



Annual Activity Report 2021

Annexes

DG TAXATION AND CUSTOMS UNION

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ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control

“I declare that in accordance with the Commission’s communication on the internal control framework ⁽¹⁾, I have reported my advice and recommendations on the overall state of internal control in the DG Taxation and Customs Union

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.”

30 March 2022

eSigned



Priscila Fernández-Cañadas

Director


⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective 1: European Green Deal			
Impact indicator 1: Greenhouse gas emissions intensity of energy consumption			
Source of the data: Eurostat (Eurostat online data code: sdg_13_20)			
Baseline (2017)	Interim Milestone (2021)	Target (2024)	Latest known results (2019)
86.7	Decrease	Decrease	82.6
Impact indicator 2: Share of renewable energy in gross final energy consumption			
Source of the data: Eurostat (Eurostat online data code: sdg_07_40)			
Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
18.91%	20%	32%	22,1%
Specific objective 1.1 : Design EU tax policy actions that contributes to a carbon neutral continent by 2050			Related to spending programme: Fiscalis
Result indicator 1: Tax Action Plan Implementation Indicator (KPI-1)			
Source of data: DG TAXUD			
Baseline (2020)	Target (2024)	Latest known results (2021)	
0%	100% of actions implemented	22% of the actions implemented	

Main outputs in 2021			
New policy initiatives			
Output	Indicator	Target	Latest Known Result
 Proposal reviewing the Energy Tax Directive (PLAN/2020/6493)	Adoption by College	June 2021	COM(2021) 563/3 14 July 2021
 Proposal for a Carbon Border Adjustment Mechanism (PLAN/2020/6513)	Adoption by College	June 2021	COM(2021) 564/4 14 July 2021
External communication actions			
Output/ Result	Indicator	Target	Latest Known Result
Increased awareness of the benefits of the Energy Taxation Directive review (result)	Number of social media engagement: shares, likes, clickthroughs, comments	500.000 engagements on Twitter 10.000 RT	18.931.275 Impressions 1.291.969 Engagements 5,22 € CPC 0,23% CTR
	Number of video views	1,000,000	2.101.623

General objective 3: An economy that works for the people			
Impact indicator 3: Intra-EU trade in goods and services (% of GDP)			
Source of the data: Eurostat, Balance of payments (Eurostat online data code: bop_gdp6_q)			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
43.5% (goods)	Increase	Increase	41,4%
10% (services)	Increase	Increase	8.8%
Specific objective 3.1 : Develop tax policy actions for a stronger, fairer and more efficient Single Market			Related to spending programme: Fiscalis
Result indicator 1: Tax Action Plan Implementation Indicator (KPI-1)			
Source of data: DG TAXUD			
Baseline (2020)	Target (2024)		Latest known results (2021)
0%	100 % of actions implemented		22% of the actions implemented
Result indicator 2: Member States' compliance with EU Tax and Customs Law			
Source of data: DG TAXUD			
Baseline (2020)	Milestone (2020)	Milestone (2021)	Latest known results (2021)
<ul style="list-style-type: none"> • Number of infringement cases closed • Number of EU PILOT cases closed • Number of newly opened cases (both EU PILOT and infringements) • Number of non-communication cases closed • Number of newly opened non-communication cases 			<ul style="list-style-type: none"> • 54 • 35 • 102 • 25 • 9

Main outputs in 2021			
New policy initiatives			
Output	Indicator	Target	Latest Known Result
 Digital levy (PLAN/2020/9998)	Adoption by College	Q2 2021	On hold
Communication on business taxation (PLAN/2019/6153) ²	Adoption by College	Q1 2021	COM(2021)251 18 May 2021
Extension of the automatic exchange of information to cover crypto-currencies (DAC8) (PLAN/2020/8658)	Adoption by College	Q3 2021	Postponed Q2 2022
Proposal for a Directive for countering tax avoidance and evasion linked to shell entities (PLAN/2021/10793)	Adoption by College	New	COM(2021) 565 22 December 2021
Proposal for implementing VAT rules for SMEs	Adoption by College	Q1 2021	COM(2021)2007 16 Nov 2021
Proposal VAT Rules for financial services (PLAN/2020/8038)	Adoption by College	Q4 2021	Postponed
Proposal on Buy and Donate	Adoption by College	New	COM(2021) 181 12 Apr 2021
Proposal VAT and/or excise duty exemption certificate	Adoption by College	Q2 2021	COM(2022)8 13 Jan 2022
Initiative on Taxpayers rights (PLAN/2020/8320 & 8581)	Adoption by College	Q3 2021	Postponed Q2 2022
Proposal to update the tax advantage regime for certain products produced in the French outermost regions (PLAN/2019/5286)	Adoption by College	Q2 2022	COM(2021)95 3 Mar 2021
Evaluations and fitness checks			
Output	Indicator	Target	Latest Known Result
Evaluation of the VAT scheme for travel agents (PLAN/2019/5715)	Adoption by College	Q1 2021	SWD(2021)32 17 Feb 2021
Public consultations			
Output	Indicator	Target	Latest Known Result
Public consultation on digital levy	Consultation closed	Q1 2021	From 18 January 2021 till 12 April 2021
Public consultation on financial services	Consultation closed	Q1 2021	From 08 February 2021 till 03 May 2021
Public consultation on the extension of the	Consultation closed	Q1 2021	From 10 March 2021 till 02 June 2021

² 2020 Commission work programme annex I initiative

automatic exchange of information to cover crypto-currencies (DAC8)			
Public consultation shell entities	Consultation closed	New	From 4 June till 27 August 2021
Public consultation on Debt-equity bias reduction allowance	Consultation launched	New	From 1 July till 7 October 2021
Public consultation on Withholding tax relief procedures	Consultation to be launched	New	Q2 2022
External communication actions			
Output/ Result	Indicator	Target	Latest Known Result
Social media campaign on the reform of the business taxation system	Number of social media engagement: shares, likes, clickthroughs, comments	250.000 engagements on Twitter	3.576.819 Impressions 146.850 Engagements 1,24 € CPC 0,19% CTR
	Number of page views	100.000	422.506
Social media campaign on the digital levy	Number of social media engagement: shares, likes, clickthroughs, comments		Postponed
E-commerce integrated worldwide communication campaign	Campaign reach, both on and offline	40 million views	Campaign started in Q1 and finished in the second week of July 85 million online and social media impressions
	CTR Rate	0.25	Between 0.24 (LinkedIn) and 7.12 (Twitter) based on 100.000 clicks
	Youtube views	500.000	2.8 million
	Twitter Stats	5.000.000 impressions 15.000 RT 5.000 Likes 100 Replies	7.500.000 impressions 75.000 engagements
	LinkedIn impressions and engagements	150.000 impressions 5.000 engagements	2 million impressions 5.000 engagements
	Media engagement	New	890 articles, with an estimated accumulated reach of 1,8 billion
Social media campaign on cooperative compliance	Number of page views	50.000	Postponed
Other important outputs			
Output	Indicator	Target	Latest Known Result
VAT gap report	Publication	Q3 2021	Published on 2 December 2021 .
VAT in the digital age	Study completed	Q4 2021	Postponed to Q2 2022
Report on VAT administration processes and procedures	Adoption by College	Q1 2021	Postponed to Q1 2022
Study on economic impact of VAT disputes	Study completed	Q3 2021	Postponed to Q4 2022

Launch of tax observatory	Established	Q2 2021	1 June 2021
EU Cooperative Compliance Initiative	Launch pilot project	Q2 2021	Postponed to Q1 2022
Establishment of expert group on transfer pricing	Established	Q1 2021	Postponed
2021 Taxation Trends Report	Published	July 2021	11 June 2021
Taxes in Europe Database	Published	Q4 2021	Q4 2021
Expert teams for the collaborative development by Member States of a Central Electronic System Of Payment data exchange (CESOP)	First draft CESOP functionalities	Q4 2021	Completed
Expert team for the collaborative development by Member States of a Mobile Application for EMCS Controls Developments	Development of application	Q1 2021	Finalised Q4 2021
Expert team for the collaborative development by Member States of an Excise Duties Calculator	Development of application	Q1 2021	Finalised Q4 2021
VAT e-Commerce (IOSS)	Available	Q3 2021	Available as from 1 July 2021

Specific objective 3.2 : Implement the EU Programmes supporting EU tax and customs policy	Related to spending programme: Fiscalis Customs Customs Control Equipment Instrument
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Result indicator 3: Programme Performance Indicator

Description:

It consists of three components:

- Collaboration Robustness Indicator (KPI-3)
- Availability of European Information Systems and of the Common Communication Network (KPI-4)
- F&C2020 Learning Index

Source of data: DG TAXUD

Results achieved under the Fiscalis 2020 and Customs 2020 programmes: January-June 2021

Baseline (2020)	Target (2020)	Latest known results (2021)
Availability of CCN/CSI	PMF (2014-2020) Fiscalis 2020 and Customs 2020 99.8%	99.98%

overall: 99.97% of time		
VIIES on the web: 99.93%	95%	99.99%
EMCS: 99.54%	97 %	99.67%
Availability of centralised IT customs applications: 99.82%	97%	99.92%
Availability of NCTS, ECS, ICS: 99.51%	99%	99.28%
Availability of SPEED: 99.68%	99.5 %	99.94%
Results achieved under the Fiscalis and Customs programmes: June - Decembre 2021		
Baseline (2021)	Target (2024)	Latest known results (2021)
Availability of European electronic systems Fiscalis: 99.5% Customs: 99.6%	The value that corresponds to the category of that specific EES - Gold – 99.8% - Silver – 99.6% - Bronze – 99.4% - Best Effort – 98.0% Taxation: 99.5% Customs : 99.65%	Taxation: 99.64% Customs: 99.88%
Availability of the Common Communication Network Fiscalis: 99,8% Customs: 99.8%	Taxation: 99,8% Customs: 99.8%	Taxation: 99.99% Customs: 99.99%
Use of key European electronic systems aimed at increasing interconnectivity and moving to a paper-free Customs Union - Number of messages exchanged on the key EES/system components Customs: 0	Taxation: 1,440,000,000 Customs: 2,800,000,000	Customs: 2 billion (2,010,000,000) Taxation: eight hundred million (832,000,000)

Fiscalis: 0		
Use of key European electronic systems aimed at increasing interconnectivity and moving to a paper-free Customs Union - Number of consultations carried out Customs: 0 Fiscalis: 0	Taxation: 840,000,000 Customs: 118,000,000	Customs: 59 million (59,060,808) Taxation: 540 million (539,722,632)
Union Customs Code completion rate Customs: 75%	99%	82%
IT simplified procedures for the national administrations and economic operators – Number of economic operators registered Fiscalis: 0 Customs: 0	Taxation: 6,882,571 Customs: Stable or increase	Customs: 538,926 Taxation: 77,824
IT simplified procedures for the national administrations and economic operators – Number of applications Fiscalis: 0 Customs: 0	Taxation: 877,000 Customs: Stable or increase	Customs 18,709 Taxation: 353,254
Results achieved under the Fiscalis 2020 and Customs 2020 programmes. General collaborative actions: January- November 2021; training and e_learning: January – December 2021		
Baseline (2020)	Target (2020) PMF (2014-2020) Fiscalis 2020 and Customs 2020	Latest known results (2021)
Extent to which the target audience is aware of the programme (awareness rate): Customs 48% of officials aware of the programme Fiscalis 45% of officials aware of the programme	Fiscalis 2020: An annual increase in the awareness of the programme. 75 % of respondents are aware of the programme in 2020 Customs 2020: An annual increase in the awareness of the programme . 75% of respondents are aware of the programme in 2020	Customs: 46.23 % Fiscalis: 43% Note: Last data available comes from a poll done in December 2021. The next poll will be launched in 2023.




<p>Degree of networking generated by the programme activities</p> <p>a) Network opportunity: Customs 81 % Fiscalis 85%</p> <p>b) Lasting networking effect (at least one contact after the end of the programme activity): Customs 55% Fiscalis 56%</p>	<p>a) Network opportunity: Fiscalis 2020: 80 % (i.e. stable) of respondents answer that the programme activities have provided them with a good opportunity to expand their network. Customs 2020: 90% of respondents answer that the programme activities have provided them with a good opportunity to expand their network of (and contacts with) customs officials abroad</p> <p>b) Lasting networking effect Fiscalis 2020: Annually, 90% of respondents answer that they have contacted an official that they met during a programme activity (at least once) after the activity ended. Customs 2020: Annually, 85% of respondents answer that they have contacted an official that they met during a programme activity (at least once) after the activity ended</p>	<p>a) Network opportunity: Customs: 81.1% Fiscalis: 81,2%</p> <p>b) Lasting networking effect Customs: 54.9% Fiscalis: 57.7%</p>
<p>Networking and cooperation:</p> <p>a) Number of face to face meetings: Customs 85 Fiscalis 73</p> <p>b) Number of online groups: Customs: 326 Fiscalis: 270</p>	<p>a) Fiscalis 2020: 500 Customs 2020: 380</p> <p>b) Fiscalis 2020 Annual increase (or stability) in the score Customs 2020: Annual increase (or stability) in the score</p>	<p>a) Number of physical meetings</p> <ul style="list-style-type: none"> • Customs: 20 • Fiscalis: 41 <p>Number of virtual meetings (Following COVID)</p> <ul style="list-style-type: none"> • Customs: 266 • Fiscalis: 244 <p>b) Number of online groups</p>

		<ul style="list-style-type: none"> • Customs: 240 • Fiscalis 244
<p>Combined number of eLearning modules used in each participating country:</p> <p>Baseline: average of 2014-2020:</p> <ul style="list-style-type: none"> - Customs: 275 - Fiscalis: 130 	<p>The target is a stable or increased value compared to the baseline for Customs and Fiscalis.</p>	<p>Customs 285</p> <p>Fiscalis 144</p>
<p>Average training quality score by officials (average of 2018-2020)</p> <ol style="list-style-type: none"> 1. Customs: 75.5% 2. Fiscalis: 76.8% 	<p>75% in the Kirkpatrick scale that refers to "very good" level.</p>	<p>Average training quality score:</p> <ol style="list-style-type: none"> 1. Customs: 75 % 2. Fiscalis: 77%
<p>Number of officials trained by using EU common training material:</p> <p>Baseline: (average of 2014-2020¹)</p> <ul style="list-style-type: none"> • 17 429 customs officials; • 13 071 tax officials. <p>¹2019 figures were excluded from the average as they strongly diverged from other years.</p>	<p>Annual increase (or stability) in the number of officials compared to baseline for Customs and Fiscalis.</p>	<p>Customs 384 696</p> <p>Fiscalis 16 313</p>
<p>Results achieved under the Fiscalis and Customs programmes. General collaborative actions: December 2021</p>		
<p>Baseline (2021)</p>	<p>Target (2024)</p>	<p>Latest known results (2021)</p>
<p>Extent to which the target audience is aware of the programme (awareness rate):</p> <p>Customs: 48% awareness for Customs</p> <p>Fiscalis: 45% end of 2019 (data source programme poll done in 2019)</p>	<p>Customs: 50%</p> <p>Fiscalis: 50%</p>	<p>Customs: DATA available only in 2023.</p> <p>Fiscalis: DATA available only in 2023.</p>

<p>Degree of networking generated by the programme activities</p> <p>a) Percentage of agreement with the statement “the programme generated networking opportunities” for colleagues in the national administrations of respondents (from “not at all agree”/0% to “fully agree” /100%</p> <p>b) Percentage of respondents reporting “occasion”, “frequent” or “very frequent” contacts</p> <p>Customs: 80% Fiscalis: 85.2%</p>	<p>Customs: 80% Fiscalis: 85.2%</p>	<p>a) Network opportunity: Customs: DATA available only in 2023. Fiscalis: DATA available only in 2023.</p> <p>b) Percentage of respondents: Customs: DATA available only 2023. Fiscalis: DATA available only in 2023.</p>
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<p>Result indicator 4: Customs Control Equipment Instrument Indicator</p> <p>Description: (Percentage of) border crossing points and customs laboratories which have equipment that meets the common list of equipment that should be available per customs laboratory/type of border crossing point (i.e. land, sea, air, postal, rail).</p> <p>Source of data: DG TAXUD</p>		
Baseline (2021)	Target (2024)	Latest known results (2021)
<p>The common list of equipment has been defined and adopted; however the exact baseline value will be defined in 2022 after analysing the data provided in the framework of the first CCEI call; due to the late adoption of the Regulation, the CCEI call only closed in January 2022;</p>	<p>Ensure that 60% of customs border crossing points and customs laboratories are equipped in line with the equipment as per the common list</p>	<p>Will be available as of 2022</p>

Main outputs in 2021

New policy initiatives			
Output	Indicator	Target	Latest Known Result
 Post-2020 Customs programme	Adoption by co-legislators	Q1 2021	Regulation (EU) 2021/444 11 March 2021
 Post-2020 Fiscalis programme	Adoption by co-legislators	Q1 2021	Regulation (EU) 2021/847 20 May 2021
 Customs Control Equipment Instrument	Adoption by co-legislators	Q1 2021	Regulation (EU) 2021/1077 24 June 2021
Evaluations and fitness checks			
Output	Indicator	Target	Latest Known Result
Customs 2020 final evaluation	Final report	Q4 2021	Final report delivered KP-09-21-159-EN-N
Fiscalis 2020 final evaluation	Final report	Q4 2021	Final report delivered KP-02-21-637-EN-N
Other important outputs			
Output	Indicator	Target	Latest Known Result
Customs 2020 and Fiscalis 2020 Annual Work Programmes	Adopted by College	Q1 2021	Fiscalis: C(2021) 4781 2 July 2021 Customs: C(2021) 2875 29 April 2021
Customs Control Equipment Annual Work Programme	Adopted by College	Q1 2021	C(2021) 714 7 Oct 2021
Expert Teams on new approaches to develop and operate Customs IT systems (ETCIT II)	Submission of Final Report	Q4 2021	The ETCIT II activities were extended till 31 December 2021, the final report is due in March 2022


Specific objective 3.3 : Support wider EU policy priorities through taxation		Related to spending programme: Fiscalis	
Result indicator 1: Tax Action Plan Implementation Indicator (KPI-1)			
Source of data: DG TAXUD			
Baseline (2020)	Target (2024)	Latest known results (2021)	
0%	100% of actions implemented	22% of actions implemented	
Main outputs in 2021			
New policy initiatives			
Output	Indicator	Target	Latest Known Result
Cross-border acquisitions of excise goods by private	Adoption by College	Q3 2021	Postponed to 2022

individuals (PLAN/2020/8664)			
Proposal amending the structure and rates of excise duty applied to manufactured tobacco products (PLAN/2020/8656)	Adoption by College	Q4 2021	Postponed to 2022

General objective 5: Protecting our European way of life			
Impact indicator 4: Baseline non-credible Surveillance Data Records (SDR)*			
Source of the data: DG TAXUD			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
0,30%	Significant Decrease	Significant Decrease	A decrease of the value of non compliant SDRs from 0,44% to 0,25% of the total import value of codes under credibility checks registered.
Specific objective 5.1 : Develop a more modern Customs Union, to facilitate trade, safeguard revenues and protect citizens and businesses			Related to spending programme: Customs
Result indicator 5: Modernisation and simplification of the Union Customs legislation (KPI-2)			
Source of data: DG TAXUD			
Baseline (2020)	Target (2024)	Latest known results (2021)	
65% of work programme implemented	100% of work programme implemented	82% of work programme implemented in terms of activities assigned to the Commission	
Result indicator 6: Member States' uniform implementation of the EU Tariff (CCT)			
Source of data: DG TAXUD			
Baseline (2020)	Target (2024)	Latest known results (2021)	
Baseline Credibility checks on 450 codes	300% increase of codes covered	Preparatory work carried out for a considerable expansion to take place as of 1/4/2022	
Result indicator 7: Implementation of security-related customs risk management actions indicator			
Source of data: DG TAXUD			
Baseline (2020)	Target (2024)	Latest known results (2021)	
100% of the existing action	100% of the new action plan	Overview of all actions	

plan activities implemented	activities launched and implemented according to the timelines established	available in COM(2021)9 of 18 January 2021)
Result indicator 8: Implementation of Joint Analytics Capacities initiative		
Source of data: DG TAXUD		
Baseline (2020)	Target (2024)	Latest known results (2021)
Start	100% implemented in 2021	Started-Ongoing Identification of relevant projects for risk management in the member States and developed cooperation with OLAF BUDG and JRC

Main outputs in 2021			
New policy initiatives			
Output	Indicator	Target	Latest Known Result
Communication on new risk management strategy	Adoption by College	Q2 2021	Postponed to second half 2022
Proposal to amend provisions on monitoring obligations for authorised economic operators	Adoption by College	Q4 2021	To be aligned with UCC revision
Update of the EU AEO Guidelines	Published	Q4 2021	Postponed Q2 2022
Bi-annual amendments of Council Regulations 1387/2013 and 1388/2013 (autonomous suspensions and quotas)	Adoption by College	April-May 2021 November 2021	<u>Quotas</u> COM(2021) 215 29 Apr 2021 COM(2021) 707 19 Nov 2021 <u>Suspensions</u> COM(2021) 217 29 Apr 2021 COM(2021) 704 18 Nov 2021
Proposal for establishing the European Union Single Window Environment for Customs	Negotiations with co-legislators	December 2021	EP and Council adopted their negotiating positions in Q4 2021. On track for adoption in 2022
Proposal for implementing the regulation on the import of cultural goods	Adoption by College	Q2 2021	Regulation (EU) 2021/1079 24 June 2021
Proposal for implementing rules specifying the statistical data for compliance and safety controls on products entering the Union	Adoption by College	Q2 2021	Adopted and published in OJ L 243 9 July 2021

market			
Proposal for implementing rules for the forms on controls on cash entering or leaving the Union and the exchange of information through the Customs Information System (CIS)	Adoption by College	Q2 2021	Regulation (EU) 2021/776 11 May 2021
Proposal for implementing rules laying down measures for the uniform application of controls by establishing common risk criteria and standards on cash movement.	Adoption by College	Q2 2021	Postponed till Q1 2022
Evaluations and fitness checks			
Output	Indicator	Target	Latest Known Result
 UCC interim evaluation	Published	Q4 2021	Postponed till Q1 2022
Evaluation of the financial risk criteria	Submission to the Customs expert group	Q4 2021	Submitted to the CEG in December 2021. Final report from the COM expected Q1 2022
Public consultations			
Output/ Result	Indicator	Target	Latest Known Result
Binding Valuation Information (BVI)	Closed	Q2 2021	See 5.2
Enforcement actions			
Output/ Result	Indicator	Target	Latest Known Result
Obtain list of beneficiaries on goods imported under Decision 2020/491	Value and relevance of beneficiary organisations	Q3 2021	Due to the amendment of the Decision, extending its applicability, the target date has changed to Q2 2022
External communication actions			
Output/ Result	Indicator	Target	Latest Known Result
ICS 2 Integrated Communication Campaign	Campaign reach, both on and offline	7 million impressions online	4.1 million impressions online
	Website clicks	150.000 1.30 min spent on page (average)	150.000 59s spent on page (average)
Integrated communications campaign on cash control	Campaign reach, both on and offline	10 million impressions online	3 million impressions on TAXUD Twitter account
Other important outputs			
Output	Indicator	Target	Latest Known Result
Wise Persons Group on Challenges facing the Customs Union	Launched	New	Launched in Q3 2021

Reflection group (°CAP)	Launched	Q1 2021	Will be launched in Q2 2022 after the publication of the report of the Wise Persons Group
Third progress report on the implementation of the 2014 Strategy and Action Plan on Customs Risk Management	Adopted	Q1 2021	COM(2021) 9 18 Jan 2021
Progress report of the AEO programme	Published	Q4 2021	Progress report presented at the CPG in Q4/2021
Integrated list of Prohibitions & Restrictions applying to goods at EU borders	Published	Q3 2021	Due to scope change postponed till Q1 2022
Multi-Annual Strategic Plan for electronic Customs (MASP-C)	Launch of the revision	Q4 2021	On hold
Revision of the Implementing Regulation on the technical arrangements for the electronic systems under the UCC (PLAN/2020/6360)	Adopted	Q1 2021	C(2021) 1454 8 Mar 2021
Amendment to the UCC Implementing Act (review of Annex B) (PLAN/2020/7651)	Adopted	Q1 2021	C(2021) 568 8 Feb 2021
UCC Annual Progress Report 2021	Adopted	Q4 2021	Adopted in December 2021
Feasibility study interoperability SIS/Europol data and ICS2	Completed	Q4 2021	Postponed till Q2 2022
Expert team pooling expertise to resolve complex cases of divergent tariff classification (BTI II)	<ul style="list-style-type: none"> Final Report Number of classification cases resolved 	<ul style="list-style-type: none"> Q4 2021 Remain stable or grow 	<ul style="list-style-type: none"> Postponed till Q4 2022 due to 1 year prolongation of expert team Stable
Expert teams to pool and share specific analytical expertise of Customs Laboratories at EU level (Customs Laboratories expert team CLET II)	<ul style="list-style-type: none"> Final Report Number of analysis carried out 	<ul style="list-style-type: none"> Q2 2021 Remain stable or grow 	<ul style="list-style-type: none"> Postponed till Q2 2022
Study on the impact of e-commerce on customs duty collection and assess the implications of removing the customs de minimis threshold	Completed	Q3 2021	Postponed till Q2 2022
Study on the EU Single Window Environment for Customs business to government (B2G)	Intermediary Report	Q4 2021	Intermediary report delivered

features			
Analytics Expert Team to pool the knowledge and resource in the field of data science, analytics risk management and domain expertise to support development and piloting of ICS2 analytics capability	Launched	Q4 2021	ICS2 Analytics Expert Team was established in December 2021
UCC Automated Export System (AES)	Available	Q1 2021	Started operations on 6 March 2021
UCC Import Control System 2 (ICS2) Release 1	Available	Q1 2021	Started operations on 15 March 2021
UCC NCTS Phase 5		Q1 2021	Started operations on 6 March 2021
Customs Risk Management System 2 (CRMS2)	Available	Q4 2021	System operational since 1 January 2022
EU Single Window environment for customs: Reengineered EU CSW-CERTEX - Scope extension with CHED-A, CHED-P, F-GAS and migrated FLEGT and COI	Available	Q3 2021	EU CSW-CERTEX re-engineered release delivered as per plan
COPIS Implementation of Electronic AFA	Available	Q4 2021	Released on 11 December 2021.

Specific objective 5.2 : Promote the EU's customs agenda internationally		Related to spending programme: Fiscalis Customs
Result indicator 9: Legitimate Trade Facilitating Indicator		
Source of data: DG TAXUD		
Baseline (2019)	Target (2024)	Latest known results (2021)
Uninterrupted response to quota/suspension requests	Uninterrupted	Target met in 2021
Number of traders with AEO status: 18 400	While the total number has decreased due to BREXIT, the number of traders of the EU27 continues to grow	18 090 (31.12.2021)

Main outputs in 2021			
New policy initiatives			
Output	Indicator	Target	Latest Known Result
EU-China Strategic Framework (2021-2024)	Adopted	Q1 2021	C(2021) 5027 12 Jul 2021
Evaluations and fitness checks			
Output	Indicator	Target	Latest Known Result
Evaluation of the EU-China Customs Cooperation and Mutual Administrative Assistance Agreement (CCMAA) (PLAN/2018/3975)	Publication	Postponed Q4 2021	Postponed until Q1 2022
Public consultations			
Output	Indicator	Target	Latest Known Result
Binding Valuation Information (BVI)	Closed	Q2 2021	Public consultation no longer required. Feasibility study completed Q1 2021
Other important outputs			
Output	Indicator	Target	Latest Known Result
Binding Valuation Information (BVI) feasibility study	Completed	Q4 2021	Impact assessment no longer required. Feasibility study completed Q1 2021
Analysis of overall international customs cooperation	Adopted	Q4 2021	Postponed Q1/Q2 2022
Technical amendments to Protocol II on rules of origin to the EU-Pacific interim EPA	Adopted	Q1 2021	Postponed Q4 2022 (Counterparts not yet ready to adopt)
Monitoring of the functioning of preferential trade arrangements (rules of origin and administrative cooperation)	Monitoring actions undertaken; Requests for information answered; Specimen Management System (SMS) kept up-to-date.	Throughout 2021 and later	The activity is continuing as planned
FTA negotiations on Rules of Origin with Australia and New Zealand	Completed	Q4 2021	Postponed Q2 2022
FTA negotiations on Customs and trade Facilitation with Australia, Indonesia	Completed	Australia: Q2 2021 Indonesia: Q1 2021	Australia: completed Q1 2021 Indonesia: completed Q1 2021
FTA negotiations with more than 25 Pan Euro Med countries	Implementation of the revised rules of origin	Throughout 2021 and later	On track
Negotiating directives for VAT cooperation agreements with third Countries	Adoption by College	Q2 2022	Norway: On track China: shared a MoU with China Other countries: ongoing exploratory talks

Portal for electronic registration and modification of Registered Exporters (REX)	Available	Q1 2021	Phase 1 of the portal available since Q1 2021
Conclude AEO mutual recognition with Canada	Adoption of decision of Canada-EU JCCC	Q3 2021	Postponed Q2 2022 (Canada to confirm readiness)

ANNEX 3: Draft annual accounts and financial reports

AAR 2021 Version 2

Annex 3 Financial Reports - DG TAXUD - Financial Year 2021

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG TAXUD					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 03 Single Market					
03	03 01	Support administrative expenditure of the `Single Market` cluster	0,26	0,26	100,00 %
	03 02	Single Market Programme	1,27	1,27	100,00 %
	03 03	EU Anti-Fraud Programme	0,25	0,25	100,00 %
	03 04	Cooperation in the field of taxation (FISCALIS)	34,35	33,17	96,56 %
	03 05	Cooperation in the field of customs (Customs)	121,83	118,11	96,94 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	1,50	1,50	100,00 %
Total Title 03			159,47	154,56	96,92 %
Title 09 Environment and Climate Action					
09	09 02	Programme for the Environment and Climate Action (LIFE)	0,35	0,35	100,00 %
Total Title 09			0,35	0,35	100,00 %
Title 11 Border Management					
11	11 01	Support administrative expenditure of the `Border Management` cluster	0,00	0,00	0,00 %
	11 03	Integrated Border Management Fund (IBMF) ` Instrument for financial support for customs control equipment	135,40	135,40	100,00 %
Total Title 11			135,40	135,40	100,00 %
Title 14 External Action					
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	1,58	1,53	97,13 %
Total Title 14			1,58	1,53	97,13 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,77	0,02	3,12 %
Total Title 20			0,77	0,02	3,12 %
Total Excluding NGEU			297,57	291,87	98,08 %
Total DG TAXUD			297,57	291,87	98,08 %

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on Commitment Appropriations in 2021 for DG TAXUD

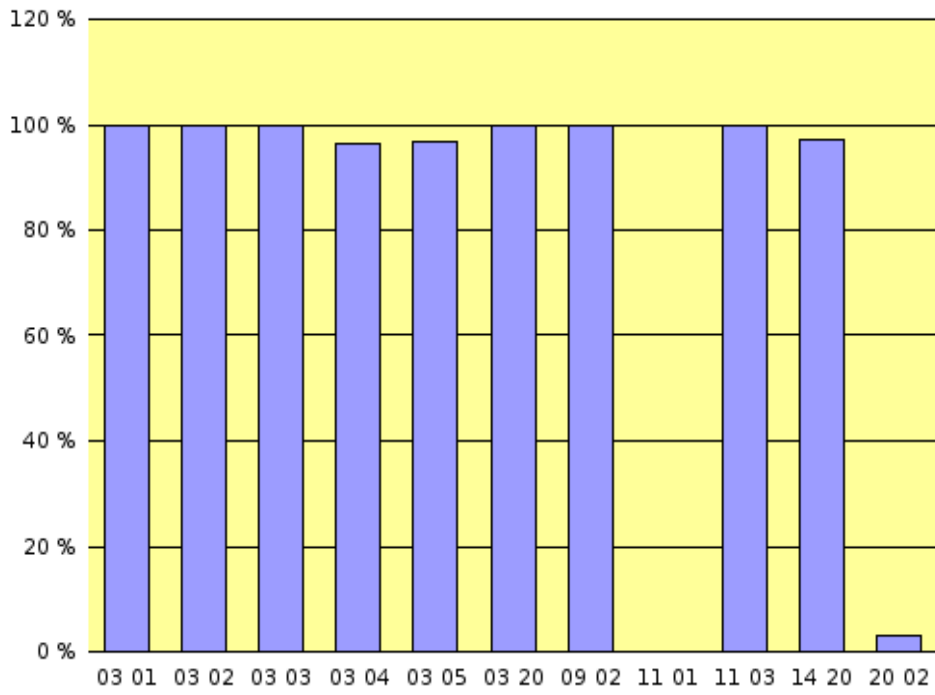


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2021 (in Mio €) for DG TAXUD					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 03 Single Market					
03	03 01	Support administrative expenditure of the `Single Market¿ cluster	0,36	0,10	28,98 %
	03 02	Single Market Programme	3,14	3,14	100,00 %
	03 03	EU Anti-Fraud Programme	0,28	0,28	100,00 %
	03 04	Cooperation in the field of taxation (FISCALIS)	36,02	34,71	96,37 %
	03 05	Cooperation in the field of customs (Customs)	94,37	90,75	96,17 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,67	0,67	100,00 %
Total Title 03			134,83	129,66	96,16%
Title 09 Environment and Climate Action					
09	09 02	Programme for the Environment and Climate Action (LIFE)	0,00	0,00	0,00 %
Total Title 09			0,00	0,00	0,00%
Title 11 Border Management					
11	11 01	Support administrative expenditure of the `Border Management¿ cluster	0,00	0,00	0,00 %
	11 03	Integrated Border Management Fund (IBMF) ¿ Instrument for financial support for customs control equipment	0,00	0,00	0,00 %
Total Title 11			0,00	0,00	0,00%
Title 14 External Action					
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	1,13	1,13	100,00 %
Total Title 14			1,13	1,13	100,00%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	3,92	3,15	80,36 %
Total Title 20			3,92	3,15	80,36%
Total Excluding NGEU			139,88	133,93	95,75%
Total DG TAXUD			139,88	133,93	95,75 %

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on Payment Appropriations in 2021 for DG TAXUD

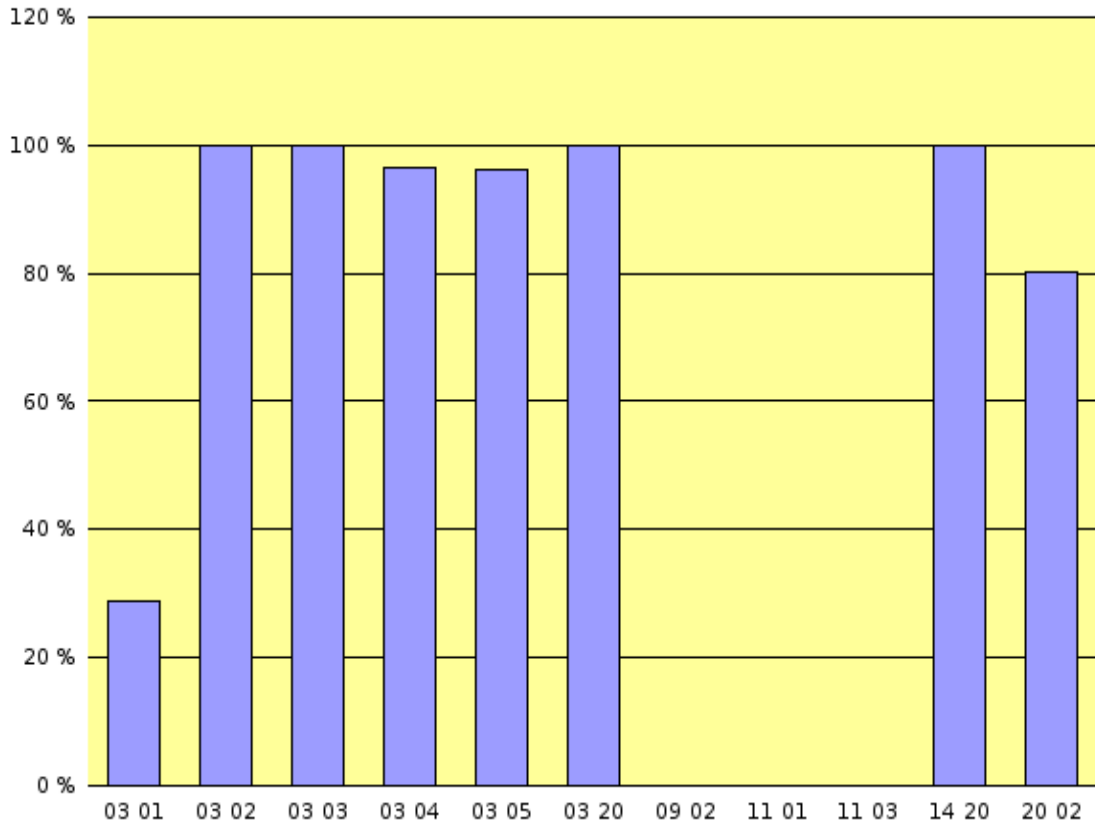


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG TAXUD									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 01	Support administrative expenditure of the `Single Market¿ cluster	0,26	0,00	0,26	99,57%	0,00	0,26	0,10
	03 02	Single Market Programme	1,27	0,44	0,83	65,19%	1,20	2,03	3,90
	03 03	EU Anti-Fraud Programme	0,25	0,00	0,25	100,00%	0,00	0,25	0,28
	03 04	Cooperation in the field of taxation (FISCALIS)	33,17	9,41	23,76	71,62%	8,05	31,81	34,24
	03 05	Cooperation in the field of customs (Customs)	118,11	18,95	99,16	83,95%	17,63	116,79	91,35
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	1,50	0,00	1,50	100,00%	0,30	1,80	0,97
Total Title 03			154,56	28,81	125,75	81,36%	27,18	152,93	130,84
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG TAXUD									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 02	Programme for the Environment and Climate Action (LIFE)	0,35		0,35	100,00%	0,18	0,53	0,18
Total Title 09			0,35		0,35	100,00%	0,18	0,53	0,18

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG TAXUD									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 01	Support administrative expenditure of the Border Management cluster	0,00		0,00	0,00%	0,00	0,00	0,00
	11 03	Integrated Border Management Fund (IBMF) Instrument for financial support for customs control equipment	135,40		135,40	100,00%	0,00	135,40	0,00
Total Title 11			135,40		135,40	100,00%	0,00	135,40	0,00
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG TAXUD									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	1,53	1,13	0,40	26,15%	0,24	0,64	0,24
Total Title 14			1,53	1,13	0,40	26,15%	0,24	0,64	0,24

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG TAXUD

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0,02	0,01	0,01	57,18%	0,00	0,01	3,15
Total Title 20			0,02	0,01	0,01	57,18%	0,00	0,01	3,15
Total Excluding NGEU			291,87	29,95	261,92	89,74%	27,60	289,52	134,40
Total for DG TAXUD			291,8700874	29,95	261,92	89,74 %	27,60	289,52	134,40

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2021 TAXUD

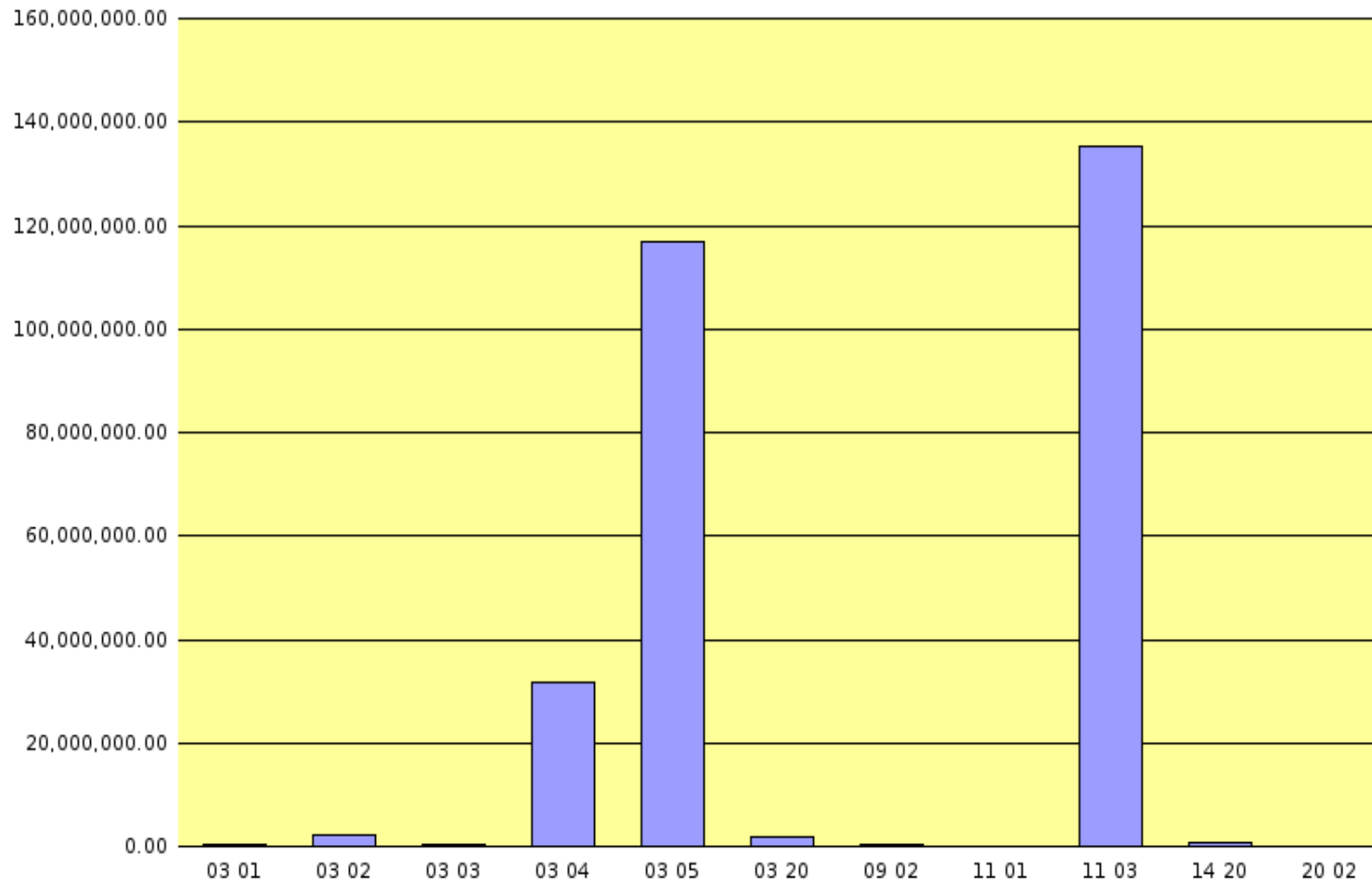


TABLE 4 : BALANCE SHEET for DG TAXUD

BALANCE SHEET	2021	2020
A.I. NON CURRENT ASSETS	53226451,7	56019735,37
A.I.1. Intangible Assets	45.267.438,27	48.502.257,31
A.I.2. Property, Plant and Equipment	7.959.013,43	7.517.478,06
A.II. CURRENT ASSETS	16831201,76	12600614,42
A.II.2. Current Pre-Financing	16.503.900,03	8.315.990,05
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	327.301,73	4.284.624,37
ASSETS	70057653,46	68620349,79
P.II. CURRENT LIABILITIES	-456002,86	-2053567,64
P.II.4. Current Payables	-456.002,86	-2.053.567,64
P.II.5. Current Accrued Charges & Defrd Income	0,00	0,00
LIABILITIES	-456002,86	-2053567,64
NET ASSETS (ASSETS less LIABILITIES)	69601650,6	66.566.782,15
P.III.2. Accumulated Surplus/Deficit	723.256.458,33	602972326,8
Non-allocated central (surplus)/deficit*	-792.858.108,93	-669539108,9
TOTAL DG TAXUD	0,00	0,00

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG TAXUD

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-2331820,49	-4005671,56
II.1.1. NON-EXCHANGE REVENUES	-1072996,28	-4182072,35
II.1.1.5. FINES	-367.500,00	-2.000.000,00
II.1.1.6. RECOVERY OF EXPENSES	-5.741,85	-118.933,79
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-699.754,43	-2.063.138,56
II.1.2. EXCHANGE REVENUES	-1258824,21	176400,79
II.1.2.2. OTHER EXCHANGE REVENUE	-1.258.824,21	176.400,79
II.2. EXPENSES	125607921,3	124289803,1
II.2. EXPENSES	125607921,3	124289803,1
II.2.10. OTHER EXPENSES	118.998.071,22	107.176.703,03
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	6.609.850,12	19.003.799,66
II.2.6. STAFF AND PENSION COSTS		-1.891.420,00
II.2.8. FINANCE COSTS		720,42
STATEMENT OF FINANCIAL PERFORMANCE	123.276.100,85	120.284.131,55

TABLE 5bis : OFF BALANCE SHEET for DG TAXUD

OFF BALANCE	2021	2020
OB.1. Contingent Assets	0	0
GR for pre-financing	0,00	0,00
OB.4. Balancing Accounts	0	0
OB.4. Balancing Accounts	0,00	0,00
OFF BALANCE	0,00	0,00

TABLE 6: AVERAGE PAYMENT TIMES in 2021 for TAXUD

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	1085	1046	96,41 %	13,82027	39	3,59 %	35,17948718	941035,15	1, %
45	11	11	100,00 %	21,36364				0	0, %
60	16	16	100,00 %	16,5625				0	0, %
90	14	14	100,00 %	26,07143				0	0, %

Total Number of Payments	1126	1087	96,54 %		39	3,46 %		941035,15	1, %
Average Net Payment Time	14,8250444			14,09476			35,17948718		
Average Gross Payment Time	16,10479574			15,27323			39,28205128		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	25	58	5,15 %	1126	3.951.646,07	2,95 %	133.767.305,91

DG	GL Account	Description	Amount (Eur)

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2021 for DG TAXUD

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
33	Other administrative revenue	167.552,03		167.552,03	167.552,03		167.552,03	0,00
42	Fines and penalties	367.500,00	2.000.000,00	2.367.500,00	367.500,00	2.000.000,00	2.367.500,00	0,00
60	Single market, innovation and digital	2.589.118,60	0,00	2.589.118,60	2.589.118,60	0,00	2.589.118,60	0,00
66	Other contributions and refunds	523.682,75	0,00	523.682,75	196.381,02	0,00	196.381,02	327.301,73
67	Completion for outstanding recovery orders prior to 2021	0,00	2.284.624,37	2.284.624,37	0,00	2.284.624,37	2.284.624,37	0,00
Total DG TAXUD		3647853,38	4284624,37	7932477,75	3320551,65	4284624,37	7605176,02	327301,73

**TABLE 8 : RECOVERY OF PAYMENTS in 2021 for DG TAXUD
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2021	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2016	2	1011,04	2	1011,04	2	1011,04	100,00%	100,00%
2017	1	4,34	1	4,34	1	4,34	100,00%	100,00%
2018	1	4726,47	1	4726,47	1	4726,47	100,00%	100,00%
2019					2	34325,29		
No Link					1	523682,75		
Sub-Total	4	5741,85	4	5741,85	7	563749,89	57,14%	1,02%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES							16	176.095,08		
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES	48	3949477,09			48	3949477,09	58	4.573.947,96	82,76%	86,35%
Sub-Total	48	3949477,09			48	3949477,09	74	4750043,04	64,86%	83,15%

GRAND TOTAL	52	3955218,94			52	3955218,94	81	5313792,93	64,20%	74,43%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2021 for DG TAXUD

	Number at 01/01/2021	Number at 31/12/2021	Evolution	Open Amount (Eur) at 01/01/2021	Open Amount (Eur) at 31/12/2021	Evolution
2020	34		-100,00 %	4.284.624,37		-100,00 %
2021		1			327.301,73	
	34	1	-97,06 %	4.284.624,37	327.301,73	-92,36 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2021 for DG TAXUD

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG TAXUD	
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Number of RO waivers	
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TABLE 11 : Negotiated Procedures in 2021 for DG TAXUD

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 12 : Summary of Procedures in 2021 for DG TAXUD

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	1	290.561.711,13
Total	1	290.561.711,13

TABLE 13 : BUILDING CONTRACTS in 2021 for DG TAXUD

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	C A

TABLE 14 : CONTRACTS DECLARED SECRET in 2021 for DG TAXUD

Legal Base	LC Date	Contract Number	Contract Subject	Cont

TABLE 15 : FPA duration exceeds 4 years - DG TAXUD

None of your FPA (if any) exceeds 4 years

TABLE 16 : Commitments co-delegation type 3 in 2021 for DG TAXUD

ANNEX 4: Financial Scorecard

DG TAXUD

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2021, 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes)³:

<ul style="list-style-type: none">- Commitment Appropriations (CA) Implementation- CA Forecast Implementation- Payment Appropriations (PA) Implementation- PA Forecast Implementation- Global Commitment Absorption	<ul style="list-style-type: none">- Timely Payments- Timely Decommitments- Invoice Registration Time- Accounting Data Quality- Management Data Quality
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For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

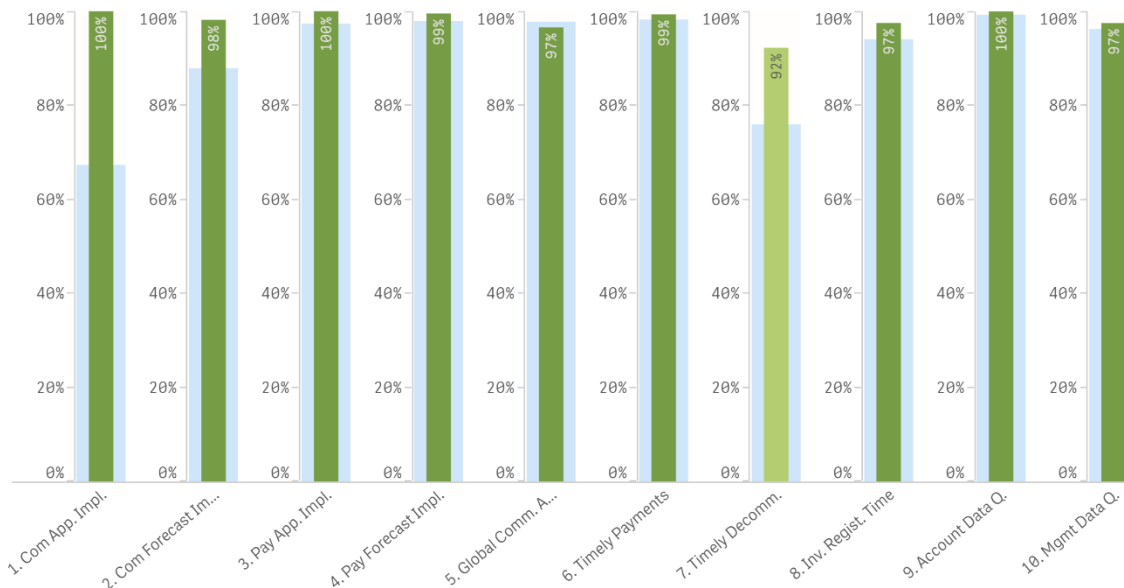
- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

The Commission services are invited to provide commentary for each indicator's result in the dedicated comment section below the indicators scores as this can help the reader to understand the Commission's service context. In cases when the indicator's value achieves 80% or less of the target, the comment becomes mandatory.

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting

³ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as "-") in this Annex.

TAXUD Indicator Scores 2021



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment ⁴	TAXUD Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	DG TAXUD scores above Commission average.	100%	67%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	DG TAXUD scores above Commission average.	98%	88%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	DG TAXUD scores 100%.	100%	97%

⁴ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

Indicator	Objective	Comment⁴	TAXUD Score	EC Score
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	DG TAXUD scores above Commission average.	99%	98%
5. Global Commitment Absorption ⁵	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	DG TAXUD's indicator is green and only just below Commission average (due to a partial decommitment of a global commitment).	97%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	DG TAXUD scores above Commission average.	99%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	DG TAXUD scores above Commission average.	92%	76%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	DG TAXUD scores above Commission average.	97%	94%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts	DG TAXUD scores 100%.	100%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions	DG TAXUD scores above Commission average.	97%	96%

⁵ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

ANNEX 5: Materiality criteria

Since 2019 ⁽⁶⁾, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

As outlined in section 2, a distinction is made between “procurement”, “grants MFF 2014-2020”, “grants MFF 2021-2027” and “CCEI”.

1. Procurement

DG TAXUD's control strategy for procurement entirely relies on comprehensive ex-ante verifications for all transactions at multiple levels. Because of these extensive and complete ex-ante verifications, there are no errors left at the moment of payment. The error rate could therefore be 0. However, to estimate the error rate, DG TAXUD took a most conservative approach and estimated **the error rate for procurement to be 0,5% at most**.

2. Grants MFF 2014-2020

Until the last ex-post audit under the grants of the 2014-2020 MFF is completed, the present section will report on the materiality criteria for those grants.

The control strategy for the grant agreements (under the Customs 2020 and Fiscalis 2020 programmes) differs from the control strategy used for procurement :

- First of all, there is the obligatory use of the ART2 IT system, where all actions are planned, approved and reported (including the financial report). This system embeds several important controls and checks.
- After the final financial report is submitted by the countries, a quick and high-level ex-ante check (desk review) takes place before the payments or recoveries are made.
- Ex-post audits (on-the-spot or desk reviews), are done in a selection of countries, typically risk-based selected.

To be able to calculate the error rate and amount at risk, DG TAXUD calculates an average weighted error rate using the results of the on-the-spot audits. Since 2020, a multi-annual approach – using the results of all ex-post audits since 2015 – is considered more representative, in particular given the nature of the expenditure (repetitive, small amounts) and beneficiaries (National Customs and Taxation Administrations).

These audits examine the eligibility, correctness and accuracy of the costs declared in the

⁽⁶⁾ Agreement of the Corporate Management Board of 30/4/2019.

annual financial reports, and of the transactions in the accounting records (i.e. copy of the invitation letter for each audited event, payment of invoices for travel and hotel expenses, daily allowances, etc.). DG TAXUD had targeted to audit 3 to 5 Member States per year with the intention to cover the majority of the Member States/Candidate Countries till the end of the programme period. For each audit, a statistical (random) method samples circa 15% of the total expenditure (“Audited amounts”). The results of the findings on the sample are extrapolated to the total expenditure of the audited countries to calculate the “Detected Error” (corresponding to the recovered amount) and subsequently the “Detected Error Rate (DER)”.

The results can be summarised as follows :

Year of Audit	Countries	Total costs claimed accepted after the ex-ante controls (€)	Audited amounts (€)	Size of the sample	Total costs claimed and accepted after the ex-post controls (€)	Detected error (Recovered amount) (€)	Detected Error Rate (%)
		(a)	(b)		(a)-(c)	(c)	(c)/(a)
2015	Country 1	428.849,86	147.231,27	34%	414.692,93	14.156,93	3,30%
	Country 2	653.406,32	162.605,16	25%	636.917,61	16.488,71	2,52%
	Country 3	591.390,26	199.538,04	34%	560.907,34	30.482,92	5,15%
2016	Country 4	1.177.710,54	314.252,01	27%	1.174.908,80	2.801,74	0,24%
2017	Country 5	525.229,30	179.331,28	34%	523.334,21	1.895,09	0,36%
	Country 6	956.227,26	272.160,13	28%	950.985,99	5.241,27	0,55%
2018	Country 7	881.287,93	137.942,50	16%	877.434,04	3.853,89	0,44%
	Country 8	1.184.898,59	173.147,20	15%	1.174.552,61	10.345,98	0,87%
2019	Country 9 (desk review)	377.908,46	59.585,14	16%	376.789,37	1.119,09	0,30%
	Country 10	819.908,67	131.683,61	16%	809.409,56	10.499,11	1,28%
	Country 11	971.988,35	165.114,08	17%	971.561,77	426,58	0,04%
	Country 12	1.070.975,59	219.827,70	21%	1.055.972,65	15.002,94	1,40%
2020	Country 1 again (desk review)	800.110,78	56.749,82	7%	798.827,64	1.283,14	0,16%
	Country 2 again (desk review)	1.109.392,69	48.009,82	4%	1.108.234,78	1.157,91	0,10%
	Country 3 again (desk review)	1.163.931,66	83.175,82	7%	1.067.435,43	96.496,23	8,29%
	Country 14 (desk review)	258.419,87	52.295,14	20%	258.269,81	150,06	0,06%
2021	Country 15 (desk review)	1.284.387,68	214.502,12	17%	1.278.645,83	5.741,85	0,45%
	TOTAL	14.256.023,81	2.617.150,84		14.038.880,37	217.143,44	
Average error rate for the audited population:						1,50%	
Weighted average error rate for the audited population:						1,52%	

The total estimated error rate for grants is an average weighted error rate of the results of the audited countries.

The above calculation, results in **a best possible estimated error rate for grants in 2021 of 1,52%**.

3. Grants MFF 2021-2027

The new Customs and Fiscalis programmes are slightly different than the previous programmes in that they recourse to a maximum extent to unit costs (for personnel cost, travel, accomodation and subsistence) and use a flat rate of 7% for indirect costs. This will simplify controls and will have a positive impact on the potential error rate.

Considering that the new MFF and the new Customs and Fiscalis regulations were adopted late (11/03/2021 and 20/05/2021 respectively), the 2021 grant agreements could only be signed towards the end of the year.

At the time of writing, only the first pre-financing payments were made. As the new grants are implemented via the new eGrants platform and that these payments follow the usual ex-ante checks, they are considered error free.

The error rate for 2021, for the new Customs and Fiscalis grants under the new MMF, **is therefore not applicable for the time being.**

Because of the similarity of the programmes compared to the previous MFF programmes, the control strategy will remain the same : 100% ex-ante verifications of all payments and ex-post audits upon closure of the grant agreements. Such ex-post audits will either be performed using in-house TAXUD staff or will be outsourced to external auditors.

The methodology to calculate the potential error rate will remain the same (see section 2 above).

4. CCEI

The new Customs Control Equipment Instrument is a brand new programme with a higher budget (EUR 1 billion) compared to the Customs and Fiscalis programmes.

The instrument is also considered to represent a higher risk of fraud than the Customs and Fiscalis programmes, although the beneficiaries are also public administrations. The procurement of the customs control equipment will be done by the Member States' National Authorities.

Due to the higher risk level, requests for interim payments shall be accompanied by a certificate on the financial statements – produced by an approved external auditor or, in the case of public bodies (which is the case for CCEI), by a competent and independent public officer - when the cumulative amounts of payment requests is at least €325.00.

Due to the late adoption of the 2021-2027 MFF and the CCEI regulation, no grants were signed in 2021 and no payments were made. **The error rate for grants under the CCEI in 2021 is therefore not applicable for the time being.**

The control strategy for CCEI will be similar to the other grants, i.e. 100% of transactions to be controlled ex-ante combined with ex-post audits upon grant closure. These audits, given the particularities of the instrument, may be outsourced to external auditors.

The methodology to calculate the potential error rate will be the same as for the other grants (see section 2 above).

5. Conclusion

The overall error rate (procurement and grants combined) demonstrate that the error rate is below the materiality threshold of 2% (*see also table X in section 2.1*).

The benefits of controls have been quantified where possible: e.g. amounts recovered, irregularities prevented, detected and corrected by these controls (as per Annex 3, table 8). Most benefits however are non-quantifiable covering non-financial gains like: better value for money, deterrent effects, efficiency gains, system improvements, protection from reputational damage and, above all, compliance with regulatory provisions.

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

6.1 Procurement

Stage 1: Procurement procedures

Planning, Needs assessment, Selection of the offer & evaluation

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives.</p> <p>Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process)</p>	<p>The financial unit scrutinises all procurement documents prior to publication of the procurement procedure.</p> <p>Long-term planning of procurement procedures and yearly check of consumption of contract ceilings to ensure timely preparation of procurement procedures.</p>	<p>100% of procurement procedures are thoroughly scrutinised prior to publication.</p> <p>100% of planned procurement procedures are defined in the appropriate financing decision.</p> <p>100% of planned procurement procedures are published on the TAXUD Europa website</p> <p>100% of planned procurement procedures justified – by note – by the concerned AOS</p>	<p>Effectiveness : number of planned procurement procedures cancelled</p> <p>Efficiency : cost of a tendering procedure</p> <p>Economy : cost of staff involved</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>Public procurement documents are leaked prior to publication and that the related procurement procedure needs to be cancelled</p>	<p>Use of SECEM for mail communication on tendering procedures.</p> <p>Tendering specifications remain password protected until publication time.</p> <p>Paper versions are destroyed with shredders.</p> <p>Use of PPMT, eTendering and eSubmission for the preparation and first stages of the procurement procedures</p>	<p>100% of tendering documents secured until publication time</p>	<p>Effectiveness : Number of times a procedures needs to be retendered due to leakages.</p> <p>Efficiency : cost of a tendering procedure</p> <p>Economy : cost of staff involved</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The best offer(s) are not submitted due to the poor definition of the tender specifications</p> <p>Due to the complexity of some procurement procedures, inconsistencies between tendering documents may occur</p>	<p>AOS approves the specifications</p> <p>Additional supervisory verification</p> <p>Detailed cross-review of all tendering documents</p>	<p>100% of the procurement specifications are scrutinised and validated by the AOS</p> <p>100% of the procurement specifications are scrutinised by the financial unit (public procurement team) prior to publication</p> <p>100% of all tendering documents scrutinised by the operational unit and crossreviewed and validated by the financial unit (public procurement team)</p>	<p>Effectiveness: number of procedures with no offers. number of tendering procedures not accepted by the financial unit</p> <p>Efficiency : average cost of a tendering procedure</p> <p>Economy : cost of staff involved</p>
<p>The most economically advantageous offer not being selected, due to a biased, inaccurate of 'unfair' evaluation process</p>	<p>Formal evaluation process : opening and evaluation committee</p> <p>Opening and evaluation committee declares absence of conflict of interest</p>	<p>100% of procurement procedures have a formally nominated opening and evaluation committee</p> <p>100% of members sign a formal declaration of conflict of interest and of confidentiality</p>	<p>Effectiveness: number of 'valid' complaints from unsuccessful tenderers. Number of procedures rejected by DG TAXUD's Public Procurement Committee (PPC)</p> <p>Efficiency : average cost of a tendering procedure</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
	Opinion by DG TAXUD's Public Procurement Committee	100% of the procurement procedures are validated by the PPC: (1) by written procedure if the procedure's value is equal or less than 10 million Euro and (2) during a formal meeting for all other procedures	Economy : cost of involved staff
Exclusion criteria well documented	100% of procurement procedures have exclusion criteria checked by the AOS and validated by the financial unit (public procurement team)		
Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision	100% respected		

Stage 2: Financial transactions – ex-ante controls (contracts, commitments, payments)

Main control objectives: Ensuring that the implementation of the contract is in compliance with the signed contract

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's))
<p>The products/services/works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>Business discontinues because contractor fails to deliver</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AOS (commitments)</p>	<p>100% of the contracts are controlled</p>	<p>Effectiveness: number/amount of credit note received</p> <p>Efficiency:</p> <ul style="list-style-type: none"> - Average cost per contract prepared. - % of costs dedicated to preparation and control of contracts over the total contracted amount - Average cost per payment processed. - % of costs dedicated to preparation and control of payments over the total paid amount <p>Economy : cost of staff involved</p>
	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Authorisation by the AOS (payments)</p>	<p>100% of the payments are verified ex-ante following the controls embedded in the financial circuits</p> <p>Extra ex-ante verification of about 7,90% of the number of payments and 38,57% of the total amount paid⁷; (frequency: minimum one payment per week; based on risk and potential impact on the DG)</p>	

⁷ The extra ex-ante verification includes also payments paid for the grant agreements.

Stage 3: Supervisory measures

Main control objectives: ensuring that any weakness in the tendering procedures is detected and corrected

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
Knowledge/experience of past procurement procedures is not retained and/or not taken into account when preparing/evaluating new procurement procedures	Systematic “lessons learned” exercise after each procurement procedure	50% of the procurement processes (risk-based selection) is scrutinised during a lessons learned exercise	Effectiveness: number reoccurrences of past detected procurement weaknesses. Efficiency : average cost of a tendering procedure Economy : cost of staff involved

6.2 Grants MFF 2014-2020

Joint Actions in the Customs 2020 and Fiscalis 2020 Programmes – Multi-beneficiary grant agreements

The programmes are managed in direct management mode. The grants awarded by DG TAXUD have certain specificities: the beneficiaries are Member States' customs and tax administrations and (potentially) candidate countries' customs and tax administrations, as provided for in the legal bases of the programmes. In this context, certain typical stages such as selection, evaluation and awarding and linked indicators are not applicable here.

Stage 1: Programming

Programming

Main control objectives: Ensuring that the grants contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
The annual work programmes and the subsequent grants do not adequately reflect the policy objectives and priorities for the 7 years of MFF.	<ul style="list-style-type: none"> - Horizontal and hierarchical validation within DG - Inter-service consultation, including all relevant DGs - Adoption via the Comitology procedure - Adoption by the Commission 	<p>Coverage/Frequency:100%</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p>	<p>Effectiveness: the work programme is successfully adopted</p> <p>Efficiency: % of total cost of the FTE involved in the process/ total budget of the grant agreements</p> <p>Economy (costs) : Estimation of cost of staff involved in the preparation and validation of the annual work programme</p>

Selecting and awarding:

The beneficiaries of the grants in the scope of the Customs 2027 and Fiscalis 2027 programmes (i.e. the Member States) are defined in the legal basis of both programmes. Therefore, the selecting and awarding step is not applicable in DG TAXUD's particular context.

Stage 2: Contracting:

Main control objectives: Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>Procedures do not comply with regulatory framework.</p>	<ul style="list-style-type: none">- Validation via financial and programme management circuits within the DG- Signature of the grant agreement by the AOSD.	<p>Coverage: 100%</p>	<p>Effectiveness: total budget of the work programme concerned</p> <p>Efficiency: % of total cost FTE involved in the process / total value of the work programme concerned</p> <p>Economy (costs) : estimation of cost of staff involved in the contracting process.</p>

Stage 3: Monitoring the execution and desk reviews

Monitoring the execution

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.	<p>Verification of all financial transactions by the Financial Unit.</p> <p>Obligatory use of the ART2 IT system for declaring and following-up on costs of actions.</p>	<p>100% of the actual actions (linked to the proposals) are authorised via IT system considering the detail aspects of the actions (including relevant thresholds)</p> <p>100% of financial transactions are controlled ex-ante in line with the financial circuits</p>	<p>Effectiveness: number of rejected individual project proposals.</p> <p>Efficiency : % of total ex-ante controls/ total value of operational payments made</p> <p>Economy (costs) : cost of staff involved in the process</p>

Desk reviews

Main control objectives: Ensuring through the desk reviews that the declared expenditures comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information); ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
Declared expenditures do not comply with regulatory framework.	Carry out a brief desk review of the financial reports from the Member States Administrations.	100% coverage of financial reports.	<p>Effectiveness: total amount of detected errors/irregularities</p> <p>Efficiency: % of total cost for desk reviews/ total value of operational payments made</p> <p>% of detected errors / total value of operational payments made</p> <p>Economy (costs) : cost of staff involved</p>

Stage 4: Ex-Post controls

Reviews, audits and monitoring and audit implementation

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls that...	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error..</p> <p>Declared expenditures do not comply with regulatory framework.</p>	<p>Ex-post control strategy:</p> <p>Based on the desk review, risk analysis and operational assessment, carry out on-the-spot audits performed by auditors from the financial and operational unit(s) or external auditors.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Notification to OLAF and regular follow up of detected fraud.</p>	<p>Member State and candidate country's Administrations. based on sampling method.</p> <p>For the audit implementation, coverage: 100% of final audit results with a financial impact (according to financial guidance).</p> <p>For the audit implementation, depth: All audit results are examined in-depth in making the final recoveries (according to financial guidance). Systemic errors may be extrapolated.</p>	<p>Effectiveness: Representative and residual error rate identified Number of audits finalised Amounts being recovered or offset</p> <p>Efficiency : Value of audit results pending implementation, Value of audit results implemented.</p> <p>Economy: cost of on-the-spot audits (cost of staff and/or cost of appointment of audit firms).Economy (costs) :</p>

6.2 Grants MFF 2021-2027 and CCEI

Joint Actions in the Customs 2027 and Fiscalis 2027 Programmes – Multi-beneficiary grant agreements

Customs Control Equipment Instrument grants under the 2021-2027 MFF

These are grants in the direct management mode.

Ex ante

Stage 1: Preparation, adoption and publication of the Annual Work Programme and Calls for proposals and Design of the business processes

Main control objectives: Ensuring that the grants contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity) and the efficiency and cost effectiveness of the controls.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
The annual work programmes and the subsequent grants do not adequately reflect the policy objectives and priorities for the 7 years framework.	<ul style="list-style-type: none"> - Horizontal and hierarchical validation within DG - Inter-service consultation, including all relevant DGs - Adoption by the Commission 	<p>Coverage/Frequency:100%</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p>	<p>Effectiveness: The work programme is adopted by the Commission</p> <p>Efficiency: % of total cost of the FTE involved in the process/ total budget of the grant agreements</p> <p>Economy (costs) : Estimation of cost of staff involved in the preparation and</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
			validation of the annual work programme

Stage 2: Selecting and awarding: Evaluation, ranking and selection of proposals

The beneficiaries of the grants in the scope of Customs 2027 and Fiscalis 2027 programmes (i.e. the Member States) are defined in the legal basis of both programmes. Main control objectives: ensuring that the most promising projects for meeting the policy objectives are among the proposals financed; Compliance; Prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the eligibility criteria, or with the selection and award criteria defined in the annual work programme. Procedures do not comply with regulatory framework.</p>	<ul style="list-style-type: none"> - Comprehensive IT system supporting this stage and allowing better monitoring of the process. - Validation by the AOSD. - Checks on operational and legal aspects performed before signature of the GA. 	<p>Coverage: 100%</p>	<p>Effectiveness: Number of proposals evaluated</p> <p>Efficiency: % of Time-to-inform on time.</p> <p>Economy (costs) : Estimation of cost of staff involved in the selecting and evaluation of proposals.</p>

Stage 3: Contracting:

Main control objectives: Ensuring that projects that meet the policy objectives are among the proposals contracted; Sound financial management (optimal allocation of the budget available); Compliance (legality & regularity);

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>Procedures do not comply with regulatory framework.</p>	<ul style="list-style-type: none"> - Validation via financial and programme management circuits within the DG - Signature of the grant agreement by the AOSD - Checks on operational and legal aspects performed before signature of the GA 	<p>Coverage: 100% of draft grant agreements</p>	<p>Effectiveness: total budget of the work programme concerned</p> <p>Efficiency: Time-to-grant</p> <p>Economy (costs) : estimation of cost of staff involved in the contracting process.</p>

Stage 4: Monitoring the implementation

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good quality and meet the objectives and conditions of the grant agreement (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information).

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions. Conflict of interest.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>If needed: Application of suspension/interruption of payments</p> <p>Referring grant/beneficiary to OLAF.</p>	<p>100% of the projects are controlled.</p> <p>The depth depends on risk, to ensure a good balance between trust and control.</p> <p>Audit certificates required for any beneficiary claiming more than certain amount set in the grant agreement conditions.</p>	<p>Effectiveness: Number of payments (pre-financing and interim (incl. final)).</p> <p>Detected error rates.</p> <p>Efficiency : Time-to-pay</p> <p>Economy (costs) : Estimation of cost of staff involved in the ex-ante checks</p>

Stage 5: Ex-Post controls

Reviews, audits and monitoring and implementing results from ex-post audits/controls

Main control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls (legality & regularity; anti-fraud strategy); identifying systemic weaknesses in the ex-ante controls, (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that...	Mitigating controls that...	Coverage, frequency and depth of controls	Cost-effectiveness indicators (three E's)
<p>The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Declared expenditures do not comply with regulatory framework.</p>	<p>Ex-post control strategy:</p> <p>Based on the desk review, risk analysis and operational assessment, carry out on-the-spot audits performed by auditors from the financial and operational unit(s) or external auditors.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Notification to OLAF and regular follow up of detected fraud.</p>	<p>Audit sampling methodology to be defined.</p> <p>For the audit implementation, coverage: 100% of final audit results with a financial impact.</p> <p>For the audit implementation, depth: All audit results are examined in-depth in making the final recoveries. Systemic errors may be extrapolated.</p>	<p>Effectiveness: Representative and residual error rate identified Number of audits finalised Amounts being recovered or offset</p> <p>Efficiency : Number/value/% of audit results pending implementation, Number/value/% of audit results implemented</p> <p>Economy (costs): cost of of on-the-spot audits (cost of staff and/or cost of appointment of audit firms).</p>

ANNEX 7: Specific annexes related to "Financial Management"

Comments on sections 2.1.1 of the AAR

Cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2)

As indicated in section 2.1.1 of the AAR, there were cases of "Derogations from the principle of non-retroactivity of grants pursuant to Article 193 FR" (new Financial Regulation Article 193.2)". These concern four grant agreements signed in 2021 derogated from the principle of non-retroactivity pursuant to Article 193 of the Financial Regulation. In each case, the project start date preceded the grant signature date, which is compliant with the legal framework of Customs programme⁸ for cooperation in the field of customs and 'Fiscalis' programme⁹ for cooperation in the field of taxation. No granted project started prior to the submission date of the proposal.

Comments on sections 2.1.3 of the AAR

Notwithstanding the positive conclusion on the effectiveness of internal control systems, and for the sake of transparency, DG TAXUD wishes to highlight an on-going Court case in the scope of a public procurement procedure, i.e. Case T-546/20 by Sopra Steria Benelux and Unisys Belgium seeking the annulment of the Commission's decision of 2 July 2020 rejecting their tender and awarding the contract to the other consortium which had tendered for this procurement procedure.

The Legal Service has launched an appeal (on-going at this moment).

At the time of writing, the reputational and financial risks (EUR 19.917,50) are limited.

⁸ Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013

⁹ Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 establishing the 'Fiscalis' programme for cooperation in the field of taxation and repealing Regulation (EU) No 1286/2013

Table Y - Overview of TAXUD's estimated cost of controls at Commission (EC) level

The absolute values are presented in EUR

EXPENDITURE

TAXUD	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Procurement	1.332.178,54 €	125.689.695,76 €	1,06%	- €	- €	0,00%	1.332.178,54 €	1,06%
Grants MFF 2014-2020	7.542,25 €	865.162,18 €	0,87%	13.760,41 €	1.284.387,68 €	1,07%	21.302,66 €	2,46%
Grants MFF 2021-2027	7.714,09 €	7.380.000,00 €	0,10%	- €	- €	0,00%	7.714,09 €	0,10%
CCEI	4.547,73 €	- €	0,00%	- €	- €	0,00%	4.547,73 €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
OVERALL total estimated cost of control at EC level for expenditure	1.351.982,61 €	133.934.857,94 €	1,01%	13.760,41 €	1.284.387,68 €	1,07%	1.365.743,02 €	1,02%

Comments on sections 2.1.2 of the AAR

In 2021, the following audits and implementation of action plans took place in DG TAXUD.

EUROPEAN COURT OF AUDITORS (ECA)

The table below summarise the ECA audits with recommendations addressed to DG TAXUD.

EUROPEAN COURT OF AUDITORS	TASK TYPE	STATUS END 2021	RECOMMENDATIONS (TAXUD LEAD SERVICE)
Exchanging tax information in the EU: solid foundation, cracks in the implementation	AUDIT: Special report 3/2021	PUBLISHED	3
Customs Controls: Insufficient harmonisation hampers EU financial interests	AUDIT: Special report 4/2021	PUBLISHED	(2)
Statement of Assurance 2020	Annual AUDIT	PUBLISHED	0
Statement of Assurance 2021	Annual AUDIT	ON-GOING	n/a
A series of delays in Customs IT systems: what went wrong?	FOLLOW-UP of audit SR 26/2018	ON-GOING ¹⁰	n/a
OTHER ECA TASKS WITH DG TAXUD CONTRIBUTIONS			
Sustainable finance: More consistent EU action needed	AUDIT: Special Report 22/2021	PUBLISHED	FOR DG FISMA (1)
Protection of intellectual property right	AUDIT: Special report	ON-GOING	FOR DG GROW (2)
Energy taxation, carbon pricing and energy subsidies	REVIEW 01/2022	PUBLISHED	n/a
Air pollution: Our health still insufficiently protected	FOLLOW-UP of audit SR 23/2018	ON-GOING ¹¹	FOR DG ENV

European Court of Auditors' Special Report 22/2021: ***Sustainable finance: More consistent EU action needed to redirect finance towards sustainable investment***: the audit assessed whether the Commission had been taking the right action to redirect finance towards sustainable investments. DG TAXUD, together with DG CLIMA, DG FISMA, and DG ENV is responsible for implementing recommendation 2 (very important) – to better contribute to sustainable finance by pricing greenhouse gas emissions. timeframe: Q4 2022.

European Court of Auditors' Upcoming Report – ***Protection of intellectual property rights (IPR)***: the audit will assess whether intellectual property rights in EU trademarks, Community designs and geographical indications are well protected within the Single

¹⁰ Closing Letter 13218 received on 2 March 2022

¹¹ Closing Letter sent to DG ENV on 1 March 2022

Market. DG TAXUD may expect to be an addressee of two recommendations: sub-recommendation 1b and recommendation 5¹² related to the EU IPR regulatory framework and its enforcement. The special report is expected to be published in Q1 2022.

In 2021, the ECA has **finalised Annual Report on 2020 budget execution** and formulated no recommendations in revenues area.

European Court of Auditors' Review 01/2022: **Energy taxation, carbon pricing and energy subsidies** assessed how energy taxes, carbon pricing and energy subsidies fit with EU climate objectives in reference to the Commission's a proposal to revise the Energy Taxation Directive (mid-2021). DG TAXUD coordinated the Commission's replies to the review, together with DG CLIMA, DG ENER, DG ESTAT.

European Court of Auditors' Special Report no 23/2018: **Air pollution: Our health still insufficiently protected:** DG TAXUD was initially associated to three sub-recommendations (2b , 2f and 3a) and contributed to replies drafted by DG ENV (the lead for the recommendations).

Internal audit service (IAS) audits

Below the summary of IAS audits dealt with in the reported year:

IAS AUDIT	RECOMMENDATIONS		
	ISSUED	IMPLEMENTED	PENDING
Performance management in DG TAXUD	n/a	n/a	n/a
Effectiveness of DG TAXUD's cooperation with external stakeholders'	4	0	4
Management of human resources	5	3	2
TOTAL	9	3	6

1) IAS Audit on performance management in DG TAXUD

The objective of the audit was to assess whether DG TAXUD has put in place an adequate performance management framework to plan, monitor and report on the achievement of its key policy objectives.

The audit was at the end of the preliminary survey at the end of 2021.

¹² Draft special report as of January 2022.

2) IAS Audit on effectiveness of DG TAXUD's cooperation with external stakeholders'

The objective of the audit was to assess whether DG TAXUD has set up and implemented appropriate management and control systems to effectively organise, monitor and improve the cooperation with its external stakeholders.

At the end of 2021, the auditors sent the audit findings document launching the audit reporting phase. The audit work resulted in four important recommendations¹³ related to an overall approach towards cooperation with external stakeholders; performance management for the cooperation with external stakeholders; dealing with lobbyists; management and monitoring of expert/project groups.

3) IAS Audit on management of human resources in DG TAXUD

This audit was finalised in 2020 with an overall objective to assess whether DG TAXUD put in place an adequate system for managing its human resources that supports effectively the achievement of its operational objectives.

Following this engagement, DG TAXUD accepted 5 audit recommendations (3 'very important') addressing the human resources management key challenges as well as promoting a healthy and collaborative environment that would enhance the performance of the staff and of the organisation towards the achievement of its operational objectives.

DG TAXUD has implemented all recommendations with due dates expiring in 2020: two important and one very important. Two remaining very important recommendations on mapping tasks and skills and on workload assessment have implementation date end June 2021, which was extended until June 2022. So far, DG TAXUD has implemented the parts on tasks mapping by switching to ATLAS full mode and linking the operational tasks across the units with priorities in the DG. To tackle the skills mapping, first DG TAXUD created the TAXUD training map, which contains obligatory and optional training courses for staff and is consulted at the moment of staff appraisal dialogues to identify learning needs. Secondly, staff can make use of TAXUD learning paths, designed to develop competence in different areas relevant to TAXUD activity. DG TAXUD has also completed the requirement on a gap analysis, by introducing a learning & development conversation at the appraisal dialogue. This gives the Heads of Units a possibility to assess the gaps between tasks and skills among their staff, and to close these gaps using training maps and learning paths. Moreover, DG TAXUD has analysed the underlying reasons for the non-recoverable overtime and management's response to requests for overtime recuperation. Given these initiatives and the upcoming profound changes in the Commission HR landscape (new Commission HR strategy and subsequent need to adapt local HR strategies), DG TAXUD has requested the IAS to close the remaining recommendations. In reply, IAS considered these recommendations still relevant and encouraged DG TAXUD to continue implementation

¹³ All accepted and supported with an action plan 9 Feb 2022.

process with all respect to DG TAXUD's managerial competence to take decision of not implementing mitigation actions and accepting the risks¹⁴. DG TAXUD is currently looking into the possibilities of implementing the recommendations based on the elements it already has in place and taking into account the new HR landscape in the Commission.

¹⁴ Ares(2022)1602606 of 4 March 2022

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

1) Annex related to "Control results" - Table X: Estimated risk at payment and at closure

DG TAXUD -1	'payments made' (2021;MEUR) -2	minus new prefinancing [plus retentions made] (in 2021;MEUR) -3	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2021;MEUR) -4	'relevant expenditure' (for 2021;MEUR) -5	Detected error rate or equivalent estimates -6	estimated risk at payment (2021;MEUR) -7	Adjusted Average Recoveries and Corrections (adjusted ARC; %) -8	estimated future corrections [and deductions] (for 2021;MEUR) -9	estimated risk at Closure (2021;MEUR) -10
Procurement	125,69	0,00	0,10	125,79	0,50% - 0,50%	0,63 - 0,63	0,25% - 0,25%	0,31 - 0,31	0,31 - 0,31
Grants MFF 2014-2020	0,87	- 0,96	0,02	- 0,08	1,52% - 1,52%	0,00 - 0,00	0,25% - 0,25%	0,00 - 0,00	0,00 - 0,00
Grants MFF 2021-2027	7,38	- 7,38	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
CCEI	0,00	0,00	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
DG total	133,93	- 8,34	0,12	125,71	0,50% - 0,50%	0,63 - 0,63	0,25% - 0,25%	0,31 - 0,31	0,31 - 0,31
					Overall risk at payment in %	0,50% - 0,50% (7) / (5)		Overall risk at closure in %	0,25% - 0,25% (10) / (5)

Notes to the table X

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the DG total

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating DGs.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross-SubDelegations.

Retentions: in Cohesion, the 10% retention applied during the year.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

Retentions: in Cohesion, the retentions released during the year by the Commission.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological Annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates.

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, operating contributions to agencies*), the rate which should be used is 0.5% as a conservative estimate, unless the DG has a more precise estimate based on evidence.

(8) The adjusted average recovery and corrections percentage is based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years. The AOD has adjusted this historic average from 2,18% to 0,25% to take into account any ex-ante elements, one-off events, (partially) cancelled or waived Recovery Orders, and other factors from the past years that would no longer be relevant for the current programmes (e.g. higher ex-post corrections of previously higher errors in earlier generations of grant programmes, current programmes with entirely ex-ante control systems) or that corresponded to exceptional situations in order to come to the best and most conservative estimate of the ex-post future corrections to be applied to the reporting year's relevant expenditure for the current programmes. In particular the commercial credit notes have been neutralised from the calculation of ARC.

(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

1) Reservations

Not applicable.

ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

A. Human resource management

Objective: DG TAXUD employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business			
Indicator 1: Number and percentage of first female appointments to middle management positions			
Source of data: Commission Decision SEC(2020)146 of 1 April 2020			
Baseline (2019)	Target (2022) - (2024)	Latest known results (2021)	
1 December 2019 30% (6 out of 20)	2022: 4 first female appointments 2024: still to be defined	No first appointments in 2021. 2 in total since target set, on a target of 4)	
Indicator 2: DG TAXUD's staff engagement index			
Source of data: Commission staff survey			
Baseline (2018)	Target (2024)	Latest known results (2022)	
EC=69% and TAXUD=75%	DG TAXUD aims to maintain a staff engagement index that is higher than the Commission average and at least as high as in 2018.	75% compared to EC average of 72%	
Main outputs in 2021:			
Description	Indicator	Target	Latest known results
Develop solid knowledge and data for informed HR decisions	<ul style="list-style-type: none"> Skills mapping Workforce assessment 	<ul style="list-style-type: none"> Overview of available and missing skills needed to deliver DG TAXUD objectives Overview of links between resources and priorities 	<ul style="list-style-type: none"> Overview of available and missing skills achieved via TAXUD training maps Overview of links between resources and priorities across the DG achieved via ATLAS
Clear learning possibilities for different staff profiles	Learning paths targeting various staff profiles	Establishing learning paths in 6 areas	7 learning paths established
Encourage collaborative forms of work Adoption of guidelines for	Clear framework for staff wishing to establish a project team	Q1 2021	Guidance for the creation of TAXUD project teams adopted in March 2021

establishing project teams in TAXUD			
Reinforce Human Resources Management	Adoption of the local HR strategy and the local L&D strategy	Establishing clear directions in TAXUD HR policy, including L&D policy	Adoption of both strategies in Q1 2021
Support reaching the target of first female appointments	Develop an in-house coaching programme for staff in pre-management positions	Creating a local pool of female talent to draw from	Carrying out the in-house coaching programme in 2021

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

Indicator: Estimated risk at closure

Source of data: DG TAXUD's annual activity report

Baseline (2018)	Target (2024)	Latest known results (2021)	
0,41%	< 2% of relevant expenditure	0,25	
Main outputs in 2021:			
Description	Indicator	Target	Latest known results
Effective controls: Legal and regular transactions	Risk at payment	remains < 2 % of relevant expenditure	0,50%
	Estimated risk at closure	remains < 2 % of relevant expenditure	0,25%
Effective controls: Safeguarded assets	(In)tangible assets and inventories follow formal procedures for disposal of assets	Avoid a wrong imputation in the accounting system and compliance with regulatory provisions	No wrong imputation.
Efficient controls	Budget execution	remains 100% of payment appropriations	100%
	Time-to-pay	becomes 100% of payments (in value) on time	99%
Economical controls	Overall estimated cost of controls	remains <3% of payments made	1,02%

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 aimed at the prevention, detection and correction of fraud

Indicator: Implementation of the actions included in DG TAXUD's anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)

Source of data: DG TAXUD's annual activity report, DG TAXUD's anti-fraud strategy, OLAF reporting

Baseline (2018)	Target (2024)	Latest known results (2021)	
95%	100% of action points implemented in time	NA ¹	
Main outputs in 2021:			
Description	Indicator	Target	Latest known results (2021)
Reporting on the status of implementation of actions of the action plan	% of actions implemented	100% by 2024	NA ¹
Anti-fraud awareness raising among DG TAXUD staff	Number of promotion actions	3 actions per year	NA ¹

¹ The new anti-fraud strategy has not yet been formally adopted, hence indicators cannot (yet) be reported on.

D. Digital transformation and information management

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

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions

Source of data: DG TAXUD

Baseline (2020)	Target (2024)	Latest known results (2021)
New Transit Computerised System (NCTS) 50%	90%	86%
Central Electronic Systems for Payment Information (CESOP) 25%	100%	40%
Import Control System 2 (ICS2) NA – under development	91%	91%

Indicator 2: Percentage of DG TAXUD's key data assets for which corporate principles for data governance have been implemented

Source of data: DG TAXUD Local Data Correspondent

Baseline (1-1-2020)	Target (2024)	Latest known results (2021)
0%	80%	30%

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance

Source of data: DG TAXUD

Baseline (2020)	Target (2024)	Latest known results (2021)
0% of staff (1 January)	100% of staff	40%

Main outputs in 2021:

Description	Indicator	Target	Latest known results
First data lab version for DG TAXUD	First data lab version launched	March 2021	100%
Data Governance model published	Model adopted by DG TAXUD	June 2021	50%
Awareness raising sessions for: <ul style="list-style-type: none"> Newcomers Data Breach Procedures and 	Session organised	January – December 2021	<ul style="list-style-type: none"> 18 Nov 2021 and during the monthly newcomer sessions

Data Subject Requests.			• 28 Jan 2021
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E. Sound environmental management

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

Main outputs in 2021:

Description	Indicator	Target	Latest known results
Reduction in n° of missions	Expert meetings held by VC/webinar	Lower rate than year 2019	all expert meetings took place online or in hybrid format

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

Under the new Multiannual Financial Framework, DG TAXUD's operational expenditure tripled compared to the current level of expenditure. A significant increase of financial transactions, in particular grant agreements, will have to be prepared and followed-up. Absorbing the ensuing workload, notably in the financial unit - whilst keeping the staff levels stable - can only be achieved by fully exploiting the synergies and efficiencies brought forward by the new digital eGrants platform. The 2021 grant agreements under the Customs and the Fiscalis programmes were prepared and implemented using the new Corporate eGrants platform. The use of the eGrants platform has helped to reduce the cost of controls for grants as can be witnessed from the relevant sections in chapter 2 of the AAR.