

FIT FOR FUTURE Platform Opinion

Topic title	Union Customs Code
	2021 AWP
	Regulation (EU) No 952/2013 <i>Legal reference</i>
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Policy cycle reference	<input checked="" type="checkbox"/> Contribution to (ongoing) legislative process CWP 2021, Annex II <i>Commission work programme reference:</i>
	<input checked="" type="checkbox"/> Contribution to the (ongoing) evaluation process Interim evaluation of the implementation of the Union Customs Code (UCC) <i>Title of the ongoing evaluation</i> The UCC – with its related delegated and implementing acts (the UCC package) – is the main EU legislative framework for customs processes and IT systems and has been applied since May 2016. The Commission and the Member States are deploying the 17 electronic systems set out by the UCC on a gradual basis up to 2025; therefore, the UCC allows until that date the continued use of existing paper-based or existing electronic systems as long as the new/upgraded systems are not in place. The European Parliament in January 2017 invited the Commission to take stock of the state of play of the implementation of the customs legislation and the delivery of electronic systems set out in the UCC. The Commission provided an initial report in January 2018 and committed to deliver an interim evaluation by the end of 2021 together with a fitness check once all the UCC electronic systems are in place. The evaluation will assess whether the UCC package has had a positive or negative impact on EU businesses and administrations in the period 2016 - end 2020. It will also identify and quantify administrative costs, benefits, savings and burden reduction and simplification potential, in order to analyse whether the legal and IT framework have achieved the best

possible results at the lowest possible costs and whether the use of resources could be improved. The evaluation will assess whether the current rules still correspond to the objectives envisaged when the UCC was adopted and to the needs and expectations of customs authorities and traders (relevance). In addition, it will assess whether the UCC framework still provides EU added value. It will also look at the coherence of the UCC with other EU policies (in particular safety/security, international trade, protection of EU financial interests and taxation).

This evaluation will support the follow-up to the Commission [Action Plan Taking the Customs Union to the Next Level](#).

A [public consultation](#) took place between 26 April 2021 - 19 July 2021.

Included in Annex VI of the Task force for subsidiarity and proportionality

No

Other

No

Have your say: Simplify!

No relevant suggestions on this topic were received from the public.

Commission follow up

REFIT Scoreboard: [Union Customs Code](#)

Have your say portal: [Union Customs Code – mid-term evaluation](#)

Annual Burden Survey: [The EU's efforts to simplify legislation](#)

FIT FOR FUTURE PLATFORM SUGGESTIONS SUMMARY

- Suggestion 1: More predictability in the process of rolling out the Union Customs Code**
- Suggestion 2: Explore possibilities of flexible implementation of rules in case of crisis**
- Suggestion 3: Ensure greater coherence of related policy areas to the UCC**
- Suggestion 4: More benefits for authorised economic operators AEO**

SHORT DESCRIPTION OF THE LEGISLATION ANALYSED

The Customs Union is an exclusive competence of the European Union. Customs legislation is adopted at EU level on the basis of proposals by the Commission, although its implementation is the responsibility of the Member States via their customs administrations.

The Union Customs Code (UCC) package is a key element of the ongoing actions to modernise EU customs. It provides a comprehensive framework for customs rules, procedures and electronic systems in the EU customs territory adapted to modern trade realities and modern communication tools. The UCC entered into force in October 2013 but most of its provisions are applicable since 1 May 2016. Nevertheless, some transitional arrangements still apply, most notably because not all of the electronic systems to deal with formalities are in place yet.

The UCC aims for more simplicity and uniformity in the application of customs rules, by providing streamlined provisions and a fully electronic environment for the completion of customs formalities by customs authorities and economic operators. This is to enhance the competitiveness of European businesses, while better protecting the financial interests of the Union and the Member States and the safety and security of European citizens.

Regarding its objectives of simplicity, service and speed, the UCC aims in particular to:

- offer greater legal certainty and uniformity to businesses and increase clarity for customs officials throughout the EU;
- complete the shift to a paperless and fully electronic customs environment;
- reinforce swifter customs procedures for compliant and trustworthy economic operators (AEO);
- enhance the competitiveness of European businesses and thereby advance the main goals of the [EU strategy for growth and jobs](#);
- protect the flow of goods transiting or moving in and out of the EU;
- safeguard the financial and economic interests of the EU and of the Member States, as well as the safety and security of EU citizens;
- streamline and simplify customs legislation and procedures, building on existing concepts.

In order to create a paperless and fully automated Customs Union, the Commission and the Member States have to upgrade some existing electronic systems and introduce some new ones for the completion of the customs formalities regulated in the UCC, for a total of 17 IT systems.

The planning for the deployment of these electronic systems is set out in the UCC Work programme (Commission Implementing Decision (EU) 2019/2151).

Further sources of information

[Have your Say entry page](#)

[Legislation framework webpage](#)

[Roadmap and feedback](#)

[Public consultation](#)

PROBLEM DESCRIPTION

Existing evidence suggests the following issues:

The evaluation is on-going. The UCC is a major piece of legislation that has a wide-ranging impact on businesses and Member States. An [impact assessment](#) prior to the adoption of the [Modernised Customs Code](#) (later recast as the UCC) took account of the potential economic, social and environmental impacts of amending customs law. Many amendments have been made to the UCC package since its adoption, mostly to eliminate problems of interpretation and application of the rules, to reflect new developments and to ensure consistency. The evaluation is now needed to ensure that the UCC package is still providing an efficient framework for customs activities in the EU, in particular having regard to the impact of global developments, changing business models in trade and new technologies such as e-commerce and block chain. The evaluation will support decisions on whether the UCC package should be revised.

(Source: [Roadmap](#))

The Fit for Future Platform has acknowledged the issues raised by the legislation concerned as follows, including only the relevant points:

Regarding: modernisation and future proofing of existing laws, including via digitalisation, the efficient labelling, authorisation and reporting obligations, the simplification of EU legislation:

- The UCC package should be assessed against the need to a gradual adaptation to a paperless environment;
- Both customs authorities and stakeholders are impacted by the frequent changes to the delegated or implementing acts, which were necessary to ensure alignment between the electronic customs declarations and the related IT systems. This is seen as not providing a stable customs legislation for systems' adaptation or development.

SUGGESTIONS

Suggestion 1: More predictability in the process of rolling out the Union Customs Code

Description: The UCC is the most important EU customs project of the past decade, and it is of key importance and useful to harmonise the deployment of the IT systems necessary for the application of customs rules and processes set out in the UCC. Several Member States are on the right track to implement the conditions of the UCC. However, over the past few years the rolling-out programme has constantly placed new requirements during the process. This has the risk of adding additional burdens in terms of human and financial resources, while disrupting the implementation as planned. A thorough evaluation of the systems rather than constantly fine-tuning the system while the process is underway is warranted, after which missing components should be added.

Expected benefits: A smoother rolling-out of the UCC could increase certainty for both stakeholders and customs authorities.

Suggestion 2: Explore possibilities of flexible implementation of rules in case of crisis

Description: A major challenge during the COVID pandemic was the lack of flexibility of rules and the obligation to assess possible facilitations on a case by case basis. This hampered a quick, uniform and efficient response to the crisis in the field of customs. More flexibility in the application of rules, allowing for exceptions based on *force majeure*, should be considered in the legislation to ensure the aforementioned response across the EU in case of future crisis. This suggestion is also based on the Council Conclusions regarding “Taking the Customs Union to the Next Level: a Plan for Action”. A quick and uniform response would reduce the burden for all parties involved since currently economic operators and customs administrations must apply for and decide upon applications on a documented case by case basis.

Such flexibility could be offered in the following areas:

- **temporary storage**
 - o non-Union goods may be stored in temporary storage only for 90 days. However, in some very justified cases (e.g. due to emergency or business need), this time-limit should be allowed to be extended by customs at the request of the operator;
 - o goods in temporary storage shall be stored only in temporary storage facilities or in other places designated or approved by customs. However, as a one-time operation, in case of urgent situation, it is reasonable to allow the goods to be stored in places other than those indicated above, provided that they are sufficiently secure.
- **self-assessment** - self-assessment is a customs simplification regulated in the Code. However, the provisions are very general and do not regulate the scope and principles of its application and measurable benefits for operators. This simplification is practically

not applicable. Hence, it would be advisable to develop a comprehensive concept of self-assessment as a simplification with clear and visible advantages for operators;

- **export** - Art. 329(7) IA-UCC allows the railway companies, the postal operators, the airlines companies or the shipping companies to use a single transport contract (STC) for exit purposes. This option should concern as well express carriers.

In addition, it would be helpful if UCC provided for some flexibility for the instances when new solutions are being tested and piloted, which is also currently not possible.

Expected benefits: This would enhance the efficiency of crisis management, ensure legal certainty and increase competitiveness in the field of custom through common – as opposed to case-by-case solutions adopted by each Member State.

Suggestion 3: Ensure greater coherence of related policy areas to the UCC

Description: Many policy areas use the UCC as a vehicle. A lack of coherence between the policies have stymied efforts to tap the full potential of the UCC, in particular as regards new simplifications such as “self-assessment” and “centralised clearance”, as well as coherence between customs and tax legislation, e.g. by harmonising the concept of customs representation in the case of Import One Stop Shop and Special Arrangement. Existing and future rules which make reference to the UCC should be coherent to the customs legislation and existing IT-systems should be used to the widest extent possible. This includes but is not limited to proposals in the field of climate protection or environmental issues contained within the EU Green Deal, for example, the draft proposal on a future carbon border adjustment mechanism or in the field of greening of transport, where currently the UCC does not give many advantages to the environmentally friendly modes of transport. Making greener transport modes more competitive requires relieving the operators from administrative burdens, and the UCC could establish a number of simplifications in this regard.

Expected benefits: Tapping the full potential of the UCC. Greater legal certainty. Better use of resources.

Suggestion 4: More benefits for authorised economic operators AEO

Description: The interim UCC evaluation conducted by the Commission has revealed that untapped benefits for AEO were identified as one of the shortcomings in the current framework. Moreover, the Council encouraged the Commission in its Conclusions regarding “Taking the Customs Union to the Next Level: a Plan for Action” to step up efforts regarding the AEO-programme and to facilitate legitimate trade.

Expected benefits: Strengthening of AEO programme and further reduction of administrative burdens for the authorised economic operators.

ABSTENTIONS

- 1 Member State