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Customs Policy  
**Customs policy and Electronic customs**

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## **TRADE CONTACT GROUP**

### **TERMS OF REFERENCE**

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## **I. Introduction**

Following the active participation of trade representatives in the drafting process of the implementing regulation of the security amendments to the Community Customs Code, Director-General Verrue took the initiative to increase the scope for regular consultation with the trade through the Trade Contact Group (hereafter TCG) by discussing all customs subjects in stead of only electronic customs issues.

The first meeting of the "enlarged" TCG has been held on 26/2/2007. Following the first meeting of the TCG, it was agreed to establish a document outlining the terms of reference for the TCG. In that meeting it was agreed that, taking account of the positive experience of trade representatives in the context of the discussions on electronic customs and security amendments to the Community Customs Code, to extend the mandate of the group.

This document comprises the mandate and general working arrangements for the TCG. Based on the discussions of and decisions taken in the TCG Meeting held on 14 May 2007 [Report: Working Document TAXUD/1422/2007 of 14 May 2007], this document was drafted. Next the document was discussed at the TCG Meeting held on 12 June 2007 [Report: Working Document TAXUD/1429/2007 of 25 June 2007]. Comments and conclusions of both meetings have been included in this document.

## **II. Purpose of this document**

The TCG should provide a platform for customs and trade consultations discussing at Community level the development and implementation of customs related issues and developments on customs policy.

This document outlines in detail the terms of reference (Chapter III – the mandate and Chapter IV – the general principles) for the TCG, regarding the principles laid down in the Communication from the Commission towards a reinforced culture of consultation and dialogue – General principles and minimum standards for consultation of interested parties by the Commission [COM(2002) 704 final of 11.12.2002]. This document aims at presenting a realistic, effective and reliable framework for the indispensable involvement of trade in the discussions on the developments and implementing consequences of customs related policy issues and EC customs legislation.

The information and consultation processes as described in this document are not meant to be exhaustive and it goes without saying that they need to be further complemented by targeted consultation actions on European and - most importantly- on national level. However, the document sets out the main lines towards a successful incorporation of the European traders' requirements on one hand and making best use of existing trade expertise throughout the realization of EC customs initiatives.

The Trade Information and Consultation Processes – as visualized in the chapter IV of this document - aims at providing a structure for ensuring that the involvement of trade in the strategic as well as operational part of Community Customs initiatives takes place in a coordinated and appropriate way. As a general rule the role of trade representatives in the context of this collaboration scheme is of a consultative nature.

To keep any interaction between trade consultation and the realization of Electronic Customs as simple, dynamic and transparent as possible, these TCG Terms of Reference are to a large extent aligned with the governance scheme for the implementation of Electronic Customs, the "Electronic Customs Management Frame" (see TAXUD/Doc 124/2005).

### **III. The Mandate of the Trade Contact Group**

- (1)** The TCG will provide a forum for a mutual exchange of views between economic operators and the Commission's services on all customs-related issues, particularly in respect of
  - the electronic customs initiative;
  - the modernised customs code;
  - implementation of current and future customs legislation; and
  - developments of customs policy.
- (2)** Provide means for economic operators to contribute to the development and implementation of customs related issues.
- (3)** Members of the TCG may identify, discuss, analyse and give, where appropriate, their opinion in written form of any customs related issue of interest to both economic operators and the Commission.
- (4)** The TCG will be informed on participation of economic operators in particular projects or pilots organised by the European Commission.

### **IV. General Principles**

Some key principles for the implementation of the Trade Information & Consultation Processes with regard to funding, status, procedural necessities, general obligations etc, are set out at this stage and are valid for this document. Deviations are documented whenever necessary.

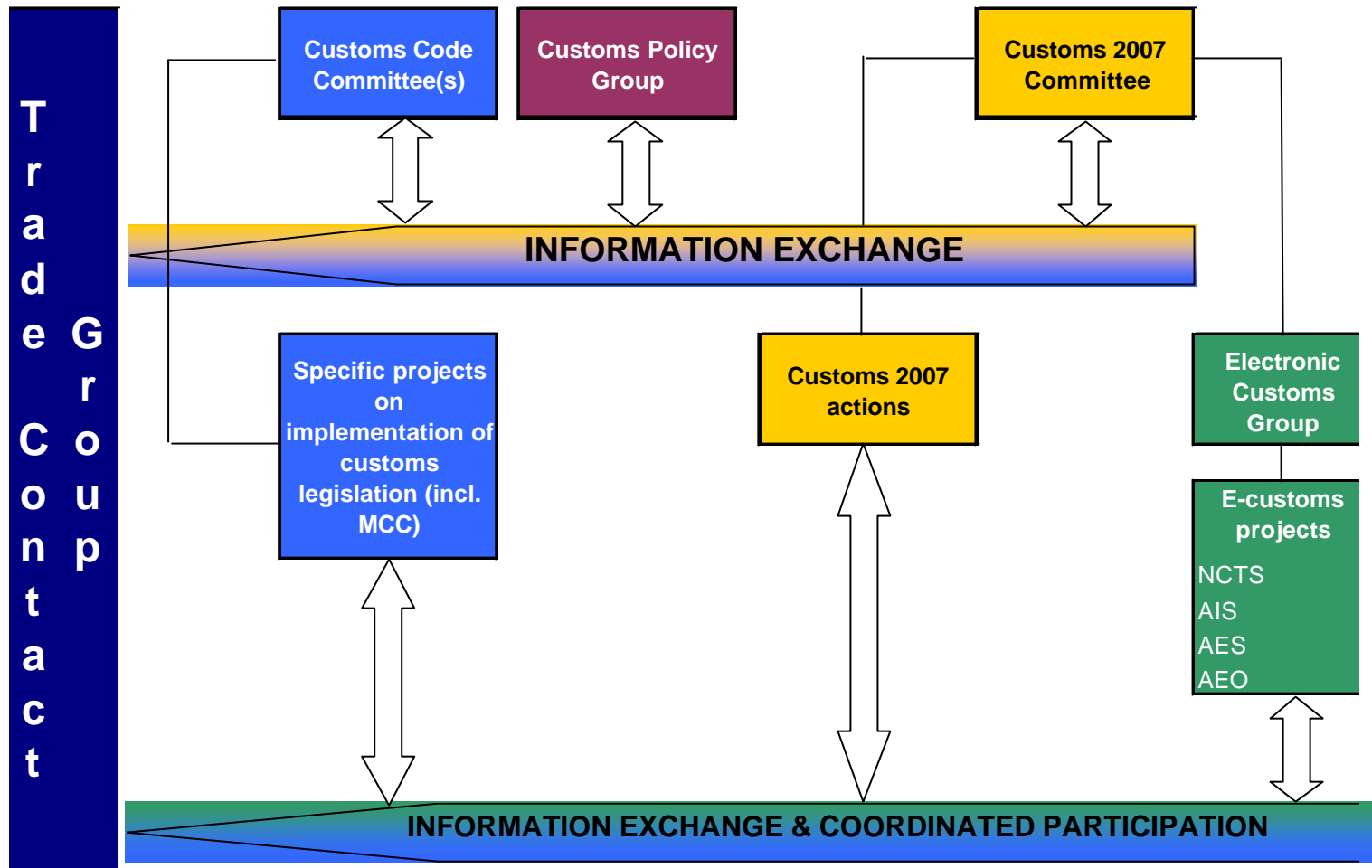
- The members of the TCG will be representatives of the main international associations involved in customs related activities at the European level.
- Each association will nominate two representatives (one full member and one deputy).
- For reasons of efficiency, one person per association may participate in meetings of the TCG.
- The status of the trade representatives within the TCG is of “consultative” nature.
- Structured dialogue between Commission and trade occurs on a regular basis. The group will meet at least twice a year, in Brussels. When considered necessary additional ad-hoc meetings can be organized.
- Also in addition to the regular TCG meetings, thematic meetings of the TCG can be organized for discussion on a specific subject.
- The meetings of the TCG will be hosted by the European Commission's Taxation and Customs Union Directorate-General and will be chaired by the DG's Director of Customs Policy.
- The participation costs of trade representatives and/or trade experts in any kind of meetings, project groups etc are to be born by the trade, unless mentioned otherwise.

- The main working language of the TCG will be English.
- Enhanced use should be made of IPM: the Interactive Policy Making<sup>1</sup> system provides the means to access the opinions and experiences of EU business and interest groups and for them to actively participate to policy discussions.
- The Consultation & Information processes are based on the “principle of reciprocity”; all stakeholders (Commission, national Customs Administrations, trade representatives, others) will respect this principle.
- In parallel, Information & Consultations processes need to be established at national level between Customs and trade.
- The Information & Consultation processes between all stakeholders are at all relevant levels supported by use of efficient information exchange tools (CIRCA, user groups etc).
- In-time delivery and accuracy of information as well as timely publication of meetings and project launches to the trade are actively supported by all stakeholders.

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<sup>1</sup> COM(2001)1014

## V. Trade Information & Consultation Process



### ***CUSTOMS POLICY GROUP***

The Customs Policy Group (CPG) exists of the heads of the customs administrations of the EU Member States (full members). The meeting of the CPG – full members is prepared by the deputy heads of customs, the so-called CPG-deputies. The CPG is responsible for coordinating the customs policy developments.

Meetings of the TCG will be scheduled in between a meeting of the deputies and the full members of the CPG. In this way the TCG will be kept informed on the points of discussion of the CPG and will be able to present its views, which can be taken forward in the following CPG meeting. Members of the TCG will not participate in meetings of the CPG.

### ***CUSTOMS CODE COMMITTEE(S)***

This heading concerns committees which are governed by the so-called comitology procedure. The procedures for the exercise of implementing powers conferred by on the Commission are laid down in Council Decision of 28 June 1999 – the so-called Comitology Decision [1999/468/EC; OJ L 184/23 of 17.7.1999, amended by Council Decision 2006/512/EC, OJ L 200 of 22.7.2006].

The term 'comitology' refers to the procedures under which the Commission executes its implementing powers conferred to it by the legislative branch (the European Parliament and the Council). The Commission applies those powers with the assistance of comitology committees consisting of Member States representatives. There exist four types of committees; advisory, management, regulatory and regulatory with scrutiny. Under the comitology procedures the Commission services submit draft implementing measures to the committees, which deliver opinions on these draft measures. Each committee has adopted its own rules of procedures which indicate that trade representations only will take part in the committee meetings occasionally, when they will be invited as experts.

Public access to information on comitology documents is provided by the Register of Comitology, a web-based instrument of the European Commission <http://ec.europa.eu/transparency>. It gives public access to a register of reference information on the documents relating to the work of comitology committees that the Commission transmits to the European Parliament in accordance with the Comitology decision as mentioned above. Trade representatives in comitology committees will only take place occasionally, when their expertise is required they may be invited as experts, according to the internal rules of procedures of the committees.

### ***ELECTRONIC CUSTOMS GROUP (ECG)***

The main role of the ECG is to ensure coordination and consistency as regards the overall planning, implementation and follow-up of all legal, procedural and operational aspects related to electronic customs. It establishes in particular user requirements, coordinates project groups with regard to the MASP and ensures respect of agreed deadlines. Its' responsibility for functional and technical specifications on the automated systems operational aspects of electronic customs and on the co-ordination of these activities between Member States and the Commission will also be addressed at level of the ECG.

A closer cooperation of the ECG and TCG is envisaged in order to further improve the dialogue between Customs and trade on complex customs issues, to identify barriers to trade facilitation and to find solutions for it. TCG members participate regularly in the meeting of the ECG and may, when their expertise is required, participate in electronic customs projects.

## **CUSTOMS 2007 COMMITTEE**

The Customs 2007 Programme runs from 1 January 2003 to 31 December 2007 and aims at supporting and completing actions undertaken by Member States and Candidate Countries to guarantee the effective functioning of the internal market in the field of customs.

The details on the objectives of the programme can be found on the TAXUD site of Europa: [http://ec.europa.eu/taxation\\_customs/index\\_en.htm#](http://ec.europa.eu/taxation_customs/index_en.htm#) under the title Customs cooperation programmes.

A complete list of current Customs 2007 groups is presented in a separate document. Some groups and activities do sometimes cover aspects of customs operational works which can not be discussed with trade. For example technical working groups of the customs laboratory net work focusing on analysis for certain products such as seasoned poultry or discussing the proficiency test related to the Meursing table (milk proteins, starch) or groups focusing on purely technical aspects of customs work such as establishing risk profiles.

A separate list of groups is provided concerning groups outside the comitology and Customs 2007 in which trade representatives can participate and will be invited to. Trade representation can be possible on the basis of permanent participation but also on a non-permanent but regular basis for example trade representatives will be invited to every other meeting of a project group. This latter option will be used for the discussion of draft implementing provisions and guidelines for the modernized customs code.

The Customs 2007 decision allows for the participation of "other experts" exclusively for seminars, workshops and project groups in duly justified cases. However, **Art. 14 of the Decision on the Customs 2013 Programme**<sup>2</sup> opens the participation for representatives of international organisations as well as to administrations of third countries and economic operators and their organisations under the restriction **whenever this is useful for the achievement of the Programme's objectives.**

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<sup>2</sup> Decision No 624/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing an action programme for customs in the Community (Customs 2013) OJ L 154 of 14 June 2007 [OJ L 154](#)