



European Commission  
Taxation and Customs Union



## ***ECASBA SEMINAR 2010***

### **Customs Union – what is happening**

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## *Current situation*

- **Implementation of the so-called Safety & Security amendment:**
  - **AEO** – fully operational since beginning 2007 – more than 3.000 authorizations granted beginning 2010
  - **Exportation** – obligation to present export declarations by computerised means – in force since July 2009 – currently +/- 98,7% of export declarations are IT.
  - **Entry (ENS) and exit (EXS) summary declarations** – end of transitional period: 31.12.2010 (*to be continued*)



## *Current situation*

- **Implementation of the so-called Safety & Security amendment:**
  - Entry and exit summary declarations: current state of play:
    - 16 MS have implemented the ICS system to receive ENS. All missing ones have presented their plans with reasonable time periods for testing for traders.
    - All MS are in ECS2 – this should mean that all are able to process and transmit EXS also (as for export declarations).
    - Level of utilisation of ENS extremely low (some thousands)
    - Level of utilisation of EXS close to zero



## *Current situation*

- **Implementation of the so-called Safety & Security amendment:**
  - Entry and exit summary declarations: Difficulties being faced:
    - Traders informing that some MS are not really following their plans for ENS
    - Traders informing that 1 or 2 MS do not have plans to develop trader's connections for EXS
    - MS not being able to test the national systems fully due to the lack of declarations and fearing that all traders will connect only on the 31.12.2010 leading to a big-bang in the utilisation with the inherent risks
    - Business Continuity Plans (BCP) have been developed, as it should be for all cases where IT is developed, but due to the low use of ENS and EXS have not been really tested. A big bang situation on 1.1.2011 may lead to the need of using BCP in a more extensive way than it should be normal.



## *Current situation*

- **Implementation of the so-called Safety & Security amendment:**
  - What can the trade do?
    - Test the process between the different traders in the supply chain, in order to ensure that the correct flows of information exist. (Examples: all the elements for the presentation of the notification of arrival or for the presentation of goods are at the disposal of the declaring on due time; that the at the exit of goods the elements for the notification of arrival at exit and exit confirmation flow easily)
    - Try to test the connections for ENS and EXS as soon as possible
    - Inform the Commission of the difficulties being faced with MS, being them concerning the unavailability of the IT systems or of the IT system specifications or concerning implementation divergent from the legal requirements (example: no implementation of the entry key for the arrival notification)



## *Current situation*

- **Implementation of the so-called Safety & Security amendment. Conclusion:**

- The implementation is well on its way.  
2 of the 3 main measures already deployed
- Efforts still necessary for the 1 measure still in transitional period

Need for a concentration of efforts from national administrations and traders to reach the 1.1.2011 on a smooth way, as it was the case for the 1.7.2009.



## *Future: what is on its way?*

**Answer: Modernised Customs Code  
implementation**

**When: June 2013**

- **What does this mean? A number of things, where the more relevant are:**
  - Compulsory use of IT for all transactions
  - Possibility to use the so-called centralised clearance concept for customs declarations (place where goods are presented and place where the customs declaration are presented may be different)
  - In your area of business: temporary storage is upgraded from the current hybrid status and becomes a customs procedure



## *Future: Modernised Customs Code*

To prepare this implementation:

- All areas of covered by customs legislation are currently being revised.
- The compulsory use of IT for all transactions implies that Business Process Models are being developed in order to pave the way for the full interoperability of the national IT systems.
- This means an even more harmonised implementation but also changes to some current national procedures
- Some problems have already been identified





## *Future: Modernised Customs Code*

**In this preparatory work some problems have already been identified, such as:**

(further clarification with trade (in **blue**) or further discussions with the objective to agree on the content (in **red**))

- **Customs status and transit**

- Simplified transit procedure for air and sea

- **Data requirements**

- "Goods description" and/or "Commodity Code"
- "Buyer" and "seller" data elements in entry and exit summary declarations
- Management of temporary storage declarations (terminal operators)

- **Entry, Export, Exit**

- Ensure Office of lodgement functionality (both in case of import and export)
- Maintain the current rules for export under a single transport contract



## *The way forward - MCC*

### **Usage to be made of the list of problems:**

- Targeting further work in *ad hoc* workshops and/or invitation to participate in CCC (Committees) or ECG (Electronic Customs Group)
- Ensure effective consultation and results
- Establishment of the list of issues for further work

### **Objective**

Reach a proposal that can be made operational by all the intervenient (Customs administrations, traders) and that can be beneficial for them and for the public at large



## *The way forward - Conclusion*

### **Active participation of traders (through their associations) is fundamental to:**

- Ensure the full implementation of the S&S amendment
- Develop the best possible processes for the implementation of the MCC



## *Conclusion*

For all these reasons, all my apologies for not having been able to be here today with you and my big thank you to Antonio Belmar for his understanding and to Jonathan Williams for his courage to step in on my behalf!

Maria Manuela Cabral