



Brussels, 21.12.2016
COM(2016) 813 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE**

Developing the EU Customs Union and Its Governance

1. INTRODUCTION

This Communication addresses the question of how the Commission and the Member States can act in partnership to ensure that the operation of the Customs Union makes the best possible contribution to EU prosperity and security.

The Customs Union, which is now approaching 50 years of operation, was an early example of successful integration in the EU. It created the conditions for establishing the single market and served as a stable foundation for economic integration and growth. A strong and well managed Customs Union can enable the EU to prosper and develop competitive businesses, to protect its revenue sources and protect the public against terrorist, health, environmental and other threats. As in many policy areas success requires addressing tensions between individual Member States concerns and the strategy to achieve common goals.

In an era where terrorism and other serious crimes operate on a cross-border and transnational basis, customs authorities are increasingly called upon, as law enforcement authorities dealing with borders control, to carry out non-fiscal tasks aimed at improving internal EU security. The role played by customs in the security area is particularly relevant in preventing terrorist organisations from moving their funds and in disrupting their sources of revenue, as recognised in the Commission Action Plan for strengthening the fight against terrorist financing¹. However, more must be done to coordinate the different policy areas involved in border management and enhance the cooperation and synergies between the various law enforcement authorities to contribute to an effective and sustainable Security Union. Better information exchange is key in that respect.

Rapidly changing technologies and business models, allied to increasing volumes of world trade, a persistent transnational crime and security threat, an expanding and deepening EU and the increasing number of tasks to be performed by customs have all put pressure on the working of the Customs Union. This has led to a major reworking of the legislative framework through the adoption and implementation of the Union Customs Code (UCC)². The aim was to create a framework which enables honest and legitimate European businesses to face competition in the global economy on a day-to-day basis without being hindered by unnecessary red tape, while being supported by unified, computerised and efficient customs services across the EU.

While customs legislation is adopted at EU level, its implementation is the responsibility of the Member States via their national customs administrations. The nature of the Customs Union, however, creates interdependence between national administrations which must be recognised if the maximum benefits are to be obtained. The implementation challenge calls

¹ COM(2016) 50 final

² Regulation (EU) No 952/2013 of 9 October 2013 laying down the Union Customs Code (recast). The new legislative framework introduces a requirement for all interactions between customs and traders as well as between the different customs authorities to be made using electronic data processing systems. This reflects modernisation and increased cost effectiveness in the medium term in terms of administration and trade facilitation, but it also enables a truly joined-up approach across the Union in the management of trade flows.

for equivalence of results by customs authorities operating in different geographical, budgetary and organisational conditions.

Moreover, the interlinks between customs and other policy areas related to security and border control call for a more joined-up and cross-sectorial approach aimed, inter alia, at exploiting the full potential of closer cooperation between customs authorities and other law enforcement authorities, including through synergies and interoperability between information systems.

Therefore, for the Customs Union it is now crucial to ensure that the UCC can be implemented in an effective and efficient way by customs administrations that act as though they were one, at the same time cooperating effectively with administrations responsible for other relevant policies with border and internal security implications. This is crucial for the correct implementation of the new UCC which, given its emphasis on fully electronic communication between the customs administrations and with trade, would only be possible on the basis of EU wide interoperable IT systems and uniform application of rules by all EU customs administrations. This is also crucial in the current political context, given the role played by customs in protecting EU citizens.

Within the existing institutional framework, this requires a revitalised partnership between Member States and the Commission in order to put in place:

- a shared overall management vision for the Customs Union between all Member States and the Commission to ensure more flexible and effective cooperation and better rule-making;
- more effective enforcement of rules through better co-ordination of, and co-operation between, operational services on the ground;
- a stronger role for customs in ensuring joined-up border management and law enforcement, developing closer cooperation and enhanced information exchange with administrations involved in other relevant policy areas;
- a long-term IT strategy to provide cost-effective processes for customs administrations and business and synergies with other relevant policy areas;
- strengthened performance of customs administrations everywhere in the EU through the expanded use of best practices and innovative shared solutions, including addressing their financial needs.

2. DEVELOPING GOVERNANCE

2.1. Governance of policy formulation and implementation

The UCC's adoption and application as of 1 May 2016 has strengthened and modernised the Customs Union's legal framework. The UCC completes the shift by customs to a paperless

and fully electronic and interoperable environment with core values of simplicity, service and speed. The UCC work programme³ adopted in 2014 and updated in 2016⁴ provides a timetable for the deployment of the supporting IT systems during a transitional period, building on a complex existing network of IT systems operated by the Member States and the Commission.

In the next years of the UCC, priority will need to be given to the effective and uniform application of the Code and rapid amendment, where necessary, of the detailed technical acts that underpin its overall structure.

The degree of integration and harmonisation of laws now achieved in the Customs Union and the interdependence of customs services make it necessary to have frequent policy co-ordination involving all Member States and a high degree of operational cooperation between Member States.

A variety of bodies deals with different individual aspects of the functioning of the Customs Union. However, there is no successful overarching co-ordination of policy and operational aspects. A specific area where coordination is needed is the integration of strategies in other policy areas that impact and expand customs' tasks.

Until now, much of the policy co-ordination for the Customs Union has been done through the Customs Policy Group (CPG), an informal expert group set up by the Commission 53 years ago. This group brings together the heads of customs administrations but has no formal legal decision making powers. Even less formal are the meetings of the Directors-General of the national customs administrations in what are called Club meetings.

In its role of coordinating Member States' policies and negotiating and adopting EU law, the Council of the EU has its own governance structure established to organise its work in different areas. Under its competitiveness configuration, the customs-related work is handled primarily in two Council working parties – one on the Customs Union and one on customs cooperation – but arguably without a structured vision of policy development and in a somewhat ad-hoc manner. Furthermore, a new body bringing together the Directors-General of customs administrations has been recently established in the Council. Its intended role is to remedy some of the above and discuss strategic matters and ensure coordination with other policy areas in the Council.

The Commission believes that the operational vision that needs to be created and maintained, while respecting the institutional arrangements and responsibilities, has to be:

- strategic – tackling cross-cutting issues such as security, fight against terrorism financing, fraud or e-commerce, at high level with the technical aspects discussed separately at the appropriate technical level;

³ Commission Implementing Decision (EU) 2014/255 of 29 April 2014 establishing the Work Programme for the Union Customs Code

⁴ Commission Implementing Decision (EU) 2016/578 of 11 April 2016 establishing the Work Programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code

- joined-up with other policies that need to be implemented at the border, both those relating directly to the movement of goods and those supported by customs in connection with movement of people;
- content rich – providing orientation on issues such as the development of long-term IT strategy, performance review based on key performance indicators, the delivery of common risk management for security risks, etc.

For its part, the Commission will formalise and develop the role of the CPG to focus on providing the input to establish overarching co-ordination of policy and operational aspects and to set clear priorities for the future (to this end, rules of procedure for the CPG will be drawn up). To support this aim, as part of the Customs Union performance project, the Commission services will develop together with the Member States structured information on key aspects of the functioning of the Customs Union (see section 2.2 below).

In particular, the Commission will look to the CPG for support in setting operational objectives across the Union based on challenges the Customs Union is and will be facing and ensuring their overall coherence. The CPG will also be organised around a long-term agenda established in partnership with the Member States. The agenda will focus on cross cutting issues at the strategic level.

The Commission is also mindful of the important role that trade has to play in drafting and implementing efficient customs procedures that safeguard both the national and the EU financial interest⁵. At present the Commission is advised by an expert group called the Trade Contact Group and equivalent consultative bodies are in place at national level. Recent experience in the consultations on the implementing legislation for the UCC has also demonstrated the usefulness of joint meetings between traders, national administrations and the Commission. The Commission intends to continue and reinforce its practice in order to bring more actors into the process and to focus consultations on key aspects of the balance between trade facilitation, compliance needs and protection.

The Commission will submit a regular biennial report to the Council and Parliament, building on the results of the Customs Union work and suggesting the priorities/orientation for future development of the Customs Union and for ensuring better integration with other EU policy priorities. The report could serve as a basis for a regular high level debate on the working of the Customs Union in the Council. This could determine the long-term strategic direction for the Customs Union, but also provide a framework for discussion and co-operation to support work in the many interrelated areas e.g. detection and prevention of cross-border crime and terrorism risk.

2.2. Governance of policy monitoring and analysis

The maintenance of an up-to-date legislative environment requires knowledge of its impact.

⁵ Customs duties are EU own resources.

Operational decisions based on cross-border co-operation also require information on everyday policy implementation.

The ‘Customs Union performance’ project that the Commission and Member States are working on is a detailed performance measurement project with key performance indicators which are based on the strategic objectives of the Customs Union⁶. To put in place the necessary implementation information and management tool, the Commission will examine the possibility of establishing a new legal basis for a set of key performance indicators and for the reporting of data to create them. This would guide policy decisions and provide a framework for performance/implementation evaluation. The Customs Risk Management Framework evaluation cycle will also contribute in relation to customs controls and the implementation of the EU strategy and Action Plan for customs risk management⁷.

In order to assist Member States with the correct application of the EU customs legislation, the monitoring actions under the Customs 2020 programme and the related processes will be revisited to identify and rectify shortcomings, and a revised policy on monitoring will be put forward.

The Commission will:

- *formalise and develop the role of the Customs Policy Group to focus its work on overall co-ordination of policy and operational aspects within the limits of the current institutional framework;*
- *increase joint meetings between the Commission, national administrations and traders and review the mechanism for consultation of trade;*
- *submit a regular biennial report to the Council and Parliament on the results of the Customs Union work to allow for a regular debate on policy priorities;*
- *instruct its services to establish a set of key performance indicators and, if appropriate, following consultation with stakeholders propose a new legal basis to support the system of performance measurement.*

3. MAJOR ISSUES GOVERNANCE STRUCTURES HAVE TO TACKLE

The Commission has identified three major objectives that require strategic and coherent action. They are:

- implementing a vision of how **customs authorities can work to achieve fully effective and coherent action;**
- creating and implementing a shared vision between customs and other competent authorities on the **management of the EU border** and the coordination of their respective activities;

⁶ COM(2008) 169 final of 1 April 2008 as confirmed by Council Conclusions on the progress on the Strategy for the Evolution of the Customs Union of 19.3.2013 (2013/C 80/05)

⁷ COM(2014) 527 final

- tackling the major **resource challenges of the Customs Union**.

3.1. Customs authorities acting as one

The process of implementing the UCC is a major challenge for Member States and the Commission alike. Member States need to act as one in the management of the Customs Union to ensure that national administrations, businesses and the public obtain the maximum advantages. The Commission sees four main priorities, all supported by a continuous sharing of best practices.

3.1.1. Common understanding of how to apply EU laws

The first task is to ensure that all stakeholders agree on a common understanding of how to apply the EU legal provisions in the Member States. The common understanding will be also important as the Commission develops the detail of innovative concepts such as centralised clearance or self-assessment, together with stakeholders.

On the basis of joint work with the Member States and in collaboration with trade, the Commission will draw up a common body of guidance building on the existing non-legislative guidance. In this way it will ensure that all stakeholders have a clear view of how to apply the law. The Commission services will also provide training support material for national staff in modern formats such as multi-linguistic eLearning and eBooks.

3.1.2. Human resources competency building

The second task relates to the need for the customs administrations to make the best use of the 120.000 customs staff. To achieve this, they need consistent quality standards and appropriate training to ensure uniform application of regulations and initiatives.

Closer cooperation on human resource development and training should include the use of the EU Competency Framework as a basis for national customs administrations' training concepts, staff development processes and for the establishment of joint training centres in Member States. The objective is to raise the level of expertise and performance consistently across all EU customs administrations and with traders and thus contribute to public administrations modernisation and administrative capacity building process. The Commission intends to present an Action Plan listing the activities to be undertaken to enhance human resources development.

3.1.3. IT systems governance, architecture and financing

The third task is to oversee the complex process of:

- upgrading or introducing and operating the new European IT systems provided for in the UCC;
- ensuring alignment of the process of upgrading Member States IT systems which will be impacted by the changes introduced by the UCC. In addition, the approach to the customs IT systems has to be aligned in the interest of interoperability.

The existing instruments will help finalise projects that have already been agreed. However, they do not as such deal with the longer term issues of how to avoid duplication of effort and resources in the creation or replacement of old IT systems in each of the Member States. Nor do they deal with the issue of long-term management of an increasingly sophisticated EU-wide IT architecture where continuity and integrity of the links and transmission systems, as well as availability are becoming more and more critical.

The cost of developing and maintaining the UCC's IT systems over the years to come will be significant. The Commission alone has a budget under Customs 2020 programme of some EUR 380 million⁸ to be spent on the development and maintenance of systems that are already planned. Member States costs when taken together will be significantly greater. These investments will enable all stakeholders to tap the full potential of the Customs Union. In this context, rationalisation, avoidance of duplication and application of best practice are essential. This is particularly important if major new projects are to fully provide the desired efficiency gains such as providing simultaneous support to customs procedures and to compulsory risk analysis. If maximum synergies and efficiency gains are to be obtained, all players will need to commit to long-term solutions.

At present, not all Member States share a common vision of how and when to use common systems. Some prefer instead what is called 'hybrid system architecture' which enables them to opt in to shared EU services or to maintain national solutions on their own or in parallel. However, in the longer term, and in the interests of all, the governance structures will have to deliver a common view on which services need to be developed and maintained at EU level and on their relationship with national systems, taking into account the budgetary constraints at EU level and the need to ensure effective governance and appropriate ownership of the systems. At present this is very much done on a case-by-case basis. Absence of a common vision makes it harder for Member States who wish to go for common solutions to benefit to the maximum. It also reduces the effectiveness of action by the Commission.

The Commission considers that there is a fundamental need for a review of the architecture, management and funding of customs networks and databases. This should include examining relevant initiatives in other EU policy areas and the action taken by the Commission following the April 2016 Communication on Stronger and Smarter Information Systems for Borders and Security⁹. There may be a case for establishing a permanent structure to manage the different parts of the IT infrastructure. This becomes all the more important given the ambitions of the UCC to ensure seamless customs operation across the EU and equivalence of results based on strengthened risk analysis capacity in the Member States addressing national and transnational risks in the common risk management framework. This is essential to allow customs to deliver effectively on its responsibility for managing risks and in particular for security risk assessment of all goods crossing EU external borders.

⁸ The C2020 IT part of the budget for 2015-2020 (adjusted planned amounts)

⁹ COM(2016) 205 final

The Commission will start a process of examining the future options for the development and maintenance of customs IT systems with a view to preparing a debate in advance of future decisions on the next Multiannual Financial Framework. To plot a viable long-term plan, the issue of possible synergies with existing agencies¹⁰ needs to be looked at in the analysis of further co-operation between administrative services dealing with border management and law enforcement. As set out in the Communication on Stronger and Smarter Information Systems for Borders and Security, the Commission is exploring synergies and possibilities for interoperability between information systems and their corresponding infrastructures for EU customs operations, border management and law enforcement.

3.1.4. Reinforcement of co-operation between customs authorities

Fourthly, the Commission will support more rapid operational co-operation based on the use of best practices and the existing common systems, in particular where groups of Member States may be facing problems that are not faced by all. To this end, an innovative instrument called an expert team in the Customs 2020 programme allows the creation of flexible structures. One possible use of such expert teams is to further both EU-wide and regional co-operation between national customs administrations in order to support daily operational work as identified by the Member States. Current examples include cooperation to manage the eastern and south-eastern land border¹¹ and making best use of resources in customs classification issues.

The best practice sharing will also need to continue to be supported via the Customs 2020 programme and its successor.

The Commission will:

- *establish a coherent body of guidance on the application of the Union Customs Code;*
- *present an Action Plan listing the activities to be undertaken for enhancing human resources development;*
- *perform a review of the architecture, management and funding of IT customs networks and databases and their relationship with other EU networks;*
- *assess the value added and possible long-term benefits of establishing a permanent structure to manage IT infrastructure in the context of preparing the next Multiannual Financial Framework, as well as assess possible synergies with existing agencies;*
- *promote the use of expert teams to support operational cooperation between customs on both EU-wide and regional issues.*

¹⁰ In particular with the European agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA).

¹¹ CELBET - Customs Eastern and South-Eastern Land Border Expert Team

3.2. Coordination of different policy areas involved in border management

3.2.1. Overall border management

Customs perform a variety of different functions in policy areas other than trade policy and tariff application (notably through customs controls and risk management). Such areas include security, the fight against terrorism, product safety, health, intellectual property rights, environmental protection and market protection, dual-use goods and firearms.

The Commission will continue to implement its Action Plan to strengthen the fight against the financing of terrorism¹². The main focus for customs activity in the Action Plan is on disrupting the sources of revenue of terrorist organisations, concentrating on cash controls and financing through illicit trade in (cultural) goods. The Commission has today presented a proposal for a Regulation on controls of cash entering or leaving the Union which would repeal the existing Cash Control Regulation¹³. Moreover, work is ongoing on a legislative initiative to regulate the import of cultural goods (with particular stress on terrorist financing) which is foreseen to be adopted by June 2017. To feed the preparatory work, a study has also been commissioned to examine the various challenges EU customs face over illicit trafficking in cultural goods and to identify possible policy options. The Commission will also step up operational cooperation against firearms trafficking with neighbouring countries (such as Middle East and North Africa, Western Balkan and Ukraine).

The Commission has put considerable efforts into encouraging co-operation between different administrations on aligning procedures where other policy areas are involved. On security and environmental protection, the Commission has taken steps to ensure early involvement of customs in the drafting of EU legislation.

The Commission services will provide a toolbox to help policy and law makers involved in EU law making to ensure that rules can be applied by customs and other relevant administrations in the Member States more effectively and without undue burdens.

The Commission services will also study the interaction with all relevant policy areas concerned by border management to identify further possibilities for a more coherent and joined-up approach building on the specific aspects set out in the following paragraphs.

3.2.2. Co-operation of customs and other law enforcement authorities

Cooperation on customs and other law enforcement is, amongst others, covered by the Customs Cooperation Working Party in the Council. The planning of these activities and their evaluation must be fully integrated into the overall governance of Customs Union. The Commission's biennial report on the results of the work of Customs Union will provide the connection with the work of the Customs Cooperation Working Party and other Council bodies in this area. The Commission will seek to coordinate the joint law enforcement

¹² COM(2016) 050 final

¹³ Regulation (EC) No 1889/2005 on controls of cash entering or leaving the Community. The new Regulation will, amongst others, add control possibilities on cash sent through post and freight, allow the authorities to act upon lower amounts of cash where there are suspicions of illicit activity, and expand the definition of 'cash' to include, inter alia, also gold.

activities between customs and other authorities with the Council on this basis and without prejudice to the Treaty arrangements.

Closer cooperation is in place with EU security and law enforcement agencies, such as EUROPOL and with the European Border and Coast Guard¹⁴. Such cooperation will be further pursued and enhancing information exchange is key in that respect. Close coordination with other law enforcement activities pursued under the EU Policy Cycle for organised and serious international crime will be continued.

Regulation (EU) 2016/1624 creates a solid basis for a well-structured inter-agency cooperation between customs and border guards at the European Union and national level. Inter-agency cooperation is one of the core elements in the European Integrated Border Management Strategy. Cooperation will be developed without prejudice to the existing competences of the Commission and of the Member States.

In the specific area of national cooperation between border guards and customs, the Commission has established guidelines that were tested in the recent migration crises at the EU external borders. They set out a practical approach for strengthening cooperation between the two authorities. Bearing in mind the differences in organisational structure and competences in Member States, the guidelines describe several areas of co-operation, such as synchronisation of checks, exchange of information and joint operations, and distinguish three modules based on the level of co-operation.

The Commission will update the guidelines based on the feedback received from countries on their experience in the planned reporting exercise. The feedback should include tools used and examples of good practices, as well as the results of on-the-spot visits. This will contribute to strengthening the co-operation between the two authorities.

3.2.3. Single Window

The Commission is looking into a workable solution for the creation of an EU Single Window environment that would bring together the different interactions between administrations and trade over movement of goods into and out of the EU. The single window, being a trade facilitation concept, enables cross-border traders to submit regulatory documents at a single (electronic) location and/or via a single entity.

In view of the complexity of the Single Window concept and the number of ongoing IT customs developments related to UCC, the EU approach to the Single Window environment for customs will have a specific and targeted focus in the short term, consisting in developing the EU level certificates database. The interconnection between the database and national customs declarations systems will allow for an automated verification of the certificates. The

¹⁴ European Border and Coast Guard (comprising the Agency and national authorities of Member States which are responsible for border management) established by Regulation (EU) 2016/1624 which foresees enhanced cooperation of the European Border and Coast Guard with the Commission, and national customs administrations. As regards Europol, regular contacts between experts from Europol's strategic analysis team and DG TAXUD's risk management team have been established to explore possibilities for the exchange of strategic information.

Commission will make this work a priority and will draw up a long-term vision for the Single Window concept. At the same time, national maritime single windows are being put in place to address the reporting formalities of ships in the European ports via e-manifest submission¹⁵.

3.2.4. Customs and tax cooperation

One important aspect of customs work is to collect revenue, such as customs duties, but also VAT and excise duties on imports of goods. Therefore, the collection of taxes requires attention as part of the implementation of the UCC. In addition, the Commission Communication on a VAT Action Plan¹⁶ proposes to reinforce the cooperation between tax, customs and other authorities to fight VAT fraud. As legislation and structures for cooperation exist on both tax and customs sides, it is now more than ever necessary to find practical ways of alignment and creating interfaces between the two in an efficient and effective way. These could include:

- holding a strategic discussion between the heads of tax and customs administrations;
- a model memorandum of understanding on tax and customs cooperation as was done for customs cooperation with market surveillance authorities;
- a joint tax-customs forum on the tax implications of UCC implementation;
- automated access of customs to the VIES¹⁷ database and other information for customs risk management and controls.

The Commission will:

- *provide via its services a toolbox to help policy and law makers involved in EU law making to ensure that rules can be applied by customs and other relevant administrations in the Member States more effectively and without undue burdens;*
- *develop co-operation between administrations dealing with border management issues in line with the European integrated border management and develop possible synergies with existing agencies;*
- *update the guidelines on cooperation of customs and border guards based on the current reporting exercise and continue to develop cooperation with the European Border and Coast Guard and Europol in managing crime and terrorism risks as well as coordination with law enforcement activities under the EU Policy Cycle for organised and serious international crime;*
- *coordinate with the Council over the integration of joint law enforcement activities between customs and other authorities into Customs Union overall governance;*
- *look for a workable solution for the creation of an EU Single Window environment;*
- *integrate the follow up of the Communication on a VAT Action Plan into customs policy, particularly by improving tax-customs cooperation on the ground.*

¹⁵ Directive 2010/65/EU

¹⁶ COM(2016) 148 final

¹⁷ VAT Information Exchange System

3.3. Tackling major resource challenges of the Customs Union

Customs authorities find themselves under constant pressure both on human and financial resources. On top of this, their crucial role in protecting the single market, the safety and security of the European Union and their important role in tax collection are not always fully understood. The current legislative framework provides for the Member States to retain 20% of customs revenue as collection costs. However, it depends on the Member States to decide on the allocation for customs financing.

The gradual introduction of integrated risk management into EU customs legislation since 2005 has demonstrated the willingness of Member States to rethink the traditional approach to customs. This involves shifting progressively from systematic documentary and physical controls to risk-based methods using all modern tools available, building in particular on the use of EU common risk criteria and intensive sharing of risk information. Together with the implementation of the UCC, this will have a significant impact on IT expenditures at national and EU level.

3.3.1. Equipment

A particular funding issue is that of non-intrusive detection and laboratory equipment. Modern efficient equipment such as x-ray scanners are a relatively expensive but cost-efficient means of control. Mobile scanners are particularly useful as they can be targeted to specific areas to respond to sudden increases in risk. They can also be shared or used to boost other Member States' capabilities in times of particular difficulty at specific borders, with the same applying to high technology laboratory equipment required to support or validate physical controls. The expert teams mentioned in point 3.1.4 above could be used to support this sharing of equipment.

The existing Customs 2020 programme does not allow funding of such equipment. Nevertheless, when the Council adopted the programme, it called on the Commission to study the possibility of including such funding in future programmes by 2018¹⁸. The Commission intends to address this issue in the impact assessment it will carry out for preparing the next generation of programme in the context of the next Multiannual Financial Framework. In the meantime it will continue to support Member States who have a demonstrated need for funding that is eligible under the Structural Funds.

The Commission will:

- *consider and evaluate the possibility of financing equipment needs from future Commission financial programmes in impact assessment of the next generation of Customs programme.*

¹⁸ Council statement 16094/13 ADD 1 REV 2

4. CONCLUSION

The Commission believes that the new UCC framework is an important step in the strengthening the EU and its Customs Union. The strong risk-management aspect in it will also allow reinforcement of customs' increasing role in the security of the EU internal market. However, the gradual phasing-in of the full advantages of the UCC and the improvements in controls via risk management must now be accompanied by a focus on the governance of the Customs Union as a whole to ensure uniformity and effectiveness in its functioning. Work on the governance of the Customs Union has to concentrate on strengthened co-operation between Member States' customs authorities within the current institutional framework. It must also be based on a common understanding of the rules and will involve working closely and exchanging information with administrations responsible for other relevant policy areas and other stakeholders involved in border management and law enforcement, also to contribute to implementing the European Agenda on Security and to an effective and genuine Security Union.

In this Communication, the Commission has detailed a number of areas where action needs to be taken. The main thrust is towards having clarity of the rules, strengthening customs ability to act and achieving co-ordination and synergies with many other EU policy areas.

The Commission invites the European Parliament and the Council to endorse the political direction and the specific actions suggested in the Communication.