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From:	General Secretariat of the Council
To:	Delegations
Subject:	Commission presentation on the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Single Market and Customs Programme for the period 2028-2034 and repealing Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077 - Article by Article examination



Single Market and Customs Programme (SMCP)

2028-2034

IM WP – Article by Article examination

03/10/2025

European Commission

Outline of the SMCP proposal

PUBLIC

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Single Market and Customs Programme for the period 2028-2034 and repealing Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077

- ❑ Explanatory memorandum
- ❑ Recitals (37)
- ❑ Articles (14)
- ❑ Legislative financial and digital statement

Based on a corporate model basic act

Article 1
Subject matter

PUBLIC

Article 1

Subject matter

This Regulation establishes the Single Market and Customs Programme (the 'programme') and lays down the objectives of the programme, its budget [for the period from 1 January 2028 to 31 December 2034], the forms of Union funding and the rules for providing such funding.

Article 2
Definitions

PUBLIC

For the purposes of this Regulation, the following definitions apply:

(1) 'legal entity' means a natural person, or a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article 200 (2)(c) of the Financial Regulation;

(2) 'customs authorities' means customs authorities as defined in Article 5, point (1), of Regulation (EU) No 952/2013 of the European Parliament and of the Council[29] or the equivalent bodies in the associated countries;

(3) 'mission of customs authorities' means the mission of customs authorities as referred to in Article 3 of Regulation (EU) No 952/2013;

(4) 'tax' or 'taxation' means matters, including design, administration, enforcement and compliance, relating to the following taxes and duties:

(a) value added tax as provided for in Council Directive 2006/112/EC[30];

(b) excise duties on alcohol as provided for in Council Directive 92/83/EEC[31];

(c) excise duties on tobacco products as provided for in Council Directive 2011/64/EU[32];

(d) taxes on energy products and electricity as provided for in Council Directive 2003/96/EC[33];

(e) other taxes and duties of any kind levied by or on behalf of a Member State or its territorial or administrative subdivisions, including the local authorities, or on behalf of the Union, insofar as they are relevant for the internal market and for administrative cooperation between Member States;

Article 2 Definitions

PUBLIC

(5) 'tax authorities' means public authorities and other bodies which are responsible for taxation or tax-related activities;

(6) 'Union-level digital solution' means a digital concept, system, tool, database, datahub, application, platform, interoperable IT infrastructure, or similar solution, including both hardware and software aspects;

(7) 'standard' means

(a) a standard as defined in Article 2, point (1), of Regulation (EU) Regulation (EU) No 1025/2012 of the European Parliament and of the Council[34];

(b) an 'international accounting standard' as defined in Regulation (EU) No 1606/2002 of the European Parliament and the Council[35];

(a) a 'non-financial reporting standard' which provides stakeholders with information about a company's environmental, social, and governance performance[36];

(d) an 'international auditing standard' as defined in Directive 2006/43/EC of the European Parliament and the Council[37];

(8) 'market surveillance' means the activities carried out and measures taken by market surveillance authorities to ensure that products comply with the requirements set out in the applicable Union harmonisation legislation and to ensure protection of the public interest covered by that legislation;

(9) 'market surveillance authority' means market surveillance authority as defined in Article 3, point (1), of Regulation (EU) 2019/1020;

(10) 'European statistics' means statistics developed, produced and disseminated in accordance with Regulation (EC) No 223/2009.

(11) 'programming framework for European statistics' means the European statistical programme referred to in Article 13 of Regulation (EC) No 223/2009.

Article 3
Programme objectives

PUBLIC

- 1 general objective
- 7 specific objectives in total
- Intention to cover cross cutting and common objectives in various policy areas
- Similar activities: digital capacity building, collaboration and cooperation, skills development, data and statistics to support policy making

Article 3
Programme objectives - general

PUBLIC

Customs R (EU) 2021/444)

to support the customs union and customs authorities working together and acting as one to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to
trade, while facilitating legitima

Single market R (EU

(a) to improve the functioning
protect and empower citizens,
particular SMEs, by enforcing U
setting standards and promotin
animal welfare, whilst respectin
development and ensuring a high level of consumer protection, as well as by enhancing cooperation between the competent authorities of Member States and between the competent authorities of Member States and the Commission and the decentralised Union agencies; (b) to develop, produce and disseminate high-quality, comparable, timely and reliable European statistics which underpin the design, monitoring and evaluation of all Union policies and help citizens, policymakers, authorities, businesses, academia and the media to make informed decisions and to actively participate in the democratic process.

To be integrated in one general objective, covering all areas

Union Anti-Fraud Programme R (EU) 2021/785

(a) protect the financial interests of the Union; (b) support mutual
dministrative authorities of the Member
etween the latter and the Commission to
ition of the law on customs and

2021/847

orities and taxation in order to enhance the
ernal market, to foster the competitiveness of
mpetition in the Union, to protect the financial
rests of the Union and its Member States,
including prot ting those interests from tax fraud, tax evasion and tax avoidance, and to improve tax collection.

Customs control equipment R (EU) 2021/1077

to support the customs union and customs authorities in their mission to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from illegal trade while facilitating legitimate business activity.

Article 3.1.
General objective

PUBLIC

SMCP proposal

The general objective of the programme is to enhance and deepen the functioning of the Single Market and the Customs Union, to protect safety, security, and the financial and economic interests of the Union and its Member States,
with a design fostering flexibility, simplification and synergies and supporting the Union's horizontal policy mainstreaming priorities.

Article 3.2.
Programme objectives – specific objectives

PUBLIC

(a) to **empower citizens, consumers**, investors, economic operators and businesses by providing **information, guidance and advice** enabling them to make informed decisions and to fully access the opportunities of the Single Market for goods, people, services and capital, to improve related digital and financial literacy, to ensure access to redress mechanisms, by supporting representative organisations in their participative role;

to improve the understanding of the Single Market and its challenges by supporting **data collection** and acquisition activities, analyses and tools;

CROSS CUTTING

Article 3.2.
Programme objectives – specific objectives

PUBLIC

(b) to foster **cooperation among Member States national authorities,** and between Member States national authorities, the Commission and other Union bodies in all programme areas, including the preparedness and economic security of the Single Market, and response to crises;

to design, deploy, implement, run, maintain and support the common components of Union-level digital solutions and support the connection to them;

to boost the operational, technical, and **administrative capacities of national authorities**, including customs and tax authorities;

CROSS CUTTING

Article 3.2.
Programme objectives – specific objectives

PUBLIC

(c) to facilitate harmonised **standard-setting** and reinforce the development of European and international standards,

to ensure the effective **design, uniform interpretation and implementation** as well as the **enforcement of Union law** and monitoring of market fragmentation risks,

also in relation with the verification of the **conformity** with the EU acquis by acceding countries, candidate countries and potential candidates;

CROSS CUTTING

Article 3.2.
Programme objectives – specific objectives

PUBLIC

(d) to support the **Customs Union and customs authorities** working together and acting as one in achieving their mission and contributing to Europe's economic security,

to ensure an effective **market surveillance** and a high level of consumer protection, product conformity and safety;

CUSTOMS
MARKET
SURVEILLANCE

Article 3
Programme objectives – specific objectives

PUBLIC

(e) to **protect the Union's and its Member States' economic, financial and other interests from fraud,** corruption and other illegal activities, including risks related to expenditure, revenue and assets, as well as reputational risks, support Member States' operational cooperation and investigation activities;

to support **tax policy** and implementation of Union law relating to taxation and improve the Union taxation systems and tax collection in view of enhancing Europe's competitiveness and investments;

ANTI FRAUD, TAXATION COOPERATION

Article 3.2.
Programme objectives – specific objectives

PUBLIC

(f) to improve **evidence-based and digital-ready policymaking**, and the use of **digital implementation tools**, as well as mutualisation of public data, to support the specific objectives set out in points (a) to (e);

CROSS CUTTING

Article 3
Programme objectives – specific objectives

PUBLIC

(g) to provide relevant and comparable official **European statistics** as set out in the Annex 1

STATISTICS

Article 3
Programme objectives – specific objectives

PUBLIC

3. The programme shall support the implementation of Union-level legal obligations relating to Single Market resilience and implementation tools, market surveillance, product conformity, standards, public procurement, intellectual property rights, competition policy, financial services policy, anti-money laundering, Union restrictive measures, company and corporate governance law, consumer policy, European statistics, customs legislation, taxation, and anti-fraud, as well as other actions pursuing the general and specific objectives referred to in paragraphs 1 and 2.

CROSS CUTTING

Article 4

PUBLIC

[*Article 4*
Budget

1. The indicative financial envelope for the implementation of the programme for the period *from 1 January 2028 to 31 December 2034* is set at EUR *6 238 112 000* in current prices.

2. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.

3. Appropriations may be entered in the Union budget beyond 2034 to cover the expenses necessary and to enable the management of actions not completed by the end of the programme.

4. The financial envelope referred to in paragraph 1 of this Article and the amounts of additional resources referred to in Article 5 may also be used for technical and administrative assistance for the implementation of the programme, such as preparatory, monitoring, control, audit and evaluation activities, corporate information technology systems and platforms, information, communication and visibility activities, including corporate communication on the political priorities of the Union, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the programme.]

Article 5 – Additional resources

PUBLIC

Article 5

Additional resources

1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, may make additional financial or non-financial contributions to the programme. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of Regulation (EU, Euratom) 2024/2509.

Article 5 – Additional resources

PUBLIC

2. Resources allocated to Member States under shared management may, at their request, be made available to the programme. The Commission shall implement those resources directly or indirectly in accordance with Article 62(1), point (a) or (c), of Regulation (EU, Euratom) 2024/2509. They shall be additional to the amount referred to in Article 4(1) of this Regulation. Those resources shall be used for the benefit of the Member State concerned. Where the Commission has not entered into a legal commitment under direct or indirect management for additional amounts thus made available to the programme, the corresponding uncommitted amounts may, at the request of the Member State concerned, be transferred back to one or more respective source programmes or their successors.

Article 6 - Alternative, combined and cumulative funding

PUBLIC

Article 6

Alternative, combined and cumulative funding

1. The programme shall be implemented in synergy with other Union programmes. An action that has received a Union contribution from another programme may also receive a contribution under this programme. The rules of the relevant Union programme shall apply to the corresponding contribution, or a single set of rules may be applied to all contributions and a single legal commitment may be concluded. If the Union contribution is based on eligible cost, the cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

Article 6 - Alternative, combined and cumulative funding

PUBLIC

2. Award procedures under the programme may be jointly conducted under direct or indirect management with Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties ('partners to the joint award procedure'), provided the protection of the financial interests of the Union is ensured. Such procedures shall be subject to a single set of rules and lead to the conclusion of single legal commitments. For that purpose, the partners to the joint award procedure may make resources available to the programme in accordance with Article 5 of this Regulation, or the partners may be entrusted with the implementation of the award procedure, where applicable in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509. , In joint award procedures, representatives of the partners to the joint award procedure may also be members of the evaluation committee referred to in Article 153(3) of Regulation (EU, EURATOM) 2024/2509..

Article 7 - Third countries associated to the programme

PUBLIC

1. The programme may be opened to the participation of the following third countries through full or partial association, in accordance with the objectives laid down in Article 3 and in accordance with the relevant international agreements or any decisions adopted under the framework of those agreements and applicable to:
   (a) members of the European Free Trade Association which are members of the European Economic Area, as well as Andorra, Monaco and San Marino;
   (b) acceding countries, candidate countries and potential candidates;
   (c) European Neighbourhood Policy countries;
   (d) other third countries, including those neighbouring the EU's outermost regions.

Article 7 - Third countries associated to the programme

PUBLIC

2. The association agreements for participation in the programme shall:
(a) ensure a fair balance as regards the contributions and benefits of the third country participating in the programme;
(b) lay down the conditions of participation in the programme, including the calculation of financial contributions, consisting of an operational contribution and a participation fee, to a programme and its general administrative costs;
(c) not confer on the third country any decision-making power in the programme;
(d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests;
(e) where relevant, ensure the protection of security, defence and public order interests of the Union and its Member States.

Article 7 - Third countries associated to the programme

PUBLIC

For the purposes of the first paragraph, point (d), the third country shall grant the necessary rights and access required under Regulations (EU, Euratom) 2024/2509 and (EU, Euratom) No 883/2013, and guarantee that enforcement decisions imposing a pecuniary obligation on the basis of Article 299 TFEU, as well as judgements and orders of the Court of Justice of the European Union, are enforceable.

Article 8 - Implementation and forms of Union funding

PUBLIC

Article 8

Implementation and forms of Union funding

1. The programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509, under direct management or indirect management with the entities referred to in Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509.

2. Union funding may be provided in any form in accordance with Regulation (EU, Euratom) 2024/2509, in particular grants, procurement, non-financial donations, and remuneration and reimbursements to experts as referred to in Articles 242 and 243 of Regulation (EU, Euratom) 2024/2509.

Article 8 - Implementation and forms of Union funding

PUBLIC

3. Where Union funding is provided in the form of a grant, funding shall be provided as financing not linked to costs or, where necessary, under simplified cost options, in accordance with Regulation (EU, Euratom) 2024/2509. Funding may be provided in the form of actual eligible cost reimbursement only where the objectives of an action cannot be achieved otherwise or where this form is necessary to enable other sources of funding, including financing from Member States. .

Article 9 - Eligibility

PUBLIC

Article 9
Eligibility

1. Eligibility criteria shall be set to support achievement of the objectives laid down in Article 3 of this Regulation, in accordance with Regulation (EU, Euratom) 2024/2509 and shall apply to all award procedures under the programme.

2. In award procedures under direct or indirect management, one or more of the following legal entities may be eligible to receive Union funding:

   (a) entities established in a Member State;

   (b) entities established in an associated third country;

   (c) international organisations;

   (d) other entities established in non-associated third countries, as listed in the work programme, where the funding of such entities is essential for implementing the action and contributes to the objectives laid down in Article.

Article 9 - Eligibility

PUBLIC

3. In addition to Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509, the associated third countries referred to in Article 7(1) of this Regulation may, where relevant, participate in, and benefit from, any of the procurement mechanisms set out in Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509. Rules applicable to Member States shall be applied, mutatis mutandis, to participating associated third countries.

Article 9 - Eligibility

PUBLIC

4. In accordance with Article 136 of Regulation (EU, Euratom) 2024/2509, award procedures affecting security or public order, in particular concerning strategic assets and interests of the Union or its Member States, shall be restricted and eligibility restrictions shall apply to high-risk suppliers in line with EU law, for security reasons.

Article 9 - Eligibility

PUBLIC

5. For actions implementing actions for standardisation, the entities specified in Articles 15 and 16 of Regulation (EU) No 1025/2012 shall be eligible.

6. For actions supporting consumer protection and/or relating to the European Consumer Centres Network, the following bodies shall be eligible:

   (a) a non-profit body designated by a Member State or a third country referred to in Article 7 selected through a transparent procedure;

   (b) a public body.

Article 9 - Eligibility

PUBLIC

7. The work programme referred to in Article 110 of Regulation (EU, Euratom) 2024/2509 may further specify the eligibility criteria set out in this Regulation or set additional eligibility criteria for specific actions.

8. Representatives of third countries or international organisations shall not be present in deliberations on eligibility and award criteria.

Article 10 - Entities eligible without a call for proposals

PUBLIC

Entities eligible without a call for proposals

The following entities may be awarded a grant under the programme without a call for proposals:

(1) for actions in the area of market surveillance, the market surveillance authorities of the Member States as referred to in Article 10 of Regulation (EU) 2019/1020;

(2) for actions in the area of accreditation, the body recognised under Article 14(1) of Regulation (EC) No 765/2008 of the European Parliament and of the Council[38] to carry out the activities referred to in Article 32(1) of that Regulation;

Article 10 - Entities eligible without a call for proposals

PUBLIC

(3) for actions supporting the development of high-quality corporate financial and non-financial reporting and auditing standards and the facilitation of their integration into Union law, EFRAG (formerly the European Financial Reporting Advisory Group), the International Financial Reporting Standards Foundation ('IFRS Foundation') and the Public Interest Oversight Board ('PIOB') or successor organisations;

Article 10 - Entities eligible without a call for proposals

PUBLIC

(4) for actions in the area of consumer protection enforcement, the authorities of the Member States, responsible for the enforcement of Union laws that protect consumers' interests, as referred to in Article 1 of Regulation (EU) 2017/2394;

(5) for actions regarding consumers, the representation of consumers interest at the Union level, namely the Bureau Européen des Unions de Consommateurs ('BEUC') and the European Association for the Coordination of Consumer Representation in Standardisation ('ANEC'), provided they have no conflicting interests and represent, through its members, the interests of Union consumers in at least two thirds of the Member States;

Article 10 - Entities eligible without a call for proposals

PUBLIC

(6) for actions relating to the protection of the interests of consumers and end-users of financial services and supporting their participation in financial services policy making, providing guidance in financial services as well as promoting financial literacy and a better understanding of the financial sector and the different categories of commercialised products, Finance Watch and the European Federation of Investors and Financial Services Users (Better Finance), or successor organisations, subject to the following conditions, to be assessed annually:

(a) those entities remain non-governmental, non-profit and independent of industry, commerce or business;

(b) they have no conflicting interests and represent through their members the interests of Union consumers and other end-users in the area of financial services;

Article 10 - Entities eligible without a call for proposals

PUBLIC

(7) for actions regarding European statistics, the national statistical institutes and other national authorities referred to in Article 5(2) of Regulation (EC) No 223/2009;

(8) for actions regarding customs or taxation, customs or tax authorities of Member States and customs or tax authorities of participating associated third countries, provided that the conditions set out in Article 7 of this Regulation are met.

Article 11 - Work programme

PUBLIC

Article 11

Work programme

The programme shall be implemented bywork programmes as referred to in Article 110 of Regulation (EU, Euratom) 2024/2509.

Article 12 - Repeal

PUBLIC

Article 12

Repeal

Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077 are repealed with effect from 1 January 2028.

Article 13 - Transitional provisions

PUBLIC

Article 13

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions carried out, until their closure, under Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077, which shall continue to apply to those actions.

2. The financial envelope for the programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the programme and the measures adopted under Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077.

Article 14 - Entry into force and application

PUBLIC

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

It shall apply from 1 January 2028.

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

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Thank you



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