

Customs Operational Competency for the private sector in the framework of Article 27(1)(b) of the UCC IA

- **Background**

The EU AEO programme is part of the Union Custom Code (UCC) and its implementation is Member States (MS) competence. As such, the programme is one of the main tools for strengthening the competitiveness of European businesses through the facilitation of legitimate trade

Due to the importance of the programme at EU level, it is paramount to assure and strengthen the implementation by MS. The need for continued guidance and coordination, in order to guarantee a uniform approach ensuring an effective, efficient and uniform implementation throughout EU, is even greater as the number of applications and the number of valid authorisations increases.

The UCC includes the introduction of the new criterion on "practical standards of competence or professional qualifications directly related to the activity carried out", for the AEOC authorisation. The new criterion and some guidance is also described the EU AEO Guidelines (see part 2, section IV of doc TAXUD/B2/047/2011-Rev6)

The criterion of Article 27 (1)(a) UCC IA reveals the legislator's intention to assure that the applicant has sufficient practical experience or knowledge in customs matters.

This criterion legally empowers customs authorities within MS to assess the competence and knowledge of the economic operators applying for customs authorisations or/and customs simplifications.

The professional qualification, as well as the practical standards, must reflect the specific involvement of the applicant in customs related activities, and his/her role in the supply chain.

It is necessary to ensure a common understanding for both customs authorities and economic operators and to provide a tool to facilitate the correct and harmonised application by MS of the legal provisions concerning the fulfilment of this AEO criterion.

In particular this document provides guidance on Article 27 (1) (b) of the UCC IA ("professional qualification") to assist MS in AEO programme implementation.

▪ **Legal references**

- Regulation (EU) No 952/2013 of the European parliament and the Council laying down the Union Customs Code - Article. 39(d) UCC

- Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 - Article 27 (1) (b) of the UCC IA - Practical standards of competence or **professional qualifications**

▪ **Scope**

According to Article 27 (1) (b) UCC IA the criterion shall be considered to be fulfilled if the applicant or the person in charge of the applicant's customs matters has successfully completed training covering customs legislation consistent with and relevant to the extent of his involvement in customs related activities, provided by any of the following

- (i) a customs authority of a Member State;
- (ii) an educational establishment recognised, for the purposes of providing such qualification, by the customs authorities or a body of a Member State responsible for professional training;
- (iii) a professional or trade association recognised by the customs authorities of a Member State or accredited in the Union, for the purposes of providing such qualification

The legislation, therefore, does not ask for general customs related training, but for a specific one preparing the applicant on dealing with customs matters when carrying out his concrete business activity

Footnote

For the purpose of this document an educational establishment is any institution or organisation whose main purpose is to provide teaching/training and has the required competence to teach

and/or train on the subjects required by the relevant customs legislation (i.e. private or public school, private or public university, training organisation as far as providing training is their main purpose). In case the educational establishment is recognised by a body responsible for professional training, customs verifies only the content and the quality of the training offered. Otherwise, the customs authority evaluates, in addition to the content and quality of the training offered, if the relevant educational establishment has the required training competences.

A professional association is an organisation/body of persons engaged in the same profession, formed usually to control entry into the profession, maintain standards and represent the profession in discussion with other bodies.

A trade association is an organisation whose members are involved in a particular business sector or trade (e.g. industry, chamber of commerce, etc.)

- **Aim**

The Guide is intended as an aid for administrations in the recognition of educational establishments, or professional organisations, providing successful training covering customs legislation. The specific aims are:

- To support the coherent application and effective implementation of Union law/policy;

- To set out essential elements that cover the customs legislation;
- To provide practical guidance to assist administrations in defining the scope and quality of training;
- To promote and ensure a common understanding for both customs authorities and economic operators;
- To provide a tool to facilitate the correct and harmonised application by Member States of the legal provisions concerning this criteria on AEO;
- How to exchange the related information on EU level.

▪ **Recognition**

The recognition of the training programme should be done by the customs authority based on a training plan submitted by the potential training provider. The training plan should contain the training program, including the evaluation of the trainee, the numbers of hours, the qualifications of the trainers on customs matters and the kind of evidence that certifies the successful completion of the course by the trainee. This evidence could include the scope of the training subjects and the number of hours.

A list of training providers recognised by the relevant customs authority, to provide training and the proof of successfully completed training covering customs legislation as foreseen in article 27 (1) (b)

of UCC IA, with a reference to the title of the course is to be made available. At national level this can be done on a national website and to the other member states this could be provided via a link of the national website through the DGTAXUD Europa website.

The result of the recognition by the customs authority should be communicated to the potential training provider.

- **Communication**

MS may consult, through the consultation procedure in EOS, with the other MS if they need to assess if an economic operator has followed training provided by an educational establishments or professional and trade associations recognised in another MS.

In addition, MS may also contact (e.g. via email) the AEO national contact point in another MS (e.g. for information or documentation which is not possible to provide via EOS).

- **Duration of the training to be provided:**

In order to provide quality training, on the competencies to satisfy the customs requirements in the annex, a reasonable amount of hours are necessary. It is estimated that this would be not less than 80, but the duration of the course may vary depending on the different factors – e.g. the method of how the course is delivered.”

- **Table**

A table is annexed which concerns the required training curriculum for the training provider. It defines the requested competencies and explains the scope, the learning topics and the learning outcomes.

- **Flexibility of the training**

The table contains the learning topics that should be covered in the training for the purpose of article 27 (1)(b) IA. However, the organisation of the training (classroom learning or distance learning or blend learning) and the tools (including hypothetical and practical cases related to the learning topics, practice in the field) to be used are flexible.

- **Other training measures**

Please note that the professional qualification according to Article 27 (1) (b) and a sufficient administrative organisation with working internal controls systems according to Article 25 (1) (f) IA are evaluated independently from each other.

So it is possible that despite the fulfilment of Article 27 IA more individual training measures are needed to own a working internal control system according to Article 25 IA. These training measures can be quite different and independent from the following training concept.

Unaffected as well are the needed training measures according to the security of the supply chain as laid down in Article 28 IA.

- **Links**

This guidance is based on the Customs Competency framework (Customs Training curriculum for the Traders) and the UCC structure

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Training Curriculum for the Private sector providing a successfully completed training covering customs legislation as required and relevant to the extent of his involvement in customs related activity

EU training Guidance in the framework of Article 27(1)(b) IA – basic requirements

<u>Competency</u>	<u>Scope</u>	<u>Learning topics</u>	<u>Learning outcomes</u>
General/Legislation			
Customs Business Understanding	The Customs Business Understanding competency refers to the high level knowledge regarding the Customs Processes and the role of Customs in those different processes within the economic context A general overview of the main International Agreements (GATT, KYOTO, WTO, WCO)	<ul style="list-style-type: none"> ✓ The role of Customs, objectives & business drivers ✓ Customs activities & processes ✓ Impact of Customs on the supply chain ✓ Partners of Customs 	<ul style="list-style-type: none"> ➤ Demonstrates knowledge of the (operational and strategic) roles of Customs in daily decision making; ➤ Has a high level understanding of Customs processes and how they are interlinked; ➤ Understands the business drivers; ➤ Demonstrates knowledge of the cooperation with Customs' usual internal and external partners in daily activities; ➤ Understands macro and micro economics related to a national, EU and global context. ➤ Has knowledge of existing the International Agreements
Customs legislation and regulation	The Customs Legislation and Regulation competency refers to the national and EU legal provisions and regulations that Customs professionals need to comply with, in order to Successfully fulfil their specific role and tasks. The competency also refers to international regulations such as partnerships, sanctions, denied parties,	<ul style="list-style-type: none"> ✓ EU Customs legislation and regulation, and implementing acts and delegated acts ✓ National Customs legal provisions and regulations ✓ International Customs Legal provisions and regulations. ✓ Non-legal compliance and policy guidelines ✓ Legal professionalism ✓ Compliance with Customs legislation, processes and regulations ✓ Customs representation 	<ul style="list-style-type: none"> ➤ Understands the scope of Customs legislation and its legal definitions and Customs Regulations, as well as other regulations that affect Customs operations, such as health, environmental and security related regulations; including the fundamental treaties of the EU and bilateral and multilateral customs agreements between EU and different countries; ➤ Demonstrates knowledge of national and EU legal provisions and regulations and ability to apply this in their daily operations; Rights and Obligations ➤ Has knowledge and ability to take into account specific non-legal compliance guidelines; ➤ Applies legal competence to practical Customs situations e.g. Declaration, Payment, etc.; ➤ Demonstrates knowledge about customs sanctions;

	Intellectual Property Rights, Dual Use, etc.	✓ Types of Prohibitions and Restrictions	<ul style="list-style-type: none"> ➤ Strives to achieve compliance with EU legislation and national or regional Regulation; ➤ Has knowledge of the different activities that Customs administrations can use to enforce or check the compliance (control, investigation, and enforcement activities, including the knowledge of the concept of a Customs offence; ➤ Has knowledge of indirect and direct customs representation ➤ Has knowledge and understanding of the different types of prohibited and restricted goods (Counterfeit and pirated goods, drug precursor control, Cultural property rights and endangered species of plants and animals) ➤ Has knowledge of existing the International Agreements
Supply Chain			
Supply chain operations	The Supply Chain Operations competency covering all aspects of the International Supply Chain - this relates to both the core Customs flows (import/export/transit) and the supply chain of Trade and how they are linked. Emphasis on effective working methods between Customs and Trade and the safety and security aspects of supply chains.	<ul style="list-style-type: none"> ✓ The integrated supply chain (Customs & trade) ✓ Maximising smooth supply chain operations ✓ Safety & security aspects of the supply chain ✓ International Commercial Terms of trade (INCOTERMS 2010) 	<ul style="list-style-type: none"> ➤ Demonstrates general knowledge of the Customs Supply Chain and understands the basic Customs principles that underlies the supply chain; ➤ Is able to make recommendations to improve efficiency, quality and service relating to the Customs-Trade flows; ➤ Is able to adapt to a wider end-to-end perspective in relation to decision making – understands proactive communication with the Customs Partners; ➤ Collaborates with other legal enforcement agencies; ➤ Makes use of national and international expert services; ➤ Understands the consequences, fiscal impact and next steps after the arrival and exit of goods; ➤ Is able to actively collaborate with the Customs administrations and establishes relationships to ensure transparency and smooth processing of goods; ➤ Demonstrates understanding of how Customs activities impact Trade's supply chain in daily operations;

			<ul style="list-style-type: none"> ➤ Demonstrates knowledge of regular interactions at a national level, and has the ability to identify and act upon irregularities; ➤ Understands that requirements for safety and security have been adhered to at all times and knows when and how to escalate in case of serious issues; ➤ Is aware of the global supply chain, including knowledge of the Commercial Terms of trade (INCOTERMS).
Decision and Authorisation management	The Authorisation Management Competency refers to all activities concerning the registration and management of authorisation processes. The activities are related to the registration as a legal trading entity, the application to become an Authorised Economic Operator (AEO) as well as the overall management of all Customs licences and certificates.	<ul style="list-style-type: none"> ✓ Registration as a legal trading entity/ economic operator (EORI number) ✓ Application to become an Authorised Economic Operator (AEO) ✓ Management of all Customs licenses and certificates. 	<ul style="list-style-type: none"> ➤ Is able to manage the authorisation processes and their status regarding Customs licences and certificates (e.g. related to a permit to place goods under a special procedure or a permit to allow for simplified declarations); ➤ Understands the criteria and processes to receive a licence or certificate to become a legal trading entity and to act under a specific Customs authorisation; ➤ Has knowledge of all decision-taking Customs authorities and the scope of the validity of a decision (i.e. throughout the European Union); ➤ Understands and is able to communicate relevant detailed Economic Operator (EO) information to the Customs authorities; ➤ Has knowledge of the legal framework covering the specific provisions for each of the decisions that may be granted in relation to the EO, including rules regarding exceptions and special allowances; ➤ Understands regular compliance checks are carried out to ensure that terms & conditions (T&C) of any authorisations are still being adhered to. ➤ Understands the concept of AEO (AEOS, AEOC and combined) ➤ Is familiar with the procedure to apply for AEO authorisation ➤ Has knowledge of the objectives and benefits of an AEO authorisation ➤ Understands and is able to communicate relevant detailed Economic Operator (EO) to the customs authorities

Customs debt			
Tariff and classification	The Tariff and Classification competency covers all activities that Customs professionals deal with, regarding the aspects of tariff and classification of goods from application, usage of online databases (e.g. TARIC), rules and regulations to use and application of measures.	<ul style="list-style-type: none"> ✓ Terminology used in the context of goods classifications and tariff codes ✓ The Common Customs Tariff and the structure of the Combined Nomenclature Code and the Harmonised System Nomenclature ✓ General Interpretative Rules and the use of other tools for classifying goods ✓ The process and procedure to request or grant a Binding Tariff Information 	<ul style="list-style-type: none"> ➤ Understands the three elements of the assessment of Customs Debt (Customs Value, Origin, Customs Tariff); ➤ Has knowledge of Common Customs Tariff (CCT) and of duty rates per class of goods; ➤ Is able to classify goods accurately using tariff classification and knowledge of Combined Nomenclature (CN); ➤ Is able to use and integrate TARIC information; ➤ Is able to recognise and classify goods and to make use of the appropriate databases for this classification; ➤ Applies the General Interpretative Rules relating to classification of goods. ➤ Has knowledge of the legal basis on Binding Tariff Information decisions (BTI);
Value	The Valuation competency refers to all activities required of Customs Professionals that deal with the calculation, in the field of the Customs value of goods.	<ul style="list-style-type: none"> ✓ Relevant legislation regarding Customs value ✓ Methods of calculating the Customs value of goods 	<ul style="list-style-type: none"> ➤ Is able to apply legislation governing Customs value in practical work situations; ➤ Has working knowledge of Customs Valuation Rules and calculation methods (Primary Methods based on Transactional value and Secondary Methods, i.e. transaction value of similar goods, deductive method, computative method, fall-back method).
Origin of goods	The Origin of Goods competency refers to activities required of Customs Professionals that have to determine the economic nationality of goods as a part of their daily operations.	<ul style="list-style-type: none"> ✓ The concept of origin of goods and rules of origin ✓ for preferential and non-preferential origin ✓ Legislation regarding the origin of goods ✓ Process to determine the origin of goods, in particular when the goods have been processed in several countries ✓ The concept and use of Binding Origin Information Decisions 	<ul style="list-style-type: none"> ➤ Understands the correct and uniform application of the rules of origin; ➤ Has knowledge of rules of origin for preferential and non-preferential origin; ➤ Is able to determine and correctly declare the origin of goods, in particular when goods have been processed in several countries; ➤ Has knowledge of the arrangements that apply to specific non-EU countries; ➤ Has knowledge of the legal basis and use of Binding Origin Information decisions (BOI); ➤ Understands the political and economic aspects of rules of origin and harmonisation theories.

		✓ Proofs of origin	
VAT related to import and export	The VAT related to Import and Export competency refers to all activities required of Customs professionals to deal with the Value-Added Tax in the context of import and export procedures.	✓ VAT in import and export procedures	<ul style="list-style-type: none"> ➤ Understands and applies the principle of VAT and VAT collection in the context of import and export procedures; ➤ Knows where to find and apply the correct VAT rates per type of product and Member State; ➤ Knows the minimum threshold for VAT and duties per Member State.
Excise related to import and export	The Excise related to Import and Export competency refers to all activities required for Customs professionals when importing or exporting goods for which excise duties apply	✓ Excise related to import and export procedures.	<ul style="list-style-type: none"> ➤ Understands and applies the principle of excise goods and how to identify excise goods per Member State; ➤ Is able to complete the required documentation in the context of importing or exporting goods under excise duty suspension (e.g. eAD); ➤ Is able to work with EMCS or the system that interfaces with EMCS
Financial customs payment procedure	The Financial Customs debts Payment Procedures competency relates to the payment of Customs duties, VAT, excise duties and other payments that may rise due to Customs related operations (e.g. payments for Customs services). The competency also refers to organising of Customs debt, the guarantees in the context of Customs procedures and deferred payment.	<ul style="list-style-type: none"> ✓ Payment of Customs duties, VAT, excise duties and other payments due to Customs related operations ✓ Organising of Customs debt, guarantees in the context of Customs procedures and deferred payment. 	<ul style="list-style-type: none"> ➤ Has knowledge of all scenarios where Customs debt may be incurred, i.e. through the placing of Union / non-Union goods liable to duty under a Customs procedure; ➤ Has knowledge about the Customs processes and procedures that have to be followed to pay Customs duties; Has knowledge of repayment and remission; ➤ Demonstrates broad understanding of the Customs duties that need to be paid for the goods being processed; ➤ Manages the payment to be sure the duties are paid on time and is able to track the status of the payments, including cases of deferred payments; ➤ Understands the necessary funds or registered guarantees are available to pay or secure the required duties; ➤ Facilitates efficient Customs revenue collection by cooperation with Customs administrations; ➤ Understands accurate information is given to the Customs administration in relation to Customs debt;

			<ul style="list-style-type: none"> ➤ Understands correct calculation of the Customs value of the goods. Customs duties might be calculated based on the Customs value of the goods; ➤ Has understanding about application of EU Tariff and non-tariff measures to ensure a correct application of appropriate and correct duties or relief from duties.
Customs procedures			
Goods brought into the customs territory and general rules on customs status	The Entry of Goods Process competency refers to an in-depth knowledge, understanding and ability to execute all activities to enter goods in the Union. It includes every step up to the ultimate release of the goods and the associated roles and responsibilities to successfully enter goods into the Union.	<ul style="list-style-type: none"> ✓ Activities to enter goods into the Community ✓ Roles and responsibilities associated to the entry of goods process. 	<ul style="list-style-type: none"> ➤ Demonstrates in-depth knowledge and understanding of the steps and tasks associated to successfully bringing goods into the Union; including entry summary declaration, temporary storage, etc.; ➤ Understands the division of the roles and responsibilities related to entering goods in the Union.
Release for free circulation	The Release for Free Circulation Process competency refers to an in-depth knowledge, understanding and ability to execute all activities related to the Release for Free Circulation of goods. It includes every step up to the ultimate release of the goods and the associated roles and responsibilities to successfully execute release of the goods.	<ul style="list-style-type: none"> ✓ Activities related to the release for free circulation of goods. ✓ Roles and responsibilities associated to the Release for Free Circulation Process 	<ul style="list-style-type: none"> ➤ Demonstrates in-depth knowledge and understanding of the steps and tasks associated to successfully release of goods for free circulation in the European Union (including the specific rules for the End-use procedure, quotas and Agricultural Agreements); ➤ Understands the division of the roles and responsibilities related to release goods for free circulation.
Special procedures - storage comprising of Customs Warehousing (CW) and Free Zones	The Special Procedures Process competency refers to an in-depth knowledge, understanding and ability	<ul style="list-style-type: none"> ✓ Activities related to the special procedures Process. ✓ Roles and responsibilities associated to the special 	<ul style="list-style-type: none"> ➤ Demonstrates awareness and knowledge about different types of special procedures, including the cases where goods have to be destroyed or abandoned; ➤ Demonstrates in-depth knowledge and understanding

<p>- specific use comprising of Temporary Admission (TA) and End-Use (EnU)</p> <p>- processing comprising Inward and Outward Processing</p>	<p>to execute all activities related to the Special Procedures . It includes every step up to the ultimate release of the goods and storage of them. and the associated roles and responsibilities to successfully execute the Special procedure</p>	<p>procedure process.</p>	<p>of the steps and tasks associated to successfully placing goods under a Special Procedure goods in the Union;</p> <ul style="list-style-type: none"> ➤ Understands the division of the roles and responsibilities related to Placing goods under a Special Procedure. ➤ Demonstrates in-depth knowledge and understanding of the steps and tasks associated to successfully storing goods in the Union; ➤ Understands the division of the roles and responsibilities related to storing goods in the Union.
<p>Transit</p>	<p>The Transit Process competency refers to an in-depth knowledge, understanding and ability to execute all activities to move goods throughout the Community. It includes every step up to the ultimate release of the goods and the associated roles and responsibilities to successfully move goods throughout the Union.</p>	<ul style="list-style-type: none"> ✓ Activities to move goods throughout the Community. ✓ Roles and responsibilities associated to the Transit Process. 	<ul style="list-style-type: none"> ➤ Demonstrates in-depth knowledge and understanding of the steps and tasks associated to successfully move goods under the Transit procedure through the Union; ➤ Understands the division of the roles and responsibilities related to moving goods using the Transit procedure through the Union ➤ Has knowledge of the alternative proof of termination of a TIR operation or of a Union transit operation
<p>Goods taken out of the customs territory of EU and general rules on customs status</p>	<p>The Export & Exit Process competency refers to an in-depth knowledge, understanding and ability to execute all activities to export goods out of the Union. It includes every step up to the ultimate release of the goods and the associated roles and responsibilities to successfully export the goods out of the Union.</p>	<ul style="list-style-type: none"> ✓ Activities to export goods out of the Community. ✓ Roles and responsibilities associated to the export & exit process 	<ul style="list-style-type: none"> ➤ Demonstrates in-depth knowledge and understanding of the steps and tasks associated to successfully exporting goods out of the Union; This covers all export procedures and exceptions such as exporting goods using an exit summary declaration or a re-export advice (including Agricultural Agreements); ➤ Understands the division of the roles and responsibilities related to exporting goods out of the Union ➤ Understands the transit processes and the different tasks of commonly partners involved (Customs office of departure, Customs office of transit, Customs office of destination).

			<ul style="list-style-type: none"> ➤ Has knowledge how to provide evidence to the customs office of export that the goods left the customs territory of the Union
RISK Management			
Risk Analysis	<p>The Risk Analysis competency relates to the techniques that public or private Customs organisations employ to monitor, identify, analyse, assess and address risk. In the changing world of Customs, the emphasis is on the inclusion of a predictive approach using intelligence gathered from collaborative partners and emerging trends in trade transactions.</p>	<ul style="list-style-type: none"> ✓ Understanding the concept of risk ✓ Types of risk ✓ Assessing risk severity ✓ Managing risk 	<ul style="list-style-type: none"> ➤ Has knowledge of the different types of risk are and is able to explain the differences (e.g. fiscal vs. security, direct vs. indirect, etc.); ➤ Is able to correctly classify and prioritise risks depending on type, possibility of occurrence and potential impact (risk severity) and by making use of the appropriate national risk management system(s); ➤ Has knowledge of the different risk severity classifications and is able to explain what differentiates them; ➤ ➤ Is able to apply best working practices in the field of risk management; ➤ Understands the impact of risk analysis and its potential outcomes on operations and the supply chain.
IT			
Customs IT Systems	<p>The Customs IT Systems & Applications competency relates to the different Customs IT Systems & Applications that have to or can be used by Customs Professionals to execute the different Customs tasks (Declaration, Trade preference management, etc.). This covers both the systems that are specific per company, as well as the systems maintained by MS or the EU. It includes also the understanding of the necessary precautions that</p>	<ul style="list-style-type: none"> ✓ Company's Customs IT systems & applications, as well as IT systems maintained by MS or EU ✓ Precautions to prevent non-authorized access to the Customs IT systems 	<ul style="list-style-type: none"> ➤ Has knowledge of the Customs IT Landscape and how the different systems are interlinked; ➤ Knows which IT system or application to use for which task; ➤ Knows how to communicate electronically with Customs administrations and other Customs Partners; ➤ Is able to suggest and make improvements both to individual IT systems and applications and to linkages between them; ➤ IT security awareness; ➤ Understands and follows the measures put in place to safeguard the IT Security.

	are in place to prevent non- authorised access to all the IT systems related to Customs.		
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