



Management Plan 2016

DG TAXUD

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PART 1. Overview of main outputs for the year

1. A fairer and deeper Internal Market

1.1 Fight against tax fraud and aggressive tax planning

Tax fraud, tax evasion and aggressive tax planning are a major problem the European Union is currently facing. They mean less money to finance public goods. They lead to unfair competition and tax burden-sharing: if tax cheaters do not pay their fair share, honest taxpayers will have to pay more.

Our Directorate-General, in line with the Commission priorities and its high-level objectives, will work over the next twelve months to deliver fairer, more effective and transparent taxation for Europe. No Member State can cope with these challenges on its own. Tax fraud, evasion and avoidance are European and global problems calling for solutions which must go beyond national borders. Only by working together, using common tools, can Member States win the fight.

In 2016, we will present new measures to make corporate tax rules fairer and more transparent (with the anti-tax avoidance directive), including the implementation of OECD standards on base erosion and profit-shifting. We will continue to push for tax transparency, expanding the scope of exchange of information between tax authorities, including country-by-country reporting, and with our neighbours (Andorra, Monaco and San Marino). We will work on putting in place the technology and infrastructure Member States' tax authorities need to face and exploit new flows of data. We will keep up our work to make sure all countries play fair in global taxation, revising our external strategy to tackle third countries that currently do not apply tax good governance and tabling recommendations to Member States on how to make their tax treaties' networks stronger. Together with Member States, we will review the way the Code of Conduct works and the operation of the EU transfer pricing framework; we will follow up on the guidance given on patent boxes and update the Interest and Royalties directive.

The fight against tax fraud is primarily the task of Member States. However, the European Union can support this fight by encouraging Member States' tax administrations to better cooperate across borders, including via automatically exchanging relevant data, and exchange and subsequently apply best practices and by streamlining European tax legislation – where it exists - so as to make it more fraud proof. Simplification of legislation and of administrative procedures is key in this context. Where no European tax legislation exists, the EU could help Member States to make their national tax laws and practices more compatible and mutually reinforcing

so as to minimize the risk of double non-taxation or negligible taxation as a result of aggressive tax planning.

Relevant general objective(s): A deeper and fairer internal market with a strengthened industrial base		
Specific objective 1.1: To reduce tax fraud, tax evasion, harmful tax practise and aggressive tax planning within the EU.	Related to spending programme(s) Fiscalis 2020	
Main outputs in 2016:		
Policy-related outputs		
Description	Indicator	Target date
<u>Fair and transparent corporate tax systems</u>		
Anti-tax avoidance Package (ATAP) <ul style="list-style-type: none"> Proposal amending Directive 2011/16 on the automated exchange of information for taxation Proposal Anti-BEPS Directive (AP/008) Communication on External Strategy (AP/035) 	Adoption by College	January 2016
<u>Implementation of Tax transparency agenda</u> <ul style="list-style-type: none"> Implementation of the revisions of the Directive on Administrative Cooperation Finalisation of the tax cooperation agreements with European third countries (Andorra, Monaco and San Marino) 	<ul style="list-style-type: none"> Respect implementation plan Signature agreements 	<ul style="list-style-type: none"> Throughout 2016 By end Q2/ 2016
<u>Administrative cooperation related activities</u>		
<ul style="list-style-type: none"> Proposal for implementing Regulation related to Regulation No. 904/2010 on administrative cooperation in the field of VAT 	<ul style="list-style-type: none"> Adoption by College 	End 2016
<ul style="list-style-type: none"> EUROFISC: transaction analysis and ranking tool 	<ul style="list-style-type: none"> Finalise feasibility study 	June 2016
<ul style="list-style-type: none"> Requests from business on problems encountered with VIES-on-the-web 	<ul style="list-style-type: none"> Requests treated 	Throughout 2016
<u>Excise Movement and Control System (EMCS)</u>		
<ul style="list-style-type: none"> Implementing Regulation (IR) on exchange of information and administrative cooperation based on Council Regulation (EU) 389/2012 	<ul style="list-style-type: none"> Adoption by college 	<ul style="list-style-type: none"> Q1/Q2 2016
<ul style="list-style-type: none"> Risk assessment Manual 	<ul style="list-style-type: none"> Publish for MS 	<ul style="list-style-type: none"> Q1/2016
<ul style="list-style-type: none"> New version of the Central Service / Management Information System for Excise (CS/MISE) to monitoring administrative cooperation 	<ul style="list-style-type: none"> Deployment 	<ul style="list-style-type: none"> End 2016
<u>International aspects of administrative cooperation</u>		
<ul style="list-style-type: none"> Bilateral agreements with third countries (VAT) <ul style="list-style-type: none"> Agreement on administrative cooperation on VAT with Norway 	<ul style="list-style-type: none"> Adoption Council Decision 	<ul style="list-style-type: none"> Q4/2016
<ul style="list-style-type: none"> Cooperation with international organisations (OECD, IOTA, CIAT, etc) 	<ul style="list-style-type: none"> Represent Commission in the meetings Joint activities 	<ul style="list-style-type: none"> Throughout 2016
<ul style="list-style-type: none"> Mandates/Negotiations association agreement countries (excise) 	<ul style="list-style-type: none"> Throughout 2016 	<ul style="list-style-type: none"> Throughout 2016
<ul style="list-style-type: none"> Feasibility study on the enhancement of the 	Study finalised	Q4/2016

identification of taxpayers engaged in cross-border transactions and, in particular, the creation of an EU Tax Identification Number (EU TIN)		
<u>Excise fraud related activities</u>		
<ul style="list-style-type: none"> Follow up of recommendations from Customs Cooperation Working Party (CCWP) Report on EMCS and Excise Fraud 	<ul style="list-style-type: none"> Response to final report of CCWP for presentation to Indirect Tax Expert Group (ITEG) and Customs Code Committee (CCC/Risk Sector) 	<ul style="list-style-type: none"> Mid 2016
<ul style="list-style-type: none"> Identify a substance for use as a fiscal marker in gas oil and kerosene 	<ul style="list-style-type: none"> Select a new chemical 	<ul style="list-style-type: none"> End 2016
<ul style="list-style-type: none"> Introducing a common Community method for the complete denaturing of alcohol products and the abandoning of national methods (Amending Regulation 3199/93) 	<ul style="list-style-type: none"> Vote in the Indirect Tax Expert Group and the Committee on Excise Duties 	<ul style="list-style-type: none"> Q2/2016
<u>Activities related to tax compliance and collection</u>		
<ul style="list-style-type: none"> Evaluation of the use and implementation of Directive 2010/24/EU on tax recovery assistance 	<ul style="list-style-type: none"> Evaluation report 	<ul style="list-style-type: none"> End 2016
<ul style="list-style-type: none"> Facilitate requests for precautionary measures to other Member States and other improvements 	<ul style="list-style-type: none"> Amend the Implementing Commission legislation 	<ul style="list-style-type: none"> End 2016
<u>Activities related to the EU VAT Forum</u>		
<ul style="list-style-type: none"> Work programme of the EU VAT Forum 	<ul style="list-style-type: none"> Adoption 	<ul style="list-style-type: none"> June 2016
<ul style="list-style-type: none"> VAT Cross-border rulings and dialogues to avoid double taxation 	<ul style="list-style-type: none"> Publication results 	<ul style="list-style-type: none"> Throughout 2016
<ul style="list-style-type: none"> Cooperation models between tax administrations and business 	<ul style="list-style-type: none"> Publication models 	<ul style="list-style-type: none"> Throughout 2016
<u>Technical assistance to tax administrations (Member States and third countries, including candidate countries)</u>		
<ul style="list-style-type: none"> Enhancing tax administrations' capacity and fight against fraud 	<ul style="list-style-type: none"> Publish strategy 	<ul style="list-style-type: none"> End 2016
<u>Activities related to the EU VAT Gap</u>		
<ul style="list-style-type: none"> 2016 VAT gap report (estimation VAT gap) 	<ul style="list-style-type: none"> Publish report 	<ul style="list-style-type: none"> End 2016
<ul style="list-style-type: none"> Report of the Tax gap Project Group (methodology for estimating) 	<ul style="list-style-type: none"> Publish report 	<ul style="list-style-type: none"> April 2016
<ul style="list-style-type: none"> VAT fraud gap 	<ul style="list-style-type: none"> Draft methodology 	<ul style="list-style-type: none"> End 2016
<u>Activities related to tax compliance in Member States</u>		
<ul style="list-style-type: none"> Study on the impact of penalties on tax compliance in the MS 	<ul style="list-style-type: none"> Issue call for tender 	<ul style="list-style-type: none"> Ongoing
<ul style="list-style-type: none"> Article 12 and Article 59 Reports on VAT administrative cooperation and collection 	<ul style="list-style-type: none"> Kick-off of fact-finding visits to MS 	<ul style="list-style-type: none"> Ongoing
Main expenditure outputs		
Description	Indicator	Target

Preparation of Business Case and Vision Document to enhance CS/MISE to better meet legal requirements for reporting of results (EMCS)	Business case document	End Q2 2016
Preparation of specifications for operating the revision of the Directive on Administrative Cooperation	Specifications document	End 2016
Feasibility study on a mandatory “split payment” system in combination with a generalised reverse charge mechanism in the field of VAT	Feasibility study	End 2016
Activities organised under Fiscalis 2020 to support fight against fraud, tax evasion and aggressive tax planning and to support administrative cooperation	Number of activities	Remain stable or grow

1.2 An EU tax framework that is fit for purpose

The Single Market allows business and citizens to move freely to work and create wealth, innovation and jobs everywhere in Europe. Yet, uncoordinated tax rules, lack of cooperation between tax authorities and red tape continue to drag on the competitiveness and willingness to invest and grow of companies, entrepreneurs and mobile workers.

Member States are primarily responsible for taxation and for its management. Yet, EU intervention is essential to make sure the Single Market delivers on its promises and no tax obstacles are created to hinder investment and job creation. Union action is a must to stimulate 28 different tax authorities to work with each other for the benefit of all European taxpayers.

During the next twelve months, DG TAXUD will work to make the EU tax framework simpler and more predictable. Several actions are in the pipeline. A major step forward will be the re-launch of the Common Consolidated Corporate Tax Base, which will include measures to cut red tape and simplify accounting practices (like simpler loss offset). We will propose how to improve mechanisms to resolve double taxation disputes in the EU. We will continue to use analysis and recommendations done in the context of the European Semester to push for smart tax reforms enabling growth, jobs and investment. In parallel, we will continue to watch how EU tax rules are actually implemented by Member States, using legal action (infringements) when necessary to dismantle tax obstacles and solve double tax issues.

Relevant general objective(s): A deeper and fairer internal market with a strengthened industrial base		
Specific objective 1.2: To realise an EU tax framework that is fit for purpose focusing in particular on simplification for business		Related to spending programme(s) Fiscalis 2020
Main outputs in 2016:		
Policy-related outputs		
Description	Indicator	Target date
<u>Indirect taxes related activities (VAT)</u>		
<ul style="list-style-type: none"> VAT Action Plan (AP/005) (<i>includes elements for the fight against fraud</i>) Proposal for VAT on eCommerce (AP/002) Simplification package for SMEs, including proposal on the SME scheme Proposal on financial services 	<ul style="list-style-type: none"> Adoption by College Draw conclusions for VAT Action Plan following Council conclusions and opinion EP Adoption by College Completion of study To withdraw by Commission 	<ul style="list-style-type: none"> March 2016 As from Jun 2016 Dec 2016 Oct 2016 Q2/2016
<u>Indirect taxes related activities (excise)004</u>		

<ul style="list-style-type: none"> Revision of legal base for EMCS core business Regulation 684/2009 (AP/2015/031) 	<ul style="list-style-type: none"> Adoption by College 	<ul style="list-style-type: none"> Q1/2016
<ul style="list-style-type: none"> Revision of arrangements for B2B duty paid movements: new Regulation replacing R 3649/92 	<ul style="list-style-type: none"> Adoption by College 	<ul style="list-style-type: none"> End 2016
<ul style="list-style-type: none"> Report to European Parliament and Council on the functioning of the Horizontal Excise Directive 2008/118/EC 	<ul style="list-style-type: none"> Adoption by College 	<ul style="list-style-type: none"> Q2/2016
<ul style="list-style-type: none"> Evaluation on structures of excise duties on alcohol (AP/2015/034) 	<ul style="list-style-type: none"> Finalise evaluation 	<ul style="list-style-type: none"> Q2/2016
<ul style="list-style-type: none"> Impact assessment on the possible revision of the Tobacco Directive (AP/005) 2011/64/EU 	<ul style="list-style-type: none"> Finalise study 	<ul style="list-style-type: none"> End 2016
<u>Infringements</u>		
<ul style="list-style-type: none"> Ensure proper handling of infringement cases (new or open) Monitor the follow-up of studies on mobile persons, cross-border workers and inheritance taxes 	<ul style="list-style-type: none"> Follow benchmarks Report on results 	<ul style="list-style-type: none"> Through 2016 by end Q2/2016
<u>Direct taxes related activities</u>		
<ul style="list-style-type: none"> Proposal for CCCTB implementing Directive (AP/006) Arbitration tax dispute resolution (AP/007) Interest and Royalties directive 	<ul style="list-style-type: none"> Adoption by College Adoption by College Follow negotiations in Council 	<ul style="list-style-type: none"> Q4/2016 Q2/2016 Through 2016
<u>Other activities</u>		
<ul style="list-style-type: none"> Citizen report Tax Reforms Report Tax trends reports 	<ul style="list-style-type: none"> Publish report Publication Publication 	<ul style="list-style-type: none"> Q2/2016 Q2/2016 Q3/2016
<u>European Semester Activities</u>		
<ul style="list-style-type: none"> Contribution to Country Specific reports Contribution to Countries specific recommendations Contribution to AGS 2017 	<ul style="list-style-type: none"> Timely contribution Fact-finding activities in MS on tax administration Timely contribution 	<ul style="list-style-type: none"> Feb 2016 May 2016 Oct 2016 (European Semester general deadlines)

Main expenditure outputs

Description	Indicator	Target
Conference on direct taxation and investments, possibly jointly organised with IMF	Conference organised	September 2016
Study assessing the functioning of the Mini One Stop Shop (MOSS)	Study finalised	December 2016
Feasibility study extension of VAT webportal	Study finalised	December 2016
Activities organised under Fiscalis 2020 to enhance the administrative capacity of participating countries and to support the implementation of Union law and legislation	Number of activities	Stable or grow

1.3 Well-functioning and modern Customs Union

TAXUD will ensure a major milestone will be taken 1 May 2016 with the entry into application of the UCC legal package. The UCC legal package will thus become the new legal framework under which the already well-functioning customs union will operate. In this respect, the UCC builds on existing concepts, further harmonises the customs rules applicable throughout the Union in several key areas and brings together rules that were spread in several pieces of legislation.

In 2016, TAXUD will look after the accuracy and applicability of the different legal acts of the UCC package and will closely monitor the development of the IT systems. TAXUD will also accompany Member States and traders in the process of implementing the UCC. It will identify and share best practices, by visiting Member States and consulting trade in various bodies.

TAXUD will draft guidelines in the different customs areas, giving priority to those areas where the UCC introduces new elements, to ensure that during the time when not all IT Systems are yet available, trade flows continue running smoothly, based on transitional measures. In 2016, focus will be on producing the guidelines on Transitional Measures, Special Procedures (SPE), Import and Export, Simplified Procedures, Debts and Guarantees, Decisions, Binding Tariff Information, Proof of Origin, Transit, Procedures, EORI, Valuation and Entry and Summary Declarations. In 2016, TAXUD will also seek the alignment to the UCC of the Common Transit Convention and TIR Convention and other international Conventions.

TAXUD will continue to operate and maintain the 60 trans-European customs application and databases underpinning the smooth functioning of the customs union for national administrations, citizens and business across the EU ensuring its permanent availability.

DG TAXUD will continue to ensure a uniform enforcement of the UCC rules through a common legal framework for customs infringements and sanctions working for the adoption of the related legislative proposal (COM (2013)884 final).

The DG will develop on a continuous basis the core activities regarding classification of goods and the management of the Common Customs Tariff. In 2016, this exercise will include all the changes established by World Customs Organisation (WCO) during its five yearly revision. In 2016, DG TAXUD will implement a number of international tariff related agreements. For instance, before 1 July 2016, the second **International Technology Agreement (ITA2)** needs to be **transposed into the Combined Nomenclature**. This agreement eliminates customs duties on more than 200 additional high-tech products and **covers €1.3 trillion in global trade**. It is the biggest tariff-cutting deal in the WTO in almost two decades, and it is expected to give a boost to Europe's high-tech manufacturing sector.

On a permanent basis, TAXUD will be handling complaints, pre-infringement and infringement files, and provide assistance when customs related cases are brought before the EU Court of Justice of the EU

Relevant general objective(s): A deeper and fairer internal market with a strengthened industrial base		
Specific objective 1.3: Managing a well-functioning and modern Customs Union		Related to spending programme(s) Customs 2020
Main outputs in 2016:		
Policy-related outputs		
Description	Indicator	Target date
Activities related to the modernisation of the Customs Union		
Issue guidelines regarding the application of the UCC provisions	Guidelines issued	Q3/2016
Update the UCC Work Programme (AP/2016/011)	Adoption by College	Q2/2016
Update the MASP (Multi-Annual Strategic Plan)	Published	Q3/2016
Activities related to the functioning of the Customs Union		
Adoption Communication on developing the EU customs union and its governance (AP/2015/008)	Adoption by College	Q2/2016
Develop the Customs Union Performance methodology	Methodology agreed with Member States	Q4/2016
Activities related to classification of goods and management of the Common Customs Tariff (CCT)		
Proposal for the 2017 combined nomenclature	Adoption by College	31/10/2016
Update TARIC database	Daily update	Throughout 2016
Allocate tariff quotas	Daily allocate on weekdays	Throughout 2016
Surveillance reporting and monitoring	Daily verification and regular issuing of reports	Throughout 2016
Ensure uniformity in tariff classification	Adoption of measures and guidelines	Throughout 2016
Various		
Analysis, evaluation and preparation of draft decisions in accordance with Article 905 CCIP (REC/REM decisions)	Adoption by College	Throughout 2016
Activities related to the coordination of Customs laboratories European Network (CLEN)	Perform 12 activities	Throughout 2016
Main expenditure outputs		
Description	Indicator	Target
6th seminar of European Customs Chemists (Amsterdam)	Seminar organised	June 2016
Manage the ECICS database	Update regularly	Throughout 2016

6 proficiency tests carried out	Proficiency tests completed	Throughout 2016
Sampling database SAMANCTA	Database updated, available and in use	Throughout 2016
Activities under the programme supporting a modern and well-functioning customs	Number of activities	Stable or grow

1.4 The EU programmes supporting EU tax and customs policy

The **European Information Systems** supported by Customs 2020 and Fiscalis 2020 play a vital role in interconnecting customs/tax authorities. They allow information to be available and exchanged rapidly and in a common format. The European Information Systems and their interconnectivity are enabled by a closed and secure Common Communication Network/Common Systems Interface (CCN/CSI). The European Information systems developed by DG TAXUD under the programmes support directly the policy objectives of e-administration, trade facilitation and fight against fraud.

The overall objective of the Customs 2020 programme is to support the functioning and modernisation of the customs union in order to strengthen the internal market by means of cooperation between participating countries, their customs authorities and their officials. The overall objective of the Fiscalis 2020 programme is to improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials. The Customs 2020 and Fiscalis 2020 programmes offer Member States a Union **framework to cooperate**, which is more cost-effective than if each Member State were to set up individual cooperation frameworks on a bilateral or multilateral basis.

TAXUD initiates programme activities which allow **developing professional skills and knowledge** in the area of customs and taxation. Training content is developed in cooperation with participating countries and made available under different formats, including e-learning modules.

Measuring the progress of programme activities is important for measuring how their efficient implementation contributes to achieving a deeper and fairer internal market and a modern Customs Union.

Relevant general objective(s): A deeper and fairer internal market with a strengthened industrial base		
Specific objective 1.4: Efficient implementation of the Fiscalis 2020 and Customs 2020 programmes to support the achievement of the tax and customs policy objectives		Related to spending programme(s) Fiscalis 2020, Customs 2020
Main outputs in 2016:		
Policy-related outputs		
Description	Indicator	Target date

Fiscalis 2016 and Customs 2016 Annual Work Programmes (AP/009)	Adoption by College	Feb 2016
Fiscalis Annual Work Programme	Execution	Throughout 2016
Customs Annual Work Programme	Execution	Throughout 2016
Main expenditure outputs		
Description	Indicator	Target
Taxation IT Contracts	<i>Number of IT contracts</i>	40
European Information systems in operation for taxation	<i>Number of European Information systems in operation for taxation, as per Annex 1 of the Fiscalis 2020 regulation</i>	20
Taxation Training projects	<i>Number of training projects</i>	2
Customs IT Contracts	<i>Number of IT contracts</i>	60
European Information systems in operation for customs	<i>Number of European Information Systems in operation, as per Annex 1 of the Customs 2020 Regulation</i>	39
Customs Training projects	<i>Number of training projects</i>	2

2. A new Boost for Jobs, Growth and Investment

2.1 Ensuring efficient customs fostering EU competitiveness

TAXUD will focus in 2016 on promoting customs efficiency and cooperation between customs and other authorities in particular through the further development of the 'Toolbox' and 'Single Window' initiatives. As a concrete deliverable in 2016, TAXUD envisages issuing a Commission Staff Working Document to be used as a 'Toolbox' for drafting legislation requiring customs enforcement. TAXUD will also ensure the effective implementation of the EU Customs Action Plan to combat IPR infringements for the years 2013-2017. Outputs will include the adoption of a notice on customs enforcement on IPR in transit, drafting a business case on the future Trader Access System for electronic submissions of applications for actions in the COPIS system and the holding of a joint conference with OHIM on the interaction between customs, the police and judicial authorities. The work to promote compliant trader programmes will continue with an update of the Authorised Economic Operator (AEO) programme guidelines. Account will also be taken of the risk analysis needs for safety, the environment etc. in the context of the implementation of the 2014 EU Strategy and Action Plan for customs risk management.

Relevant general objective(s): A new boost for Jobs, Growth and Investment	
Specific objective 2.1: Ensuring efficient customs fostering EU competitiveness	Related to spending programme(s) Customs 2020
Main outputs in 2016:	
Policy-related outputs	

Description	Indicator	Target date
Management of the autonomous suspensions and quotas scheme	4 Council regulations adopted	1/7/2016 (2) 1/1/2017 (2)
Commission Staff working document on the 'Toolbox'	Adopted	Q2/2016
Development of new tools to support customs controls in the field of product safety	Number of tools	Throughout 2016
Improve Single Window Initiative to cover electronic certificates required by non-customs legislation for goods imported into the EU.	Legislative requirements covered	Q4/2016
Implementation Report of the EU Strategy and Action Plan for customs risk management	Report to Council	Q2/2016
Authorised economic operator (AEO) Programme <ul style="list-style-type: none"> • Development for 1st UCC update of AEO system • Draft business case EU-China pilot on safe and secure trade lanes (SSTL) • Updated Guidelines on AEO taking account of the 2014/2015 monitoring recommendations and of the UCC 	<ul style="list-style-type: none"> • Perform update • Finalise business case • Adoption guidelines 	<ul style="list-style-type: none"> • 01/05/2016 • Q3/2016 • 01/05/2016
Activities related to Intellectual Property Rights (IPR)		
Implementation of Regulation 608/2013 on the customs enforcement of intellectual property rights	Commission report	Q4/2016
Implementation of the Action Plan 2013-2017 to combat IPR infringements	Present Annual Report	Q4/2016
Commission Notice on Customs enforcement of Intellectual Property Rights in transit	Adoption of the Notice	Q2/2016
Draft business case of the future Trader Access System to electronically submit applications for actions in the anti-Counterfeit and anti-Piracy Information System (COPIS)	Draft business case	Q4/2016
Main expenditure outputs		
Description	Indicator	Target
Activities under the programme supporting an efficient customs	Number of activities	Stable or grow

3. A Secure European Union

3.1 Strengthening security and contributing to tackling terrorism and serious crime

TAXUD will focus in 2016 on implementing the 2014 EU Strategy and Action Plan for customs risk management. This includes launching the elaboration of a new Import Control System (ICS). TAXUD will also contribute to developing customs cooperation with Border Guards and Financial Intelligence Units (FIUs) and work together with DG HOME and Europol to conduct a Priority Control Action (PCA) on firearms. Priority will be put on preparing Commission proposals relating to: addressing trade-related

terrorist activities and terrorist financing; revising the EU Cash Control Regulation; conducting an assessment of existing legal instruments on illicit trade in cultural goods to prepare relevant proposals; and on closely monitoring and strengthening implementation of the new EU legislation on monitoring and control of trade in drug precursors, including issuing new guidelines to operators.

Relevant general objective(s): An area of justice and fundamental rights based on mutual trust		
Specific objective 3.1: Strengthening security and contributing to tackling terrorism and serious crime		Related to spending programme(s) Customs 2020
Main outputs in 2016:		
Policy-related outputs		
Description	Indicator	Target date
<u>Risk management strategy</u>		
Firearms Priority Control Action with HOME and Europol	Organise action	Q4/2016
<u>Enforcement</u>		
Proposal for revision Cash control regulation (AP/001)	Adoption by College	Q4/2016
New guidelines on drug precursors for operators	Publication	Q2/2016
Delegated Act for scheduling chloephedrine and chlorpseudophedrine under Regulation 111/2005 and 273/2004	Publication in OJ	Q2/2016
Implementation of the provisions concerning control and monitoring of non-scheduled substances and the use of the fast-track procedure for scheduling new substances	Number of uses of article 26 3a and 'fast track' procedure	Q4/2016
Review of guidelines for customs and border guards to strengthen their co-operation	Agree guidelines	Q4/2016
Main expenditure outputs		
Description	Indicator	Target
Study 'Fighting illicit trafficking in cultural goods: analysis of customs issues in the EU'	Study finalised	Q4/2016
Activities under the C2020 programme supporting a secure Europe	Number of activities	Stable or grow

4. EU as a strong global actor

4.1 Developing international customs cooperation

TAXUD will focus in 2016 on implementing existing bilateral customs agreements with trading partners to strengthen trade facilitation and improve supply chain security. This includes the implementation of the newly finalised agreement on Customs Cooperation and Mutual Administrative Assistance (CCMAA) with New Zealand; the further development of customs cooperation with the US and China; and the

conclusion of negotiations with Canada on the mutual recognition of the respective Authorised Economic Operator (AEO) programmes. A focus will also be placed on the proper functioning of the EU-Turkey Customs Union and on its review. TAXUD will contribute to the negotiation of free trade agreements with key trading partners, among which the US, Japan and the Philippines. It will pursue monitoring of the implementation of rules of origin in EU preferential trade arrangements through information requests and missions to beneficiary countries and Member States. 2016 will also see the start of monitoring of Member States' implementation of non-preferential rules of origin and procedures.

In the name of the EU, TAXUD will continue to hold the Vice-Chair of the World Customs Organization's (WCO) Europe Region until mid-2016 and will ensure EU representation and action in the various customs-related bodies of the WCO, World Trade Organisation (WTO) and Asia-Europe Meeting (ASEM). TAXUD will contribute to this objective by ensuring that the WTO Trade Facilitation Agreement (TFA) is properly implemented in the Union and through the multilateral efforts within the WCO.

Relevant general objective(s): A STRONGER GLOBAL ACTOR		
Specific objective 4.1: Developing international customs cooperation		Related to spending programme(s) Customs 2020
Main outputs in 2016:		
Policy-related outputs		
Description	Indicator	Target date
Finalisation of EU-New Zealand CCMAA Agreement	Signature and conclusion of agreement	Q4/2016
Negotiate customs and trade facilitation, rules of origin and IPR border enforcement provisions in bilateral trade agreements (T-TIP with US; FTAs with Japan & Philippines; modernisation of FTAs with Chile and Mexico)	Progress in negotiations	Throughout 2016
Conclude negotiation on EU-Canada AEO mutual recognition	Conclude negotiation on JCCC decision	Q3/2016
Implementation of the Action Plan concerning EU-China customs cooperation on IPR (2014-2017) and of the 2015 EU-Hong Kong Action Plan on Cooperation in the Customs Enforcement of IPR	Key actions implemented	Throughout 2016
Implement the Strategic Frameworks with Georgia, Moldova and Ukraine	Activities implemented	Throughout 2016
Implement the Strategic Framework with Russia	Finalise roadmap; implement activities	Throughout 2016
Promote trade facilitation in the Western Balkans	Cooperation activities with CEFTA on AEO and exchange of information (SEED)	Throughout 2016
Ensure the functioning of the EU-Turkey Customs Union	Resolve outstanding issues	Throughout 2016
Assume Vice-Chair responsibilities of the WCO - Europe	Ensure communication	Throughout the 1st

Region	with region members and WCO. Manage regional events	half of 2016
Finalise revision of the Pan-Euro-Mediterranean Convention on Preferential Rule of Origin	Finalise revision	Q4/2016
Set up, by 1 January 2017, the Registered Exporter (REX) procedures and electronic system in the context of the implementation of rule of origin for autonomous preferential arrangements	-deliver the REX system, the IT system supporting the system of self-certification of origin in the GSP; - deliver guidelines for the REX system	By 31 December 2016
Facilitate the implementation in the Union of rules and procedures for non-preferential and preferential origin and customs valuation, in particular as resulting from the UCC	Rules implemented; Customs Code Committee/Expert Group – Origin Section and Valuation Section managed; Guidelines adopted	Throughout 2016 May 2016
Monitor implementation of preferential rules of origin by third countries and Member States and manage tools for administrative cooperation	Monitoring actions undertaken; requests for information answered; Specimen Management System (SMS) kept up-to-date.	Throughout 2016

PART 2. Organisational management outputs for the year

Human Resources

Female middle managers 2016: On 01/01/2016 DG TAXUD counts 28,6% of female middle managers. DG TAXUD's target is to increase its number of female middle managers by 1 in 2016 reaching thus 33,33%, above the EC average of 31.9%. The realisation of this objective depends on a set of factors which are not fully under the control of DG TAXUD. The effective application of the planned mobility policy for middle managers will certainly help improving the situation. In TAXUD strong priority should be given to women when replacing managerial posts to reach Commission targets. The setting-up of quotas for women as was done for the new Member States would certainly help reaching the goals.

The percentage of TAXUD staff who feel that the Commission cares about their well-being is rather low (58%) and should be raised at least by 2 points in 2016. To this effect, some actions have already been launched in 2015 (for instance the set-up of a well-being/fit@work intranet site, security and safety courses organised after the terrorist attacks in Paris...). Taking into account the results of an in-depth analysis of the 2014 staff survey comments, a series of actions are planned for 2016 to respond to the main concerns of colleagues. Issues such as integration of disabled colleagues, career development, working methods are tackled in an action plan and appropriate follow-up will be ensured.

The staff engagement index amounted to 70.1% in 2014 (declining from 74.2% in 2013). The in-depth analysis of the figures and comments of the Staff survey 2014 showed that this significant decrease is closely linked to the dissatisfaction with regard to the new Staff Regulations and more specifically with regard to the application of the new rules concerning time management (40hrs week, control procedures) and the modifications of the career perspectives.

The new Staff Regulations at least partly explain the drop in commitment and recognition, as colleagues feel more and more controlled and infantilised. The raise of the feeling that managers care should be highlighted, as it shows that the situation of colleagues has been acknowledged and recognised. The upcoming Learning & Development strategies of the Commission and of DG TAXUD will enhance the key role of managers with a view to develop managerial excellence.

Besides, a plan to follow-up the Staff survey is under preparation. This action plan takes account of the colleagues' dissatisfaction and proposes follow-up actions to recreate trust and respect among colleagues. The 'Guidance in development' indicator was particularly low in the Staff Engagement index. Therefore Talent management and mobility policies should be implemented in 2016 to support career development

within the Directorate general. It is expected that the satisfaction index will increase to 72% in 2016.

However, one element could counter-balance the efforts done to raise the satisfaction in TAXUD and have a negative impact on the last two indicators. The possible relocation of the DG in near future gave rise to a high dissatisfaction and created resentment. The relocation could lead to a drop of the staff engagement in terms of resources at disposal.

Main outputs:

Description	Indicator	Target
Female representation in MM	% of women in MM posts: Baseline 01/01/2016:28,6%	33,3% in 2016 (40% in 2020)
Staff satisfaction index	Commission staff survey: baseline 2014 staff survey (I feel that the Commission cares about my wellbeing" 58%	At least Commission average in 2016 survey (60%)
Staff engagement index	Commission staff survey: Baseline 2014 Staff Survey 70,1%	At least Commission average in 2016 survey
Mobility	Launch of new approach	April 2016
Fit@work	Launch of new policy	June 2016
L&D Programme	2016 detailed programme	March 2016

Anti-fraud Strategy (AFS)

DG TAXUD's AFS focuses on awareness raising activities on potential fraud risks and ethical behaviour among TAXUD staff. The strategy addresses the active cooperation with OLAF and the integration of the fraud aspect into the SPP cycle of the DG. The goals set in the action plan for the 2013-2015 period have been mostly achieved (15 out of 16 actions).

For 2016, the main concept of the strategy document remains valid. A new action plan for 2016-2018 should be adopted in the beginning of 2016. Maintaining a high level of awareness on antifraud related matters remains a priority for instance, by organising refresher training sessions. For the 2016-2018 period, OLAF and/or IDOC will be invited to share real-life examples in the information sessions on anti-fraud and professional ethics will be organised.

The staff turnover will be closely monitored and newcomers will be systematically invited.

As regards strengthening the cooperation with OLAF, DG TAXUD continuously participates in the Fraud Prevention and Detection Network meetings. TAXUD remains committed to cooperate with OLAF on any issues as requested.

Integrating the fraud aspects into the DG's SPP and risk management cycle will be managed by monitoring of the implementation of the Anti-fraud strategy Action Plan, by discussing potential fraud risks resulting from the yearly risk assessment exercise and proposing further actions into the AFS action plan if and when necessary.

Main outputs:

Description	Indicator	Target
Updated anti-fraud strategy (AFS) of DG TAXUD elaborated on the basis of the methodology provided by OLAF	Updated AFS	Updated AFS adopted by the Management Meeting in Q1 2016
Increase the anti-fraud awareness by further training and awareness raising events	Number of training sessions/events	1 session on ethics 1 session on IT and data security 1 session on dealing with lobbyists
Reporting on progress of the AFS implementation	Report to the Management Meeting	Reporting to the Management Team by end 2016
Formulation of "red flags"	Red flags documented	TAXUD red flags adopted by the Management Meeting by end 2016

Financial Management: Internal control and Risk management

Throughout 2016, the internal control and risk management processes will be implemented as corporately defined by BUDG/SG. Indicators, as defined in the Strategic Plan will be closely monitored.

The current strategy for on-the-spot ex-post audits for the joint actions (actions implemented by the Member States in the scope of the Customs 2020 and Fiscalis 2020 grants) is planned to be revised in 2016 to make these controls more cost efficient in the grants area.

There are no specific initiatives planned to improve the levels of controls as far as procurement is concerned as they are considered cost-effective.

Main outputs:

Description	Indicator	Target
Estimated residual error rate	Residual error rate (%)	< 1% of payments made for procurement < 1% of payments made for grants
Estimated overall amount at risk for the year for the entire budget under the DGs responsibility	Amount at risk (€)	Maintain the 2015 level 2015 : 647.547,04€
Estimated future corrections	% of corrective capacity	Maintain the 2015 level 2015 : 0,59%
Conclusion reached on cost effectiveness of controls	Positive or negative conclusion	Positive conclusion
Cost of controls over expenditure	Total cost of controls (procurement and grants)	< 3% of payments made
Time to pay	Number of days	< 30 days
Time to procure	Number of days between publication in the OJ and signature of the award decision	< 150 days

Better Regulation

TAXUD will continue to focus on both operational and organisational capacity building, raising awareness of individual staff regarding the principles of better regulation and reinforcing our evaluation and better regulation culture. Both will be pursued through a series of activities like targeted training, information sessions and awareness-raising activities.

Information Management

DG TAXUD will continue to ensure that appropriate processes and procedures are in place for a secure and efficient document management compliant with the e-Domec principles.

External Communication

Continued efforts to combat tax fraud, tax evasion, tax avoidance (including aggressive tax planning) will remain key issues for DG TAXUD and the Commission in 2016. Promoting the anti-tax avoidance package to be published in January will be the first action in this area. Communication actions will continue on awareness raising particularly with regard to raising awareness amongst young people as the next generation of tax payers.

Communication actions will also be developed in respect of the CCCTB and the VAT action plan.

Communication actions during 2016 will continue to raise awareness at national and local levels in Member States of the work in these areas.

The introduction of the Union Customs Code (UCC), in May 2016 will be a first major step to reach the targeted objective of providing by 2020 a fully electronic and more performing, robust and unified customs union that provides the same high quality of services across the EU. To accompany its introduction communication activities already developed in 2015 will be further developed to raise awareness among business and authorities.

Following a Eurobarometer survey carried out in 2015 actions will be developed to raise awareness in respect of the day to day operations of customs and promoting an effective, efficient, and modernising customs union.

For external communication overall spending:

Annual communication spending (based on estimated commitments):	
Baseline (Year n-1): EUR 450000	Target (Year n): 480000

Example of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

Following the 2015 IAC audit report on procurement and management of studies in DG TAXUD *Ares(2015)48020*), the study management business process within the DG was redesigned. This includes a tool which supports on the one hand the planning and management process of the studies and on the other provides the study owner with practical / hands on support to implement the corporate harmonised procedures. Throughout 2016, DG TAXUD will coach study owners to ensure embedding the new way of work in their daily working processes and as such delivering fully the envisaged efficiency gains.