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Summary Report of the

270th Electronic Customs Group Informal Meeting held jointly with Trade Contact Group (TCG) and representatives of the eMS group (DG MOVE) dedicated to discuss the coordination on maritime initiatives with customs impact in Brussels on 20 September 2013
incorporating the comment presented at the 272nd meeting of this group on 28 November 2013

AGENDA

270th Electronic Customs Group Informal Meeting on 20 September 2013 jointly with Trade Contact Group (TCG) and representatives of the eMS group (DG MOVE) dedicated to discuss the coordination on maritime initiatives with customs impact

Address: Albert Borchette Conference Centre, 36 rue Froissart, 1040 - Bruxelles

1 WELCOME AND INTRODUCTION

2 ADOPTION OF AGENDA

3 APPROVAL OF THE UPDATED A) OUTCOME OF THE WORKING GROUPS AND B) MINUTES OF THE WORKSHOP OF 24&25 JUNE 2013

a) Update (v1.10) of working Document taxud.a.3(2013)/2884062 of 22/7/2013 with consolidated comments made available mid September 2013

b) Update (v1.10) of draft Document Ares(2013) 2716768 of 22/7/2013 with consolidated comments made available mid September 2013

4 E-MANIFEST INITIATIVE-PRESENTATION OF A COMMISSION WORKING DOCUMENT

4.1 Content of the working document

4.2 Means to submit the Proof of Union status (non-Authorised Consignors)

4.3 Considerations regarding the Risk Management requirements

4.4 Data requirements – state of play

5 PRESENTATION ON THE POTENTIAL SOLUTIONS FOR THE EXCHANGE OF THE E-MANIFEST

6 COMMENTS MADE IN MASP REVIEW CYCLE

7 STATUS OF THE TIME PLAN FOR BLUE BELT

8 AOB

8.1 Planning of upcoming meetings

1 WELCOME AND INTRODUCTION

The **Chairman** welcomed the participants and thanked everyone for their presence at this joint Meeting of the Electronics Customs Group with Trade Contact Group and the Maritime Experts organized by DG TAXUD and DG MOVE. It was highlighted that the objective of the meeting was to discuss the Blue Belt concepts and the electronic Manifest in particular. The **Co-Chairman** welcomed the participants and added that the purpose of the meeting is also to report back from the eManifest workshop held on 24-25 June 2013.

2 ADOPTION OF THE AGENDA

The agenda was adopted without amendments.

3 APPROVAL OF THE UPDATED A) OUTCOME OF THE WORKING GROUPS AND B) MINUTES OF THE WORKSHOP OF 24&25 JUNE 2013

The **Chairman** explained that 2 documents were pending approval which includes the outcome of the workshop and the minutes of the workshop held on 24-25 June 2013. Both documents under agenda items 3A and 3B were adopted without amendments. The **Chairman** confirmed further that for the current ECG270 Informal meeting only one short report document will be produced.

4 eMANIFEST INITIATIVE-PRESENTATION OF A COMMISSION WORKING DOCUMENT

4.1 Content of the working document

A representative of DG TAXUD A3 presented the overall scope of the working document (available in [CIRCABC](#)). The aim was to summarize the discussions held in the different groups in the first half of 2013 on the workshop held on 24-25 June 2013 and the analysis done by the Commission carried out over the summer 2013. The presentation informed the delegates on the current state of affairs and included an overview of the eManifest, its functionalities and the phased implementation in two stages as well as technical aspects. The Chair clarified the structure of the document divided into a main body text and Annexes.

The Chair confirmed that a review cycle for the document is foreseen, where the Member States and Trade can provide their opinion resulting in more clarity, as this question was raised by **DE** and **WSC**. The **WSC** and **EPCSA** commented positively on the working document, but **EPCSA** clarified that there are still some concerns from the traders. **UK** acknowledged the need for clarity and reflected on the comments raised previously by **UK** and **SE** on the document Ref. Ares (2013)2716768 (published 22/07/2013). More specifically, the concerns are about the scope of the document, the benefits and the timetable of implementation. As a result, it is questioned why amendments to the Customs Code are planned, while the UCC will be amended 9 months later. Furthermore **UK** referred to the nonexistent legal requirements of every MS for an eManifest and therefore requested care be taken in this respect using a slower implementation approach. **SE** confirmed that the greatest

concern is the timetable and the roadmap for the implementation, although the proposals in the working document are very interesting. **COM** confirmed these concerns will be addressed under Agenda item 7. CER raised the question why **COM** focuses mainly on Maritime concerning the electronic transport document. The **Co-Chair** explained that the approach is first to reach an agreement on the Maritime side, and confirmed that the objective is harmonizing transport documents used across different transport modes in the EU. A representative of DG TAXUD A2 added that in phase 2 of the planned implementation some of the functionalities should be of major interest for the Railways and mentioned the Simplified Transit procedure for Railways which is currently based on a paper document. Although computerization is used within the Railways, their IT systems cannot easily interact with each other and particularly for transit purposes, there was no system that could be used to develop the eManifest ideas. The **COM** emphasized that the notion of eManifest as an ‘electronic transport document’ does not focus only on Maritime, as the UCC Art. 196(4) will allow the general use of the eManifest for all modes of transport.

The ESC raised a general question on the proof of Union Status of goods transported by sea from an EU port 1 (e.g. Amsterdam), calling at an EU port 2 (e.g. Rotterdam) and arriving finally at a third EU port 3 (e.g. Barcelona). The specific question raised is if proof needs to be provided for the goods arriving in port 2. The COM replied that this issue is discussed in more detail within Annex 5 of the working document. The current situation is that a paper-based manifest needs to be handled by the carrier, whenever goods are arriving in an EU port, whether they come directly from outside the EU or even calling from an EU port. The T2L document, that provides the proof of Union Status, is always submitted unless the carrier applies a form of Simplified Transit that can be used exceptionally. The Chair confirmed that the proposed system will simplify the procedure as the Trusted Trader will indicate in the eManifest the status of the goods. For non-authorized Traders the intention is to install a mechanism by which this proof of Union Status can be provided. Delegates **NL**, **WSC** and **ESC** were concerned about the additional administrative burden that would arise, if further documents need to be provided to prove the status of the goods. Finally NL provided their view and clarified, that community goods that are in the community keep their status of community goods, and there should be no need to provide further evidence that they are community goods.

4.2 Means to submit the Proof of Union status (non-Authorized Consignors)

A representative of DG TAXUD A3 presented to the delegates how for non-authorized consignors the proof of status – not for the goods initially loaded on the vessel but in subsequent ports – can be provided (available on [CIRCABC](#)). The credibility of the status information in the eManifest must be ensured by a declaration by an Authorized Consignor or by the direct exchange of validated information on the side of customs for non-Authorized Consignors. The presentation focused on the possibilities that have been identified for this information exchange, where the person requiring a proof of status to be provided in a subsequent port is not an Authorized Consignor. Mainly two approaches have been considered by the COM to proceed for non-Authorized Consignors, presenting the advantages and disadvantages of each solution. First option referenced is the endorsement of the eManifest and its exchange between COs, where an exit manifest (EM) is lodged which

describes the load and the status of the vessel. The EM would be forwarded to the subsequent port by the customs and the carrier lodges the cargo manifest (CM). The customs at the port of re-entry matches the exchanged information with the CM provided by the carrier and is able to clarify inconsistencies and to confirm the status of the goods. The second option is to combine the eManifest with the UCC PoUS system, the latter is to be implemented for the exchange of the proof of the Union Status for all modes of transports. The Chair informed the delegates that these two options are different from both the procedural point of view as well as from an implementation point of view, and these options focus only to a fraction of Traders that do not have the authorization but still want to use eManifest.

DE questioned regards first option the comparison of verification of the particulars. The representative of **COM** explained that the term verification covers tasks to be carried out by customs in order to ensure that information made available in next port is accurate and valid; this should be ensure as far as possible by system integration, manual tasks are to be avoided as much as possible. The Chair confirmed that an automated comparison is the targeted technical solution. **UK** added there are still too many risks as questions remain open like what happens if necessary information required to validate an Exit Manifest may be available delayed. **DE** requested to accelerate and simplify the process in respect of Union Goods as well as Union Goods that have been in a third country port, so that the formalities requested on re-entry to be zeroed. **WSC** provided their view and clearly voted for first option of an endorsed exit manifest, asking also for a survey which **MS** needs an exit Manifest. **WSC** emphasises their strong opposition to a solution that involves mandatory use of the PoUS system to obtain proofs of community goods status. **WSC** referred to Art. 796d CCIP where legal provision already exist regarding an exit Manifest. **IT** and **PT** took also position favouring the first option as information is already existent via the harmonized manifest in some countries. **NL** gave support to this statement and informed that the delivery of information on the goods at departure or even before departure of the vessel is in many cases possible, but **EPCSA** confirmed their different view on the exit Manifest and their understanding that exit Manifest is not required by any **MS**. **EPCSA** is therefore in favour of the second solution. **NL** raised a question for clarification and asked the **COM** to provide also information in case where the subsequent EU port follows a third country port. **NL** asked which customs authority should receive the eManifest in the example where a vessel travels from Cyprus via Morocco to France. After the vessel calls to a third country port, the eManifest in the subsequent EU port will be not correct and the **COM** confirmed the eManifest has be sent in the next subsequent EU port, but as the content of the vessels changed in the meantime, the **COM** will provide further clarification for Trade and Customs on this issue.

EE built their IT system on Entry/Exit processes reducing the manual intervention. The Manifest submission runs fully electronically with no manual intervention. Similarly **PT** and **FI** also confirmed that for non-Authorized Traders already automated validation are performed by their side as well. In this context **EE** raised the question if the eManifest can be limited only to Authorized Consignors and in its extent if the use of eManifest is planned to be mandatory. The **COM** informed that the idea of limiting the eManifest only to Authorized

Consignors is not in line with the political objectives of the Single Market Act II (SMA), but the **COM** indicated that the use of eManifest will be optional for traders.

UK provided their view that indeed situation is not the same in every MS, regards to exit Manifest, and asked the **COM** to perform an impact analysis to receive a proper understanding of the outcomes looking to be achieved. **COM** confirmed that further clarification is necessary.

IE expressed their concern of building a new complicated system and their worries regards to timescale. Therefore **IE** asked if procedures in generally can be simplified specially for AEOs. **COM** expressed that AEOs can't be entitled to all kinds of Simplifications as specific Authorizations require specific conditions that are to be fulfilled. **WSC** commented that the regime for non-Authorized Consignors should be made as simple as possible and that, in line with the comments of the Irish delegation, it should be possible that carriers which are risk assessed, known and trusted by customs authorities to be able to continue to enjoy benefits such as self-certifying the goods status indicated on the manifest, even if they not authorised consignors.. Furthermore **WSC** raised a question to clarify whether the eManifest is mandatory to be used and to be implemented respectively, as **WSC** opinion is the eManifest to be always possible to be used in each MS. The **COM** expressed their intention to find an agreement the facility to be available in all MS so that the Trade can make use of it as much as possible.

4.3 Considerations regarding the Risk Management requirements

The representative of DG TAXUD A3 presented a number of considerations in relation to Risk Management requirements (available in CIRCABC). The **COM** informed on the current situation where in case goods are transhipped, controls of Type C risks need to be carried out in the OoFE (Office of First Entry). Key challenges remain to be how the ENS MRN for the consignment would be communicated to the subsequent port and also how identified lower risk could be forwarded to the relevant customs office. Therefore it is suggested the implementation of processes to take place in the second phase. The **COM** suggested envisaging two data elements in the harmonized data set of the eManifest from the outset preparing the facilitation of the requirements at a later stage which are ENS Movement Reference Number and a reference to previous procedure.

The **Chair** confirmed that this approach has been discussed with the responsible Unit of Safety, Security and Risk Management. The Chair also took into account the comment which was raised by **NL** that not only OoFE but also any subsequent port can be a transhipment port, as well their agreement to shift the implementation to a later stage. **WSC** raised general concerns about the concept of integration with the eManifest and the desirability of forwarding of certain risk types and the **COM** clarified that this discussion is about type C risks only. **WSC** also stated that the ENS will include all EU ports on the itinerary up to and including the transhipment port so this is where Risk Type C inspections can and should be done. The **COM** confirmed further that these aspects will continue to be discussed and needs more investigation to reach a status that is implementable, cost effective and fulfils the facilitation. **UK** expressed their agreement with the position of **NL** and raised a question on aspects of multimodal transport, but the **COM** clarified that in the first place the focus is on

Maritime aspects. The **COM** also clarified regards the suggested two data elements to be only for optional use and that the proposed second data element is referencing to previous export customs procedure as this question was raised by **WSC**.

5 PRESENTATION ON THE POTENTIAL SOLUTIONS FOR THE EXCHANGE OF THE eMANIFEST

The item 4.4 of AGENDA was skipped for later and item 5 of AGENDA was presented as next AGENDA point. **EMSA** gave a presentation (available on [CIRCABC](#)) on SafeSeaNet (SSN) describing: the legal base of the SSN; the stakeholders and users of the SSN system; the current status, functionality and future evolvments of SSN; the mechanism for exchanging information in SSN and the type and format of the exchanged information; and the reliability and level of service spanning the SSN system. It was also reported that **EMSA** participated in a Blue Belt pilot project that was run in 2011, with the participation of some Customs Authorities (CAs). The pilot project showed that SSN can be employed for delivering accurate and timely information about the vessel voyages to Customs. **EMSA** concluded the presentation by describing, by means of a scenario, how SSN could be employed to facilitate the exchange of the eManifest and the advantages this solution offers.

The **Chairman** thanked **EMSA** for the detailed presentation. Referring to the potential role of SSN in facilitating the exchange of the eManifest, the **Chairman** asked **EMSA** if the SSN and the information stored there will be accessible to the Customs Administrations (CAs) and if the eManifest will be stored centrally in SSN. He also asked whether this solution involves the development of new functionality based on the existing SSN technology only or if major developments would be necessary to align with the future eManifest requirements. **EMSA** clarified that the CAs will have access to SSN and that the eManifest is stored only at the Member State National SSN since there is no database at central level. Regarding the work that has to be done in order to exchange the eManifest through SSN, **EMSA** replied that it depends on the functionalities to be developed. However, the Member States have already run a similar project for exchanging information on dangerous goods through SSN and therefore it should not be something new for them.

FI asked if the next port of call has access to the information from SSN in case that there is no 'hazmat' notification (dangerous goods) for that vessel. **EMSA** answered that the authorities of a Member State have access to all SSN information, even if they are not the next port of call. However, for dangerous goods, ports are entitled to see only the information for vessels bound for or departing from their port.

IT asked if a Member State can have their system issuing automatic requests for information to SSN on the basis of an MRN, which is found in the exit manifest of a cargo manifest. **EMSA** answered that SSN will answer to such automatic requests but this has to be agreed with all Member States. Technically it is also possible that SSN automatically forwards the cargo manifest to a CA according to certain criteria, when for instance the vessel crosses a certain area which will be defined by the CA.

The **Chairman** added that this functionality is technically feasible but first it would have to be agreed amongst the Member States and then be included in the specifications of the system.

ECSA stated that as regards the eManifest, its information can potentially change on route, when for example freight forwarders updated information with regards to Customs and/or cargo aspects, and therefore the industry would need to have access to the eManifest and its updated information for operational issues, such as the arrival time of ships and their cargo. **DG MOVE** stated that this matter will be addressed in the framework of the eMaritime initiative.

Following the discussion on SafeSeaNet, **DG TAXUD** gave a presentation on the ICS system (available on [CIRCABC](#)) which may serve as a basis for a potential alternative solution for the exchange of the eManifest. The presentation provided information on: the list of all the messages used; the information flow and message exchange for the core business scenario, the system infrastructure and the communication channels between the different stakeholders; and statistical figures for the ICS operation since its entry into operation in 2011. It was explained that the ICS is one of the potential candidates for the implementation of the eManifest either by cloning the ICS system and integrating the eManifest related messages or by extending the current ICS system to include the eManifest information.

DG TAXUD clarified that there is a central index in ICS which holds limited information about ICS movements. However, in ICS, the search and retrieval of movement information is performed by a question-answer mechanism directly between the Member States based on the Movement Reference Number (MRN) which is a unique number identifying an ICS movement.

DE questioned the purpose of the presentation on the two candidates, SSN and ICS, for the implementation of eManifest, given that, in the last workshop on Blue Belt it was said that ICS should be avoided because it is a system with a completely different context. According to **DE**, the definition of the processes for the eManifest should precede the reflection on the platform that will support the information exchange on eManifest. **DG TAXUD** explained that the main purpose of the presentation is to indicate that there are two candidates for environments where a new functionality for the eManifest can be developed. These two systems can be a source of knowledge and ideas for what can be implemented for the eManifest and therefore help deciding the functionality and the processes for the eManifest itself.

UK gave thanks for the presentations on SSN and ICS and commented that the group should be given enough time to analyse and reflect on the most appropriate solution for the implementation of the eManifest. The most appropriate solution should be looked at in the following context: cost, benefit and best solution not only for this project but also for any other project that may build on its foundations. **IT** added that the most appropriate solution should also cope for future possibilities such as the use of eManifest for all modes of transport.

Responding to the previous comments from the Member States, the **Chairman** emphasized that the intention of the presentation is not to make any kind of decision at this stage but it is part of the discussion on the eManifest and helps all the members of the group to have the same level of knowledge.

4.4 Data requirements – state of play

COM made a presentation (available on [CIRCABC](#)) on the state of play of the work of the eMS sub-group on the data mapping for the implementation of the Reporting Formalities Directive. COM also made a presentation on the developments on the survey launched amongst the Member States as regards the data requirements for the arrival manifest and cargo manifest. The **Chairman** also thanked the Member States for their participation to the survey.

IT and **NL** made an intervention regarding the data elements that should be included in the eManifest for implementation phase 1. With reference to paragraph 2.2 in the working document on eManifest (available on [CIRCABC](#)), they requested the early inclusion of FAL form 7 (dangerous goods manifest) data elements into the eManifest which will be optional for Phase 1, in order to avoid changes in the data model of the eManifest at subsequent implementation phases. The **Chairman** stated that the request is noted and will be taken in account for the work on eManifest.

WSC asked the Commission to confirm that as regards the eManifest, the objective is to define a common uniform data set to serve the purposes of FAL form 1 and 2 requirements and that this harmonised data set will be valid throughout the EU in order to avoid that national or local requirements will be added on top or that MS require separate processes. The **Chairman** confirmed that this is the objective of the Commission; a harmonized data set for the eManifest that clearly defines the mandatory and optional data elements throughout the EU so that no Member State adds all of a sudden an extra data element.

EPCSA noted that there is an existing system on processes in place with the International Maritime Dangerous Goods (IMDG) for across Europe. It is harmonized already in most places using the “PROTECT Group” messages. This system might be affected if there is any change in the format of the FAL form 7 and subsequently the processes that are in place. **COM** replied that the scope of the exercise is to apply the requirements of the Reporting Formalities Directive and any other requirements based on international agreements, etc have not been looked at yet. The **Chairman** added that after the work on the harmonized data set has progressed the Commission will check with the Member States if there is any impact on their systems.

6 COMMENTS MADE IN MASP REVIEW CYCLE

Under this point of the agenda the representative of DG TAXUD provided clarifications for the comments received on the MASP regarding the Blue Belt fiche. DG TAXUD reported that the author’s positions for all of the comments raised about the MASP will be provided during the ECG 269 IT & Legal on 02-03 October. The comments received concerned mainly the content of the fiche and scope of the project, the Relation with UCC PoUS (Proof

of Union Status) system, the Reporting Formalities Directive and the timing. The presentation providing the clarifications to these comments can be found in [CIRCABC](#).

WSC asked if there is a timeframe for the decision between the usage of the UCC PoUS system or the exit manifest within the overall-Manifest solutions and if MASP is going to be amended in order to reflect this decision.

The **Chairman** replied that the working document will undergo an ECG review and in parallel DG TAXUD will contact MS that have already implemented an automated approach in order to acquire further information. DG TAXUD will consolidate all of the information gathered in order for the matter to be revisited at a later ECG in November or December. The final decision will be taken when the legislation is voted for in June 2014. However, the draft legal text to accompany an updated version of the working document should be available by the end of 2013. It was highlighted that MASP has a strict deadline and a decision needs to be taken in the ECG that will occur in 02-03 of December since endorsement is required from the Customs Policy Group in December. Therefore it is unlikely for this to be included in the 2013 revision, but it will be updated in the 2014 revision. The **Chairman** explained that other modes of transport will be considered for the solution and further investigation will take place within the Commission. The **Chairman** also clarified that no special proof is required as long as the goods stay within EU land in road and rail modes of transport and that the difficulty arises when the goods leave the customs territory either by sea or air transport.

UK raised a concern regarding the extent of the review period of the working document. The **Chairman** clarified that the working document will be available on 23rd or 24th of September and the review period will last for three weeks.

7 STATUS OF THE TIME PLAN FOR BLUE BELT

Under this point of the agenda the time plan as viewed by **DG TAXUD** has been presented. The time plan can be also found in [CIRCABC](#).

The **Chairman** stated that parallel implementation of Reporting Formalities Directive and Blue Belt may incur confusion on the processes, data requirements and technical implementation and that in general the presented planning is more of a political goal than a detailed plan.

DE raised a concern that it will not be possible for the MS to respect the time plan as described in the MASP in parallel with the Blue Belt time plan so it will become imperative to the Commission to decide on the priority of each project. The statement was backed up by other MS as well. **UK** stated that the strict deadline regarding the update of legal text should not limit the timeframe for data and requirements analysis for the Blue Belt. **UK** also queried when the specifications for development and testing both for **MS** and **Trade** will be available.

The **Chairman** replied that this concern is being taken under consideration and a meeting will be organized at the level of Director General between DG TAXUD and DG MOVE before the first of December and the matter should reach a conclusion before the term of the

current Commission ends in autumn 2014. Regarding the availability of the specifications the **Chairman** clarified that if the approach of exchange of information is selected technical specifications are required but work can't start before stable ground exists at the end of 2013.

The **WSC** stated that Blue Belt is a priority for maritime industry for at least a decade and it is an opportunity at this point to proceed with a serious implementation although it is understandable that the 2015 deadline is challenging. What is very important for the maritime sector is to have an alignment of entering into force of eManifest with other elements such as the Reporting Formalities Directive so that industry will not have to handle similar tasks separately.

EPSCA proposed to finalize reporting formalities with the e-Manifest concerning FAL forms 1 and 2 at a first stage further formalities can occur at a later stage.

The **Chairman** responded that a two phased approach will be considered and dates of this will be a subject of further study.

8 AOB

8.1 Planning of upcoming meetings

The **Chairman** presented slides regarding the upcoming meetings which is published in [CIRCABC](#) and commented that apart from the meetings presented in the slides an additional informal maritime meeting will be planned for the end of November or start of December.