



European Commission
Taxation and Customs Union



FONASBA Annual Meeting 2010

**EU Customs Union – Where are we and
where is the EU customs union going**

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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*)



Implementation of the so-called Safety & Security amendment- **Entry of Goods**:

Declaration required:

- **Entry summary declarations (ENS)**: current state of play:
 - IT system to be used: Import Control System Phase 1 (**ICS**)
 - Operational in 19 MS
 - 5/6 MS in deployment phase or under control
 - 2/3 MS (EL, DK, LU) faced with difficulties

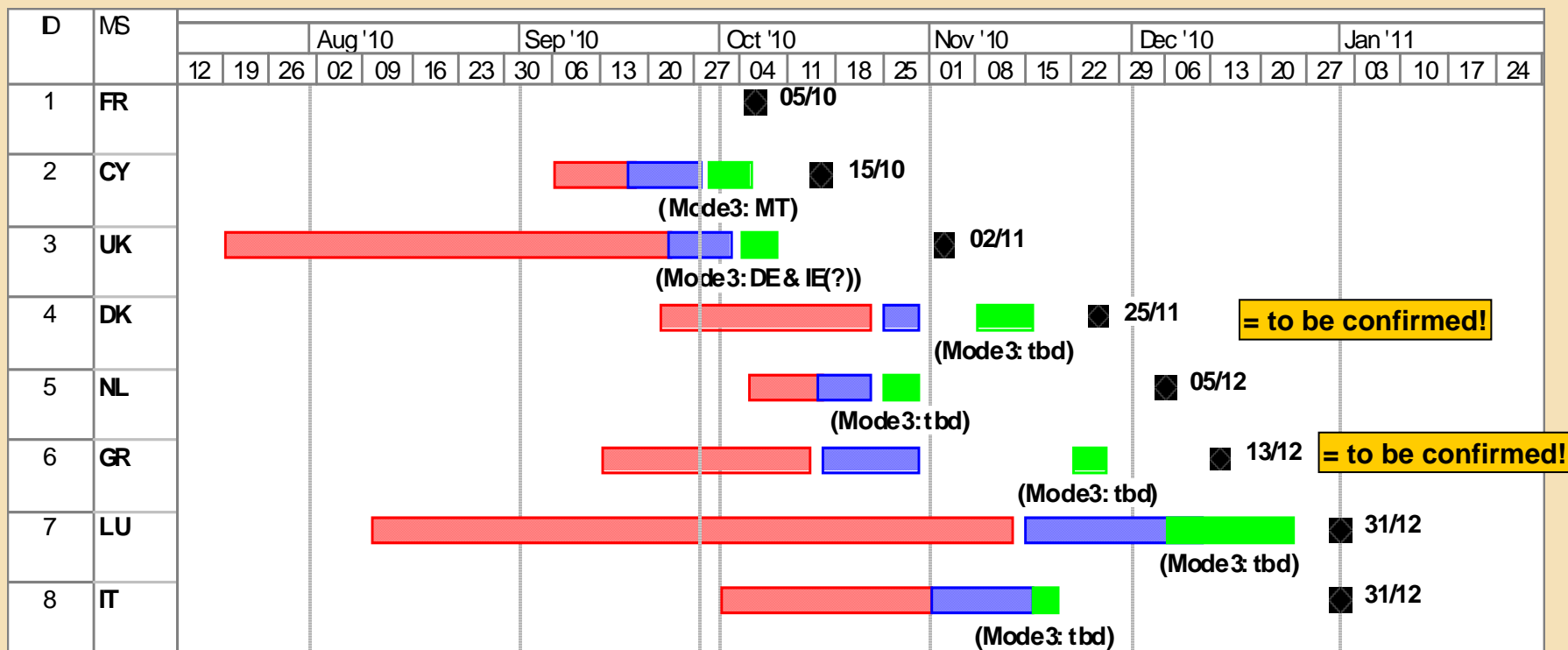


ICS operational Status 30.09.2010

Country	Operational	Entry Date
CZ	YES	30/06/2009
EE	YES	01/07/2009
LV	YES	01/07/2009
SK	YES	01/07/2009
ES	YES	02/07/2009
PT	YES	02/07/2009
MT	YES	03/08/2009
AT	YES	01/09/2009
RO	YES	01/10/2009
HU	YES	01/12/2009
SI	YES	01/12/2009
FI	YES	14/12/2009
LT	YES	30/04/2010
SE	YES	01/05/2010
BG	YES	03/05/2010
PL	YES	17/05/2010
IE	YES	14/06/2010
DE	YES	27/06/2010
BE	YES	02/07/2010
FR	YES	05/10/2010



ICS - Planning CT & Start of operations



= to be confirmed!

= to be confirmed!

PRE-CT mode 2

CT mode 2

CT mode 3



Implementation of the so-called Safety & Security amendment- **Exit of Goods:**

Declaration required:

- Export Declaration: IT systems: ECS Phase 2-fully operational in the 27 MS, or
- Transit declaration: IT system: NCTS Phase 4-Fully operational in the 27 MS, or
- **In the absence of any previous declaration, an Exit summary declarations (EXS) is necessary:**
 - IT system: part of ECS Phase 2
 - Operational in 17 MS
 - 2 MS (EL, LU) presenting a real problem
 - 1 MS out of scope (IE) due to lack of business case



ECS & EXS

MS	Specifications provided to Traders	Possibility for traders to send EXS (msg IE615) (since ...)	Number of IE615 already received
AT	YES	YES - 01/09/2009	0
BE	YES	YES	0
BG	YES	YES - 01/07/2009	425
CY	YES	By end 2010	NA
CZ	YES	YES - 01/07/2009	241 (common domain)
DE	YES	YES - 27/06/2010	NA
DK	YES	YES	67 (common domain)
EE	YES	YES - 01/07/2009	0
EL	NO	By end 2011	NA
ES	YES	By end 2010	NA
FI	YES	YES - 14/12/2009	0
FR	YES on week 42	By January 2011 (DTI)	NA
HU	YES	YES - 29/10/2009	0
IE	NO	NO	NA
IT	YES	Tests with traders are on-going	NA
LT	YES	YES - 30/04/2010	0
LU	YES	First half 2011	NA
LV	YES	YES - 01/07/2009	0
MT	YES	From 31/10/2010	NA
NL	YES	YES - 31/01/2010	0
PL	YES	From 16/11/2010	NA
PT	YES	YES - 01/06/2010	0
RO	NO	YES for EXS (but not as IE615)	NA
SE	YES	YES	3 (internet decl.)
SI	YES	From 22/10/2010	NA
SK	YES	YES	0
UK	YES	YES - 01/07/2009	0

- OK for : AT, BE, BG, CZ, DE, DK, EE, FI, HU, LT, LV, NL, PT, RO, SE, SK, UK.
- Coming (soon): CY, EL, ES, FR, IT, LU, MT, PL, SI.
- No business case: IE.



Difficulties being faced

- 2/3 Member States under real difficulties
 - Mitigation actions in place:
 - Very close scrutiny of developments
 - Discussions on possible solution being held with the 2 MS
 - Possible agreement on 21/10/2010
- Operational systems not fully tested 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.



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 of the export declaration for the notification of arrival at exit and the 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



Current situation - Conclusion

- The implementation of the safety & security amendment is well on its way:
2 of the 3 main measures already deployed
- Efforts still necessary for the 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: where is the EU customs union going?

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 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 problematic areas have already been identified**



The way forward - MCC

Identification and discussion of the problematic areas:

- 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



Final Conclusion

All my apologies for not having been able to here today with you and my big thank you (again) to:

- Antonio Belmar for his understanding and
- Jonathan Williams for his courage to step in on my behalf!

Maria Manuela Cabral