



Management Plan 2021

DG TAXATION AND CUSTOMS UNION

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INTRODUCTION

In 2021, DG TAXUD's primary focus will be on contributing to the EU agenda for economic recovery and long-term growth, including through the twin digital and green transitions. Taxation and Customs have an important contribution to make to the EU's economic revival and to the move to a green, digitalised and fairer economy in the EU. Taxation policy can create the right conditions for investment and job creation, ensure stable revenues for public spending and steer consumers towards more sustainable choices. The Customs Union can contribute to EU prosperity, through its dual role of facilitating trade and protecting our citizens and businesses as well as the EU's financial interests. Both taxation and customs are vital sources of own resources to finance the EU budget and fund the EU's ambitious recovery programme. DG TAXUD is committed to unleashing the full potential of EU taxation and customs policies to deliver on all of these fronts.

DG TAXUD advocates a simpler, more modern tax environment, in which businesses can innovate and grow. We are committed to harnessing the potential of green and digital taxation, to provide new own resources for Europe and to support the Green Deal and Digital Union. Fair taxation is the cornerstone for a healthy, stable and competitive tax environment and fighting tax abuse is a key way to boost public finances without burdening those hit by the crisis. The principle of fair taxation therefore underlies every tax policy initiative and action that we pursue. DG TAXUD also ensures that EU tax policy actively supports other high-priority policy objectives, given the influence that taxation has on behaviours and consumption.

DG TAXUD recognises the vital contribution that a smart, digitalised and connected Customs Union can make in facilitating trade, protecting the EU's citizens and businesses and safeguarding the EU's financial interests. To ensure that customs can fully protect our Single Market and budgetary resources, DG TAXUD is working to substantially modernise customs, notably by making full use of data analytics and modern technologies. Through our funding programmes, we work to promote closer cooperation between Member States and support national investment and reforms, so that tax and customs frameworks throughout the EU contribute to our collective growth. Our cooperation with third countries and international organisations allows us to influence international standards and promote EU values and interests at a global level.

Even before the global pandemic, DG TAXUD recognised the need for major improvements in tax and customs, so that they better serve Member States, EU businesses and citizens as well as global interests of the EU. As such, we set out an ambitious agenda for the coming years, for more modern, more efficient and more resilient tax and customs systems and stronger international cooperation. This agenda is now more important than ever, given the major task ahead to rebuild Europe's economy.

Against this backdrop, DG TAXUD has identified 5 main priorities which will frame its work in 2021.

- Supporting the EU's recovery programme, through proposals for **sustainable new own resources** and assist Member States with the modernisation and reform of tax and customs, through the Recovery and Resilience Fund.
- Contributing to Europe's reinforced climate change ambitions with **green taxation** proposals, namely the Carbon Border Adjustment Mechanism and revision of the Energy Taxation Directive.
- Pushing for an international agreement on **corporate tax reform**, so that we have a fair tax system for the digital age, which ensures long-term, sustainable revenues. Working on a proposal for a digital levy, that can also serve as a new own resource for the EU's new budget.
- Intensifying the **fight against customs and tax fraud**, particularly in e-commerce, as well as pushing forward measures and supporting digital systems to combat tax evasion and avoidance.
- Develop a more **resilient, digitalised and integrated Customs Union**, fit for the challenges of the future, in particular by pursuing the implementation of the Union Customs Code systems and exploiting the opportunities of new technologies and data analytics.

In addition, from 1 January 2021, customs controls and procedures for the trade in goods with the UK have been reintroduced, with the **end of the UK transition period**. This has major consequences for customs and EU businesses. DG TAXUD has a crucial role in monitoring the application of the UK Withdrawal Agreement and the Protocol on Ireland / Northern Ireland, and in providing guidance and support to EU customs authorities and traders as they adapt to the new situation. DG TAXUD will continue carrying out its **communications strategy** to ensure all stakeholders understand and can adapt to the changes that Brexit brings.

The abovementioned priorities reflect those set out in the Commission Work Programme for 2021 and the specific objectives in our Strategic Plan 2021-2024. This Management Plan highlights the most important deliverables for the year ahead, through which DG TAXUD will deliver on these and other priorities.

PART 1

General Objective 1: European Green Deal

Specific Objective 1.1: Design EU tax policy actions that contributes to a carbon neutral continent by 2050

In her 2020 State of the Union speech, President Von der Leyen announced the EU's higher ambition of reducing emissions by 55% by 2050. Taxation has a key role to play in delivering on this target and in helping Europe to transition towards a greener and more sustainable economy. Environmental taxes deliver on many fronts. They are growth-friendly and boost competitiveness since they encourage investment in clean, innovative processes. They spur more sustainable and responsible behaviour, through the 'polluter pays' principle. If properly designed, such taxes can also help to offset the costs of the environmental transition in a socially just manner. In addition, the Commission's [Recovery Plan for Europe](#) indicated that green own resources could contribute to financing the future EU budget, and this was confirmed by the July 2020 European Council.



In 2021, DG TAXUD will make two significant proposals to contribute to the European Green Deal. The first is the **revision of the Energy Tax Directive**. This will overhaul the way in which energy products are taxed in the EU, as part of the Commission's "Fit for 55" package. The current energy taxation rules are completely outdated and contradict the EU's climate change ambitions. The new proposal will reduce the implicit subsidies for fossil fuels and certain economic sectors, by revising minimum rates for heating, transport and electricity fuels and re-thinking current tax exemptions. The aim is to re-shape energy taxation in a way that encourages consumers and businesses to behave in a more environmentally friendly and climate-conscious manner.

In parallel, DG TAXUD will prepare a proposal for a **Carbon Border Adjustment Mechanism** (CBAM) by mid-2021. The aim of this proposal is to motivate foreign producers and EU importers to reduce their carbon emissions, while ensuring a level-playing

field in trade, in a WTO-compatible way. The Carbon Border Adjustment Mechanism will be designed to reduce the risk of carbon leakage, by ensuring that the price of imports accurately reflects their carbon content. This will ensure that the EU's green objectives are not undermined by production relocating to countries with less ambitious climate policies. TAXUD will make full use of the expertise it has through its customs arm in supply chain matters. The CBAM can also serve as a **new own resource** for the EU's new budget.

Public consultations for these two proposals were concluded in 2020. In early 2021, the **impact assessments** will be finalised, along with stakeholder consultations. DG TAXUD will organise a **large-scale communication campaign on green taxation** and these two proposals and a high-level, online stakeholder **event on the CBAM** in early 2021.



General Objective 3: An economy that works for the people

Specific Objective 3.1: Develop tax policy actions for a stronger, fairer and more efficient Single Market

Economic recovery depends on businesses being able to innovate, invest and grow in the EU. It also depends on stable and sustainable revenues for public investment. DG TAXUD will contribute to Europe's recovery by promoting a healthy, future-proof tax environment, which is simple, modern and fair – at national, EU and international level.



I. A tax environment that supports recovery and growth

Businesses need a supportive tax environment – free from competitive distortions, tax obstacles and unnecessary administrative burdens – to grow and thrive. DG TAXUD is determined to break down unnecessary tax obstacles in the Single Market and simplifying the rules and procedures for taxpayers, to make it easier for companies to innovate, invest and grow.

Through the **Recovery and Resilience Facility**, DG TAXUD will help Member States to accelerate the modernization and digitalization of national tax and customs

administrations, so that they are better equipped to collect and protect the revenues necessary for public spending and investment. Via the technical support instrument, 27 requests in the field of taxation and customs with a total budget of almost EUR 10 million were pre-selected. Many of those projects will support the digitalisation of Member States' tax and customs administrations. DG TAXUD will also organize a **Tax Data Summit** in 2021, to help Member States make the best use of digitalisation and new technologies to promote tax compliance.

Following the July 2020 Tax Action Plan, DG TAXUD will work on a series of legislative and non-legislative actions to improve the tax landscape for businesses – and in particular SMEs.

DG TAXUD will review the VAT rules for specific sectors, to bring them in line with modern realities. Following an **impact assessment** and **public consultation** in the first half of the year, DG TAXUD will propose revised **VAT rules for financial and insurance services** by the end of 2021. We will also work on an **impact assessment** for a possible proposal to review the **VAT scheme for travel agents**, building on the ongoing evaluation.



Important preparations for the new **simplified VAT rules for SMEs** (Council Directive (EU) 2020/285), which will apply from 2025, will continue over the coming year. DG TAXUD will propose a Commission implementing Regulation to enable the IT preparation to begin, with a view to simplified compliance system (including a single window) for small and medium companies.

Double Taxation disputes are a particular problem for businesses in the Single Market, and DG TAXUD will continue its work to ensure that these are resolved as quickly and as efficiently as possible. Building on the 2017 Dispute Resolution Mechanism Directive, we will establish a standing committee to further strengthen taxpayers' rights and ensure disputes are definitively and swiftly resolved in the area of direct taxation. Unresolved VAT disputes are also a recognised problem for businesses, often leading to double taxation. DG TAXUD will launch a study on the nature and impact of these disputes in 2021, with a view to a possible proposal the following year to mitigate this problem.

The relationship between tax administrations and taxpayers is an important element in facilitating a higher level of tax compliance amongst honest businesses. DG TAXUD will work with Member States and taxpayers to establish **pilot projects on cooperative compliance** for multinational companies and SMEs and will establish EU guidance in this field. DG TAXUD will also bring forward a Communication and Recommendation on **Taxpayers'**



Rights in 2021. This will seek to strengthen the rights of compliant taxpayers and create more legal certainty for them, based on existing guidance and court judgements.

The use of data and technology is critical in finding ways to overcome the challenges that both taxpayers' and tax administrations face. Digital solutions and data analytics will be instrumental in cutting compliance costs. In this respect, DG TAXUD will launch a study on **VAT in a digital age**, to consider what further initiatives may be needed at EU level. Amongst other things, this will look at how to modernize and streamline VAT reporting obligations, with a view to reducing disparities across the EU and thus reducing burdens for businesses. The study will also consider the possibility of a single place of registration for cross-border businesses in the EU, and will examine the VAT treatment of the platform economy.

Digitalisation also creates an opportunity to improve the **efficiency of tax administrations** in facilitating tax compliance and in fighting against tax abuse and evasion. Both are essential to safeguard the revenues needed for long-term growth and stability.

In an inter-connected Single Market, it is crucial that Member States cooperate on the **recovery of tax claims**, to enable them to collect the revenues due. In 2021, DG TAXUD will work to further improve the cooperation and capacity of Member States in the area of tax recovery, including through the possible automated collection of statistical data.

II. **Fair taxation for sustainable revenues and a level playing field**

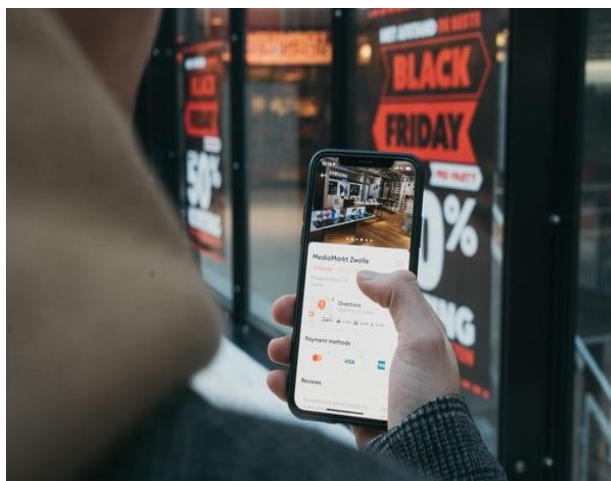
Fair taxation will continue to be the guiding principle for all EU tax policy initiatives in 2021, given its importance for taxpayer morale, a level playing field and long-term, sustainable revenues. Combatting tax fraud, evasion and avoidance will be all the more important in the months and years ahead, as the EU and the global community seek to recover from the fallout of the covid-19 crisis, including its impact on public finances.

Tax transparency is essential in preventing and detecting tax abuse and allowing tax administrations to collect the revenues that are due. In 2021, DG TAXUD will propose a further revision of the **Directive on administrative cooperation** that will bring our transparency framework in line with modern businesses. This will include an extension of the automatic exchange of information to cover crypto-currencies (DAC8), building on work done by the OECD and taking into account other Commission initiatives in this field. The scope of this work will also be influenced by the DAC evaluation, concluded in 2019, and a report issued by the European Court of Auditors.

The **VAT Gap** is an area of major concern, given the cost to public budgets. Latest figures showed the VAT Gap in Europe to be around EUR 140 billion a year, and this is likely to increase due to the covid-19 crisis. DG TAXUD will therefore give high priority to measures that can reduce this gap in a long-lasting way. In early 2021, we will present a

Communication on best practice to reduce the VAT Gap, and issue it together with a report on national **administrative procedures for VAT**, assessing how they can be improved. DG TAXUD will also support Member States, in sharing best practices in this area, including through **Fiscalis-funded events**. Speed and data analytics can help authorities and anti-fraud experts to stay one step ahead of fraudsters and to crack down on VAT fraud before the losses get too large. In 2021, the tool for **Transaction Network Analysis** will be extended to cover different fields of VAT fraud and will incorporate new functionalities to improve its effectiveness.

E-commerce has been identified as a particularly vulnerable area when it comes to VAT compliance and fraud. **New rules on VAT e-commerce** will enter into force in mid-2021, which should help recoup the estimated EUR 5bn of VAT lost through online sales each year. DG TAXUD will launch a **worldwide communication campaign** in early 2021, to inform businesses, traders and platforms of their obligations under these new rules. DG TAXUD will also continue the preparations for the new **Central Electronic System of Payment information (CESOP)**, which will become operational in 2024 to tackle e-Commerce VAT fraud. This will include working with payment service providers on a robust system to collect the payment data.



Cooperation with the countries where the online sellers are established is also vital to enforce EU VAT rules. In 2021, DG TAXUD will open administrative cooperation negotiations with third countries to fight against VAT fraud. Aggressive tax planning and tax evasion have reached new levels of speed and sophistication. DG TAXUD will therefore together with experts in the Member States determine how e-commerce platforms can be integrated into the customs import processes, for better VAT collection.

III. A fairer business tax environment, fit for the digital age

In the field of **corporate taxation**, digitalisation also presents new challenges and opportunities. The current international tax rules were devised over a century ago and are no longer fit for today's globalised, digitalised economy or modern business models. Aggressive tax planning and tax evasion have reached new levels of speed and sophistication, which authorities struggle to deal with under the current framework. Digital corporate giants benefit enormously from our Single Market – even more so during the covid-19 crisis – but often fail to pay taxes where they should. In an increasingly digitalized economy, Europe needs tax systems that provide long-term sustainable revenues, while encouraging European digital companies to grow and thrive. In early 2021, the Commission

will present a **Communication on Business Taxation**. This will outline its long-term vision for a more modern, fairer and transparent business tax framework, as well as our legislative plans to achieve this.

To uphold fairness in the digital world, the EU will continue to work for an **international agreement for a fair tax system**, fit for the modern economy. If agreement is reached on an international corporate tax reform at G20/OECD level, the Commission will take the necessary steps to implement the agreed approach at EU level. The project for a minimum level of taxation, discussed at the G20/OECD, would protect the Single Market from base erosion and ensure all companies pay a fair share of tax. Profits should be primarily taxed where business value is created, and this could be assured through new principles for profit



allocation, particularly in the digital sector. The Commission will propose EU solutions for the fair taxation of the digital economy, including a **digital levy** in the first part of 2021. The proposal will include a **public consultation** and **impact assessment**. The digital levy can also contribute to the **new own resources** to finance Europe's recovery and long-term budget. This initiative also contributes to the general objective "a Europe fit for the digital age".

DG TAXUD will organise a high-level stakeholder **event on corporate taxation** in 2021, and conduct a **communications campaign** to promote new initiatives in this field.

DG TAXUD will also continue to promote a healthier corporate tax environment through soft-law instruments. As announced in the Communication on tax good governance, the Commission will push for the reform of the **Code of Conduct on Business Taxation**, so that it is more effective in regulating tax competition in the future. Expanding the relatively narrow scope of the Code of Conduct would allow a more comprehensive review of EU Member States' tax legislation and ensure fairer tax competition in the Single Market.

To deliver fully on a fair and stable corporate tax environment in the EU, all policy levers have to be activated. Where necessary to address severe competitive distortions, the Commission is ready to use the clauses in the Treaties that allow taxation proposals to be adopted through ordinary legislative procedure. To fully deliver on the EU's fair tax agenda, all existing policy levers have to be activated. It is in this context, that the Commission will continue to explore how to make full use of the provisions of the Treaty on the functioning of the EU (TFEU) that allow proposals on taxation to be adopted by ordinary legislative procedure, including article 116 TFEU.

DG TAXUD will also continue its work for fairer tax competition and greater transparency internationally, through the **EU list of non-cooperative jurisdictions**. The EU list has proven to be a highly effective tool to ensure compliance with tax good governance standards worldwide. The Commission, together with the EEAS, will continue to support the EU listing process at technical, diplomatic and political level.



DG TAXUD will also set up – as proposed by the European Parliament – an **EU Tax Observatory** in 2021, to enhance the involvement of civil society in the advocacy, design and implementation of EU actions against tax abuse.

Specific Objective 3.2: Implement the EU Programmes supporting EU tax and customs policy

2021 will be the first year of the **Customs and Fiscalis programmes** adopted under the new Multiannual Financial Framework (MFF) 2021-2027.

Delivering on the commitments for increased digitalisation is a top priority for the EU Customs Union, as well as for taxation. This is reflected by the fact that approximately 85% of the Customs programme and 70% of the Fiscalis programme is dedicated to establishing and operating transeuropean electronic systems. These systems connect Customs administrations across the EU to better manage financial and security risks while facilitating trade. They enable tax administrations to better fight tax fraud and evasion and to exploit the massive amounts of data collected by tax authorities.

The Customs and Fiscalis programmes also finance important initiatives to boost collaboration between the Member States' Customs and Tax administrations. This collaboration directly contributes to the increased effectiveness and efficiency of national administrations and to the coherent and consistent application of EU law across the Member States. Through the fora provided for by the EU programmes, administrations can share knowledge, experience, good practices, and can work together in joint audits, devise solutions to common problems or set guidelines on various issues. The Customs and Fiscalis programmes also provide for a wide scale of activities, such as e-learning modules, study visits, training sessions that directly contribute to human competency building and training.

2021 will also see the start of the new **Customs Control Equipment Instrument (CCEI)**, the third DG TAXUD programme. The CCEI will finance the purchase, upgrade and maintenance of customs control equipment in an effort to modernize and equip all customs

offices within the Customs Union with modern state-of-art equipment. The CCEI fits into an overall effort towards greater harmonisation and equivalent level of protection of the EU borders by its customs services.

In 2021, DG TAXUD will adopt the **work programmes of the three programmes** and present the final **evaluations** of the Customs 2020 and Fiscalis 2020 programmes.

Early 2021, none of the programmes, nor their work programmes have been adopted yet. Depending on when they will be adopted, there may be impact on the implementation of the respective actions and initiatives.

Specific Objective 3.3: Support wider EU policy priorities through taxation

Taxation can have an important impact on consumer choices and can be a powerful tool to steer social behaviour on a healthier, more sustainable path. EU tax policy will therefore continue to support the EU's high-priority objectives in other policy areas in 2021.

Europe's Beating Cancer Plan notes the pivotal role of taxation in reducing alcohol and tobacco consumption, particularly amongst the young.



Therefore, DG TAXUD has started work on a **revision of the Tobacco Taxation Directive**, with a view to a proposal in 2021. We will also **review the general arrangements for excise duties** governing the cross-border purchase of tobacco and alcohol products by private individuals for their own use. Both of these proposals will be supported by **public consultations** and in depth **impact assessments**.

In 2021, DG TAXUD will also launch an external study to support the **evaluation** of the **Alcohol 'rates' Directive**, which is the basis for levying excise duty on alcoholic beverages and sets the minimum excise duty rates.

General Objective 5: Promoting our European Way of Life



[...] take the Customs Union to the next level, equipping it with a stronger framework that will allow us to better protect our citizens and our single market [...] Propose an integrated European approach to reinforce customs risk management and support effective controls by the Member States.

Ursula von der Leyen, President

Specific Objective 5.1: Develop a more modern Customs Union, to facilitate trade, safeguard revenues and protect citizens and businesses

The EU's Customs Union is the foundation of the Single Market, providing revenues for the EU budget, facilitating trade and protecting citizens and businesses from unsafe and illegal goods. The pandemic has also highlighted the importance of customs in assisting Member States in times of crisis. From the start of the covid-19 crisis, EU customs ensured that imports of important medical and protective equipment could flow freely, while keeping unsafe products off our markets.

However, EU customs faces major challenges. The volume, complexity and speed of trade has grown, and business models and supply chains have evolved for a digital age. In addition, the covid-19 crisis highlighted the need for customs to remain agile and reactive to effectively respond to future emergencies. The responsibilities of customs have also expanded beyond their traditional task of revenue collection, to encompass a wide range of other non-fiscal control tasks, including product safety, protection of cultural heritage and IPR. This trend is set to continue in the coming years.



A top priority for DG TAXUD, therefore, is to develop a more resilient, efficient, digitalised and integrated Customs Union, fit for the challenges of the future. This also contributes to the priority of an Economy that Works for the People. DG TAXUD's agenda builds on the work already underway to implement the Union Customs Code and the measures set out in the 2020 [Customs Union Action Plan](#) to make EU customs smarter, more innovative and more efficient for the long-term.

I. Developing digitalised, data-rich customs, fit for the future

Customs need to urgently harness the potential of data, digitalisation and new technologies not only at national, but also at EU level, for quicker, more streamlined and more robust controls and procedures across the EU's external border. There is great potential to make better use of data (both customs and non-customs) to support customs daily operations.

DG TAXUD will propose a new **Risk Management Strategy** in summer 2021 and conduct an **evaluation** of the common financial risk criteria and standards used by customs controls.

The **Joint Analytics Capabilities** initiative aims to provide Member States' customs authorities and DG TAXUD with more, better and enriched data, to ensure that customs across Europe can operate efficiently and effectively in the long term. In 2021, priority will be given to financial and security and safety risks and DG TAXUD will progress with a number of analytics projects in this respect.

In March 2021, the new **Import Control System (ICS2)** will come into effect. This will collect advance cargo data on all postal and express consignments at the EU's external border. The aim of ICS2 is to plug a fraud and security gap, which had been widened by the unprecedented rise of e-commerce. In the long-term, the analytical capabilities in ICS2 will enable authorities to focus on screening of high-risk trade while facilitating low-risk trade. DG TAXUD will continue its worldwide **communication campaign**, to prepare traders and businesses for the new ICS2 system.



In the same context, DG TAXUD plans **an analysis for an overhaul** of the collection of import duties and taxes on B2C e-commerce transactions from mid 2021. The focus will be on identifying a consumer-oriented, integrated and innovative collection system, deploying digital technologies, defining new responsibilities for the platforms, while adding value to consumers, businesses, and administrations.

A key feature will be customs valuation, both for tax and customs, as this determines the taxable basis for EU's customs duties at the border and the measurement of all EU cross-border trade flows. In 2021, DG TAXUD will start preparations for an initiative on Binding Valuation Information including an **impact assessment** and **public consultation**. We will also launch a similar initiative for Binding Origin Information.

BREXIT: Managing the tax and customs impact of the end of the transition period

On 31 December 2020, the transition period for the United Kingdom's withdrawal from the EU ended. From 1 January 2021, the UK no longer participates in the EU's Single Market and Customs Union, or in Union policies and programmes. Nor does it benefit from the Union's international agreements.

All customs controls and formalities required under EU law (in particular the Union Customs Code) apply to all goods entering or leaving the EU to/from the UK. This does not concern trade in goods between the EU and Northern Ireland, where the Protocol on Ireland and Northern Ireland included in the Withdrawal Agreement applies.

DG TAXUD has an important role to play in the Commission's management and monitoring of the new relationship with the UK, the EU's biggest trading partner in its neighbourhood. This is in view of the Union presence in Northern Ireland overseeing the application of the Protocol and of the respective Union law, and in view of monitoring the implementation by the UK of the Withdrawal Agreement.

While the EU and UK succeeded in reaching agreement on a Trade and Cooperation Agreement (TCA) on 24 December 2020, there will be broad and far-reaching consequences for public administrations, customs authorities, businesses and citizens throughout 2021.

Speedy and effective implementation of the TCA will require continued and timely outreach to businesses and administrations. At the same time, the new status of the EU-UK relationship will have a huge impact on the existing Trans-European IT Systems (TES), for both Customs and Taxation.

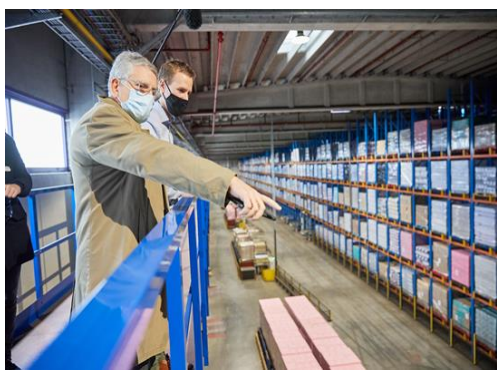
Therefore, DG TAXUD has a central role in guiding citizens and businesses, as well as national tax and customs authorities, trade associations and other key stakeholders, as they adapt to the new reality. We need to provide advice and guidance on the steps to be taken or on the procedures being put in place to minimise disruption and mitigate potential trading issues. We are ready to address the questions and issues that will continue to arise, as citizens, businesses and administrations adapt to new Brexit realities.

II. Enhancing cooperation to fight fraud and facilitate trade

Effective customs controls and the fight against fraud rely on close cooperation between Member States, between the many different regulatory authorities and with partner countries globally. A more coordinated and collaborative approach amongst authorities at the EU's external border can also ease the administrative burden for traders and businesses.

The EU **Single Window Environment for Customs** (EU SWE-C), which the Commission proposed in October 2020, will support the coordination of controls between customs authorities and other authorities at the border. The Single Window will make it easier for different authorities involved in goods clearance to exchange information submitted by traders electronically. It aims to enhance cooperation and coordination between different authorities, in order to facilitate the automatic verification of customs and non-customs formalities for goods entering or leaving the EU. It will also facilitate traders and businesses in the long-term, by allowing them to process all their border formalities through a single portal. In 2021, DG TAXUD will work to support the swift adoption of the Single Window proposal by the co-legislators.

DG TAXUD will also examine how cooperation can be further enhanced with security and border management authorities. In 2021, we will carry out a study on possible interoperability between the Schengen Information System and Europol with the customs



Import Control System (ICS2). Enhanced operational cooperation between customs authorities on a geographical or thematic basis should also be extended to more areas, based on the first successful examples for the protection of the Eastern Land Border (CELBET) and development and operation of IT systems (ETCIT). DG TAXUD will also continue its active involvement in the activities of the Security Union.

In 2021, DG TAXUD also plans to carry out a comprehensive and up-to-date overview of the non-fiscal tasks that customs are responsible for. The new Regulation on market surveillance and compliance of products will be the starting point and will become the benchmark for customs enforcement for all products. DG TAXUD will start by proposing detailed statistical **data on product safety and compliance controls** on EU imports, which authorities should report. As a later step, customs data and market surveillance data will be linked and shared, with a view to achieving a common risk analysis. Other areas in which DG TAXUD will assess customs' non-fiscal controls include cash controls, Intellectual Property Rights, drugs precursors and cultural goods.

III. Ensuring the proper implementation of customs legislation



The **Union Customs Code** (UCC) is a key element of the ongoing actions to modernise EU customs. It provides a comprehensive framework for customs rules and procedures in the EU customs territory, adapted to modern trade realities and modern communication tools. It is also the foundation of our preferential trade agreements

worldwide. In 2021, DG TAXUD will carry out a **public consultation** and **evaluation** of the UCC legal package. The evaluation will assess the balance between customs controls and trade facilitation, as well as the extent to which the current rules support legitimate economic activity and prevent unfair or illegal trade. It will look at whether the IT systems in the UCC package are effective in reinforcing collaboration between customs authorities, and whether there is sufficient interoperability between different electronic systems. The evaluation will also seek to assess all costs of implementing the UCC, as well as the benefits of safer, more compliant trade and speedier procedures.

DG TAXUD will also continue to implement the Union Customs Code (UCC) in 2021, notably by fine-tuning the technical arrangements for the electronic systems and through an implementing act to continue developing other systems. It will publish an annual report on the progress made with the IT implementation of the UCC systems by the end of the year.



DG TAXUD will continue its work to advance the EU **Authorised Economic Operator** (AEO) programme. Pending the evolution of the covid-19 crisis, DG TAXUD will resume fact-finding visits to Member States, to check their compliance and procedures, with a view to further harmonising practices between the Member States. In particular, these will examine how AEO status is granted and how the processes are monitored. In parallel, DG TAXUD will start a comprehensive review of the AEO Guidelines and, if necessary, start the process to amend the implementing legislation.

DG TAXUD will also continue to work closely with customs administrations to ensure the uniform application of the **Common Customs Tariff**. We will also regularly update the **Integrated Tariff database** (TARIC), which contains all measures relevant to importing or exporting goods from the EU.

Specific Objective 5.2: Promote the EU's customs agenda internationally

TAXUD's international engagement serves to represent the EU's tax and customs policies on the international scene. It also contributes to international standard setting, notably through its contribution to the work of the World Customs Organization, where TAXUD is committed to enhance the the governance to ensure that there are appropriate accountability mechanisms in place, and to the work of the World Trade Organization and the OECD. As



such, this objective also contributes to the priority of a stronger Europe in the world.

DG TAXUD pushes for further regional integration, be it through the revised Pan-Euro-Med-Convention which modernizes and simplifies the rules of origin and thus supports integrated supply chains at Europe's doorstep, or through technical assistance for the new African Continental Free Trade Area .

In 2021, DG TAXUD will carry out a comprehensive **analysis of the EU's international cooperation in customs** matters, with a view to proposing possible enhancements by the end of the year.

An important issue for consideration in 2021 will be whether the EU should take its **international cooperation agreement with China** – its most important and challenging trade partner – to the next level. This could be done by reviewing the bilateral Agreement on Cooperation and Mutual Administrative Assistance in Customs Matters currently in force. At the same time, steps towards an international agreement with China on Value Added Tax (VAT) will also be undertaken in 2021.

The monitoring of the **implementation of preferential trade arrangements** plays an important role in safeguarding the EU's financial interests and ensuring market access for compliant trade. The 2020 Customs Action Plan extends the monitoring of preferences in international trade from EU's autonomous preferential regimes to Free Trade Agreements. DG TAXUD will continue and deepen this important work over the coming year and act upon the findings of such monitoring

DG TAXUD will also continue to support the worldwide negotiation and implementation of EU **agreements with international partners**, covering customs and taxation matters, while also assisting enlargement candidate countries for accession. The implementation of these agreements covers dozens of multilateral and regional agreements, as well as more than 100 bilateral agreements. In line with the political mission to better align the internal and external aspects of EU's work, the objective of these agreements and their implementation is clearly to reinforce EU's customs – and tax – policies and objectives at international level. These objectives include, in particular, facilitating legitimate trade and ensuring preferential market access in third countries, ensuring efficient controls on safety and security, countering illicit trade, fighting fraud and preserving EU own resources.

As an example of strengthened internal and external alignment, the amendments to the 'Agreements on customs security measures' with **Norway and Switzerland** will enter into force in 2021. These aim to ensure equivalence of security measures at external borders, in line with the reinforced risk management framework under the Union Customs Code.

In 2021, the negotiations of Free Trade Agreements with a particular Customs and Trade Facilitation section with Australia, New Zealand, and Indonesia are expected to be finalised.



PART 2

Modernising the administration: main outputs for the year

In 2021, collaborative working will remain the main characteristic of DG TAXUD's working culture, looking for cross-fertilisation between customs and tax. DG TAXUD will implement its new HR strategy, maintain its focus on the high level of staff competence and continue to improve its working methods. Two-way communication with staff will remain a key principle in DG TAXUD.

The internal control framework¹ supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

DG TAXUD has established an internal control system tailored to its particular characteristics and circumstances. The effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

A. Human resource management

In 2021, under the new local HR strategy, staff competence and engagement will remain the core of DG TAXUD's human resources policy.

An important part of TAXUD's culture is its focus on people and cross-directorate collaboration. DG TAXUD will remain dedicated to two-way communication and staff inclusion. The restrictions and challenges created by the covid-19 crisis are expected to continue into 2021, posing particular challenges on the HR side and intensifying the need for strong engagement with staff at all levels.

In this context and in the course of implementating its new HR strategy, it is even more important that DG TAXUD follows up on the feedback received from staff in the previous years in the context of initiatives such as "TAXUD In Action", "Working From Home – Lesson Learnt" and the consultations on its local HR strategy.

The implementation of the new TAXUD HR strategy will be the crucial element of the Human Resources Management (HRM) in 2021. Once the new document, drafted and consulted with staff and management in 2020, is presented to staff in January 2021 and subsequently adopted in February 2021, DG TAXUD will proceed with the related HR action

¹ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

plan for 2021. TAXUD HR strategy covers the main HRM areas with a particular attention to TAXUD specific needs. It focuses on four main themes: *Competent people with opportunities to grow, Engaged people in a workplace fit for all, Empowering and inclusive leadership, and Right data for the right match between people and priorities.*

To ensure the right mix of skills and knowledge, DG TAXUD will start a shift from traditionally highly specialised profiles towards a more versatile workforce. As a result, there will be more focus on the recruitment of generalists and on training of soft skills and general knowledge. The new TAXUD learning and development strategy will include learning paths designed for different areas, such as newcomers, customs, taxation, data analysis, middle management, which can allow all staff to develop cross-directorate competences. In the course of the year, DG TAXUD intends to organise 'TAXUD Academy Days' – once the public health situation allows for physical presence – responding to staff requests for more customs- and tax-specific knowledge and skills development and at the same time strengthening staff engagement in Team TAXUD. Moreover, it will make continuous use of its knowledge management strategy, so as to mitigate the risks presented by a substantial number of colleagues retiring.

During the year, DG TAXUD will carefully review its available capabilities and subsequently its staffing needs, by mapping existing skills across the DG, to make the best use of them and identify gaps. DG TAXUD will also assess the workload in a structured way.

In 2021, DG TAXUD will put in place a reinforced HR reporting system with relevant indicators. This system should serve as a solid basis for HR management decisions. This way, it will be better equipped to monitor and analyse staff movements.

DG TAXUD reiterates its commitment to diversity and inclusion among its staff.

In 2021, TAXUD plans to promote diversity in the form of workshops, appropriate composition of selection panels and monitoring related statistical data on gender and geographical balance. DG TAXUD will also strive to open up the possibilities for female candidates for the first Middle Management appointments, in line with the Commission target in this respect. More specifically, it will monitor possible future events which might open possibilities of first appointments such as potential retirements or promotions to Senior Management positions. In parallel, it will work on building the local talent pool to draw from by, among others, organising an inhouse coaching programme for staff in pre-management positions, nomination of Deputy Head of Units in all TAXUD units, lunchtime sessions on career guidance, women networking event (around Women's day), supporting participation in the corporate initiative of the Female Talent Development Programme.

Objective: DG TAXUD employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

Main outputs in 2021:

Output	Indicator	Target
Increased female representation in middle management	First female appointments to middle management positions Baseline: 30% on 01/12/2019	4 first female appointments by 2022
Maintain staff engagement above the Commission average level	Staff engagement index	Above 69%
Develop solid knowledge and data for informed HR decisions	Skills mapping Workforce assessment	Overview of available and missing skills needed to deliver DG TAXUD objectives Overview of links between resources and priorities
Clear learning possibilities for different staff profiles	Learning paths targeting various staff profiles	Establishing learning paths in 6 areas
Encourage collaborative forms of work	Adoption of guidelines for establishing project teams in TAXUD	Clear framework for staff wishing to establish a project team – Q1 2021
Reinforce Human Resources Management	Adoption of the local HR strategy and the local L&D strategy	Establishing clear directions in TAXUD HR policy, including L&D policy, in Q1 2021

B. Sound financial management

Throughout 2021, the internal control and risk management processes will be implemented as defined at corporate level. The indicators of the Strategic Plan will be closely monitored. The internal control framework will be fully adhered to, results of which will be reported in the 2021 annual activity report.

The programmes under the new multiannual financial framework (MFF) will have a huge impact on all financial processes and controls. An immediate challenge in 2021 will be the impact that the delayed adoption of the MFF and subsequent implementation of the programmes will have on our ability to make commitments and payments in the first months of the year.

Considering that DG TAXUD's current Customs and Fiscalis programmes have a "sunset clause" (both regulations have a definitive end date of 31/12/2020), and that the new programmes do not (et) have a legal base for 2021, it will not be possible to commit any operational budget (i.e. sign new contracts) before the new work programmes and financing decisions are adopted which could be as late as mid-2021. Considering such delay, there is a high risk that DG TAXUD will not achieve a full budget execution. The below output indicators have been adjusted accordingly.

Once the programmes are agreed, the annual expenditure will increase substantially compared to the previous MFF. To be able to maintain legal and regulatory assurance of all financial transactions, the focus – throughout 2021 – will be to:

- 1) implement the new corporate electronic tools for grants and procurement management
- 2) review the financial processes and controls.

The new eGrants platform will be used to implement the grant agreements under the new Customs and Fiscalis programmes as well as the new Customs Control Equipment Instrument. The new eProcurement tools for contract management will be implemented as soon as rolled out to the DGs, and particularly for study contracts with reopening of competition.

Whilst the current levels of controls are considered cost-effective, the same level of controls cannot be maintained with the expected increase of the number of financial transactions under the new MFF, and with constant human resources. Therefore, the ex-ante and ex-post control strategy will be reviewed. The eGrants/eProcurement tools' control functionality and simplifications will be exploited to the maximum. A more risk-based approach towards controls for payments will be implemented to ensure that all transactions are paid in due time. The ex-post audit strategy for the Customs and Fiscalis programmes will be reviewed and an ex-post audit strategy for the new Customs Control Equipment Instrument will be finalised and implemented. Where possible, the use of the Certificate for Financial Statements will be encouraged.

Unless overruled by the new ex-post strategy, it is planned, throughout 2021, to organise 3 ex-post audits for Customs/Fiscalis and the relevant expert teams under both programmes. These ex-post audits will be conducted either on-the-spot or via desk review, depending on the covid-19 measures that will be in place.

As reported to the central services, the critical risk of disruption in the delivery of the pan-European IT systems in customs and taxation due to important hand-over/take-over operations and the oligopoly position of IT contractors will be further examined and further mitigated where needed.

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Main outputs in 2021:

Output	Indicator	Target
Effective controls: Legal and regular transactions	Risk at payment	remains < 2 % of relevant expenditure
	Estimated risk at closure	remains < 2 % of relevant expenditure
Effective controls: Safeguarded assets	Disposal of assets ((in)tangible assets and inventories) follow formal procedures	Correct imputation in the accounting system and compliance with regulatory provisions
Efficient controls	Budget execution	remains 100% of payment appropriations ²
	Time-to-pay	becomes 100% of payments (in value) on time
Economical controls	Overall estimated cost of controls	remains < 3% of payments made

² The delayed adoption of the MFF and new programmes will significantly influence DG TAXUD's capability to implement 100% budget execution. With the information currently at hand, a 70% implementation rate seems more plausible.

C. Fraud risk management

In 2021, DG TAXUD will continue to take decisive action to deter and prevent fraud. It will enact and implement its new Anti-Fraud Strategy 2021-2027, fully aligned with the 2019 Commission Anti-Fraud Strategy (CAFS). Besides awareness-raising and actions on ethical behaviour, the new strategy will encompass antifraud actions in the various policy as well as in operational areas including IT contract management management or effective and efficient fraud prevention and detection in the area of TOR at Commission level, in cooperation with BUDG and OLAF, covered by the Directorate-General.

As usual, the progress in implementing the various actions of the action plan will be reported (yearly) to the Senior Management and documented in the Annual Activity Report.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS)³ aimed at the prevention, detection and correction⁴ of fraud

Main outputs in 2021:

Output	Indicator	Target
Adoption of TAXUD's 2021 AFS	New DG TAXUD AFS 2021-2027	Q1 2021
Reporting on the status of implementation of actions of the action plan	% of actions implemented	100% by 2024
Anti-fraud awareness raising among DG TAXUD staff	Number of promotion actions	3 actions per year

D. Digital transformation and information management

DG TAXUD has taken strategic orientations on the modernisation of its software development practices, technologies and methodologies. In 2021, DG TAXUD will progressively move to DevSecOps practice, the Application Lifecycle Management (ALM) platform based on DIGIT's CITnet will be adopted, and the business and project managers will be trained in the project management methodology of the Commission (PM²), especially on its Agile component.

DG TAXUD will keep on collaborating with DIGIT implementing their digital solutions modernisation plan (DSMP). In 2021, TAXUD will contribute to the projects Data

³ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

⁴ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Governance, Service Management, Portals, eSignature, Enterprise architecture, Customs, and Secure exchange clusters as part of the European Commission Digital Strategy (ECDS)⁵. DG TAXUD will also continue collaborating in the EU ACCESS project, which is based on TAXUD's user authentication and authorization component (UUM&DS).

TAXUD will continue to support the corporate Reusable Solutions Platform (RSP) with two candidates:

- A generic mechanism for a common trader portal with specific plug-ins for different functionalities and based on UUM&DS for user authentication and authorization,
- An infrastructure for secure interface with external partners (third countries, traders).

DG TAXUD will continue to assess the feasibility of the blockchain-based solution (Distributed Registry of Import One-Stop-Shop VAT identifiers) on the European Blockchain Services Infrastructure (EBSI) with the objective to complete a proof of concept by end of 2021.

DG TAXUD will continue increasing data capabilities to support its policy activities investing in people and tools to treat data as a real asset. The main goal for 2021 will be the roll out of a data crunching platform "the Data Lab". Staff will be trained to get the best out of all tools and the data governance operating model will be finetuned. DG TAXUD opted for a bottom-up approach to identify concrete data projects in order to ensure that its data projects meet real policy needs..

Having a single place for sharing data assets, analytical processes and outcomes should also contribute to boosting collaboration among units and directorates of DG TAXUD and even with other services.

DG TAXUD will continue to raise awareness among DG TAXUD colleagues on the data protection rules to ensure a high level of compliance and reach the targeted 100% awareness rate in 2024. This will be done by organising in 2021 dedicated events for meeting organisers and newcomers. In addition, topical data protection features will be brought to the attention of staff through the weekly newsletter. In the context of the trans-european IT systems for customs and taxation, DG TAXUD will closely cooperate with Member States to ensure compliance and progress on the conclusion of data protection arrangements where appropriate.

Finally, DG TAXUD will continue to make its documents by default visible to all Commission colleagues when appropriate. DG TAXUD will also roll out the qualified electronic signature system. In 2021, the document management team will also continue to monitor and

⁵<https://myintracomm.ec.europa.eu/corp/digit/Pages/Welcome-to-a-digitally-transformed-commission.aspx>

stimulate good document management practices in the Directorate-General including amongst other things:

- Regularly reminding on open tasks and non-filed documents in the Hermes-ARES-NomCom system
- On demand training on registration and filing of documents in ARES

Objective: DG TAXUD is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Main outputs in 2021:

Output	Indicator	Target
First Data Lab version for DG TAXUD	First Data Lab launched	March 2021
Data Governance model published	Model adopted by DG TAXUD	June 2021
Awareness raising sessions for: <ul style="list-style-type: none"> • Management • Newcomers • Meeting organisers 	Sessions organised	<ul style="list-style-type: none"> • 22 January 2021 • One session in Q2 2021 and one session in Autumn. • One session in Q2 2021
Data Protection Day Event	Session organised	28 January 2021

E. Sound environmental management

DG TAXUD will continue to actively promote a greener approach in its working methods within the EMAS framework. Although the DG is already using many digital working methods, DG TAXUD will promote an even more extensive use of digital tools. The fast adaptation of DG TAXUD's working methods to the situation under the covid-19 crisis has clearly proven useful in the context of the remote working.

DG TAXUD will continue to raise awareness, both internally and with Member States, and promote plastic and waste free events and expert meetings. This can include, for instance, using green supplies and limiting paper documents, both for meeting participants and interpreters.

The actions already started will be continued:

- the installation of shared printers to reduce paper consumption;
- reduction in single use items for meetings;
- rationalize the use of office supplies minimizing the use of plastic items and paper;
- bringing your own cup to meetings and events practice.

Objective: DG TAXUD takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work



Main results and outputs in 2021:


Output	Indicator	Target
Promote new (hybrid) working	% of staff using hybrid working	50% of staff uses hybrid working
Implement paperless working methods at DG/service level in particular for financial circuits	% of grant agreements signed electronically	100% by end 2021
	% of contracts signed electronically	100% by end 2022
Gradual increased use (and number of) VC meeting rooms in the DG/service, in collaboration with DG SCIC	# additional VC meeting rooms	6 additional VC meeting rooms by end 2022 (depending on SCIC planning)
Implementation of the EC Guidelines for sustainable meetings and events , e.g. reduce/eliminate single-use plastics, gadgets/gifts)	# events that eliminate single-use plastics	100%

F. Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities

Under the next Multiannual Financial Framework, DG TAXUD's operational expenditure will nearly triple compared to the current level of expenditure. A significant increase of financial transactions, in particular grant agreements, will have to be prepared and followed-up. Absorbing the ensuing workload, notably in the financial unit - whilst keeping the staff levels stable - can only be achieved by fully exploiting the synergies and efficiencies brought forward by the new digital eGrants platform. From 2021 onwards, all grant agreements under the Customs and the Fiscalis programmes as well as under the Customs Control Equipment Instrument will be prepared and implemented using the new Corporate eGrants platform. All transactions, from preparation to signature, from payments to audits, will be implemented in a fully digital mode allowing to absorb (part of) the additional workload which would otherwise not be possible with the current staffing levels.

ANNEX: Performance tables




General objective 1: European Green Deal		
Specific objective 1.1: Design EU tax policy actions that contributes to a carbon neutral continent by 2050		Related to spending programme Fiscalis
Main outputs in 2021:		
New policy initiatives		
Output	Indicator	Target
 Proposal reviewing the Energy Tax Directive (PLAN/2020/6493)	Adoption by College	June 2021
 Proposal for a Carbon Border Adjustment Mechanism (PLAN/2020/6513)	Adoption by College	June 2021
External communication actions		
Output/ Result	Indicator	Target
Increased awareness of the benefits of the new Carbon Border Adjustment Mechanism (CBAM) + Energy Tax Directive (ETD) review	Number of social media engagement: shares, likes, clickthroughs, comments	500.000 engagements on Twitter 10.000 RT 1.000 Likes 100 Replies
	Number of page views	200,000 page views
	Video views	2 million (on Youtube & Twitter)

General objective 3: An economy that works for the people		
Specific objective 3.1: Develop tax policy actions for a stronger, fairer and more efficient Single Market		Related to spending programme Fiscalis
Main outputs in 2021:		
New policy initiatives		
Output	Indicator	Target
 Digital levy (PLAN/2020/9998)	Adoption by College	Q2 2021
Communication on business taxation (PLAN/2019/6153) ⁶	Adoption by College	Q1 2021
Extension of the automatic exchange of information to cover crypto-currencies (DAC8) (PLAN/2020/8658)	Adoption by College	Q3 2021
Proposal for implementing VAT rules for SMEs	Adoption by College	Q1 2021

⁶ 2020 Commission work programme annex I initiative

Proposal VAT Rules for financial services (PLAN/2020/8038)	Adoption by College	Q4 2021
Proposal VAT and/or excise duty exemption certificate	Adoption by College	Q2 2021
Initiative on Taxpayers rights (PLAN/2020/8320 & 8581)	Adoption by College	Q3 2021
Proposal to update the tax advantage regime for certain products produced in the French outermost regions (PLAN/2019/5286)	Adoption by College	Q2 2021
Evaluations and fitness checks		
Output	Indicator	Target
Evaluation of the VAT scheme for travel agents (PLAN/2019/5715)	Adoption by College	Q1 2021
Public consultations		
Output	Indicator	Target
Public consultation on digital levy	Consultation launched	Q1 2021
Public consultation on financial services	Consultation launched	Q1 2021
Public consultation on the extension of the automatic exchange of information to cover crypto-currencies (DAC8)	Consultation launched	Q1 2021
External communication actions		
Output/ Result	Indicator	Target
Social media campaign on the reform of the business taxation system	Number of social media engagement: shares, likes, clickthroughs, comments	250.000 engagements on Twitter 5.000 RT 500 Likes 50 Replies
	Number of page views	100.000
Social media campaign on the digital levy	Number of social media engagement: shares, likes, clickthroughs, comments	
E-commerce integrated worldwide communication campaign	Online campaign reach	40 million social media impressions
	CTR Rate	0.25 (100.000 clicks)
	Youtube views	500.000
	Twitter stats	5.000.000 impressions 15.000 RT 5.000 Likes 100 Replies
	Linkedin impressions and engagements	150.000 impressions 5.000 engagements
Campaign on cooperative compliance	Number of page views	50.000

Other important outputs		
Output	Indicator	Target
VAT gap report	Publication	Q3 2021
VAT in the digital age	Study completed	Q4 2021
Report on VAT administration processes and procedures	Adoption by College	Q1 2021
Study on economic impact of VAT disputes	Study completed	Q3 2021
Launch of tax observatory	Established	Q2 2021
EU Cooperative Compliance Initiative	Launch pilot project	Q2 2021
Proposal for a Standing Committee for dispute resolution	Implementation of a standing committee	Q3 2021
Establishment of expert group on transfer pricing	Established	Q1 2021
2021 Taxation Trends Report	Published	July 2021
Taxes in Europe Database	Publication	Q4 2021
Expert teams for the collaborative development by Member States of a Central Electronic System Of Payment data exchange (CESOP)	First draft CESOP functionalities	Q4 2021
Expert team for the collaborative development by Member States of a Mobile Application for EMCS Controls Developments	Development of application	Q1 2021
Expert team for the collaborative development by Member States of an Excise Duties Calculator	Development of application	Q1 2021
VAT e-Commerce (IOSS)	Available	Q3 2021

General objective 3: An economy that works for the people		
Specific objective 3.2: <i>Implement the EU Programmes supporting EU tax and customs policy</i>		<i>Related to spending programme Fiscalis Customs Customs Control Equipment Instrument</i>
Main outputs in 2020:		
New policy initiatives		
Output	Indicator	Target
 Post-2020 Customs programme	Adoption by co-legislators	Q1 2021
 Post-2020 Fiscalis programme	Adoption by co-legislators	Q1 2021
 Customs Control Equipment Instrument	Adoption by co-legislators	Q1 2021
Evaluations and fitness checks		
Output	Indicator	Target



Customs 2020 final evaluation	Final report	Q4 2021
Fiscalis 2020 final evaluation	Final report	Q4 2021
Other important outputs		
Output	Indicator	Target
Customs 2021 and Fiscalis 2021 Multi Annual Work Programmes	Adopted by College	Q1 2021
Customs Control Equipment Annual Work Programme	Adopted by College	Q1 2021
Expert Teams on new approaches to develop and operate Customs IT systems (ETCIT II)	Submission of Final Report	Q4 2021

General objective 3: An economy that works for the people

Specific objective 3.3: Support wider EU policy priorities through taxation *Related to spending programme Fiscalis*

Main outputs in 2020:

New policy initiatives

Output	Indicator	Target
 Cross-border acquisitions of excise goods by private individuals (PLAN/2020/8664)	Adoption by College	Q3 2021
 Proposal amending the structure and rates of excise duty applied to manufactured tobacco products (PLAN/2020/8656)	Adoption by College	Q4 2021


General objective 5: Promoting our European way of life

Specific objective 5.1: Develop a more modern Customs Union, to facilitate trade, safeguard revenues and protect citizens and businesses *Related to spending programmes Customs and Customs Control Equipment*

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target
Communication on new risk management strategy	Adoption by College	Q2 2021
Proposal to amend provisions on monitoring obligations for authorised economic operators	Adoption by College	Q4 2021
Update of the EU AEO Guidelines	Published	Q4 2021
Bi-annual amendments of Council Regulations 1387/2013 and 1388/2013 (autonomous	Adoption by College	April-May 2021 November 2021

suspensions and quotas)		
Proposal for establishing the European Union Single Window Environment for Customs	Negotiations with co-legislators	December 2021
Proposal for implementing the regulation on the import of cultural goods	Adoption by College	Q2 2021
Proposal for implementing rules specifying the statistical data for compliance and safety controls on products entering the Union market	Adoption by College	Q2 2021
Proposal for implementing rules for the forms on controls on cash entering or leaving the Union and the exchange of information through the Customs Information System (CIS)	Adoption by College	Q2 2021
Proposal for implementing rules laying down measures for the uniform application of controls by establishing common risk criteria and standards on cash movement.	Adoption by College	Q2 2021
Evaluations and fitness checks		
Output	Indicator	Target
 UCC midterm evaluation	Published	Q4 2021
Evaluation of the financial risk criteria	Adoption by the Customs expert group	Q4 2021
Public consultations		
Output	Indicator	Target
Binding Valuation Information (BVI)	Closed	Q2 2021
Enforcement actions		
Output	Indicator	Target
Obtain list of beneficiaries on goods imported under Decision 2020/491	Value and relevance of beneficiary organisations	Q3 2021
External communication actions		
Output/ Result	Indicator	Target
ICS 2 Integrated Communication Campaign	Online campaign reach	7 million impressions online
	Website clicks	150.000 1.30 min spent on page (average)
Integrated communications campaign on cash control	Campaign reach, both on and offline	10 million impressions online 30 million people offline (airports, ports)
Other important outputs		
Output	Indicator	Target
Reflection group (°CAP)	Launched	Q1 2021
Third progress report on the implementation of the 2014 Strategy	Adopted	Q1 2021

and Action Plan on Customs Risk Management		
Progress report of the AEO programme	Published	Q4 2021
Establish list of prohibition and restriction legislation to be applied to products entering the Union	Published	Q3 2021
Multi-Annual Strategic Plan for electronic Customs (MASP-C)	Launch of the revision	Q4 2021
Revision of the Implementing Regulation on the technical arrangements for the electronic systems under the UCC (PLAN/2020/6360)	Adopted	Q1 2021
Amendment to the UCC Implementing Act (review of Annex B) (PLAN/2020/7651)	Adopted	Q1 2021
UCC Annual Progress Report 2021	Adopted	Q4 2021
Feasibility study interoperability SIS/Europol data and ICS2	Completed	Q4 2021
Expert team pooling expertise to resolve complex cases of divergent tariff classification (BTI II)	<ul style="list-style-type: none"> Final Report Number of classification cases resolved 	<ul style="list-style-type: none"> Q4 2021 Remain stable or grow
Expert teams to pool and share specific analytical expertise of Customs Laboratories at EU level (Customs Laboratories expert team CLET II)	<ul style="list-style-type: none"> Final Report Number of analysis carried out 	<ul style="list-style-type: none"> Q2 2021 Remain stable or grow
Study on the impact of e-commerce on customs duty collection and assess the implications of removing the customs de minimis threshold	Completed	Q3 2021
Study on the EU Single Window Environment for Customs business to government (B2G) features	Intermediary Report	Q4 2021
Analytics Expert Team to pool the knowledge and resource in the field of data science, analytics risk management and domain expertise to support development and piloting of ICS2 analytics capability	Launched	Q4 2021
Study to assess the implications of removing the customs de minimis threshold, to analyse the impact of e-commerce on customs duty collection and examine the possibility of a holistic scheme to collect VAT, excise and customs duty on e-commerce transactions	Completed	Q3 2021
UCC Automated Export System (AES)	Available	Q1 2021
UCC Import Control System 2 (ICS2)	Available	Q1 2021

Release 1		
UCC NCTS Phase 5		Q1 2021
Customs Risk Management System 2 (CRMS2)	Available	Q4 2021
EU Single Window environment for customs: Reengineered EU CSW-CERTEX - Scope extension with CHED-A, CHED-P, F-GAS and migrated FLEGT and COI	Available	Q3 2021
COPIS Implementation of Electronic AFA	Available	Q4 2021


General objective 5: Promoting our European way of life

Specific objective 5.2: Promote the EU's customs agenda internationally

Related to spending programme Customs

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target
 EU-China Strategic Framework (2021-2024)	Adopted	Q1 2021

Evaluations and fitness checks

Output	Indicator	Target
Evaluation of the EU-China Customs Cooperation and Mutual Administrative Assistance Agreement (CCMAA)	Published	Q1 2021

Public consultations

Output	Indicator	Target
Binding Valuation Information (BVI)	Closed	Q2 2021

Other important outputs

Output	Indicator	Target
Binding Valuation Information (BVI) impact assessment	Published	Q4 2021
Analysis of overall international customs cooperation	Adopted	Q4 2021
Technical amendments to Protocol II on rules of origin to the EU-Pacific interim EPA	Adopted	Q1 2021
Monitoring of the functioning of preferential trade arrangements (rules of origin and administrative cooperation)	Monitoring actions undertaken; Requests for information answered; Specimen Management System (SMS) kept up-to-date.	Throughout 2021 and later
FTA negotiations on Rules of Origin with Australia and New Zealand	Completed	Q4 2021

FTA negotiations on Customs and trade Facilitation with Australia, Indonesia	Completed	Australia: Q2 2021 Indonesia: Q1 2021
FTA negotiations with more than 45 Pan Euro Med countries	Implementation of the revised rules of origin	Throughout 2021 and later
Negotiating directives for VAT cooperation agreements with third Countries	Adoption by College	Q4 2021
Portal for electronic registration and modification of Registered Exporters (REX)	Available	Q1 2021
Conclude AEO mutual recognition with Canada	Adoption of decision of Canada-EU JCCC	Q3 2021