

EUROPEAN COMMISSION

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EU Single Window Environment for Customs: Frequently asked questions

See also IP/20/1970

What is the EU Single Window Environment for Customs?

The EU Single Window Environment for Customs is a future-looking digital solution for quicker and more efficient sharing of electronic data between different government authorities involved in goods clearance at the border. Traders will have to submit this information only once. Once fully rolled out, the Single Window will also allow businesses to complete border formalities in one single portal in a given Member State. Customs and other authorities will then be able to automatically verify that the goods in question comply with EU requirements and that the necessary formalities have been completed.

The Single Window offers a win-win situation for both traders and national authorities: it can provide a fully coordinated and more effective clearance process, while also guaranteeing that the border formalities required for international trade in goods are properly enforced.

Why has the Commission proposed the Single Window?

Certain goods entering the European Union need to go through multiple regulatory formalities besides submitting a customs declaration, including those required for health and safety, environment, agriculture, fisheries, international heritage or market surveillance purposes. The Single Window aims to streamline this process, so that businesses no longer have to submit documents to several different authorities through different portals and that authorities can pursue an automatic cross-verification of submitted information. Once fully implemented, the Single Window will replace the current fragmented model of border checks, which is burdensome for traders, inefficient for authorities and vulnerable to error and fraud.

The goal of the Single Window is to:

- Facilitate trade, by reducing administrative burden for companies;
- Increase the efficiency of goods clearance, while improving regulatory compliance;
- Promote better digital cooperation and coordination between all national authorities in all Member States that are involved in the clearance of goods.

The Commission's proposal is just the first step in creating the Single Window Environment for customs. This is an ambitious project that will entail important investment at both EU and Member State level, with gradual implementation over the next decade or so. Member States will need to invest in transforming their national legislation, processes

and IT systems, so that they can fully reap the benefits of the Single Window. Where possible, the Commission is ready to support them in this work, including through funding from the Recovery and Resilience Facility.

The Single Window proposal was announced in the <u>new Customs Union Action Plan</u> published in September this year and it is part of President von der Leyen's commitment to take the Customs Union to the next level.

How will the Single Window work in practice?

Member States should set up national Single Window portals, through which businesses can upload the information related to the goods they are bringing in or out of the EU. These national portals will then link up through the EU digital framework that the Commission will put in place, so that all relevant authorities can access the relevant data and collaborate more easily on border checks.

Ultimately, the aim is that national Single Windows will replace the multitude of different portals used by the different authorities responsible for border checks. This will create a much more streamlined, coordinated and holistic approach to goods clearance within the Union.

What are the challenges to implementing the Single Window?

Creating a fully functioning Single Window Environment in the EU will require firm commitment and buy-in from the many different authorities that work at the EU borders. This is not a project that can be created overnight – dedicated and persistent investment will be needed from all Member States to deliver a successful EU Single Window. Authorities will need to work together to set up their single portals at national level and invest in the digital transformation needed to make this work. They will need to agree on a governance framework, set up common IT solutions, create an automated and integrated set of processes that can be used to clear goods, agree on a way to harmonise data and improve the processes for cooperating with authorities in partner countries.

The Commission will provide both technical and financial support to Member States to achieve this, where appropriate. At EU level, the Commission will also work on getting the Union component of the Single Window up and running, so that all Member States can link-up.

What would be the risks of not having a Single Window in the EU?

The nature and pace of global trade is changing at ever-increasing speed, and EU Customs needs to modernise and adapt to keep up. The Single Window is an important initiative to ensure that, in the long-term, all necessary safety and compliance checks can be carried out effectively at the EU borders, without hampering trade or businesses.

Without a Single Window Environment for customs:

- Customs and other border authorities will increasingly struggle to control and quantify goods coming in and out of the EU, in a way that properly protects the Single Market and collects revenues, while facilitating trade.
- Customs will not be flexible enough to react to unexpected and urgent challenges that are likely to arise in the future, in the same way that it did in response to the COVID crisis.

- The EU risks losing out in terms of competitiveness to its international trading partners, many of which already have a fully functioning single window system.
- A patchwork of disconnected national portals could emerge, undermining the Single Market and Customs Union and creating competitive distortions for traders, depending on where they import to/export from the EU.

Therefore, it is extremely important that all Member States work with the Commission to make the EU Single Window Environment a success, in the shortest timeframe possible.

How does this fit in the wider European Commission strategy to strengthen the Customs Union?

Every minute, more than 600 customs declarations are processed around the EU. More than 70,000 customs officials working in different Member States do not only collect customs duties and VAT, but need to make sure that the products entering the Single Market are safe and secure, and comply with food, health and environmental and other standards and rules. To help customs authorities manage the competing demands of facilitating international trade and protecting the Customs Union, President von der Leyen announced plans for an integrated European approach to customs risk management, which would support effective controls by EU Member States.

The new Customs Union Action Plan sets out a series of measures to make EU customs smarter, more innovative and efficient over the next four years. The EU Single Window is one of them. By using digital tools, the measures will strengthen cooperation and information exchange among government authorities at the border, between customs authorities and other partner competent authorities and between authorities and traders themselves.