



# Management plan 2022

DG TAXATION AND CUSTOMS UNION

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**“At a time when every euro counts, generating public revenues and protecting the financial interests of the EU and our Member States are of critical importance.**

**Taxation and customs are central to helping Europe leave the economic downturn behind and transition towards a stronger, greener and more digitalized economy.”**

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**Paolo Gentiloni**

European Commissioner for Economy



**“Modernising and upgrading taxation and customs, to support our collective recovery and the green and digital transitions, will remain the top priority for DG Taxation and Customs in the year ahead.**

**In 2022, we will accelerate and intensify the work in this direction, so that tax and customs play their full part in delivering a more stable, sustainable and prosperous future for Europe”**

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**Gerassimos Thomas**

Director General Taxation and Customs Union



## INTRODUCTION

As Europe starts to emerge from the Covid-19 pandemic, our primary focus in 2022 will be to put the EU firmly on the path to recovery and growth. EU taxation and customs policies have a lot to contribute in delivering fair, sustainable, inclusive and job-rich growth. Europe's recovery will be founded on a strong and resilient Single Market, with a level playing field for all businesses and fair burden sharing for all taxpayers. Europe's future prosperity relies on stable revenues for public spending, along with smooth trade and cross-border investment. Europe's global competitiveness depends on us leading the way with future-fit standards and structures, while ensuring that we are fully protected at the external border from outside risks. Taxation and customs can deliver on all of these fronts. However, in order to do so, the EU's tax and customs frameworks must be urgently and substantially reformed, so that they are up to the challenges of today's digitalised, globalised and increasingly complex economy. This will therefore be the top priority for **DG Taxation and Customs (DG TAXUD)** in 2022.

DG TAXUD advocates a simpler, fairer and modern tax environment, in which businesses can innovate and grow. We are committed to harnessing the advantages of the digital transition by making tax and customs administrations more efficient, to reduce compliance costs for businesses and to improve the collection and protection of public revenues.

Fair taxation is the cornerstone for a healthy, stable and competitive tax environment. 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. We will use taxation instruments and policies to support Europe's Green Deal, for a climate-neutral continent by 2050.

DG TAXUD recognises the vital contribution that a smart, digitalised and connected Customs Union can make in ensuring the safety and security of EU citizens and businesses, in protecting the financial interests of the EU and its Member States, and in facilitating legitimate trade. 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.

DG TAXUD has an ambitious agenda for the coming years, for more modern, more efficient and more resilient tax and customs systems and appropriate international cooperation. This agenda is now more important than ever, given the tasks of rebuilding Europe's economy, while advancing the green and digital transitions.

This Management Plan highlights the most important deliverables for the year ahead, through which DG TAXUD will deliver on these and other priorities.

Two major outputs next year will provide clear direction for our future policies, to ensure that EU tax and customs frameworks are high-functioning and fit for the future. First, DG TAXUD will organise a high level **Tax Symposium** in 2022 on the “EU tax mix on the road to 2050”. This will generate input and ideas on the large-scale changes needed in taxation across the EU and will orientate our policy priorities for the future. Secondly, the **Wise Persons Group**, which was set up in 2021 to determine how the Customs Union can become smarter, more agile and more crisis-proof, will present its recommendations in the first half of the year. These recommendations will orientate DG TAXUD’s work in launching a fundamental reform of the Customs Union.

In addition, for 2022, DG TAXUD has identified 5 main priorities which will frame its work:

- **Implementing corporate tax reform** within the EU, following the landmark OECD/G20 international agreement. Working for a robust, efficient and fair business tax framework, which delivers sustainable revenues and is conducive to sustainable growth, in line with the ‘Business Taxation in the 21<sup>st</sup> Century’ Communication. Proposing new EU tax initiatives to reduce compliance costs, support businesses and encourage productive investment and entrepreneurship.
- **Supporting the EU Green Deal**, by working for the swift adoption of the revised Energy Tax Directive and the Carbon Border Adjustment Mechanism proposals. Promoting green taxation as part of a balanced policy mix in national tax reforms. Providing policy advice in the area of customs, so that Green Deal initiatives are well enforced at the EU’s external borders. Supporting progress on international discussions on carbon pricing, as part of global climate change efforts.
- **Reforming the Customs Union**, so that it is smarter, more agile and more technologically advanced, fit for the challenges of the future. Increasing the synergies and efficiencies in customs, and with other authorities, for better border controls and trade facilitation.
- **Protecting the EU’s financial interests**, through both tax and customs policies, focussing in particular on enhanced risk management to tackle fraud. Reinforcing the EU’s tax transparency framework, to better detect new risks of tax evasion and avoidance. Increasing the interconnectivity between national tax and customs administrations and with other key authorities, to maximise their effectiveness in preventing, detecting and punishing fraud.
- **Modernising tax and customs administrations**, to support recovery and growth. Proposing initiatives that tap the potential of digital and data analytics, for more efficient, robust and resilient tax and customs frameworks. Assisting Member States in carrying out vital tax and customs reforms, through the Recovery and Resilience Fund.

DG TAXUD also has a significant role when it comes to **EU Own Resources**, both in terms of protecting the EU's financial interests, by tackling VAT and customs fraud, and in the contribution that proposals under our remit will make to the future EU budget. The work on Own Resources will therefore be a high priority for this DG in 2022.

In addition, DG TAXUD will continue to contribute to the EU's highest political priorities, including in other policy fields, to **support key flagships such as the Digital Transition, the Recovery and Resilience Fund, the Security Union and the Health Union**. We will actively represent and promote the EU's tax and customs priorities in international fora and with third country partners.



## PART 1

### General Objective 1: European Green Deal

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

Taxation policy has a fundamental role in delivering on the EU's climate objectives under European Green Deal, and in developing a greener and more sustainable economy. Green taxation, as part of wider, balanced tax reform, can generate revenues and help to offset the costs of the environmental transition in a socially just manner. In addition, environmental taxes are growth-friendly and can boost competitiveness, by encouraging investment in clean, innovative processes and prompting more sustainable behaviour.



In 2022, DG TAXUD will continue to work for **greener tax policies**, at EU, national and international level. In addition, in the **customs field**, DG TAXUD will provide policy advice and work with customs to ensure new initiatives introduced under the EU Green Deal are fully and effectively enforced at the EU external borders.

In July 2021, the Commission presented the comprehensive “Fit for 55” Package, to deliver on the Green Deal and transform the EU economy in line with our climate ambitions. DG TAXUD contributed two significant proposals to this Package.

The proposed **revision of the Energy Tax Directive (ETD)** will overhaul the way in which energy is taxed across Europe, to encourage green energy sources and remove incentives for more polluting fuels. The proposed **Carbon Border Adjustment Mechanism (CBAM)** will address carbon leakage, whereby EU-made products may be replaced by more carbon-intensive imports, or EU companies might move production to third countries where requirements are looser. In addition, the CBAM will serve as a new EU **Own Resource**, thereby contributing to the EU's long-term recovery and sustainable growth.

In 2022, DG TAXUD will closely follow the work of the co-legislators on these two proposals, with a view to their adoption. Given the multidisciplinary character of the

proposed CBAM Regulation, and the number of implementing and delegated acts it foresees, DG TAXUD's expertise will be essential to keep an oversight on the different aspects of the proposal. This includes detailing the elements to be covered in secondary legislation, ensuring the underpinning IT solution remains implementable, reaching technical and political compromises and ensuring consistency with other elements of the Fit for 55 Package, particularly the revision of the ETS Directive. DG TAXUD will also keep track of the negotiations on other elements of the Fit for 55 Package, to ensure that they remain consistent and economically coherent with the CBAM and ETD proposals. We will also continue our **communications** actions on these two proposals, in close alignment with the wider communication on the EU Green Deal.

Fighting climate change must be a global effort, DG TAXUD will therefore promote **international discussions on carbon pricing and carbon mitigation** policies in all relevant fora (OECD, G7, G20, Coalition of Finance Ministers for Climate, WTO...), as well as bilaterally with our trade partners.

Within the EU, DG TAXUD will continue to **promote tax reforms that support the green transition**. The shift towards green taxation must be part of a holistic tax reform, which supports the EU's environmental objectives, but also incentivises innovation, safeguards the EU's competitiveness and generates revenues for a just transition. DG TAXUD will support other Commission services and Member States in their work to implement such reforms, including under the Recovery and Resilience Facility and European Semester.



## General Objective 3: An economy that works for the people

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

The EU recovery process will depend heavily on sustainable revenues, a healthy business environment, smooth legitimate trade, and a fair, safe and stable Single Market. Taxation and customs are key to delivering all of these – but can only do so effectively if their frameworks, policies and systems are up to scratch. There is currently an urgent need to modernise and upgrade our tax and customs systems, so that they better fit an age of globalisation, digitalisation and ever evolving business models, particularly e-commerce.

DG TAXUD will focus, as a priority, on measures to ensure that taxation and customs across Europe are modernised, digitalised and effective. Our work in 2022 will include proposals and initiatives to fundamentally overhaul the EU's tax and customs rules, so that they can efficiently contribute to fair, sustainable and long-term growth in Europe.

The recommendations of the **Wise Persons Group** – established in 2021 to assess how the Customs Union can be radically improved – will be presented in the first half of 2022. These will be the founding stone of a major reform of EU customs, which DG TAXUD will propose in the second half of the year.

To reinforce the trajectory towards a tax framework that is fit for the future, DG TAXUD will organise a high level **Tax Symposium** in 2022 on the “EU tax mix on the road to 2050”. This will generate input and ideas on the large-scale changes needed in taxation across the EU and will orientate our policy priorities for the future.

DG TAXUD will also continue to support Member States in upgrading their national tax and customs administrations, to make them more effective, efficient and resilient. We will help Member States to make use of the **Recovery and Resilience Facility**, to accelerate the modernisation of national tax and customs administrations, including through digitalisation and policy improvements. This will be complemented by the **European Semester** process, which will identify challenges and actions that Member States should prioritise in their tax and customs reforms.



## I. Implementing corporate tax reform, for a fairer system that supports business and investment

The EU agenda to reform corporate taxation was broadly set out in the 2020 Tax Action Plan and the **Business Taxation in the 21<sup>st</sup> Century Communication**. DG TAXUD has already started to deliver on these plans, and will continue to do so in the year ahead.

In addition, over the past few years, the Commission has strongly supported the international process to reform corporate taxation and ensure global tax fairness. The



result was that, in 2021, the most significant **international tax reform** in over a century was agreed by 136 countries, including all EU Member States, steered by the OECD/G20. This global agreement on the reallocation of taxing rights for the 100 biggest multinationals and on minimum effective tax rate worldwide is a historic achievement. The Commission

played a central role in facilitating this agreement, providing input and support at both technical and diplomatic level throughout the international reform discussions. The result is consensus to create a fairer global tax framework, fit for the modern, digitalised economy, in which all companies must pay a fair share of tax where they do business.

In 2022, DG TAXUD will push forward with the next critical stages in this reform process, by ensuring that the new global rules can be swiftly and fully implemented in the EU. At the end of 2021, we presented a proposal for a Directive to implement the global solution for a **minimum effective tax rate (Pillar 2)**. This proposal closely follows the OECD agreement, and will provide Member States with legal certainty in implementing the internationally agreed rules. DG TAXUD will push for the swift adoption of this proposal by Member States, so that the new measures are in place across Europe as quickly as possible.

To assist in the implementation of the new rules, DG TAXUD will prepare a **new transparency proposal** in 2022, requiring certain multinationals to publish their effective tax rate.

In addition, DG TAXUD will also present a proposal for the implementation of the OECD global agreement on **re-allocation of taxing rights (Pillar 1)** at EU level. Such a proposal will come after the OECD multilateral convention on this matter has been signed, and will seek to ensure that the reallocation mechanism is consistently transposed by all EU Member States. In December 2021, the Commission proposed that the Pillar 1 Directive should also contribute to the next generation of EU **Own Resources** for the EU budget, thereby contributing to the repayment of NextGenerationEU and Europe's long-term growth.

In parallel to implementing the globally agreed reforms, the Commission will pursue other initiatives to improve corporate taxation in Europe, in line with our domestic agenda.

Fair taxation has been a cornerstone of EU tax policy for many years, and will continue to be a primary consideration in any corporate tax initiative. The international tax reform will make an important difference in ensuring that the tax burden is fairly shared across businesses and that taxable revenue is fairly shared between different jurisdictions. In parallel to implementing this global reform, the EU will continue to pursue its own agenda against tax evasion and avoidance. In particular, we will reinforce the EU's tax transparency framework, with new elements that align our **transparency and information exchange** rules to the modern, digital economy (*see Point II below*).

Corporate tax policy must also have a strong focus on facilitating compliant businesses and creating a tax environment that helps, rather than hinders, investment. This means shaping tax policies to facilitate growth-friendly activity and removing tax barriers that stifle entrepreneurship and expansion.

In early 2022, DG TAXUD will make a proposal to redress the current debt-bias in corporate taxation by proposing **an allowance for equity (DEBRA)**. The imbalance in favour of debt is recognised as a possible contributor to financial instability and a barrier to equity financing. The DEBRA proposal will help to neutralise the choice for companies between financing via debt or via equity, and contribute to preventing excessive indebtedness.



Breaking down tax barriers to facilitate cross-border business and investment is also essential for EU competitiveness and growth. DG TAXUD consistently works to address tax obstacles and burdens for companies, with a view to making the Single Market an even more attractive place to do business. In 2022, we will propose a new **EU Withholding Tax Relief Procedure**, to reduce the risk of double-taxation, lower compliance costs and encourage cross-border investment in the EU. We will also seek to improve legal certainty for cross-border taxpayers across the Single Market, with a new proposal to **clarify the criteria for tax residence**. This should reduce disputes between taxpayers and administrations and lower the incidences of double taxation.



Finally, in 2022, we will take stock of the ongoing pilot projects on **cooperative compliance**, which aim to create a framework for dialogue between taxpayers and authorities on cross-border tax problems. Based on the outcome of these pilot projects, we will produce guidance for all Member States on how to create and maintain a

positive dialogue structure to reduce cross-border tax problems. We will also seek to improve legal certainty for cross-border taxpayers across the Single Market, including through a **Recommendation on taxpayers' rights**.

DG TAXUD will organise a large-scale **communications campaign** to promote new initiatives in the corporate tax field.

## II. Tackling tax abuse, to protect revenues and ensure a level playing field

In her State of the Union speech, President Von der Leyen underlined the Commission's determination to continue to crack down on tax avoidance and evasion. This is essential to secure much-needed revenues for Europe's recovery and to ensure fairness and a level playing field in the Single Market. DG TAXUD is continually working to strengthen the EU armoury against tax abuse, also taking into account new and emerging forms of aggressive tax planning and fraud.

The **UNSHELL** proposal, presented by the Commission at the end of 2021, seeks to tackle the long-standing issue of shell entities being used for tax avoidance and evasion purposes. The new proposal aims primarily to create new transparency and substance requirements for shell companies in the EU and facilitate information sharing between tax administrations in tackling abusive entities. DG TAXUD will closely follow and support the deliberations in Council and the European Parliament on the UNSHELL proposal, with a view to its swift adoption.

In 2022, DG TAXUD will expand the EU's tax transparency framework, which is fundamental to preventing and detecting tax abuse. We will propose new transparency and information exchange measures for **crypto-assets and e-currencies (DAC 8)**, to ensure that they can be effectively regulated and taxed. The DAC 8 initiative will also look at further strengthening administrative cooperation between tax authorities, including by reviewing compliance procedures, the rules for e-money and the rules for cross-border tax rulings.

Every year, the **VAT Gap** accounts for billions of euros in lost revenues for public budgets. In 2022, DG TAXUD will launch an initiative on the VAT Gap, which will contribute to the reflection on how to improve VAT compliance and tackle fraud in the modern economy. This will include suggestions on further measures that Member States could take to improve their VAT collection in the future.



More holistically, in 2022, we will present the **VAT in the Digital Age package**, to update EU VAT rules and take advantage of the technological solutions that can improve taxpayers' compliance and the fight against VAT fraud. In line with the EU's digital agenda, the package will focus in particular on real time reporting, e-invoicing, extension of the one-

stop shop, a single EU VAT registration system and VAT rules for platforms, with a view to reducing the VAT Gap and making life easier for legitimate and compliant cross-border businesses.

DG TAXUD will also look at how **administrative cooperation in the area of VAT** can be strengthened and enhanced, to improve the fight against fraud and evasion. An **evaluation** in 2022 will focus in particular on cooperation between administrations and anti-fraud officials - including greater interaction between the EU's anti-VAT fraud network (Eurofisc) and OLAF and Europol. The Commission will also continue to provide financial and technical support to Eurofisc, including to extend the use of its Transaction Network Analysis (TNA) system to cover additional types of VAT fraud.

Given the cross-border nature of tax fraud, DG TAXUD will also seek to strengthen **cooperation with non-EU countries in the area of VAT**. It will work towards international agreements for the exchange of information and recovery assistance with several key partners, including Canada, Japan and Australia. It will also continue discussions with China on a possible Memorandum of Understanding to improve the fight against VAT fraud.



As the EU's primary tool to tackle international tax abuse, the **EU list of non-cooperative jurisdictions** will continue to be an area of strong focus for DG TAXUD in 2022. We will present proposals to improve the impact and effectiveness of the EU list, including coordinated defensive measures, expanded criteria, and greater consistency with national blacklists. The aim is to reboot the EU list's impact as a deterrent for tax havens and make it even stronger in preventing modern forms of aggressive tax planning.

DG TAXUD will organise **communications campaigns** to promote any new initiatives in this field.

### **III. Aligning taxation and customs, to address new challenges**

As outlined above and under Objective 5.1, DG TAXUD intends to carry out a holistic reform of both the tax and customs frameworks in the EU. An important part of these reforms will be to **better align the legislation, systems and processes for tax and customs**, given their overlapping roles of revenue collection and business facilitation. A more synchronised approach between tax and customs – underpinned by state of the art I.T. systems - will cut red tape and compliance costs for businesses and traders, and will make administrations more effective in tackling common challenges, such as fraud. As such, our work in this area also contributes to the **General Objective of creating a Europe fit for the Digital Age**.



One major shared challenge for tax and customs is **e-Commerce**, which has led to a huge surge in the volume of imports – particularly low value consignments – in recent years. Traditional customs techniques are proving inadequate to target and control the constantly increasing volumes of incoming goods. Tax authorities are struggling to apply their “bricks and mortar” rules to an increasingly online marketplace. Public budgets are faced with significant gaps, as the import of millions of low value goods has increased the risk of undervaluation and fraud.

This new pattern in trade and consumption requires simple, flexible and fast processes, to facilitate businesses, traders and consumers, in line with the digital transition. It also requires robust, digitalised and data-driven mechanisms to check compliance, collect revenue and identify risks. DG TAXUD is working with high priority to adapt EU tax and customs systems accordingly.



In addition, new **VAT rules for e-Commerce** came into force in July 2021, modernising the rules for online trade and making them fairer, simpler and more fraud-proof. The new system eliminates the import VAT exemption for low value goods (up-to EUR 22) and enables consumers to pay the VAT upon purchase of the goods below the customs duty threshold. Online sellers can register in one EU Member State to declare and pay VAT on all cross-border sales of goods within or into the EU, thereby enjoying major simplifications.

In 2022, DG TAXUD will carry out an **evaluation of VAT e-Commerce Package**, to see what corrections are needed and to integrate the lessons learned into new legislative proposals. This evaluation will take into account, amongst other things, the impact of the new VAT rules on customs and will address some of the technical discrepancies between the tax and customs systems.

For customs, e-commerce creates a significant challenge for customs control strategies and therefore for the protection of the financial and non-financial interests of the EU. Therefore, the customs rules need to adapt to new business processes and new actors, such as online platforms, including through better cooperation with tax and other authorities. This is one of the key focusses of the work of the Wise Persons’ Group and has also been highlighted by the European Court of Auditors, in Council Conclusions on the Customs Action Plan and by business stakeholders.

With this in mind, the move to simplify, reinforce and improve procedures for e-Commerce has followed the VAT changes. New security and customs declaration obligations apply to every parcel from 1 July 2021 and they have proven to be a step in the right direction. However, given the urgent need to better adapt to modern realities, DG TAXUD has



accelerated the work to review customs rules and procedures in line with the e-Commerce trends.



In 2022, we will carry out a number of important actions to meet this goal. First, we will complete the **Union Customs Code evaluation**, which will help to identify the current customs rules that are not fit for e-commerce. Second, we will conduct a **pilot project on exchange of information** between customs authorities and major e-commerce actors, which will serve to identify the elements that facilitate compliance and increase the quality of the data that public authorities need. Third, we will launch a **study on e-Commerce and customs**. This will collect evidence that will indicate how to improve the payment and collection of duties and taxes on e-Commerce imports in a consumer-friendly, business-friendly way, while still maintaining a high security and safety check standards. The study – together with the findings of the Wise Person's Group – will ensure that the wider overhaul of EU customs rules [see *Objective 5.1*], which will be proposed at the end of 2022, takes the challenges and needs of e-Commerce fully into account.

DG TAXUD will organise **communications campaigns** to promote any new initiatives in this field.

### **Proper enforcement for better results in EU tax and customs policy**

DG TAXUD will continue to support Member States' efforts in implementing the EU tax and customs legislation and will monitor the correct application of EU rules.

The first focus is on engaging proactively with Member States as they transpose and implement EU law in these policy areas, to prevent potential breaches. In this respect, DG TAXUD will hold compliance dialogues and meetings on specific aspects of the legislation, as needed, through dedicated bodies such as the VAT Committee, Excise Duties Committee and Customs Expert Group.

As part of the prevention efforts, DG TAXUD will continue to check systematically the complete and correct transposition of EU legislation into the national law. Where needed and appropriate, DG TAXUD will also rely on the input of external consultants, to have a complete picture on how the EU legislation is been implemented on the ground. DG TAXUD will also encourage citizens and businesses to speak up on how the EU legislation works concretely and whether it delivers the expected results, through information campaigns

When the dialogue with Member States fails, infringement procedures may be launched, to ensure that DG TAXUD's policy priorities are fully and correctly delivered at national level. DG TAXUD will prioritise enforcement actions in areas where they are most required.

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

The EU's commitment to increase digitalisation in EU tax and customs is reflected by the fact that over 90% of the budget of the new Customs programme and over 70% of the new Fiscalis programme are dedicated to establishing and operating trans-European electronic systems (EES). As such, the programmes under DG TAXUD's remit also contribute to the **General Objective of creating a Europe Fit for a Digital Age**.



DG TAXUD and the Member States will pursue in 2022 the work to deliver the full set of Customs EES by the end of 2025 as provided in the Union Customs Code. These will connect customs administrations across the EU, to better manage financial and security risks while facilitating trade. The taxation EES will 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 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 other activities, such as e-learning modules, study visits and training sessions.

Following the adoption of the first Multi-Annual Work Programmes (MAWPs) for the new **Customs and Fiscalis programmes (2021-2027)**, 2022 will be the first full year of their implementation. In line with the planning set out in the respective MAWPs, DG TAXUD will support the implementation of activities within the scope of the grant agreements for collaborative activities under the Customs and Fiscalis programmes. We will also launch three new Expert Teams for taxation and two new Expert Teams for Customs, and continue supporting the work of 8 on-going Expert Teams.

Depending on the progress in the negotiations, DG TAXUD will welcome a number of third countries as new or renewed participants to the Customs and/or Fiscalis programmes in 2022.

In 2022, the new **Customs Control Equipment Instrument (CCEI)** will also be implemented [see p. 19 below]. The CCEI reflects the goal of ensuring an equivalent level of protection at all of the EU's external borders. Specifically, the CCEI will finance



the purchase, upgrade and maintenance of customs control equipment in an effort to modernize and equip all customs offices and laboratories within the Customs Union with modern state-of-art equipment. DG TAXUD expects to sign all equipment grant agreements and complete related pre-financing payments included in the first programming period 2021-2022.

After completing the review of the **performance measurement** frameworks (PMFs) for the three programmes in 2021 which lead to improved and streamlined PMFs, DG TAXUD should finalise them under the relevant legal procedure and present further details in dedicated staff working documents. It will also present the **annual progress reports** for 2021 for the three programmes.

Moreover, following the **final evaluations** of the Customs and Fiscalis 2020 programmes, carried out by DG TAXUD in 2021, we will proceed with a strategic assessment on the optimal way forward for our programmes, in order to leverage their full impact. This will include deploying a more streamlined approach to programmes' activities, encouraging participating countries to reinforce their ownership and sense of initiative in the programmes, and providing a strategic steer to programmes' activities in order to reach the expected results.

### **Specific Objective 3.3: Support wider EU policy priorities through taxation and customs**

Tax and customs policies are inextricable from the EU's wider political agenda. Taxation has a recognised impact on socio-economic development and on business and consumer choices in other policy areas. EU taxation policy is already highly integrated in the EU's recovery plan, central to the Green Deal (*see General Objective 1*) and an important factor in the work for the digital transition. Customs plays an essential role in managing and enforcing EU trade policy, while also checking that imports conform to EU food, health, environmental and IPR requirements. Customs contributes to the Security Union, by tackling a wide range of risks at the external border, from drug precursors, to unsafe and illegal products, to illicit cash flows. Moreover, customs will be vital in the enforcement of the new legislative initiatives under the EU Green Deal.

During the Covid-19 crisis, EU tax and customs policies were quick to adapt to the needs of the emergency health situation, including by introducing VAT and duty relief for vaccines, masks, testing kits and medical equipment. Customs also supported Member States and businesses with flexibilities on customs debt obligations, facilitated the swift clearance of medical and protective equipment, and prevented unsafe equipment from entering the EU.

As we start to emerge from the pandemic, DG TAXUD will ensure that EU tax and customs policies remain fully coherent with other EU policy areas and we will maximise their potential in delivering on Europe's key goals.



In 2022, DG TAXUD will continue to contribute to the EU's Health agenda, focussing on preventative measures in taxation against public health risks. A **Revision of the Tobacco Directive** will be proposed in mid-2022, as part of Europe's Beating Cancer Plan. The proposal will focus on revising the minimum excise duty rates for tobacco, harmonising the taxation of new products and tackling fraud via the tobacco trade. DG TAXUD will also prepare a proposal to revise the **rules for cross-border acquisitions of alcohol and tobacco**, to align them to public health policies and reduce revenue losses for Member States.

In the area of Defence, President Von der Leyen announced in her State of the Union speech that we would align the **VAT treatment of defence efforts** in the EU and under the NATO umbrella. DG TAXUD will work to operationalise this initiative, including by updating the VAT and/or excise duty exemption certificate. President Von der Leyen also pledged to fight against the import of **goods produced by forced labour**, and DG TAXUD will contribute to the work on that proposal, given the key role that customs will play in achieving that goal.

We will also strive to improve customs' ability to ensure that imports are fully compliant with all EU policy standards and rules, and that non-financial risks are stopped at our external border. To this end, DG TAXUD will continue work on the implementation of the new Regulation on Market Surveillance and Compliance of Products, to improve protection at the EU border against non-compliant and unsafe imports. We will further develop the new integrated list on **Prohibitions and Restrictions** and will continue to improve controls on **cultural goods, drug precursors** and infringements of **intellectual property rights**.

## 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

Customs is a central player in protecting the EU's and Member States' financial interests, while safeguarding the safety and security of its citizens. At the same time, it must support the swift movement of goods through legitimate trade channels, all in the context of the EU's digital and green agendas.



The current legal framework and processes in customs, however, are not adequate to meet these challenges, particularly in today's fast-paced, digitalised global environment. A 2021 report by the European Court of Auditors (ECA) found that customs controls are still insufficiently harmonised across Member States, EU rules are inadequately designed

and there are serious shortcomings in the risk assessment procedures. This comes on top of the ECA's earlier findings that, in the field of e-Commerce, EU controls are insufficient to prevent fraud and detect abuse in this area. Customs therefore needs to be substantially modernised and reformed if it is to keep pace with the demands it will face in the coming decades and beyond.

As the digitalisation of customs administrations and process is key to the reform process, along with equipping customs for the challenges it faces in a fast-paced, digital era, the work to take the Customs Union to the next level also contributes to the **General Objective of creating a Europe fit for the Digital Age**.

#### I. Reforming the Customs Union, to make it fit for the future

In 2022, DG TAXUD will continue to deliver on President Von der Leyen's pledge to take the Customs Union to the next level. **The Wise Persons Group** – a high-level group tasked with finding innovative ideas to make the Customs Union smarter, more agile and more crisis-proof – will present its recommendations in the first half of 2022. The Wise Persons Group focussed in particular on four key areas, which match the biggest challenges that Customs face: e-commerce, risk management, non-financial tasks and future governance structure. Its recommendations will be the launch-pad for a major overhaul of the Customs Union.





Guided by the Wise Persons Group's recommendations, DG TAXUD will propose a **fundamental overhaul of the Union Customs Code** (UCC) in the second half of 2022. The aim of this proposal will be to create a legislative framework for customs that is fit-for-purpose and adapted to modern challenges, such as new trade models and technological developments.

In preparing this reform, DG TAXUD will also consider the results of the **UCC evaluation**, which highlighted the strengths and weaknesses of the current customs framework, when preparing the proposal. These evaluation results will be outlined in a Staff Working Document and DG TAXUD will also prepare an **impact assessment** on modernising and improving various domains of customs activity.

In the meantime, DG TAXUD will continue to ensure the efficient functioning of customs under the UCC, notably through a revision of the **UCC Work Programme** for the IT implementation, and a revision of the **UCC Implementing Regulation** on the Technical Arrangements for the customs trans-European electronic systems. To ensure a well-structured and quality flow of data on customs operations and performance over the long-term, DG TAXUD will continue to work on modernising and professionalising **data collection and performance analysis**, including through the delivery of a dedicated IT tool (CUP-MIS).



The new **Customs Control Equipment Instrument** (CCEI) (*see also under specific objective 3.2*) will also play an important role in improving the performance of customs, with state-of-art customs control equipment. The CCEI is a major initiative to meet the goal of making customs across the EU work as one. It should contribute to greater harmonisation, improved checks and equivalent levels of customs controls in the future. It will help to address weak points of entry/exit of goods into the customs territory, which compromise the EU's financial interests, as well as the safety and security of EU citizens. CCEI has also an important data-collecting component, which should allow for a comprehensive mapping of the entire customs union, to identify areas that need particular attention. The CCEI will improve the availability of high-quality control equipment and support the training of customs officers for the modern challenges they face.

DG TAXUD will also carry out in 2022 the appropriate **communications** actions and activities to support the work for a more modern, agile and digitalised Customs Union.

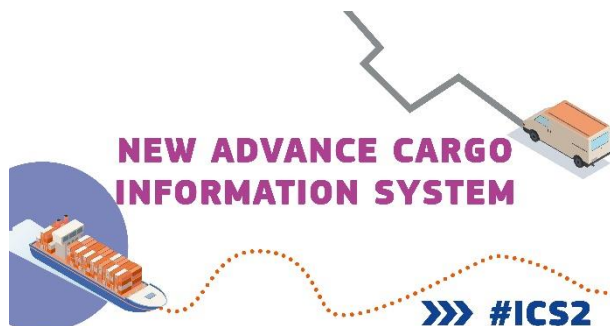
## **II. Safeguarding revenues and protecting EU citizens and businesses**

Customs are at the front-line in protecting the Single Market against illegal and unsafe products. As such, they are a central component in the EU Security Union [*see Objective 3.3*], as well as guardians of the EU and Member States' financial interests.



In 2022, DG TAXUD will continue to support customs in effectively tackling financial and non-financial risks to EU citizens and businesses. Two primary areas of focus in this respect will be enhancing risk management for better controls, and improving the interconnectivity with other enforcement authorities.

The new **Import Control System (ICS2)**, of which Release 1 was launched in 2021, establishes an integrated approach to EU customs risk management, through new pre-arrival security and safety requirements. In 2022, DG TAXUD will pursue the work on Release 2 of ICS2, which includes also air carriers, freight forwarders and express couriers, with a



view to it being operationalised in early 2023. We will also prepare for the full roll out of ICS2, under Release 3, to include maritime, road and rail transport from 2024. A worldwide **communication and information campaign** on these next phases will be carried out throughout 2022, to ensure that traders and carriers are prepared. DG TAXUD will also develop **common risk criteria for security and safety risk analysis** with Member States, as part of the 2022 Release and will present an Implementing Decision to establish these criteria and ensure harmonised controls.

An important element in customs risk management is the smart use of data for quicker, more streamlined and more robust controls. For that reason, DG TAXUD has launched the **Joint Analytics Capabilities (JAC)** initiative, with a new Data Programme to support it in the long run. The JAC initiative aims to make better use of data in the Commission, in order to provide Member States' customs authorities with enriched, useful, risk information to support their daily operations. In 2022, DG TAXUD will give priority to pursuing the analytics of Safety and Security risks (scheduled to be implemented through ICS2 as of 2023) and to financial risks (in cooperation with DG BUDG and OLAF).

To further enhance risk management at the EU's external borders, DG TAXUD will present a **Communication on Customs' Risk Management Strategy** in 2022. The new Strategy will both identify existing areas of risk management that can be improved or complemented, while also outlining ways to strengthen risk analysis and control in the long-term. Early in 2022, DG TAXUD will start the production of the new Customs Risk Management System (CRMS2), which is a modern I.T. system to support optimal collaboration between the customs administrations in their customs risk management role.

In addition to risk management, enhanced cooperation and coordination with other authorities will improve customs' ability to identify and tackle threats at the borders. The **EU Single Window Environment for Customs** (EU SWE-C), which the Commission proposed last year, aims to enhance digital cooperation between customs and other competent authorities at the EU borders, while facilitating trade. It will also accelerate the move to paperless customs formalities. In 2022, DG TAXUD will continue to support the

work of the co-legislators on this proposal, with a view to a swift agreement. The aim is to ensure that the Regulation can enter into force in 2022.

Also with a view to improving interconnectivity between different systems and authorities, DG TAXUD will launch a study on the feasibility of **making ICS2 interoperable with the Schengen Information System and Europol data**. This could enrich customs' risk assessment process with additional security information and intelligence, thereby enhancing the quality of the checks. DG TAXUD will also work to strengthen customs' cooperation with other law enforcement authorities, such as FRONTEX.

The Customs Eastern and South-Eastern Land Border Expert Team (CELBET) plays a key role in ensuring coordination and cooperation between the customs authorities of the 11 Member States situated at the Eastern and South-Eastern land border of the EU. In particular, it has contributed to the harmonised application of customs legislation and equivalent customs controls at this border. In 2022, DG TAXUD will conduct a reflection on the future of **CELBET**, in the context of the overall reflection on the future of the Customs Union.

To ensure that deterrents and **sanctions against illicit and illegal trade** are effective, DG TAXUD will collect information on the national sanctions regimes and develop best practice guidelines with a view to reaching a more harmonised EU approach.

### **III. Facilitating and supporting compliant trade**

Trade is essential to the EU's economy and growth. It accounts - directly or indirectly - for 36 million jobs across Europe and around EUR 330 billion worth of imports and exports annually. Customs has a major role in facilitating traders and businesses in conducting this trade, with around 850 000 declarations submitted at the EU customs every day. In 2022, DG TAXUD will continue to pursue actions to allow goods to flow quickly and efficiently across the EU's external borders, while at the same time upholding safety and security standards.

The EU's **Authorised Economic Operator (AEO) programme** has been highly successful in facilitating faster and more efficient customs procedures for approved traders. Since it was established in 2008, the AEO programme has grown to more than 17 800 authorised operators, who account for more than 90% of the EU's exports. Moreover, European AEOs can also participate in mutually agreed programmes with certain international partners, including USA, UK and China, thereby improving their competitiveness globally.



In 2022, DG TAXUD will launch a **study on the EU AEO programme**, to see how it could be further improved. We will also finalise updated guidelines for the AEO programme, to ensure that it is transparently, systematically and fairly applied to all operators, and

complete our fact-finding visits to all Member States in 2022. The results of these visits will feed into legislative amendments to improve the monitoring and internal controls on AEOs. In addition, DG TAXUD will work to conclude **agreements on the mutual recognition of AEOs** with more key international partners in 2022, including Canada, Singapore, Turkey and Moldova.

To ensure transparency and certainty for traders, DG TAXUD will continue to ensure the uniform application of the **Common Customs Tariff (CCT)** and the use of the IT system that supports it – **TARIC**. Through TARIC, businesses and traders have an up-to-date and comprehensive view of all measures that apply to imports and exports from the EU. In 2022, DG TAXUD expects to add or update around 180 000 measures and descriptions in the system. We will also expand the business rules in TARIC – **credibility checks** – to reduce the errors made during declarations and to better alert customs authorities of risks related to certain consignments.

In 2022, DG TAXUD will also work on creating a legal framework for decisions relating to **binding valuation information (BVI)**. These are advance rulings given by one customs authority, which then apply in all Member States. The BVI initiative would increase certainty, predictably and consistency in how customs valuation rules are applied throughout the EU, while also helping to reduce the EU's 'customs gap', which is responsible for significant revenue losses each year.

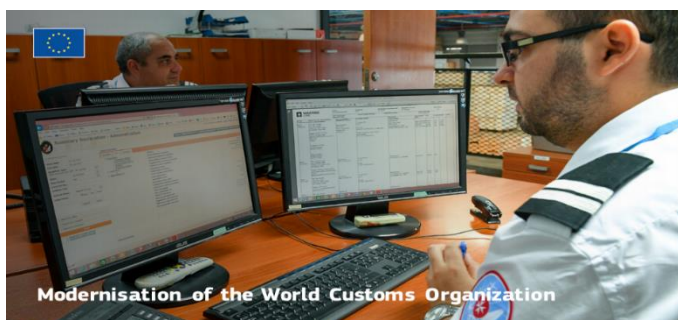


Digital tools and systems play an ever-increasingly important role in simplifying processes for EU traders and transporters. Almost all customs declarations are now made electronically and the new **UCC Automated Export System** will bring significant simplifications and paperless processes throughout the customs clearance chain. In 2022, a new electronic system for **Centralised Clearance at Import** will go live, allowing businesses and traders to carry out all their customs formalities in a single office, and in a single Member State of their choice, while goods are being imported and transported across the EU. The new system will be piloted by France and Spain, and other Member States should follow. In addition, DG TAXUD will support Member States in developing the **“Border Ticket” - a new system** to improve the exchange of data between transport operators and authorities in the EU and third countries.

DG TAXUD will ensure that any changes made to the data elements included in the **trans-European IT systems for customs** are reflected in the relevant legal bases. In 2022, this concerns in particular the Customs Decisions and Guarantee Management system of the UCC (GUM).

## Specific Objective 5.2: Pursue international cooperation on customs

In 2022, DG TAXUD will conduct a comprehensive **analysis of the EU's international cooperation on customs matters** and will propose areas for improvement, including in e-Commerce and information exchange. We will also continue to invest in the **reform of the World Customs Organization (WCO)**, as the intergovernmental body for the global customs community. Key EU priorities in the WCO reform include digitalisation of customs, including e-commerce, and the greening of customs, as well as “core business” issues such as trade facilitation, compliance and enforcement and capacity building. We will work to ensure that these priorities are firmly embedded in the WCO's Strategic Plan 2022-25.



DG TAXUD will also continue to pursue further **cooperation with main trading partners** in the area of customs. In early 2022, DG TAXUD aims to convene the first meeting of the **EU-USA** Joint Customs Cooperation Committee since 2016, to engage with the USA on topics of common interest, such as e-commerce, data analytics and the enforcement of prohibitions. DG TAXUD will also decide whether to seek a negotiating mandate to review the **EU-China** Agreement on Cooperation and Mutual Assistance on Customs Matters, to further improve efficient and effective controls in our bilateral trade. With **Switzerland**, DG TAXUD will continue to examine how to make trade flows more efficient through access to digital tools, within the wider context of developments in the EU-Swiss relationship. DG TAXUD will continue assisting **the Western Balkan countries** in their path towards the accession to the EU and will support the progressive alignment of the Eastern Partnership countries with the EU customs legislation. DG TAXUD will also continue working to improve the implementation of the customs union with **Turkey**, for the benefit of traders and operators.

DG TAXUD will seek, throughout 2022, the extended monitoring of **preferential origin** in the EU's trade agreements (FTAs) with certain partner countries, by improving cooperation with these countries. We will also continue to implement the updated version of the rules of origin of the regional **Pan-Euro-Mediterranean Convention**, which provides for a deeper integration of this region. The new, modern rules of origin are more flexible and business-friendly, and should greatly facilitate trade in this area. DG TAXUD will also work to find an appropriate approach to the preferential treatment of goods originating in Western Sahara and the application of the preferences provided for in the **EU-Morocco** Association Agreement.

Finally, DG TAXUD will continue to support the work on key **International Conventions** linked to customs and trade. With regard to the Common Transit Convention and Convention on the Simplification of Formalities in Trade in Goods, DG TAXUD will work to align the legal rules with new data requirements and assist third countries (e.g. Ukraine,

Moldova, Albania, Montenegro and Bosnia and Herzegovina) in their accession efforts. We will also continue the work on the design and implementation of eTIR, to digitalise the processes under the TIR Convention for transit.

### **Ensuring the Implementation of the EU-UK Agreement**

Since the end of the Brexit transition period on 1 January 2021, DG TAXUD has been heavily involved in the work to ensure the correct implementation of the EU-UK Trade and Cooperation Agreement (TCA), as well as closely monitoring the application of Withdrawal Agreement in particular the Ireland/Northern Ireland Protocol. We engaged intensely with EU Member States, businesses, traders and other stakeholders impacted by Brexit, to manage and, where possible, minimise the impact of the UK's withdrawal from the EU in the areas of taxation and customs.

In 2022, we will continue our work to ensure that the customs and taxation elements of the EU-UK TCA are fully and properly applied. This will include preparing several decisions of the Trade Specialised Committee on Customs Cooperation and Rules of Origin, as well as the Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties. These decisions will cover issues such as the rules of origin and the definitive arrangements to exchange information between the competent authorities.

With a view to establishing the mutual recognition of Authorised Economic Operators, DG TAXUD has ensured that all the conditions are in place for fully automated exchange of information in this area. We will also pursue a political dialogue on harmful tax regimes with the UK, with a view to ensuring fair taxation and good governance. Finally, DG TAXUD will continue to participate in the negotiations with the UK on a future relationship between the Union and Gibraltar.

With regard to the Ireland/Northern Ireland Protocol, DG TAXUD will continue to contribute to the Commission's work to find bespoke arrangements to address the difficulties that, according to the UK government, businesses in Northern Ireland have been experiencing as a result of Brexit in the trade between Great Britain and Northern Ireland. We will engage with the UK on the implementation of the customs aspects of the Protocol, with a view to facilitating this trade, while also protecting the Single Market and Customs Union. Following the success of its on-the-ground monitoring activities in Northern Ireland in 2021, DG TAXUD will maintain a core presence in Northern Ireland with a team of Union representatives, in close cooperation with the UK authorities and other Commission services, to ensure compliance with the Protocol.

To ensure businesses and other stakeholders are aware and well informed of any changes, DG TAXUD will proactively **communicate** on any new developments or procedures in tax and customs, such as the final UK implementation of import procedures on EU goods.





## PART 2. Modernising the administration: main outputs for 2022

DG TAXUD will continue breaking the silos between units, between customs and tax and between areas of competence. In 2022, DG TAXUD will in particular aim to strengthen the internal consultation process. This interdisciplinary approach should further increase cross-fertilisation between disciplines and areas of expertise, result in innovative and novel ideas and stimulate ownership at all levels of the DG.

The internal control framework<sup>1</sup> 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 will be subject to a specific annual assessment covering all internal control principles.

### A. Human resource management

**In 2022, under the new corporate HR strategy, staff competence and engagement will remain at the core of DG TAXUD's human resources' policy, as laid out in the 2021 DG TAXUD local HR strategy.**

An important part of DG 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 diminish progressively in 2022. The return to work and the new ways of working, especially in a hybrid set-up, is posing particular challenges on the HR side and intensifying the need for strong engagement with staff at all levels.

In this context, and in response to the 2021 Staff Survey, it is even more important that DG TAXUD follows up on the feedback received from staff on the first year of implementation of its local HR strategy.

DG TAXUD's HR strategy covers the main Human Resources Management (HRM) areas, with a particular attention to DG TAXUD's 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.

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

The alignment with the new corporate HR strategy and possible fine-tuning of the local DG TAXUD HR strategy will be the crucial element of human resources management in 2022. DG TAXUD will proceed with the related HR action plan for 2022.

To ensure the right mix of skills and knowledge, DG TAXUD will pursue its shift from 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. To this end the DG TAXUD learning and development strategy includes learning paths designed for different areas, such as newcomers, customs, taxation, data analysis and middle management, which allow all staff to develop cross-directorate competences. Managers will develop a training map with mandatory trainings for each Unit and/or individual staff member. DG TAXUD's knowledge management strategy should also mitigate the risks presented by a substantial number of colleagues retiring and the return of temporarily allocated posts.

In 2022, DG TAXUD will continue to rely on focused quarterly HR reporting to Senior Management with relevant indicators 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 2022, DG TAXUD plans to promote diversity in the form of workshops, a working group on Equality which will deliver a strategy for mainstreaming equality, 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.

In the light of the upcoming Commission HR strategy, DG TAXUD plans to review its local HR strategy in order to see whether it needs to be adapted accordingly. Moreover, it envisages to review, align and enhance its local assessment of available capabilities. Subsequently, it will assess its specific staffing needs, including succession planning, by mapping existing skills across the DG, to make the best use of them and to identify gaps. DG TAXUD will also assess its workload in a structured way. In this context, DG TAXUD welcomes the adoption of the new Commission HR strategy and the setup of a new DG HR workforce planning unit (HR.A1) as a source of relevant corporate guidance and tools.

**Objective:** DG Taxation and Customs Union 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 2022:**

Output	Indicator	Target
Local female talent initiative	Launch of the initiative	Launch in 2022
New equality strategy	Adoption of the equality strategy	Adoption in 2022
Action plan following the 2021 Staff survey	Adoption of the action plan	Adoption in 2022

Output	Indicator	Target
Develop a knowledge and data basis for informed HR decisions	<ul style="list-style-type: none"> <li>• Skills mapping</li> <li>• Workforce assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Overview of available and missing skills needed to deliver DG TAXUD objectives and for succession planning</li> <li>• Overview of links between resources and priorities</li> </ul>
Clear learning possibilities for different staff profiles	<ul style="list-style-type: none"> <li>• Training maps with mandatory and recommended courses at entity or individual level.</li> <li>• Organise TAXUD Academy Days</li> <li>• Organise an inhouse coaching programme for staff in pre-management positions</li> </ul>	<ul style="list-style-type: none"> <li>• Training maps are in place after the evaluation dialogue 2022</li> <li>• TAXUD Academy Days organised by Q3 2022</li> <li>• One session in 2022</li> </ul>
Reinforce Human Resources Management	<ul style="list-style-type: none"> <li>• Alignment of the local HR strategy with the new corporate HR Strategy</li> <li>• Regular interaction with senior management on implementation of HR Strategy, including staff movement</li> </ul>	<ul style="list-style-type: none"> <li>• TAXUD HR Strategy is in line with the Corporate HR Strategy within one year after its adoption</li> <li>• Quarterly reporting to senior management</li> </ul>

## B. Sound financial management

In 2022, 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 2022 annual activity report.

Whilst the delayed adoption of the 2021-2027 multiannual financial framework (MFF) and new programmes heavily influenced the budget execution during the first half of 2021, at the time of writing, the delay has been absorbed to the extent possible<sup>2</sup> and the expenditure is back on track. For 2022, a complete budget execution should be possible.

Under the new MFF, DG TAXUD's expenditure nearly tripled. To be able to maintain legal and regulatory assurance of all financial transactions, the focus throughout 2022 will continue to be on:

- 1) implementing the new corporate tools and platforms for grants and procurement management;
- 2) reviewing the financial processes and control strategies;

<sup>2</sup> All programmes, except the Customs Control Equipment Instrument for which the financing decision has only been adopted on 7 October 2021.

- 3) trigger the implementation of an Analytical Cost Accounting mechanism for IT projects and services.

The corporate eGrants platform has been configured for DG TAXUD's Customs and Fiscalis programmes as well as for the new Customs Control Equipment Instrument (CCEI).

The delivery of the new eProcurement tools is somewhat delayed. DG TAXUD will start using these tools as soon as they will become available.

To maintain all ex-ante and ex-post controls cost-effective, and to be able to ensure timely payments, a dual approach is taken. DG TAXUD will:

- 1) exploit to the maximum extent the checks and controls that are embedded in the eGrants and eProcurement tools;
- 2) review the ex-ante and ex-post control strategies for all expenditure based on a risk-based approach.

Throughout 2022, the ex-ante and ex-post control strategies will be finalised and adopted.

Unless otherwise provided by the new ex-post control strategy, it is planned, throughout 2022, to continue organising ex-post audits (3 countries) for the Customs/Fiscalis programmes and the relevant expert teams under both programmes.

**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 2022:

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	<ul style="list-style-type: none"> <li>Budget execution</li> <li>Time-to-pay</li> </ul>	<ul style="list-style-type: none"> <li>Remains 100% of payment appropriations</li> <li>Becomes 100% of payments (in value) on time</li> </ul>
Economical controls	Overall estimated cost of controls	Remains 3% of funds managed
Analytical Cost Accounting mechanism for IT projects and services	System launched	System operational in 2022 with IT budget spending of 2021 fully encoded and attributed to specific projects, systems, actions

## C. Fraud risk management

In 2022, DG TAXUD will continue to take decisive action to deter and prevent fraud.

With an ambitious new EU budget in a post-Covid-19 crisis environment, protecting the financial interests of the EU and its Member States is more than ever a priority. Tax and customs policies should contribute to this objective. DG TAXUD's ambition is to implement a robust and effective anti-fraud strategy, **with actions aiming at strengthening the collection of the EU own resources, by fighting revenue fraud at the EU external borders as much as within the Single Market.**

The Strategy will also enhance DG **TAXUD's pro-active cooperation** with Member States in managing the EU programmes, including **when spending funds** under the Customs Control Equipment Instrument, in accordance with the rules on public procurement.

The Strategy will also enhance **transparent procurement** of services, supplies, and buildings, as well as the execution of contracts with respect to financial rules and good practices. The public procurement committee rules will be reviewed.

We will also develop **a strong anti-fraud culture** within the DG and beyond, including with the Member States.

As far as the 2021-2024 anti-fraud strategy itself is concerned, the final version will be adopted in Q1 2022. Until such time, the 2018-2021 anti-fraud strategy remains valid.

**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) <sup>(3)</sup> aimed at the prevention, detection and correction <sup>(4)</sup> of fraud.

**Main outputs in 2022<sup>5</sup>:**

Output	Indicator	Target
Roll out of the BASIS-EMT (event management tool) for recording all contacts with lobbyists.	BASIS-EMT is operational	Q1 2022
Presentation sessions on fraud awareness performed by OLAF, IDOC or/and EPPO based on true cases, where staff can be informed on serious wrongdoings and frauds that may form the subject of investigations.	Number of events	2-3 sessions in 2022
New anti-fraud strategy (2021-2024 period)	Anti-fraud strategy	Adopted in Q1 2022

## D. Digital transformation and information management

In 2022, DG TAXUD will continue implementing its IT vision fully in line with the corporate digital strategy. The main actions aim at improving further ICT services to the Member States (as well as within DG TAXUD together with its partners). DG TAXUD identified five tracks leading to modernization projects, tackling the following aspects:

- Adopting modern ways of doing ICT (similar to digital industry leaders),
- Faster time-to-operations for policy initiatives,
- Reducing risks of obsolescence and non-compliance,
- Reducing planning shifts and complex administrative procedures between contractors,
- Supporting the EC's Digital Strategy principles: Agile software development, Ask Once-Only principle, Digital by default and progressive move to the Cloud where appropriate.

<sup>(3)</sup> Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

<sup>(4)</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

<sup>(5)</sup> The following actions in the performance table also contribute to the Commission's anti-fraud strategy: VAT Gap initiative, Evaluation of the VAT administrative cooperation, Communication on new risk management strategy, Monitoring of the functioning of preferential trade arrangements (rules of origin and administrative cooperation).



In the context of the **modernisation initiative's** track aimed at reducing the risk of obsolescence of IT solution, DG TAXUD confirms having a process to deal with IT legacy (also known as technical debt in other context). It is setup in iterative mode involving all contractors (Operations, Development and quality assurance) that report specifically on this area, either on-demand from the DG (to trigger an ad-hoc action), or discussed in the monthly follow-up meetings.

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. In 2022 dedicated events will be organised for newcomers and staff processing personal data through trans-European electronic systems. Topical data protection features will be brought to the attention of staff through the weekly newsletter. DG TAXUD will closely cooperate with Member States to ensure the draft Joint Controllershship arrangement is ready for signature for the relevant data processing operations in the context of the trans-European electronic systems for customs and taxation. The Data Protection Coordinator of DG TAXUD will continue to engage in the inter-DG Data Protection working groups notably on handling data subject requests.

DG TAXUD follows all **corporate IT security rules** and recommendations and work closely with DIGIT to guarantee compliance. At the same time DG TAXUD is one of the few DGs with an audited security posture along with a security strategy aligned with the latest corporate one and is regularly presented to DIGIT.S. In terms of operations IT security, we are currently implementing a Security Operations Centre (SOC) where DG DIGIT will play an important role.

In the context of **knowledge and information management**, DG TAXUD's M365 project team will support the roll out of the M365 collaborative platform within DG TAXUD. The team will design common practices tailored to the needs of DG TAXUD colleagues and propagate their use within DG TAXUD. The team will also produce short leaflets with best practices to have a smooth and seamless introduction of the collaborative platform in DG TAXUD. Throughout, the DG TAXUD M365 project team will closely cooperate with the corporate M365 project team. This project will also contribute to knowledge management in DG TAXUD together with the actions described under the Human Resources' Management chapter.

DG TAXUD will review the common list containing the retention period of documents and contribute timely to the corporate review process. In 2022, the **document management** team will continue to monitor and stimulate good document management practices in the Directorate- General including amongst other things:

- Regularly reminding relevant colleagues about their 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 Taxation and Customs Union 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 2022:**

Output	Indicator	Target
Implementation of the corporate principles for data governance for DG TAXUD's key data assets	Percentage of implementation of the corporate principles for data governance for DG TAXUD's key data assets	Interim milestone by 2022: 50%
Key initiatives on digital transformation that will introduce modern paradigms and tools when developing digital solutions in DG TAXUD: <ul style="list-style-type: none"> <li>• DevSecOps@TAXUD</li> <li>• Cloud@TAXUD</li> <li>• Application Life Cycle management tools (CITNET corporate tools).</li> </ul>	<ul style="list-style-type: none"> <li>• Implement DevSecOps@TAXUD</li> <li>• Implement Cloud@TAXUD</li> <li>• Deploy Application Life Cycle management tools</li> </ul>	<ul style="list-style-type: none"> <li>• All three in production by Q4 2022</li> </ul>
List of key actions on data protection	<ul style="list-style-type: none"> <li>• Awareness raising sessions organised</li> <li>• Joint Controllershship Agreement with Member States ready for signature</li> <li>• Data protection records are up-to-date</li> </ul>	<ul style="list-style-type: none"> <li>• Two in 2022 reaching 30% of the staff in the DG</li> <li>• Joint Controllershship agreement ready for signature by Q4 2022.</li> <li>• 100%</li> </ul>
List of key actions on knowledge and information management	<p>Document Management</p> <ul style="list-style-type: none"> <li>• Revision of common retention list</li> </ul> <p>Information management</p> <ul style="list-style-type: none"> <li>• Information nuggets for M365 use available</li> <li>• M365 use cases designed for DG TAXUD</li> <li>• "Ask Your Questions" TAXUD internal helpdesk operational</li> </ul>	<p>Document Management</p> <ul style="list-style-type: none"> <li>• Timely contribute to the interservice consultation</li> </ul> <p>Information Management</p> <ul style="list-style-type: none"> <li>• Distribute 5 nuggets in 2022</li> <li>• Develop three use cases in 2022</li> <li>• Reply within two working days to the questions of DG TAXUD colleagues</li> </ul>

## E. Sound environmental management

In 2022, 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, for example in the financial area. 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 environmentally-friendly events such as online expert meetings.

**Objective:** DG Taxation and Customs Union takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support its EMAS Correspondent.

### Main outputs in 2022:

#### I. More efficient use of resources (energy, water, paper):

Output	Indicator	Target (2019 as baseline)
Participation in the end of the year energy saving action, by closing down DG's buildings during the Christmas and New Year's holiday period.	Number of buildings participating	100% of DG TAXUD buildings participating
Paperless working methods at DG level (such as paperless working: esignatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG's office paper use in collaboration with OIB/OIL where appropriate.	Number of actions	1 action <i>(All internal workflows are paperless except if otherwise provided by the internal rules. TAXUD will adapt if the internal rules change).</i>
	% of staff informed	100 % of staff informed

#### II. Reducing CO<sub>2</sub>, equivalent CO<sub>2</sub> and other atmospheric emissions

Output	Indicator	Target (2019 as baseline)
Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and/or raise staff awareness on sustainable commuting in collaboration with OIB or OIL (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).	% of staff informed	100 % of staff informed
	% of sustainable commuters <sup>(6)</sup> at DG/service	Increase % of sustainable commuters at DG/service (%)

<sup>(6)</sup> Sustainable commuting usually refers to environmentally friendly travel modes, such as. Public transport (bus, tram, subway, light rail), walking, cycling, and carpooling.

Output	Indicator	Target (2019 as baseline)
Gradual increased use (and number of) VC <sup>(7)</sup> meeting rooms for meetings with stakeholders (avoiding business trips) in the DG, in collaboration with DG SCIC, OIB and OIL.	Number of VC meeting rooms	5 more rooms equipped Q2 2022
Analysis of DG's missions trends /patterns (based on corporate EC-staff's professional trips (missions), optimise and gradually reduce CO <sub>2</sub> emissions (e.g. by optimising the number of participants in the same mission, promoting more sustainable travelling options, promoting videoconferencing/ virtual events as an alternative).	CO <sub>2</sub> (t) emissions from DG's missions (% means of transportation used)	Reduce DG's CO <sub>2</sub> emissions from missions (%)
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	Number of actions to move towards the use of TEAMS	Organise at least 6 awareness raising actions in 2022.
<b>III. Reducing and management of waste</b>		
Output	Indicator	Target (2019 as baseline)
Implementation of the <a href="#">EC Guidelines for sustainable meetings and events</a> , e.g. reduce/eliminate single-use plastics, gadgets/gifts.	% of events that are green	100%
<b>IV. Promoting green public procurement (GPP)</b>		
Output	Indicator	Target (2019 as baseline)
Gradual introduction of GPP criteria in contracts and starting to monitor the process.	% of contracts relevant for GPP criteria	100% of contracts relevant for GPP criteria by 2027.

## **F. Initiatives to improve economy and efficiency of financial and non-financial activities**

As highlighted above, under the new Multiannual Financial Framework, DG TAXUD's operational expenditure nearly tripled compared to the previous MFF. The increase in financial transactions (notably grant agreements) can only be achieved (whilst keeping

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<sup>(7)</sup> VC (Videoconferencing) room

staff levels stable) 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.

Throughout 2022, in anticipation of the delivery of the new eProcurement tools, all procurement contracts will be electronically signed using the new **Qualified Electronic Signature** capabilities, avoiding both contractors and DG TAXUD to handle and to maintain (store, archive, etc.) paper copies of contracts.

## ANNEX 1: Performance tables

General objective 1: European Green Deal		
<b>Specific objective 1.1:</b> Design EU tax policy actions that contributes to a carbon neutral continent by 2050		Related to spending programme Fiscalis
<b>Main outputs in 2022:</b>		
New policy initiatives		
Output	Indicator	Target
 Proposal for a Carbon Border Adjustment Mechanism	Support work of co-legislators	Throughout 2022
 Proposal for a review of the Energy Tax Directive	Support work of co-legislators	Throughout 2022
Evaluations and Fitness Checks		
Output	Indicator	Target
Evaluation of the impact of free zones in light of the European Green Deal (PLAN/2021/12553)	Evaluation completed	Q3 2022

General objective 3: An economy that works for the people		
<b>Specific objective 3.1:</b> Develop tax policy actions for a stronger, fairer and more efficient Single Market		Related to spending programme: Fiscalis
<b>Main outputs in 2022:</b>		
New policy initiatives		
Output	Indicator	Target
 Proposal to implement the globally agreed re-allocation of taxing rights (Pillar 1)	Adoption by College	Q4 2022
 VAT in the Digital Age (PLAN/2021/11943)	Adoption by College	Q3 2022
Proposal publishing the effective tax rate at which large groups pay corporate tax in each jurisdiction	Adoption by College	Q2 2022
Proposal for a Debt equity bias reduction allowance (DEBRA) (PLAN/2021/10435)		Q1 2022
Extension of the automatic exchange of information to cover crypto-currencies (DAC8) (PLAN/2020/8658)	Adoption by College	Q2 2022



Proposal for Withholding Tax Relief procedures (PLAN/2021/10794)	Adoption by College	Q4 2022
VAT Gap initiative (PLAN/2020/9825)	Adoption by College	Q3 2022
Proposal to extend the period of application of the optional reverse charge mechanism (PLAN/2021/12654)	Adoption by College	Q1 2022
Initiative on Taxpayers rights (PLAN/2020/8320 & 8581)	Adoption by College	Q1 2022

## Evaluations and fitness checks

Output	Indicator	Target
Evaluation of the VAT administrative cooperation (regulation 904/2010) (PLAN/2021/12029)	Staff Working Document published	Q4 2022
Evaluation VAT eCommerce	Annex to the impact assessment of the VAT in the Digital Age Proposal published	Q3 2022

## Enforcement actions

Output	Indicator	Target
Assessment of Member States transposition of the VAT E-commerce directives (2017/2455/EU and 2019/1995/EU)	Transposition checks for 27 Member States completed	Q1 2022
Assessment of the completeness of transposition of the recast Excise Duties directive (2020/262/EU)	Transposition checks completed for 27 Member States	Q3 2022
Assessment of the completeness of transposition of ATAD2 – reverse hybrid mismatches (2017/952)	Transposition checks for 27 Member States completed or infringement action launched/continued	Q2 2022
Assessment of the conformity of transposition of ATAD2 – hybrid mismatches (2017/952)	Conformity checks for 27 Member States completed or infringement action launched/continued	Q1 2022
Assessment of the conformity of transposition of the Dispute Resolution Mechanism Directive (DRM)(2017/1852)	Conformity checks for 27 Member States completed or infringement action launched/continued	Q1 2022
Assessment of the conformity of transposition of DAC6 – intermediaries (2018/822 as amended by 2020/876)	Conformity checks for 27 Member States completed or infringement action launched/continued	Q1 2022

## External communication actions

Output/ Result	Indicator	Target
Tax Symposium	Number of events/workshops:	Up to 3 in different EU Member States (hybrid or physical)
	Participants per event/workshop:	50-100 (depending on format)
	Media reach for the event	500.000
	Target audience	Either high-level ministerial or

		broader stakeholder audience
	Attendees considering the event useful	95-100%
Social media campaign on corporate tax reform/ future of taxation	Online Social media	Impressions (organic): 20.000 Impressions (paid): 2 million Content engagement (shares, likes, clicks, etc.): 200.000 CTR: 0.1% Video views: 400.000
	Publications	Number of publications / updates (press material, factsheet, video): 4 Number of downloads and views (press material, factsheet): 20.000
VAT in the Digital Age Campaign	Online Social media	Impressions (organic): 20.000 Impressions (paid): 2 million Content engagement (shares, likes, clicks, etc.): 200.000 CTR: 0.1% Video views: 300.000
	Publications	Number of publications / updates (press material, factsheet, video): 4 Number of downloads and views (press material, factsheet): 20.000

### Other important outputs

Output	Indicator	Target
Article 12 Report	Adoption by College	Q1 2022
VAT gap report (PLAN/2020/9825)	Report published	Q3 2022
Article 59 Report to the Parliament and the Council on VAT administrative cooperation (PLAN/2021/12439)	Adoption by College	Q4 2022
VAT in the digital age	Study completed	Q1 2022
Study on economic impact of VAT disputes	Study completed	Q4 2022
Study on VAT in the travel and tourism sector	Study completed	Q4 2022
2021 Taxation Trends Report	Published	July 2022
Taxes in Europe Database	Publication	Q4 2022
EU Cooperative Compliance Initiative	Launch pilot project	Q1 2022
Proposal for a Standing Committee for dispute resolution	Creation of the standing committee	Q4 2022
Expert team for the collaborative development by Member States of	CESOP functionalities finalised	Q4 2022

a Central Electronic System Of Payment data exchange (CESOP)		
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### General objective 3: An economy that works for the people

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

Related to spending programme  
Fiscalis  
Customs  
Customs Control Equipment Instrument (CCEI)

#### Main outputs in 2022:

#### New policy initiatives

Output	Indicator	Target
Customs Programme Performance Measurement Framework	Delegated act and SWD adopted	Q3 2022
Fiscalis Programme Performance Measurement Framework	Delegated act and SWD adopted	Q3 2022
CCEI Performance Measurement Framework	Delegated act and SWD adopted	Q3 2022

#### Evaluations and fitness checks

Output	Indicator	Target
Customs 2020 final evaluation	Final report adopted	Q1 2022
Fiscalis 2020 final evaluation	Final report adopted	Q1 2022

#### Other important outputs

Output	Indicator	Target
Ensure all networks are operational,	All networks operational e.g. 24/7 when relevant	Fully operational
Ensure availability of all applications	All applications available, e.g. 24/7 when relevant	Fully available
Deliver all the projects in line with their respective legal deadlines	Project deliver dates defined in the respective legal bases, e.g. in the UCC Work Programme, or in the MASP-C or the MASP-T.	Deliver all the projects within the pre-defined date.
Adapt IT workplans inline with the conclusions of the Wise Persons Group and of the Tax Symposium.	Update of the IT workplan when relevant	IT workplan updated when conclusions are available
2021 Customs programme progress report	Report adopted	Q2 2022
2021 Fiscalis programme progress report	Report adopted	Q2 2022
2021 CCEI programme progress report	Report adopted	Q2 2022
CCEI funding allocation	All grant agreements signed and	Q3 2022

exercise finalised	pre-financing payments completed	
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### 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 2022:

#### New policy initiatives

Output	Indicator	Target
Proposal amending the structure and rates of excise duty applied to manufactured tobacco products (PLAN/2020/8656)	Adoption by College	Q2 2022
Cross-border acquisitions of excise goods by private individuals (PLAN/2020/8664)	Adoption by College	Q2 2022
Proposal for a Delegated Regulation laying down the general arrangements for excise duty (PLAN/2021/10318)	Adoption by College	Q2 2022
Proposal for an Implementing Regulation laying down the general arrangements for excise duty (PLAN/2021/10319)	Adoption by College	Q2 2022

#### Public Consultations

Output	Indicator	Target
Evaluation of the rates and structures of excise duty on alcohol and alcoholic beverages	Public Consultation published	Q1 2022

#### Other important outputs

Output	Indicator	Target
Study on the evaluation of the rates and structures of excise duty on alcohol and alcoholic beverages	Report published	Q4 2022
Initiative on distance selling of alcohol products	Launch Pilot Project	Q3 2022


## 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 2022:

#### New policy initiatives

Output	Indicator	Target
 Proposal to amend the Union Customs Code (PLAN/2021/12806)	Adoption by College	Q4 2022
Proposal for establishing the European Union Single Window Environment for Customs	Adoption by co-legislators	Latest by December 2022
Implementing Act for the Union Customs Code Work Programme	Adoption by College	Q4 2022
Implementing Act for the technical arrangements of the Union Customs Code	Adoption by College	Q4 2022
Delegated Act amending the data elements related to the Union Customs Code	Adoption by College	Q4 2022
Communication on new risk management strategy (PLAN/2021/10357)	Adoption by College	Q3 2022
Proposal to amend provisions on monitoring obligations for authorised economic operators	Adoption by College	Q1 2022
Bi-annual amendments of Council Regulations for the autonomous suspensions and quotas	Adoption by College	May 2022 November 2022
Proposal for Commission Decision establishing common risk criteria for security and safety and for harmonised application of customs controls (ICS2)	Adoption by College	Q3 2022

#### Evaluations and fitness checks

Output	Indicator	Target
UCC midterm evaluation (PLAN/2019/5876)	Evaluation published	Q1 2022
Evaluation UCC	Staff Working Document published	Q4 2022
Evaluation of the financial risk criteria	Submitted to Customs expert group	Q1 2022

#### Enforcement actions

Output	Indicator	Target
Obtain list of beneficiaries on goods imported under Decision 2020/491	Value and relevance of beneficiary organisations	Q2 2022

External Communication Actions		
Output	Indicator	Target
Campaign on the future of customs (Wise person group report)	Online Social media	Impressions (organic): 100.000 Impressions (paid): 1 million Content engagement (shares, likes, clicks, etc.) : 100.000 CTR: 0.1%
	Publications	Number of publications / updates (report, press material, factsheet): 3 Number of downloads and views (report, press material, factsheet): 5.000
ICS2 Integrated Communication Campaign	Stakeholder engagement	Reach: Number of contacts (from the target audiences) reached by email: 250  Number of contacts engaged 10-20%
	Press & media relations (EU and 15 non-EU countries)	Number of news articles generated: 150  Number of media contacts reached: 7.000
	Paid & Organic Social Media (Twitter and LinkedIn)	Number of views of media releases: 500.000 Impressions (organic): 200.000  Impressions (paid): 4 Million
		Video Views (paid & organic): 10.000
	Publication	Content engagement (shares, likes, clicks, etc.) : 15.000 Number of publications / updates (factsheets, infographics): 10
		Number of downloads and views (factsheets, infographics) 10.000
	Website	Number of visits to the ICS2 dedicated page on the TAXUD website 20.000
Other important outputs		
Output	Indicator	Target
Report of the Wise Persons Group	Report Published	Q2 2022



Reflection group	Group launched	Q2 2022
UCC Annual Progress Report 2022	Adoption by College	Q4 2022
Multi-Annual Strategic Plan for electronic Customs (MASP-C)	Format of adoption dependent on outcome of the Wise Persons Group?	Q4 2022
Central Clearance at Import	System available	Q3 2022
Customs Union Performance MIS System	System available	Q1 2022
Feasibility study interoperability SIS/Europol data and ICS2	Final Report delivered	Q2 2022
Study on the EU Single Window Environment for Customs business to government (B2G) features	Final Report delivered	Q4 2022
Study on the impact of e-commerce on customs duty collection and assess the implications of removing the customs de minimis threshold	Study completed	Q2 2022
Update list of prohibition and restriction legislation to be applied to products entering the Union	List Published	Q4 2022
Progress report of the AEO programme	Report published	Q3 2022
Update of the EU AEO Guidelines	Adoption by Customs Expert Group (CEG)	Q2 2022
Expert Team to pool the knowledge in the field of data science and analytics to support the development of the ICS2 analytics capability	Launched	Q1 2022

## 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 2022:

#### New policy initiatives

Output	Indicator	Target
Proposal Binding Valuation Information (PLAN/2019/5006)	Adoption by College	Q2 2022

#### Public consultations

Output	Indicator	Target
Binding Valuation Information (BVI)	Closed	Q2 2022

#### Other important outputs

Output	Indicator	Target
Decision to request negotiating mandate for EU-China AC agreement	Adopted	Q2 2022
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 2022
FTA negotiations on Rules of Origin with Indonesia, Australia and New Zealand	Completed	Q1 2022 (New Zealand) Q2 2022 (Australia, Indonesia)
Implementation of the Pan Euro Med transitional rules of origin among more than 45 Pan Euro Med countries	Adoption by the related Joint Bodies	Ongoing throughout 2022
Conclude AEO mutual recognition agreements	Adoption of decision	<ul style="list-style-type: none"> <li>• Q2 2022 Canada</li> <li>• Q3 2022 Singapore</li> <li>• Q4 2022 Moldova/Turkey</li> </ul>
EU-UK TCA rules of origin: adoption of consultation procedure and interpretative notes	Adoption of decision of the Trade Specialised Committee on Customs Cooperation and Rules of Origin	Q1 2022
EU-UK TCA (VAT/recovery): adoption of definitive arrangements	Adoption of decisions of the Trade Specialised Committee on Administrative Cooperation in VAT and Mutual Assistance on recovery	Q1 2022
Enable the participation of third countries in the Customs and Fiscalis programmes	International agreements concluded	Throughout 2022