Council of the European Union

Brussels, 22 September 2026
(OR. en)

13480/26
ADD 1

UD 258
ENFOCUSTOM 113
FISC 310
ECOFIN 1206
MI 922
COMER 136
TRANS 575
RESPR 39
DELACT 155

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	21 September 2026
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2026) 283 final
Subject:	COMMISSION STAFF WORKING DOCUMENT Report on the costs of the services rendered by the customs authorities for handling a request for placing goods sold in distance sales under the release for free circulation procedure Accompanying the document Commission Delegated Regulation supplementing Regulation (EU) 2026/2108 of the European Parliament and of the Council by establishing the amount of the Union handling fee

Delegations will find attached document SWD(2026) 283 final.

Encl.: SWD(2026) 283 final

EUROPEAN
COMMISSION

Brussels, 21.9.2026
SWD(2026) 283 final

COMMISSION STAFF WORKING DOCUMENT

Report on the costs of the services rendered by the customs authorities for handling a request for placing goods sold in distance sales under the release for free circulation procedure

Accompanying the document

Commission Delegated Regulation

supplementing Regulation (EU) 2026/2108 of the European Parliament and of the Council by establishing the amount of the Union handling fee

{C(2026) 6694 final}

EXECUTIVE SUMMARY

This Report is provided in accordance with Article 20(8) of the Union Customs Code (UCC), according to which the Commission is required to produce, every two years, a report on the approximate cost of the services rendered for dealing with the requests for the release for free circulation of goods sold in distance sales.

This report assesses the expected annual costs of the services that the Union handling fee covers. In line with Article 20 UCC, these services include at least the costs of checking the data, of carrying out risk analysis, of the relevant infrastructure and of controls. The services to be rendered by the EU Customs Authority are not considered. The assessment covers the principal categories of expenditure necessary for the customs supervision of e-commerce goods, notably digital systems, customs staff and customs control equipment, and the resources needed for stronger customs controls on product compliance.

The report is based on the available data for digital costs, staff costs and trends of volumes on e-commerce. The report also sets out the methodology and the cost components, while remaining forward-looking in nature, as the report intends to estimate annual costs of customs supervision once the handling fee applies. The Commission will reassess the cost base at least every two years, in particular to reflect market developments, the effect of the introduction of the handling fee and the impact of the progressive implementation of the EU Customs Data Hub.

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1. INTRODUCTION

Pursuant to Article 20 of the Union Customs Code (the Code), customs authorities must apply a "*handling fee of a fixed amount per item for the services to be rendered for handling a request for placing goods under the release for free circulation where those goods are sold in distance sales*". The handling fee must be commensurate with the approximate cost of those services, including at least the cost of checking the data, of carrying out a risk analysis, and of the relevant infrastructure and of customs controls.

This document is the **first report on the approximate cost of those services** that the Commission must produce pursuant to paragraph 8 of the said provision.

The European Union is overhauling its customs framework by implementing a customs reform ([1]). From 1 July 2026, the EUR 150 duty relief threshold has been abolished and a temporary flat-rate customs duty of EUR 3 per item has been imposed on goods sold in distance sales ([2]). The temporary duty will stop being applied in July 2028, where the EU Customs Data Hub is operational, allowing the calculation of the individual duty rate based on value, origin and tariff classification.

The Union handling fee goods sold in distance sales applies from November 2026 and is a fixed amount to be established by the Commission in a delegated act. Before July 2028, the Commission must establish the amount of handling fee applicable pursuant to Article 20(4). However, that fee will be applicable only from July 2028 pursuant to Article 287(5)(a) of the Code.

Timeline

Period	Applicable duty/fee on goods sold in distance sales
July – October 2026	EUR 3
November 2026 – June 2028	3 EUR + Union Handling Fee [Article 20(2)]
July 2028 – December 2034	Normal duty + Union Handling Fees [Article 20(2) and (4)]

2. EVOLUTION OF GOODS SOLD IN DISTANCE SALES

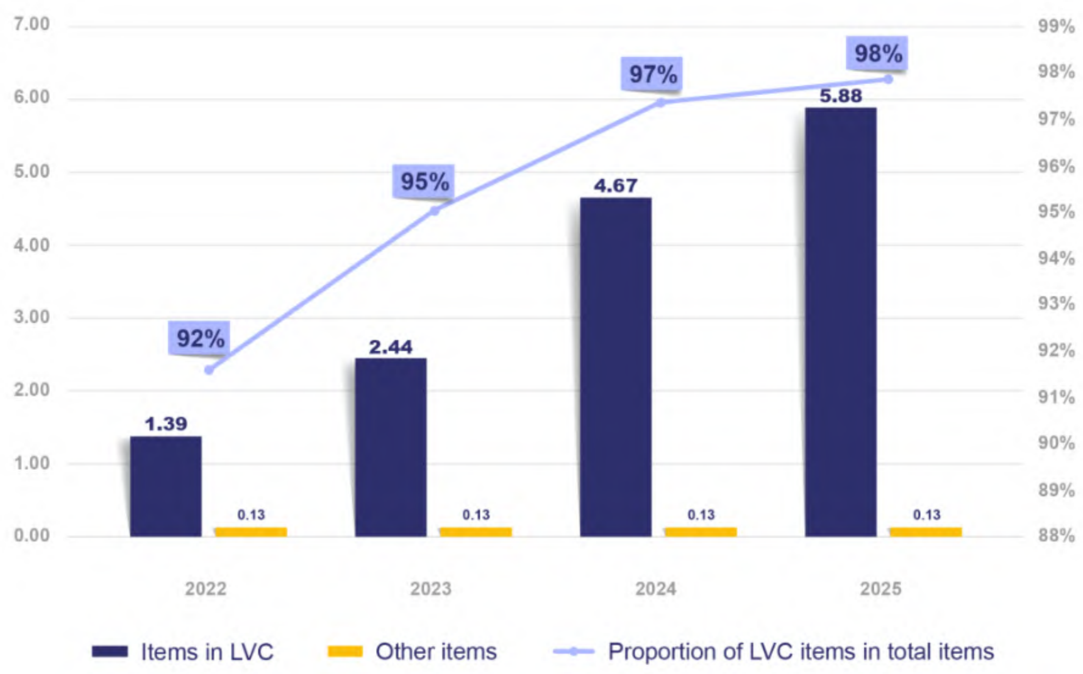
The handling fee applies in relation to goods sold in distance sales regardless of their value. However, the proxy used in this Report to measure the amount of goods sold in distance sales is the number of items with a value not exceeding EUR 150 and released for free circulation in the Union because this is the best approximation to the notion of distance sales available in the customs digital systems. This is a conservative approach, as distance sales of a value exceeding EUR 150 are not considered, even though they are also subject to the handling fee.

([1]) EU Customs Reform - Taxation and Customs Union - European Commission

([2]) Council regulation (EU) 2026/382.

The volume of goods sold in distance sales experienced an exponential growth over recent years ([3]), as the graph below shows:

- **2022–2023:** Volume increased by 75%.
- **2023–2024:** Volume nearly doubled, reaching an estimated 4.7 billion e-commerce items by the end of 2024. (+91.4%)
- **2024–2025:** Growth decelerated but remained robust at 26%, with total volumes approaching approximately 5.9 billion items by the end of 2025. This represents 98% of all the goods imported in 2025.



Over the three-year period spanning 2023 to 2025, the total volume goods sold in distance sales reached 12.99 billion items, resulting in an annual average of approximately 4.33 billion items per year while traditional trade volumes remained at a constant baseline of 0.13 billion units per year (represented by "Other items" in the graph).

In 2025, items in consignments with a value up to EUR 150 items represent 98% of the total number of imported items. If the total number of items at import and export for 2025 are considered, the import of low value consignments represented 82% of overall items being processed by customs in the EU: 173 of 212 items processed by customs per second ([4]).

This shows that the import of goods sold in distance sales are the overwhelming majority of transactions in relation to which the customs authorities must render services. Due to the high volumes of low value items as compared to traditional trade items, even if the

([3]) Goods bought online - Taxation and Customs Union - European Commission

([4]) EU Customs Union: facts and figures - Taxation and Customs Union flow of items is expected to decrease from 2026 to 2028, they would still be a very significant proportion of overall items released by customs.

For instance, following the introduction of the temporary flat-rate customs duty of EUR 3 per item at Union level, the Commission Surveillance database recorded in July 2026 60% less imported items sold in distance sales than it had recorded in July 2025. It is premature to draw conclusions on the expected flow based on one month data. However, it is worth noting that, even if only 40% of items sold in 2025 in distance sales were to be released for free circulation in the remaining part of 2026, 2027 and 2028, they would still represent approximately 80% of the total items imported in the EU (on an annual basis: roughly 2400 million items sold in distance sales, compared to 630 million items of "traditional" trade) ([5]).

3. COSTS CONSIDERED FOR THE UNION HANDLING FEE

3.1. Overview

Based on available data, the costs are estimated on an annual basis, as all the relevant measurements are also expressed annually. This is without prejudice to the Commission's obligation to re-assess the costs by November 2028 and to the fact that the 2026 costs cannot be recovered because the handling fee will only apply from November 2026. The assessment includes both recurrent annual resource needs as well as the average annual structural and forward-looking investments necessary between 2026 and 2028 to ensure the proper functioning of the Union's customs framework.

The costs considered are:

1. **Digital costs**: the annual costs to be incurred both by the Member States and the Commission on customs digital systems attributable to the import of goods sold in distance sales, including the annual costs to be incurred for optimising at Union level the customs services rendered at release for free circulation of these goods by developing the e-commerce Data Hub.
2. **Customs staff cost**: gross annual wages (including base salaries, overtime pay for operational staff and social security benefits) of the staff to be allocated to customs clearance activities, post-release and other customs controls activities, including customs policy and procedure, which is estimated to be dealing with the release for goods sold in distance sales.
3. **Relevant infrastructure costs**: the average annual Union contribution to Member States for the purchase of customs equipment for the control of goods sold in distance sales under the Customs Control Equipment Instrument Programme. The Member States contribution for the purchase is not considered.
4. **Expected annual increase in the cost of controls**: the number of goods sold in distance sales subject to customs controls must increase. Based on the 'Report on controls on products entering the EU market with regard to product compliance in 2025 ([6])', given the high volumes, customs could control the compliance of only 0.0065% of all released items (65 per million items released for free circulation in 2025).

([5]) EU Customs Union: facts and figures - Taxation and Customs Union

([6]) Report on controls on products entering the EU market with regard to product compliance in 2025 - Publications Office of the EU

Scaling up customs controls of goods sold in in distance sales will demand substantial additional resources for national customs authorities. Intensifying these inspections naturally drives up operational workload and personnel needs and will therefore increase the costs.

Current projections reflect a conservative cost baseline, preserving the scope to integrate further eligible costs.

The amount of the handling fee is established in a Commission Delegated Act.

3.2. Expenditure on customs digital systems

The impact assessment ([7]) accompanying the proposal for the Customs Reform includes an estimation of the costs in customs digital systems that the 27 Member States and the Commission must incur into, over a period of 15 years after the text is adopted, because from the adoption of the customs reform, the investments in digital systems would vary. As the customs reform has been adopted in 2026, it can be considered that the projection included in the 2023 impact assessment covers the estimated costs for Member States and the Commission for implementing the Customs Reform from 2026 until 2040.

Two types of costs were assessed:

(i) the Operational Expenditure (OPEX) for the day-to-day operations and maintenance of IT systems (relate to recurring costs that both the Member States and the Commission must cover to ensure the service continuity of the existing systems). Member States OPEX will decrease over time as the Commission and the EU Customs Authority take over the operations of the EU Customs data hub, where the national functionalities will be transferred; and

(ii) the Capital Expenditure (CAPEX) for upgrading IT Systems (related to one-off investments). CAPEX expenditure does not include general administration costs but only the investment costs that are directly linked to the need to ensure that digital customs systems are functional and performant, able to process the high volumes of data. CAPEX expenditure considered is the bare minimum to ensure the continuity of systems at national level during the transition of corresponding functionalities from the national systems to the Data Hub. The need of the CAPEX is explained by both the need to reintegrate and redevelop the functionalities that are moving to the Data Hub and on the other hand to adapt the systems that will remain at national level and that will have to be reintegrated in the new paradigm.

The annual cost in the first year of adoption of the customs reform, following the 2023 impact assessment, is 1,836 billion for Member States. This is the cost that has been considered as the average annual expense in digital systems by the Member States. This cost represents a conservative estimate of the annual digital costs, because it has not been updated to take into account inflation.

The costs included in the impact assessment relate to Trader Interfaces, Customs Process Systems, Customs Central Systems, ICS-2 and the EU Single Window Environment for Customs. It is reasonable to consider that most of the digital systems serve import

([7]) SWD (2023) 140 final of 17 May 2023 transactions, as customs need more sophisticated and interconnected digital systems for the process of entry and import than for the process of export and exit. It is also reasonable and proportionate to attribute 80% of those costs to the services to be rendered in connection with the import of items sold in distance sales, given the trends and ratios observed so far.

Total annual digital costs considered for the Member States amounts to **EUR 1 468 million.**

As regards the Union costs, the EU Customs Reform provides for a strategic paradigm shift in the way customs and traders interact and co-operate across the EU. It involves the rebuilding of customs operations around direct data-based interaction with the parties responsible for trading and moving goods in a single, unified customs operation environment across the Union. The e-commerce Data Hub is the first major step on this new path. This part of the Data Hub will be exclusively used for the release for free circulation of goods sold in distance sales and therefore subject to the handling fee.

The annual costs related to the Data Hub are factored into current calculations because these will be incurred in 2026, 2027 and 2028 to allow reducing the digital costs of dealing with goods sold in distance sales in the future. While the Data Hub is expected to be deployed in July 2028, its ongoing design is a mandatory prerequisite to unlocking centralised data sharing and generating the projected €2 billion in annual national IT savings. The Commission has published at the start of June 2026 the call for tender ([8]) for the design, implementation and operation of the e-commerce Data Hub and its services, utilising foundational cloud services capacity and network capacity contracted by the Contracting Authority.

While developing the Data Hub, the Commission must also continue ensuring the functioning of the trans-European systems that serve to connect the existing national systems.

The cost in the first year of adoption of the customs reform, following the 2023 impact assessment, was estimated at **EUR 155 million** for the Commission and, in line with the costs for the Member States, this is the total annual amount considered.

3.3. Costs of customs staff

For the purpose of this first report, only Member States staff, not EU staff (Commission, EU Customs Authority – EUCA-) is considered. ([9])

3.3.1. Member States Staff: activities

The Commission annual report on the Customs Union Performance (CUP) analyses several indicators from the customs activities of the Member States and the Commission. It is a key tool for evidence-based policy and a unique source of information about the Customs Union. It provides data on the number of customs staff assigned to different tasks in each Member State customs administration.

([8]) EU Funding & Tenders Portal

([9]) The Commission reserves its right to consider staff cost of the Commission and EUCA for future cost reports.

For the purpose of the calculation, the staff allocated to the following activities have been considered, as they are directly related to the release for free circulation of low value consignments, including their control:

1. Staff on customs clearance activities (23 411), which includes:
    - Staff in risk assessment and pre-selection of entry summary declarations necessary prior to the arrival of goods sold in distance sales from third countries
    - Staff in customs clearance activities, as they provide the legal and technical mechanism through which the customs declaration data for the release for free circulation of goods sold in distance sales is systematically processed and validated

2. Staff on post-release and other customs controls activities (35 986), which includes:
    - Staff on customs control activities
    - Staff on post-release controls
    - Staff on post-release audits
    - Staff on post release activities

    Customs controls are an integral mechanism for safeguarding the European Union's single market, ensuring product safety, and preventing the illicit entry of restricted goods. Control activities are based on a risk-based approach, systematically applied across all logistics chains to protect public health, safety, and intellectual property. Post release controls / audits are also part of customs' supervision, included on goods sold in distance sales. In this type of checks, additional information is consulted (usually at the declarant's premises) to check previously submitted declarations. These checks can also include information provided by platforms, logistic operators and customs agents involved in the release for free circulation of goods sold in distance sales. Risk management for e-commerce goods operates under specific constraints, as H7 declarations contain a reduced set of data elements that makes the targeting of risks more challenging. Conducting post-release controls allow customs authorities to account for these reduced data sets and maintain effective risk analysis.

3. Staff on customs policy and procedure (4 684, which represents the 50% of the total staff on customs policy and procedure), as they formulate specific policies and standardized procedures establishing the legal framework required to enforce compliance across diverse supply chains. Personnel dedicated to customs policy and procedures are factored into the calculation to account for the work needed to apply and enforce the regulatory framework for goods sold in distance sales.

The total amount of the human resources allocated to clearance, controls and post-release audits has been considered because, most – if not all controls – are in relation to imports and, as explained above, most import transactions are of goods sold in distance sales. By contrast, only 50% of the personnel allocated to policy and procedures has been considered. This is because part of their work concerns the management of standard customs frameworks and routine legislative maintenance, which does not vary with changing trade volumes. Applying a 50% weighting isolates the specific operational workload associated with implementing e-commerce legislation.

The total number of staff considered amounts to **64 081 officials**.

3.3.2. *Staff: computed cost*

The financial calculations take into account the official annual salary data published by Eurostat (ESTAT), with 2024 ([10]) representing the latest available data. The Eurostat baseline for average earnings captures gross annual wages standardizing the workforce through full-time equivalency (FTE). The indicator aggregates macro-level National Accounts data alongside micro-level insights from the Labour Force Survey (LFS). Part-time earnings are adjusted upwards to their full-time equivalents so the resulting figure denotes the pre-tax, gross compensation profile of a full-time position. The aggregate EU average salary available is EUR 39.808.

To the average salary, non-wage overhead costs have been added, reflecting employers' and social contributions for an amount of 24.7%, based on Eurostat 2024 data ([11]). This is a conservative baseline for the calculation of staff costs.

Total costs of customs staff considered: **EUR 3 181 million.**

3.4. Costs related to the Customs Control Equipment Instrument Programme (CCEI)

The Customs Control Equipment Instrument (CCEI), alongside the Border Management and Visa Instrument, forms the Integrated Border Management Fund ([12]). It provides direct financial support via grants exclusively to EU Member States for the purchase, maintenance, and upgrade of customs control equipment. This funding covers innovative detection technologies, such as X-ray scanners, non-intrusive soft detection equipment, and customs laboratory equipment for analysis of samples. It also funds operational testing of new equipment and limited, directly related costs, such as introductory staff training and necessary software updates. The funding only covers part of the acquisition of the equipment. Member States must finance the remaining part, but this cost is not considered herein.

Combining the values of grant agreements of the 1st (period 2021-2022) and 2nd invitations to submit proposals, the total value committed to the Member States' customs authorities is EUR 558 million. For the purpose of this report, only the amount of the 2nd invitation (2023-2024) to submit proposals was considered, since one of the main policy priorities was ([13]) the challenges in dealing with the exponential growth in e-commerce. The Commission successfully evaluated 47 proposals and signed 43 grant agreements granting over **EUR 200 million** of EU funding for the purchase of state-of-the-art equipment, allowing customs authorities better scanning and other means of control.

([10]) Annual full-time adjusted salary in EU up 5.2% in 2024 - News articles - Eurostat

([11]) EU hourly labour costs ranged from €11 to €55 in 2024 - News articles - Eurostat

([12]) Customs Control Equipment Instrument - Taxation and Customs Union,

([13]) five priorities: (i) ensure safety and security; (ii) strengthen the capacity of customs to mitigate and adapt to international crises; (iii) address the challenges in dealing with the exponential growth in e-commerce; (iv) contribute towards the European Green Deal; and (v) continue to promote innovation in customs control equipment, including interoperability of the equipment. Commission Staff Working Document, Customs Control Equipment Instrument Annual Progress Report 2024, SWD (2025) 248.

Until the end of the current Multiannual Financial Framework (December 2027), the Commission will still call for proposals for customs control equipment for a value of more than EUR 400 million and for that reason it is considered reasonable and proportionate to include an average annual cost of **EUR 200 million** in customs infrastructure across the Union. This amount does not include the part of the infrastructure financed by the Member States' budget.

3.5. Controls on product compliance

3.5.1. *Product compliance in 2025*

The 2025 report on product compliance ([14]), which aims to give the state-of-play of enforcement of product compliance at the EU external borders for products from third countries to be released for free circulation and placed on the EU market, contains several metrics related to the customs controls on product compliance:

- **Interventions:** Customs carried out more than **390 000 interventions** on items declared for release for free circulation as regards product compliance.
- **Suspensions:** Customs notified Market Surveillance Authorities (MSAs) of **more than 244 000 suspensions** (64% of interventions). In these cases, MSAs were tasked with providing a decision on the product compliance or risks, as there was a cause to believe that the product did not comply with applicable EU law or that it presented a serious risk to health, safety, the environment or any other public interest.
- **Refusals: more than 64 000 refusals** were executed.

The report also contains data concerning the controls. Due to the high increase in the volumes, the relative control and suspension rates are declining. In 2022, customs controlled approximately 203 items per million. In 2025, customs is able to control only 65 items per million (0,0065%). Suspensions parallelly decreased from 118 to 34 per million over the same period. The discovery rate continued its multi-year downward trend, falling from 13 per million items in 2024 to 9.7 per million in 2025.

In addition to these data, targeted enforcement actions demonstrate that e-commerce non-compliance is not a minor edge case, but a widespread issue. The EU-wide **Priority Control Area (PCA)** ([15]) operation conducted in 2025 revealed alarming results: a check of 20,000 toys and small electronics found that more than half of them did not follow EU product standards. A selection of these products was also laboratory-tested for their safety. 84% of these tested products were found dangerous. Furthermore, inspections of cosmetics, personal protective equipment, and food supplements showed non-compliance rates around 65% ([16]).

([14]) Report on controls on products entering the EU market with regard to product compliance in 2025

([15]) Large scale EU customs control action shows most third-country e-commerce goods do not follow standards - Taxation and Customs Union
E-commerce: product compliance and safety - Taxation and Customs Union

([16]) Protein powder, sunglasses, moisturiser: what do these products have in common? If you buy them online, they most likely violate EU product standards - Taxation and Customs Union

Strengthening border controls is vital to protecting public interests, consumer health, and safety. Customs authorities must increase the customs controls on goods sold in distance sales in 2026-2028 to protect EU citizens and businesses.

3.5.2. *Projections of increase of Customs Controls and Cost Implications*

Scaling up customs controls to tackle the increased flow of non-compliant imports will require significant new resources for national customs authorities. Intensifying controls requires expanding physical inspections, relying more on expensive and time-consuming laboratory tests and dedicating more resources.

To reflect the cost of future increased customs controls, an annual baseline 20% increase in the control activities of customs authorities is considered a prudent and proportionate response to a structurally widening enforcement gap. This should not be interpreted as an overall increase of the staff employed by customs by 2028. Rather, it is used as a conservative proxy for the scaling-up of customs control activities, with staff levels serving as the only quantifiable reference point currently available to model the associated resource implications and could be reached partly through operational adjustments such as changes in workflows, increased work shifts, overtime, redeployment of personnel, greater use of digital tools, improved risk targeting, or other efficiency-enhancing measures, as per the recent Priority Control Area (PCA).

Moreover, it is also recognised that controls on the compliance of products by customs authorities are distinct from compliance checks carried out by market surveillance authorities on products entering the Union and referred to them by customs authorities. Costs related to the activities of market surveillance authorities are not considered for the purpose of this report.

For the purpose of this report, it is taken into consideration 20% of the staff on post-release and other customs controls activities.

Total annual costs of increased customs controls of products considered: **EUR 286 million.**

4. CONCLUSION

The costs of the services to be rendered by the customs authorities for handling a request for placing goods sold in distance sales under the release for free circulation procedure, by checking the data, carrying out risk analysis and financing the relevant infrastructure and controls will approximately be **EUR 5 290 million per year**.