

ANNEX II

Inventory of existing electronic systems/documents and initiatives on electronic exchange of information, under DG TAXUD's competence

Further information: Working Document TAXUD/472/2004/Rev. 6 Electronic Customs Multi-Annual Strategic Plan (MASP) and Annexes, particularly Annex II with tables describing eCustoms projects and systems

New Computerized Transit System (NCTS) and NCTS-TIR

1. Legal bases

NCTS

Community Transit: Customs Code and Customs Code implementing provisions. (as last amended by Reg. 837/2005)

Common Transit: Convention on a Common Transit Procedure

NCTS-TIR

Customs Convention on the international transport of goods under cover of TIR carnets (TIR Convention 1975)

Customs Code implementing provisions (Article 455)

The Commission has to identify the legislative changes required in order to establish a legal basis for termination of the procedure by electronic means (at present, the return of the paper –based "Voucher No 2" is the legal basis).

2. Purpose and objectives of the system

NCTS

The computerisation of Community/common transit covers the functionality proper to the offices of departure, destination and transit including the integration of the "Customs Office List" application (phase 3.1). In addition, it will integrate the essential ancillary applications, namely the guarantee certificate management and the enquiry procedure (phase 3.2) by the end of 2005.

The NCTS project covers those transit procedures carried out hitherto on the basis of the SAD (Single Administrative Document) – independently of the mode of transport used - including the simplified procedures applied at the offices of departure and destination. This means that, for the time being, the NCTS project mainly concerns road transports. Other modes of transport different specific procedures not based on the SAD apply and the following simplified transit procedures are, for the time being, excluded from NCTS:

- Goods transported by rail
- Goods carried in large containers
- Goods transported by air
- Goods transported by sea
- Goods transported by pipeline
- Goods transported under TIR or ATA carnet
- Goods transported under the NATO provisions (Form 302)

See also Automated Export System (below) concerning the electronic integration of

the T5 form.

NCTS-TIR

The chief objective of the pilot application is to test the possibilities of using the NCTS to facilitate the termination /discharge of TIR operations within the Community. To this end the operations could be accelerated by augmenting the return of Voucher No 2 with the sending of NCTS messages. A secondary objective of the exercise is to influence the development of the so-called e-TIR project currently under development by the UNECE.

The main element of the TIR system is the TIR carnet. It serves as a transit document as well as a proof of guarantee. In 2000, the decision was taken to computerise the TIR System, subsequently the E-TIR project started. It has been suggested using the NCTS infrastructure for exchanging TIR data messages for two reasons: testing the concept and feasibility of computerising the system and improving the situation regarding delays in returning a part of the TIR document. There is a close correlation between the data required for TIR and the one required for NCTS. Procedural guidelines have been adopted.

The International Road Transport Union, who manages the TIR guarantee and the UNECE secretariat are also willing to participate in the project.

The results of the evaluation are expected for the end of October 2005. The CCIP will subsequently be amended in order to provide a legal basis for the use of IT (exchange of electronic data) to end the procedure.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

NCTS

Actions

Implementation of phase 3.2 (end of 2005).

Milestones

31 December 2005 End of implementation of all phases of NCTS

NCTS-TIR

Actions and milestones

Yet to be defined.

Automated Export System (AES)

1. Legal bases

Amendment to the Customs Code, Regulation (EC) 648/2005

- Art. 182d (1): Common data set for pre-departure declarations
- Art. 182 d (2): Electronic pre-departure declarations
- Art. 182c (2): Electronic exchange of data between the customs office of export and the customs office of exit

Customs Code implementing provisions to Reg. (EC) 648/2005 (Document TAXUD/1250/2005)

- Art. 4d, 4e Electronic data exchange
- Art. 201 Place of the declaration
- Art. 285 Local clearance at export
- Art. 791a-e Pre-departure declaration
- Art. 796a-797 Specific provisions for AES
- Art. 842a-842d Pre-departure summary declaration
- Annex 30A Data elements

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- Art. 5: Electronic exchange of information
- Art. 90 (a): Obligation for traders to lodge an electronic customs declaration

Draft Electronic Customs Decision

- Art. 1 Secure, integrated, interoperable and accessible electronic customs systems
- Art. 2 Facilitation and services, and safety and security
- Art. 3 Electronic Data Exchange
- Art. 4 Systems and services, and time-table

2. Purpose and objectives of the system

The objective of the AES project is to provide a solution that will allow the customs offices involved into export procedures to exchange, amongst the various actors (Traders, Customs, Other Governmental Administrations) electronic messages related to the different states of such operation, in order to provide all necessary information to automate the administrative flow of the operation, elevate the effectiveness of controls and expedite the flow of goods.

The project is divided into 2 phases:

The first phase (ECS), which is based on the functional specifications that have been accepted by the Commission and the Member States in the first quarter of 2005, will cover electronic exchange of the export information between customs authorities of MS of export and MS of exit, electronic exchange of control results and confirmation of exit between customs authorities of MS of exit and MS of export. This phase shall start from 1 July 2006 and is expected to last till 30 June 2007, including all 25 Member States, Bulgaria and Romania.

The first and most important system change to be introduced in the second phase of ECS will be the incorporation of Regulation (EC) No 648/2005, which introduces exit summary declarations and will require different or additional information to be included in export declarations, for safety and security purposes. This ECS system change should coincide with the date of application of the implementing provisions consequent to Regulation 648/2005, which are expected to be adopted in mid 2006. The date of application of these provisions is, however, currently under discussion. It will provide a certain period between the dates of adoption and application that will allow not only for ECS change planning but also time for traders and NAs to update their own electronic systems to meet the new requirements.

Beyond this, however, are a number of indirect 'export' movements, i.e. goods being brought out of the customs territory of the Community other than under the standard export procedure, involving more than one Member State that were identified in the User Requirement for ECS (Document TAXUD /734/2003) as being outside of the scope of ECS, the first stage of AES. These include, for example, goods exported as indirect exports where either Single European Authorisations or 'global' requests are used; goods exported by rail, air or sea under a single transport contract; and movements of agricultural products under control (T5 control copy). The UR recommended that solutions for the integration into AES of some or all of these transactions should be sought during the first (ECS) stage of AES development, with a view to future system change.

The Automated Export System (AES) will cover the electronic exchange of the export declaration between traders and the customs office of export, as well as the electronic exchange of information and control results with other authorities and governmental organisations within the Member States. It will also include the automatic matching of the information of the export data, the means of transport and the date of exit of the means of transport. Finally, AES is going to cover the electronic exchange of information with other authorities and governmental organisations in countries outside of the EU (e.g. for CSI).

T5

The control form T5 is not computerised and may eventually be integrated in the export control system (ECS) with regard to operations under customs control. Problems arise in cases where agricultural legislation has expanded the use of T5

for operations outside of customs control (agricultural goods, which are not carried under a transit procedure)¹. Export refunds may only be granted (full rate of refund if the refund is not differentiated, lowest rate of refund if the refund is differentiated) where evidence is given that the goods concerned have left the customs territory of the Community. This evidence must be given through a duly endorsed T5 control copy (from the office where the export declaration has been accepted) or through nationally established procedures. A T5 dematerialisation pilot project is currently conducted by a Working Group of Panta Rhei involving ONILAIT and BIRB, two agricultural agencies from FR and BE, respectively.

According to Decision No 2004/563/CE, EURATOM of 7 July 2004 concerning the validity of electronic documents and the respective draft implementing provisions which are anticipated to be shortly adopted, electronic documents are legally valid and may replace a paper document, including those established or received from persons outside the Commission. Therefore, integrating the T5 in the AES/ECS should not raise any (legal) difficulties if the necessary information - providing proof that the goods in question have left the Community territory and have arrived at the place of destination or that other legal obligations in this context have been fulfilled – are included.

The use of T5 is not restricted to the export procedure and can require the provision of a guarantee. Further development of the NCTS, with a view to including T5 movements, may be an alternative solution. Otherwise, ECS will also have to include a guarantee module. Furthermore, it will have to provide for different data sets and to generate different accompanying messages, unless the respective Regulation is changed with a view to allowing the T5 to be replaced by the 'guaranteed Copy 3'.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Actions

1. Definition of user requirements (done)
2. Definition of functional specifications (done for first phase; still need with regard to security-related data elements and T5 control copy)
3. Development, training, communication
4. Progressive implementation

Milestones

- | | |
|------|--|
| 2006 | Start of implementation of the first phase of AES (i.e. ECS) |
| 2007 | Start of implementation of the second phase of AES |

¹ Commission document “Community transit – Handbook on the use of control copy T No 5 – Situation on 1 September 1985” OPOCE 1985, 64 pp., describing the procedure for the use of the T5, and containing a list of cases in which the procedure is compulsory.

2008	End of implementation as far as implementing provisions to Reg. (EC) 648/2005 are concerned
2009	End of implementation AES

Automated Import System (AIS)

1. Legal bases

Amendment to the Customs Code, Regulation (EC) 648/2005

- Art. 36b (1): Common data set for pre-arrival declarations
- Art. 36b (2): Electronic pre-arrival declarations
- Art. 36a (2): Electronic exchange of data between the customs office of import and the customs office of entry

Customs Code implementing provisions to Reg. (EC) 648/2005 (Document TAXUD//1250/2005)

- Art. 4d, 4e Electronic data exchange
- Art. 181b-187 Pre-arrival declaration
- Art. 796a-797 Specific provisions for AIS
- Annex 30A Data elements

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- Art. 5: Electronic exchange of information
- Art. 90 (a): Obligation for traders to lodge an electronic customs declaration

Draft Electronic Customs Decision

- Art. 1 Secure, integrated, interoperable and accessible electronic customs systems
- Art. 2 Facilitation and services, and safety and security
- Art. 3 Electronic Data Exchange
- Art. 4 Systems and services, and time-table

2. Purpose and objectives of the system

The development of the AIS will be divided into two phases:

- 1.) Import Control System (ICS);
- 2.) Automated Import System (AIS).

The objective of the AIS project is to provide a solution that will allow the Customs Offices involved into import procedures to exchange, amongst the various actors (Traders, Customs, Other Governmental Administrations) electronic messages related to the different states of such operation, in order to provide all necessary information to automate the administrative flow of the operation, elevate the effectiveness of controls and expedite the flow of goods.

The first phase (ICS) will cover the exchange of electronic pre-arrival declarations

and risk information, based on the Regulation (EC) No 648/2005.

The AIS will cover additional features relating to the external domain in particular for centralized clearance, both under the current and the modernized Customs Code. It will particularly allow for

- the exchange of data between customs administrations, in particular in the case in which the office of entry and import are in different MS;
- the exchange of data between the importer and the customs administrations;
- a seamless flow of data between AIS and other systems (AES, NCTS...) allowing the importer where possible to give the data once;
- automatic calculation of customs duties;
- the transmission of pre-arrival notices, which have been lodged at the customs office of import, to the customs office of entry, even if they are in different MS;
- the transmission of arrival notices requested by offices of import in a different MS from the one of the office of entry at which the pre-arrival declaration is lodged and at which the goods are presented;
- the acceptance and processing of a customs declaration placing the goods under a customs procedure at an office of import in a different MS from the one of the office of entry;
- and for the subsequent release of the goods by the office of entry on notice of clearance/release from the office of import, without removal (transit) of the goods to the office of import.
- the tracking of the goods during their movement within the EU customs territory.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Actions

1. Definition and acceptance of user requirements

- November 2005 General information flows presented to ECG
- March 2006 Draft user requirements presented in seminar (Lulea, SE)
- April 2006 Draft user requirements AIS, including ICS, presented to ECG
Start drafting functional specifications ICS
- June 2006 User requirements AIS, including ICS, finalized

2. Definition of functional specifications

- April 2006 Start drafting functional specifications ICS (1st phase of AIS)

3. Development, training and communication

4. Progressive implementation

Milestones

2006 Finalization user requirements and functional specifications ICS

2007 Development, training, communication

2008 Start of implementation AIS

2009 End of implementation

Integrated Community customs systems

1. Legal bases

Draft modernized Customs Code Rev. 4

Art. 20

Draft Electronic Customs Decision

Art. 1 Secure, integrated, interoperable and accessible electronic customs systems

Art. 2 Facilitation and services, and safety and security

Art. 3 Electronic Data Exchange

Art. 4 Systems and services, and time-table

2. Purpose and objectives of the system

In order to ensure a seamless flow of data, existing Community customs systems, such as NCTS, including CCN/CSI, and future systems, such as ECS/AES, ICS/AIS, and the system for the control of the movement of excise goods (EMCS), should be integrated as far as this is technically feasible. They should also include existing and new databases, such as TARIC, Quota, EBTI, and other reference systems linked to the movement of goods. This includes the guarantee management for suspensive customs procedures, T5 control copies and excise goods. In order to allow for a seamless flow of data, interoperability with third countries customs systems will be fostered wherever possible.

The excise database SEED, which relates to an early warning system of excise movements and specific numbers of warehouse-keepers, is restricted to excise purposes.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Actions and milestones

2006 User requirements AIS

Further planning of the integration of customs systems

Risk Management Framework

1. Legal bases

Amendment to the Customs Code, Regulation (EC) 648/2005

Art. 13 (2)

Customs Code implementing provisions to Reg. (EC) 648/2005 (Document TAXUD//1250/2005)

Art. 4f-4g

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Art. 20

Draft Electronic Customs Decision

Art. 1 Secure, integrated, interoperable and accessible electronic customs systems

Art. 2 Facilitation and services, and safety and security

Art. 3 Electronic Data Exchange

Art. 4 Systems and services, and time-table

2. Purpose and objectives of the system

The first phase of developing a common risk framework, the electronic Risk Information Form (RIF) system, was launched in April 2005. RIF allows the rapid, direct and secure exchange of information relating to customs controls and, furthermore, the Commission is also able to disseminate information concerning Community-wide threats via RIF.

The next phase will involve enhancing the RIF system to permit the secure electronic transmission and management of common Community risk profiles which will require mandatory control action by MSs. These risk profiles will, eventually, include both fiscal and security related information as required under the new rules concerning a Community Risk Management Framework (RMF) laid down in Regulation (EC) 648/2005 and the corresponding implementing provisions.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Actions

1. Implementation of electronic RIF system (done)
2. Definition of user requirements for upgrade of RIF
3. Agree definition and use of profiles with MSs

4. Definition of functional specifications for RIF upgrade
5. Definition of user requirements for management of Community profiles
6. Definition of functional specifications to implement changes to electronic system
7. Development, training, communication
8. Progressive implementation

Milestones

April 2005	RIF in place (achieved)
2009	RMF in place

Economic operators' registration and information system

1. Legal bases

Amendment to the Customs Code, Regulation (EC) 648/2005

Art. 5a: Legal framework and common criteria for Authorized Economic Operators (AEO)

Customs Code implementing provisions to Reg. (EC) 648/2005 (Document TAXUD/1250/2005)

Art. 4d, 4e Electronic data exchange

Art. 4f, 4 g Risk management

Art. 14b AEO Application (in electronic form)

Art. 14s Electronic data

Draft modernized Customs Code Rev. 4

Art. 10 and 104: Single simplified declaration system for AEO; database

Draft Electronic Customs Decision

Art. 1 Secure, integrated, interoperable and accessible electronic customs systems

Art. 2 Facilitation and services, and safety and security

Art. 3 Electronic Data Exchange

Art. 4 Systems and services, and time-table

2. Purpose and objectives of the system

Economic operators who are involved in the movement of goods across Community customs borders, including those established outside the EU, must be registered, particularly for the purposes of electronic declarations, identification and of risk management. A traders' register system appears therefore to be a pre-condition of automated customs clearance systems. Interoperable customs systems should enable them to register only once instead of having to register in each Member State where they conduct their business. Such a registration number can serve as a common reference for the exchange of data between Member States' customs administrations and for the risk management.

The recognition of AEOs and the facilitations granted to them requires that every EU customs administration has access to this information on AEOs, even if they are established in another Member State. An AEO database system would have to contain information relating to the status of authorized economic operators (information prior to the granting, amending or withdrawal of an authorisation) as well as the simplifications granted to them.

These systems may be combined or interlinked. Furthermore, information relating to import/export licences, to facilitate Member States' access to such information, could be integrated. The structure of trader registration numbers for traders established in the Community could be based on the VAT identification number. For third countries there are two possible technical solutions: either using their national registration numbers or providing them with Community registration numbers.

The registration system will either consist of a central database (possibly aligned to the SEED system, a list of Excise Authorised Economic Operators which is currently under development) or of decentralized, interoperable national databases (possibly aligned to the VIES and NCTS systems). For a number of reasons, the de-centralized option seems to be preferable:

- Member States have to register economic operators anyway;
- they link these systems to VAT, excise and other registration systems;
- lack of resources on Community level.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Milestones

2007	User requirements, functional specifications of a registration system
2008	Development, training, communication
2009	Registration system implemented in all Member States

Common Customs Information Portal

1. Legal bases

Draft modernized Customs Code Rev. 4

Art. 1, 5

Draft Electronic Customs Decision

Art. 1 Secure, integrated, interoperable and accessible electronic customs systems

Art. 2 Facilitation and services, and safety and security

Art. 3 Electronic Data Exchange

Art. 4 Systems and services, and time-table

2. Purpose and Objectives of the system

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.

A new public website replacing the current DDS web pages will provide for combined and coherent tariff and classification information. For this purpose, contacts with DG SANCO, DG ENV (dangerous goods) and DG TRADE (textiles; export restrictions) have been established. These issues are only partially codified yet.

DG TRADE is operating two systems, containing customs related information: the Export Helpdesk for exporters of Developing Countries and EU importers from such countries, and the Market Access Database for EU exporters (see Annex III).

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Actions

1. Identification of information to be integrated
2. User requirements
3. Functional specifications
4. Progressive implementation, training, communication

Milestones

2009 Customs portal in place

Single Access Points

1. Legal bases

Draft modernized Customs Code Rev. 4

Art. 90 (a): Obligation for traders to lodge an electronic customs declaration

Art. 5 Electronic exchange of data

Draft Electronic Customs Decision

Art. 1 Secure, integrated, interoperable and accessible electronic customs systems

Art. 2 Facilitation and services, and safety and security

Art. 3 Electronic Data Exchange

Art. 4 Systems and services, and time-table

2. Purpose and Objectives of the system

The purpose of the Single Access Point is that traders can lodge their electronic summary, simplified, initial and customs declarations including local clearance notifications via one single interface of their choice which connects their system with all Member States' customs systems. This data is automatically 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.

Such access points would either be provided by private companies or by Member State's customs services. The service of 'access point' providers is limited to a 'passing on' the customs declaration and other required electronic attachments (e.g. electronic certificates) to the competent customs administration where the declaration will be accepted and further processed.

The single access point concept has no influence on the customs procedure as such. Processing of the declaration, any physical control of the goods, and payment of any debt and release of the goods will be carried out solely at the customs office to which the customs declaration is presented. Contrary to the central clearance, there is no task sharing between the customs office at the place where the importer is established and the customs office at which the goods are presented at import.

Economic operators would only need one access point to lodge customs declarations, independently of the Member State of destination. From the perspective of the customs authorities there would be 'multiple access points'. With this approach, existing electronic connections between traders and customs administrations could be maintained and new electronic connections with the customs administration of their choice could be established. Specifications would be based on formats which are accepted by the Member States.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

Actions

1. Identification of systems to be integrated
2. Description of existing and future systems
3. User requirements
4. Functional specifications
5. Progressive implementation, training, communication

Milestones

2005	Description of existing systems
2006	Definition of user requirements
2008	Functional specifications
2009	Start implementation
2011	Single access points in place

Integrated tariff environment

1. Legal bases

a.) Integration

Draft Electronic Customs Decision

Art. 1 Secure, integrated, interoperable and accessible electronic customs systems

Art. 2 Facilitation and services, and safety and security

Art. 3 Electronic Data Exchange

Art. 4 Systems and services, and time-table

b.) TARIC

Council Regulation (EEC)No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1); Articles 2, 5, 6.

c.) ECICS

COUNCIL REGULATION (EEC)No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1); Article 12.

2. Purpose and Objectives of the system

a.) Integration

Interoperable customs systems must also integrate existing and new databases, such as TARIC, Quota, EBTI and other reference systems related to the movement of goods across Community borders, providing for an integrated tariff environment.

b.) TARIC

According to the EC Treaty, the European Community is a Customs Union. One of the main characteristics of a Customs Union is the application of a common external customs tariff. Besides the tariff measures laid down in Regulation (EEC) No 2658/87, the Customs administrations have been entrusted with the application of the international trade aspects of the agricultural and commercial policy of the Community, such as preferential agreements, anti-dumping duties and agricultural licences. This has resulted in an ever-rising number of legal acts to be applied, from which came the risk that their application would be wrong, incomplete or would even be omitted in practice. This was the reason for the creation of so-called working tariffs in the Member States. These tariffs contained Community and national legislation on trade and presented it in an integrated form for daily use by the national customs services.

The maintenance of such a national approach by each individual Member State would still lead to divergent application of Community trade policy measures and would

also involve the same costs in each of our Member States. The solution to this problem was to give the task of interpretation, integration and codification to the Commission. The main purposes of the TARIC are to provide to the Member States the Community data needed for automated customs clearance and to provide to business society the up-to-date tariff and commercial legislation applicable at Community level.

c.) ECICS

The ECICS database provides customs, other administrations and economic operators with the right CN code for their products and enables them to access the right information contained in the tariff (TARIC) and to legislation related to the control of the movement of chemicals.

In this context, ECICS is also used for the preparation of chemical trade agreements and EU regulations to be implemented by customs. Furthermore, since it is translated into all the languages of the European Union, it is a valuable dictionary for translators and interpreters.

ECICS contributes to better trade facilitation, fight against illicit traffics and protection of health, environment and society. ECICS is being revised in order to support automated customs clearance and risk management systems by 2007. The modernised version of ECICS, a system containing information on chemical substances, is planned to be linked to TARIC and subsequently to the integrated tariff environment.

3. Stakeholders and accessibility of the system

4. Timetable of planned actions

a.) TARIC

Actions

The TARIC is constantly evolving to meet the needs of the Member States and of the economic operators, following the legislative changes.

Milestones

2011 Integrated tariff environment in place

- **b.) ECICS**

Actions

Definition of user requirements, definition of functional specifications and development of the new database will start soon.

Milestones

2005-2006 Definition of user requirements and development

2007 Implementation.