customs formalities and Union non-customs formalities;



- (b) making available to economic operators the electronic feedback of goods clearance from customs and partner competent authorities responsible for the fulfilment of the applicable customs formalities and Union non-customs formalities.

## *Article 12*

### **Union non-customs formalities subject to additional digital cooperation**

1. A Union non-customs formality listed in the Annex shall be subject to Article 8(3), point (c), Articles 11 to 15 and Article 16(2) provided that the Commission has determined in accordance with paragraph 2 of this Article that such formality fulfils the criteria set out in that paragraph.
2. The Commission shall, by means of implementing acts, determine which of the Union non-customs formalities listed in the Annex fulfil the following criteria:
  - (a) there is an overlap between several data required for the application for supporting documents and the customs declaration;
  - (b) the number of supporting documents issued in the Union for the specific formality is not negligible;
  - (c) the corresponding Union non-customs system referred to in the Annex can identify the economic operator by means of the Economic Operator Registration and Identification (EORI) number;
  - (d) the applicable Union non-customs legislation allows the fulfilment of the specific formality through the national single window environments for customs in accordance with Article 11.
3. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 22(2).

## *Article 13*

### **Data harmonisation and rationalisation**

1. The Commission shall identify the common data between the customs declaration and the corresponding application for supporting documents, and identify the additional data elements subject solely to Union non-customs legislation.
2. The additional data elements referred to in paragraph 1 shall be identified by the corresponding acronym of the Union non-customs formality listed in the Annex, followed by the suffix ‘partner competent authority (PCA) data set’.
3. The customs declaration data and the additional data elements referred to in paragraph 1 required to place the goods under a specific customs procedure shall constitute an integrated declaration, containing all data needed by customs and partner competent authorities for goods clearance.

4. The Commission is empowered to adopt delegated acts in accordance with Article 21, identifying, on the one hand, the data elements that are common to both the customs declaration and the application for supporting documents and, on the other hand, the PCA data set for each of the relevant Union acts applicable to Union non-customs formalities listed in the Annex.

#### *Article 14*

##### **Submission of customs and Union non-customs data by economic operators**

1. For the purposes of Article 11, point (a), national single window environments for customs may enable economic operators to submit an integrated declaration containing the PCA data set(s) together with the customs declaration lodged prior to the presentation of the goods in accordance with Article 171 of Regulation (EU) No 952/2013.
2. The integrated declaration submitted in accordance with paragraph 1 shall constitute both the customs declaration and the application for supporting documents.

#### *Article 15*

##### **Additional information exchange processed through EU CSW-CERTEX**

1. EU CSW-CERTEX shall enable the necessary exchanges of information between national single window environments for customs and Union non-customs systems for the following purposes:
  - (a) transmitting the data that have been identified as common to the customs declaration and the corresponding application for supporting documents pursuant to Article 13(4), as well as the applicable PCA data set(s) to enable partner competent authorities to carry out their duties for the relevant formalities in accordance with Union non-customs legislation;
  - (b) transmitting to economic operators for the purposes of Article 11(b) any feedback from partner competent authorities entered in the applicable Union non-customs system(s).
2. Where an economic operator is registered with the customs authorities in accordance with Article 9 of Regulation (EU) No 952/2013, the EORI number shall be used for the exchanges of information referred to in paragraph 1.
3. The Commission shall adopt, by means of implementing acts, procedural arrangements for the exchanges of information referred to in paragraph 1, including, where appropriate, any specific rules governing the protection of personal data. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 22(2).

### **SECTION 3**

## **OTHER PROCEDURAL RULES FOR THE UNION NON-CUSTOMS FORMALITIES**

#### *Article 16*

##### **Use of the EORI system by partner competent authorities**

In carrying out their duties, partner competent authorities shall have access to the EORI system established for the purposes of Article 9 of Regulation (EU) No 952/2013, to validate the relevant data on economic operators stored in that system.

#### *Article 17*

##### **National coordinators**

Each Member State shall designate a competent authority to act as a national coordinator for the European Union Single Window Environment for Customs. The national coordinator shall carry out the following tasks:

- (a) act as the national contact point for the Commission for all matters relating to the implementation of this Regulation;
- (b) promote cooperation between customs and national partner competent authorities on a national level and coordinate the activities related to the connection between the national single window environments for customs and EU CSW-CERTEX to support implementation of this Regulation.

### **Chapter V**

## **Costs of EU CSW-CERTEX, work programme, and monitoring and reporting**

#### *Article 18*

##### **Costs**

1. The costs associated with the development, integration and operation of EU CSW-CERTEX and its interfaces with Union non-customs systems shall be borne by the Union.
2. Each Member State shall bear the costs incurred in relation to the development, integration and operation of its national single window environment for customs and its connection with EU CSW-CERTEX.

## *Article 19*

### **Work programme**

The Commission shall, by means of implementing acts, adopt a work programme to support the implementation of the provisions of this Regulation related to the connection of the Union non-customs systems referred to in the Annex to EU CSW-CERTEX and the integration of the respective Union non-customs formalities. The work programme shall be kept up to date. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 22(2).

## *Article 20*

### **Monitoring and reporting**

1. The Commission shall regularly monitor the functioning of the European Union Single Window Environment for Customs.
2. The Commission shall regularly evaluate the performance of EU CSW-CERTEX.
3. By 31 December 2027 and every three years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the implementation of this Regulation. The report shall also include information on the monitoring and evaluation carried out in accordance with paragraphs 1 and 2, respectively.
4. The Member States shall, upon request from the Commission, provide any information that is necessary for the report referred to in paragraph 3.

## **Chapter VI**

### **Procedures for adoption of implementing and delegated acts, amendments to Regulation (EU) No 952/2013 and final provisions**

## *Article 21*

### **Exercise of the delegation**

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 5(4), 10(3) and 13(4) shall be conferred on the Commission for an indeterminate period from the date of entry into force of this Regulation.
3. The delegation of power referred to in Articles 5(4), 10(3) and 13(4) 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 the 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.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Articles 5(4), 10(3) and 13(4) shall enter into force only 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 of the Council.

## *Article 22*

### **Committee procedure**

1. The Commission shall be assisted by the Customs Code Committee established by Regulation (EU) No 952/2013. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

## *Article 23*

### **Amendments to Regulation (EU) No 952/2013**

Regulation (EU) No 952/2013 is amended as follows:

(1) in Article 5(2), the following point is added:

‘(e) Regulation (EU) [...] of the European Parliament and of the Council\* and the provisions supplementing or implementing it;

\*Regulation (EU) [...] of the European Parliament and of the Council of [date] establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013 (OJ L [...], DD/MM/YYYY, p. XX).

(2) in Article 163(1), the following subparagraph is added:

‘The supporting documents for the applicable Union non-customs formalities listed in the Annex to Regulation (EU) [...] shall be deemed to be in the possession of the declarant and at the disposal of the customs authorities at the time when the customs declaration is lodged, provided that those authorities are able to obtain the necessary data from the corresponding Union non-customs system(s) through the European Union Customs Single Window

Certificates Exchange System in accordance with Article 10(1), points (a) and (c) of that Regulation’.

#### *Article 24*

#### **Entry into force and application**

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

Article 5(2) and (3), Article 8(3), points (a) and (b), and Article 10 shall apply to each of the Union non-customs formalities listed in the Annex as from the dates set out therein.

Article 8(3), point (c), Article 11, Article 13(1), (2) and (3), Article 14 and Article 15(1) and (2) shall apply from 1 January 2031.

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*

*[...]*

## **LEGISLATIVE FINANCIAL STATEMENT**

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. *Summary of estimated impact on expenditure*
  - 3.2.2. *Estimated impact on operational appropriations*
  - 3.2.3. *Estimated impact on appropriations of an administrative nature*
  - 3.2.4. *Compatibility with the current multiannual financial framework*
  - 3.2.5. *Third-party contributions*
- 3.3. *Estimated impact on revenue*

## **LEGISLATIVE FINANCIAL STATEMENT**

### **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 establishing the EU Single Window Environment for Customs and amending Regulation (EU) No 952/2013

– PLAN/2017/1149 - TAXUD

#### **1.2. Policy area(s) concerned in the ABM/ABB structure<sup>43</sup>**

- Customs Union

- eGovernment Strategy and Digitalisation

#### **1.3. Nature of the proposal/initiative**

☒ The proposal/initiative relates to **a new action**

☐ The proposal/initiative relates to **a new action following a pilot project/preparatory action**<sup>44</sup>

☐ The proposal/initiative relates to **the extension of an existing action**

☐ The proposal/initiative relates to **an action redirected towards a new action**

#### **1.4. Objective(s)**

##### *1.4.1. The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

2016 Communication from the European Commission on Developing the EU Customs Union and its Governance (COM (2016) 813 final)<sup>45</sup>

DG TAXUD Strategic plan 2016-2020<sup>46</sup>

Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the Action Plan Taking the Customs Union to the Next Level – an Agenda for Action for a strong and modern Customs Union (PLAN/2020/6296).

<sup>43</sup> ABM: activity-based management; ABB: activity-based budgeting.

<sup>44</sup> As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

<sup>45</sup> [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/com\\_2016\\_813\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/com_2016_813_en.pdf)

<sup>46</sup> [https://ec.europa.eu/info/sites/info/files/strategic-plan-2016-2020-dg-taxud\\_march2016\\_en.pdf](https://ec.europa.eu/info/sites/info/files/strategic-plan-2016-2020-dg-taxud_march2016_en.pdf)



Tallinn Declaration on eGovernment (Estonian Presidency of the Council of the EU on 6 October 2017)<sup>47</sup>.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objectives

1. Enhanced cooperation between customs and competent authorities in charge of enforcing non-customs regulatory formalities required for international trade (hereafter “partner competent authorities”) to expand and improve the IT pilot solution developed by DG TAXUD<sup>48</sup>. This solution would uniformly interconnect national customs systems to EU systems managing non-customs regulatory formalities to enable the systematic and automated exchange of information between the two domains.
2. Improved enforcement of cross-border regulatory formalities. The information exchanges between customs and non-customs authority systems would allow automated customs controls of supporting documents, electronic feedback of the customs clearance to the partner competent authorities and a better integration of the applicable customs and non-customs procedures.
3. Simplified goods clearance processes for economic operators by determining a framework for data harmonisation and enabling the re-use of data provided by economic operators.
4. EU wide management of quantities in non-customs formalities.

ABM/ABB activity(ies) concerned

The Commission will ensure that arrangements are in place to monitor and evaluate the functioning of the EU SW environment for customs against the main policy objectives. Policy priorities and the corresponding resources are outlined in Sections 1.5.1 and 3 of this document.

1.4.3. *Expected result(s) and impact*

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

Member States customs administrations: the initiative will save significant time in the customs clearance, as the supporting documents related to the non-customs regulatory formalities under scope would be delivered through EU CSW-CERTEX to the customs IT systems from the respective EU system. This will introduce possibilities for automated verification and reduce reliance on customs manual documentary checks, saving human resources, and ultimately expanding the control capacities of customs administrations. The change would be especially pronounced

<sup>47</sup> <https://ec.europa.eu/digital-single-market/en/news/ministerial-declaration-egovernment-tallinn-declaration>

<sup>48</sup> EU Customs Single Windows-Certificates Exchange project (EU CSW-CERTEX)

for regulatory formalities where quantities of authorised goods can be split across multiple customs declarations, thanks to the introduction of an automated quantity management functionality at EU level. This functionality will enable the automated verification of ‘write-offs’ throughout the Union, preventing any goods over the authorised quantity from being cleared. In addition, the proposal will ensure data simplification and harmonisation between customs and non-customs formalities and better alignment of procedures. Improved risk management stemming from the increased amount of electronic data obtained from economic operators as part of the customs declaration and the easier data sharing among authorities is also expected.

Partner competent authorities: the initiative will improve the compliance and enforcement of the non-customs regulatory formalities under scope. In particular, the automated quantity management at EU level represents a control tool to avoid fraudulent use of supporting documents over the authorised quantities. The automated exchange of information between authorities will in addition eliminate the risk of clearing goods under a falsified supporting document. Moreover, standardising the exchange of information between EU partner competent authorities systems and national customs systems, will bring the opportunity to harmonise the implementation of non-customs legislation by national customs administrations across the EU.

Economic operators: the Government-to-Government (G2G) exchange of information between customs and partner competent authorities is expected to generate major efficiency gains and time savings in the clearance of goods. In particular, economic operators will benefit from the direct automated exchange between authorities not having to present supporting documents physically for the customs clearance. In addition, customs authorities will, in the majority of the cases, be able to verify the supporting documents in an automated way, thus reducing time and resources needed by economic operators to attend documentary controls. Given the 24/7 availability of the automated supporting documents verification service, the clearance of standard cases may happen even outside the working hours. In addition, the single point of entry (Business-to-Government (B2G) aspect of the proposal) will simplify the fulfilment of regulatory formalities and address key problems, such as the need to submit similar information to multiple authorities for the same movements.

Citizens: A better compliance and enforcement of non-customs EU regulatory formalities will have positive impacts on protecting public health and safety, enhancing security, preserving the cultural heritage and protecting animal welfare and the environment. The simplification of regulatory formalities, the decrease of clearance time and the resources needed to deal with them, may ultimately benefit citizens, as lower costs may be transferred to them in the form of lower prices.

#### 1.4.4. *Indicators of results and impact*

*Specify the indicators for monitoring implementation of the proposal/initiative.*

- Number of non-customs regulatory formalities covered by the initiative in a given year and number of agreements signed between DG TAXUD and partner DGs for formalities covered by the initiative;

- Number of customs declarations subject to automated exchange of information processed via EU CSW-CERTEX and number of requests submitted per Member State to EU CSW-CERTEX;
- Number of discrepancies and fraud attempts detected through automated cross-checking of information;
- Hit rate of documentary and physical controls (following the systematic automated cross-check of information enabled through EU CSW-CERTEX) and volume of non-compliant goods detected;
- Proportion of automated controls not followed by manual intervention (documentary of physical controls);
- Number of integrated declarations<sup>49</sup> lodged through the national single windows;
- Average time needed for the clearance of relevant goods.

## 1.5. Grounds for the proposal/initiative

### 1.5.1. Requirement(s) to be met in the short or long term

Over the years, the Commission and the EU Member States have made a number of commitments to develop single window services in the field of customs. The 2008 e-Customs Decision<sup>50</sup> on a paperless environment for customs and trade called on the Member States and Commission to “endeavour to establish and make operational a framework of single window services”. The 2014 Venice Declaration<sup>51</sup> follows this by proposing a progressive action plan to implement an EU Single Window environment for customs and to develop its legal framework. In addition, the 2016 Communication on “Developing the EU Customs Union and its Governance”<sup>52</sup> announced the Commission’s plans to explore a workable solution for the development and creation of an EU Single Window environment for customs. This is echoed in the first Biennial Report on the “Progress in Developing the EU Customs Union”<sup>53</sup>, which identified the EU Single Window environment for customs as a priority area.

In line with EU political priorities, the Commission launched a pilot project in 2015 jointly administered by the Directorate General for Taxation and Customs (DG TAXUD) and the Directorate General for Health and Food Safety (DG SANTE), the “EU Customs Single Window-Common Veterinary Entry Document” (EU SW-

<sup>49</sup> Integrated declaration: all clearance related information required for the fulfilment of customs and Union non customs formalities governing international trade in goods.

<sup>50</sup> Decision No70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, OJ L 23, 26/01/2008, p. 21-26.

<sup>51</sup> <http://data.consilium.europa.eu/doc/document/ST-16507-2014-INIT/en/pdf>  
(The Venice Declaration is annexed to the December 2014 Council Conclusions).

<sup>52</sup> COM (2016) 813 final

<sup>53</sup> Communication from the Commission to the Council and the European Parliament, “First Biennial Report on Progress in Developing the EU Customs Union and its Governance”, COM/2018/524 final.

CVED). This provided an interface between national customs systems and a certification system at EU level<sup>54</sup> through DG TAXUD's central IT solution. It enabled the automated verification of three sanitary certificates required for the entry of animal/non-animal origin products by five Member States' customs administrations, which were participating on a voluntary basis. The "EU Customs Single Windows-Certificates Exchange project" ('EU CSW-CERTEX'), launched in 2017, expanded the pilot and enhanced its functionalities. By the end of 2018, new certificates were introduced, and the number of participating Member States increased from five to nine. The proposed legal initiative will build on the existing pilot solution developed by DG TAXUD and impose its mandatory use on all Member States for the exchange of information on a number of regulatory formalities for which the relevant information required by customs for clearance is available in EU electronic systems. The connections between EU CSW-CERTEX and future EU electronic systems will be established progressively as new regulatory formalities are introduced. The coverage of these formalities is projected to increase with the integration of new functionalities. In particular, the full mandatory participation of all Member States will enable EU-wide automated quantity management of concerned regulatory formalities needed to close enforcement gaps, reduce fraud and errors, and yield efficiency gains over time.

The impact assessment for the policy proposal outlined a series of policy options (including continuation of the baseline scenario). A preferred options package is proposed to provide a framework for implementing European policy in this area. It consists of three options, broken down in the following categories:

- (a) Government-to-Government (G2G) cooperation (Option 1: G2G information exchange on EU formalities for which the relevant information required by customs for clearance is available in EU electronic systems),
- (b) Business-to-Government (B2G) cooperation (Option 6: harmonised national single windows enabling a single entry point for economic operators to fulfil customs and non-customs formalities under the scope), and
- (c) Expansion of the use of Economic Operator Registration and Identification (EORI) to partner competent authorities (Option 8ii).

The direct economic costs of the preferred package for the European Commission are comprised of one-off implementation and recurrent costs. Implementation costs include business modelling and spending on IT hardware and software, software development, testing, deployment and maintenance, process change management, training and support, and are anticipated to be phased over a period of seven years, with a scope estimated at 15 regulatory formalities. The starting point would be the existing EU CSW-CERTEX architecture, which is functional for over half of these regulatory formalities<sup>55</sup>, for which the implementation and development costs during

<sup>54</sup> TRAdE Control and Expert System (TRACES)

<sup>55</sup> CHED-A (Common Health Entry Document for Animals) formerly CVED-A – to be implemented in EU CSW-CERTEX by the end of 2020.

CHED-P (Common Health Entry Document for Animal Products) formerly CVED-P - to be implemented in EU CSW-CERTEX by the end of 2020.

the gradual implementation period are estimated to be 50% of the costs for new formalities integration.

From year 8 onwards, the implementation costs will be replaced by recurrent costs, comprised of hardware and software maintenance, periodic updates, continued support and day-to-day operations.

The preferred package is expected to generate implementation costs totalling € 64, 730m evenly spread over the first 7 years of phased implementation and € 6,350m of maintenance costs annually once fully operational.

#### 1.5.2. *Added value of EU involvement*

The problems that the initiative addresses, notably the insufficient coordination and fragmented interoperability between customs and partner competent authorities in the clearance of specific goods, are inherently transnational, involving the movement of goods across borders and EU-wide effects of any error and fraud in individual countries. The EU, given its responsibility for the Customs Union and for the non-customs regulatory formalities in question, is optimally placed to carry out coordinating action, tackle fragmentation and generate economies of scale. Existing and expected national-only action has been shown to be inadequate largely due to the following reasons:

- (a) Continued fragmentation and lack of interoperability would limit the benefits of gradual digitalisation and modernisation of processes related to the clearance of certain goods;
- (b) National initiatives would be few due to resource constraints, and lack of certain key functions, such as EU-level quantity management;
- (c) The EU CSW-CERTEX pilot project (a voluntary initiative) would lose momentum, if not followed by mandatory action. Many MS customs authorities have now gotten used to it, and phased-out the previous manual and paper-based processes, and would not be able to process the relevant formalities without it any more.

Given its role in modernising the Customs Union and better enforcing customs and non-customs regulatory formalities at the border, the EU has a unique advantage to

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CHED-D (Common Health Entry Document for Feed and Food of Non-Animal Origin) formerly CED – to be implemented in EU CSW-CERTEX by mid-2020.

CHED-PP (Common Health Entry Document for Plants and Plant Products – to be implemented in EU CSW-CERTEX by mid-2020.

COI (Certificate of Inspection) for imports of organic products – to be migrated in EU CSW-CERTEX by the end of 2020

FLEGT (Forest Law Enforcement, Government and Trade) for imports of timber – to be migrated in EU CSW-CERTEX by the end of 2020.

FGAS (Fluorinated greenhouse gases) – to be implemented in EU CSW-CERTEX by the end of 2020.

ODS (Ozone-Depleting Substances) - to be implemented in EU CSW-CERTEX by mid-2020.

reassess the fundamental practices and procedures of the current fragmented model of regulatory compliance. EU action in this area will improve compliance of regulatory formalities with EU legislation and further facilitate the cross-border movement of goods. This, in turn, will bring a clear added-value to the interaction between customs and partner competent authorities and the day-to-day activities of economic operators. Ultimately, EU intervention will generate significant social and environmental impacts and substantial economic benefits for society as a whole.

#### *1.5.3. Lessons learned from similar experiences in the past*

The EU SW-CVED and its successor the EU CSW-CERTEX pilot can be considered as a blueprint for the initiative. An evaluation of the pilot carried out by DG TAXUD confirmed that it is in line with the needs of stakeholders in terms of more efficient goods clearance and has allowed for automated checks of supporting documents by customs authorities. While caveats apply in line with the scope of the project to date, the EU CSW-CVED pilot and the EU CSW-CERTEX project have already led to harmonisation and exchange of data related to the regulatory formalities covered. In turn, this has meant improved cooperation between competent authorities. There is also some limited evidence of reduced fraud and human error, particularly through the reduced human intervention, and through the possibility for national quantity management.

However, there are limitations which relate mainly to the pilot nature of the solution to date. In particular:

- (a) EU quantity management is needed to close enforcement gaps and remains impossible without full mandatory participation of all Member States;
- (b) Upgrades to the connections between systems would be required to allow for real time continuous updates (rather than periodic polling);
- (c) The continued need for economic operators to provide paper documents alongside digital ones limits the benefits economic operators can realise; resolving the issue would require a legislative framework giving digital signatures legal value.

#### *1.5.4. Compatibility and possible synergy with other appropriate instruments*

The legislative proposal falls within the scope of the upcoming Customs 2027 Programme and its successors. It is part of the ongoing Action Plan on the Customs Union (PLAN/2020/6296), conceived to deliver on the Commission priority of taking the Customs Union to the next level. The action plan will propose a revised long-term Customs Union strategy, including legislative and non-legislative actions. This proposal constitutes the first legislative action to modernise the customs clearance process.

## 1.6. Duration and financial impact

☐ Proposal/initiative of **limited duration**

- ☐ Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY
- ☐ Financial impact from YYYY to YYYY

☒ Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from 2022 to 2029,
- followed by full-scale operation.

## 1.7. Management mode(s) planned<sup>56</sup>

☒ **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 EIB and the European Investment Fund;
- ☐ bodies referred to in Articles 208 and 209 of the Financial Regulation;
- ☐ public law bodies;
- ☐ bodies governed by private law with a public service mission to the extent that they provide 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 provide adequate financial guarantees;
- ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

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<sup>56</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: [http://www.cc.cec/budg/man/budgmanag/budgmanag\\_en.html](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html)

The legislative proposal will establish a harmonised and interoperable EU SW environment for customs. This environment involves a set of fully integrated electronic services delivered at the EU and national level to exchange information between customs and partner competent authorities and to streamline goods clearance processes for economic operators. In collaboration with the Member States, the Commission will continue to develop, maintain and operate the central electronic system (EU CSW-CERTEX) to facilitate data exchange between all actors involved in goods clearance.



## **2. MANAGEMENT MEASURES**

### **2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

Regular monitoring will rely to the extent possible on EU level sources, such as disaggregated reports on Customs Union Performance and EU CSW-CERTEX business and IT deliverables and statistics. National customs administrations will be consulted to determine whether and to what extent it will also be possible to use other sources.

Six years after the entry into force of the legislation and every three years thereafter, the Commission should submit to the European Parliament and the Council a report on the functioning of the EU SW environment for customs, including an overall evaluation of the EU CSW-CERTEX system. Given that the initiative will not yet be fully implemented at the time of the first evaluation, the focus will be to take stock of progress, identify areas for improvement and come up with recommendations for the future. The second evaluation will take a more summative approach.

The monitoring indicators are expected to be collected where possible on an ongoing basis by the EU CSW-CERTEX system. For evaluation purposes, annual statistics will be computed and compared between successive years. Where possible, a comparison with the baseline situation taken as the trend or average of the three years that precede the entry into operations can be used.

### **2.2. Management and control system**

#### **2.2.1. Risk(s) identified**

The main risks are related to the implementation of the project as planned. First, a potential lack of human and financial resources could result from budget cuts following the outcome of the negotiations on the next Multiannual Financial Framework 2021-2027 (MFF)<sup>57</sup>. In addition, an important risk factor arises from the crosscutting nature of the project that requires the active participation of several DGs and the diversity of non-customs regulatory formalities under scope.

#### **2.2.2. Information concerning the internal control system set up**

The design, functional and technical specifications, development, testing, deployment, operations and maintenance of EU CSW-CERTEX are implemented using existing framework contracts with IT suppliers, memorandums of understandings with other Commission DGs, as well as service-level agreements with the Member States. The existing business and IT alignment across Commission DGs mitigates any potential overlapping of activities.

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<sup>57</sup> COM (2018) 442

The financial transactions, in line with DG TAXUD control system, are ex-ante scrutinised.

2.2.3. *Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error*

No estimate is provided, since the control and mitigation of risks is an inherent task of the project governance structure.

The level of risk of error is limited (currently estimated at 0,5% for procurement activities).

**2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures.*

The measures implemented by the Commission will be subject to the ex-ante and ex-post controls in accordance with the Financial Regulation. Contracts and agreements financing the implementation of this Regulation will authorise the Commission and the Court of Auditors to conduct audits and inspections.

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading..... ]	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	NA					

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading..... ]	Diff./Non-diff. <sup>58</sup>	from EFTA countries <sup>59</sup>	from candidate countries <sup>60</sup>	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
1	03.05.01	Diff.	NO	NO	NO	NO
TBD	Participating DGs budget lines	Diff.	NO	NO	NO	NO

<sup>58</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>59</sup> EFTA: European Free Trade Association.

<sup>60</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

### 3.2. Estimated impact on expenditure

[This section should be filled in using the [spreadsheet on budget data of an administrative nature](#) (second document in annex to this financial statement) and uploaded to CISNET for interservice consultation purposes.]

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	Number 1	The funds allocated to this legislative proposal are covered by the Customs Programme budget of EUR 950 million proposed by the Commission on 8 June 2018 for the next MFF 2021-2027. While this initiative does not carry any additional budgetary impact, its effective implementation will depend on whether sufficient resources are made available following the outcome of the negotiations on the MFF 2021-2027.
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DG: TAXUD			Year 2022 <sup>61</sup>	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Beyond 2027 <sup>62</sup>	
• Operational appropriations										<b>TOTAL</b>
03.05.01	Commitments	(1)	3,964	3,964	3,964	3,964	3,964	3,964		<b>23,781</b>
	Payments	(2)	0,793	2,775	3,567	3,964	3,964	3,964	4,756	<b>23,781</b>
unknown	Commitments	(1a)							9,190	<b>9,189</b>
	Payments	(2a)							5,918	<b>5,918</b>
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>63</sup>			<b>NA</b>							

<sup>61</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>62</sup> It includes appropriations until 2030 included. The yearly commitment from 2030 onwards is 2,613

<sup>63</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

Number of budget line		(3)	NA							
<b>TOTAL appropriations for DG TAXUD</b>	Commitments	=1+1a +3	3,964	3,964	3,964	3,964	3,964	3,964	9,190	<b>32,970</b>
	Payments	=2+2a +3	0,793	2,775	3,567	3,964	3,964	3,964	10,675	<b>29,700</b>
<b>DG: Partner DGs participating in the initiative</b>			Year 2022 <sup>64</sup>	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Beyond 2027	
• Operational appropriations										<b>TOTAL</b>
Participating DGs budget lines	Commitments	(1)	3,964	3,964	3,964	3,964	3,964	3,964		<b>23,781</b>
	Payments	(2)	0,793	2,775	3,567	3,964	3,964	3,964	4,756	<b>23,781</b>
Participating DGs budget lines	Commitments	(1a)							9,190	<b>9,189</b>
	Payments	(2a)							5,918	<b>5,918</b>
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>65</sup>										
Number of budget line		(3)								
<b>TOTAL appropriations for partner DGs participating in the initiative</b>	Commitments	=1+1a +3	3,964	3,964	3,964	3,964	3,964	3,964	9,190	<b>32,970</b>
	Payments	=2+2a +3	0,793	2,775	3,567	3,964	3,964	3,964	10,675	<b>29,700</b>

<sup>64</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>65</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

• TOTAL operational appropriations	Commitments	(4)	7,927	7,927	7,927	7,927	7,927	7,927	18,377	<b>65,940</b>
	Payments	(5)	1,585	5,549	7,134	7,927	7,927	7,927	21,35	<b>59,400</b>
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
<b>TOTAL appropriations under HEADING 1</b> of the multiannual financial framework	Commitments	=4+ 6	7,927	7,927	7,927	7,927	7,927	7,927	18,377	<b>65,940</b>
	Payments	=5+ 6	1,585	5,549	7,134	7,927	7,927	7,927	21,35	<b>59,400</b>

**If more than one heading is affected by the proposal / initiative:**

• TOTAL operational appropriations	Commitments	(4)									
	Payments	(5)									
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)									
<b>TOTAL appropriations under HEADINGS 1 to 4</b> of the multiannual financial	Commitments	=4+ 6									
	Payments	=5+ 6									

framework (Reference amount)												
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<b>Heading of multiannual financial framework</b>	<b>5</b>	‘Administrative expenditure’
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EUR million (to three decimal places)

		Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Beyond 2027
<b>DG: TAXUD</b>								
• Human resources		0,750	0,750	0,750	0,750	0,750	0,750	1,950
• Other administrative expenditure								
<b>TOTAL DG TAXUD</b>	Appropriations	0,750	0,750	0,750	0,750	0,750	0,750	1,950
<b>DG: Partner DGs participating in the initiative</b>								
• Human resources		0,570	0,570	0,570	0,570	0,570	0,570	1,620
• Other administrative expenditure								
<b>TOTAL Partner DGs participating in the initiative</b>	Appropriations	0,570	0,570	0,570	0,570	0,570	0,570	1,620

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	1,320	1,320	1,320	1,320	1,320	1,320	3,570
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EUR million (to three decimal places)

	Year	Year	Year	Year	Year	Year	Beyond
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		2022	2023	2024	2025	2026	2027	2027
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	9,247	9,247	9,247	9,247	9,247	9,247	21,947
	Payments	2,905	6,869	8,454	9,247	9,247	9,247	24,920

### 3.2.2. Estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs  ↓			Years 2022 to 2028 <sup>66</sup>		TOTAL for the implementation phase		Year 2029 onwards	
	Type <sup>67</sup>	Average cost	No	Cost	No	Cost	No	Cost
SPECIFIC OBJECTIVES No 1-3 <sup>68</sup>								
Development, integration and operation of EU CSW-CERTEX system that will contribute to the 3 specific objectives			N/A	9,247	N/A	64,730	N/A	6,350
TOTAL COST			N/A	9,247	N/A	64,730	N/A	6,350

<sup>66</sup> Yearly cost

<sup>67</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>68</sup> As described in point 1.4.2. 'Specific objective(s)...'

		per year of implemen- tation		Total impl. phase		per year of operation
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### 3.2.3. Estimated impact on appropriations of an administrative nature

#### 3.2.3.1. Summary

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year 2022 <sup>69</sup>	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Beyond 2027	TOTAL
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<b>HEADING 5 of the multiannual financial framework</b>								
Human resources	1,320	1,320	1,320	1,320	1,320	1,320	3,570	<b>11.490</b>
Other administrative expenditure								
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	1,320	1,320	1,320	1,320	1,320	1,320	3,570	<b>11.490</b>

<b>Outside HEADING 5<sup>70</sup> of the multiannual financial framework</b>								
Human resources								
Other expenditure of an administrative nature								
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>								

<b>TOTAL</b>	1,320	1,320	1,320	1,320	1,320	1,320	3,570	<b>11.490</b>
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>69</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>70</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

### 3.2.3.2. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources.
- ☒ The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Beyond 2027
<b>• Establishment plan posts (officials and temporary staff)</b>							
XX 01 01 01 (Headquarters and Commission's Representation Offices) <b>DG TAXUD</b>	5	5	5	5	5	5	
XX 01 01 01 (Headquarters and Commission's Representation Offices) <b>DG TAXUD</b>							5/4 <sup>71</sup>
XX 01 01 01 (Headquarters and Commission's Representation Offices) <b>Commission</b>	3,8	3,8	3,8	3,8	3,8	3,8	
XX 01 01 01 (Headquarters and Commission's Representation Offices) <b>Commission</b>							3,8/3,5 <sup>72</sup>
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>73</sup></b>							
XX 01 02 01 (AC, END, INT from the 'global envelope')							
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)							
<b>XX 01 04 yy<sup>74</sup></b>	- at Headquarters						
	- in Delegations						
XX 01 05 02 (AC, END, INT - Indirect research)							
10 01 05 02 (AC, END, INT - Direct research)							
Other budget lines (specify)							
<b>TOTAL</b>	<b>8,8</b>	<b>8,8</b>	<b>8,8</b>	<b>8,8</b>	<b>8,8</b>	<b>8,8</b>	<b>8,8/7,5<sup>75</sup></b>

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

<sup>71</sup> 5 in 2028 (last year of implementation phase) and 4 from 2029 onwards (maintenance phase)

<sup>72</sup> 3,8 in 2008 (last year of implementation phase) and 3,5 from 2029 onwards (maintenance phase)

<sup>73</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

<sup>74</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

<sup>75</sup> 8,8 in 2008 (last year of implementation phase) and 7,5 from 2029 onwards (maintenance phase)

Officials and temporary staff	5 AD officials in the case of DG TAXUD
External staff	

### 3.2.4. *Compatibility with the current multiannual financial framework*

- ☐ The proposal/initiative is compatible the current multiannual financial framework.
- ☐ The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- ☐ The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

### 3.2.5. *Third-party contributions*

- ☒ The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

### 3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
  - ☐ on own resources
  - ☐ on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>76</sup>						
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article .....								

For miscellaneous ‘assigned’ revenue, specify the budget expenditure line(s) affected.

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Specify the method for calculating the impact on revenue.

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<sup>76</sup> As regards 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.