

# *Exchange of customs related information with Third Countries*

## **Consultation strategy**

### **1. Background of the initiative**

#### **Introduction and context**

*This Commission has identified a deeper and fairer internal market as a key priority, and as one of the European Union's best assets in times of increasing globalisation. In the Single Market Strategy, the Commission put forward a number of measures to deepen the internal market.*

*However, in today's global value chain, trade with third countries is constantly rising, and hence the role of customs authorities becomes increasingly important. Globalisation combined with the increased cross-border flow of small low-value consignments challenges customs resources not only when ensuring the collection of customs duties, but also as regards their role in ensuring safety and security of the single market and its inhabitants and guaranteeing the protection of Intellectual Property Rights (IPR). At the same time customs has to offer procedures promoting competitiveness through facilitation and acceleration of trade. Through international cooperation and bilateral agreements with third countries we strive to facilitate legitimate trade to ensure the collection of customs duties and to minimise safety and security risks.*

*Cooperation and exchange of customs-related information with third countries play an increasingly important role in the area of the Customs Union and common commercial policy. They ensure the correct application of customs legislation, can improve customs risk management and may accelerate legitimate trade, ensure a better protection of the financial interests of the EU and the Members States (collection of import duties and taxes, including VAT and excise duties), enhance the security and safety of the Union and its citizens through preventing and detecting of illegal trade and have a positive influence on the reduction of corruption at the external borders.*

*That is why, in 2014, the Commission put forward an EU Strategy and Action Plan for customs risk management. Among others, it focuses on tapping the potential of international customs cooperation, including the exchange of customs information, as this helps ensure the correct application of customs legislation, and in particular facilitates improved customs risk management to better target customs controls.*

*There are various initiatives in place that allow customs authorities in the EU and third countries to exchange certain customs information in specific circumstances. These are either based on international agreements and decisions adopted by bodies set up by international agreements, such as*

- *stand-alone customs cooperation and mutual administrative assistance agreements;*
- *customs and trade facilitation chapters included in free trade agreements;*
- *agreements on trade facilitation and security and agreements on transit;*
- *Joint Customs Cooperation Committee decisions on mutual recognition of authorised economic operator ((AEO)/trusted trader programmes); and*

or non-legally binding arrangements or pilot projects (e.g. Smart and Secure Trade Lanes (SSTL) with China<sup>1</sup>).

*In particular, an exchange of information currently exists in the context of mutual administrative assistance agreements that cover exchange of information on request and in case of evidence or suspicion of irregularities, but not in an automated and advance way.*

*Such a patchwork of different acts and lack of legal base and infrastructure for automatic exchanges of customs related information poses limitations on the scope and functioning of the information exchange with third countries' customs administrations and other parties involved in the international supply chain as it does not allow for general and systematic exchanges, but needs ad hoc solutions which require lengthy and complex negotiation processes and create administrative burden.*

*However, an increasing number of third countries have requested or proposed the Commission and individual Member States to develop and strengthen customs cooperation, in particular through automatic and advance exchange of customs related information. Member States are facing pressure from third countries to enter into arrangements on a bilateral basis, but cannot do so as the topic falls under exclusive EU competence.*

*The topic has already been discussed in various fora (e.g. Club meeting of Customs Directors General in Varna on 22-23 May 2008, Customs Policy Group (Full Members) meeting of 2-3 July 2009) and at different high level seminars in Vilnius (November 2010), Budapest (April 2011), Krakov (October 2011), Kiev (October 2012) and Druskininkai ( 24 – 25 October 2013) with a focus on the EU Eastern neighbours.*

*In addition, Member States stressed the importance of enhanced exchange of Customs related information with third countries in their Council Conclusions of 19 December 2016 and explicitly invited the Commission “to consider coming forward, by the end of 2017, with proposals for a policy framework and where necessary Union legislation on enhancing the exchange of information between the Customs Authorities of the EU Member States and those of third countries in the area of common commercial policy”.*

*Against this background the European Commission is considering to take initiative with a view to further address this topic.*

## **The Objectives**

*The different consultation actions aim to gather views from stakeholders on the need for EU action aimed at introducing an effective tool to allow for systematic exchange of customs related information with third countries and in case there is, on how this tool could be designed and its scope.*

## **Scope**

*The consultation activities serve to gather views in particular on the following:*

- *Whether there is a problem in the current situation linked to exchange of customs related*

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<sup>1</sup> [https://ec.europa.eu/taxation\\_customs/general-information-customs/customs-security/smart-secure-trade-lanes-pilot-sstl\\_en](https://ec.europa.eu/taxation_customs/general-information-customs/customs-security/smart-secure-trade-lanes-pilot-sstl_en)

*information with third countries and if the EU should act;*

- *Objectives to be met through exchanging customs-related information with third countries;*
- *Potential benefits for the EU in receiving and potential risks of providing customs-related information from and to third countries*
- *Scope of the possible automatic and advance information exchange;*
- *Possible options for the automatic exchange of customs related information with third countries.*

*The results of the open public consultation will be duly published, together with the responses provided.*

*The consultation will be complemented by further targeted questionnaires to Member States' Customs Administrations, the business community and international partners / international organisations as well as a possible workshop with representatives of Member States' Customs Administrations.*

## **2. Stakeholder identification & consultation tools**

Stakeholder type	Method of consultation	Consultation period	Content
<i>General Public</i>	<i>12 week open public consultation (mandatory)</i>	<i>Q3 2017</i>	<ul style="list-style-type: none"> <li>• <i>Whether there is a problem in the current situation linked to exchange of customs related information with third countries and if the EU should act;</i></li> <li>• <i>Objectives to be met through exchanging customs-related information with third countries;</i></li> <li>• <i>Potential benefits for the EU in receiving customs-related information from third countries;</i></li> <li>• <i>Scope of the possible automatic and advance information exchange;</i></li> <li>• <i>Possible options for the automatic exchange of customs related information with third countries</i></li> </ul>
<i>Member States' Customs Administrations</i>	<i>Targeted questionnaire to all 28 Member States administrations</i>	<i>Q3 2017</i>	<ul style="list-style-type: none"> <li>• <i>Whether there is a problem in the current situation linked to exchange of customs related information with third countries and if the EU should act;</i></li> <li>• <i>Whether Member States' Customs Authorities were approached by third countries on the topic of</i></li> </ul>

			<ul style="list-style-type: none"> <li>• <i>information exchange;</i></li> <li>• <i>Experience with information exchange;</i></li> <li>• <i>Objectives to be met through exchanging customs-related information with third countries;</i></li> <li>• <i>Potential benefits for the EU in receiving customs-related information from third countries;</i></li> <li>• <i>Possible options for the exchange of customs related information with third countries;</i></li> <li>• <i>Content and Form of the possible information exchange;</i></li> <li>• <i>Data protection requirements;</i></li> <li>• <i>Potential problematic areas and risks.</i></li> </ul>
<i>Business Community</i>	<i>Targeted questionnaire to members of the Trade Contact Group</i>	<i>Q3 2017</i>	<ul style="list-style-type: none"> <li>• <i>Whether there is a problem in the current situation linked to exchange of customs related information with third countries and if the EU should act;</i></li> <li>• <i>Objectives to be met through exchanging customs-related information with third countries;</i></li> <li>• <i>Potential benefits for the EU in receiving customs-related information from third countries</i></li> <li>• <i>Possible options for the exchange of customs related information with third countries</i></li> <li>• <i>Content and form of the possible information exchange</i></li> <li>• <i>Data protection requirements</i></li> <li>• <i>Potential problematic areas and risks</i></li> </ul>
<i>International Partners and International Organisations</i>	<i>Targeted questionnaire to International Partners and International Organisations (WCO)</i>	<i>Q3 2017</i>	<ul style="list-style-type: none"> <li>• <i>Experience with information exchange</i></li> <li>• <i>Scope of information exchange practiced</i></li> <li>• <i>Type of data exchanged</i></li> <li>• <i>Format of information exchanged</i></li> <li>• <i>Potential problematic areas and risks experienced</i></li> </ul>

### **3. Next steps**

*The information provided will be used to assess the impact of a legal initiative on Exchange of customs related information with Third Countries, in particular on the definition of the problem and the objectives as well as the possible options.*

More information about the activities that the European Commission is carrying out in relation to this initiative can be found here:

[www.your initiative europa.eu](http://www.your initiative europa.eu)