EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Customs Policy
Customs policy and Electronic customs

Brussels, 22 September 2008

TAXUD/477/2004 - Rev. 9 - EN

WORKING DOCUMENT

Electronic Customs Multi-Annual Strategic Plan

2008 YEARLY REVISION

(MASP Rev 9)

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
Office: LX 40 01/31. Telephone: direct line (32-2) 295.88.32. Fax: (32-2) 296.54.04.

E-mail: eva.kanovska@ec.europa.eu

Table of contents

Annexes

Main changes in revision 9:

This revision takes account of the development of projects from October 2007 to August 2008. It also takes into account the adoption of Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, mainly as regards the deadlines of and responsibilities for the individual projects. Among others, Trade Information & Consultation Frame for Electronic Customs and Governance Scheme for the Implementation of Electronic Customs were updated in Annex 4a and Annex 3 respectively.

The current version was put to the Electronic Customs Group (ECG) for review on 15 May 2008 and the revised document was agreed in the ECG of 17 September 2008.

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. The MASP aims mainly to provide a basis for programming the implementation of the Electronic Customs Decision[1]. The MASP is 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. 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, are and 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.

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 new version of the MASP will be subject to the approval of the Commission and Member States.

2. BACKGROUND

The Community and Member States have committed themselves to action within the framework of e-Europe and, in particular, e-Government[2]. Moreover, the Council Resolution of December 5, 2003[3], which endorsed the Communication by the Commission on a simple and paperless environment for customs and trade[4], 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". The Electronic Customs Decision requires the Commission to draw up and keep updated a multi-annual strategic plan allocating tasks to the Commission and to the Member States in respect of the electronic customs systems.

---

[1] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, OJ 2008, No L 23, p. 21

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

[3] OJ No C 305, p. 1.

[4] COM (2003) 452, 24.07.2003.

Consequently, the Commission services have drafted the MASP containing 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.

In order to achieve a co-ordinated implementation of the plan, it is essential that the Commission and Member States accept milestones, based on the legal requirements of the Electronic Customs Decision as binding deadlines (the process for this is set out in sections 8 and 9 of this document).

3. VISION AND OBJECTIVES OF ELECTRONIC CUSTOMS

The Commission and the Member States are committed to delivering 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. As part of this commitment, they have undertaken to set up and operate secure, integrated, interoperable and accessible electronic customs systems in order to facilitate end-to-end 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. The EU electronic customs systems will in general be built according to international standards as regards data sets/models and message formats, thus allowing future interaction with 3rd countries' systems.

The Commission and the Member States 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 improved protection of the financial interests of the European Community (EC) 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 the authorities of exporting and importing 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 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 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 customs 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 Excise Movement and Control System (EMCS) 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 take a leading role in establishing a single window for these authorities and agencies;

- all physical controls are carried out at the same time and at the same place (one-stop shop).

The objectives set out in this Section will be achieved by at least the following means:

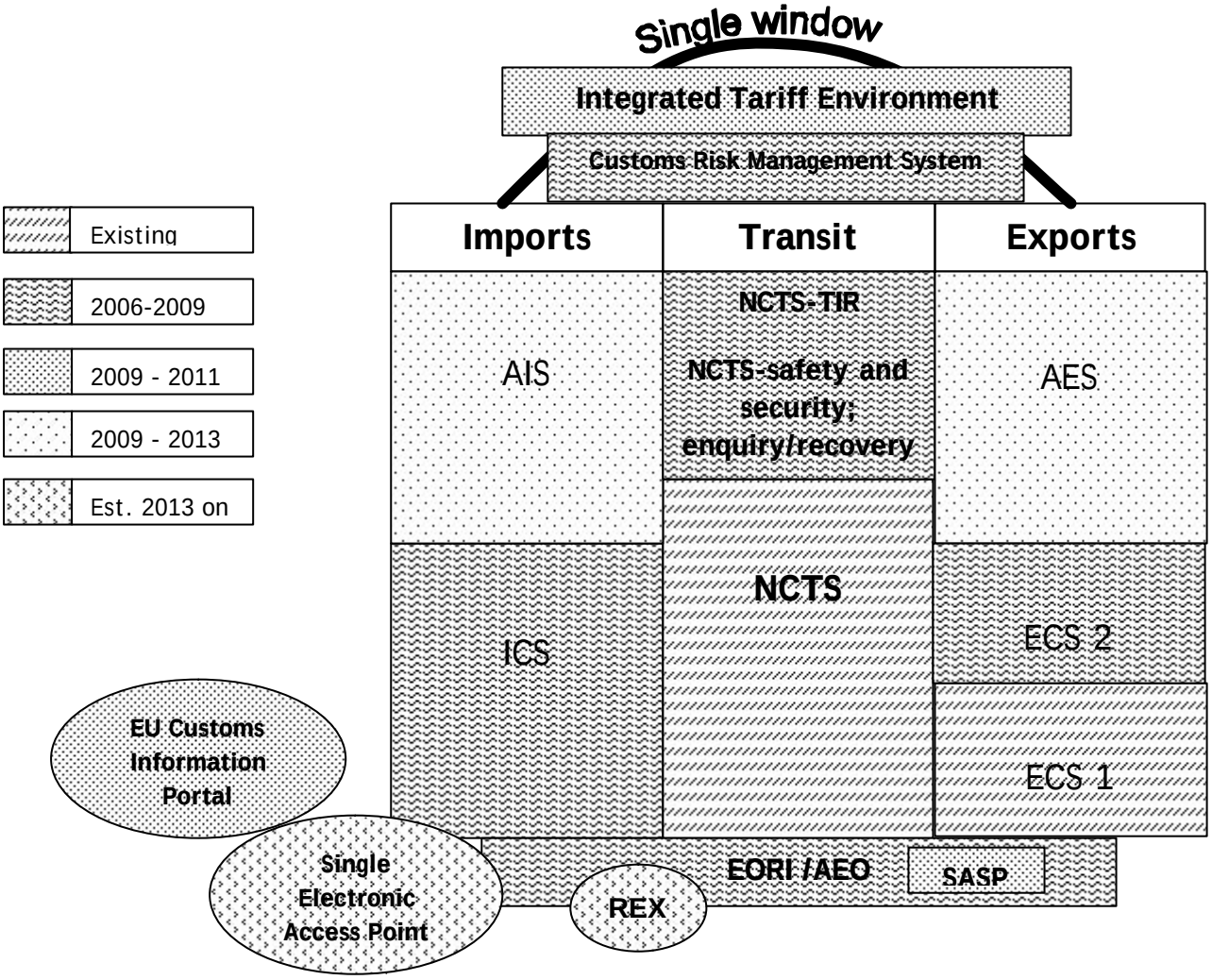
- the harmonised exchange of information on the basis of internationally accepted data models and message formats;

- the re-engineering of customs and customs-related processes with the aim to optimise their efficiency and effectiveness, to their simplification and to reducing the costs of customs compliance;

- the offering to economic operators of a wide range of electronic customs services enabling those operators to harmonise interaction with the customs authorities of any Member State.

4. A STAGED APPROACH TOWARDS IMPLEMENTATION

The following scheme shows the electronic customs vision in diagrammatic form. Although the scheme (below) over-simplifies the picture, it helps to explain the vision.



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

- The first stage builds on existing work, notably New Computerised Transit System (NCTS) and the work in the field of risk management, and creates the foundation for an electronic customs declaration environment by adding Import Control System, Export Control System (in 2 phases), NCTS-TIR, the Economic Operators' Registration and Identification System, Authorised Economic Operator system and further developing of NCTS to the existing NCTS to cope with the security requirements of Regulation (EC) No 648/2005 – NCTS Phase 4. This work is on-going and is to be fully operational by mid 2009.

- The second stage is seen as providing aspects of the electronic customs vision that primarily addresses trader concerns: the EU Customs Information Portal and Integrated Tariff Environment (the latter being built on continuing work). Some work has begun in all these areas but the planning should ensure that it builds on stage one, with full implementation being in 2011. Work on the Single Authorisations database would also

be finalised in this phase. As a part of this stage, the functional specifications of the Single Electronic Access Point, centralised clearance aspects and Single Window should be prepared by 15 February 2011.

- In the third stage, work would be focussed on the more ambitious aspects of the electronic environment which are to be based on the Modernised Customs Code concepts. These projects would lead to the completion of a fully automated export and import system (Automated Export System and Automated Import System), including the centralised clearance aspects. Although some preparatory work would begin during the earlier stages, the aim would be for the main developmental, testing and implementation phases to begin after 2009, depending on the Modernised Customs Code calendar and on the availability of business process to be able to launch the work. Moreover, should the functional specifications of the systems prepared in the second stage be evaluated positively, Single Electronic Access point is to be established within 3 years.

- The fourth stage would be the establishment of 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 Electronic Customs Decision.

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

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 Code[5] has been modified with a view to increasing security at the external borders[6] and the corresponding implementing provisions have entered into force[7]. The thrust of this Customs Code amendment, which contains already a number of rules relating to electronic customs, is also reflected in the Modernized Customs Code.

5.1. Regulation (EC) No 648/2005 of the European Parliament and the Council

This Regulation and its implementing provisions have entered into force. However, whereas some provisions were to be applied immediately, such as for Export Control System Phase 1, the provisions relating to the granting of the status of Authorised Economic Operator apply from 1 January 2008, in order to allow

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

[6] Regulation (EC) 648/2005, OJ 2005 No L 117, p. 13.

[7] Commission Regulation (EC) 1875/2006, OJ 2006 No L 360, p. 64

Member States to set up the necessary administrative structures. Electronic declaration and automated systems for the implementation of risk management and for the electronic exchange of data between customs offices of import, entry, export and exit, are required to be in place by 1 July 2009. This is to provide time for traders and customs authorities to update their systems, particularly to handle the additional safety and security data which are required in declarations.

5.2. Modernized Customs Code[8]

The Modernized Customs Code further promotes the shift to a paperless environment for customs and trade and aims to[9]:

- streamline and adapt customs rules, procedures and processes in order to achieve a simple and paperless environment for customs and trade, allow for centralised clearance;
- 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.

5.3. Electronic Customs Decision

The main objectives of the Electronic Customs Decision are to:

- commit all stakeholders to implement pan-European interoperable and accessible electronic customs systems in an agreed timeframe;
- set the objectives, strategy and coordination mechanism for the electronic customs systems;
- define Community and national components of the systems and the related responsibilities and tasks;
- establish monitoring and reporting framework for the e-customs initiative.

The Electronic Customs Decision entered into force as of 15 February 2008.

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).

---

[8] Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code)

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

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 Customs Risk Management System (see title 7.4 below).

6.2. Authorised Economic Operator status, Economic Operators' Registration and Identification system and other European wide authorisations

From an IT point of view it was necessary to develop an IT system or database that not only facilitates communication and the consultation procedures between the Member States authorities under the authorisation procedure but also serves as the master-database for the registration, identification and authorisations of economic operators and, when necessary, for mutual recognition with third countries. Given the tight timing for the establishment of the system by January 2008, a phased approach was proposed. Authorised Economic Operator Phase 1 system provides basic functions for sharing the information on the Authorised Economic Operator certificates, also taking into account extended deadlines for the issuing of the certificate in the first two years of the system's operation. Under Authorised Economic Operator Full System, communication and consultation functions will be added to the IT system. It should be noted that the Authorised Economic Operator Phase 1 is a temporary system; development of the Authorised Economic Operator Full System is progressing in parallel. It is the intention to have the same IT interface for Economic Operators' Registration and Identifications system, Authorised Economic Operator authorisations and other future authorisations granted to economic operators.

6.3. Centralized clearance[10]

From an IT point of view, the most challenging project is that which allows goods to be declared and the declaration accepted at the place where the economic operator is established, despite the fact that the goods are physically located and released by another customs office (in particular the customs office of entry). This requires IT systems that will allow the transfer of all the necessary information between the Member States as well as provide common control standards, ensuring that the level of control is sufficient whilst not being over-burdensome.

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 processes 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

[10] As regards electronic signature, ensuring common application and use of it in the EU is outside the scope of electronic customs initiative. The issue is followed by other Commission services (such as DG DIGIT and DG ENTR).

effective, thus 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 the operating costs of doing business in the EU, accelerate the movement of goods across Community customs borders and allow for the phasing-out of paper-based formalities. The envisaged interoperability of the IT systems involved will also make access to paperless customs procedures easier and more standardised throughout the EU. Information should become easier to access and more rapidly available both for the economic operators and for the officials concerned.

Interoperability and accessibility

Dependent on the actors who will be exchanging electronic information, the Commission Communication on e-Government of 26th September 2003[11] makes a clear distinction between interoperability and accessibility of the various IT systems used by the national administrations.

Interoperability is required within the common and national domains within which the customs systems of the Member States and the Community exchange information, not only with each other, but also with the IT systems of other authorities and agencies involved in the movement of goods across EU borders.

In order to allow for effective and efficient risk management, customs administrations of all Member States must be able to exchange electronic information. The first stage of Automated Import System, the Import Control System, will in particular include the exchange of electronic entry summary declarations as well as risk information (see 7.5 below). It will also provide broad recommendations concerning the national and external domain based on Regulation (EC) No 648/2005 of the European Parliament and of the Council and Commission Regulation (EC) No 1875/2006 which contains its implementing provisions. 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 is applicable to the external domain shared between national administrations and their economic operators, who are granted 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, as in detail specified in the Electronic Customs Decision, and comprises three distinct domains of responsibility:

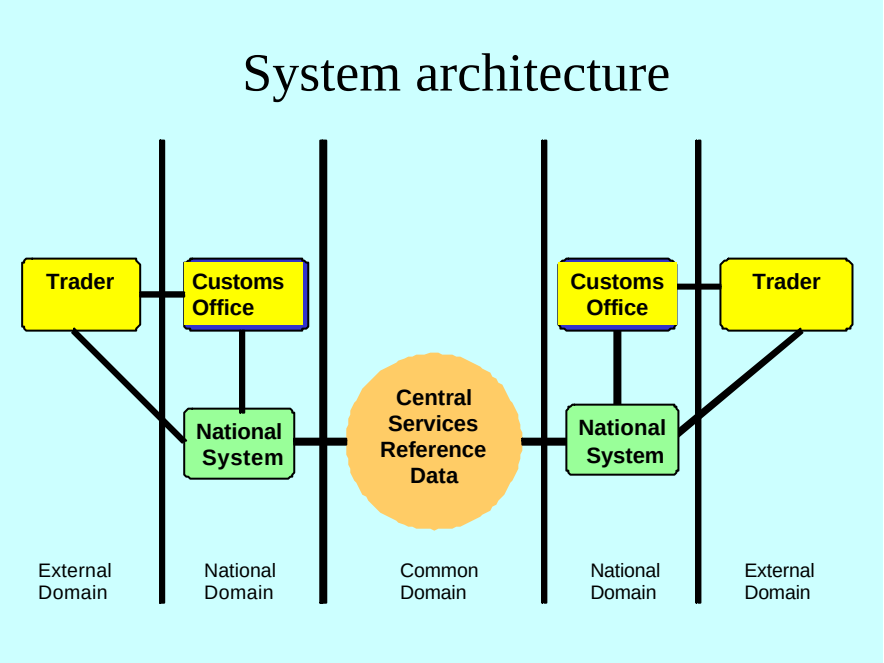
[11] COM (2003) 567.

Common Domain: this encompasses 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 standardisation[12].

The scheme below illustrates the system architecture:



Integrated Community customs systems

The concepts of interoperability and accessibility also apply to the electronic 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)[13], as well as their reference data systems which will provide the trader and risk related information, will be integrated or inter-operable 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 dectronic customs.

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

[13] See Decision No 1152/2003/EC in OJ L 162/5.

New electronic systems will be subject of thorough testing. The Commission has inscribed in its methodology for IT projects the needs for passing 'Factory Acceptance Tests' (FAT) at the premises of the developer and subsequently Site Acceptance Tests' (SAT) in the operational environment. For Trans European Systems, mandatory conformance tests will also be run by the Commission and the EU Member States in order to ensure that countries joining a system will meet and maintain the required quality and thus not endanger the operations of the system in question. All tests will be run in line with accepted test scenarios under surveillance of the Commission Quality Assurance contractor.

The following list of systems to be implemented under the electronic customs initiative follows the structure of the Electronic Customs Decision rather than one that takes into account the distinction 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 entry summary declarations and risk information (see 7.5 below), based on Regulation (EC) No 648/2005 of the European Parliament and of the Council and Commission Regulation (EC) No 1875/2006 which contains its implementing provisions. In a second stage, all additional features relating to the external domain in import clearance will be included in the AIS. These include 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.

7.2. New Computerised Transit System

Technical development for common/Community transit was finalized by 31 December 2005 (complete implementation of Phase 3.2.2). Since 1st July 2005, all common/Community transit movements in regular procedure must be made electronically, using the New Computerised Transit System (NCTS). The NCTS is thoroughly monitored in order to ensure 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 to ensure 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), which started as a pilot application on 1 July 2005, will make the lodging of TIR Carnet data, using NCTS, mandatory as from 1 January 2009. 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.

NCTS Phase 4 will provide for the use of the transit declarations for safety and security purposes, as provided for in the implementing provisions of Reg. (EC) No 648/2005, the replacement of the old paper based Early Warning System by the

Anti-fraud Transit Information System (ATIS) for DG OLAF, an updated enquiry and a new recovery procedure.

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 the return of copy 3 from the customs office of exit to the customs office of export. The full application in all 27 Member States started in September 2007.

The security-related data elements, their format and the information flow will be included in ECS in Phase 2. Further development within Phase 2 will include the necessary elements of the external domain that 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 started in January 2007 and by September 2007 included all 27 Member States.

Phase 2 – Conformity with implementing provisions to the safety and security amendment of the Customs Code including the handling of "pure" exit summary declarations[14]. Both phases will achieve, inter alia, 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/reconciliation 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 document[15]
- the electronic exchange of information and control results with other authorities and governmental organisations within the Member States e.g. CAP authorities;
- the central clearance approach.

7.4. Customs Risk Management System

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, was 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

[14] See working document TAXUD/3810/2005.

[15] See working document TAXUD/1261/2005

via RIF. The electronic RIF system should be seen as the first stage in the construction of a Customs Risk Management System (CRMS).

The further development of the CRMS is likely to engender additional IT activities, including common technical specifications for national risk analysis systems in order to ensure that Common Risk Criteria 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 CRMS is ongoing.

It is important to note that, although the CRMS can be developed separately, its successful application will depend on its interface into the overall customs declarations systems and should be integrated with the other systems which supposes parallel developments in systems providing for trader identification, AEO, audit controls and standardisation of customs controls.

7.5. Economic Operators' Registration and Identification System

Economic operators established in the Community must have an Economic Operators' Registration and Identification (EORI) number, whereas economic operators not established in the Community will have to be registered in some explicit cases. The EORI number will be used particularly for their identification as regards lodging customs declarations. The EORI system will use the basic identification information to cross-reference the national registration numbers and thus ensure identification based on single identifier. This can improve control of the data submitted to and exchanged between Member States' customs administrations and for other reference systems such as AEO, risk management, Single Authorisation systems and REX. The EORI is, therefore, an important element of inter-operable customs systems.

Interoperable customs systems must allow Member States to identify economic operators independently of Member State where they lodge a declaration. It will provide an 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). The EORI system is anticipated to be available in mid 2009 to support the ICS, ECS and NCTS operations.

7.6. EU Customs Information Portal

Economic operators will be able to access information related to import/export requirements through a customs information portal, built with a view to their needs and requirements. 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) and would also provide practical customs information for cargo movements and their customs treatment. 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, which 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 websites of Member States administrations and of the Commission will be interlinked and harmonized where possible.

7.7. Single Electronic Access Points

The purpose of the single electronic access point (SEAP) concept is to allow a trader to 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 then 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.

The existence of 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 placing an obligation upon traders to maintain multiple interfaces and/or connections, which are currently different for each customs authority and agency across the Community.

7.8. Integrated Tariff Environment

Different areas of tariff related activity, supported by IT systems, are related. Therefore the IT systems concerned (Combined Nomenclature, TARIC, European Binding Tariff Information, Tariff Quotas and Surveillance, Information System for Processing Procedures, European Customs Inventory of Chemical Substances, Suspensions, Specimen Management System and Data Dissemination System) 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 systems concerned, to allow for a widening and strengthening of the links between the systems.

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. The further development of TARIC to sustain part of the Single Window operations is under consideration.

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 Controls[16], 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.

A Single Window will allow traders to lodge the standardised information required under customs and non-customs legislation for cross border movement of goods once only; the information will then be shared between all the authorities and agencies involved in the movement of goods. This is consistent with the e-Government model[17].

The modernized Customs Code and the 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 EU Customs Information Portals and the SEAP could provide the first stepping stone to building the Single Window, which is anticipated to be established by the Member States and the Community after 2012. Nevertheless, the implementation of single window presents a far greater organisational challenge than a technical one, as it will require a massive effort of co-ordination between a number of authorities and 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 exists the possibility of interconnecting EMCS with ECS for purposes such as the surveillance of excise-duty goods exports.

The possible exchange of information with third countries outside the EU/EFTA framework, based on EU bilateral or multilateral agreements, will be technically dealt with under the Automated Information Exchange with Third Countries project (using Single Portal for Exit or Entry of Data (SPEED) platform).

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 the Electronic Customs Decision, and in particular shall:

- define strategies, resources and development phases;

---

[16] OJ 1984 No L 126/3

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

- 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 resources already allocated at national and Community level;

- coordinate legal and operational aspects, as well as training and IT development and ensure the provision of information to customs authorities and economic operators in this respect;

- steer the implementation activities of all stakeholders;

- ensure respect for agreed deadlines and the methodology as described in Annex 5 of the MASP.

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

- the Customs 2013 Committee concerning the implementation of programme actions within the established Customs 2013 management and financial frame;

- the Electronic Customs Group, created by the Customs 2013 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, tasks and responsibilities, 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 was adopted by the European Parliament and the Council, legal changes will largely be introduced by amending the Customs Code Implementing Provisions with the involvement of the Customs Code Committee.

Within DG TAXUD and in collaboration with other Directorates General of the Commission, a strong management structure will be put in place, an approach that should also be followed within Member States.

9. MANAGEMENT OF THE IT PROJECTS IN ELECTRONIC CUSTOMS

In order to maintain transparency 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 the 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 realistic planning of the process (e.g. user requirements, functional specifications, technical specifications, development). The Commission proposes to use the methodology applied successfully to the NCTS project (see Annex 5, 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. It should be further noted that where conditions require it, activities previously presented as sequential may be re-scheduled to proceed in parallel).

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 Electronic Customs Group or the Customs Policy Group (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 3 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 the various 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 must comply with a few key principles: it has to be user-needs driven, multi-channel, cross-government and cross-national. The framework must complement and reinforce the efforts of Member States, and cover areas where purely national action is insufficient. It must 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 fashion, a communication framework for trade involvement in electronic customs has been established by DG TAXUD (Annex 4 a). With the adoption of the Electronic Customs Decision, Member States are also required to develop similar structure of consultations at national level.

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, which 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 must be an inclusive process. It is not a task that the Commission can undertake 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, including annual reporting on the allocated tasks under the Electronic Customs Decision. 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 further committed themselves to the objectives of the electronic customs initiative by adopting the Electronic Customs Decision that, together with Regulation (EC) No 648/2005 and the Modernized Customs Code, provides 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 set out in the Electronic Customs Decision and further detailed in the MASP, is a key element for the success of electronic customs.