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Electronic Customs Multi-Annual Strategic Plan

(MASP Rev 7)

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Main changes in revision 7:

This revision takes account of the discussion at the CPG (Deputies) meeting on 6 April 2006. It also incorporates the issues raised and agreed in Document 1016/2006 (electronic customs planning). Doc 1016/2006 is therefore replaced by this revision of the MASP.

The main changes which will be seen in this revision are:

- A staged approach to implementation of the electronic customs initiative (see particularly section 4 of this document);
- A methodology for the good management of all projects (see section 9);
- A general updating of events and actions, plus consistency with those presented in Doc 1016/2006;
- Annexe 2, which sets out the main projects, has been re-organised so that it is easier to read and clearly sets out the deadlines and milestones

The current version was put to the Electronic Customs Group (ECG) for review on 6 July 2006. The comments received by 23 August 2006 were discussed in detail at the ECG meeting on 20 September 2006. This version contains all the amendments agreed by the ECG.

1. PURPOSE OF THIS DOCUMENT

This document, the electronic customs multi-annual strategic plan (MASP), sets down the vision, objectives, the strategic framework and the milestones to implement the electronic customs initiative. It is also intended to provide interested parties with a short overview and background information on projects and key issues related to the evolution of the electronic customs initiative and the present state of play.

Legal, operational and technological changes, both at Community and national level, will be tackled in parallel to allow for an efficient implementation of pan-European electronic customs systems. This is necessary in order to meet the deadlines set down or to be set down in the legal bases and reflected in the timetable and will allow for a coherent implementation of legal requirements and processes. The management and governance of the whole programme and the projects will be essential in this regard. These issues are the subject of the present document.

The MASP aims to provide a basis for programming the implementation of the proposal for a Decision on a paperless environment for customs and trade (Electronic Customs Decision). The MASP will be an essential instrument to ensure the coherence of all Community projects relating to electronic customs, their effective planning and management, and for common agreement on implementation.

Being the key instrument to foster co-ordination between all the stakeholders, the MASP must be subject to a strict and transparent change management process under the control of Electronic Customs Group. The MASP will be amended as required as future steps become clearer and experience provides guidance for best practice. Each of the version of the MASP will be subject to the approval of the Commission and Member States.

2. BACKGROUND

Member States have committed themselves to action within the framework of e-Europe and, in particular, e-Government¹. Moreover, the Council Resolution of December 5, 2003², which endorsed the Communication by the Commission on a simple and paperless environment for customs and trade³, invites the Commission to "draw up, in close co-operation with Member States, a multi-annual strategic plan, aiming at creating a European electronic environment, which is consistent with the operational and legislative projects and developments scheduled or underway in the areas of customs and indirect taxation". Consequently, the Commission services have drafted a vision statement and a plan which aims at establishing a list of implementation actions and a timetable relating to what is now called the "electronic customs initiative", to be agreed and respected by all of the parties involved.

¹ Communication from the Commission to the Council, the E.P, the EESC and the CoR on "the role of e-Government for Europe's future" 26.09.2003, COM (2003) 567.

² OJ No C 305, p. 1.

³ COM (2003) 452, 24.07.2003.

In order to achieve a co-ordinated implementation of the plan, it is essential that Member States accept milestones as binding deadlines (the process for this is set out in sections 8 and 9 of this document). This approach was discussed with Member States and a range of traders and other interested parties at a high-level seminar on the implementation of the Multi-annual Strategic Plan for eCustoms, held in Wroclaw, Poland, on 5 – 8th April 2005. The proposal for a Electronic Customs Decision was submitted by the Commission on 30 November 2005. This Decision sets out the objectives, responsibilities, and timeframes for electronic customs at both Community and Member States level.

In early 2006, the Commission reviewed the progress towards achieving the electronic customs environment. It proposed a staged approach which was based on careful planning, making the best use of available resources, agreed implementation dates and a commitment to an evolutionary approach, thus avoiding expensive re-engineering. This was discussed and agreed by the Customs Policy Group (Deputies) at its meeting on 6 April 2006. The concepts and principles contained in this approach are reflected in this revision of the MASP.

3. VISION AND OBJECTIVES OF ELECTRONIC CUSTOMS

The Commission and the Member States aim to deliver pan-European e-Government services, providing for efficient, effective and interoperable information and communication systems between public administrations, including between their front and back offices, in order to exchange and process public sector information across Europe in a secure manner. Consequently, they shall set up and operate secure, integrated, interoperable and accessible electronic customs systems in order to facilitate supply chain logistics and customs processes for the movement of goods into and out of the European Community and to reduce the risks of threats to the safety and security of citizens by minimising the remaining differences between Member States' Customs processes.

These electronic customs systems aim to make customs clearance more efficient, to reduce administrative burdens, to combat fraud, organized crime and terrorism, to serve fiscal interests, to protect intellectual property and cultural heritage, to increase the safety of goods and the security of international trade, to enhance health and environmental protection and to allow for a seamless flow of data between export and import countries.

The Commission and the Member States will aim to provide the structure and means by which the Commission, customs administrations and other border agencies in the EU can exchange electronic information in order to

- control and facilitate the movement of goods into and out of the internal market through efficient import and export procedures;
- increase the competitiveness of European trade through a reduction of compliance and administrative costs and an improvement in clearance times;
- facilitate legitimate trade through a co-ordinated approach relating to the control of goods;
- improve the safety and security of citizens with regard to dangerous and illicit goods;

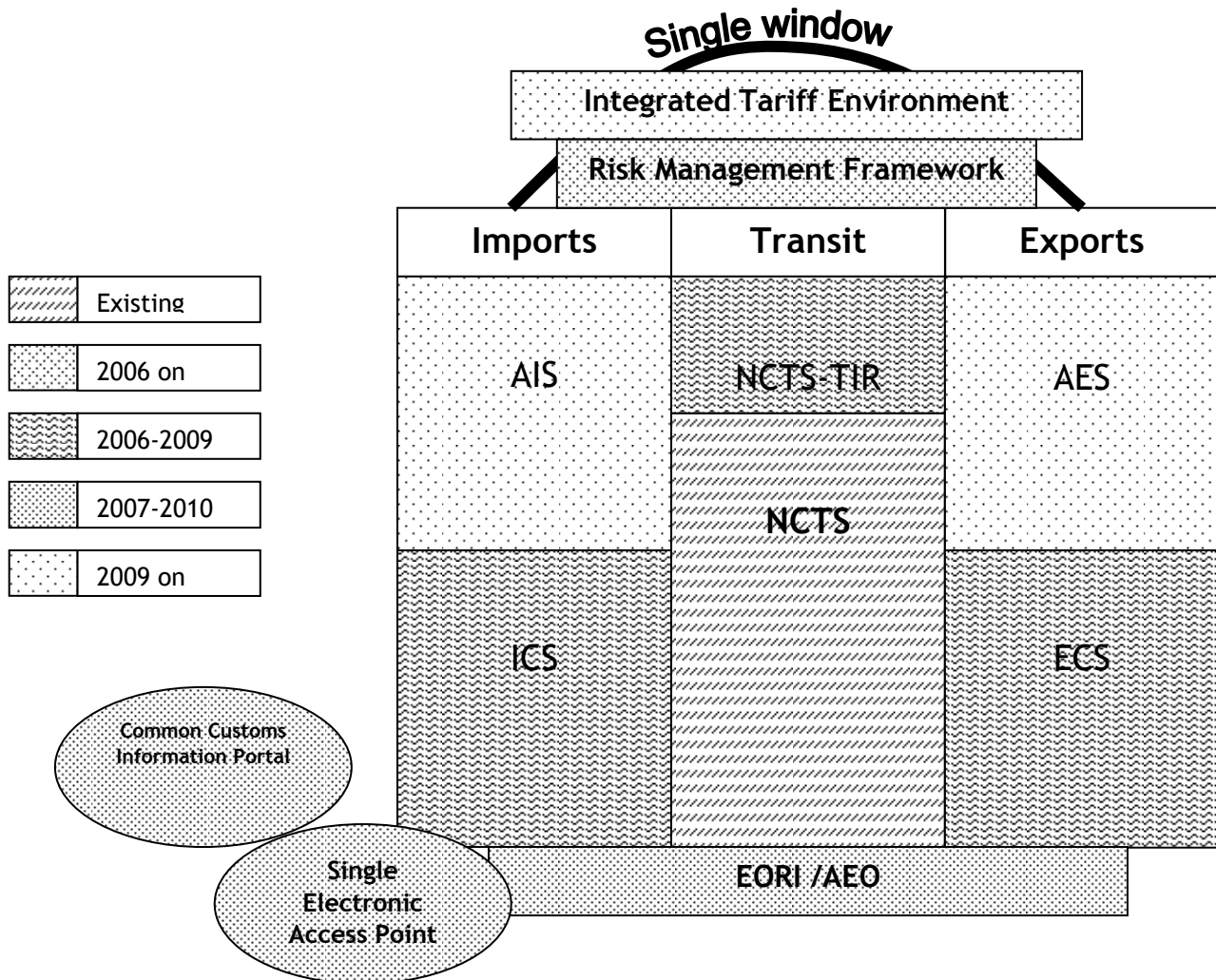
- offer an improved protection of the financial interests of the EU and its Member States;
- contribute to the fight against international crime and terrorism by providing rapid and relevant information with regard to the international supply chain;
- allow for a seamless flow of data between export and import countries on the basis of Reg. (EC) 648/2005 and other legislation to be implemented.

In order to achieve these objectives, the Commission and the Member States will aim to ensure that:

- electronic data exchange between customs offices is possible throughout the Community where required for any customs procedure or any other purpose related to the movement of goods across Community borders;
- economic operators can lodge their summary and/or customs declarations in electronic format from their premises, irrespective of the Member State in which the goods are entering into or leaving the Community;
- the collection and the repayment/remission of import duties will, in principle, be handled by the customs office responsible for the place where the importer/exporter is established and keeps his customs records;
- the selection of goods for customs controls at border and inland customs offices is based on automated risk analysis using international, Community and national criteria, the Community criteria being electronically exchanged between the Member States;
- traders will have to register only in one Member State for customs purposes, even if they perform customs transactions in other Member States;
- traders have access to information portals and single electronic access points for import and export transactions, irrespective of the Member State in which the transaction starts or ends;
- all existing (e.g. TARIC, NCTS, etc.) and future computerised customs systems will be based on an integrated architecture;
- whenever required, these computerised customs systems are interfaced with existing and future systems in areas other than customs (e.g. the EMCS or Excise Movement and Control System for monitoring intra-Community movements of excise goods);
- all authorities and agencies involved in import and export transactions are enabled to exchange electronic information, including with third countries if an international agreement provides for this. Customs will function as a single window for these authorities and agencies.
- all physical controls would be carried out at the same time and at the same place (one-stop shop).

4. A STAGED APPROACH TOWARDS IMPLEMENTATION

At the CPG (Deputies) meeting on 6 April 2006, the Commission provided the following scheme to try to show the electronic customs vision in diagrammatic form. Although the scheme (below) over-simplifies the picture, it helped to explain the vision.



Looking at the electronic customs initiative in this way also allowed the development of the initiative to be seen in a series of stages:

- The first stage builds on existing work, notably NCTS and the work in the field of risk management, and creates the foundation for an electronic customs declaration environment by adding ICS, ECS and NCTS-TIR to the existing NCTS. This work is on-going and will be fully operational by 2009, provided that ICS is started without delay.
- The second stage is seen as providing aspects of the electronic customs vision which primarily addresses trader concerns: the Economic Operators' Registration and Identification System and AEO, together with the Common Customs Information Portal and the Single Electronic Access Point. Some work has begun in all these areas but the planning should ensure that it builds on stage one, with full implementation being in 2010. Work on the SEA would also be finalised in this phase.

- In the third stage, work would be focussed on the more ambitious aspects of the electronic environment. These projects would lead to the completion of a fully automated export and import system (AES and AIS), as well as completion of the Integrated Tariff Environment (the latter being built on continuing work). Although some preparatory work would begin during the earlier stages, the aim would be for the main developmental, testing and implementation to be after 2009.
- The fourth stage would be the Single Window project. This would put in place the final elements foreseen in the electronic customs initiative described in the Commission's Communication (452(2003)) and the Council proposal for a paperless environment for customs and trade.

MS will implement the systems within a time window which will allow for conformance testing and entry into operation for each of the systems. However, by the final date set in the MASP/legislation, all systems must be operational in all MS.

5. LEGAL CHANGES AND SIMPLIFICATION (2003-2009)

The compulsory use of information technology for the benefit of customs authorities and economic operators requires changes to the Customs Code. In addition, Community customs rules and procedures need to be further simplified and modernized to make them better adapted for the use of IT instead of paper.

The Community Customs Code⁴ has recently been modified with a view to increase security at the external borders⁵. Corresponding implementing provisions are currently discussed in the Customs Code Committee and the Trade Contact Group⁶. The thrust of this Customs Code amendment, which contains already a number of rules relating to electronic customs, will also be reflected in the proposal for a modernized Customs Code.

5.1. Regulation (EC) No 648/2005

This Regulation is to be fully applied when the necessary implementing provisions have been adopted and entered into force. However, whereas some provisions will be applied immediately on that date, such as those necessary for the transitional period of ECS, others will not be applicable until the implementing provisions themselves are fully applied (within the timeframe set out in the Regulation). This is to provide time for traders and customs authorities to update their systems, particularly to handle the additional safety and security data which is expected to be required in declarations. This date of application is still under discussion.

Electronic declaration and automated systems for the implementation of risk management and for the electronic exchange of data between customs offices

⁴ Regulation (EEC) No 2913/92, OJ 1992 No L 302, p. 1.

⁵ Regulation (EC) 648/2005, OJ 2005 No L 117, p. 13.

⁶ Working Document TAXUD/1250/2005.

of import, entry, export and exit, are required to be in place three years after the date of entry into force.

Concerning the other necessary IT systems, the legal obligation set under Regulation 648/2005 is that these systems must be in place three years after the implementing provisions come into force (i.e. in mid 2009); they include those for:

- electronic lodging of pre-arrival and pre-departure declarations⁷;
- exchange of data between customs offices;
- an electronic system for risk management , both for transmission of risk information and risk selection results, to be integrated into the processing of electronic declarations.

5.2. Proposal for a modernized Customs Code⁸

The overall objective of the proposal is to modernise the Customs Code and to further promote the shift to a paperless environment for customs and trade.

- The proposed Electronic Customs Decision (see 5.3 below) and the proposed modernized Customs Code both support wider moves towards e-governance

The proposed modernized Customs Code aims to⁹:

- Streamline and adapt customs rules, procedures and processes in order to achieve a simple and paperless environment for customs and trade
- Enhance the effectiveness of customs legislation to ensure safety and security, compliance and reduce the risk of fraud
- Facilitate legitimate trade and enhance the competitiveness of businesses in the EU

During a seminar in Budapest in March 2005, trade federations and national administrations gave their broad support to far-reaching proposals to modernize the Customs Code and its implementing provisions (CCIP). The proposed modernized Customs Code was submitted to the Council and the European Parliament on 30 November 2005. The whole package (CC and CCIP) is expected to be applicable by 2009.

⁷ It will, however, be in the best interests of the customs authorities to ensure that such declarations can be lodged and processed electronically from the date of application, or as soon as possible afterwards, to remove the need for the processing of paper declarations.

⁸ Working document TAXUD/458/2005 Rev. 4, published on DG TAXUD's website under http://europa.eu.int/comm/taxation_customs/resources/documents/458rev_en.pdf.

⁹ Cf. Impact Assessment on the proposed modernized Customs Code and the proposed Electronic Customs Decision, p. 7-10.

5.3. Proposal for a Decision of the European Parliament and the Council on the implementation of a paperless environment for customs and trade (Electronic Customs Decision)

The main objectives of the proposed Electronic Customs Decision are to:

- Promote the implementation of interoperable and accessible customs processes and supporting systems
- Commit all stakeholders to implement pan-European customs processes and supporting systems
- Implement the Single Window and One-Stop-Shop

The proposal for an Electronic Customs Decision was submitted, simultaneously with the proposal for a modernized Customs Code, to the Council and the European Parliament on 30 November 2005. The Decision is anticipated to enter into force during 2007.

6. OPERATIONAL CONVERGENCE

In many areas common legal rules do not, by themselves, ensure a level playing field for economic operators or efficient management of the Customs Union. Along with the legal changes, common guidelines and working methods may be required. In context of the electronic customs initiative, the following activities for operational convergence need to be given priority (see also Annex 2).

6.1. Risk management

The exchange of risk information according to common criteria and standards is essential to ensure efficient risk analysis. The Commission services and the Member States are developing such criteria and standards in the context of the Risk Management Framework (see title 7.4 below).

6.2. AEO status and other European wide authorisations

From an IT point of view it will be necessary to conceive and develop an IT system or database that would not only facilitate communication and the consultation procedures between the MS authorities under the authorisation procedure but that can also be used as the database for all authorisations and, when necessary, for the mutual recognition with third countries.

6.3. Centralized clearance and electronic signatures

From an IT point of view, the most challenging aspect in the proposal is that which allows goods to be declared and the declaration accepted at the place where the importer is established despite the fact that the goods are released by another customs office (in particular the customs office of entry). This requires IT systems that would allow the transfer of all the necessary information between the MS as well as common control standards to ensure that the level of control is sufficient whilst not being over burdensome.

The questions referring to the electronic signature may also need to be addressed, in the cases where declarations are presented in a MS different from the one where the trader is established.

7. DEVELOPMENT OF INFORMATION AND COMMUNICATION TECHNOLOGY CUSTOMS SYSTEMS

The use of information and communication technology specially designed to support the convergence and harmonisation of customs business process throughout the Community is beneficial to both customs administrations and traders. It will reduce the security risks related to the movement of goods to and from the EU, by rendering risk analysis more effective, allowing early information to become available for efficient monitoring of trade flows and the appropriate selection of consignments to be checked.

Furthermore, it will considerably reduce operating costs of doing business in the EU, accelerate the movement of goods across Community customs borders and withdraw paper-based formalities. The envisaged interoperability of the IT systems will also make access to paperless customs procedures easier and more standardised throughout the EU. Information should become easier to access and more quickly available both for the economic operators and officials concerned.

Interoperability and accessibility

Dependent on the actors who will exchange electronic information, the Commission Communication on e-Government of 26th September 2003¹⁰ distinguishes between interoperability and accessibility of IT systems of administrations.

Interoperability refers to the common and national domains by which customs systems of the Member States and the Community and between these systems and systems used by other authorities and agencies involved in the movement of goods across EU borders are interlinked.

In order to allow for an effective and efficient risk management, customs administrations of all Member States must be able to exchange electronic information. This includes particularly the exchange of pre-arrival and pre-departure declarations, risk information and information concerning economic operators. Therefore customs systems and practices ought to be convergent, and the automated customs systems of the Member States and of the Commission have to be fully interoperable in order to provide for a seamless flow of data.

The Member States and the Commission will draw on their NCTS experience to collaboratively manage and conduct development activities related to interoperable customs systems as required by the legal instruments.

Accessibility refers to the external domain, thus, to economic operators' electronic access to automated customs computer systems in order to communicate and carry out their business with customs online. This should be achieved on the basis of the principle of "inclusive access" (multi-platform access) as defined in the above mentioned Commission Communication on e-Government.

The architecture of the system is foreseen as follows:

The competence to implement electronic customs projects is shared between all the parties involved and comprises three distinct domains of responsibility:

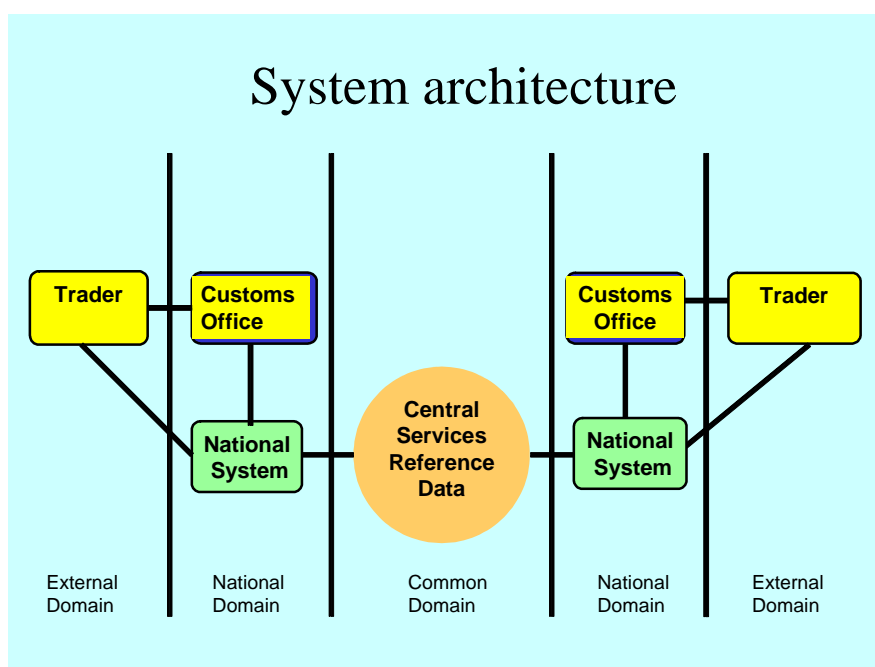
¹⁰ COM (2003) 567.

Common Domain: this covers the relationship between the National Administrations (NA), and between the NAs and the Commission. This Domain is under the shared responsibility of the NAs and the Commission.

National Domain: this covers the relationship between the Customs Offices of a country and their national system. This Domain is under the sole responsibility of the NA concerned.

External Domain: this covers the relationship between the NAs and their Traders. This Domain is under the sole responsibility of each NA. Within the External Domain, Traders interact with their NA, which is the body responsible for specifying and setting up the interfaces for them. However, the Commission and NA's will be developing guidelines to pave the way for standardisation¹¹.

The scheme below illustrates the system architecture:



Integrated Community customs systems

In order to ensure a seamless flow of data, existing customs systems, such as NCTS, and future systems such as AES, AIS, and the system for the control of the movement of excise goods (EMCS)¹², as well as their reference data systems which will provide the trader and risk related information, will be integrated or interoperable with each other as far as this is technically feasible. This integration or interoperability should be guaranteed from the start of operations of each new IT system related to eCustoms.

¹¹ These guidelines are imbedded within the specifications of each system proposing the corresponding business processes and messages.

¹² See Decision No 1152/2003/EC in OJ L 162/5.

In order to improve the coherence between the Electronic Customs Decision and the MASP, the following list of systems to be implemented in the context of the electronic customs initiative, will follow the structure of the Electronic Customs Decision rather than distinguishing between interoperable and accessible systems. This is also the case for Annex 2 (electronic customs projects).

7.1. Import Control System and Automated Import System

The first stage of Automated Import System (AIS), the Import Control System (ICS), will particularly include the exchange of electronic pre-arrival declarations and risk information (see 7.5 below), including also the external domain, based on Regulation (EC) No 648/2005. In a second stage, all additional features relating to the external domain in import clearance, including dialogues between offices of import and entry, which will pave the way for the implementation of the centralized clearance concept, both under the current and the modernized Customs Code, will be included in the AIS.

A Customs 2007 Working Group on the Automated Import System prepared the draft user requirements for AIS (including ICS) and presented them at the beginning of June to ECG. The user requirements will be adopted formally at the end of September 2006 after undergoing the acceptance procedure foreseen in section 9. The functional specifications were presented at the same time. The following steps will be examined afterwards.

7.2. New Computerised Transit System (NCTS)

Technical development was finalized by 31 December 2005 (complete implementation of Phase 3.2.2). Since 1st July 2005, all transit movements must be made electronically, based on NCTS (only exception: unavailability of systems). The NCTS is thoroughly monitored in order to ensure the Community wide functioning and continuously improved in order to strengthen its reliability. This is of particular importance in the context of electronic customs so as to demonstrate the ability of the Community to deliver operational systems with the resilience expected by traders.

The main challenge at this point is the availability and continuity of operations to have a full credibility of this type of large-scale IT projects.

A similar project for TIR (NCTS-TIR) started its pilot application on 1 July 2005. Its main objective is to replace the return of Voucher 2 of the TIR-Carnet by an electronic message between Community customs offices. This would reduce the number of enquiry procedures due to delays when using the paper procedure.

Minor adaptations to take into account the Implementing Provisions of Reg. 648/2005 are necessary and are being discussed at the Electronic Customs Group level with a view to adoption by 2006.

7.3. Export Control System and Automated Export System

The first stage of the Automated Export System (AES), the Export Control Systems (ECS) project, started in 2003 and covers only the return of copy 3 from the customs office of exit to the customs office of export. The extension of its planned pilot implementation from 12 countries to all Member States was decided in 2004. The functional specifications were accepted in 2004, the technical specifications in the first Quarter 2005 and a date of starting

operations between 1 July 2006 and 1 July 2007 was agreed by the Member States in 2005. The start of operations did not take place on time due to the delay in the adoption of legal basis in the implementing provisions to Reg. (EC) 648/2005.

Once the security related data elements, their format and the information flow have been fixed (implementing provisions of the “security amendment to the Customs Code” - see 5.1), they will need to be included in the system at the time that these provisions become applicable. Further development within Phase 2 will include the necessary elements of the external domain that which will ensure a level playing field for economic operators throughout the Community.

As stated above, the ECS project is divided into 2 phases:

Phase 1 – Start and progressive territorial extension of the system on the basis of current functional specifications. This phase shall start from 1 July 2006 and last till 30 June 2007, including all 25 Member States, Bulgaria and Romania¹³.

Phase 2 – Conformity with implementing provisions to the security amendment of the Customs Code including the handling of "pure" pre-departure declarations¹⁴. Both phases will, inter alia, cover the following milestones:

- **In addition to the functionalities covered by phase 1 (common domain)**, the electronic exchange of the export declaration between traders and the customs office of export.
- the automatic matching of the information of the export data, the means of transport and the date of exit of the means of transport.

The next steps, relating to the extension of the ECS to the AES, will include further development of the system on the basis of corresponding upgrades of functional specifications, as follows:

- the incorporation of data contained in the control copy of the T5 document¹⁵
- the electronic exchange of information and control results with other authorities and governmental organisations within the Member States eg CAP authorities);
- the electronic exchange of information with other authorities and governmental organisations in countries outside of the EU (e.g. for CSI);
- the central clearance approach.

¹³ Bulgaria and Romania: on condition that they have become a Member State of the EU prior to starting the operations.

¹⁴ See working document TAXUD/3810/2005.

¹⁵ See working document TAXUD/1261/2005

7.4. Risk Management Framework

A secure electronic system for disseminating and exchanging risk information to all customs control points of the Community, the electronic Risk Information Form (RIF) system, has been launched in April 2005. This system allows the rapid, direct and secure exchange of information relating to customs controls and, furthermore, the Commission is able to disseminate information concerning Community-wide threats via RIF. The electronic RIF system should be seen as the first stage in the construction of a Community Risk Management Framework (RMF).

The further development of the RMF is likely to engender additional IT activities, including common technical specifications for national risk analysis systems in order to ensure that Community profiles can be communicated and readily incorporated into the national systems. Statistical and management information could also be duly obtained and processed via this approach. This will require communication (i.e. interconnectivity and interoperability) between the national risk systems, across the common domain. Development of the RMF is ongoing.

It is important to note that, although the RMF can be developed separately, its successful application will depend on its integration into the overall customs reference data systems which supposes parallel developments in trader identification, AEO, audit controls and standardisation of customs controls.

7.5. Economic Operators' Registration and Identification System

Economic operators who are involved in the movement of goods crossing Community borders, including those established outside the EU, could be registered, particularly for the purposes of lodging electronic declarations and identification. Such a registration will use the basic identification information to provide a unique identifier which can improve the control of the data exchange between Member States' customs administrations and for other reference systems such as AEO, risk management, and perhaps SEA systems. An Economic Operators' Registration and Identification System (EORI) is, therefore, an important element of inter-operable customs systems.

Interoperable customs systems must enable economic operators to register only once instead of having to register in each Member State where they lodge a declaration. It will provide a unique identifier in the EU for customs purposes and even beyond in the framework of the Single Window (to obtain information relating to import/export licences, agricultural or sanitary certificates, etc).

A project group will evaluate existing traders' registration systems for customs purposes by mid 2006 and make recommendations for user requirements in September 2006. The EORI system, which will possibly be combined in a group of reference systems with the AEO and risk systems, is anticipated to be available in 2011.

7.6. EU Customs Information Portals

Economic operators will be able to access information related to import/export requirements through a customs information portal. Such a portal would also contain information about rules on the movement of goods

across borders, other than customs legislation (agricultural, environmental and other legislation). This approach is in line with the e-Government roadmap.

As a first step, the Commission will need to transform and strengthen its current Data Dissemination Service that it currently delivers via the “Europa” server. In parallel, Member States will have to enhance their information portals as part of a national project, taking into account a Community-wide layout, which is to be developed. The web sites of MS administrations and of the Commission will be interlinked and harmonized where possible.

A Customs 2007 project group is developing a situation description, user requirements and a feasibility study for the Common Customs Information Portal and the Single Electronic Access Point (see next point) concepts, highlighting the risks and opportunities of their integration. The final report will contain recommendations of requirements and describe business processes. A common customs information portal is anticipated to be operable in 2011.

7.7. Single Electronic Access Points

Online access to administrative processes is one of the main objectives of the e-Government action plan, "i2010". The purpose of the single electronic access point (SEAP) concept is that a trader can lodge all his declarations to customs electronically via one single interface of his choice which connects his system with all Member States' customs systems. This data can automatically be made available to any customs office responsible for the place at which goods have been, or are to be, presented, irrespective of the Member State concerned.

A variety of – private or public – “single access point” providers might better serve the diversity of economic operators and respect the principle of subsidiarity, rather than traders having to maintain multiple interfaces and/or connections, which are currently different for each customs authority and agency across the Community.

The Commission should support the creation of such single access points (co-ordinated with common customs information portals, which should provide a link to SEAP):

- by providing a framework for the exchange of information, and best practice, between the Member States and the trader community via the Electronic Customs Group and by financing the organisation of seminars and meetings between Member States delegations and the Commission under the Customs 2007 or its successor programme;
- by defining the content and structure of common messages to be exchanged between different Member States;
- by supporting efforts for harmonisation of data sets, message and communication means within the framework of international standards;
- by facilitating the production of common functional and technical specifications.

The Commission will continue to encourage the submission of research proposals addressing the implementation issues of “single access points” under the 6th and 7th R&D Framework programme.

A Customs 2007 project group is developing a situation description, user requirements and a feasibility study for the Common Customs Information Portal (see point 7.6) and the Single Electronic Access Point concepts, highlighting the risks and opportunities of their establishment. SEAPs are expected to become operational from 2010 onwards.

7.8. Integrated Tariff Environment

Different areas of tariff related activity, supported by IT systems, are related. Therefore the IT systems concerned (CN, TARIC, EBTI, TQS, IPR, ECICS, Suspensions, SMS and DDS) could benefit from the re-use of data and/or functionality between one and another. Typical examples of such re-use are the descriptions of CN codes, owned by the CN system, and re-used by the TARIC; TARIC codes, owned by the TARIC and re-used by EBTI or description of goods under autonomous suspensions owned by suspensions and re-used by the TARIC.

Such interrelationships can only be implemented efficiently if there is consistency of data codification between the systems. This is not always the case currently. For example, geographical areas and groups thereof are coded in a different way between TQS and TARIC.

One of the goals of the ITE project is to standardise the use of this data between the concerned systems, to allow for a widening and strengthening of the links between the systems.

Also, currently, Member States are confronted with multiple interfaces for tariff related data: TARIC, TQS, BTI (ECICS in the future). In certain cases, data is duplicated from one interface to the other. For example, exhaustion dates of tariff quotas are present in the quota and in the TARIC interface.

The second goal of the ITE is to merge the interfaces of the different inter-related tariff systems into one tariff interface towards the Member States, without redundancy of data, and with a unique format.

The integration of these systems is anticipated to be completed by 2011.

7.9. Single Window

The effective functioning of the Customs Union and the Single Market requires intensive co-operation between customs and border agencies, and with trade and logistics communities in all EU Member States. Though this objective is also enshrined in the International Convention on Frontier Controls¹⁶, the different border agencies are still acting independently, both at EU and national level, which has caused unnecessary burdens for trade and logistics. Furthermore, security concerns now require common sharing of information related to the movement of goods across external Community borders and within the EU customs territory.

¹⁶ OJ 1984 No L 126/3

A Single Window needs to be provided for economic operators and also to allow for a coordinated approach for all cross border operations and related electronic documentation with all authorities and agencies involved in the movement of goods. This is consistent with the e-Government model¹⁷.

The proposals on a modernized Customs Code and on an Electronic Customs Decision will provide the legal basis for the customs authorities to cooperate with other authorities and agencies involved in the movement of goods across Community borders

The Commission services have drafted a working document on the Single Window concept at Community level¹⁸. This document contains an inventory of existing systems and initiatives on electronic exchange of information related to import and export procedures, both under DG TAXUD's and other DG's competence, and the links between them. Member States are invited to perform a similar exercise with regard to a Single Window between national customs and other authorities and to submit the results to the Commission services. A high level seminar involving Member States, the Commission and trade was held in Innsbruck in March 2006. The Customs Information Portal and the SEAP could provide the first stepping stone to build the Single Window, which is anticipated to be established by the Member States and the Community after 2011. However, the implementation of single window presents a huge organisational challenge rather than a technical one, as it will require a massive effort of co-ordination across several agencies across all Member States and the Commission for common and national domains.

7.10. Other projects related to Electronic Customs

The results of any project related to Electronic Customs systems and projects, covered by the Customs 2007 programme, such as the benchmarking projects on a paperless environment for customs and trade and on IT architecture, will be taken into account for the development of Electronic Customs systems. Coordination will also be maintained with the EMCS project as there might be a need for a joint approach on standardisation, reference data, etc.

8. MANAGEMENT OF THE IMPLEMENTATION OF ELECTRONIC CUSTOMS

The Commission services, assisted by the Customs Policy Group, which will act as steering group for the implementation of electronic customs, shall ensure the implementation of this Decision, and particularly

- define strategies, resources and development phases;
- ensure the coherence of all activities related to electronic customs, in order to use resources in the best and most efficient manner, including the use of the resources already involved at national and Community level;

¹⁷ Points 4.2.6 and 4.2.7 of the Commission Communication on e-Government of 26th September 2003; COM (2003) 567.

¹⁸ Working document TAXUD/1241/2005 Rev. 2.

- coordinate legal and operational aspects, as well as the training and IT development;
- steer the implementation activities of all stakeholders;
- ensure the respect of agreed deadlines and the methodology as described in Annex V to the MASP.

The Commission services and the Customs Policy Group will be supported by:

- the Customs 2007 Committee concerning the implementation of programme actions within the established Customs 2007 management and financial frame;
- the Electronic Customs Group, created by the Customs 2007 Programme, with regard to the updating of this document, the definition of user requirements, and functional and technical specifications, and to the overall coordination of the project groups

as outlined in more detail in Annex 3.

On the basis of the Electronic Customs Decision, containing clear and binding milestones for the actors involved, Member States need to establish their own implementation strategy which sets out the conditions for the migration path towards electronic customs. In order to facilitate this process, the MASP will be maintained, reviewed, and updated by the Commission, assisted by the Customs Policy Group and the Electronic Customs Group, to provide more precise information regarding the individual steps, their co-ordination, and their timeframe. This is essential to avoid an extended period during which IT systems and paper-based solutions are used alongside as a result of individual Member States not having met target dates.

Apart from the modernized Customs Code, which will be adopted by the European Parliament and the Council, legal changes will largely be introduced by amending the CCIP with the involvement of the Customs Code Committee.

Within DG TAXUD and for the co-operation with other Directorates General of the Commission, a strong management structure will be ensured and the same approach should be followed within Member States.

9. MANAGEMENT OF THE IT PROJECTS IN ELECTRONIC CUSTOMS

In order to be transparent and to establish confidence in the progress and evolution of projects by Member States and the Commission, it is important to have a clear methodology for achieving results. The staged approach referred to in Section 4 above sets broad targets for implementation of systems. However, these will only be realised if there is an agreed strategy for coordinated development.

Each project will need to operate within an overall timeframe. For example, "Project A" is intended to start operations on 1 July 2009. To achieve this, there must be strict adherence to agreed deadlines for each step of the project based on a realistic planning of the process (eg user requirements, functional specifications, technical specifications, development). The Commission proposes to use the methodology

applied successfully to the NCTS project (see Annex V, although it should be noted that average times are used for the model and these must be adapted to meet the characteristics of each project).

For each decision step in a project, there will be an "acceptance cycle". Each document to be approved will be submitted for review, with a pre announced and adequate period given for providing comments. At the end of the review period, a consolidated list of all the comments received will be made and a meeting will be convened to discuss the actions to be taken for each comment. Based on the review decision taken, a revised document is created. This finalised document will then be submitted for consideration to the appropriate body (normally either the ECG or the CPG (Deputies)). Once agreement on the document has been reached, it must be respected by all parties.

The same principles will be applied to the MASP, so that, at the end of the acceptance cycle, the version will contain deadlines which all parties will respect. In the event of unexpected and major delays to projects, the agreed deadlines may be amended by following the same acceptance cycle and in accordance with the Governance Scheme (in Annex III of MASP).

It is essential for the good management of the electronic customs initiative that this methodology is respected. All parties, whether national administrations, the Commission or economic operators must be able to make their plans and commit resources in the confidence that everyone is working to the same deadline on the basis of the same agreed documentation. Furthermore, the complexity of the inter-dependence of projects means that careful coordination is necessary to ensure that delays do not occur because other projects are not running to schedule.

10. TRAINING

The implementation, application and adoption of electronic customs by Member States and businesses require a carefully designed training framework. A professional training strategy will translate e-Government into practice and thus enable businesses and governments to reap the full benefits of electronic customs. Moreover, it is fully consistent with the educational and learning aspects of the Community's Lisbon Programme.

The development of a professional training framework including its various building blocks shall comply with a few key principles: it has to be user needs driven, multi-channel, cross-government and cross-national. The framework shall complement and reinforce the efforts of Member States and cover areas where purely national action is insufficient. It shall be developed in partnership with all stakeholders.

To achieve this, the Commission proposes in particular to pursue the following methodology:

- analyse the training needs together with stakeholders at European, national and regional/local levels;
- define target groups and main objectives for training activities;

- consider the most appropriate training tools and delivery methods depending on the target audience and circumstances;
- develop tailor-made training plans;
- implement the plans as well as manage and evaluate the individual projects.

By pursuing the approach outlined above, training will contribute to the success of electronic customs services: it will be instrumental in the actual adoption of services and enable governments to turn that adoption into value.

11. TRADE INVOLVEMENT

Contacts with economic operators will be organised by DG TAXUD to offer an overall platform under which smaller groups may be charged with specific projects. Indeed, co-operation with representatives of economic operators and IT solution providers, both at Member States and Community level, will be essential to use synergies, reach common understanding and respect commitments. To ensure that the involvement of trade in the strategic as well as operational part of electronic customs takes place in an efficient and coordinated way, a communication frame for trade involvement in electronic customs has been established by DG TAXUD (Annex IV).

12. COMMUNICATION

Explaining the added value and opportunities of electronic customs is of vital importance for the acceptance and eventual take-up of the proposed measures. Without reliable information, predictability and legal certainty of businesses' enabling environment, and unambiguous messages, economic operators and software providers could not prepare for the changes ahead and administrations would be unable to assume their responsibility as co-owners of the electronic customs initiative. Communication can be instrumental in ensuring that the full potential of electronic customs be unleashed and can contribute to the improvement of businesses' competitiveness through the reduction of transaction costs incurred in dealing with administrations. What ultimately matters is trust that can only be created by a professional approach to communication.

Against this backdrop, a comprehensive communication strategy - complemented by communication plans designed to explain major milestones of the electronic customs project – shall be developed. Communication activities shall be tailored to the needs of target audiences both at European, national and most importantly, local level. The Commission shall be responsible for the activities at European level and ensure that they are complementary with the ones at national level. The most suitable existing communication tools shall be mobilised depending on circumstances and new tools developed.

The professional approach to communication as set out above is consistent with the Commission's commitment to make communication one of its strategic objectives and its new communication policy (White Paper on a European Communication Policy COM(2006)35; Action Plan to improve communicating Europe SEC(2005)985) .

Finally, communicating electronic customs shall be an inclusive process. It is not a task that the Commission can cope with on its own: its success will heavily depend on a partnership with all key stakeholders in customs policies and e-Government, in particular with the Member States.

13. MONITORING AND MEASUREMENT OF RESULTS

The achievement of the vision of a paperless customs environment demands that the timetable set out in this plan and the Electronic Customs Decision be adhered to. It is also important to assess whether the objectives of the electronic customs initiative are being met. To this end, the Commission, together with Member States, will undertake monitoring activities to ensure the development stages of the computerised systems are being achieved. In addition, in order to measure results, the Commission and Member States will ensure that the development of informatics systems will take account of the need to collect data for the purposes of the measurement of results. The monitoring and measurement will be continuous and the information shared with Member States in order to assist in the timely and efficient achievement of the objectives and computerised systems.

14. CONCLUSION

Simplifying customs procedures and processes, as well as providing for interoperable customs systems, accessible to economic operators throughout the Community, are the principal objectives of the electronic customs initiative. This initiative is based upon and in line with the Commission Communication on e-Government and the Council Resolution on a paperless environment for customs and trade. Member States will further commit themselves to the objectives of the electronic customs initiative when adopting the Electronic Customs Decision that, together with Regulation (EC) No 648/2005 and the modernized Customs Code, will provide a firm legal framework for this initiative. Within this framework the MASP, a “rolling plan” maintained under tight management, will set out more detailed guidelines for the development of electronic customs systems. The commitment of Member States to the timetable to be set out in the Electronic Customs Decision and further detailed in the MASP, is a key element for the success of electronic customs.