



Management Plan 2024

DG Taxation and Customs Union

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Our economies and societies face enormous challenges: Making a success of the green and digital transition. Reducing inequalities. Strengthening our competitiveness. Reconciling debt sustainability with massive investment needs. Tax policy has a role to play in every one of these. These challenges might seem daunting, but if there is one thing we have learned during this mandate, it is that it always seems impossible until it's done. Where there is a political will, there is a way. That is why I am optimistic that the EU can rise to the challenge – on tax matters and beyond.

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Paolo Gentiloni

European Commissioner for Economy



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2024 will be the year of consolidation, implementation and preparation. Consolidation as we strive to find agreement on still open proposals in the area of taxation and customs. Implementation as we work with Member States to ensure that key new initiatives are put into practice effectively and efficiently. Preparation as we define priorities for the coming Commission mandate and look towards EU enlargement. Through all of this, DG TAXUD stands ready to deliver a solid contribution to the Union's security and prosperity.

”

Gerassimos Thomas

Director General Taxation and Customs Union



Introduction

In 2024, the Commission's **Directorate-General for Taxation and Customs Union (DG TAXUD)** will continue to support the Commission's agenda for a fairer, greener and more competitive future. DG TAXUD will focus on supporting the negotiations of the proposals tabled in the previous years and on implementing the remaining actions of the [headline ambitions](#) of the von der Leyen Commission.

The **EU Customs Union** is the foundation of the EU Single Market. Its functioning is key to facilitate trade, safeguard revenues and protect citizens and businesses. Since its creation, the role of the Customs Union expanded beyond the traditional job of collecting customs duties. Growing trade volumes and new trade models, technological developments, security risks, geopolitical challenges and the green transition have all created new tasks and challenges for customs. The Commission proposed in Spring 2023 a **Reform of the EU Customs Union** to equip customs to face these challenges. It is expected that both the Parliament and the Council will adopt their mandates on the customs reform during 2024. In 2024, DG TAXUD will continue supporting the negotiations in the Council and the parallel work in the Parliament.

In 2024, DG TAXUD will contribute to creating a **European Ports Alliance** to increase the resilience of ports against criminal infiltration in the fight against drugs and drug precursors by reinforcing the work of customs authorities, law enforcement, public and private actors in the ports across the EU. In 2024, DG TAXUD will continue to enhance the enforcement of Prohibitions and Restrictions by Customs, amongst others with the help of the EU Single Window. The enforcement of Prohibitions and Restrictions is a component of the EU Security Union, covering policy domains ranging from Sanitary and Phytosanitary measures to toys safety and environmental measures.

To develop a stronger, fairer and more efficient Single Market, DG TAXUD will continue to push for the swift implementation of the landmark 2-pillar international **corporate tax reform**, agreed in 2021, which entails the reallocation of taxing rights for the 100 biggest and most profitable multinationals (Pillar One) and the establishment of a minimum effective tax rate worldwide (Pillar Two). In 2024, DG TAXUD will notably propose measures to mirror the OECD work to standardise the information and for a tax administration to perform an appropriate risk assessment. In 2024, DG TAXUD will support the negotiations on the new legislative package for corporate taxation in the EU which was tabled in September 2023. This includes: (1) a proposal for a new, single set of rules to determine the tax base of groups of companies in the EU (Business in Europe: Framework for Income Taxation – BEFIT); and (2) a proposal on transfer pricing which is aimed at achieving a more consistent application of the so-called arm's length principle, at EU level, in compliance with the most recent OECD transfer pricing guidelines. DG TAXUD will also support the negotiations on the proposal for a Head Office Tax system for SMEs as well as the proposal to strengthen withholding Tax Relief Procedures or to end the abuse of shell companies for tax purposes within the EU. In 2024, DG TAXUD closely cooperating with DG EMPL, will remain in close contact with Member States and other stakeholders to discuss possible ways to address or mitigate the tax

implication of cross-border telework and mobile working. The focus will be on exchange of best practices and knowledge on removing possible barriers to the free movement of workers in the Single Market including, when appropriate, in discussions in combined Council meetings and in line with the initiative of the Belgian Council Presidency to organize a joint EPSCO - ECOFIN Council in March 2024.

Within the ambition to have a carbon neutral continent by 2050, DG TAXUD will continue the dialogue with stakeholders to prepare the definitive implementation of the **Carbon Border Adjustment Mechanism (CBAM)** as from 2026. In 2024, importers of goods will report on the emissions embedded in imported goods that are within the scope of the regulation. DG TAXUD will notably analyse these data to refine the methodology for declaring the emissions. DG TAXUD will also continue to support the Council negotiations and push for a successful conclusion on the revision of the **Energy Tax Directive**, proposed in 2021 as an integral part of the Commission's "Fit for 55" Package.

In 2024, DG TAXUD will also continue to support the Council with the aim to secure an agreement on the **VAT in the Digital Age** package and start working on its implementation to modernise EU VAT rules for today's economy, reduce administrative burdens for cross-border businesses and safeguard significant revenues for Member States. This package will also allow to fully exploit data and new technologies to ease VAT procedures for businesses, enhance VAT collection and better tackle VAT fraud.

DG TAXUD will continue to be actively involved in the **EU response to the war in Ukraine**, reinforcing the EU action against Russia and supporting Ukraine. Customs will remain at the forefront in enforcing the EU sanctions packages. In 2024, DG TAXUD will continue to coordinate closely with EU national customs authorities, the private sector and third countries to this end. DG TAXUD will also continue boosting EU customs cooperation with Ukraine, amongst others by supporting the solidarity lanes.

The **Customs and Fiscalis programmes as well as the Customs Control Equipment Instrument (CCEI)** have a strong focus on the modernisation and digitalisation of EU tax and customs, in line with the EU's wider priorities. 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.

In addition, the work of DG TAXUD remains focused on supporting the EU's highest political priorities, including in other policy fields. Through both taxation and customs policies, TAXUD will support other key policy priorities such as the **Security Union**, the **Health Union** and the **Digital Transition**. DG TAXUD will also continue to support the Commission's work on the **Recovery and Resilience Facility (RRF)**, working with Member States on the implementation of the taxation and customs elements of their national plans. TAXUD will also continue working in close partnership with DG REFORM to assess Member States' requests for assistance with their reforms, under the **Technical Support Instrument**.

DG TAXUD has prepared a plan to simplify and rationalise the reporting requirements and reduce related burden on businesses and/or national administrations, without undermining

the policy objectives. The plan includes a list of concrete measures planned for 2024 and beyond to progress towards the goal of 25% reduction of such burden. This includes amongst others the following initiatives:

- DG TAXUD is currently negotiating the reform of the Union Customs Code with Parliament and Council. The initiative proposed by the Commission aims to create a single EU Customs interface and facilitate data re-use as well as to simplify and rationalise customs reporting requirements for traders. This includes for example a reduction of the time needed to complete import processes. Overall, this measure should bring around €2 billion in cost savings for traders.
- Also, DG TAXUD is negotiating the initiative that allows SMEs to set up a Head Office Tax System that will give SMEs operating cross-border through permanent establishments and as such the option to interact with only one tax administration – that of the Head Office – instead of having to comply with multiple tax systems. This proposal will increase tax certainty and fairness, reduce compliance costs and distortions in the market that influence business decisions, while minimising the risk of double and over taxation and tax disputes. In the Impact assessment, it is estimated that the HOT proposal could reduce cross-border SMEs' corporate income tax compliance costs by 32%.
- In 2024, DG TAXUD will also evaluate the existing administrative cooperation framework for direct taxation. Stakeholders made numerous suggestions regarding the reduction of reporting obligations in the context of this framework focusing primarily on the so called DAC6 directive which requires intermediaries to report cross border tax arrangements. The stakeholders ask for clearer reporting requirements and for guidance on the application to avoid over-reporting. Stakeholders also, ask for harmonisation of penalties to avoid distortions on the internal market as well as lower penalties in some cases where current ones are disproportionate. The points raised by the stakeholders will be duly considered in the context of this evaluation. Any action in this domain would then need require an amendment of Directive 2011/16/EU.

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

PART 1. Delivering on the Commission’s priorities: main outputs for 2024

General Objective 1: European Green Deal

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

The **Green Deal** highlighted that **tax policy** can help reach the climate policy goals by encouraging a switch to cleaner energy and more sustainable industry. It can also boost economic growth and improve our resilience to climate shocks. Importantly, well-designed taxation can also contribute to financing tools and lead to a fairer society, where no one is left behind in the green transition. The Commission’s REPowerEU plan underlined the need to intensify the move to clean energy and to increase the EU’s energy autonomy and resilience – work which Russia’s aggression against Ukraine has made ever more urgent. DG TAXUD will continue to make an important contribution to the EU’s green and energy agendas in 2024, building on the legislative proposals, emergency measures and policy support and guidance that it has already delivered over the past few years.



Following the entry into force of the **Carbon Border Adjustment Mechanism (CBAM)** on 17 May 2023, reporting requirements for the transitional period started applying on 1 October 2023 and will continue until the end of 2025. In 2024, importers of goods will report on the emissions embedded in goods under the scope of the Regulation imported in 2023 in the “CBAM Transitional Registry”. DG TAXUD will analyse these data to refine the methodology for declaring the emissions. DG TAXUD will continue the dialogue with stakeholders to not only guide them with the implementation but also to prepare the definitive implementation of CBAM as from 2026. In 2024 DG TAXUD will develop the second phase of the “CBAM Registry”, which will include the CBAM Authorisation management and Third Countries Operators Portal. DG TAXUD will also start working on the implementing and delegated acts to be adopted before the end of the transitional period in 2025.

DG TAXUD will continue to support the Council negotiations with the aim of a successful conclusion on the revision of the **Energy Tax Directive**, proposed in 2021 as an integral part of the Commission’s “Fit for 55” Package. The revision will support the green transition while also helping to reduce our dependence on foreign imports of fossil fuels. It will restructure the EU’s outdated framework for taxing energy, notably ensuring that the most polluting fossil fuels are taxed the most, while cleaner fuels are taxed the least.

Fighting climate change must be a **global** effort and DG TAXUD will continue the promotion in 2024 of international discussions on carbon pricing and carbon mitigation policies in all relevant fora (OECD, G7, G20, WTO...), as well as bilaterally with our trade partners.

While the new energy taxation rules are being negotiated in Council, DG TAXUD will continue to deal with the **requests from Member States for derogations** from EU excise duties rules on the basis of the current Directive. It will continue to provide guidance and explanations to Member States in these areas and support them in finding sustainable ways of easing the impact of the energy crisis, in compliance with EU law.

General Objective 3: An economy that works for the people

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

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

A large part of the EU agenda to reform corporate taxation, as set out in the 2020 **Tax Action Plan** and the **Business Taxation in the 21st Century Communication**, has already been delivered by DG TAXUD.

DG TAXUD will continue to push for the swift implementation of the landmark **international corporate tax reform**, agreed in 2021, which will create a fairer global tax framework, fit for the modern, digitalised economy. The 2-pillar reform entails the **reallocation of taxing rights for the 100 biggest and most profitable multinationals** (Pillar One) and the

establishment of a **minimum effective tax rate worldwide** (Pillar Two). Regarding Pillar One, the OECD is expected to finalise the Multilateral Convention for signature shortly. For Pillar Two, the directive implementing it in the EU has entered into force on 1 January 2024. To ensure the proper functioning of Pillar Two, the OECD will standardise the information needed by tax administrations to perform an appropriate risk assessment and to evaluate



the correctness of a Constituent Entity's Top-up Tax liability into the GloBE Information Return (GIR).



In September 2023, the Commission adopted a package of two key initiatives to reduce tax compliance costs for large businesses who operate cross-border in the European Union. The first element is a Directive proposing a **new legislative framework for corporate taxation in the EU** (BEFIT). It introduces common rules for computing the taxable results of group members which operate in the internal market. The overall

aim is to simplify tax rules and to ensure a level playing field for businesses in Europe. DG TAXUD will continue the outreach programme initiated in autumn 2023 by consulting Member States and stakeholders, to prepare for Council negotiations which are expected to start in 2024.

The second element of the package is a Directive on transfer pricing with the aim to achieve a more consistent application of the so-called arm's length principle, at EU level, in compliance with the most recent OECD transfer pricing guidelines. The negotiations on this proposal have already started and the Commission will continue to support them with a view to make quick progress.

In September 2023, as part of a broader package to provide relief to SMEs, the Commission also adopted a Directive on a Head Office Tax system for SMEs. The proposal allows SMEs operating cross-border through permanent establishments the option to interact with only one tax administration instead of having to comply with multiple tax systems. Negotiations on the proposals have started at the end of 2023 and will continue in 2024, with the support of DG TAXUD.2024.

In 2023 the Commission proposed new rules to make **withholding tax procedures** in the EU more efficient and secure for investors, financial intermediaries (e.g. banks) and Member State tax administrations (**FASTER**). This proposal will contribute to improving the Capital Markets Union while reducing tax abuse related to withholding tax procedure. DG TAXUD will continue to support the negotiations on this proposal to facilitate a swift agreement between the Member States.

A strong and stable business environment must be built on a level-playing field, with **all taxpayers' paying their fair share**. Moreover, EU growth and prosperity relies on Member States having strong and stable revenues, which are not undercut by aggressive tax planning and tax evasion. Fair taxation, therefore, remains crucial to the EU's recovery and resilience agenda. DG TAXUD will continue to support Member States' negotiations on UNSHELL with a view to its swift adoption to **end the abuse of shell companies for tax purposes** within the EU.

Over the past decade, the Commission has built up a robust legislative framework to increase tax transparency and clamp down on abusive tax practices. A cornerstone in this is the **Administrative Cooperation Directive (DAC)**, which enables the automatic exchange of information between Member States in a wide range of areas with tax consequences and creates more transparency and accountability around taxpayers' behaviour. The DAC has been amended several times to ensure that its scope matches the modern market and to respond to new and emerging challenges. In 2024, DG TAXUD will finalise an **evaluation of DAC** and its amendments, building on recommendations received from the European Court of Auditors and European Parliament. The evaluation will look at issues such as monitoring and the use of exchanged data, with a view to ensuring that the DAC remains a powerful and relevant tool in the fight against tax evasion and avoidance.

In 2024, DG TAXUD in close cooperation with DG EMPL, will also remain in close contact with Member States and other stakeholders to discuss possible ways to address or mitigate the tax implication of cross-border telework and mobile workers. The focus will be on exchange of best practices and knowledge on removing possible barriers to the free movement of workers in the Single Market. This is in line with the initiative of the Belgian Council Presidency to organize a joint EPSCO -ECOFIN meeting that might look into issues that are relevant for both Council *filières*.

II. Upgrading VAT rules and digitalising excise movements, to protect revenues and promote growth

In 2024, DG TAXUD will continue to support the Council in securing an agreement on the **VAT in the Digital Age** package, proposed by the Commission in December 2022, and to start working on its implementation as soon as adopted in Council. This package seeks to modernise EU VAT rules for today's economy, reduce administrative burdens for cross-border businesses and safeguard significant revenues for Member States. Data and new technologies will be fully exploited to ease VAT procedures for businesses, enhance VAT collection and better tackle VAT fraud. New rules will digitalise VAT reporting obligations. The use of e-invoicing, providing real-time and transaction-based information will support tax administrations' control means and foster internal process automation for businesses. New rules for platforms will bring the VAT framework up-to-date with the modern economy. The package also upgrades the EU's rules for VAT in eCommerce, extending the One Stop Shop for EU businesses and improving the Import One Stop Shop for external traders. All this will contribute to an enabling business environment and boost EU competitiveness, while ensuring that Member States have sustainable public revenues.



Monitoring the VAT gap is an important means to track how performant the Member States' tax administrations are in collecting VAT and how new VAT rules affect the VAT gap. DG TAXUD will develop together with Member States methodologies for compliance gaps due to e-commerce fraud and Missing Trader Intra Community (MTIC) fraud.

The **VAT administrative cooperation** has been assessed in 2023 in an external study to prepare its evaluation in 2024. The main conclusion of the study is that it remains an effective and cost-efficient framework for exchanging necessary information between competent authorities in the Member States, but it also concluded that it should continue to be enhanced with new means of cooperation or new information, especially relevant for the fight against VAT fraud. In 2024, DG TAXUD will submit for adoption a proposal to amend the VAT administrative cooperation framework to further empower Eurofisc in the fight against VAT fraud and break barriers in sharing VAT information with other authorities (i.e. Europol, OLAF and EPPO).

DG TAXUD will also continue to cooperate with third countries in fighting VAT fraud. DG TAXUD will monitor, in particular, the implementation of the Windsor Framework and will follow-up on the amendments of the EU Norway Agreement on VAT administrative cooperation.

The fight against VAT fraud will be reinforced by the entry into force of the **Central Electronic System Of Payment Information** (CESOP) on 1 January 2024. CESOP will allow to cross-check on-line payments with VAT reporting of e-commerce transactions. DG TAXUD will closely monitor the use of this electronic system and the use of the new data by Eurofisc. During 2024, DG TAXUD will also work with the industry of payment service providers to identify and solve issues with these new reporting obligations.

Finally, DG TAXUD will continue to study the **taxation policy on the financial sector** taking into account the unique regulation and supervision of the sector, the intense digitalisation of financial services, and the evolution of the economic context (for example high interest rate environment and efforts for recovery) since the last study on the matter was concluded in 2021. This work includes, as a first step, an in-depth analysis of the problems arising from the current tax framework applicable to the financial sector in the EU (various sector-specific taxes and the VAT exemption) and the magnitude of their effects on the competitiveness, investment, innovation and digitalisation of the financial sector and the economy more broadly, including the impact on prices for financial services (for businesses and final consumers) and compliance costs with a particular attention to SMEs.

III. Looking ahead for a more prosperous and resilient future



The **Recovery and Resilience Facility (RRF)**, and the **European Semester** with which it has been integrated, will continue to be the main frameworks for economic policy coordination across the EU in 2024. The economic policy agenda remains structured around the four dimensions of competitive sustainability: fairness, environmental sustainability, productivity and macroeconomic stability. Accelerating structural reforms that make taxation systems more growth friendly and that improve the long-term efficiency of public spending would strengthen potential

growth and debt sustainability. It would also support the capacity of fiscal policy to respond to future crises. In 2024, DG TAXUD will continue to ensure that tax policy plays its part in the EU economic governance processes and in the implementation of the RRF, and continue to closely monitor the RRF milestone and Country-Specific Recommendations on aggressive tax planning. DG TAXUD will also continue to support DG REFORM in assessing Member States' requests for support with their reforms under the **Technical Support Instrument**, where dedicated actions for the digitalisation of tax and customs administrations, particularly the implementation of the Union Customs Code (UCC) IT work programme, can take place.

The EU's agenda for a more prosperous and resilient future, coupled with new and emerging mega-trends such as changing labour markets, globalisation and an ageing population, require a continued reflection on the fundamentals of the taxation for the future. On one hand, these economic and societal changes will significantly impact the long-term viability of our current tax systems as sustainable sources of revenue. On the other hand, well-designed tax frameworks can help substantially in delivering on the EU's medium- to long-term goals, and in addressing the challenges that we face as a Union. With this in mind, DG TAXUD has launched an ambitious reflection process on the "EU Tax Mix on the road to 2050". To date, two **EU Tax Symposium** events have been held in 2022 and 2023. The 2023 Symposium was co-hosted with the European Parliament and brought together over 1000 high-level politicians, policy-makers, academics and stakeholders, for high-level discussions on various key aspects of the future tax mix.

In 2024, DG TAXUD will build on the input received from the Symposium process to deepen the analytical work and widen the debate around the future of taxation. Another high-level Tax Symposium **event** will be held in 2024, to take stock of the progress made. DG TAXUD's '**Annual Report on Taxation**' and its annual publication of data on taxation trends will also provide valuable insights into Member States' tax systems, with a view to supporting evidence-based reforms.

In 2024, in the event calls are made by Member States or the European Parliament, DG TAXUD will continue to work on the fundamental work for **new EU Own resources**, and notably on the contributions stemming from CBAM, Pillar One of the international corporate tax reform agreed in 2021 by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), and BEFIT.

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

The Customs and Fiscalis programmes finance initiatives to boost collaboration, complemented by the large portfolio of EU level training activities, 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.

In addition, these programmes have a strong focus on the modernisation and digitalisation of EU tax and customs, in line with the EU's wider priorities. Over 95% of the Customs programme's budget and over 85% of the Fiscalis programme are dedicated to establishing and operating the European Electronic Systems (EES), thereby enabling them to also contribute to the **General Objective of creating a Europe Fit for a Digital Age**.

DG TAXUD and the Member States will, in 2024, pursue the work to deliver the full set of customs EES common IT components by the end of 2025, as stipulated under the Union Customs Code. These will connect customs administrations across the EU, to better manage financial and security risks while facilitating trade. This will complement the ambitious reform of the Customs Union that DG TAXUD proposed in 2023.

DG TAXUD will also work on the taxation European Electronic Systems (EES), which will support the objectives of fair taxation and sustainable revenues, by enabling tax administrations to better fight tax fraud and evasion, and to exploit the massive amounts of data collected by tax authorities.

For the **Customs and Fiscalis programmes (2021-2027)**, activities will continue in 2024 in accordance with the Multi-Annual Work Programmes (MAWPs) collaborative activities under each programme. Two new expert teams under Fiscalis and one under the Customs programme are planned to be launched in 2024. The work of eight ongoing expert teams will continue to be supported by DG TAXUD. Considering that three new countries (**Ukraine, Georgia, Moldova**) joined the programmes in the second half of 2022 and in 2023, in addition to Albania, Bosnia-Herzegovina, Kosovo ⁽¹⁾, Montenegro, North-Macedonia, Serbia and Türkiye (Customs programme only) ⁽²⁾, a particular attention will be given to on-boarding activities to enable these new countries become fully-fledged participants.

With regard to the training and human competency building activities, the programmes' funding should enable the release of 17 new eLearning modules focusing on the recently adopted legislation, common IT systems and to support the implementation of the CCEI, as well as the update of some courses in the current portfolio.

⁽¹⁾ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

⁽²⁾ These countries were already participants to the Fiscalis and Customs programmes' previous generations. In 2023, they finalised accession modalities to participate in the current Fiscalis and Customs programmes.

The second multi-annual work programme (MAWP) ⁽³⁾ for the **Customs Control Equipment Instrument (CCEI)** will focus on five key policy priorities: Safety and Security, Mitigation of international conflicts and crises, e-Commerce, Interoperability and Innovation, and Building green capabilities. By putting safety and security as a top priority, the CCEI will give a key contribution to the EU Roadmap to fight drug trafficking and organised crime, including through the European Ports Alliance initiative ⁽⁴⁾ The CCEI will support national customs administrations in ensuring equivalent and adequate levels of customs controls. Specifically, the CCEI will co-finance the purchase, upgrade and maintenance of customs control equipment to modernize and equip all customs offices and laboratories within the European Union with state-of-art equipment.

The results of programmes' activities will be reported in the respective **annual progress reports**. At the same time, DG TAXUD will continue to give a particular focus to **communication and awareness-raising activities** to highlight the added value of the programmes and their potential.



Specific Objective 3.3: Support wider EU policy priorities through taxation

DG TAXUD ensures that EU tax and customs policies are fully coherent with other EU policy areas and seek to maximise their potential in delivering on Europe's key goals. EU taxation policy is already highly integrated in the EU's recovery and growth agenda, 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 a wide range of EU requirements and standards and protecting our citizens and businesses from external risks.

DG TAXUD will continue to contribute to the **EU's Health agenda** in 2024. DG TAXUD aims at fostering a discussion with Member States on the role of behavioural taxation in tackling public health risks. A study focusing on taxes on products high in fat, sugar and salt (HFSS) could provide the basis for further discussion with Member States and other relevant stakeholders.



⁽³⁾ Commission Implementing Decision C(2023)8016 of 28/11/2023 concerning the adoption of the work programme for 2023 and 2024 and the financing decision for the implementation of the Customs Control Equipment Instrument.

⁽⁴⁾ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the EU roadmap to fight drug trafficking and organised crime COM/2023/641 final.

In the field of **excise duties**, DG TAXUD will continue to work with Member States on the analysis of the current situation for the distance selling (business-to-consumer and e-commerce cross-border sales) of alcoholic beverages. DG TAXUD will assess the timing of a legislative proposal with the objective of simplifying the existing EU excise framework, especially for small and medium producers, and improved to better support the fight against fraud.

Moreover, DG TAXUD expects to keep enhancing excise commercial (business-to-business) movements across the EU. In 2023 DG TAXUD delivered the digitalisation of commercial duty paid movements (B2B), by substantially modifying the excise computerised system (EMCS and SEED) and developing the necessary legal framework. Its implementation will be monitored in 2024, where there will be as well an alignment between excise and export procedures by amending the relevant legislation and by providing an electronic exchange between EMCS and the EU export system (AES). Such digitalisation facilitates cross-border trade while enhancing the fight against fraud.

SOLIDARITY WITH UKRAINE THROUGH TAX AND CUSTOMS POLICIES

DG TAXUD will continue to be actively involved in the EU response to the war in Ukraine, reinforcing the EU action against Russia and supporting Ukraine. This work will remain a high priority in 2024. Customs have been at the forefront in enforcing the 12 EU sanctions packages and in preventing their circumvention. In 2024, DG TAXUD will continue to coordinate closely with EU national customs authorities, the private sector and third countries to this end. This includes facilitating quick and regular information exchange between Member States (via TARIC and CRMS2) on sanctions and related risks and holding regular meetings with the heads of EU customs administrations to coordinate proper crisis management, to identify circumvention patterns and coordinate appropriate follow up. Guidance will continue being provided for better application of the sanctions' packages.

Under the Tax Enforcement Plan and coordinated by the tax subgroup of the EU's "Freeze and Seize" Task Force, measures have been taken to ensure effective action against sanctioned Russians and Belarussians, their companies and their associates. This concerns in the first place the identification of presence of sanctioned natural or legal persons in Member States' tax files as well as checks and controls of whether they present a risk of tax avoidance, tax evasion or fraud. Further actions will follow with a view to making progress on the detection of tax evasion or other crimes including tax audits, screening refunds and information exchange between authorities.

Finally, DG TAXUD will continue boosting EU customs cooperation with Ukraine, in particular in the framework of the enlargement negotiations, but also supporting the solidarity lanes. In this context, DG TAXUD will continue ensuring further alignment of Ukraine to the EU customs legislation, preparing mutual recognition of Authorized Economic Operators (AEOs), promoting better use of the Common Transit Convention possibilities, and facilitating exchange of information projects including also with other neighbouring countries. DG TAXUD will continue to reflect on tax and customs measures that can be taken to ensure the effective implementation of the EU acquis in Ukraine and the development of its administrative capacity to prepare its future integration into the EU market.

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

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



The Customs Union is the foundation of the EU Single Market. It enables imported goods to move freely within the EU after having been cleared by any Member State, and exports from the Union to be declared at any Member State. However, since its creation, the role of the Customs Union expanded beyond the traditional job of collecting tariffs. Growing trade volumes and new trade models, technological developments, security risks, geopolitical challenges and the green transition have all created new tasks and challenges for customs. The EU customs must be equipped to manage these challenges. Therefore, the Commission proposed in Spring 2023 the **UCC reform** organised around four blocks.

- The facilitation of legitimate trade through simplified procedures is key to maintaining the Union's leading position in international trade. A new partnership with trade operators based on a data-driven vision will allow trust and check compliant traders to operate without formal customs interaction and will alleviate the related administrative burden.
- A tailor-made e-commerce customs regime will make online platforms key actors in ensuring that goods sold online into the EU comply with all customs obligations. At the same time, the reform abolishes the current threshold whereby goods valued at less than €150 are exempt from customs duty, which is heavily exploited by fraudsters.
- The EU Customs Data Hub will act as the engine of the new system. Over time, the Data Hub will replace the existing customs IT infrastructure in EU Member States, saving them up to €2 billion a year in operating costs.
- A new EU Customs Authority will perform capacity building activities and provide operational support and coordination to customs authorities. In particular, it will act as a complementary layer to carry out EU risk management and crisis coordination at central level in support of national risk management. This will not change the responsibilities of Member States at the border. Moreover, the Commission may entrust to this Authority activities related to the development, operation and maintenance of the EU Customs Data Hub.

In 2024, DG TAXUD will continue supporting the interinstitutional process for this initiative. It is expected that both the Parliament and the Council adopt their mandates on the customs

reform during 2024, so that trilogue negotiations could start as soon as the Parliament reconvenes.

This digitalisation of customs administrations and processes, a key part of the reform, also contributes to the **General Objective of creating a Europe fit for the Digital Age**.

II. Progress on the implementation of the Union Customs Code and EU Single Window Environment for Customs

The **Union Customs Code electronic systems** used for fulfilling Import, Export, Transit or Entry formalities allow for seamless cross-border and cross-domain customs procedures. In addition, the EU Single Window Environment for Customs, as well as the Centralised Clearance will offer significant benefits for Customs, in terms of reduction of administrative burden and trade Facilitation. In 2024, DG TAXUD will continue to work closely with Member States to ensure the implementation of these UCC systems more particularly:



- the launch of the central component of the Guarantee Management System and of the central Proof of Union Status system (Phase 1),
- the continuation of work on the Automated Export System,
- the New Computerised Transit System (NCTS) (Phase 5),
- a new release (2.0) of the Customs Risk Management System (CRMS2),
- the third release of the Import Control System ICS2 that will apply to goods transported in maritime, inland waterways, rail and road traffic, and;
- the Centralised Clearance System at Import (Phase 1).

The common data requirements as well as their formats and codes to be used for these systems have been reviewed throughout 2023 and will be published in February 2024.

DG TAXUD will continue to supervise the progress of the UCC IT implementation by Member States and Trade against the legal deadlines established in the UCC Work Programme and draft the conclusions in the UCC Annual Progress Report of 2024. This will go hand in hand with technical assistance provided to certain Member States to mitigate the delays encountered in these Member States.

Furthermore, DG TAXUD will align to new policy demands for instance by connecting the EU Single Window Environment for Customs to new policy domains like CBAM or deforestation; and by extending the NCTS system to the new members of the Common Transit Convention (Moldova, Georgia, Montenegro). The EU Single Window Environment is a key instrument to support the enforcement of Prohibitions and Restrictions.

III. Protecting EU citizens and businesses against non-financial risks

Customs is the first line of defence for the EU against non-compliant, dangerous and illegal products entering the Single Market. It is also the enforcer of various export controls, which have become ever more important in the context of recent sanctions and trade restrictions.



In 2024, DG TAXUD will contribute in particular to creating a **European Ports Alliance** to increase the resilience of ports against criminal infiltration in the fight against drugs and drug precursors trafficking by reinforcing the work of customs authorities, law enforcement, public and private actors in the ports across the EU. DG TAXUD will continue conducting preparatory work for a possible future revision of the drug precursors regulations to tackle the proliferation of designer precursors (which currently are purpose-made to circumvent the existing regulations) while, at the same time, reducing unnecessary obstacles to the free movement of licit drug precursors.

Customs has a key role in the enforcement of **Prohibitions and Restrictions** ⁽⁵⁾, which cover a vast array of policy domains, ranging from human rights to environmental measures, to product compliance. Prohibitions and restrictions are likely to continue to grow in view of the recently adopted and upcoming EU legislations.

In 2024, DG TAXUD will continue to enhance enforcement of Prohibitions and Restrictions covering:

- active engagement in interinstitutional negotiations of sectoral legislations which are enforced by customs authorities,
- preparation of initiatives to ensure that enforcement by customs authorities is fully operational when a new sectoral legislation enters into application. The EU Single Window Environment for Customs supports the enforcement of Prohibitions and Restrictions through automated controls and the digitalisation of the communication between customs authorities and sectoral authorities. In 2024 legal initiatives will be presented to expand the scope of the EU Single Window to include the Carbon Border Adjustment Mechanism, the Deforestation Regulation and the new Health Entry Document in the Sanitary and Phytosanitary domain. These initiatives will establish technical rules on the functioning and provide the tables to align the administrative procedures between customs and non-customs domains, as well as the alignment of data.

DG TAXUD will also monitor the correct implementation of the **cash controls** regulation that complements the Union's legal framework for the prevention of money laundering and terrorist financing issuing a report mid-2024.

As regards the regulation on the import of **cultural goods**, which aims to prevent the illicit trade in cultural goods from third countries, in particular when such trade may contribute to

⁽⁵⁾ See the 'Integrated EU P&R List' here: [Prohibitions and Restrictions \(europa.eu\)](https://europa.eu)

the financing of terrorist activities, DG TAXUD will continue working on an electronic system for the storage and exchange of information regarding the import of cultural goods. DG TAXUD is in parallel working on the digitalisation of export licences for the export of European cultural goods.

Concerning customs enforcement of **Intellectual Property Rights (IPR)**, DG TAXUD is actively collaborating with the European Intellectual Property Right Office (EUIPO). The objective is to further digitalise the procedures under Regulation (EU) No 608/2013, in particular to make mandatory the electronic submission of applications by right holders for customs to act and to enforce their IPR. DG TAXUD will also continue the preparation of an EU layer of risk criteria, as recommended by the European Court of Auditors.

We will continue to support, where needed, the negotiations on the proposals on **firearms**.

In support of the customs reform, DG TAXUD will develop an enhanced and integrated **data analysis and risk management approach** on the basis of available data sources at EU level, with the objective of reinforcing the protection of EU citizens and financial revenues and of supporting other EU policies. This will consist in continuing building up methods and capabilities of data analysis and in providing information and criteria to Member States' customs to enable them to better target and identify illegal transactions of unsafe, dangerous or counterfeit products, or which are violating import or export sanctions or other prohibitions and restrictions or are involving fraud.



Customs plays an important role in the Security Union and works closely with other law enforcement authorities in their joint mission to better protect our citizens from illicit trade, often linked to organised crime and terrorism. DG TAXUD will continue strengthening the customs angle in the relevant priority actions under the Security Union and will proactively support an enhanced participation of customs authorities in activities in the framework of the EU Policy Cycle for organised and serious international crime.

IV. Securing revenues and supporting compliant trade

Customs revenues are an important source of public funding, while customs tariffs help to encourage EU businesses and producers, and protect them from unfair competition.

In the context of the implementation of the common risk management framework and in response to the 2021 special report by the Court of Auditors, a major amendment will be proposed on how to tackle financial risks. The proposal will define more binding measures and a common approach to tackle high risks and to better protect the financial interest of the EU and its Member States.

The **Common Customs Tariff** (CCT) applies uniformly to goods imported into the EU, regardless of the Member State they are imported into. The uniform application of the CCT at every entry point to the EU is essential to ensure a level playing field and prevent fraud. DG TAXUD will also continue to work closely with customs administrations to ensure the uniform application of the CCT, while regularly updating the Integrated Tariff database (TARIC), which contains all measures relevant to importing or exporting goods from the EU. This work also supports businesses and traders, by providing them with a comprehensive overview of all tariffs and other measures (e.g. prohibitions and restrictions) that apply for import and export.

DG TAXUD will present proposals to update the **autonomous tariff quota and suspensions**, as required every 6 months. These are granted to agricultural and industrial products that we need in the EU, but do not produce ourselves in sufficient quantities. To ensure sufficient supplies of these specific goods in the Single Market, some customs tariff duties are partially or totally suspended. Considering that the scheme for autonomous tariff suspensions and quotas has been in place since 1972, DG TAXUD will in 2024 launch a comprehensive external study to evaluate if the scheme is still fit for purpose in view of the changing industrial and trade policies of the Union. The assessment will also aim to identify improvements to the scheme so that, in line with the Union's economic security strategy, it contributes better to the open strategic autonomy of the Union and supports the twin digital and green transformation of EU producers.

Since 1988, the International Convention on the Harmonized Commodity Description and Coding System (HS Convention) has been aiming to facilitate international trade and the analysis of statistics. In 2024, the World Customs Organisation will publish the outcome of the exploratory study on a possible strategic review of the HS Convention and identify potential improvements for the future, particularly in view of green customs. DG TAXUD will continue to support and contribute to the reform of the HS as a key enabler to green trade of goods.

In addition, DG TAXUD will continue the daily management of the **European Binding Tariff Information** (EBTI) system, which issues tens of thousands Binding Tariff Information (BTI) decisions every year.

In 2024, DG TAXUD intends to introduce a system of **Binding Value Information (BVI) Decisions**. These BVI Decisions will increase compliance, transparency, legal certainty and greater uniformity in customs valuation, to the benefit of businesses and traders, as well as customs authorities.

DG TAXUD will organise communications actions to promote all new initiatives in the customs field and to keep businesses and traders updated with any new developments.

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

The current geo-political crisis context including the war in Ukraine have stressed EU cooperation with our international partner countries. DG TAXUD works with high priority to ensure close collaboration with non-EU partners, as well as within international organisations.

In 2024, DG TAXUD will support candidate countries in their efforts to come closer to accession to the EU, in particular Ukraine, the Republic of Moldova, Georgia and the Western Balkans. DG TAXUD will work very closely with these countries on the customs and taxation chapters, to ensure closer alignment to the acquis, with a view to their smooth integration in the single market. As part of it, we will also continue to pursue mutual recognition of Authorised Economic Operators, with a view to facilitate trade and also reinforce safety and security between the EU and these countries and will also promote the accession of those still missing to the Common Transit Convention. With Türkiye, the work will continue to improve the implementation of the EU-Türkiye customs union, and to progress on mutual recognition of AEOs.



DG TAXUD will prepare the implementation of the new rules of origin, -modern, simpler and trade facilitating-, agreed in December 2023 and applicable as of 1 January 2025 in the framework of the Pan-Euro-Mediterranean (PEM) Convention (including EFTA, Türkiye, Western Balkans, Eastern Partnership countries and Mediterranean countries). DG TAXUD will oversee the implementation of digital proofs of origin. This includes upgrade of bilateral agreements and drafting of guidance for the good information of customs administrations and economic operators. The preferential origin rules laid out in the Union Customs Code Implementing Act will also be revised to secure, facilitate and streamline the implementation of EU preferential arrangements.

With regard to relations with the United Kingdom, DG TAXUD will continue ensuring proper implementation of the EU-UK Trade and Cooperation Agreement, in particular in relation to the application of the rules of origin, providing guidance to support operators and customs in aspects linked to the green economy such as the rules for electric batteries and vehicles. New IT tools will be in place in 2024 to facilitate the implementation of the Protocol on VAT administrative cooperation and tax debt recovery assistance, while DG TAXUD will also consider a political dialogue on harmful tax regimes with the UK. The Northern Ireland Liaison Team will continue to ensure a correct implementation of the Windsor framework. Finally, DG TAXUD will continue to participate in the negotiations on the future EU-UK agreement in respect of Gibraltar in relation to customs and taxation issues.

DG TAXUD will continue to ensure the smooth implementation of the EU's agreements with other third countries from a customs perspective. After the signature of the new Strategic Framework with China in 2023, we will strengthen further our work on IPR enforcement, cooperation on cross-border ecommerce, supply chain security and assess a modernisation of the EU-China Customs Cooperation and Mutual Administrative Assistance Agreement. After completing the work on mutual recognition of AEOs, between the EU and Canada on 28 October 2022, DG TAXUD will further work on the data exchange, for mutual recognition to become operational. DG TAXUD will complete work on the mutual recognition of Authorised Economic Operators (AEOs) between the EU and Singapore.



As Customs operates globally, DG TAXUD will equally continue to ensure the best possible reflection of EU Customs priorities at the level of multilateral customs cooperation under the World Customs Organization (WCO). Our strategic focus for 2024 is it to take a lead role amongst the 185 WCO Members in the ongoing WCO Reform process, mainly by contributing to the development of a WCO Modernization Plan by June 2024, through feeding into the process

concrete governance modernization and work prioritization proposals, as well as by driving WCO modernization in the two key global trade transformation areas, the technological/data transition (i.e. promoting the establishment of a legal framework for global customs data sharing) and the environmental sustainability transition (i.e. promoting the revision of the international Harmonized System Convention).

PART 2. Modernising the administration: main outputs for 2024

DG TAXUD will continue breaking the silos between units, between customs and tax and between areas of competence. 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⁽⁶⁾ 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 DG TAXUD's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

A. Human resource management

In 2024, the final year of the strategic plan 2020-2024, DG TAXUD will keep its focus on efficient and flexible **organisation of work**, as well as on balanced, diverse and engaged staff. To be able to deliver effectively on its political priorities, DG TAXUD is increasingly resorting to flexible ways of working. This will be also the case in the coming year through higher use of task forces and cross-DG project work.

In terms of **staff engagement**, DG TAXUD will in 2024 act upon the results of the upcoming 2023 Staff Survey. It will continue its two-way communication initiatives via monthly all-staff Open Forum gatherings and open-door policy whereby Senior Managers make themselves available to staff during weekly slots.

To ensure the right level of competence and the **development of its staff**, DG TAXUD will keep on collecting and acting upon its staff learning needs, as well as further promoting DG TAXUD learning passport. It will support staff mobility through internal calls and communicate on career opportunities via external publications and internal newsletters. The existing skill set in the DG will be further reinforced by recruitment laureates of upcoming 2024 competitions in economics and taxation. This will also enable the DG to bridge identified skill gaps.

DG TAXUD pays particular attention to **diversity and balance** of its staff. In 2024, it will continue implementation of its *Equality mainstreaming work plan* through workshops, appropriate composition of selection panels and consolidating related policies.

⁽⁶⁾ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

To ensure a competent and gender-balanced management, DG TAXUD will support **the talent of its staff** via a revisited in-house DG TAXUD Leadership programme dedicated to staff in pre-management positions and will continue its in-house female talent development programme. This will help to continue making balanced first appointments at middle management level, possibly going beyond the Commission target in this respect reached by DG TAXUD already on 1 January 2024t. DG TAXUD will keep on promoting DG TAXUD-wide networks which contribute to staff engagement and inclusion.

All these initiatives will be anchored in **solid human resources data**. 2024 will see the effects of the modified workload assessment system and a new skills mapping developed together with DG HR. Moreover, gender balance and geographical balance statistics will be closely monitored, analysed and shared with the Senior Management. Management, gender-disaggregated data for this purpose are collected as appropriate.

In terms of **staff wellbeing**, DG TAXUD will present in 2024 a DG **TAXUD mental wellbeing plan**. As a part of it, it will ensure that all staff who manages people in the DG will be trained on spotting psychosocial risks and that there are mental health first aiders available. DG TAXUD will also make sure that all its staff is well informed about mental and physical health initiatives.

B. Sound financial management

In 2024, the **internal control and risk management processes** will continue to be implemented as defined at corporate level. The indicators of the Strategic Plan will be closely monitored. New internal control indicators have been defined for 2024 (some of which will be based on replies to a new internal control survey for managers), supporting further an approach based on effectiveness rather than compliance. The internal control framework will be fully adhered to, results of which will be reported in the 2024 annual activity report.

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 2024 will be on:

- 1) reviewing the financial procedures and processes, not least in the procurement area where a new step-by-step guide is in application for high-value procedures since the end of 2023;
- 2) developing one control strategy for the DG's financial operations, covering the globality of our operations and ex ante and ex post controls;
- 3) implementing the new corporate tools, not least the eProcurement corporate tools and platforms, as well as preparing for the roll-out of SUMMA planned for January 2025;
- 4) enhancing the implementation of the Analytical Cost Accounting mechanism for IT projects and services and encoding the IT expenditure into the model.

C. Fraud risk management

With an ambitious EU budget addressing collective recovery and the green and digital transitions, protecting the financial interests of the EU and its Member States is more than ever a priority. Tax and customs policies contribute to this objective. DG TAXUD's 2022 **Anti-Fraud strategy** sets out the actions to deter and prevent fraud and is pursuing in particular three operational objectives:

- fighting revenue fraud,
- ensuring the sound management of the EU programmes and public procurement, and
- creating an antifraud culture in the Directorate General.

In addition, in 2024, DG TAXUD will continue to contribute to the implementation of the revised Commission Anti-Fraud Strategy (CAFS) and its action plan, by strengthening the Commission's and Member States' analytical capacities by developing data analysis tools, increasing exchange, by ensuring effective complementary between customs risk management and anti-fraud activities.

D. Digital transformation and information management

Digital transformation

DG TAXUD will continue to ensure the operation of its **two data centres and 130+ Information Systems** 24/7. Many of these Information Systems are Trans-European Systems (TES), linking the Customs and Taxation authorities between themselves and with the Commission, as well as in certain cases with third parties.

DG TAXUD will continue to timely amend the related legislation and the business systems underpinning the Customs operations in Europe, such as management of Customs Tariff, Suspensions, Quotas or Classification and Nomenclature. DG TAXUD moreover operates its own data lab to make best use of the data processed. The DG TAXUD portfolio includes at present around 100 projects amongst others related to the update of existing systems or the creation of new systems in view of newly adopted legislation, such as the Union Customs Code, EU Single Window Environment for Customs, VAT in the Digital Age or Direct Taxation.

The corporate Digital Strategy defines the Commission's digital transformation key objectives and orientations. Considering that the digital transformation is a continuous endeavour, the Digital Transformation Roadmap for DG TAXUD for 2024 will focus on:

- Digital Culture: Enhancing DG TAXUD staff digital competences and digitalise internal processes linked to knowledge and information management.
- Digital Ready Policy Making: In the domain of Customs Reform, CBAM and Single Window, DG TAXUD demonstrated its capacity to deliver in parallel with the adoption of new policy

files while securing readiness for digital delivery of systems and services. Ensuring as such policies are 'digital by design'.

- Business Driven Digital Transformation with the aim to deliver new digital solutions that enable the modernization of the administration and break the silos in close collaboration with other DGs and Services.
- Continuing modernisation efforts and exploring new technologies and digital paradigms such as the Cloud, Artificial Intelligence, Development Security and Operations (DEVSecOPS) or containerization.
- Harnessing the power of data through innovative data-driven systems and services such as data exchanges with UK in the context of the implementation of Windsor framework, Import Control System (ICS2) Data Analytics, Data Lab for Surveillance or Central Electronic System of Payment Information-Dynamic Application Security Testing (DAST).
- Seamless Digital Landscape through synergies and efficiencies with corporate services such as Local Data Center Consolidation with DIGIT, modernisation in the domain of telecommunications with an objective to develop business Software Defined Networks in Cloud in collaboration with DIGIT, starting with the virtualisation of platforms in 2024 and completing the overall programme by 2028.
- Secure Digital Infrastructure. Enhance DG TAXUD cybersecurity posture, and capability to crisis response deploying in 2024 the new DG TAXUD security programme in close collaboration with DIGIT Services and targeting for the use of an End-to-End Secure Operations Center (SOC) as a Service.

Information and IT security rules

DG TAXUD follows all **corporate IT security rules** and recommendations and works closely with DG 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. The main objective of DG TAXUD security policy is to further increase its maturity levels. In terms of the digital security of operations, DG TAXUD continues to implement a Security Operations Centre (SOC) with DG DIGIT as the key service provider.

Data, information and knowledge management

DG TAXUD's M365 project team will continue supporting the roll out of the M365 **collaborative platform** and Sharepoint Online within DG TAXUD. The team will remind DG TAXUD colleagues of the common practices and regularly organise Q&A sessions. DG TAXUD's own M365 project team will closely cooperate with the corporate M365 project team. This project will contribute to knowledge management in DG TAXUD together with the actions described under the Human Resources' Management chapter. In addition, DG TAXUD will assess how its external stakeholders perceive the DG TAXUD communication activities. DG TAXUD has deployed the Welcome Digital environment for all staff.

In the context of the introduction of the single integrated framework for collaboration (see above), DG TAXUD's **Document Management** Officer (DMO) will help business owners

decide which, and at what stage, documents on collaborative sites should be registered. Additionally, in 2024, 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 corporate document filing system;
- On-demand training on registration and filing of documents in the corporate document filing system (ARES).

Data protection

DG TAXUD will continue to raise awareness among DG TAXUD colleagues on the **personal data protection** rules and obligations for compliance. The objective is to ensure a high level of compliance and reach the targeted 100% awareness rate in 2024. In 2024 dedicated events will be organised for newcomers and all the staff processing personal data through trans-European electronic systems or any other way. Topical data protection features will be brought to the attention of staff through the weekly newsletter.

DG TAXUD will ensure to provide joint controllership or controller processor arrangements when applicable.

E. Sound environmental management

In 2024, DG TAXUD will continue implementing corporate policies and its local strategy in line with the Commission's Communication and action plan on **greening the Commission**.

In 2024, DG TAXUD will focus on boosting communication and awareness-raising campaigns, increasing staff participation in sustainable and eco-friendly events throughout the year, establishing collaboration with other EMAS Correspondents in other DGs, and actively promoting initiatives of the EMAS Coordinator at the central level. DG TAXUD will also launch its Green Network to increase staff participation in environmentally responsible initiatives. This network will encourage colleagues within DG TAXUD to implement new green solutions aimed at the climate neutrality of the institution.

DG TAXUD will continue its participation in the corporate Action BEST, closing buildings during holidays to reduce energy consumption as well as emissions from commuting. It will also promote the shift to dynamic collaborative workspaces and support staff in moving towards greener ways of working. In line with the latest guidelines, DG TAXUD will aim to reduce missions and business travel.

DG TAXUD will actively promote more efficient day-to-day work of the administration. This will be done for instance by enhancing the use of digital tools in the public procurement and financial sectors, as well as the IT directorate.

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

Throughout 2024, DG TAXUD will prepare for the roll-out of SUMMA and the various eProcurement modules which will – once fully deployed and operational – allow an end-to-end electronic and paperless management of all financial transactions. Until such time, all procurement contracts will continue to be electronically signed using the **Qualified Electronic Signature** capabilities, thus avoiding both contractors and DG TAXUD to handle and to maintain (store, archive, etc.) paper copies of contracts.

ANNEX: Performance tables - main outputs for 2024

Part 1 - Delivering on the Commission's priorities

General objective 1: European Green Deal		
Specific objective 1.1: Design EU tax policy actions that contribute to a carbon neutral continent by 2050		Related to spending programme Fiscalis
Main outputs in 2024:		
New policy initiatives		
Output	Indicator	Target
Implementing act for Administrative procedures and conditions for application and authorization (CBAM)	Adoption by College	Q2 2024
Implementing and delegated acts for Accreditation of verifiers (CBAM)	Adoption by College	Q4 2024
Delegated act for the Sale and re-purchase of CBAM certificates	Adoption by College	Q4 2024
External Communication Actions		
Output	Indicator	Target
CBAM campaign	Website views	15-30K
	Social Media Organic	<ul style="list-style-type: none"> • Number of impressions • Number of engagements • Engagement rate
		<ul style="list-style-type: none"> • 50-70k • 1000-1500 • 2-2.5%
	Social Media Paid	<ul style="list-style-type: none"> • Number of impressions • Number of Engagements • Engagement rate
		<ul style="list-style-type: none"> • 10-20 Mio • 300-500K • 2-4%
	Stakeholders	<ul style="list-style-type: none"> • Number of Engagements • Engagement rate
		<ul style="list-style-type: none"> • 5 engaged stakeholders per target country • 10%
Other important outputs		
Output	Indicator	Target
CBAM Transitional System	System operational; Trader data collected and analysed	Q4 2024
CBAM Definitive System	Trader Registry in operation	1.1.2025

General objective 3: An economy that works for the people

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

Related to spending programme:
Fiscalis

Main outputs in 2024:

Evaluations and fitness checks

Output	Indicator	Target
Evaluation of the Directive on Administrative Cooperation (DAC)	Staff Working Document published	Q4 2024

Open Public Consultations

Output	Indicator	Target
Public consultation related to the Evaluation of the Directive on Administrative Cooperation	Publication of the questionnaire	Q1 2024

Enforcement actions (only major ones)

Output	Indicator	Target
Follow-up to the compliance checks for the Excise Duties directive (2020/262/EU)	EU Pilot/infringement procedures launched/closed	Q2 2024
Follow-up to the compliance checks for Directive (2020/1151/EU) on alcohol excise duty	EU Pilot/infringement procedures launched/closed	Q2 2024
Assessment of the completeness of transposition of Directive (2020/284) on requirements for payment service providers	Transposition checks for 27 Member States completed or infringement action launched/continued	Q4 2024
Follow up of the horizontal exercise regarding compliance by Member States with the Recovery Directive (2010/24)	EU Pilots/infringements launched/closed	Q3 2024
Finalise the completeness and conformity of transposition of the DAC7 Directive (2021/514 amending Directive 2011/16/EU on administrative cooperation in the field of taxation)	EU Pilots/infringements launched and closed	Q3 2024 (taking into account the second deadline)
Begin transposition check of the Pillar 2 Directive (2022/2523) ensuring a global minimum level of taxation	EU Pilots/infringements launched and closed	Q4 2024

External Communication Actions (only major ones)

Output	Indicator	Target
2024 Tax Symposium	<ul style="list-style-type: none"> Event Number of participants (onsite) Number of participants (online) (Potential) social media reach of the event Overall usefulness of the event Number of engagements: number of questions asked in the chat and / or number of participants in online live polls and/or number of mentions of the event hashtag on social media 	<ul style="list-style-type: none"> Q4 2024 500- 800 participants 1000 participants 41 million 90% 1.500
BEFIT campaign	Start of the campaign	Q1 2024
	<ul style="list-style-type: none"> Number of online events Number of viewers per live event Overall usefulness of the event Stakeholders reached per event Stakeholders engaged Number of viewers of the recordings Completion rate of the video 	<ul style="list-style-type: none"> 3 150-300 80% 500-800 10-15% 5.000 3-5%
Other important outputs		
Output	Indicator	Target
Annual report on taxation	Publication of report	Q2 2024
e-Commerce IT system	System v. 7.5 in operation	Jan 2024
DAC7 IT system	First exchanges in the trans-European part,	Feb 2024
EMCS IT System	New release (4.1) integrating with AES	Feb 2024
CESOP IT System	System operational, first reporting	Q2 2024
SME scheme for VAT IT System	System in production	1.1.2025

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 2024:

Other Important outputs

Output	Indicator	Target
Deliver all the projects in line with their respective legal deadlines	Project delivery 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.
2023 Customs programme progress report	Report adopted	Q2 2024
2023 Fiscalis programme progress report	Report adopted	Q2 2024
2023 CCEI programme progress report	Report adopted	Q2 2024
Fiscalis Multiannual Work Programme 2024-2025	Work programme adopted	Q1 2024
Signature of Grant Agreements under the 2 nd CCEI Multiannual Work Programme	Grant Agreements Signed	Q3 2024

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 2024:

Other important outputs

Output	Indicator	Target
Study on Health taxes from an EU perspective	Study published	Q1 2024

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 Instrument (CCEI)

Main outputs in 2024:

New policy initiatives

Output	Indicator	Target
Delegated act to preserve certain customs facilitations for CBAM traders	Adoption by College	Q4 2024
Bi-annual amendments of Council Regulations for the autonomous suspensions and quotas	Adoption by College	May 2024 November 2024
Delegated Act and implementing Act on the EU Single Window Environment for Customs Regulation 2022/2399	Adoption by College	Q2 2024
Revision of the Implementing Regulation on the Technical Arrangements for the electronic systems of the UCC	Adoption by College	Q2 2024

External Communication Actions

Output	Indicator	Target
ICS2 campaign		
	Website Views	10-15 k
	Media relations Media items published in tier(s) 1-6 in a sample of	400-500
	Social Media organic <ul style="list-style-type: none"> Number of impressions in total Number of engagements Engagement rate 	<ul style="list-style-type: none"> 50-70k 1000-1500 2-2.5%
	Social Media Paid <ul style="list-style-type: none"> Number of impressions Number of engagements Engagement rate 	<ul style="list-style-type: none"> 15-20 Mio 500-800K 3-5%
	Stakeholders <ul style="list-style-type: none"> Number of Engagements Engagement rate 	<ul style="list-style-type: none"> 25 10%

Other important outputs

Output	Indicator	Target
UCC Annual Progress Report 2024	Adoption by College	Q4 2024
E-Customs Annual Report 2023	Completion	Q3 2024

Customs Union Performance 2023 Annual Report	Report sent to the CPG	Q3 2024
Study on the autonomous tariff suspension and quota scheme	Final report delivered	Q4 2024
Implementing act for the purposes of Regulation 116/2009 on the export of cultural goods	Adoption by College	Q3 2024
Delegated and Implementing act for the data requirements of the UCC	Adoption by College and publication	Q1 2024
Report to the European Parliament and to the Council on the application of Cash Controls Regulation.	Report published	Q2 2024
Revision of Implementing Act 1352/2013 establishing the forms provided for in Regulation (EU) No 608/2013	Adoption by College	Q1 2024
Deployment of the central components of the Guarantee Management System and of the Proof of Union Status System (Phase 1)	System in operation	Q2 2024
Deployment of the Centralised Clearance at Import System (Phase 1)	Trans-European system deployed	Q2 2024
Deployment of Release 3 of the Import Control System	Trans-European system deployed	Q2 2024
Deployment of the Customs Risk Management System 2.0	System in operation	Q4 2024

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 2024:

New policy initiatives

Output	Indicator	Target
Proposal Binding Valuation Information	Adoption by College	Q2 2024
Revision of the provisions on preferential origin in the UCC Implementing Act	Adoption by College	Q2 2024
Facilitation of digitalization of the electronic proofs of origin with the neighbouring countries	Adoption by College	Q3 2024

Other important outputs

Output	Indicator	Target
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Decision to request negotiating mandate for EU-China Administrative Cooperation agreement	Adopted by College	Q3 2024
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 2024
FTA negotiations on Rules of Origin with Indonesia, India and Eastern & Southern Africa (ESA)	Completed	Q3 2024
FTA negotiations on Customs and Trade Facilitation with Eastern & Southern Africa and India	Completed	Q2 2023
Conclude AEO mutual recognition agreements	Adoption of decision	Q2 2024 Singapore Q4 2024 Türkiye

Part 2 – Modernising the administration

A. Human resource management

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 2024:

Output	Indicator	Target
Launch an in-house programme for female talent development	Number of participants in the programme	Enrolment of at least 20 participants in the programme
Increase diversity and inclusion among staff	Progress in implementing actions in the DG TAXUD Equality mainstreaming work plan after 18 months	DG TAXUD Equality mainstreaming work plan implemented as planned
Encourage staff engagement and transform DG TAXUD culture Support two-way communication between management and staff	Setting up the 2023 Staff survey follow-up plan Organise regular all-staff Open Forum gatherings	Action plan following the 2023 Staff survey adopted by 30/6/2024 Organise at least seven all-staff gatherings in 2024
Develop solid knowledge and data for informed HR decisions	<ul style="list-style-type: none"> New in-house skills assessment Modified in-house workload assessment 	<ul style="list-style-type: none"> Overview of available and missing skills needed to deliver DG TAXUD objectives and for succession planning. Overview of links between resources and priorities

Output	Indicator	Target
Inform about career possibilities for different staff profiles	<ul style="list-style-type: none"> • Certification information campaign for AST staff • Communication campaign on career guidance • Reviewed learning paths 	<ul style="list-style-type: none"> • Organising an event for AST staff on certification and a campaign for all staff on career • Performing a thorough review of learning paths with an accompanying information to all staff

B. Sound financial management

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 2024:

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	100% compliance in imputation in the accounting system and 100% compliance with regulatory provisions
Efficient controls	<ul style="list-style-type: none"> • Budget execution • Time-to-pay 	<ul style="list-style-type: none"> • Remains 100% of payment appropriations • 100% of payments (in value) on time
Economical controls	Overall estimated cost of controls	Remains 3% of funds managed
Analytical Cost Accounting mechanism for IT projects and services	Phase II completed	IT budget spending of 2023 fully encoded and attributed where applicable to specific projects, systems, actions

C. Fraud risk management

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) ⁽⁷⁾ aimed at the prevention, detection and correction ⁽⁸⁾ of fraud.

Main outputs in 2024⁹:

Output	Indicator	Target
DG TAXUD anti-fraud actions	Number of actions implemented or well-advanced	All actions in place in 2024 as planned / satisfactory progress in multi-annual actions
CAFS anti-fraud actions for DG TAXUD	<ul style="list-style-type: none"> Revised Financial Risk Criteria Decision Common Risk Criteria for intellectual property rights at import Work on CRMS2 	All actions in place in 2024 as planned / Satisfactory progress on CRMS2 (Q1 2025 deadline)

D. Digital transformation and information management

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 2024:

Output	Indicator	Target
DIGITAL Ready Policies	Percentage of New Policies that are Digitally Ready in their elaboration Phase	40% of new policies to be Digitally ready in their elaboration
Seamless Digital Landscape	Adoption of Development Security and Operations (DEVSecOPS) or containerization paradigm for new developments	<ul style="list-style-type: none"> 25% of new developments in the DEVSECOPS paradigm CBAM Definitive System development as fully Containerized Platform according to DEVSECOPS

⁽⁷⁾ 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’.

⁽⁸⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁽⁹⁾ 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).

Output	Indicator	Target
	CCN Modernisation of core platform for Customs and Taxation with MS	CCN Modernisation Progress of deployment 30%
	Modernisation of DG TAXUD Telecommunication Infrastructure and Design of new business SDN Networks targeting cloud	Initial Design Phase for Telecommunication Modernisation with DIGIT
	Local Data Center Consolidation Programme Progress Rate	<ul style="list-style-type: none"> Local Data Consolidation Phase I full completion Phase II Network consolidation 30%
	Deployment of New Security Program in collaboration with DIGIT	<ul style="list-style-type: none"> Dedicated Security Plans for all major new DG TAXUD CIs Annual DR Exercise for all DG TAXUD IT systems and assets Deployment of new cyber-Security Programme – Progress of deployment 40%
Secure IT Infrastructure	Deployment of New Security Program in collaboration with DIGIT	<ul style="list-style-type: none"> Annual DR Exercise for all DG TAXUD IT systems and assets Deployment of new cyber-Security Programme – Progress of deployment 40%
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 2024: 60%
All Information Systems in production managed in an optimal way	Service Level Agreements, Gold, Silver, Bronze or Best-Effort (as per the MASP-C and the MASP-T)	Full respect of the relevant Service Level Agreements for each system
All projects managed in an optimal way	Project Plans set in the relevant Vision Document or Project Charter (as per the MASP-C and the MASP-T)	Full respect of the relevant project plans and their milestones
<i>Data Protection</i>		
List of key actions on data protection	<ul style="list-style-type: none"> Awareness raising sessions organised Data protection records are up to date 	<ul style="list-style-type: none"> Two in 2024 reaching 30% of the staff in the DG 100%
<i>Digital Culture</i>		
List of key actions on knowledge and information management (Source: Digital Commission Dashboard)	<p>% of total statutory staff who have followed at least one IT-related training in the course of the last 2 years</p> <p>% of total statutory staff who have followed at least one security awareness related training in the course of the last 2 years linked also to data protection awareness sessions mentioned in the previous point</p>	<p>50%</p> <p>50%</p>

E. Sound environmental management

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 of its EMAS Correspondent.

Main outputs in 2024:

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)	Remaining paper procedures	All internal workflows are paperless except if otherwise provided by the internal rules. DG TAXUD will adapt if the internal rules change.
Staff awareness actions to reduce waste and energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG's total energy consumption in collaboration with OIB	Number of events organised	At least once a year

II. Reducing CO₂, equivalent CO₂ 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 ⁽¹⁰⁾ at DG/service	At least 20 % of sustainable commuters at DG/service (%)
Gradual increased use of videoconference for meetings with stakeholders	% of meetings with Member States taking place online vs physical meetings	Only essential meetings take place physically

⁽¹⁰⁾ 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)
Analysis of DG's missions trends /patterns (based on corporate EC-staff's professional trips (missions), optimise and gradually reduce CO ₂ 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 ₂ (t) emissions from DG's missions <i>(% means of transportation used)</i>	Reduce DG's CO ₂ emissions from missions to 50% by 2024
Analysis and monitoring of DG TAXUD CO ₂ emissions	Reports generated in MiPS provided by PMO	Reduction of CO ₂ emissions compared to 2019

III. Reducing and management of waste

Output	Indicator	Target (2019 as baseline)
Implementation of the EC Guidelines for sustainable meetings and events , e.g. reduce/eliminate single-use plastics, gadgets/gifts.	% of events that are green	100%

IV. Promoting green public procurement (GPP)

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.
Staff awareness actions on encouraging secretariats and staff to order sustainable office furniture (pens, notebooks, etc.) among EC office supplies' catalogue (for example, introduce a DG-specific office supplies' catalogue, including only 100% "green items").	Number of actions	Two actions per year