



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Digital Delivery of Customs and Taxation Policies  
Processes & Data, Customer Relationship and Planning

 Ref. Ares(2019)3789556 - 13/06/2019

Brussels, 13 June 2019  
TAXUD.B.1(2019) 4239640

# **2018 E-CUSTOMS ANNUAL PROGRESS REPORT**

**TABLE OF CONTENTS**

**2018 E-CUSTOMS PROGRESS REPORT ..... 1**

**1 INTRODUCTION..... 5**

**2 BACKGROUND ..... 5**

2.1 E-Customs Initiative ..... 5

2.2 Tasks and Coordination ..... 5

2.3 Governance of the e-Customs Implementation ..... 5

2.4 European Commission and Member States Tasks..... 6

**3 E-CUSTOMS KEY MILESTONES AND ACHIEVEMENTS IN 2018..... 6**

3.1 Union Customs Code (UCC) and core legislative framework ..... 6

3.2 E-Customs Governance ..... 8

3.3 Customs IT Collaboration..... 10

3.4 E-Customs Project Groups ..... 11

3.5 Supporting Instruments ..... 12

3.6 IT Business Continuity Management System (IT BCMS)..... 14

3.7 EU Customs Single Window (EU CSW) ..... 16

3.8 Innovative Technology Solutions ..... 17

3.9 Preparation Activities for UK Withdrawal from the EU ..... 18

**4 COSTS ..... 18**

4.1 Costs incurred by DG TAXUD on IT systems development in 2018 ..... 18

4.2 Costs incurred by Member States in 2018 ..... 20

**5 SUMMARY OF E-CUSTOMS PROGRESS PERFORMANCE..... 27**

**ANNEX 1 – IT SYSTEMS PROGRESS ACTIVITIES..... 30**

**1 MASP PROJECTS ..... 30**

1.1 MASP Group 1 - Customs European Information Systems..... 30

1.1.1 UCC Customs Decisions (1.2)..... 30

1.1.2 UCC Binding Tariff Information (UCC BTI) (1.4) ..... 32

1.1.3 UCC AEO and impacts of MRA (1.5)..... 33

1.1.4 UCC Automated Export System (AES) (1.6) ..... 34

1.1.5	UCC Transit System including NCTS (1.7)	35
1.1.6	Registered Exporter System (REX) (1.11)	36
1.1.7	COPIS (1.12)	37
1.1.8	EU Customs Single Window program (EU CSW) (1.13)	37
1.1.9	Classification Information System (CLASS) (1.14)	39
1.1.10	UCC Economic Operators Registration and Identification subsystem 2 (EORI2) (1.15)	40
1.1.11	Customs Risk Management System2 (CRMS2) (1.16)	40
<b>1.2</b>	<b>MASP Group 2 - Customs European initiatives needing further study and agreement</b>	<b>40</b>
1.2.1	UCC Notification of Arrival, Presentation Notification and Temporary Storage (2.1)	41
1.2.2	UCC Guarantee Management (GUM) (2.5)	41
1.2.3	UCC Special Procedures (2.6)	42
1.2.4	Surveillance3 (2.7)	43
1.2.5	UCC-ICS2 for strengthening the Security of the Supply Chain at Entry (2.8)	43
1.2.6	Adjustments of the existing import applications under the UCC (2.10)	44
1.2.7	Customs Union Performance – Management Information System (CUP-MIS) (2.11)	45
1.2.8	UCC Proof of Union Status (PoUS) (2.12)	46
<b>1.3</b>	<b>MASP Group 3 - Customs International Information Systems</b>	<b>46</b>
1.3.1	EU Implementation of UNECE eTIR System (3.1)	46
1.3.2	EU Implementation of the eATA Carnet Project (3.2)	46
1.3.3	Smart and Secure Trade Lanes (SSTL) (3.3)	47
1.3.4	Exchange of TIR movement data via SPEED2 to Republic of Moldova and Ukraine (3.4)	47
1.3.5	EU-CH EXS data exchange for indirect exports from Switzerland (3.5)	47
1.3.6	EU-RU ‘Green Corridor’ pilot project (3.6)	47
<b>1.4</b>	<b>MASP Group 4 - Customs cooperation initiatives and technological development to facilitate Customs EIS (including current CCN operations)</b>	<b>48</b>
1.4.1	National Core Systems Implementation by Collaborating Projects (4.1)	48
1.4.2	Common Communication Network2 (CCN2) (4.5)	48
1.4.3	Uniform User Management and Digital Signatures (UUM&DS) – Direct Trader Access to EIS (4.6)	49
1.4.4	High Availability DG TAXUD operational capabilities (4.7)	51
1.4.5	Maintenance and Updates of Operational IT systems (4.8)	51
1.4.6	Common Services / Reference Data 2 (CS/RD2) (4.10)	54
1.4.7	Conformance Testing Application (CTA) (4.11)	54
<b>1.5</b>	<b>Other National Projects and Activities</b>	<b>54</b>
<b>1.6</b>	<b>Supporting activities</b>	<b>55</b>
1.6.1	Supporting tools used for collaboration and communication between EU and EU Member State administrations	55
1.6.2	Consultation with economic operators	56
1.6.3	Training for Customs officials and other stakeholders	56
1.6.4	Promotion and implementation of e-Customs services	59
1.6.5	Coordination of e-Customs with other e-Government systems or activities	60
	<b>ANNEX 2 – PLANNING OVERVIEW OF MASP-C PROJECTS</b>	<b>62</b>
	<b>Explanatory Note on the Planning Overview of MASP-C Projects</b>	<b>62</b>
	<b>ANNEX 3 – ACRONYMS, ABBREVIATIONS &amp; KEY TERMS</b>	<b>65</b>

## TABLE OF FIGURES

<b>FIGURE 1: EVOLUTION OF CCN MESSAGE QUANTITIES/VOLUME</b> .....	15
<b>FIGURE 2: SYSTEM MESSAGE EVOLUTION</b> .....	15
<b>FIGURE 3: CCN MESSAGES DISTRIBUTION PER APPLICATION</b> .....	16
<b>FIGURE 4: EU COMMISSION'S COMMITTED COSTS IN YEAR 2018 (EXPRESSED IN €)</b> .....	19
<b>FIGURE 5: MAIN CATEGORIES OF THE EU COMMISSION COSTS IN YEAR 2018</b> .....	20
<b>FIGURE 6: EU COMMISSIONS' COSTS FOR CUSTOMS IT SYSTEMS, 2008-2018</b> .....	20
<b>FIGURE 7: MEMBER STATES COSTS OF CUSTOMS IT SYSTEMS IN 2018</b> .....	21
<b>FIGURE 8: COSTS ON OPERATIONAL IT SYSTEMS AND DEVELOPMENT IT SYSTEMS AS PART OF ALL SYSTEMS IN 2018</b> .....	22
<b>FIGURE 9: COST PER MASP REVISION 2017 PROJECT GROUPS</b> .....	23
<b>FIGURE 10: DISTRIBUTION OF MEMBER STATES' EXPENDITURE</b> .....	24
<b>FIGURE 11: MEMBER STATES' COSTS, 2008-2018</b> .....	24
<b>FIGURE 12: AVERAGE MEMBER STATES' COSTS, 2008-2018</b> .....	25
<b>FIGURE 13: TOTAL COSTS OVER THE YEARS 2008-2018 FOR 8 MEMBER STATES THAT REPORTED IN ALL YEARS</b> .....	25
<b>FIGURE 14: MEMBER STATES' MAN-HOURS FOR CUSTOMS IT SYSTEMS IN 2018</b> .....	26
<b>FIGURE 15: MEMBER STATES' MAN-HOURS CONSUMED IN 2018</b> .....	27
<b>FIGURE 16: EU COMMISSION AND MEMBER STATES' TOTAL EXPENDITURE ON IT DEVELOPMENT AND MAINTENANCE IN 2018</b> .....	29
<b>FIGURE 17: EU COMMISSION AND MEMBER STATES' GRAND TOTAL ON E-CUSTOMS ACTIVITIES IN 2017-2018</b> .....	29
<b>FIGURE 18: NCTS - VOLUME OF MOVEMENTS AND ERROR RATE PER YEAR SINCE 2012</b> .....	52
<b>FIGURE 19: ECS – EVOLUTION OF MOVEMENTS AND ERROR RATE PER YEAR SINCE 2012</b> .....	53
<b>FIGURE 20: ICS – EVOLUTION OF NUMBER OF MOVEMENTS AND ERROR RATE PER YEAR SINCE 2012</b> .....	54
<b>FIGURE 21: NUMBER OF TRAINEES FOR THE UCC E-LEARNING PROGRAMME DURING 2018</b> .....	58

## LIST OF TABLES

<b>TABLE 1: ABBREVIATIONS AND ACRONYMS</b> .....	70
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## **1 INTRODUCTION**

The 2018 e-Customs annual progress report is the eleventh report prepared pursuant to Article 12 of the e-Customs Decision (Decision 70/2008/EC)<sup>1</sup> under which Member States are required to assess the progress made towards coordinating the implementation of the e-Customs initiative. The EU Commission prepares a comprehensive report covering the annual operational (from a technical viewpoint) and financial strategic goals of the Member States within the scope of the e-Customs projects and supporting initiatives.

This year the EU Commission received 28 national e-Customs progress reports.

## **2 BACKGROUND**

### **2.1 E-Customs Initiative**

In 2003, the EU Commission issued an e-Customs Communication<sup>2</sup> that contained proposals about a simple and paperless environment for customs and trade. The e-Customs Communication carved out an important path towards radically simplifying customs regulations and procedures and integrating effective and uniform working methods within the EU Customs Union. The subsequent 2003 Council Resolution<sup>3</sup> endorsed the ideas raised in the e-Customs Communication, thus setting the framework for the e-Customs initiative. Decision 70/2008/EC<sup>4</sup> on a paperless environment for customs and trade, also known as the e-Customs Decision, is the key piece of legislation related to the e-Customs initiative, promoting a shift to an interoperable electronic customs environment with a unified data system to facilitate communication between economic operators and customs authorities.

### **2.2 Tasks and Coordination**

Articles 5, 6 and 7 of the e-Customs Decision define the main components of the e-Customs systems and assign tasks to the EU Commission and Member States required for the development and implementation of IT projects.

### **2.3 Governance of the e-Customs Implementation**

Article 8(2) of the e-Customs Decision provides that the EU Commission and the Member States should jointly establish a Multi-Annual Strategic Plan (MASP-C)<sup>5</sup> to ensure the management and

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<sup>1</sup> Decision No 70/2008/EC of the European Parliament and of the Council of 15/01/2008 on a paperless environment for customs and trade, OJ L 23, 26/01/2008, p. 21–26.

<sup>2</sup> Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee - A simple and paperless environment for customs and trade /COM/2003/0452 final.

<sup>3</sup> Council Resolution of 05/12/2003 on creating a simple and paperless environment for customs and trade, OJ C 305, 16/12/2003, p. 1–2.

<sup>4</sup> See footnote 1.

<sup>5</sup> Since 2018, the Multi-Annual Strategic Plan is abbreviated as MASP-C, with the suffix of ‘C’ denoting the specific focus on customs IT systems. This change is due to the elaboration in parallel of a MASP-T for taxation IT systems. Alignment between MASP-C and MASP-T will facilitate a more coherent approach to the implementation of IT systems where the customs and taxation domains overlap.

Due to this transition, MASP-C and other variations referring to the MASP framework are used interchangeably. Notably, the MASP Rev. 2017 v1.4, which serves as the baseline for this report, predates the transition to MASP-C, however it nonetheless falls within the MASP-C framework.

coordination of all activities and tasks related to ongoing and future e-Customs projects. As an overall project management tool, the MASP-C lays out the strategic framework and milestones for the implementation of the e-Customs initiative. It is an essential instrument for ensuring operational planning and implementation of all e-Customs IT projects. This implementation is based on a three-tier governance model, which consists of the Customs Policy Group (CPG) acting as a steering body at the policy level, the Electronic Customs Coordination Group (ECCG) at the coordination level, and several groups consisting of specialists from Member State administrations at expertise level.

## **2.4 European Commission and Member States Tasks**

The EU Commission and the Member States equally share the responsibility of facilitating customs communication and information exchange systems by coordinating the setup, deployment and operation of the electronic systems at both Union and national level.

## **3 E-CUSTOMS KEY MILESTONES AND ACHIEVEMENTS IN 2018**

### **3.1 Union Customs Code (UCC) and core legislative framework**

2018 marked the 50<sup>th</sup> anniversary of the establishment of the EU Customs Union, and the EU Commission continued to fulfil an active role in optimising customs law and procedures to meet the demand of increasing trade flows, new business models, and a constantly evolving technological environment. In this climate of significant change, the emphasis of the EU customs modernisation over the last two decades shifted away from traditional business processes, towards the creation of a paperless environment for customs processes based on electronic exchange. In pursuit of this goal, the EU Commission outlined a course of action in 2012 for a more robust and unified Customs Union by 2020. Following the impact of the significant legal changes introduced by the Treaty of Lisbon,<sup>6</sup> the UCC<sup>7</sup> was adopted in October 2013 to serve as the legal basis for a modern and electronic customs environment, allowing for an enhanced level of uniformity, efficiency, and data exchange between economic operators and customs administrations.

The UCC core legislation is complemented by a package of regulations laying out requirements for the comprehensive functioning of the EU Customs Union. During the elaboration of this legislation, the EU Commission, national customs administrations, and economic operators provided valuable contributions through consultations related to the development of the UCC Implementing Provisions, which were adopted as the Delegated Act<sup>8</sup> (DA), Implementing Act<sup>9</sup> (IA), and Transitional Delegated

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<sup>6</sup> Treaty of Lisbon amending the Treaty on European Union and the Treaty Establishing the European Community, 2007 OJ C 306, 17/12/2007, p. 1–271.

<sup>7</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 09/10/2013 laying down the Union Customs Code, OJ L 269, 10/10/2013, p. 1–101.

<sup>8</sup> Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 343, 29.12.2015, p. 1-557.

Commission Delegated Regulation (EU) 2016/651 of 5 April 2016 correcting Delegated Regulation (EU) 2015/2446 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 111, 27.4.2016, p. 1–2.

<sup>9</sup> Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, OJ L 343, 29.12.2015, p. 558–893.

Act<sup>10</sup> (TDA) to the UCC. The UCC DA, IA, and TDA came into force in May 2016, and provide the legal basis for the EU Commission to take measures to facilitate the transition to electronic customs systems and uniform application of customs law in the EU.

In 2017, discussions were initiated to negotiate a reasonable extension of the timeframe for the development of seven UCC systems<sup>11</sup> due to the magnitude of work and complexities encountered during preparation for system deployment. Although 80% of UCC systems will be completed in accordance with their original deadlines, a legislative proposal for the amendment of Article 278 of the UCC was issued in early 2018, with the aim of allowing for the continued use of transitional arrangements with respect to the electronic systems that cannot be fully implemented by 2020.<sup>12</sup> The proposed amendment to Article 278 of the UCC was assessed by the European Parliament Internal Market and Consumer Protection (IMCO) committee and the Customs Union Group (CUG) of the Council of the EU, and subject to extensive discussion throughout 2018. Different positions emerged on the duration of the extension to be implemented, with new deadlines of 2022 and 2023 endorsed by the CUG and IMCO committee, respectively. In November 2018, the Committee of Permanent Representatives (COREPER) provided a mandate to enter trilogue negotiations<sup>13</sup>, for which technical meetings and trilogue sessions were held during November and December 2018. Agreement on the extension of the transitional period under Article 278 of the UCC is expected to be reached in 2019.

In collaboration with Member States, the EU Commission is coordinating the implementation of the UCC through the UCC Work Programme<sup>14</sup> (UCC WP) and the MASP-C. The UCC WP lays down the IT architecture for the development and deployment of electronic systems, as well as the harmonisation and standardisation of interfaces. The UCC WP is of pivotal importance for establishing the transitional measures related to the electronic systems and its content is closely linked to the MASP-C. In April 2016, the EU Commission adopted a new version of the UCC WP that sets out the planning for the development and deployment of the 17 essential electronic systems. In accordance with Article 4(1) of the new Decision establishing the UCC WP, the EU Commission and Member States share information concerning the planning and progress of each of the systems contained in the UCC WP.

Since the entry into force of the UCC, ongoing dialogues about relevant legal issues among various stakeholders have led to further additions and amendments to the UCC legal package. The adoption of the amendment to the UCC IA in June 2017<sup>15</sup> consists in better adapting the legislation to the needs of

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<sup>10</sup> Commission Delegated Regulation (EU) 2016/341 of 17 December 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operation and amending Delegated Regulation (EU) 2015/2446.

<sup>11</sup> The systems that are anticipated to require further work beyond 2020 are ICS, NCTS, AES, INF SP EXP, CCI, PoUS, and GUM.

<sup>12</sup> Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 952/2013 to prolong the transitional use of means other than electronic data-processing techniques provided for in the Union Customs Code, COM/2018/085 final – 2018/040 (COD).

<sup>13</sup> A trilogue is a committee that is convened in the case of disagreements on a legislative proposal between the European Parliament and Council during the ordinary legislative procedure. Also known as a Conciliation Committee, trilogues are established in accordance with Article 294 (10) of the Treaty of the Functioning of the European Union. The European Parliament and Council are equally represented during trilogue meetings, which are mediated by the EU Commission.

<sup>14</sup> 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, OJ L 99, 15.4.2016, p. 6–20.

<sup>15</sup> Commission Implementing Regulation (EU) 2017/989 of 8 June 2017 correcting and amending Implementing Regulation (EU) 2015/2447 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, OJ L 149, 13.6.2017, p. 19–56.

competent authorities and economic operators to guarantee effective and uniform application of rules. A further amendment to the UCC IA was adopted in April 2018<sup>16</sup> to amend the procedural rules for facilitating the establishment of preferential origin of goods.

As with the UCC IA, the UCC DA has undergone a series of amendments since its adoption. Two Commission Delegated Regulations were subsequently adopted in 2018. Commission Delegated Regulation (EU) 2018/1063 expands the coverage of the UCC DA, notably through a revised definition of exporters, amended time limits, and changes to procedural rules to increase the flexibility of customs authorities for certain procedures.<sup>17</sup> Likewise, Article 84 of the UCC DA was amended by the adoption of Commission Delegated Regulation (EU) 2018/1118 in June 2018, after discussion within the Customs Expert Group.<sup>18</sup> This amendment addresses the issues encountered in using a comprehensive guarantee, including the conditions under which the comprehensive guarantee reductions or the waiver for potential customs debt should be granted.

Apart from amendments to the UCC IA and DA, the EU Commission has built on the precedent of Implementing Regulation (EU) 2017/2089, which covers technical arrangements for the exchange of information through the UUM&DS and CDS electronic systems. Developing this existing legislation, the EU Commission continued its work and thorough discussion with the Customs Code Committee – General Customs Legislation section (CCC-GEN) to expand the scope of the Implementing Regulation to include the BTI, AEO, and EORI projects. In October 2018, this proposed revision of Implementing Regulation (EU) 2017/2089 to include the aforementioned projects was submitted for Inter-Service Consultation, with formal adoption foreseen in early 2019.

### **3.2 E-Customs Governance**

The Customs 2020 programme is a multiannual action programme to facilitate and enhance cooperation between national administrations in the EU. The programme is key for the implementation of interoperable, interconnected, and unified customs IT systems that underpin the functioning of the EU Customs Union. At its core, the Customs 2020 programme provides a secured platform for the efficient and reliable exchange of information between national customs administrations, as well as economic operators. As a result, substantial gains in the efficiency of customs IT systems have been achieved, notably through greater harmonisation of customs procedures, more uniform implementation of customs law, enhanced information sharing, and the realisation of economies of scale in terms of system development and operation. Launched in 2014 and running until 2020, many activities under the Customs 2020 programme are also crucial in supporting the implementation of the UCC.

The EU Commission is responsible for the implementation of the Customs 2020 programme, and allocates resources to ensure the effective functioning and modernisation of the EU Customs Union through joint actions such as project groups, expert teams, trainings, and other activities. To this end, 201 e-Customs related meetings with a total of 5,106 participants were convened during 2018 under the auspices of the Customs 2020 programme.

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<sup>16</sup> Commission Implementing Regulation (EU) 2018/604 of 18 April 2018 amending Implementing Regulation (EU) 2015/2447 as regards the procedural rules to facilitate the establishment in the Union of the preferential origin of goods, and repealing Regulations (EEC) No 3510/80 and (EC) No 209/2005.

<sup>17</sup> Commission Delegated Regulation (EU) 2018/1063 of 16 May 2018 amending and correcting Delegated Regulation (EU) 2015/2446 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 192, 30.7.2018, p. 1-28.

<sup>18</sup> Commission Delegated Regulation (EU) 2018/1118 of 7 June 2018 amending Delegated Regulation (EU) 2015/2446 as regards the conditions for a reduction of the level of the comprehensive guarantee and the guarantee waiver, OJ L 204, 13.8.2018, p. 11-12.



In accordance with Article 18(2) of the Customs 2020 Regulation, the EU Commission completed a mid-term evaluation of the programme in June 2018. Among its key findings, the mid-term evaluation concluded that in terms of relevance, effectiveness, efficiency, coherence, and value-added to the EU, the activities carried out under the Customs 2020 programme have contributed to the fulfilment of its overarching objectives. Furthermore, the mid-term evaluation attributed a high degree of complementarity to the Customs 2020 programme, both in terms of its contribution to other EU initiatives, as well as its engagement with stakeholders outside of the domain of national customs administrations, notably economic operators.

Separate from the EU Commission's evaluation of the Customs 2020 programme, the European Court of Auditors (ECA) conducted a report on the status of implementation for customs IT systems in 2018. One of the findings of the ECA report identified an increased risk to the timely implementation of core UCC systems, at the same time outlining a series of recommendations to mitigate delays and improve the efficiency of development and deployment activities carried out by the EU Commission in conjunction with Member States. The report was subsequently presented by the ECA to the CUG of the Council of the EU in November 2018. During the second half of 2018, the EU Commission formally accepted the recommendations made by the ECA and began to take steps to integrate them with ongoing efforts for the planning and implementation of customs IT systems. On a longer term basis, the EU Commission's response to the ECA report identifies that a realistic timeline for project deployment could be achieved through fostering greater collaboration, pooling existing resources and building on the lessons learnt from the UCC implementation process.

In-line with the overall e-Customs IT strategy, the yearly review of the MASP-C activities is an important factor in ensuring a well-coordinated approach to planning and project management. This process enables the relevant stakeholders to complete different stages of review cycles for business and IT deliverables and to assess changes and trends in various domains, including policy development, legislative measures, business requirements and technology advances. The MASP-C Revision 2017 (v1.40) served as a baseline for project activities by the EU Commission and Member States during 2018, as well as the foundation for ongoing work towards revision of the UCC WP. The EU Commission monitored the status of these project activities through updates to the MASP-C Dashboard, presented to Member States at meetings of the ECCG held throughout the year. Through an expansion of existing monitoring and systematic reporting efforts by the EU Commission, the forthcoming MASP-C and UCC WP revision is expected to reflect a final timeline for project delivery dates without the need for subsequent postponements.

During 2018, the EU Commission showed its continued commitment to feed into the debate about redefining the IT landscape and its delivery models. The strategy for EU customs IT systems represents a long-term implementation of the activities needed to optimise customs procedures, by providing a considerable benefit to economic operators and promoting transparency in the performance of the Customs Union. In 2018, high-level discussions were held in various governance platforms to further identify key challenges related to the prioritisation of the UCC WP projects. Member States were encouraged to provide their reflections on IT system prioritisation by focusing primarily on the planning process anticipated for national and Trans-European Systems, as well as issues of sequencing that might generate difficulties for system implementation beyond 2020. Following the Council conclusions of July 2017<sup>19</sup>, the EU Commission completed an in-depth study<sup>20</sup> in April 2018 on the long-term IT strategy for customs systems. The study responds to the Council's

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<sup>19</sup> Outcome of the Council Meeting, 3572<sup>nd</sup> Council Meeting, Economic and Financial Affairs, Brussels 11.7.2017.

Draft Council conclusions on the Way forward to Developing Customs IT Systems, 13543/17, Brussels 24.10.2017.

<sup>20</sup> Report from the Commission to the European Parliament and the Council on the IT strategy for customs, COM (2018)/178 final – 11.4.2018.

request to consider a permanent structure for the management of customs IT projects, while reiterating the current priority of continuing the implementation of the UCC and realising greater efficiencies through deeper collaboration between Member States and with the EU Commission.

In May 2018, the EU Commission adopted a package on the next Multi-Annual Financial Framework covering the period after the existing Customs 2020 programme, from 2021 to 2027. Subsequently, the EU Commission published its proposal to the co-legislators for a Regulation establishing the ‘Customs’ programme for cooperation in the field of customs.<sup>21</sup> In addition to continuing to support the work of and cooperation between Member States’ customs authorities and the EU Commission, the proposed regulation will repeal the e-Customs Decision and consolidate the legal basis for revision of the MASP-C and preparation of the annual e-Customs Progress Report.

### **3.3 Customs IT Collaboration**

While the UCC lays down a single EU framework of customs formalities and controls, the development and maintenance of IT systems implementing those rules are largely decentralised at national level and fall under the responsibility of the Member States. The EU Commission therefore works closely with Member States to deliver on many aspects that are key to the realisation of customs IT systems, including common planning, analysis, and specification documents for distributed systems and alignment in terms of the development of certain central systems.

The EU Commission and Member States share the objective of delivering customs IT projects efficiently and in-line with national budgetary priorities. To this end, active measures are taken to avoid duplication of efforts by stakeholders in the development of electronic systems for customs. The scale of upgrades to existing systems and creation of new IT systems necessary to implement the UCC reinforces the need for cost-effective allocation of resources by the EU Commission and Member States. This is further provided for in the legislative framework underlying the EU Customs Union and UCC, establishing the flexibility needed for a diversified IT delivery model.

The Council of the EU provided its Conclusions on the way forward for developing customs IT systems in January 2018, inviting the EU Commission and the Member States, in cooperation with the relevant stakeholders, to explore new approaches to develop and operate future customs IT systems.<sup>22</sup> The Council conclusions set a precedent for an in-depth study to be carried out, including inter alia the scope of a pilot project, stakeholders, financing and possible involvement of a permanent structure or shared supplier for IT, in line with the Tallinn Declaration on the Development of the Future customs IT systems.<sup>23</sup> The Council also welcomed the commitment of interested Member States and the EU Commission to carry out such a study, as already discussed between the Customs Directors-General and reflected in the Tallinn Declaration.

Following with this political initiative, an Expert Team on new approaches to develop and operate customs IT systems (ETCIT) was established by the EU Commission with the participation of 13 Member States<sup>24</sup>, led by Estonia. A business case for establishing the Expert Team was presented to the EU Commission in February 2018 and was approved by the EU Commission in April. The main objective of ETCIT is to explore how customs IT systems could be developed and operated in the future, in particular through cost-benefit analysis of new approaches, consideration of pilot projects,

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<sup>21</sup> Multi-Annual Financial Framework – Proposal in the field of the customs, adopted on 8.6.2018.

<sup>22</sup> Council conclusions on the way forward of developing customs IT systems, 2018/C 4/02, 6.1.2018.

<sup>23</sup> The Tallinn Declaration on the Development of the Future Customs IT Systems can be retrieved in Annex to the Council conclusions on the way forward of developing customs IT systems.

<sup>24</sup> Belgium, Czechia, Cyprus, France, Italy, Lithuania, Malta, the Netherlands, Portugal, Romania, Slovakia and Sweden.

elaboration of guidelines to improve applicable legislation and governance, and recommendations for procurement and funding of future initiatives. The ETCIT activities started in October 2018 with the participation of more than 25 experts, and continued into the following year.

### **3.4 E-Customs Project Groups**

The EU Commission performs a managing and facilitating role to ensure the proper implementation of the Customs 2020 Programme by linking its activities with the overall e-Customs objectives. One of the assets of this programme is to capitalise on the knowledge of experts from EU Member States who, together with the EU Commission, collaborate in project groups<sup>25</sup> to analyse national customs practices and identify challenges in the correct implementation of EU customs legislation. In this context, various project groups continued their activities to address specific concerns and render recommendation reports on IT system implementation. Chaired by DG TAXUD, these project groups held several sessions in 2018.

The CPG has contributed expertise and advice to the EU Commission in the field of customs cooperation for more than five decades. In June 2018, the crucial role fulfilled by the CPG in the formation of EU customs law and procedures was reaffirmed and formalised through its establishment as an Expert Group.<sup>26</sup> The CPG Expert Group continues to be made up of director-level representatives of Member State customs administrations, while formalisation endows it with a greater role in defining policy, strategy, and objectives for the EU Customs Union, in close coordination with the EU Commission.

Emphasising the scale of complexity and advanced state of development of the project, the UCC Customs Decisions System Project Group (CDS PG) was launched in January 2018 and held a series of meetings throughout the year. The CDS PG brings together the contributions of customs experts representing 17 Member States with the objective of identifying, analysing, and developing solutions to operational business issues affecting the CDS. Notably, the CDS PG serves as a key intermediary in capturing lessons-learned from the operation of CDS version 1.00, and applying these towards continuous improvement of the forthcoming CDS version 1.22 under development.

Launched in 2017, the UCC Centralised Clearance for Import Specifications Project Group (CCI Specifications PG) continued to meet actively during 2018. The CCI Specifications PG is comprised of representatives of 15 Member States, and has a twofold objective of developing specific process and data requirement proposals for the implementation of the CCI system, and issuing recommendations for the elaboration of corresponding BPMs and functional specifications. The efforts of the CCI Specifications PG have notably led to the improvement of the BPM library underpinning CCI development activities, and have contributed to the ongoing realignment of the UCC IA Annex B with customs requirements in practice. In view of the wide range of system interactions and dependencies between the CCI system application and other customs systems applications, as well as the inherent nature of inter-Member State information exchange under CCI, the CCI Specifications PG provided a valuable forum for coordination and responding to ongoing development challenges. The last meeting of the CCI Specifications PG was held in April 2018, with the contributions culminating in approval of the Updated CCI BPMs and functional specifications in November 2018.

CCI development activities were further augmented by the dedicated focus of the Single Authorisation for Simplified Procedures in view of Centralised Clearance Project Group (SASP/CC PG), which held

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<sup>25</sup> The UCC project groups are established at expertise level based on the governance model outlined in MASP/Annex3.

<sup>26</sup> Commission Decision of 7 June 2018 formalising the Commission Customs Policy expert group, C/2018/3530, OJ C201, 12.6.2018, p. 3-7.

its annual plenary session in October 2018. The SASP/CC PG brings together representatives of all 28 EU Member States to facilitate a common, global understanding of the status of the CCI project, issues faced, and key accomplishments in the preceding year. The SASP/CC PG further facilitates the consultation of economic operators on CCI implementation, and allows Member States to designate priorities for forthcoming work.

In addition to UCC core projects, the EU Customs Single Window programme remained a key focus of the EU Commission's coordination with Member States and economic operators. To this end, several Project Group activities were carried out during 2018. Principally, the EU Customs Single Window Project Group (EU CSW PG) continued to study and discuss options for a new legal framework for an EU SW environment for customs. The EU CSW PG combines the expertise of five economic operators<sup>27</sup> with delegates from 19 Member State customs administrations. In 2018, the activities of the EU CSW PG focused on the development of an Options paper for the EU CSW implementation. Regular meeting sessions of the EU CSW PG were held throughout 2018 in several Member States. Notably, the EU CSW PG provided an opportunity to share findings from national SW developments with the EU Commission, elaborate EU CSW policy options in the Government-to-Government (G2G) and Business-to-Government (B2G) domains, evaluate the potential to integrate new technologies, and contribute to the Impact Assessment which began in early 2018. Through the EU CSW PG, discussions related to a legislative proposal for a CSW environment in the EU have continued throughout 2018.

In support of the continuous evolution of the UCC legal package, the UCC DA/IA – Title V Simplifications Project Group met during 2018 and remained committed to further enhancing trade facilitation for economic operators and customs. Simplifications for the placement of goods under a customs procedure continue to serve as a major instrument for trade facilitation, and entail a common understanding and uniform application for ensuring equal access to economic operators while balancing appropriate measures from a customs perspective, such as risk management. During 2018, the UCC DA/IA – Title V Simplifications Project Group continued to analyse enhancements to the Entry Into Declarant's Records procedure and self-assessment by economic operators, in close consultation with the Trade Contact Group.

### **3.5 Supporting Instruments**

One of the essential instruments supporting the EU Customs Union in its efforts to modernise customs procedures and IT systems is the Business Process Modelling policy. Given the complex business environment of EU customs, the Business Process Models' (BPMs) aim to ensure a more holistic view of customs process flows and the practical implications of their implementation. As such, the enhancement of the BPM policy remains a paramount objective for the e-Customs architecture. In 2018, a series of key BPM deliveries took place to update and align the L4 models for the Automated Export System (AES), New Computerised Transit System (NCTS), and Centralised Clearance for Import (CCI) projects with UCC requirements. In addition to UCC BPM alignments, updates were also delivered for the EU Customs Single Window Certificates Exchange (EU CSW-CERTEX) and Smart and Secure Trade Lanes (SSTL) projects. Notably, L3 and L4 BPMs for the Ozone Depleting Substances (ODS) Certificate in EU CSW-CERTEX were finalised in 2018, while delivery of L4 BPMs for the SSTL project also took place. The relevant updates are elaborated in the corresponding project fiches under Annex 1 of the report.

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<sup>27</sup> Representatives of industry associations engaged in regular consultations at Union level through the Trade Contact Group platform on the development and implementation of customs policy.

The BPMs are facilitated by ARIS, a software tool, which enables the reusability and continuous improvement of business processes and data. In 2018, the ARIS Platform & ARIS Publisher achieved a 99.5% availability rate for systems in both production and conformance testing. Major updates to core ARIS guidelines and methodology documents continued the improvement of modelling and analysis functionalities, which accelerated the performance of BPM releases. Likewise, a software update to release 9.8.10 was carried out and improved ARIS functionalities in-line with foreseen migration to ARIS 10. 1,341 new models were created for different modelling projects in 2018, bringing the total repository to 16,783 models. After completion of users' revalidation in 2018, the number of ARIS users was reduced to 401, including Member States, economic operators, and EU Commission staff. 13 "MSexportDB" services were provided for delivering BPM content to national authorities in five Member States and Serbia. In addition, 31 BPM publications were created for Member States and DG TAXUD.

Equally important, data exchange is indispensable to the efficient functioning of the e-Customs architecture. The objective is for trans-European IT systems and national customs clearance systems to be based on the EU Customs Data Model (EU CDM), which is built upon the World Customs Organisation Data Model. The EU CDM serves as a technical instrument that models the data requirements laid down in EU customs legislation by presenting a single and genuine source of information for the technical developments of different IT systems used by EU customs. In 2018, efforts were ongoing to update, improve, and expand the EU CDM from v2.0 to v3.0.

In 2018, the EU Commission continued supporting the electronic exchange of information through the Common Communication Network / Common System Interface (CCN/CSI) and the CCN product services, which achieved a 99.98% availability rate in production. This high rate of availability supported a traffic volume of more than 29 terabytes of data between January and December 2018, or the equivalent of more than 5.7 billion messages exchanged. Traffic volume and number of messages exchanged both increased between 2017 and 2018, by 27.1 and 33.2%, respectively.<sup>28</sup> In parallel with ongoing operation of CCN/CSI, the EU Commission continued to develop infrastructure enhancements under the CCN2 project, conducting several workshops during 2018, revising the business agnostic architecture to include additional platforms, and completing the setup of a new conformance testing environment.

In addition to the operation of and improvements to hard- and soft- ware supporting the uptake of electronic customs systems in the EU, the EU Commission implemented an active training and capacity building programme during the course of 2018. In this regard, more than 89% of EU training contributions targeted improvements to the understanding of UCC modules<sup>29</sup> by users, namely through translation of existing e-Learning materials to reach a wider number of national audiences. Outside of the UCC domain, several new training initiatives were launched by the EU Commission in 2018, including dedicated e-Learnings on detection of dangerous materials, clearance of drug precursors for customs officers and economic operators.

The EU Commission also conducts awareness-raising activities to communicate the benefits of the EU Customs Union and its transition to electronic customs systems. In 2018, several communication products and actions were carried out to augment the visibility of e-customs initiatives. These took the form of a series of videos that were produced, including on the Customs Decisions System to mark the

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<sup>28</sup> Common Communication Network & Common System Interface (CCN/CSI): Facts and Figures. Last update 29/01/2019, published by DG TAXUD B.2 – Architecture & Digital operations. Available at: <https://myintracomm.ec.europa.eu/dg/TAXUD/IT/CCN%20CSI/Pages/ccncsi.aspx>.

<sup>29</sup> The UCC eLearning Programme represents a comprehensive body of learning material targeted for customs officers and economic operators, available at: [https://ec.europa.eu/taxation\\_customs/eu-training/general-overview/ucc-elearning-programme\\_en](https://ec.europa.eu/taxation_customs/eu-training/general-overview/ucc-elearning-programme_en).

first anniversary of operation, as well as collaboration with international counterparts as part of the Customs 2020 programme. Reflecting the continued focus on implementation of the UCC, the EU Commission further developed and circulated comprehensive poster materials depicting new UCC procedure flows and systems interactions. These strategic, high-visibility e-customs promotional activities were complemented by routine actions throughout 2018, including regular updates to the DG TAXUD website, publication of news items, and outreach through DG TAXUD's social media presence.

### **3.6 IT Business Continuity Management System (IT BCMS)**

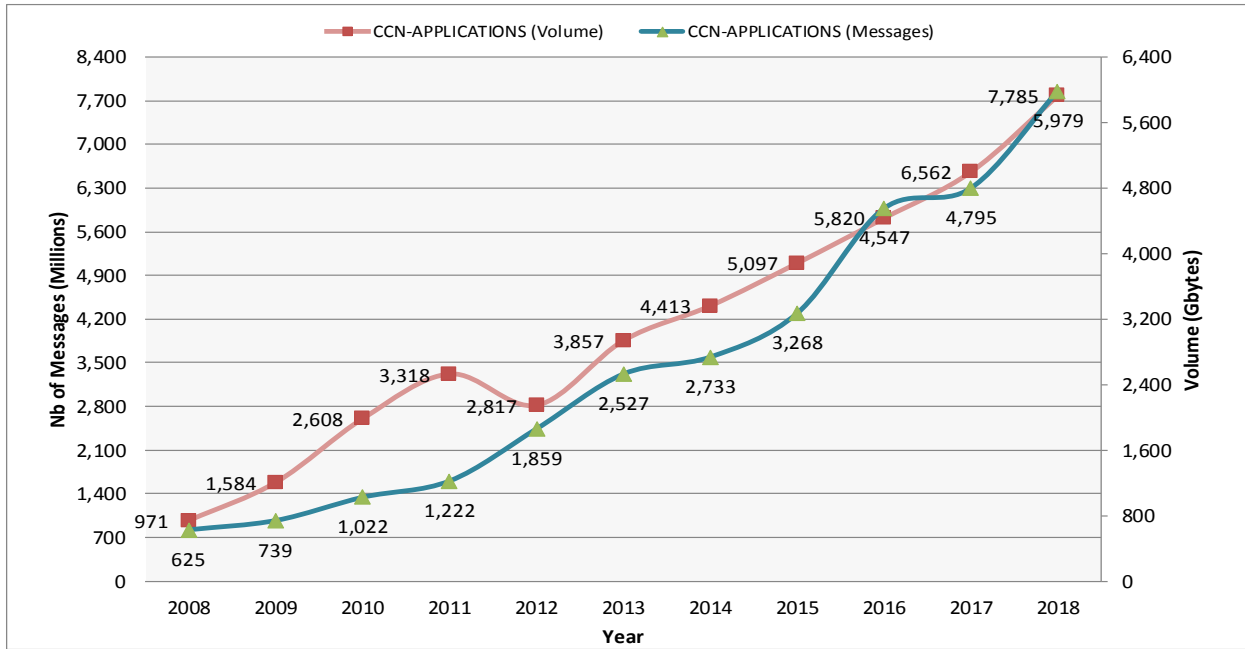
As set out in the Strategic Plan 2016-2020 for DG TAXUD<sup>30</sup>, ensuring the business continuity of existing electronic customs systems in an increasingly complex IT environment remains a core objective. In fulfilment of this ambition, DG TAXUD has invested in a number of business continuity measures. In 2018, DG TAXUD launched the IT BCMS revamping project, with the goal of ensuring that previous investments made in preparedness are effectively translated into recoverability, when required, and aligned with overall business objectives and priorities. This initiative enshrines the precept that high levels for IT service availability and continuity require well-informed decision-making and swift resource mobilisation across the DG TAXUD IT value chain to deliver effective IT service recovery and restoration. The objective is to align the IT BCMS with all other levels of business continuity management already in place and account for interdependencies within the complex DG TAXUD ecosystem, so as to effectively meet stakeholders' IT service continuity needs.

In 2018, a set of core IT BCMS deliverables was developed or revised internally as a result of eleven workshops held within DG TAXUD and the review of an extensive canon of applicable and reference documents. These documents cover a wide range of areas underpinning IT BCMS development, including policy, requirements, impact analysis and risk assessment, strategy, and planning. This package of IT BCMS deliverables is currently in the process of further internal discussions and assessment. Further to this, DG TAXUD triggered the process to activate the IT Stand-by Service.

In addition to the IT BCMS initiative, DG TAXUD monitors business continuity in terms of the performance of core customs IT systems and infrastructure. For information purposes, this report also presents a statistical overview of the Common Communication Network (CCN), which experienced significant growth during 2018. The CCN applications exchanged 5.98 billion messages during the year, with an increase of 24.69% compared to 2017, when 4.80 billion messages were exchanged. This increase in the quantity of messages exchanged has coincided with volume growth of 18.64%, from 6.56 TBs in 2017 to 7.79 TBs in 2018. Figure 1 below illustrates the evolution of CCN message quantities and volume exchanged since 2008.

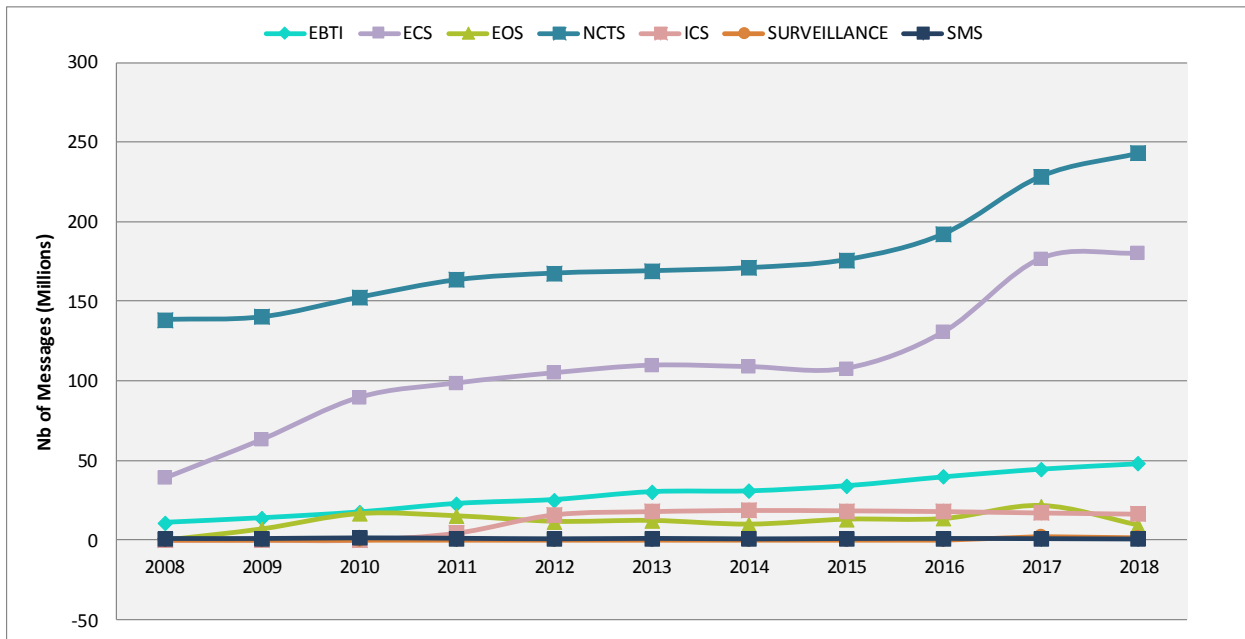
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<sup>30</sup> Strategic Plan 2016-2020: DG TAXUD, Ref. Ares (2016) 1266241 – 14.03.2016.



**Figure 1: Evolution of CCN message quantities/volume**

Figure 2 depicts the evolution of the exchanged message quantities since 2008 for the European Binding Tariff Information (EBTI), Export Control System (ECS), Economic Operator System (EOS), NCTS, Import Control System (ICS), Surveillance, and Specimen Management System (SMS) projects. In comparison to 2017, an increase was observed for EBTI (7.65%), ECS (1.84%) and NCTS (6.32%) during 2018, whereas EOS, ICS, Surveillance, and SMS experienced a decrease (56.31%, 4.41%, 27.65%, and 13.10% respectively).



**Figure 2: System message evolution**

Figure 3 presents the distribution of messages exchanged per system (EBTI, ECS<sup>31</sup>, EOS, NCTS<sup>32</sup>, ICS, (Anti-Counterfeiting and Anti-Piracy System) COPIS, Surveillance, and SMS) in 2018. The quantity of messages exchanged by the movement systems, such as NCTS, ECS, and ICS, constitutes 82.40% of the total number of messages exchanged by all systems, compared with 80.40% in 2017. Hence, this percentage has experienced a slight increase of 2%.

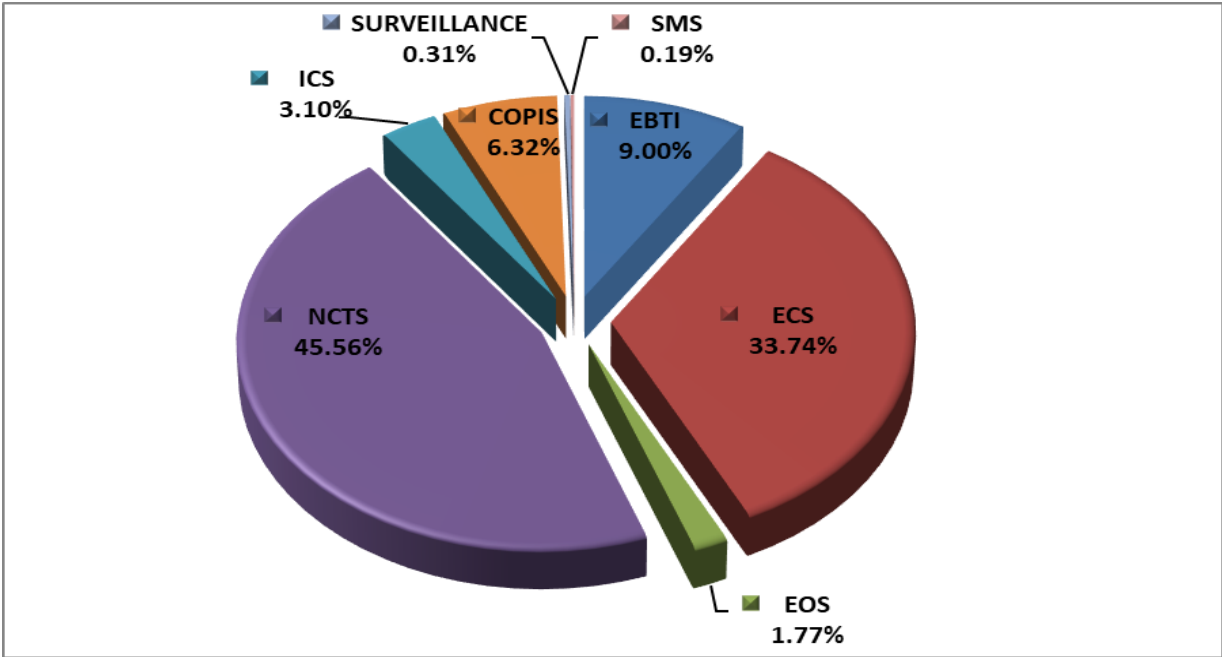


Figure 3: CCN messages distribution per application

### 3.7 EU Customs Single Window (EU CSW)

As the customs domain is progressively transformed into a paperless electronic environment, the clearance process imposes multiple non-customs formalities that must be fulfilled separately and not always electronically. These formalities are regulated by government agencies or departments responsible for monitoring compliance with the veterinary, sanitary, phytosanitary, agricultural and environmental regulations. In order to ensure supply chain visibility and harness the full potential of cooperation between customs and other authorities, the EU Commission has supported the development of single window initiatives.

At its most basic level, the single window is a trade facilitation measure, which permits the economic operator to fulfil regulatory requirements by submitting data in a standardised manner to multiple recipients via a single-entry point. The single window paradigm represents a new wave of customs modernisation with the potential to bring about multiple gains, benefitting both the economic operators and regulatory authorities. Despite the apparent benefits of single window services for cross-border operations, the complexity associated with building an EU CSW environment is notably attributable to the involvement of a high number of authorities and the multiplicity of their respective procedures and IT systems in the EU Member States. Given this context, a phased approach was adopted for the implementation of the EU CSW environment.

<sup>31</sup> Please refer to Section 1.4.5.2 under Annex 1 of the current report.

<sup>32</sup> Please refer to Section 1.4.5.1 under Annex 1 of the current report.



Following the 2014 Venice Declaration<sup>33</sup>, a pilot project was launched and jointly administered by DG TAXUD and DG SANTE. The pilot provided for the exchange of Common Veterinary Entry Documents (CVED) and Common Entry Document (CED) certificates between five Member States, participating on a voluntary basis. Based on the EU SW-CVED<sup>34</sup>, an expanded EU CSW – Certificates Exchange (CERTEX) project was launched in early 2017 to accommodate the integration of new certificates and enhance overall functionality. In addition to an increase in the number of certificates and functionalities supported, EU CSW-CERTEX has achieved greater involvement at the national level, with the participation of 11 Member States by the end of 2018. By 2020, the EU CSW-CERTEX platform is projected to support eight certificates administered by various DGs, and allow for both expanded G2G interactions as well as direct B2G exchanges. The scope and status of the EU CSW-CERTEX project are further detailed in section [1.1.8](#) of Annex 1.

To consolidate progress to-date and support the continued ambition of the EU CSW, the need for targeted additional legislation was identified. The EU Commission collaborated closely with Member States and the Trade Contact Group, through the EU CSW PG, on the elaboration of a legislative proposal, culminating in publication of its Inception Impact Assessment<sup>35</sup> in May 2018. An independent, in-depth analysis was subsequently launched to further assess the options for and impacts of implementation of the EU CSW environment and its required legislation. In parallel, the EU Commission launched a public consultation in October 2018, targeting a wide range of stakeholders.<sup>36</sup> During the consultation period, 382 responses were received from economic operators, public authorities, academia, and representatives of other organisations across 25 Member States. Among respondents to the EU CSW public consultation, more than 80% reported having direct involvement in customs operations, generating valuable business insights on the perceived benefits of an EU SW environment for customs, as well as identifying further measures to enhance trade facilitation. The large majority of respondents were micro, small, or medium entities (MSME) identifying disproportionate gains from streamlined trade compliance in an EU SW environment for customs. A legislative proposal for the EU CSW is anticipated to be presented and discussed with Member States in 2019.

### **3.8 Innovative Technology Solutions**

In 2018, the EU Commission continued its efforts on the "Blockchain@TAXUD" initiative, to explore the possible use of blockchain technology in the context of e-Customs and taxation policies. In particular, DG TAXUD organised a dedicated workshop held in Malta in May 2018 where the Member States' customs and taxation communities were represented to share their understanding of and plans for this technology. The workshop was successful and concluded that blockchain is not a panacea, but deserves to be explored by public authorities to smoothen the delivery of their objectives as well as to support collaboration with economic operators.

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<sup>33</sup> Draft Council Conclusions on Electronic Customs and Single Window Implementation in the European Union, 16507/14, 4.12.2014.

<sup>34</sup> The project was originally referred to as SW-CVED, whereas the terminology has been revised in 2018 to CSW, specifically referring to single window for customs. Where SW is otherwise used in this report, it refers to the single window concept broadly.

<sup>35</sup> Inception Impact Assessment: EU Single Window environment for customs, Ref. Ares (2018)2382035 – 04.05.2018.

<sup>36</sup> EU Single Window environment for customs, available at: [https://ec.europa.eu/info/consultations/initiative-eu-single-window-environment-customs\\_en](https://ec.europa.eu/info/consultations/initiative-eu-single-window-environment-customs_en).

Further, the proof-of-concept (PoC) on the Admission Temporaire/Temporary Admission customs procedure (ATA) Carnet<sup>37</sup> was completed. Based on findings from the “Blockchain@TAXUD” thread of activities, DG TAXUD started an extended PoC to assess the potential for this technology to be further used for secure dissemination of economic operators’ registry information.

Given these promising outcomes, DG TAXUD’s next step and priority is to determine if the blockchain can be included in its technology portfolio to support the design of new policies and Trans-European Systems. An important criterion is to test whether it can be realistically deployed and operated across Member States. Only with this assurance can opportunities and real projects be reasonably pursued in collaboration with all stakeholders.

Throughout the year, DG TAXUD continued its consideration of additional innovative technology solutions, such as data mining and artificial intelligence, with a business- and delivery- focused mindset. Data, in particular, is at the heart of DG TAXUD’s emphasis on shaping policies to support the design of modern and interoperable electronic systems. As such, DG TAXUD and Member States’ customs administrations have always been at the forefront of data harmonisation and the use of international standards. To build on achievements to-date in this domain, further data analysis is envisaged to provide additional support to customs activities, ranging from policy formation, to electronic systems design and exploitation.

### **3.9 Preparation Activities for UK Withdrawal from the EU**

The UK formally notified of its intent to withdraw from the EU on March 29, 2017. Under the procedure outlined in Article 50 of the Treaty of the European Union, the UK was foreseen to complete its withdrawal from the EU no later than March 29, 2019. On this basis, the EU Commission conducted a series of technical seminars, assessments, and coordination activities with Member States during the course of 2018 to prepare for a range of scenarios, including a ‘No Deal’ outcome, UK accession to the Common Transit Convention (CTC), and an orderly withdrawal.

## **4 COSTS**

### **4.1 Costs incurred by DG TAXUD on IT systems development in 2018**

Figure 4 outlines the EU Commission’s costs committed under the 2018 budget for IT system development and maintenance as well as customs coordination. The common Customs 2020 joint action costs pertain to participation costs in the programme events, such as the ECCG and the technical sub-group meetings. Other costs associated with joint actions that cover promotion activities and IT training sessions under the Customs 2020 programme are also included in this category.

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<sup>37</sup> Digitisation of ATA Carnets: how the Blockchain could enhance trust, WCO News – 87, available at: <https://mag.wcoomd.org/magazine/wco-news-87/digitization-ata-carnets/>.

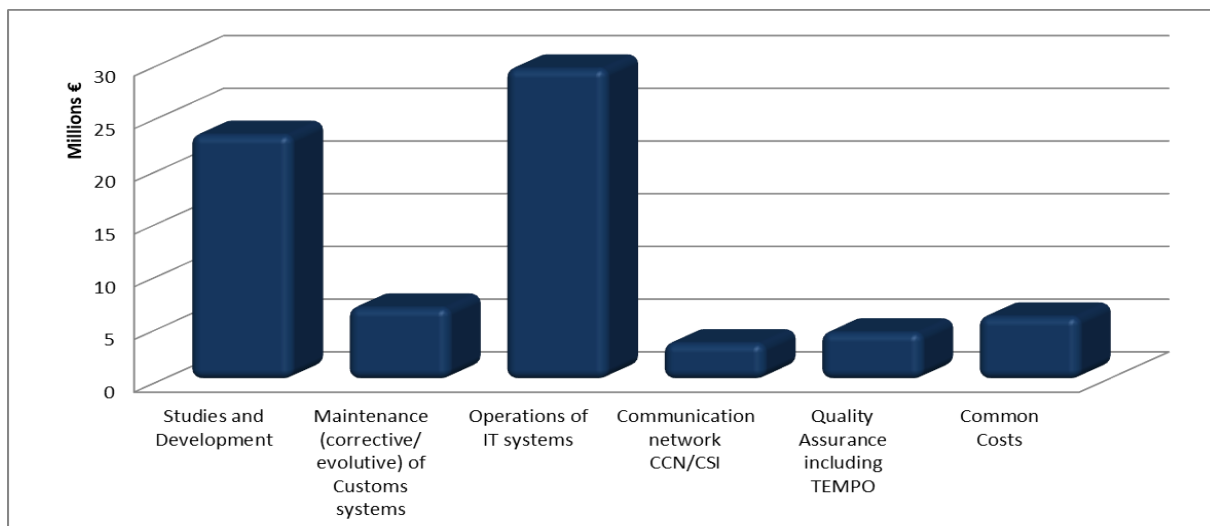
System/Activity		Commission Committed budget for 2018 (EUR)
Customs Projects	AEO Mutual Recognition (MR) adaptation	500,000.00
	UCC Customs Decisions	2,200,000.00
	UCC BTI Phase 1	300,000.00
	UCC Automated Export System (AES)	1,800,000.00
	UCC Transit System including NCTS	1,854,000.00
	COPIs eAFA	300,000.00
	UCC CCI Phase 1	554,000.00
	EU-RU 'Green Corridor' pilot project	100,000.00
	UCC Customs Decisions/Generic Trader Portal	300,000.00
	Contingency	507,000.00
	UCC Special Procedures (information sheets)	400,000.00
	Surveillance <sup>3</sup>	800,000.00
	UCC ICS2	3,250,000.00
	CLASS	340,000.00
	CRMS2	1,550,000.00
	Smart and Secure Trade Lanes (SSTL)	500,000.00
EU Single Window environment for customs	924,350.00	
UCC Uniform user management & digital signature (UUM&DS)	1,081,997.24	
<b>Subtotal:</b>		<b>17,261,347.24</b>
CCN2		6,006,207.00
<b>Studies and Development Subtotal</b>		<b>23,267,554.24</b>
Maintenance (corrective/evolutive) of Customs systems		6,876,137.09
Operations of IT systems		29,556,752.80
Communication network CCN/CSI and other middleware (e.g. SPEED2)		3,486,608.87
Procurement of H/W & S/W COTS		500,000.00
<b>Common costs Customs2020</b>	E-customs joint actions - ECCG meetings	4,811,082.72
	E-customs joint actions - Trainings	1,136,558.60
	Promotion activity	70,287.50
Quality Assurance including TEMPO		4,516,635.93
DIH and Data modelling (including GEFEG consulting and licenses)		555,433.40
Block Chain proof of concept		126,804.00
BREXIT		1,449,537.38
Activities related to Business Process Modelling		1,463,897.92
Intra-muros services		5,244,164.84
Horizontal budget (e.g. PICS, ARIS, CMS, SMT)		2,779,791.39
<b>GRAND TOTAL</b>		<b>85,841,246.68</b>

**Figure 4: EU Commission's committed costs in year 2018 (expressed in €)<sup>38</sup>**

As detailed in Figure 4, the EU Commission's committed 2018 budget for e-Customs has reached 85,841,249.68 €. In contrast with the overall costs allocated in 2017 (87,300,467.77 €), a small decrease (1.67%) is observed in 2018. This is principally due to preparatory activities for BREXIT that were prioritised, and some other activities were put on hold.

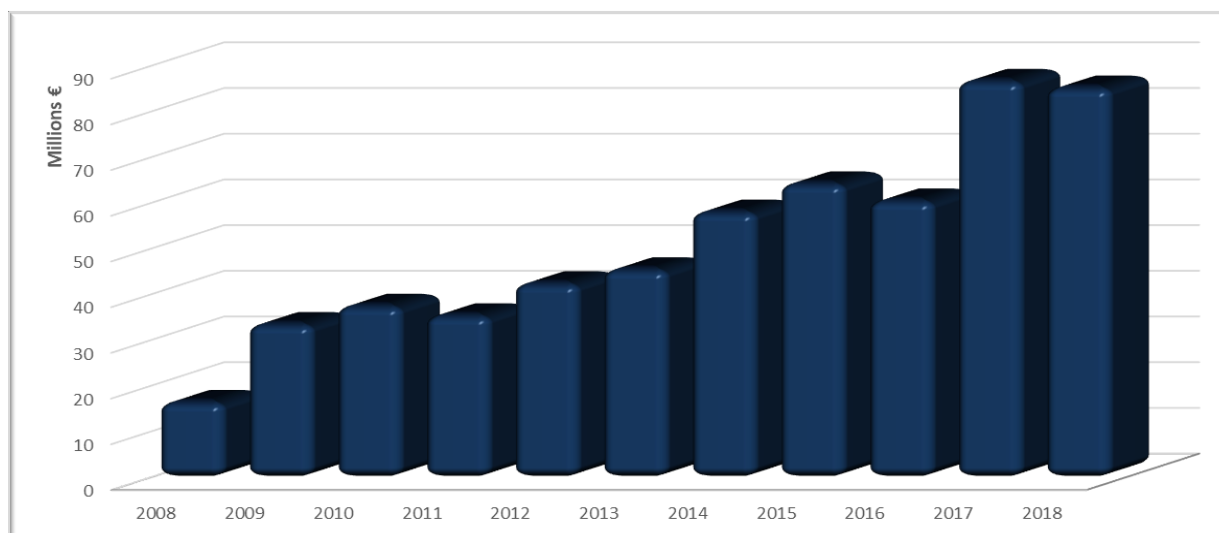
Figure 5 below represents the main categories of the EU Commission's costs which were mostly absorbed by two categories, "operations" and the "studies and development" of IT systems. In comparison to 2017, IT systems operations' costs had a significant decrease of 32% in 2018. The decrease is attributed to decreased expenditure on current systems, as these are stable and performing well. Only four new releases (EORI2 – 05/03/2018, UCC EU AEO Major Enhancement (II) – 03/05/2018, AEO MRA Norway – 29/01/2018 and SURV3 – 01/10/2018) became operational in 2018, as compared to 2017, when eight new releases were introduced in operation. In 2018, system studies and development costs increased by 72% in view of further alignments with the UCC legal requirements and inception phase activities carried out for new MASP projects and the approach of the 2020 target.

<sup>38</sup> The allocated budget for BREXIT was initially accounted to 3,463,000.00 € but due to the postponement of UK exit from the EU, only 1,449,537.38 € were spent. The amount was spent for "no deal" scenario.



**Figure 5: Main categories of the EU Commission costs in year 2018**

The following Figure 6 presents the total investment of EU Commission in customs IT systems for the period 2008-2018. A gradual trend of budget increase has been observed throughout the years. This increase was significantly higher from 2017 onwards when most of the efforts were dedicated to achieving the 2020 target.



**Figure 6: EU Commissions' costs for customs IT systems, 2008-2018**

## 4.2 Costs incurred by Member States in 2018

Total expenditures by Member States on customs IT systems in 2018 were 141.872,865.67 €. Figure 7<sup>39</sup> below illustrates Member States' investment per project according to the MASP Revision 2017, as reported in the national annual reports.

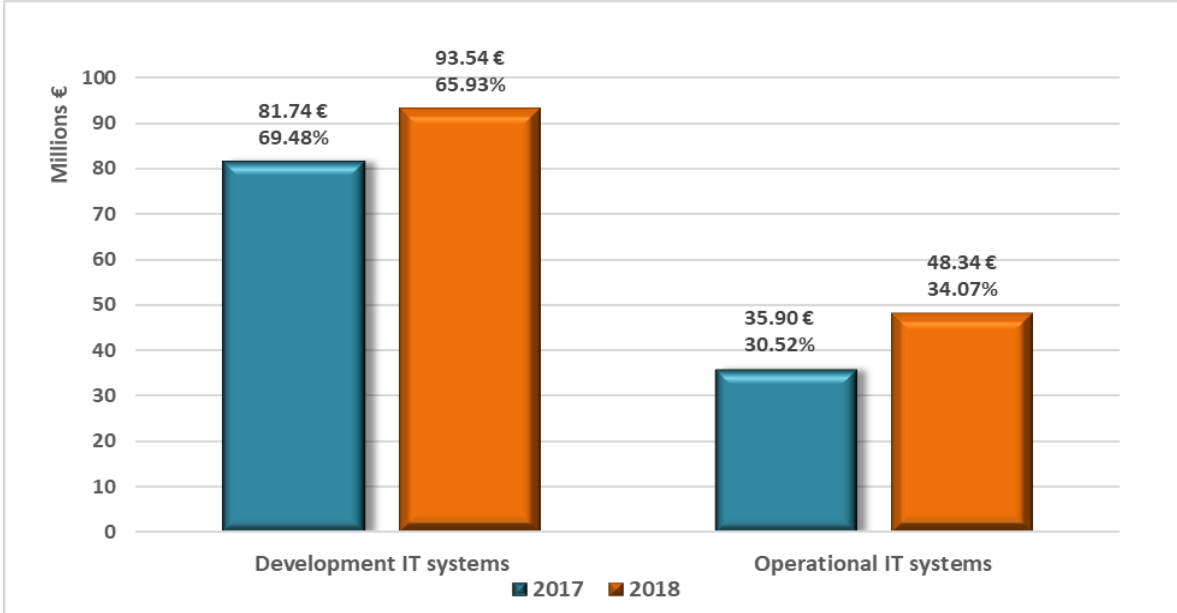
<sup>39</sup> The EU-CH EXS data exchange for indirect exports from Switzerland (3.5) and EU-RU 'Green Corridor' pilot project (3.6) projects are excluded from the graph due to zero cost reported.



Following the structure and content-related transformations that took place during the MASP Revision 2017 Member States have reported on 31 projects. However, the total number of projects reported on was 29 due to no activities on the EU-CH EXS data exchange for indirect exports from Switzerland (3.5) and EU-RU 'Green Corridor' pilot project (3.6) projects.

According to Figure 7, the greatest share of the Member States' budget<sup>40</sup> in 2018 was consumed for the maintenance<sup>41</sup> and updates of the operational IT systems which constituted 34.08% of the total expenditure. This figure has slightly increased from 30.52% in 2017. This increase was mainly due to the additional operational systems in 2017, resulting in an increase for updates and maintenance required in 2018. In addition, the "Adjustments of the existing import applications under the UCC" (2.10), "UCC CDS" (1.2), the "UCC Special Procedures" (2.6) and the "UCC EORI 2" (1.6) absorbed approximately the average of 10.03% of the overall expenditure (respectively 15.01%, 12.43%, 7.09% and 5.61%). A lightweight increase was observed in the expenditure of the "non-MASP rev.2017 projects", which hold an aggregate percentage of 4.72 % of the total investment compared to 3.52% in 2017. This indicates that the Member States started allocating a part of their budget to adjust their national systems to the new UCC requirements.

Figure 8 depicts the comparison between the operational and development IT systems costs, consuming 34.07% and 65.93%, respectively, of the overall system expenditure reported in 2018. It was observed that in spite of the increased costs, there is a relatively similar level of expenditure, with a decrease of only 3.55% in comparison with 2017. This is due to the increased number of Member States reporting, however this is a big increase in comparison to 2016 (54.64%). The cost increase could be attributed to the fact that Member States allocated a considerable part of their budget to the existing systems in order to align them with the UCC requirements.

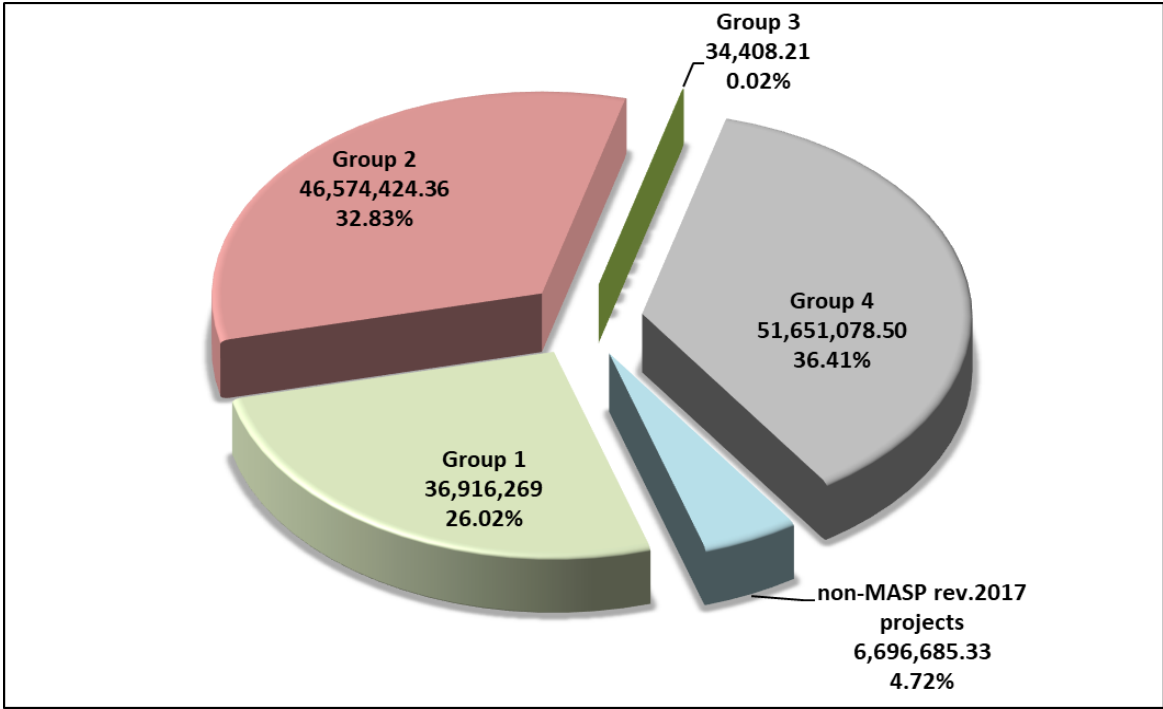


**Figure 8: Costs on Operational IT systems and Development IT systems as part of all systems in 2018**

Figure 9 presents the accumulated cost of the MASP Revision 2017 project groups. Group 1 refers to the Customs European Information Systems (EIS), Group 2 relates to Customs European initiatives that require further analysis and agreement, Group 3 encompasses Customs International Information Systems, and lastly, Group 4 presents Customs cooperation initiatives and technological developments to facilitate Customs EIS, along with the maintenance of existing

<sup>40</sup> The data on budget amounts is not precise due to the aggregated information received from some Member States.  
<sup>41</sup> The reported cost on maintenance of the systems in operation since 2017 has been included under the Maintenance (4.8) project fiche.

projects. The main budget consumption consisting in 36.41% was absorbed by Group 4. Group 2 consumed 32.83% of the total budget followed by Group 1, which utilised 26.02%. In contrast, Group 3 consumed only 0.02% of the overall budget for MASP groups. In comparison to 2017, the Member States’ allocated budget for “non-MASP rev.2017 projects” in 2018 was mainly consumed for the maintenance and upgrades of their national systems, marking a slight increase from 3.52% to 4.72%.



**Figure 9: Cost per MASP revision 2017 Project Groups**

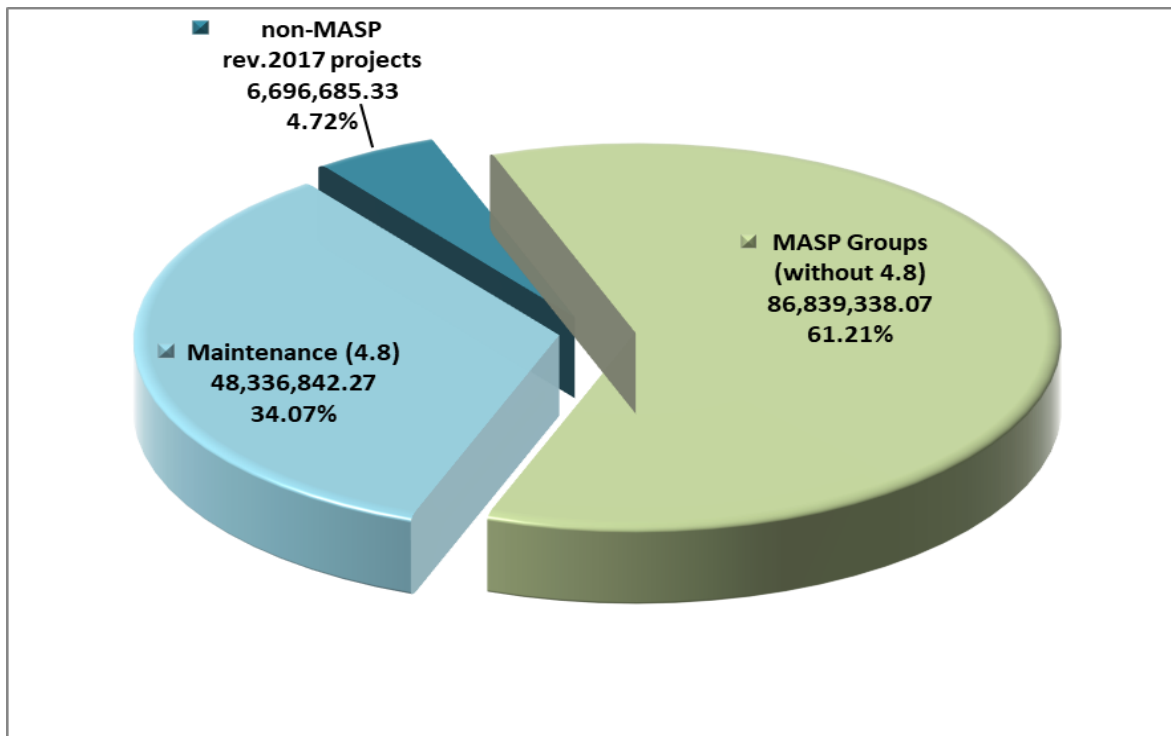
According to the cost figures reported in the Member States’ annual reports, it is observed that:

- The number of Member States that contributed budgetary information is not the same throughout the years. Since 2008, between 22 and 25 Member States<sup>42</sup> have reported on their budget allocation, apart from 2011, when only 12 reports were received
- Various approaches pursued by the Member States result in diverse reporting for the project phases and/or costs associated to them (i.e. project progress, software/hardware costs). This expenditure is aggregated under the respective project as reported
- Member States’ national systems could be developed on common platforms and the costs of numerous systems could be noted only under one reference baseline. Consequently, this affects the results and the accuracy of the data

As shown in Figure 10, Member States reported less expenditures for the maintenance and the updates of the operational IT systems in 2018, since the primary focus was directed to the development and implementation of the MASP projects. Specifically, a significant amount of Member States’ budgets was allocated to MASP project groups, which accounted for 61.21% of total expenditures on electronic systems, while maintenance costs consumed only 34.07% of the overall budget. Maintenance represents a small increase from 30% in 2017. Similarly, Member States’ cost for the “non-MASP rev.2017 projects” accounted for 4.72% of the total expenditure.

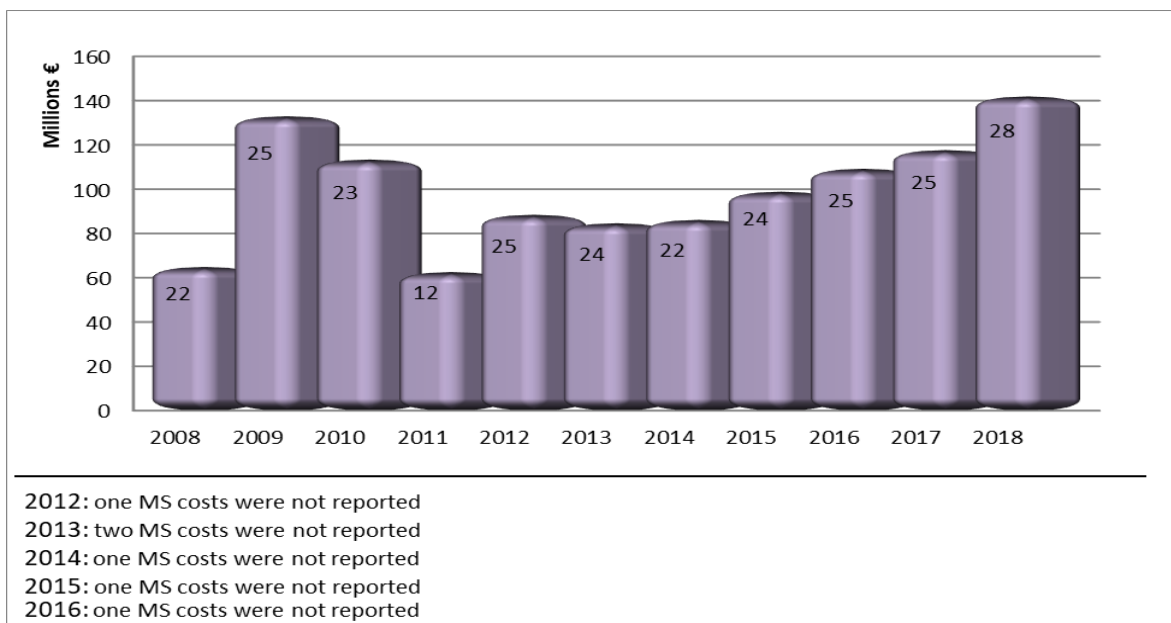
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<sup>42</sup> 12 in 2011, 22 in 2008 and 2014, 23 in 2010, 24 in 2015 and 2013, 25 in 2009, 2012, 2016 and 2017, 28 in 2018.



**Figure 10: Distribution of Member States' expenditure**

Figure 11 below presents the total investment of Member States in customs IT systems for the period 2008-2018<sup>43</sup>. The cited figures are not directly comparable due to the uneven number of Member States reporting over the years, which is respectively presented at the top of each bar for all years, in which data was collected.

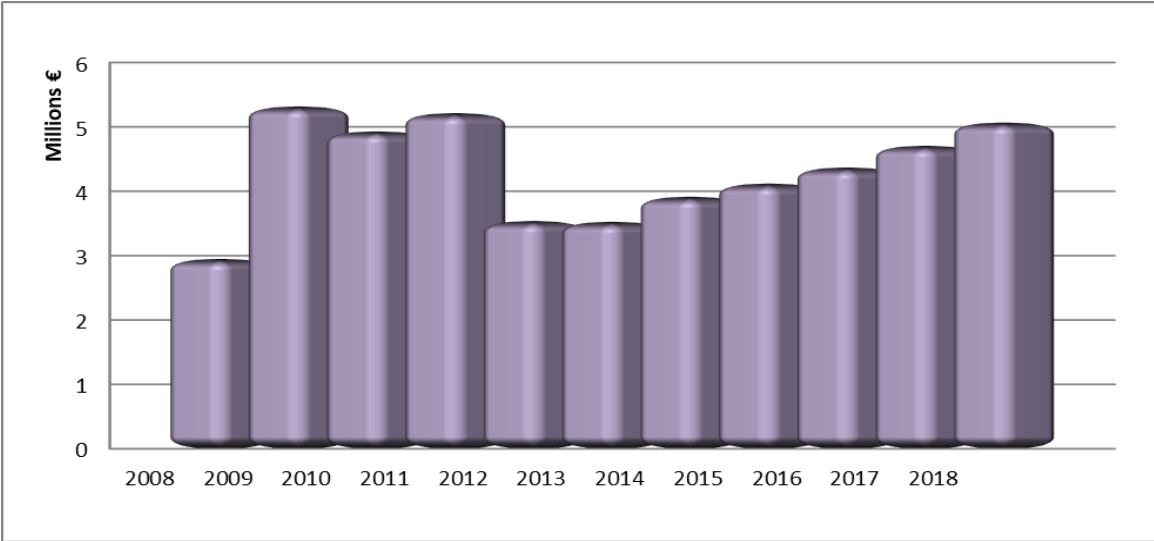


**Figure 11: Member States' costs, 2008-2018**

<sup>43</sup> As of 2013 the total number of Member States is 28.



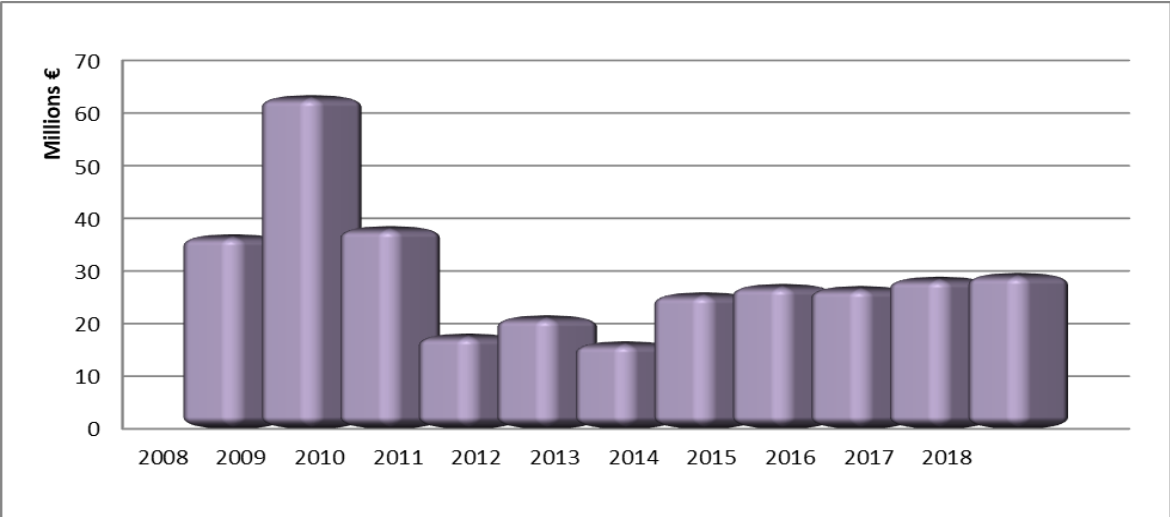
Figure 12 outlines the average Member States' cost through the years 2008-2018. The total sum distributed by Member States for each year is divided by the number of Member States that reported during this timeframe.



**Figure 12: Average Member States' costs, 2008-2018**

As shown in the figure above, the average Member States' dispensed cost has increased by 7.7% in 2018 compared to 2017. As illustrated in the graph, the total project expenditure dropped to its lowest levels (22.91%) in the period between 2012 and 2013, however the past four years were prominent by an increase of 23.00% compared to 2015.

This is also justified in the following Figure 13, which presents the total amounts utilised by FI, HU, LT, NL, PL, PT, SE, and UK for the period 2008-2018. The expenditure in 2018 has increased by 2.49% in comparison to 2017. This can be interpreted due to the continuation of the activities of the MASP projects along with the preparation and analysis for the implementation of the UCC.



**Figure 13: Total costs over the years 2008-2018 for 8 Member States that reported in all years**

Furthermore, Member States' consumption of man-hours is illustrated in the following Figure 14<sup>44</sup> for each project of the MASP revision 2017.

<sup>44</sup> The EU-CH EXS data exchange for indirect exports from Switzerland (3.5) and EU-RU 'Green Corridor' pilot project (3.6) projects are excluded from the graph due to zero cost reported.

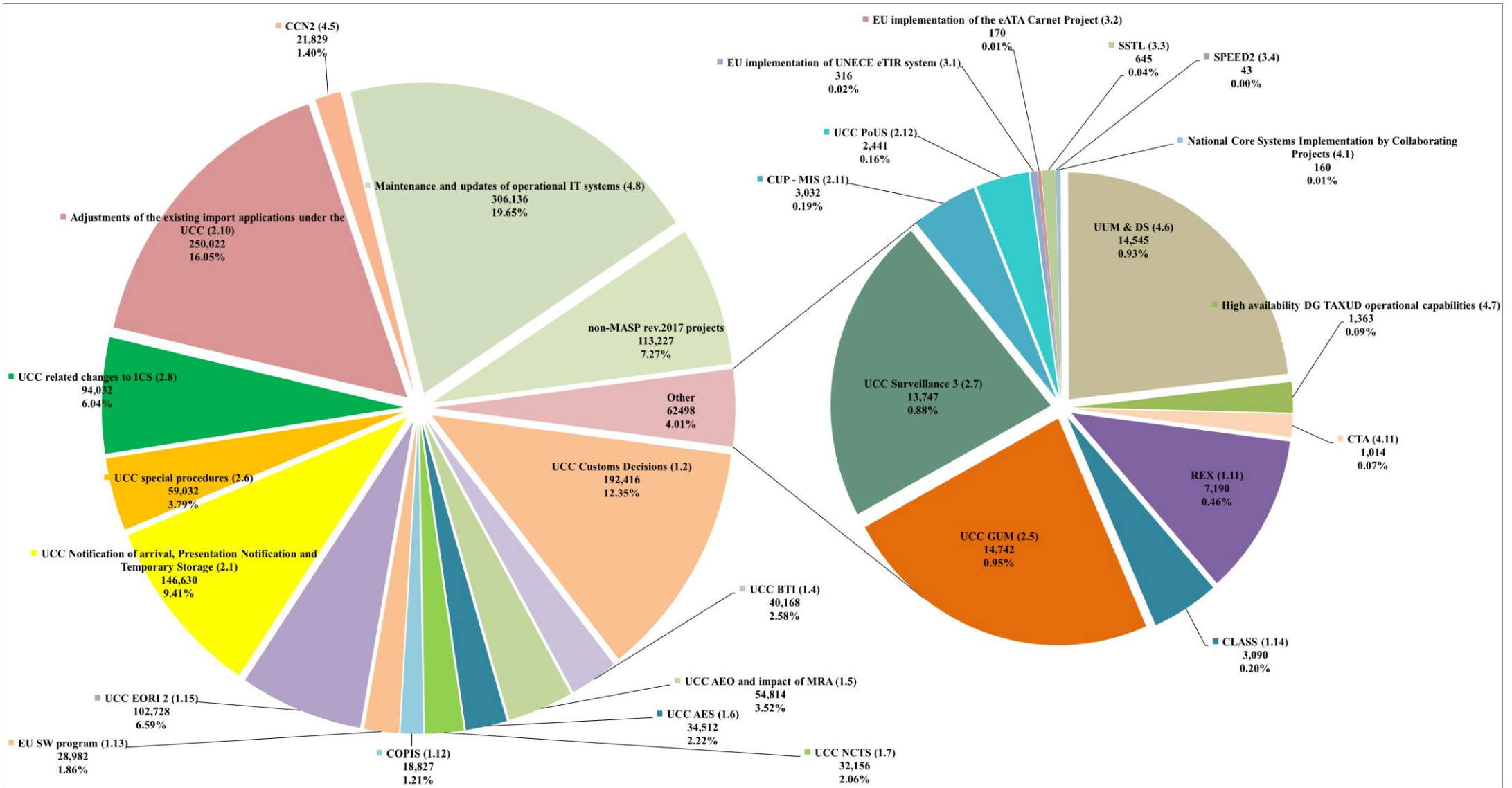
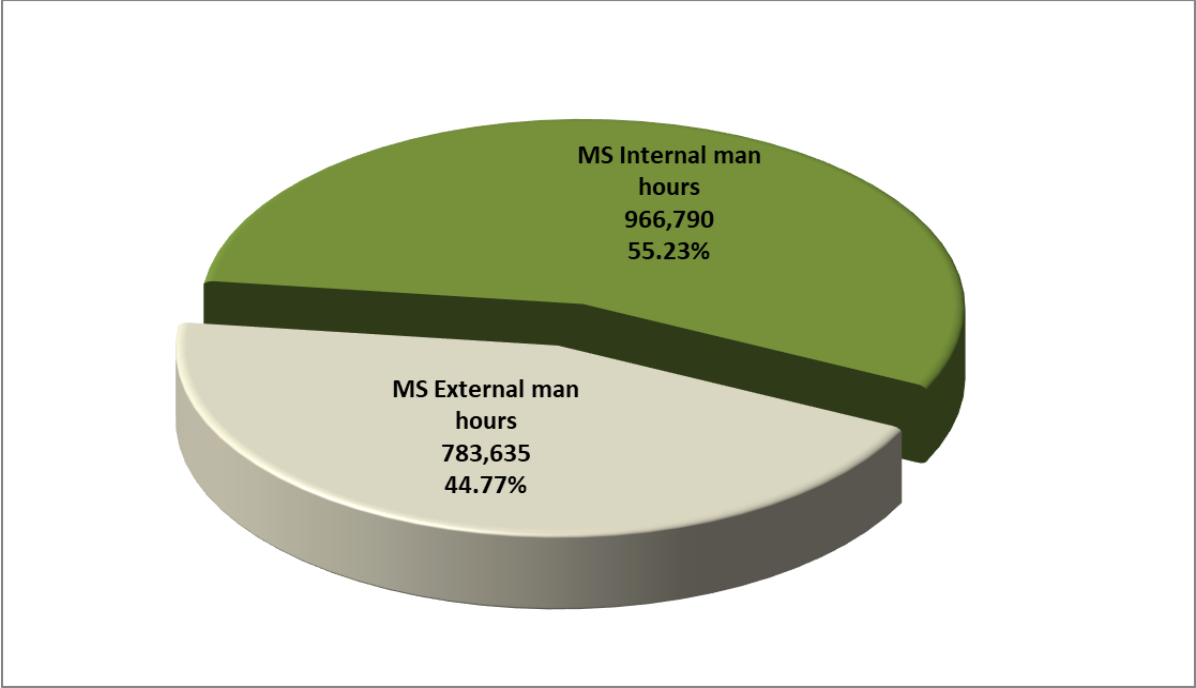


Figure 14: Member States' man-hours for Customs IT systems in 2018

According to Figure 14, the main proportion of the utilisation of man-hours in 2018 was the maintenance and updates of the operational IT systems, incorporating 19.65% of the total time spent. This consumption is proportional to the Member States’ cost that was absorbed by Maintenance and Updates of Operational IT systems (4.8), the “Adjustments of the existing import applications under the UCC” (2.10), the “UCC CDS” (1.2) and the “UCC Notification of Arrival, Presentation Notification and Temporary Storage” (2.1) projects, which employed a great share of the man-hours by consuming 16.05%, 12.35% and 9.41% respectively.



**Figure 15: Member States’ man-hours consumed in 2018**

Lastly, Figure 15 displays the man-hours that the Member States have attributed to all MASP projects in 2018. As depicted in the figure above, the internal man-hours make up the majority of the projects’ activities, more explicitly 55.23% in contrast to the external man-hours that absorbed 44.77%. Compared with the previous year, the trend has shown a slight increase in the allocation of internal man hours compared to external. Due to budget restrictions Member States have tried to take more of the efforts internally rather than externally. This is also driven by the number of projects that need to be deployed by the end of 2020.

**5 SUMMARY OF E-CUSTOMS PROGRESS PERFORMANCE**

A number of key milestones in ongoing e-Customs reform were achieved during the course of 2018, and the transition to a paperless environment has remained a priority for the EU Commission and Member States. This commitment was reflected in the completion of several legislative, business, IT, and operational activities in the e-Customs domain.

In the two years following the entry into force of the UCC, the EU Commission has continued to enact amendments to existing legislation, as well as additional measures to strengthen the e-Customs framework for a modern Customs Union. In 2018, a series of amendments to the UCC DA/IA were adopted, bringing greater clarity for both customs authorities and economic operators on the use of certain procedures. Similarly, the EU Commission advanced a proposal to expand the legal basis for technical arrangements linked to the implementation of the BTI, AEO, and EORI projects.

In parallel, the EU Commission laid the foundation for an updated timeline for the implementation of several core e-Customs systems under the UCC. In early 2018, an amendment to Article 278 of the UCC was proposed, to allow for an extension of the use of transitional measures for the ICS, NCTS, AES/INF SP EXP, CCI, PoUS, and GUM electronic systems, which are not foreseen to be ready

within the original 2020 deployment window. Throughout the year, the EU Commission facilitated discussions between the Council of the EU and European Parliament, culminating in trilogue negotiations held in November and December 2018. At the same time, the EU Commission continued to coordinate preparatory steps in conjunction with Member States for the revision of the UCC WP. In the longer term, the EU Commission reaffirmed its outlook for further e-Customs reform and, in May 2018, adopted the next Multi-Annual Financial Framework, covering the EU customs programme from 2021 to 2027.

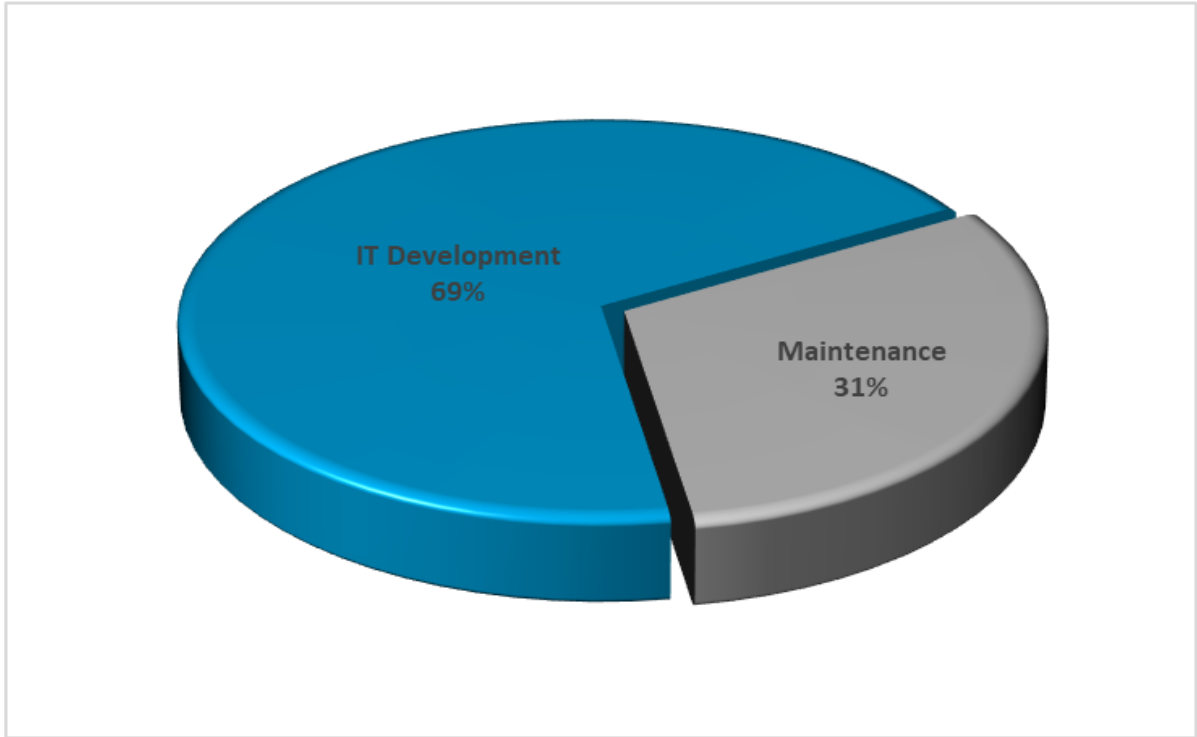
At the fiftieth anniversary of its creation, the EU Customs Union is at a crossroads. Taking stock of this, the EU Commission completed an evaluation of the current Customs 2020 programme in 2020, finding that it has made effective contributions to the functioning of the Customs Union and wider EU objectives in this domain. A separate report was conducted by the ECA in 2018. While one of the main findings of the ECA report identified an increased risk to the timely delivery of certain electronic customs systems, the EU Commission took a series of steps during 2018 to integrate its recommendations, in collaboration with Member States.

Cooperation between the EU Commission, Member States, and economic operators through an array of specialised Project Groups remained a key area of activity throughout 2018. Active Project Groups continued to drive progress on the CDS, CCI, ICS2 and EU CSW projects, while further enhancement to the e-Customs framework and trade facilitation took place under the UCC DA/IA – Title V Simplifications Project Group. Through the CPG, the EU Commission continued to lead high-level coordination efforts in conjunction with Member States' customs administrations. In addition, new initiatives emerged in the field of customs IT collaboration during 2018, notably through the establishment of the ETCIT, following the Tallinn Declaration.

These efforts culminated in a series of project deployments during the course of 2018. Major releases were made for core UCC projects, including EORI2, AEO, and Surveillance<sup>3</sup>. In addition, important project deliveries were also made for the EU CSW-CERTEX, REX2, and AEO MRA projects, which are supplemental to the UCC but form a key part of the EU's e-Customs transition. The high degree of effectiveness achieved during 2018, both in terms of legislative accomplishments as well as through the delivery of new electronic customs systems, highlights an increasing maturity in the e-Customs framework and reaffirmation of the need for close coordination between the EU Commission and Member States' customs authorities.

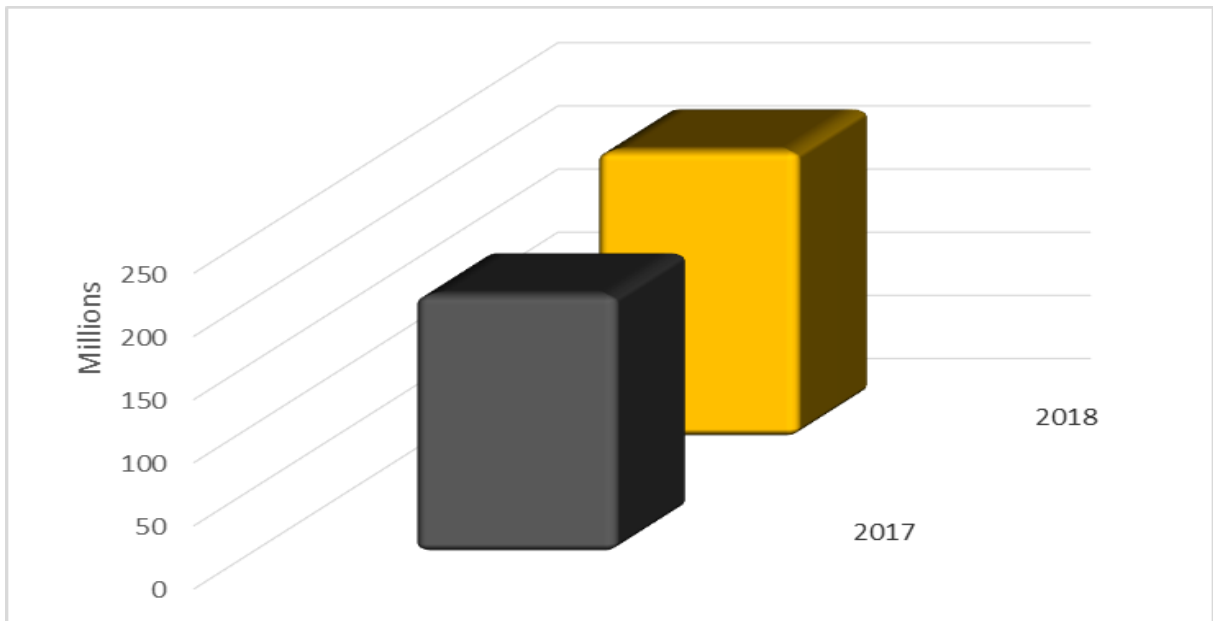
As the e-Customs environment in the EU continues to develop and assumes greater complexity, the EU Commission and Member States responsible for e-Customs implementation will face an evolving set of challenges. Effective identification, preparation for, and management of these challenges remains a high priority, and covers a wide scope of topics ranging from the strengthening of controls to tackle fraud and security risks, greater monitoring of EU customs law, improving efficiency, harnessing innovation, optimising the usability of electronic customs systems, addressing e-Commerce, preparing for BREXIT, and continuing to work with international partners in the field of customs. E-Customs reform remains a dynamic process as the EU Commission continues to consolidate a new legal framework for the Customs Union with new working methods and IT tools, in partnership with Member States.

In-line with this commitment, the EU Commission and Member States allocated significant resources for e-Customs activities, both in terms of personnel and investments. In 2018, expenditure by the EU Commission and Member States on new IT systems development remained a core focus, accounting for more than two-thirds of their overall combined budget. The remaining one-third of combined expenditure was dedicated to maintenance activities.



**Figure 16: EU Commission and Member States' total expenditure on IT Development and Maintenance in 2018**

Overall, combined expenditure by the EU Commission and Member States during 2018 increased more than 11% relative to the previous year, for a total of 227,714,112.35€ allocated to e-Customs activities. The comprehensiveness of information at the national level also improved in 2018, as all Member States provided reporting on their e-Customs activities carried out during the year.



**Figure 17: EU Commission and Member States' grand total on e-Customs activities in 2017-2018**

## **ANNEX 1 – IT SYSTEMS PROGRESS ACTIVITIES**

### **1 MASP PROJECTS**

The MASP is a living document that will evolve continually in response to the effective implementation of the Union Customs Code (UCC) and e-Customs projects. This section summarises the efforts made by the EU Commission and the Member States in 2018 towards the implementation of MASP e-Customs projects and achievements thereunder. Some Member States reported similar national activities for several projects under MASP Group 1. Therefore, the remarks hereunder apply for all projects under MASP Group 1:

- CY started the procurement process for the implementation of all UCC projects by launching a tender during 2018. The tender evaluation will be done at a later stage
- NL reported on performing activities related to operations, maintenance, upgrades, analysis and modelling for all national systems under MASP

#### **1.1 MASP Group 1 - Customs European Information Systems**

##### **1.1.1 UCC Customs Decisions (1.2)**

The Customs Decisions System (CDS) allows the electronic processing and central storage of the applications and authorisations and publication of the list of holders on the internet. The central storage of applications and authorisations will allow the consultation and validation of Customs Decisions by the declaration systems and customs authorities in the Member States. The IT system facilitates the necessary consultations between Member States' customs authorities during the decision taking period and the management of the authorisations process. This system is in operation since 2017.

In 2018, the EU Commission took significant steps towards improving the CDS<sup>45</sup> by thoroughly analysing the operational system, further documenting the system and increasing the systems' visibility. Preparations for a new release took place but the project encountered a delay due to continuous improvement activities, a change of scope and a late submission of external review comments on the Technical System Specifications. The review of the functional, technical and the UI specifications package of this new release was finished.

A CDS PG was established to identify and solve potential issues raised by the Member States and proactively provide solutions for the continuous improvement of the system. In-depth analysis took place at several fora to review usability, assess the system's business issues and evaluate proposed solutions for known blocking issues affecting the system.

For the purpose of documenting, clarifying and promoting the CDS, several improvements were initiated. The Business User Guide, which provides explanatory information on the TP and CDMS operating procedures, has been updated. In addition, 22 end-user starting guides were finalised and function as the basis for the implemented tooltips in the TP. The e-learning module has been updated as well, in order to enhance the understanding of the measures taken by the EU Commission for the implementation of the UCC CDS. The course guides users through the set-up and implementation of the CDS, in line with the provisions defined in the UCC and prepares them to confidently use the CDS in accordance with their role.

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<sup>45</sup> CDS is composed of three elements: CDMS, TP and CRS.

By the end of 2018, 16,024 applications were submitted by economic operators to the Trader Portal, of which 8,191 decisions were granted in CDMS by customs officers. In order to complement the data available in the CRS, 13,258 pre-existing decisions have been entered into CDMS by customs officers.

As CDS is a hybrid system for both development<sup>46</sup> and operations<sup>47</sup>, the Member States can choose how to implement it in line with their preferences. Therefore, most Member States (BG, CY, DK, EE, HU, IE, IT, LT, LU, LV, MT, NL, PT, RO, SE and SI) are using the centrally developed system, with ES having developed their own national hybrid solution. The remaining Member States (AT, BE, CZ, DE, EL, FI, FR, HR, PL, SK and UK) have adopted a different approach and they are using both central and national systems.

In 2018, the Member States informed about their status as ‘In Progress’ (AT, BE, CZ, DE, DK, EE, EL, ES, FI, HR, HU, IT, LT, LU, PL, PT, SI and SK), ‘Finished’ (BG, CY, IE, LV, MT and SE) or ‘On hold’ (FR and RO). Concerning the current phase, the majority of Member States reported being in operations (BE, BG, CY, CZ, DE, DK, EE, ES, FI, HR, HU, IE, IT, LV, LU, MT, PT, SE, SI and SK), in design of the national system (AT and EL), in development of national system (LT, PL and RO) or in deployment of national system (FR). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, DE, DK, EL, FI, HR, HU, IT, LT and SI), maintenance (BE, CZ, DE, DK, HR, HU, IT, LT, LV, SE, SI and SK) and upgrades (BE, CZ, DE, DK, ES, HR, HU, IT, LV, SI and SK). During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on national technical specifications (AT and EL), Conformance Testing (DK and FR), design of national system (EE) and deployment (FI).

AT had problems with the organisation of the CT campaign that led to the need of a new CT campaign in 2019. BG reported on the establishment of National Service Desks to support the operations of CDMS and TP and prepared the translated UI labels of the system. CZ performed activities related to the improvement of the CDS national components and new validations between the ICS and national data storage for customs decisions, while identifying the need to align the system with the latest version of the EU legislation. DE developed a new national CDS component which was deployed during the year, while maintaining the existing system. DK acknowledged the system’s quality has improved, but reported that the national users did not fully work with it since some usability and stability issues were still not solved. EE experienced some complications regarding the user-friendliness of the system that caused operational disruptions. EL developed a national component for retrieving data from the central system which will be tested in 2019 before deployment. FI focused on improving and adapting the national system according to the central CDS updates and changes.

FR successfully finished their Conformance Testing for the hybrid solution, but are still working to finalise the link with the central system. HR reported on activities related to upgrading the existing national system in accordance with UCC and to successfully implementing the electronic signature. HU maintained and updated the national system for correcting several issues and actively supported economic operators and national users. IT faced some problems with known system errors, legal misalignment of CDS and procedural issues and welcomed Member States and EU Commission’s initiative on resolving them as soon as possible with the new version of Customs Decisions. LT carried out analysis of the business needs and user requirements and reported that the development of national system is still ongoing and did not finish on time, because the procurement process took longer than expected. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. LV updated the data exchange between the national Electronic

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<sup>46</sup> Hybrid development refers to the development which gives MS the choice to either use the centrally developed and centrally operated system, or to develop and operate some of the components on their own national domain.

<sup>47</sup> Hybrid operation refers to the operation of a hybrid system. In these cases, central components coexist with national components operating in some or all MS.

Customs Data Processing System and CDMS in accordance with the latest XSD changes. MT announced its plan to use the central system for the national customs decisions and launched a call for tender for the development of a national e-authorisation system that will handle all national customs decisions. Although work on the national system was temporarily suspended, PL was able to restart development planning, as a new contractor was selected in September. RO had placed the national project 'On hold' until November and received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code". As a result, development activities including the preparation of functional and technical specifications related to Customs Decisions are ongoing, thus the project is in initiation phase. SE reported on activities related to implementation of Customs Decisions process according to UCC and preparations for implementing a national component. SI continued activities for implementing national rules on CDMS and TP usage. SK indicated that central system is used by economic operators and officials for all customs decisions. UK reported no activities on the project.

### **1.1.2 UCC Binding Tariff Information (UCC BTI) (1.4)**

Binding Tariff Information is a decision issued by the customs administration that is binding on all Member States' customs administration and on the holder of the decision. It makes use of a central system by which applications are submitted and BTI decisions are issued.

2018 marked significant progress towards Phase 2 as the EU Commission completed the elaboration phase and initiated the Central Services Implementation. Continuous support has been given to the GTP application, which EBTI 4.0 is using as an interface. Several workshops have been organised in order to follow up on this project.

At the end of 2018, there were a total of 1,011,829 BTIs in the database, of which 254,392 were active, 45,397 new BTIs were created during that year and 5,744 new BTI Applications were submitted.

In 2018, the Member States informed about their status as 'In Progress' (AT, BE, BG, CY, DE, DK, EE, EL, FI, HU, IE, LU and SI), 'Finished' (FR, HR, MT and PL) or 'On hold' (PT, RO and SK). Concerning the current phase, the majority of Member States reported being in operations (CY, DK, EL, FR, HR, LU, MT and PL), in design of the national system (BE and DE), in deployment of national system (SI), in upgrade of the national system (IE) and in analysis of national user requirements (AT). The remaining Member States reported status 'Other', with activities such as revision of BTI documentation (BG, DK, EE, FI, PT and RO), attendance to the monthly Webinars (EE, FI, HU and PT) and participation in training sessions (FI). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, CZ, DE, DK, EE, HR, HU and PL), maintenance (CZ, DE, FR, HU and PL) and upgrades (CZ, DE, HR, HU and PL). During the reporting year, HR communicated their preceding phase relates to Conformance Testing.

AT started the implementation strategy analysis for replacing the national system for both BTI phases and reached to a conclusion after evaluating different implementation scenarios. CY, EL and LV reported using the central system developed by the EU Commission and CY announced that economic operators are foreseen to use the Trader Portal of BTI in 2019. CZ and DE analysed and modified their national systems in relation to the upcoming changes in BTI and plan to complete all activities within the year. DK reviewed the related documentation and intend to proceed with the Conformance Testing during 2019. ES carried out several improvements in the national system which were then successfully deployed. FR reported no activities on BTI, except for preparations related to the Trader Portal of BTI. HR, PT and SK completed all project activities on time. HU implemented a data transfer to SURV-RECAPP of 14 newly formatted SDRs. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. MT expressed some interest in using the central system in the future and the related plan is currently being made. PL successfully deployed their national public electronic service e-WIT (BTI) late in the reporting year with no errors observed so far. RO had placed the national project 'On hold', but received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code", which includes the development and implementation of automatic validation of ITO (Binding Tariff Information) with



national import system, based on using the central BTI system. IT, LT, SE and UK reported no activities on the project.

### **1.1.3 UCC AEO and impacts of MRA (1.5)**

The UCC AEO system is a tool for the management of AEO applications and authorisations and requires standard decisions taking processes to be applied to all customs decisions. The AEO project covers four main components: Minor Enhancement, Major Enhancement, Direct Trader Access and Mutual Recognition (MR) Enhancement.

Each of the components will be applied to the current AEO system. The Minor Enhancement contains updates to the code lists managed in the CS/RD2 application and in the EOS-AEO applications' user interface, Major Enhancement is needed for the alignment of the existing EOS-AEO system to the applicable UCC legislation, the Direct Trader Access allows data exchange between economic operators and customs authorities in a uniform and harmonised way and Mutual Recognition Enhancement provides a standard interface for AEO data exchange with partner countries.

The Conformance Testing of the EU AEO Major Enhancement component started in the previous year and was completed in February 2018, after which the Major Enhancement component went into production in March, along with the Economic Operators System (EOS) system implementing EORI2.

The activities for the EU AEO Direct Trader Access started in 2018 and are expected to meet the production deadline. The elaboration phase has been completed with half a year delay, due to the overall delayed start of the whole project. Technical Specifications have been reviewed and accepted by the Member States, followed by the preparations for the construction of the trade access and back-office update.

The AEO MRA Enhancement component was already in production for China, Japan, Switzerland and the United States of America. Norway was added in early 2018. Business negotiations for a MRA with Canada were ongoing but they have been set on hold as there is no feedback from Canada. An informal negotiation process was initiated with Hong Kong in view of a possible MRA.

Additionally, continuous support was given by the EU Commission to the Generic Trader Portal (GTP) application, which eAEO is using as an interface. The GTP functions were identified for a generic platform for each customs domain in order to provide access to the economic operators. The construction of GTP was completed in 2018, after which, the deployment activities started.

In 2018, the Member States informed about their status as 'In Progress' (CY, CZ, DE, DK, EE, ES, HU, IE, IT and LU), 'Finished' (AT, BE, BG, FR, LV, SE and SI) or 'On hold' (MT, PL, PT and SK). Concerning the current phase, the majority of Member States reported being in operations (AT, BE, CY, DK, EE, EL, FR, HU, IT, LU, LV, SE and SI), in upgrade of the national system (DE, ES and IE) and in analysis of national user requirements (CZ). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BG, CY, CZ, DE, DK and HU), maintenance (BE, BG, DE, DK, HU, MT, SE and SI) and upgrades (DE, DK, FR, HU, MT, SE and SI).

AT successfully finished Conformance Testing for AEO Major Enhancement and deployed the system in operation. Furthermore, AT started the functional requirement phase for the AEO Direct Trader Access. BG conducted several conformance and national tests related to a national component for AEO consultation through EOS. CY reported using the central AEO system developed by the EU Commission and announced that economic operators are foreseen to use the Generic Trader Portal in 2019. CZ was involved in the development of national user requirements for their national AEO system. DE analysed and modified the national AEO system which was then successfully deployed in operations. DK reported on activities related to specifications required to implement the central system. EE, HR and HU reported on activities related to the implementation or operational status of the EOS light client. FR faced some internal issues after the latest update of EOS system. IT upgraded their national application to comply with the technical specifications defined by the EU Commission. LU performed maintenance activities on the national system and initiated preparations for all UCC

projects. RO reported using the EOS light client since they have not developed a national AEO Application. FI, LT, and UK reported no activities on the project.

#### **1.1.4 UCC Automated Export System (AES) (1.6)**

The AES is a tool that aims at automation of the completion of the export procedures (including re-export) and exit formalities covering common, national and external domains.

During 2018, the project initiation phase was successfully completed. The update of the Business Case, the Vision Document and the L4 BPM/FSS packages were all presented and accepted by the ECCG and TCG. An update on the state of play of AES was presented at the TCG and a new Project Group with interested Member States was set up for AES.

Further work has taken place to align the European Union Customs Data Model (EUCDM) functional Data Elements and Data Groups throughout the customs IT systems. The result has been sent to the Member States for review.

In 2018, substantial work has been done with respect to data mapping activities, with the active participation of DE and PL as forerunner Member States. Several workshops and web-conference sessions were organised by the EU Commission on a monthly basis with forerunner Member States, as well as joint meetings between the EU Commission, forerunner Member States and collaborating Member States.

In the course of all meetings, the analysis and validation of message structures was carried out along with data mapping of new message structures and identification of potential issues. All data mapping activities were split into four different iterations for facilitating the required workload. During 2018, iteration 1 and 2 took place, where iteration 1 mainly relates to ECS, while iteration 2 relates to the updating of the Information Exchange message structures and the creation of the new structure of the Exit Summary Declaration message. The results of the discussions of these iterations were presented to the members of the designated C2020 Project Group. The Iteration 1 materials were published for review to the Member States. This specific Project Group also concluded to some updates, related to the existing and new Rules and Conditions of AES, which were added to the new Data Harmonisation table for updating the current legislation.

Concerning data harmonisation, a Project Group was set up by the EU Commission to further analyse the UCC Annex B and to continue the discussions related to harmonisation of Annexes A, B and 12 of the UCC Delegated Act/Implementing Act (DA/IA). In parallel to that, a Working Group was also established for assessing the impact of data harmonisation on the existing code lists.

A working document has been prepared by the EU Commission to inform the DIH committee about the Request for Changes (RfCs) that were triggered by the finalised L4 BPM/FSS for AES, NCTS, CCI and ICS2. Additionally, both an analysis of the revision of the Functional Specifications for the business statistics for AES and the proof of concept testing have started.

By the end of 2018, the ECS system released 15.38 million indirect export movements. The system had an average availability of 99.33%.

In 2018, the Member States informed about their status as 'In Progress' (BE, BG, CY, CZ, DE, EE, EL, ES, HR, HU, IE, IT, LT, LV, LU, LV, MT, PL, PT and SI), 'Finished' (FR) or 'On hold' (AT, DK, FI and SK). Concerning the current phase, several Member States reported being in operations (DE, FR, LT, LU, MT and PT), in analysis of national user requirements (CY, EL, HR, IE and LV), in analysis of national functional specifications (BE, CZ and FI), in design of national system (HU and IT), in deployment of national system (PL). The remaining Member States reported status 'Other', with activities such as planning and preparation for improvements of the national application (BG), participation in the Project Groups and Webinars (DK, EE and EL) and revision of AES documentation (AT, EL and SI). In addition, several Member States reported carrying out activities related to analysis and modelling (BE, BG, CY, DE, EE, EL, FI, IT, LT, PL and SI), maintenance (DE, FR, LT, MT and PL) and upgrades (DE, FR, MT and PL).

BG adapted their national system for receiving and handling electronically the re-export notifications and linked it with CDS and with the current version of NCTS. Furthermore, BG planned the necessary measures for preparation of the UCC AES project. Sub-releases of the national export system in DE covered the implementation of UCC requirements and an evolution towards a service-oriented architecture. DK has not yet started working on this project. EE took preparatory steps towards the national component of the project. FI reported on activities related to replacing the national declaration systems that covers several MASP projects. FR performed some updates to the link between Export system and the internal IT-module. HR updated a 'Summary of Operations' document, outlining the main project development phases and deliverables. IT was in the process of defining a national strategy for migration to AES Phase 1 for avoiding any unnecessary impact on economic operators and customs officials. LT reported on activities related to upgrading the existing national system in accordance with RfC List #29 changes. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. MT performed some updates in CS/RD2 related to the national export application and took preparatory steps for BREXIT. In view of deployment activities, PL analysed message structures and created specifications for XML messages in line with EU requirements. RO reported on designing the national project plan as their sole activity, and SE and UK reported no project activities.

### **1.1.5 UCC Transit System including NCTS (1.7)**

The UCC NCTS phase 5 project updates the existing NCTS system which automates the common and community transit procedure and controls the movements covered under the TIR procedure within the EU.

The project initiation phase was successfully completed. The update of the Business Case, the Vision Document and the L4 BPM/FSS packages were all presented and accepted by the Member States and economic operators. An update on the state of play of NCTS was presented at the TCG meeting and a new Project Group with interested Member States and CTC contracting parties was set up for NCTS.

Further work has taken place to align the EUCDM functional Data Elements and Data Groups throughout the customs IT systems.

Activities on the UCC Automated Export System (AES) and UCC Transit System including NCTS ran in parallel during 2018. Therefore, the activities listed under UCC Automated Export System (AES) also concern UCC NCTS phase 5.

By the end of 2018, the NCTS system released over 11.86 million transit movements. The system had an average availability of 99.22%.

In 2018, Member States informed about their status as 'In Progress' (AT, BG, CY, CZ, DE, EL, ES, FR, HU, IE, IT, LT, LU, LV, MT, PL, PT and SI) or 'On hold' (BE, DK, EE, FI, HR and SK). Concerning the current phase, several Member States reported being in operations (DE, LU, MT, PL and PT), in analysis of national user requirements (AT, CY, EL, HR, IE and LV), in analysis of national functional specifications (CZ and FI), in design of national system (BE, HU and IT), in upgrade of national system (FR) and in national acceptance testing (LT). The remaining Member States reported status 'Other', with activities such as review of NCTS documentation (BG, EE and RO) and participation in the Project Groups and Webinars (DK). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CZ, DE, EE, EL, FI, FR, HR, IT, PL, PT and SI), maintenance (CZ, DE, ES, FR, HR, LT, MT, PL and PT) and upgrades (CZ, DE, ES, FR, HR, MT, PL and PT). During the reporting year, FR communicated their preceding phase relates to design of national system.

AT took preparatory steps on the transitional phase of NCTS. BG upgraded the existing national transit application and set up the national project for preparing the next phase of the national system. CZ implemented the processes related to the use of electronic transport document as transit declaration and plan to start the development of NCTS Phase 5 within the year. DE developed a new national transit component which was deployed during the year, while maintaining the existing system. DK has not yet started working on this project and EL performed analysis on the NCTS documentation

provided by the EU Commission. FI reported on activities related to replacing the national declaration systems that covers several MASP projects. FR finalised the functional and technical specifications and worked on developing of new transit system which was postponed due to BREXIT. HR prepared a 'Summary of Operations' document outlining the main project development phases and deliverables. IT was in the process of defining a national strategy for migration to NCTS Phase 5 for avoiding any unnecessary impact on economic operators and customs officials. LT reported on activities related to upgrading the existing national system in accordance with RfC List #29 changes, while the National Transit Control system was redeveloped for complying with modern technologies. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. MT performed some updates in CS/RD2 related to the national export application and took preparatory steps for BREXIT. PL aligned their project plan with MASP 2017 and delivery of NCTS technical documentation and postponed all NCTS Phase 5 activities for 2019. Consequently, PL reported on risks related to limited timeframe of NCTS Phase 5 delivery and contract expiration shortly after the deployment of a new transit system and possible engagement in new procurement process. Similar process was done by PT and operational, maintenance and support activities were delivered through those contracted services. RO designed their national project plan, and SI analysed the technical specifications prepared by the EU Commission and provided some comments on message IE015 for the next phases of NCTS. SE, SK and UK reported no project activities.

### **1.1.6 Registered Exporter System (REX) (1.11)**

The main purpose of the system is to replace the current paper-based certification process by an IT-supported self-certification process, including a central database that contains the registered exporters and provides the Member States with the opportunity to enhance their national systems for customs declarations with an automated verification of REX numbers from the declarations against that central database.

REX1 system is deployed in operations since 2017, while at the beginning of 2018, the functional and system requirements of REX2 were completed. Conformance testing took place and by the end of 2018, REX2 was successfully deployed into production. A business need arose for offering economic operators a common interface for all their operations, thus EU Commission set up a goal to create a REX Trader Portal on the basis of Generic Trader Portal. The business requirements have been delivered. Member States and beneficiary countries completed 30,515 and 31,244 active REX registrations, respectively.

In 2018, the Member States informed about their status as 'In Progress' (AT, BG, EE, EL, HU and LU), 'Finished' (BE, CY, CZ, FR, HR, IE, IT, LV, MT, PL, PT and SI) or 'On hold' (RO). Concerning the current phase, the great majority of Member States reported being in operations (BE, CY, CZ, DE, EE, EL, FR, HR, HU, IE, IT, LU, LV, MT, PL, PT, SI and SK) and in analysis of national functional specifications (AT). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, CZ and HU), maintenance (BE, CZ, FR, HU, IT and LV) and upgrades (HU, IT and SK). During the reporting year, AT communicated their preceding phase relates to analysis of national user requirements.

AT finalised the functional and technical specifications and decided on the implementation strategy for the national trader portal and national REX system. However, AT reported a risk related to lacking technical specifications for central REX trader portal and to possible deployment postponement due to changes in national project schedule. CZ successfully deployed the national REX system based on the communication with CRS by facilitating message exchange between the national system and the CRS component through their national Single Window solution. In addition, CZ implemented online controls of REX numbers in the national import module using the single window system. DE and SK indicated that central system is used by customs officials and DE announced that a national REX trader portal will be developed. EE performed automatic checks on the validity of REX numbers in the customs declaration by interfacing REX with the national declaration system since 2017, but the development of national REX system did not finish in 2018. ES finalised all project activities and HR is producing the REX decision manually based on the English version, since the customs officials are

using the central system. HU successfully tested and deployed the nationally developed system and resolved all issues on their side. IT implemented a national REX trader portal but it is not yet deployed in production. In addition, IT reported on the establishment of National Helpdesk service for supporting all activities. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. MT declared interest in using the central system in the future and PL reported no major issues related to REX registration. RO reported being involved in project initiation phase activities, focusing primarily on the development of functional and technical specifications and plan to develop automatic validation of REX numbers in the national export system. BG, DK, FI, LT, SE and UK reported no activities on the project.

### **1.1.7 COPIS (1.12)**

COPIS is a system which supports the enforcement of EU rules on intellectual property rights (IPR), where right holders can ask the intervention of customs in order to take measures against goods infringing certain IPR.

The COPIS project contains COPIS 1.2.0, COPIS Interface with Anti-Fraud Information System (AFIS), COPIS implementation of electronic Application for Action (eAFA) and Feasibility study on the interconnection with the European Union Intellectual Property Office (EUIPO) Enforcement Database (EDB).

In 2018, the Vision Document of COPIS eAFA has been approved and development started with a delay of two quarters, since the production of Vision Document took longer than expected. COPIS eAFA aims to provide economic operators with the possibility to electronically submit and amend an application electronically. It is possible that the trader portal could be developed by and located in EUIPO, a scenario for which the analysis started in 2018.

During 2018, the Member States informed about their status as ‘In Progress’ (AT, CY, DE, DK, EL, HU, LU, PL and SI), ‘Finished’ (BE, BG, EE, ES, FR, IE and MT) or ‘On hold’ (PT and SK). Concerning the current phase, the great majority of Member States reported being in operations (CY, DE, EE, EL, ES, FR, HU, LU, MT, PL and SI), in analysis of national user requirements (AT and IE) and in Conformance Testing (DK). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, FR and PL), maintenance (ES, DE, FR and PL) and upgrades (ES, DE, FR and PL). During the reporting year, FR communicated their preceding phase relates to Conformance Testing.

AT progresses with the business analysis on the to-be implemented changes in COPIS eAFA. CY indicated that central system is used by customs officials and the central Trader Portal for COPIS eAFA will be used by economic operators when deployed in production. CZ, DK, PT and SK had put the project on standby, postponing all activities until the project is finished. FR implemented a new major version of the national application in parallel with internal updates. However, FR reported on national issues related to network exchange with central system and performance. MT expressed interest in using the central system in the future. PL developed their national electronic services and adapted the system in accordance with the General Data Protection Regulation. Moreover, PL took preparatory steps regarding the data structure of the EORI number being mandatory and integrating the national system with COPIS eAFA. BG, FI, IT, LT, SE and UK reported no activities on the project.

### **1.1.8 EU Customs Single Window program (EU CSW) (1.13)**

EU CSW is defined as a facility that allows parties involved in trade and transport to lodge standardised information and documents with a single-entry point to fulfil all import, export and transit-related regulatory requirements.

Given the complexity of the SW concept, the initiative contains three separate components: ‘EU SW-CVED’, ‘EU Customs SW: Certificates Exchange’ and ‘Potential legislative initiative on the EU SW environment for customs’.

The first component is implementing the validation of the Common Veterinary Entry Document (CVED) for animals and animal products, as well as the Common Entry Document (CED). The second component builds on the outcomes of the EU SW-CVED and foresees expansion of its scope with additional certificates, as well as enhanced functionalities. Finally, the third component is about the definition of a broader scope of the EU Single Window environment for customs (beyond the certificates' exchange), preparation of the legal framework to cover this scope and the action plan for its implementation.

The 'EU SW-CVED' component had a corrective release (Release 1.4.2.) that was deployed in production in October 2018.

The 'EU Customs SW: Certificates Exchange' component has two objectives. Firstly, it will expand the scope of EU SW-CVED with three certificates, namely FLEGT, COI and CHED-PP<sup>48</sup> and secondly, it will enhance the EU SW-CVED functionalities for the three certificates currently available in EU SW-CVED, namely CVEDA, CVEDP and CED<sup>49</sup>. In 2018, EU CSW-CERTEX FLEGT and COI were completed and put in production. During the reporting year, restructuring exercise of L1-L4 BPMs for EU CSW-CERTEX was performed in coordination with other EU Commission services and the L3-L4 BPMs for ODS were accepted and finalised, while the BPM package of the FGAS certificate was put on hold due to legal aspects updates needed. Moreover, the elaboration phases of FLEGT and COI were completed, and updated L3-L4 BPM packages were finalised, containing several corrective RfCs. By mid-2018, FLEGT conformance testing was initiated and at the end of the year, COI conformance testing started. In addition, FLEGT Guidelines on the end-to-end business process and COI Guidelines were released to the Member States.

The 'Potential legislative initiative on the EU SW environment for customs' component does not envisage the development of a new IT solution but rather deals with the interoperability of already existing solutions. Several milestones are defined for planning purposes of this component, one of which is the Impact Assessment, on which the EU Commission has made significant progress, and the Open Public Consultation (OPC)<sup>50</sup>. The topic was also presented in section 3.7 where additional information can be found. In addition, preparatory work on the drafting of the legal proposal has started at the end of 2018.

A Concept Paper on an Integrated Approach for the EU Single Window Services for Cross-Border Operations (air, maritime, rail and road) clarifies the overall picture and relation of the different SW concepts defined by DG TAXUD and DG MOVE.

In 2018, the Member States informed about their status as 'In Progress' (AT, BE, BG, CZ, EL, ES, IE, IT, LT, LU, MT, PL and PT), 'Finished' (CY, EE and FR) or 'On hold' (RO and SK). Concerning the current phase, the majority of Member States reported being in operations (BG, CY, EE, ES, FR, LU and PT), in analysis of national user requirements (AT, LT and MT), in analysis of national functional requirements (BE) and in design of national system (EL and PL). The remaining Member States reported status 'Other', with activities such as participation in project groups (BG, IT and LV) and revision of EU SW documentation (BG and IT). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CZ, EL, FR, LT, MT, PL, PT and SI),

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<sup>48</sup> FLEGT: Forest Law Enforcement, Governance and Trade Action Plan (DG ENV) – Timber Import.  
COI: Certificate of Organic Inspection (DG AGRI).  
CHED-PP: Common Health Entry Document module for Plant Protection (DG SANTE).

<sup>49</sup> CVEDA: Common Veterinary Entry Document for Animals (DG SANTE).  
CVEDP: Common Veterinary Entry Document for Products of Animal Origin (DG SANTE).  
CED: Common Entry Document (DG SANTE).

<sup>50</sup> EU Single Window environment for customs, available at: [https://ec.europa.eu/info/consultations/initiative-eu-single-window-environment-customs\\_en](https://ec.europa.eu/info/consultations/initiative-eu-single-window-environment-customs_en).

maintenance (BG, CZ, EE, FR, LT, LV and PT) and upgrades (CZ and IE). During the reporting year, PL communicated their preceding phase relates to analysis of national functional specifications.

AT finalised the business requirements of CVED-A, CVED-P, CED, FLEGT, COI and CHED-PP. CZ focused on development of FLEGT IT system, on impact analysis to the national import system, on connectivity to EU CSW-CERTEX via CCN and internal testing on the national components. DE announced that they followed up EU Commission's activities on this project and plan to develop an interface to EU CSW-CERTEX in the coming years. DK has not yet started working on this project since they are still internally analysing the related documentation. EL reported on activities related to simplification of pre-customs procedures, data harmonisation from AGRIM, AGREX and other conformity certificates. IT initiated activities on the implementation of a national single window entry point, for which participation to the EU CSW-CERTEX project is considered to be of high importance. LT carried out analysis of the business needs and user requirements for the development of the national system, since the procurement process took longer than expected. However, LT is in the process of implementing a national SW system, in the scope of the national Customs Decisions System. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. LV updated the national Electronic Customs Data Processing System for connecting it to the EU CSW system and successfully deployed it in production. MT intends to implement a National Single Window component for handling all aspects of the Single Window process, from arrival to release, including certificate verification. In addition, this national component of MT will be integrated with EU CSW-CERTEX, after the necessary funding is provided. PL analysed the national project documentation as delivered by their contractor, after successfully having launched a call for tender for the development of national Electronic Services Platform for the Revenue and Customs Services. In addition, PL set up the planning and roadmap of this platform and aim to provide electronic communication between economic operators and officials and a common interface with other national systems. PT established an interconnection between central TRACES database and their national import system for performing automated validity checks of the Common Entry Document submitted with the import customs declaration. Furthermore, PT implemented automatic validation for the CVED-P certificates. RO had placed the national project 'On hold', but received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code", which includes the development and implementation of the Single Window system. SI reported ongoing activities related to upgrading their national certification system and performing Conformance Testing for FLEGT and COI certificates. FI, HR, HU, SE and UK reported no project activities.

### **1.1.9 Classification Information System (CLASS) (1.14)**

CLASS will provide a single platform where all classification information (regardless its nature) is published in a way that ensures transparency.

In 2018, the construction phase of the project has been completed. Although the system did not enter into production as planned, incremental efforts have been made to resolve the technical issues of the SEARCH engine.

In view of project development, Member States informed about their status as 'In Progress' (BG, CY, EE, LU and PL), 'Finished' (BE and FR) or 'On hold' (DK, MT, PT and SK). Concerning the current phase, some Member States reported being in Conformance Testing (DK), in deployment (SI) and that their national systems are in operations (FR and LU). In addition, a few Member States reported carrying out activities related to analysis and modelling (DK, EE and PL) and maintenance of the national system (FR).

CY announced its plan to use the central system when the development is finalised. DE announced that they followed up EU Commission's initiative on developing a single platform for all classification information and identified no impact on the national customs IT systems. DK reported a gap between the national classification system and the central CLASS in Phase 1, after their analysis was concluded. However, DK intends to establish a link between the central and the national system for further evaluation, when central CLASS is deployed in production. EE and PT reviewed the CLASS

documentation provided by the EU Commission and ES deployed some improvements in their national system. The majority of the Member States (AT, CZ, EL, FI, HR, HU, IE, IT, LT, RO, SE and UK) reported no activities on the project.

#### **1.1.10 UCC Economic Operators Registration and Identification subsystem 2 (EOR12) (1.15)**

The objective of the Economic Operators' Registration and Identification (EORI) System is to establish a unique system of registration and identification for economic operators in the EU. The EOR12 project aims to update the existing EORI system and the EOS web services in alignment with the legal changes resulting from Annex 12-01 of the UCC DA/IA.

At the beginning of 2018, conformance testing finished and the EOS system implementing EOR12 entered into operation without any delay.

In 2018, the Member States informed about their status as 'In Progress' (BG, DE, DK, EE, EL, FI, IE, LU and PT), 'Finished' (AT, BE, CY, CZ, FR, HR, IT, LT, LV, MT, PL, SE and SI) or 'On hold' (HU). Concerning the current phase, the great majority of the Member States reported being in operations (AT, BE, BG, CY, DE, DK, EE, EL, FI, FR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK), in upgrade (CZ) and in Conformance Testing (HR). In addition, several Member States reported carrying out activities related to analysis and modelling (CZ, DE, FR, LT and SE), maintenance (BE, CZ, DE, FR, HR, IT, LT, SE, SI and SK) and upgrades (AT, CZ, DE, FR, IT, LT, SE and SK). During the reporting year, some Member States communicated their preceding phase and indicated performing Conformance Testing (EL, FI and IT), design of national system (FR) and deployment (AT).

AT was impacted by some issues on the central system, which delayed the national planning, and eventually finalised the CRS interface related to EOR12 in September 2018. BG, DK, EE, FI, HR, PL, PT, RO and SK performed the necessary changes in the national application and deployed it in production after successfully having executed the Conformance Testing. HU finished the development and testing for the national system, but have put the project on hold, as they experienced a problem with a message from the central EOS. For avoiding this issue, HU modified the data transmission in the national system. IT reported that some changes would be essential in the national component in case of BREXIT. ES and UK reported no activities on the project.

#### **1.1.11 Customs Risk Management System2 (CRMS2) (1.16)**

The Customs Risk Management System (CRMS) is used for the exchange of risk information, to support the implementation of priority control areas for crisis management purposes and as a means of communication between risk experts. The CRMS2 system reshapes the CRMS system created in 2005 to increase the clarity of the different functions to be fulfilled. The Vision Document was finalised in April 2018. The elaboration phase was completed by the end of 2018.

The project has been put on hold by the great majority of the Member States, mainly due to Import Control System 2 (ICS2) activities and its interdependencies with CRMS2. However, it is up to the EU Commission to decide on the next phase of the project and link it with the ICS2 system. As a result, the Member States communicated very few activities during 2018 related to CRMS2 document revision and design of business requirements for the system.

### **1.2 MASP Group 2 - Customs European initiatives needing further study and agreement**

The second group contains projects for which further discussion will be required before they can be mapped on the IT plan. Group 2 can include Project Fiches on bilateral international initiatives (between the EU and third countries).



### **1.2.1 UCC Notification of Arrival, Presentation Notification and Temporary Storage (2.1)**

The goal of this project is to enable the automation of processes at national level for the notifications of arrival of the means of transport and the presentation of goods and declarations for temporary storage as described in the UCC. It aims to support harmonisation across Member States for data exchange between economic operators and customs and to ensure traceability of the goods entering the Union. The development activities related to this project are a purely national responsibility ('national development') and ought to be operational before the end of 2022. The processes and data requirements for the external domain however, are defined and agreed upon on EU-level.

During 2018, the Member States informed about their current status as 'In Progress' (AT, BE, CY, CZ, DE, EE, EL, ES, FI, FR, HR, HU, IE, IT, LU, LV, MT, PL and PT), 'Finished' (BG) or 'On hold' (SE and SK). In addition, some Member States did not report on their current status (DK, NL, SI and UK). DK reported that analysis and modelling has been carried out to prepare a tender for new declaration management system handling import, special procedures and temporary storage, whereas SI reported that for the purposes of temporary storage, an upgrade of the existing national application has been performed and the implementation of the presentation notification with the data set from Annex B UCC is still pending on their side.

Concerning the current phase, the majority of the Member States reported on various national activities related to the development of national user requirements (AT, DK, EL, ES, HR, IT, MT and SE), creation of national functional specifications (CZ, FI and IE), being in operations (DE, LU and LV), in deployment phase (BG and HU) or partial system upgrade (PL). BG reported that during 2018, a new national import system was deployed, implementing all process and data requirements deriving from the UCC, which are relevant to the National Import system (Import domain). In addition, regarding the current phase, several Member States reported other activities (BE, CY, EE, FR, PT and SI). More precisely, some Member States reported their participation in the dedicated MS Project Groups, the upgrade of the existing national application to implement the presentation notification with the data set from the Annex B UCC, (SI) or no specific IT activities (PT).

In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, CY, DE, DK, EE, EL, ES, FI, HR, HU, MT, SE and SI), maintenance (DE, LU, LV, SE and SI) and upgrades (HR and LV).

During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on national user requirements (CZ and DK), being in operations (DE) and performing national acceptance testing activities (BG).

### **1.2.2 UCC Guarantee Management (GUM) (2.5)**

The objective of the project is to ensure that the data of guarantees used for import and export that affects more than one Member State is made electronically accessible to Member States where the customs declarations are lodged and accepted.

As a result of the reallocation of staff resources due to priority projects, the external review of the Business Case experienced a delay. The project has been put on hold and the new target date for the external review of the Business Case is expected at the end of 2019.

During 2018, Member States informed about their current status as 'In Progress' (BG, CY, CZ, DK, EL, LT, LU and PL) or 'On hold' (BE, DE, EE, FR, MT, PT and SK). In addition, some Member States did not provide their current status (AT, ES, FI, HR, HU, IE, IT, LV, NL, RO, SE, SI and UK). More specific, ES and HR reported that the project has not started yet whereas HR actively participated in the work and activities of relevant Project Groups and stated that they have completed their work.

Concerning the current phase, some Member States reported on various national activities related to the development of national user requirements (FR and LT), being in operations (CZ, EL, LU and PL),

creation of national functional specifications (DK) or other activities (BE, BG, CY and DE). DE reported that the preparation of the Trans-European GUM system is on hold due to the envisaged time-plan of the updated UCC Work Programme, foreseeing the end of the deployment window in June 2025. It is worth mentioning that the majority of the Member States reported no IT activities at this stage (AT, EE, ES, FI, HR, HU, IE, IT, LV, MT, PT, RO, SE, SI and SK).

In addition, three Member States carried out activities related to analysis and modelling (CZ, DK and PL) and PL also reported activities related to the upgrade of their system due to the entry into force of the national regulation of the Minister of Finance regarding excise guarantees.

### **1.2.3 UCC Special Procedures (2.6)**

The implementation of the UCC Special Procedures project is considered in two approaches. UCC Special Procedures Harmonisation are the national IT developments for the harmonisation of special procedures and alignment with the legal provisions defined in the UCC IA/DA. UCC Standardised Exchange of Information for Special Procedures are central services provided for the management of standardised information developed for inward and outward processing procedures.

The first release of the UCC Standardised Exchange of Information for Special Procedures (INF SP) system has progressed as scheduled and consist of a pilot phase where all Member States can provide information from the customs declarations, but only a selected number of economic operators will supply INF data. The Elaboration and Construction Phase of the pilot was completed during 2018.

During the inception and elaboration phases, a need for a generic platform that provides access to the economic operators was identified. This layer will form a part of the Generic Trader Portal (GTP) of which construction has been completed during 2018. The deployment in production has been scheduled for the beginning of 2019.

In 2018, the majority of the Member States informed about their current status as ‘In Progress’ (AT, BE, BG, CY, DE, DK, EE, ES, FI, LU, PL and SE) or ‘On hold’ (FR, MT, PT and SK). In addition, several Member States did not provide their current status (CZ, EL, HR, HU, IE, IT, LT, LU, LV, NL, RO, SI and UK).

Concerning the current phase, two Member States reported on various national activities related to the development of national user requirements (AT and DK), being in operations phase (BG, DE, LU and SE), design of national system (BE and ES), performing national acceptance testing (FI) or other activities (CY, EE, FR, MT, PL and PT). The activities carried out in BG were relevant for both the national SP Import (IMP) as part of MASP project fiche 2.10 and the national SP Export (EXP) which will be implemented together with the UCC AES. Their new National Import System was deployed in 2018 and provides solutions for all import related special procedures. DE reported that the national SP EXP is already covered within the national AES system to provide the required national electronic solutions for the export-related special procedures declarations, whereas the national SP IMP is covered by the national import system Automated Customs Tariff and Local Processing Application System (ATLAS). In addition, DE reported that discussions with economic operators took place regarding the usage and behaviour of the new INF system and elaboration, construction and transition phase activities were followed during 2018.

SE reported that an IT solution was deployed regarding the national project for customs warehousing and an upgrade of the data-model used for the automated evaluation of risks connected to customs warehousing was initiated during 2018.

CY and MT reported the intention to use the central INF system provided by DG TAXUD, EE stated that they have performed an analysis of their national import system and two Member States reported no IT activities about the phase of the project since it is ‘On hold’ (FR and PT). PL reported that the implementation of UCC Special Procedures project will be done through the national electronic services concerning the UCC Automated Export System (AES)-national Export Systems upgrade, the UCC national Import Systems upgrade, their planned national Reference Pricing System (RPS) concerning management of the special procedures and INF SP System.

In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CY, DE, DK, FI, HU and PL), maintenance (BG, DE, LU and SE) and upgrades (PL and SE).

During the reporting year, two Member States communicated their preceding phase. BE indicated the creation of national technical specifications, an activity that ended in September 2018, and DK performed an analysis on national user requirements. More specific, DK reported that an analysis phase and multiple workshops have been conducted to specify the national user requirements regarding the 'II. UCC Special Procedures Harmonisation IMP' as part of a declaration management system for import. This analysis ended in December 2018.

#### **1.2.4 Surveillance3 (2.7)**

The Surveillance3 system collects and transmits customs declaration data to ensure the control and traceability of the import and export of specific goods throughout the customs clearance and warehousing process and is used by the Member States' customs administrations to improve customs risk analysis, the fight against fraud, market analysis, post-clearance controls and statistical analysis.

Surveillance3 is being implemented in phases. During the first half of 2018, the construction activities of phases 2 and 3 of the project were completed. The system was tested and entered into production in October 2018, followed by data migration activities.

During 2018, the Member States informed about their current status as 'In Progress' (BE, CY, DE, DK, EE, EL, ES, FI, FR, HU, IE, LU, LV, PL and SI), 'Finished' (BG, HR, IT, and MT) or 'On hold' (PL, RO and SK). In addition, some Member States did not report on their current status (AT, CZ, LT, NL, SE and UK).

Regarding the current phase, several Member States reported on various national activities related to being in operations (DE, EL, IE, LU, LV, MT and PT), design of national system (BE, DK, FI and PL), development of national user requirements (FR and SI), in deployment (BG and ES), partial system upgrade (HR and IT) or other activities related to this project (CY, EE, HU and RO). EE reported that they would be ready to import data to the full UCC 40 Data Elements (D/E) by the end of 2020 and export data by the end of 2022. HU reported the reviewing of relevant documentation and the Central Application. RO reported that the functional and technical specifications related to Surveillance3 system development services have been developed, but the project is still in initiation phase. Finally, several Member States reported no IT activities at this stage (AT, CZ, LT, SE and SK).

In addition, several Member States carried out activities related to analysis and modelling (BE, DE, DK, FI, FR, HR, HU, MT and PL) and maintenance (DE, LU, LV and MT). DE reported that the transmission of the 40 data elements (import and export) and the implementation of Surveillance3 would be delayed until the national systems are adapted and that the scope of Surveillance3 would then be considered within the ATLAS release management. LV reported that changes for Electronic Customs Data Processing System and Integrated Tariff Management System in accordance to the UCC Surveillance3 requirements related to submission of full import and export data in UCC format were developed and installed into production environment in 2018. MT stated that UCC changes have been successfully undertaken on their side.

During the reporting year, two Member States communicated their preceding phase and indicated performing analysis on national user requirements (BE) and performing Conformance Testing activities (HR).

#### **1.2.5 UCC–ICS2 for strengthening the Security of the Supply Chain at Entry (2.8)**

The ICS2 Programme is set up for the development of the new version of the current Import Control System (ICS) system that is used for the lodgement and processing of the ENS. The programme consists of several projects and activities, including the Common Repository (CR), CRMS2 link, Trader Interface (national/Shared Trader Interfaces (STI)), National Risk Management systems, Risk

Management support, e-screening, TES Helpdesk, National Declaration Processing Systems and Arrival/Presentation Notification controls for national systems.

In 2018, the Member States approved the baseline package of the ICS2 Common Functional and Technical Specifications (CFTS) including the Security plan and the Common Repository Vision Document. In November 2018, an updated version of the Functional System Specifications was already completed and approved. The Vision Documents of the ICS2 Common Repository and Shared Trader Interface projects were completed and after the approval of Member States, endorsed by the Customs Policy Group (CPG).

In 2018, the development of the programme's Block 1, which relates to the implementation of the new ENS requirements and risk analysis processes, was initiated. The final elaboration phase for the Shared Trader Interface and Common Repository was finished as planned, delivering detailed STI/CR design, related STI/CR data models, complete testing specification and Graphical User Interfaces specification and prototype. The elaboration and construction of the core components for the STI and the CR applications have been launched. Different meetings were held regarding the launch of the ICS2 Trans-European Coordination Activities.

With regards to the ICS2 Legal assessment, it can be noted that in 2018, the assessment of the necessary amendments of the legal basis were delivered and endorsed. This assessment provides a basis and plan for the legal amendments under the UCC.

During 2018, the majority of the Member States informed about their current status as 'In Progress' (BE, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HU, IE, IT, LT, LU, LV, MT, PL and SI) or 'On hold' (AT, BG, PT and SK). In addition, some Member States did not report on their current status (HR, NL, RO, SE and UK). HR reported that in this initial part, project teams were appointed, the project management and implementation teams were formed and the project leader and deputy project manager were nominated.

Concerning the current phase, several Member States reported on various national activities related to the development of national user requirements (EE, EL, IE, LV and SE), creation of national functional specifications (CZ and FI), being in operations (DE and LU), design of national system (BE and DK), creation of national technical specifications (FR), partial system upgrade (ES) or other activities related to this project (AT, BG, CY, IT, LT, MT, PL, PT and SI).

In 2018, several Member States reported carrying out activities related to analysis and modelling (BE, CY, DE, DK, EL, ES, FI, FR, HR, HU, LV, MT, PL, SE and SI) and maintenance activities (DE and FR). DE also reported that the preparation for ICS2 is ongoing in view of their Release 9.2 of the national ATLAS system.

In addition, AT, LT and PL reported no specific activities, only analysis of documents, and IT actively participated to the EU ICS2 Project Group activities. MT coordinated with postal services in view of introducing ICS2 for postal consignments. Finally, SI reported the analysis of the current state of implementation of import control system (ICS), study of possible approaches introduction of new ICS2 in the financial administration of SI and preparation of national project plan of implementation of the ICS2 program at national level.

No feedback about the current phase was received from HR and RO.

During the reporting year, only BE communicated their preceding phase and indicated performing analysis on national user requirements that ended in July 2018.

## **1.2.6 Adjustments of the existing import applications under the UCC (2.10)**

The project relates to required updates and further development of the national import systems in the Member States, resulting from the implementation of the UCC. The project consists of 2 phases: UCC National Import Systems upgrade and UCC Centralised Clearance for import (CCI).

During 2018, CCI phase 1 progressed well with support of the Project Group (PG) that was established to provide input for the L4 BPMs/FSS package and eventually finished its work. The L4

BPMs/FSS package contains the outcome.

The EU Commission started drafting the Technical Specifications (TS) and data harmonisation incorporating the conclusions of the PG. During 2018, the Vision Document of CCI Phase 1 was approved by the Member States and the elaboration phase has started.

During 2018, the majority of the Member States informed about their current status as ‘In Progress’ (AT, BE, CY, DE, DK, EL, ES, FI, IE, IT, LU, LV, MT, PL, PT, SE and SI), ‘Finished’ (BG and EE) or ‘On hold’ (FR and RO). In addition, some Member States did not report on their current status (CZ, HR, HU, LT, NL and UK). SK reported that the system is in operation since 2017 for standard procedure and simplified procedures and provided no status for the current phase for 2018.

Concerning the current phase, several Member States reported on various national activities related to the development of national user requirements (AT, CY, DK, EL, ES, IT and MT), being in operations (DE, LU, LV, PT and SK), design of national system (BE, FI and SE), creation of national functional specifications (IE), partial system upgrade (PL), being in deployment phase (BG) or other activities related to this project (EE, FR, RO and SI). EE reported that during 2018 an analysis was performed about the changes required by the UCC in national declaration processing system. RO reported that the functional and technical specifications related to development services for the alignment of the national import application to the UCC data requirement have been developed as part of the Adjustments of the existing import application under the UCC project.

In addition, most of the Member States reported carrying out activities related to analysis and modelling (AT, BE, DE, DK, EE, EL, FI, HU, IT, PL, SE and SI), maintenance (DE, PL, SE, SI and SK) and upgrades (BG, DE, LV, PL, SI and SK). BG reported that during 2018, a new national import system was deployed, implementing all process and data requirements deriving from the UCC which are relevant for the National import system (Import domain). DE stated that development and maintenance activities of the national import systems are carried out within the framework of the overall ATLAS system. LV reported that changes of the national import declaration system in accordance to the UCC requirements and EUCDM 2.0 have been developed and installed into production environment in 2018. During 2018, PL reported that they have performed an analysis of the UCC regulation, delegated and implementing acts in respect to the needs defined in the contract for constructing the Automated Import System (AIS)/IMPORT system and an analysis of the projects of customs regulation changes. PL also participated in workshops and meetings with representatives of other projects related to AIS/IMPORT (special procedures, Single Window and Surveillance) and internal workshops/meetings of experts dealing with customs declarations, customs simplifications and customs debt.

During the reporting year, some Member States communicated their preceding phase and indicated creation of national functional specifications (BE and FI), development of national user requirements (DK) and performing national acceptance testing activities (BG).

### **1.2.7 Customs Union Performance – Management Information System (CUP-MIS) (2.11)**

CUP-MIS is a performance measurement system for the EU Customs Union. It supports the improvement of the functioning of the EU Customs Union by assessing the effectiveness, efficiency and uniformity of customs activities and operations.

In 2018, the Business Case document was finalised and the drafting of the Vision document has started. No other progress activities were reported concerning this project.

During 2018, some Member States informed about their current status as ‘In Progress’ (CY and LU), ‘Finished’ (BE) or ‘On hold’ (FR, MT, PT and SK). The majority of the Member States (AT, BG, CZ, DE, DK, EE, EL, ES, FI, HR, HU, IE, IT, LT, LV, NL, PL, RO, SE, SI and UK) reported no activities and no specific status for this project.

### **1.2.8 UCC Proof of Union Status (PoUS) (2.12)**

PoUS is a system for the issuance and presentation of T2L/T2LF documents in order to replace the paper forms by electronic means and introduce an electronic customs goods manifest. In 2018, discussions took place to re-launch the project which has previously been put on hold.

During 2018, several Member States informed about their current status as ‘On hold’ (AT, BE, DE, DK, EE, ES, MT, PT, RO, SI and SK) due to the postponement of project schedule, or ‘In Progress’ (CY, FR, LU and PL). CY reported that UCC Proof of Union Status (PoUS) project is included in the Tender for the implementation of UCC projects. FR reported national activities related to the development of national user requirements and LU stated maintenance of actual application and preparation on UCC projects. Additionally, PL reported that as of September 2018, the National Revenue implemented the new e-service called “e-Status”, which allows the electronic authentication of T2L/T2LF data by exchange of XML messages in the national Automated Export System/STATUS (the AES/STATUS). In addition, several Member States (BG, CZ, EL, FI, HR, HU, IE, IT, LT, LV, NL, SE and UK) reported no activities on this project.

### **1.3 MASP Group 3 - Customs International Information Systems**

MASP Group 3 consists of projects managed by international organisations. The EU Commission and Member States play an active role in their development.

#### **1.3.1 EU Implementation of UNECE eTIR System (3.1)**

The eTIR system aims to secure electronic data exchange between national customs systems related to the international transport of goods under cover of TIR Carnets. This project was launched by the contracting parties<sup>51</sup> of the TIR Convention<sup>52</sup> under the auspices of the United Nations Economic Commission for Europe (UNECE) to provide an exchange platform for all actors involved in the TIR system, including customs authorities, the guarantee chain and transport operators.

The implementation scope of the eTIR system in EU is twofold: adaptation of NCTS to handle TIR operations as described in the eTIR Reference Model Document<sup>53</sup> and adaptation of SPEED to enable the exchange of the data between NCTS and eTIR system. The EU Commission will facilitate the compatibility and data exchange between NCTS and eTIR and the connection to eTIR through SPEED or another system.

No new activities were initiated during 2018. The only reported activities were related to analysis of technical documentation and legislation.

#### **1.3.2 EU Implementation of the eATA Carnet Project (3.2)**

The main objective of this project is the development of a new electronic communication system to facilitate information sharing between a series of stakeholders (economic operations, chambers of commerce, customs administrations) involved in the temporary admission of goods procedure in various countries or customs territories. This new project aims to replace the current paper-based ATA Carnet System by a global eATA Carnet System.

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<sup>51</sup> <https://www.unece.org/tir/system/countries.html>

<sup>52</sup> [http://www.unece.org/fileadmin/DAM/tir/handbook/english/newtirhand/TIR-6Rev9EN\\_Convention.pdf](http://www.unece.org/fileadmin/DAM/tir/handbook/english/newtirhand/TIR-6Rev9EN_Convention.pdf)

<sup>53</sup> <https://www.unece.org/trans/bcf/etir/references.html>

A new alternative on this project was presented by representatives of International Chambers of Commerce (ICC) and this proposal will be submitted to the Contracting Parties of the Istanbul Convention, which is administered by the WCO. The EU Commission is contributing by means of a Proof of Concept for using the block chain technology.

In 2018, the majority of Member States did not report any activities on this project, apart from HR and HU who performed analysis on the user requirements.

### **1.3.3 Smart and Secure Trade Lanes (SSTL) (3.3)**

The SSTL is a pilot project between the EU (BE, DE, ES, FR, IT, NL, PL, UK), CN and HK aiming to strengthen end-to-end supply chain security and provide trade facilitation to participating economic operators through maritime, air and rail trade lanes between the involved countries. This project consists of two main components: international exchanges between the EU, CN and HK, and internal exchanges between the EU Member States and EU Commission.

The Business Case for both components was finalised during 2017 and the Vision Document was produced and approved in 2018. Subsequently, the work for finalising the L4 BPMs was also completed.

The pilot project entered Phase 3, in which the automated data exchange between the EU, CN and HK is being developed. Subsequently, no project activities were reported by the majority of the Member States during 2018. DE took all necessary measures for implementing SSTL for goods leaving the EU customs territory within the national export system. However, DE has no similar plans for goods entering the EU customs territory. EE carried out analysis on the provided project guidelines and examining whether and when they will join the project and implement SSTL on national level. Several Member States attended Project Groups and meetings dedicated to analysing and implementing the objectives of Phase 3.

### **1.3.4 Exchange of TIR movement data via SPEED2 to Republic of Moldova and Ukraine (3.4)**

This pilot project aims to provide advanced electronic information on the TIR Carnet to the customs services of the Republic of Moldova and Ukraine to improve risk management and facilitate trade between the EU and these two countries. This included national TIR operations created in the Member States bordering Moldova and Ukraine, which currently do not require message exchange via CCN/CSI.

The Business Case Document and the Vision Document have been finalised and approved. Ukraine is no more interested in receiving TIR data via SPEED2 and has decided to stop the project, while Moldova has suspended its preparations. Subsequently, no activities were reported by the Member States in 2018.

### **1.3.5 EU-CH EXS data exchange for indirect exports from Switzerland (3.5)**

The main purpose of this project is to develop an automated data exchange between the EU and the Swiss Confederation on the simplification of inspections and formalities in respect of the carriage of goods and on customs security measures for goods exiting the customs territories of the Contracting Parties that are destined for third countries. The EU Commission and the Member States did not report any activity during 2018.

### **1.3.6 EU-RU 'Green Corridor' pilot project (3.6)**

In 2017, a proposal for a project between the EU Commission and the Russian Federation called "Green Corridor" was discussed which has the objective to simplify the trade between the Member States and the Russian Federation. Further the same year, a pilot project was launched where exporters, transport operators and importers, having an AEO authorisation or RU Low Risk Operator

status could participate on a voluntary basis. The basic advantage for the involved parties of this pilot project will be the shortening of the time for passage through checkpoints and release of goods, according to the federal Customs Service of the Russian Federation.

The pilot project will involve goods transported exclusively by road, but only those that are placed in the EU countries under the export procedure. The project participants will be companies with a low level of risk from the Russian Federation and authorised economic operators from the EU. The parties have initially agreed on a bilateral exchange of information, including the transfer of information on imports and the results of control after release for free circulation.

In 2018, the project has been put on hold. Negotiations with the Russian Federation did not progress at good pace during 2018, due to differences on which data should be shared. Until the negotiations are finalised, no project related activities shall be done. As a consequence, the EU Commission and the Member States did not report any activity during 2018.

#### **1.4 MASP Group 4 - Customs cooperation initiatives and technological development to facilitate Customs EIS (including current CCN operations)**

MASP Group 4 consists of customs cooperation initiatives undertaken to strengthen the cooperation between Member States and to accelerate the technological development of the European Information Systems.

##### **1.4.1 National Core Systems Implementation by Collaborating Projects (4.1)**

During 2018, the EU Commission and Member States did not report specific project-related activities. Most of the Member States (AT, CY, CZ, DE, DK, EE, EL, ES, FI, HR, HU, IE, IT, LT, LU, LV, NL, PL, RO, SE, SI, SK and UK) reported no activities and no specific status for this project. A few Member States informed about their current status as 'On hold' (BG, FR, MT and PT) but provided no further details related to IT activities. MT is currently participating in the Expert Teams on new approaches to develop and operate Customs IT systems (ETCIT) program and examining the possibility of adopting collaboration in view of developing and maintaining Information and Communications Technology (ICT) systems.

##### **1.4.2 Common Communication Network2 (CCN2) (4.5)**

CCN2 is a specific project in the MASP and is considered as the evolution of the current CCN architecture and services. The Common Communication Network & Common System Interface (CCN/CSI) operational infrastructure consists of a closed, secured network infrastructure that is provided by the EU Commission to facilitate the exchange of information between the national administrations of the customs and taxation areas. CCN2 applies a Service Oriented Architecture (SOA) architecture and provides a set of value-added services to support the evolution of new application development and deployment paradigms. Applications to be developed will use this new CCN2 infrastructure. CCN2 evolution is in line with the global EU architecture consolidation, encompassing the notions of the circles of trust and integrating with the shared services capabilities.

CCN2 Release 1 focused on features needed by the first systems (e.g. Customs Decisions) that used it. In 2017, all Member States established connectivity with CCN2 Release 1.1.2, which entered into production in 2017 to support the UCC CDS. Focusing primarily on SOA enablement and core security services, this release was reported to have ensured 100% availability. However, the Release 1 will be withdrawn from use when the Conformance Environment will be upgraded to the latest production release CCN2 Release 1.3.2 that is expected to be the last platform release to correspond to the MASP-C project entry.

The design and specifications for CCN2 Release 2, which should eventually allow decommissioning of the CCN gateways, was completed in February 2018 with the delivery of the Technical specifications and the infrastructure requirements document. With all documents sent for review and accepted for CCN2 Release 2 while work kept being performed on CCN2 Release 1, corrective



maintenance of the documentation set had to be foreseen. The adapter functional and non-functional requirements, the adapter Business & System Process Model, the administration and migration tools functional specifications, the migration strategy and the adapter architecture documents have all been revised during 2018. In total 6 out of 9 specifications documents were updated, and the rest of the corrective maintenance is planned for the beginning of 2019.

During 2018, the majority of the Member States informed about their current status as ‘In Progress’ (BE, BG, CZ, DE, DK, FI, HU, LU, MT, PL, PT, SI and SK), ‘Finished’ (CY, EE, FR, HR, IE and RO) or ‘On hold’ (AT). In addition, some Member States did not report their current status (EL, ES, IT, LT, LV, NL, SE, SK and UK). AT reported that CCN2 project is currently on hold due to multiple shift of dates for the beginning of the Conformance Testing by the EU in 2018.

Concerning the current phase, most of the Member States reported on various national activities related to being in operations (BE, CY, CZ, DK, FI, FR, HR, IE, LV, MT, PL, PT, RO, SI and SK), the creation of national technical specifications (AT), design of national system (HU), being in deployment phase (LU) or other activities related to this project (BG, DE, EE, NL and UK). DE reported that the project activities focus on preparatory work for a System-to-System (S2S) connection of Trans-European Systems (TES), as well as maintenance and support when using central web applications (e.g. REX, UUM&DS). In addition, EE reported the performing of configuration and connectivity testing activities for CCN2 CONF2 environment.

In 2018, several Member States reported carrying out activities related to analysis and modelling (AT, DE and HU), maintenance (CZ, FR, HR, LV, MT, SI and SK) and upgrades (DE, FI, FR, HR, MT, PL and SK). In addition, FI reported that during the reporting period, their national system is in operation, upgrades for CRS and CDMS have been performed and CSRD2 CCN2 has been developed followed by acceptance and Conformance Testing on national side. FR stated that CCN2 upgrade and operations have been processed during 2018 and HR reported that the CCN2 infrastructure is in operations starting from 2017 and that during 2018, migration from old Evidian solution to Oracle Identity Manager (OIM) solution for user management have been supported. PT reported that the current version of the CCN2 is Release 1.3.0 HF02 and was implemented in October 2018.

During the reporting year, two Member States communicated their preceding phase. FR indicated that Conformance Testing has been performed and ended in November 2018 and HR reported that the Conformance Testing has been successfully completed in 2017, before CCN2 infrastructure was put in operations.

### **1.4.3 Uniform User Management and Digital Signatures (UUM&DS) – Direct Trader Access to EIS (4.6)**

The UUM&DS project aims to implement a system that allows economic operators to access new EU-wide services, in line with the security policies, legal provisions and operational responsibilities. Therefore, this system offers economic operators unified access to a unique interface to several central services implemented by the EU Commission. The economic operators are able to electronically submit declarations that will be forwarded to the competent national authority, for a number of supporting IT systems, such as UCC Customs Decisions, EOS-AEO, COPIS and UCC BTI. Furthermore, UUM&DS provides a mandate capability, allowing economic operators to be represented by known mandated individuals and support the use of electronic signatures.

During 2018, work was in progress to carry out implementation activities for UUM&DS Release 1.5, which will provide enhanced functionalities for access management, Single Sign-On (SSO) and web-services. Likewise, the development of UUM&DS Release 2 continued, which will support additional functionalities for ICS2 and COPIS, namely S2S secure connectivity, certificates management and digital signature services. Specifically, the Vision Document was finalised, while the functional and technical specifications were prepared for review.

By the end of 2018, 49,580 access requests were made to the EU Trader Portal through the UUM&DS platform. To enable user authentication and authorisation, the majority of Member States have used their national Identity and Access Management (IAM) system(s) that can be directly interfaced with

UUM&DS and are categorised under type A, B, C and D solutions<sup>54</sup>. Most Member States (AT, BE, BG, CZ, EE, ES, HU, IE, IT, LT, LV, SE and SI) are type A, EL and PT are type B, few Member States (CY, DK, HR, NL and PL) are type C and the remaining Member States (DE, FI, FR, LU, MT, RO, SK and UK) are type D.

In 2018, the Member States informed about their status as ‘In Progress’ (AT, BE, BG, DE, EE, EL, FI, FR, HU, LT, LU, PL and SI), ‘Finished’ (CY, CZ, DK, HR, IE, IT, LV and MT) or ‘On hold’ (RO). Concerning the current phase, the majority of Member States reported being in operations (BE, BG, CY, CZ, DE, DK, EE, EL, HR, HU, LU, LV, MT, PL, SI and SK), in design of the national system (FI and LT), in upgrade (AT and IE) or in Conformance Testing (FR and IT). RO is the only Member State who reported status ‘Other’, since the project is in initiation phase, with activities related to development of the functional and technical specifications for the national system. In addition, several Member States reported carrying out activities related to analysis and modelling (AT, CY, CZ, DE, DK, EL, FI, IT and MT), maintenance (AT, BE, CY, CZ, DK, EL, HU, IT, PL and SK) and upgrades (AT, BE, CZ, DK, EL, IT and SK). During the reporting year, some Member States communicated their preceding phase and indicated having performed analysis on national user requirements (DE) and design of national system (FR and IT).

AT updated the certificates and adapted the Security Assertion Markup Language (SAML) assertion on the national component. Moreover, AT reported activities related to the availability of the Conformance environment which delayed the execution of Conformance Testing. With the deployment of the national IAM project and its integration with the UUM&DS platform, BG fulfilled some of the requirements set out in its national e-Customs Roadmap 2016-2025. In addition, BG successfully executed Conformance Testing for UUM&DS Release 1.5 and took preparatory steps towards upgrading the national IAM for Release 2 capabilities. CZ reported working on the impact analysis of Releases 1.5 and 2 and installed a new eIDAS node, after rebuilding the national testing environment for being connected to central UUM&DS and for executing Conformance Testing for Release 1.5. DE has not yet developed a national IAM component for UUM&DS and the central system will be used by economic operators. DK upgraded the national system for enabling the delegation to other users and developed a SAML adaptor in collaboration with the EU Commission. EE successfully developed and deployed in production the national IAM system, thus they have changed from type D to type A. FI reported designing and developing the national IAM system in order to integrate it with the central UUM&DS and foresee to finalise all activities in 2019. FR is still executing Conformance Testing for the national component which will be connected to central CDS, ICS2 and COPIS eAFA. HR conducted analysis on Release 1.5 and concluded that the release’s new features will be implemented along with Release 2 during the coming years. Therefore, HR completed Conformance Testing related to Release 1.5 without those features. HU performed some adjustments on the national system and conducted Conformance Testing for Release 1.5. IT updated their system in accordance to Release 1.5 and enabled Italian Customs Representatives accessing EU TP on behalf of non-Italian EORI holders. LT developed the national UUM&DS component and successfully integrated it with the central system. LU performed maintenance activities on the national system and initiated preparations for all UCC projects. MT reported activities related to analysis of a national system that will be connected to UUM&DS. PL successfully conducted Conformance Testing for Release 1.5, but did not implement the features of that release, since no business added value was identified. RO had placed the national project ‘On hold’ and received the necessary funding for the

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<sup>54</sup> Type A: One consolidated IAM system that can be directly interfaced with the UUM&DS.

Type B: Two IAM systems, one of which is used as the single point of contact with UUM&DS.

Type C: Multiple IAMs – Member States shall provide a unified IAM to interface with UUM&DS.

Type D: No IAM system to interface with the UUM&DS.

project "Increasing performance of customs activity in order to facilitate legitimate trader". As a result, development activities including the preparation of functional and technical specifications related to UUM&DS are ongoing, thus the project is in initiation phase. SI adapted the national architecture in accordance to the central system and performed Conformance Testing for Release 1.5.

#### **1.4.4 High Availability DG TAXUD operational capabilities (4.7)**

Under this project, the EU Commission intends to provide high availability infrastructure capabilities for the hosting of EU customs systems components and IT services. The EU Commission has developed High Availability (HA) and Disaster Recovery capabilities (DR) in the two DG TAXUD data centres hosted in Luxembourg.

During 2018, the main activities focussed on the reinforcement of security, the Disaster Recovery capability enhancement, the repatriation of CCN2-DEV DC in own Data Centre (DC) (for better control and alignment between XDEV) and the continuous improvement of the technological equipment and connectivity. By the end of 2017, the availability of operational IT systems reached the level of Silver Service (99.6% availability).

The following activities were conducted during 2018:

- Updated procedures for disaster recovery activities
- Deployment of new servers and storage capacity to implement new operational and technical requirements
- Procurement and deployment of new security devices to protect applications from network attacks, malware and other threats
- Preparation and execution of representative Data Centre Disaster Recovery testing
- The design and configuration of new Virtual Private Network (VPN) concentrator

The availability of production systems (ITSM-operated systems, the CCN/CSI network, as well as the CCN production services) was 99.71%. The SPEED2 platform had an average availability of over 99.98% in PROD and 99.87% in CONF in 2018. The availability of CCN2 was 99.57% and of UUM&DS 98.64%.

During 2018, two Member States informed about their current status as 'On hold' (FR and MT) and one Member State as 'In Progress' (LU). No specific information was reported by FR and MT, whereas LU reported on national activities related to being in deployment phase. The rest of the Member States did not deliver any specific activities related to this project.

#### **1.4.5 Maintenance and Updates of Operational IT systems (4.8)**

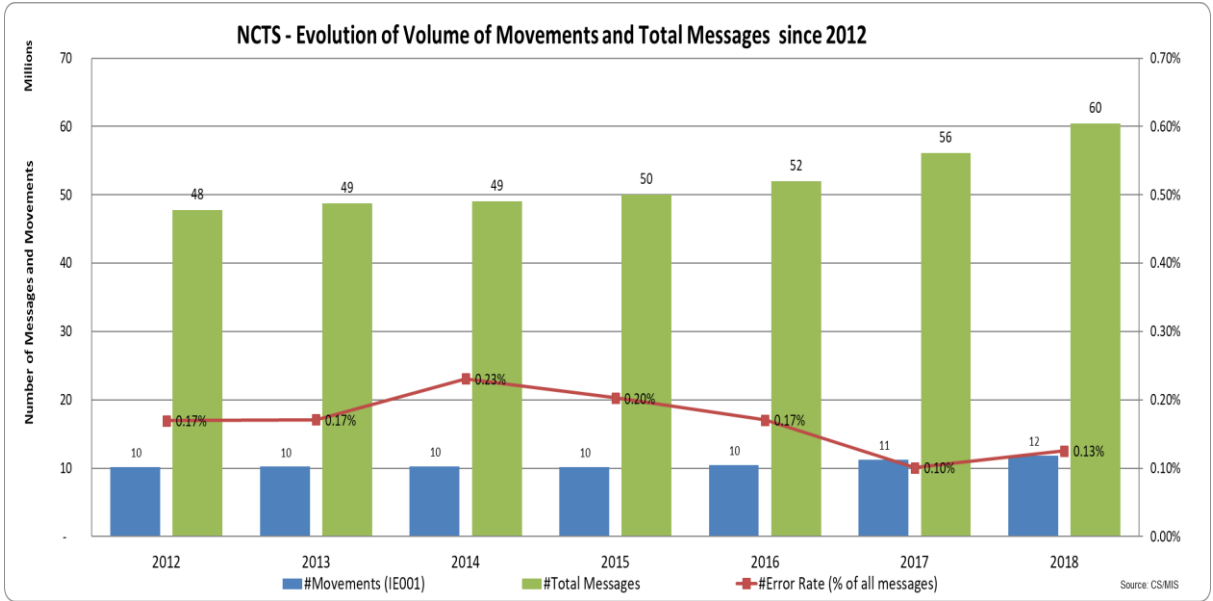
This section provides an overview of the Trans-European Systems' operations in 2018, including the error rate evaluation and system availability. The figures presented in this section depict the evolution of the message volume exchanged in the common domain within a certain timeframe. The majority of Member States reported on ongoing maintenance and enhancements of the operational systems, along with implementation of the Known Error Lists (KELs).

##### *1.4.5.1 New Computerised Transit System (NCTS Phase 4)*

During 2018, 11.86 million transit movements were released, which increased by 5.5% compared to 2017. Figure 18 depicts the evolution of movements since 2012, the average number of which reached 46,873 movements released per business day (+5% compared to 2017). This growth is mainly attributed to the increase in the number of movements observed in RO and RS, where the volume increased +153% and +67% respectively compared to 2017. Similarly, the total number of messages exchanged in the common domain significantly increased in 2018, after a relative stability between 2012-2015. The quality of operations is also stable, with the average error rate slightly increased at

0.13%, without any issue having a major business impact throughout the year. Since 2014, the error rate is decreasing as a result of the continuous effort of the Member States (supported by the EU Commission) to improve their applications.

Concerning Conformance Testing, BG successfully deployed in production the new national transit application as planned and UK executed several tests related to BREXIT, with no problems identified. In addition, FR developed a new national transit application and initiated Conformance Testing, but the activities were halted due to contractual issues. FR will resume testing in 2019. Finally, all the NCTS common domain messages (except those from CH) were automatically duplicated by the EU Commission to the relevant OLAF systems, without any technical issues.

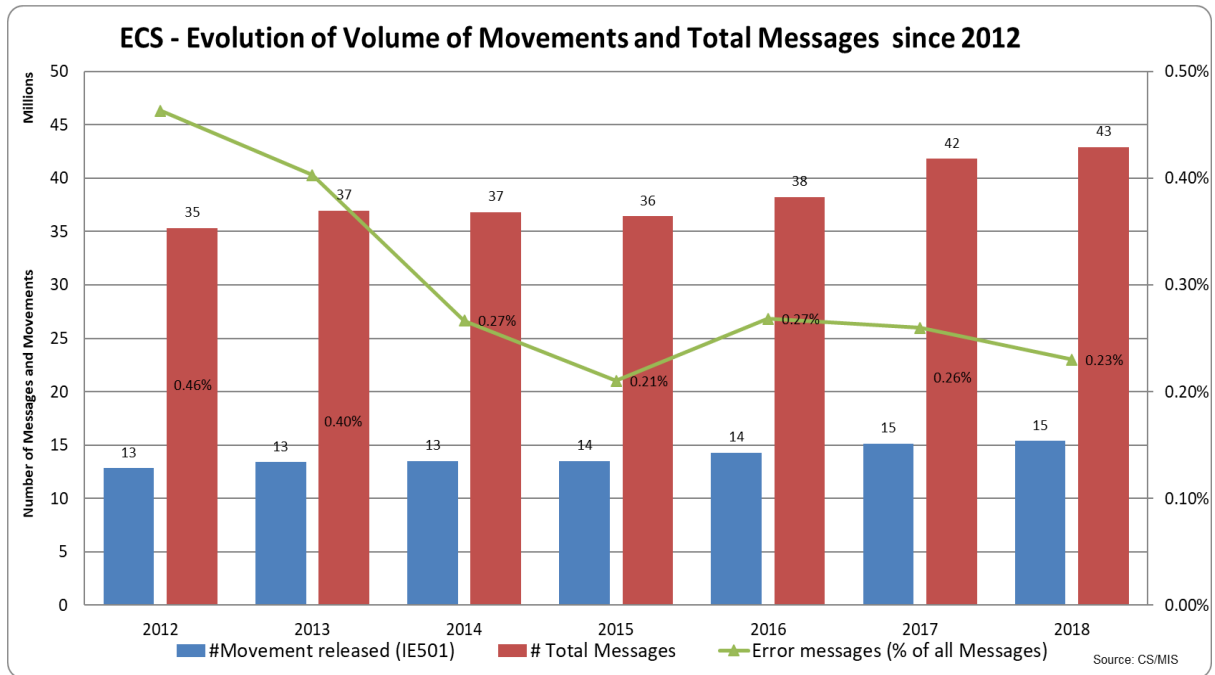


**Figure 18: NCTS - Volume of movements and error rate per year since 2012**

*1.4.5.2 Export Control System (ECS Phase 2)*

During 2018, the number of movements released for export (approximately 15.38 million electronic messages ‘IE501’) increased by 1.8% compared to 2017, resulting in an increase of 2.7% in the total number of exchanged messages. The evolution of movements depicted in Figure 19 illustrates that the number of ECS messages annually exchanged between the Member States in the common domain grew by 21.5% from 2012 to 2018. The annual error rate has decreased from 0.26% to 0.23% and was mainly impacted by the rejection of messages related to old (archived) movements.

No Conformance Testing activities were carried out by the Member States during the reporting year. Furthermore, all the ECS common domain messages were replicated by the EU Commission to OLAF in 2018 without any technical issue.

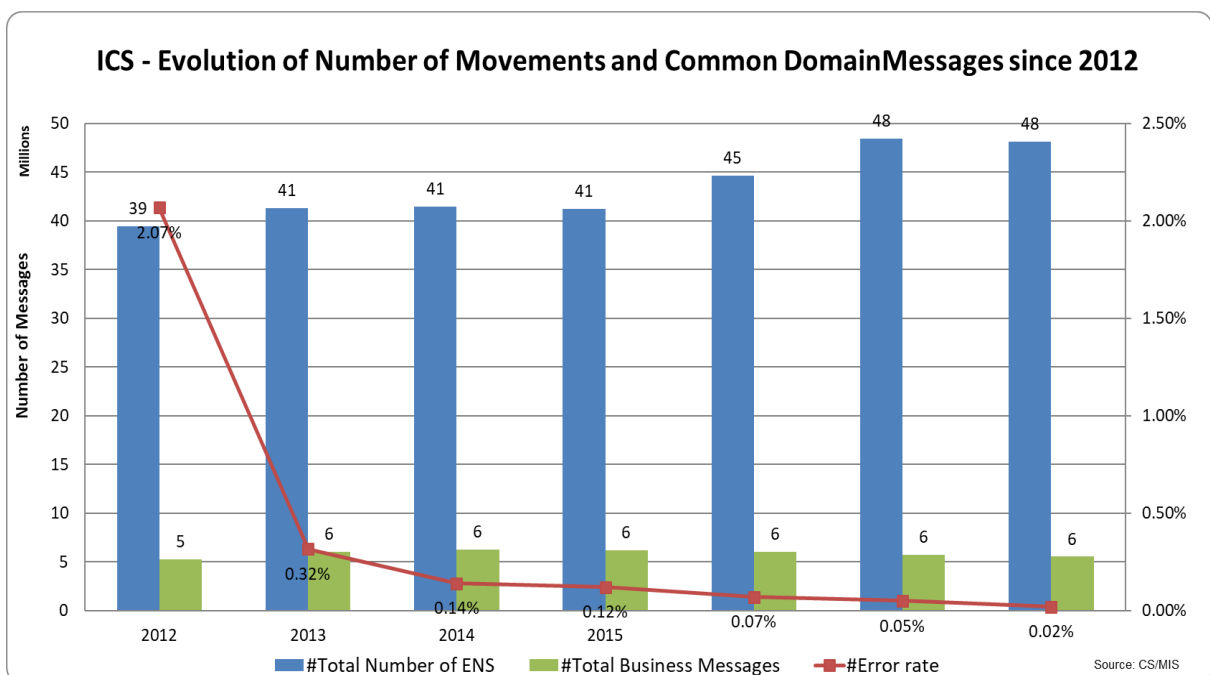


**Figure 19: ECS – Evolution of movements and error rate per year since 2012**

#### 1.4.5.3 Import Control System (ICS Phase 1)

An excellent quality of ICS operations is observed in 2018. As depicted in Figure 20, approximately 48 million Entry Summary Declarations (ENS) were lodged in the EU during the reporting year, with a slight decrease of 1% compared to 2017. Variations in comparison with 2017 were recorded in the Member States. The most noteworthy were observed in EE (+30%), LT (+38%), LV (+21%) and HU (-25%), NL (-43%), PL (-28%). The main contributors remained DE with 30% of the overall ENS, followed by FR (16%) and UK (14%), which sum up to an aggregate of approximately 60% of the total ENS lodged. In addition, about 63% of the total ENS movements were submitted for air transport.

Concerning Conformance Testing, BG successfully deployed in production the new national import application as planned.



**Figure 20: ICS – Evolution of number of movements and error rate per year since 2012**

#### **1.4.6 Common Services / Reference Data 2 (CS/RD2) (4.10)**

The CS/RD2 project aims to provide an up-to-date, consistent baseline of well-maintained business and technical reference data available to distributed, hybrid and central IT systems across the EU. This system remained operational throughout 2018 and ran smoothly, without any major identified issue.

In 2018, the Member States reported various maintenance and deployment activities related to this project. CY and EE successfully implemented CS/RD2 services, after the Conformance Testing finished during the year. MT performed some updates in CS/RD2 related to the national export and transit applications. The CS/RD2 national project team in PL conducted tests to webservices communication with CS/RD2 associated with replication and manipulation of reference data, updated the national system to support the latest version of CS/RD2 services in CCN communication module and reported bugs encountered during system operation. PT carried out activities to deploy the national component into operations.

#### **1.4.7 Conformance Testing Application (CTA) (4.11)**

The EU Commission has maintained a wide range of different Conformance Testing tools across its business threads. A single Conformance Testing Application (CTA) was deployed into production in 2017 to unify existing tools by providing simplified and accelerated procedures, which would result in reduced resources and better quality of national application developments. CTA release 2 was used for Excise Movement and Control System (EMCS) Conformance Testing and for Mini One Stop Shop since 2017. During 2018, CTA was used for the Conformance Testing activities of Directive on Administrative Cooperation 4 (DAC4) and also in the context of NCTS-P5 and AES. A new major release of CTA is expected to be delivered in 2019.

During 2018, five Member States informed about their current status as ‘In Progress’ (BE), ‘Finished’ (FR, LU and SI) or ‘On hold’ (MT).

Concerning the current phase, the Member States mentioned above reported on various national activities related to being in operations (FR), being in deployment phase (SI), in partial system upgrade (LU) or other activities related to this project (BE and MT). BE, FR, LU and MT reported no further activities on the project. SI reported that in 2018, CTA was used for the Conformance Testing of EMCS phase 3.3 and occasionally for ad-hoc testing of EMCS application.

In addition, BE reported carrying out activities related to maintenance, upgrades and operations along with implementation of the Known Error Lists (KELs), whereas SI reported operational activities.

### **1.5 Other National Projects and Activities**

Along with the UCC projects, the Member States’ annual progress reports provided information about other national projects and activities related to the e-Customs domain. Most notably, AT performed an evaluation of methods for engineering requirement and technical analysis for the existing customs systems, which was completed in 2018. AT reported the creation of technical fact sheets of existing IT systems, as well as the set-up of Enterprise Architecture Model (EAM). In 2018, CY finished several maintenance activities for the Trans-European Systems ECS, ICS and NCTS, as well as the EORI system. A Risk Analysis was performed as well as the implementation of CS/RD2 services. Maintenance activities were also performed at national systems of CY, including: Import Declaration System, Integrated Tariff of the European Communities 3 (TARIC3), Electronic system for quota management /allocation (QUOTA2), National Risk Analysis (for import declaration), Warehousing System, Penalties System and Accounting and Payment System. All the systems mentioned above were in operation phase in 2018. During 2018, CZ performed several upgrades in the context of adjustment of existing import applications under the UCC. These changes included entry to the declarant’s records, adaptation of ICS to Electronic Transport Document (ETD), changes with customs declaration process when article 73DA is used, the implementation of national Customs

Single Window (CSW) system and the implementation of FLEGT licences which are under CSW validation and quantity management. EE carried out activities related to analysis, modelling and maintenance regarding CS/RD2 application. A polling mechanism was introduced for receiving the updates from the central system. The system went into operations in December 2018. Regarding TARIC3 and QUOTA2 systems, the X-road of national Tariff has been launched in July 2018. New TARIC measures and national improvements were introduced in the national Tariff and Quota system of EE. Finally, EE reported on analysis and development activities for LAAK System (Stock records and reporting system) that contains information about warehousing from all different warehouses, including temporary storage, free-zone, excise warehouses and customs warehouses. In addition, IE reported that upgrade activities were finished in November 2018 whereas LU stated that maintenance activities of actual applications and preparation on UCC projects took place during 2018. LV maintained and enhanced the national Electronic Customs Data Processing System modules, including ICS, ECS, Trade Customs Solutions (TCS), electronic cargo Manifests service (eMan)/Trading Services (TS) and EORI. Also, an automated release of export customs declarations to ensure faster processing of export declarations and an automated control of freight transported by railway have been developed and installed into production environment in 2018. MT performed an analysis for the development of a national Single Window system and upgraded the rest of the national systems to become UCC compliant. NL informed that the internal programme for MASP organisation was functional during 2018. The focus of the programme lies with objectives, planning, implementation and integration of national functionalities. PL carried out activities related to analysis and modelling, maintenance and upgrade of CS/RD2 application. More specifically, the new version of CS/RD2 webservices was implemented followed by testing of the new version of CS/RD2 web services in CCN communication module and testing of the new version of generic XML messages to support NCTS2 and national reference data systems. Finally, PT reported that national activities were performed regarding CS/RD2 application and SE reported ‘other’ activities related to the development and implementation of e-Customs.

## **1.6 Supporting activities**

One of the objectives of the EU Customs Union in the area of e-Customs reform is the support for cooperation between the different customs administrations of the Member States at national level. This approach towards cooperation contributes to ensuring coherence of customs operation, by spreading best practices and increasing coordination between customs authorities and other relevant public authorities or economic operators. In addition, it has the potential to produce far-reaching benefits in terms of harmonising working methods for customs control and improving governance structures.

In 2018, the Member States reported on their main activities related to the promotion of e-Customs services, training for customs officials, consultation with economic operators, as well as the coordination of activities between e-Customs and other e-Government services.

### **1.6.1 Supporting tools used for collaboration and communication between EU and EU Member State administrations**

The EU Commission continued to take an active role in facilitating supporting application tools to ensure the effective coordination of the e-Customs projects. The Programmes Information and Collaboration Space (PICS) and the ARIS Publisher are the two primary supporting tools that have been developed to enhance information-sharing and optimise business processes, respectively. In addition, Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABC) is one of the main applications utilised by the EU Commission and the Member States as a tool of communication for all customs applications and revision of documents.

PICS is a dedicated online platform administered by the EU Commission, which provides access to diverse information related to the implementation of the Customs 2020 Programme activities. Similarly, ARIS Publisher is a software tool designed to facilitate the development and continuous improvement of the EU Customs Business process modelling. In 2018, ARIS Publisher version 9.8.10 was actively maintained for enabling all change control management procedures. Finally, CIRCABC

is a collaborative document management system which offers a communication channel for exchanging information and sharing materials between the EU Commission, national administrations and other stakeholders. In 2018, CIRCABC version 4.1.1 was deployed, providing new features and updated UI for facilitating all activities.

### **1.6.2 Consultation with economic operators**

The implementation of the e-Customs projects requires that the EU Commission and Member State administrations engage in a regular dialogue with the economic operators and their representative associations to ensure transparency in the implementation of national and European measures. Over the past year, the Member States organised a series of seminars, workshops and meetings in close cooperation with economic operators, to introduce recent developments related to the technical, legal and business requirements in the area of e-Customs. During this process, careful consideration was given to the specific needs of economic operators to foster an environment conducive to collaboration.

The Member State customs authorities regularly informed the representatives of economic operators of the potential impact of the UCC-related changes on the national IT systems. The majority of organised meetings addressed the latest procedural and legislative changes introduced by the UCC legal package. Specifically, these meetings tackled issues related to new changes and system functionalities for projects such as UCC Customs Decisions, UCC BTI, AEO and Impacts of MRA, AES, Transit System including NCTS, REX, COPIS, EU CSW, EORI2 and UUM&DS. Furthermore, economic operators were informed about the interfaces implemented or updated to integrate national IT systems to various MASP projects.

2018 marked a significant progress towards launching consultation activities that contributed to simplifying procedures for economic operators. In this context, seminars, webinars and information sessions were organised to notify economic operators about the present and anticipated developments in the field of e-Customs. Common challenges related to the UCC CDS, REX and UUM&DS systems were proactively tackled by the majority of Member States through regular meetings and online publications, while a substantial amount of work was devoted to developing and refining user manuals and training modules for these systems. Likewise, several Member States carried out informational activities on the procedures pertaining to the UCC Notification of Arrival, Presentation Notification and Temporary Storage, Adjustments of the Existing Import Applications under the UCC and the Maintenance and Updates of Operational IT systems, as well as the deployment timeframe for NCTS Phase 5 and AES, and the EU CSW-CERTEX system upgrades. Furthermore, practical guidelines related to BREXIT have been prepared and provided by several Member States to their respective national economic operators in various meetings hosted by customs authorities.

Specifically, AT established an electronic forum where useful information is being provided to economic operators for all national projects, while CZ held regular consultations with economic operators to discuss changes affecting guarantee management. DK maintained a Customs Liaison Committee for communicating all project updates to economic operators and EE invited representatives from couriers and post authorities for facilitating the draft of national ICS2 documentation package. FI organised a webinar on the overall MASP projects, focusing on customs warehousing. In addition, FI published a podcast on the introduction of electronic declarations in customs warehousing, which was further discussed in three national trade contact group meetings with the participation of special fiscal territory economic operators. IT organised several meetings with economic operators in order to collect their feedback on all MASP projects and on new ICT requirements. The customs authorities in PL scheduled many informative meetings with the local trading community in response to the expressed needs and for presenting the new UCC changes and procedures to the customs law.

### **1.6.3 Training for Customs officials and other stakeholders**

The changing dynamics of the e-Customs environment require high-quality training and consultation on IT system procedures and customs legislation. To this end, the EU Commission and Member States



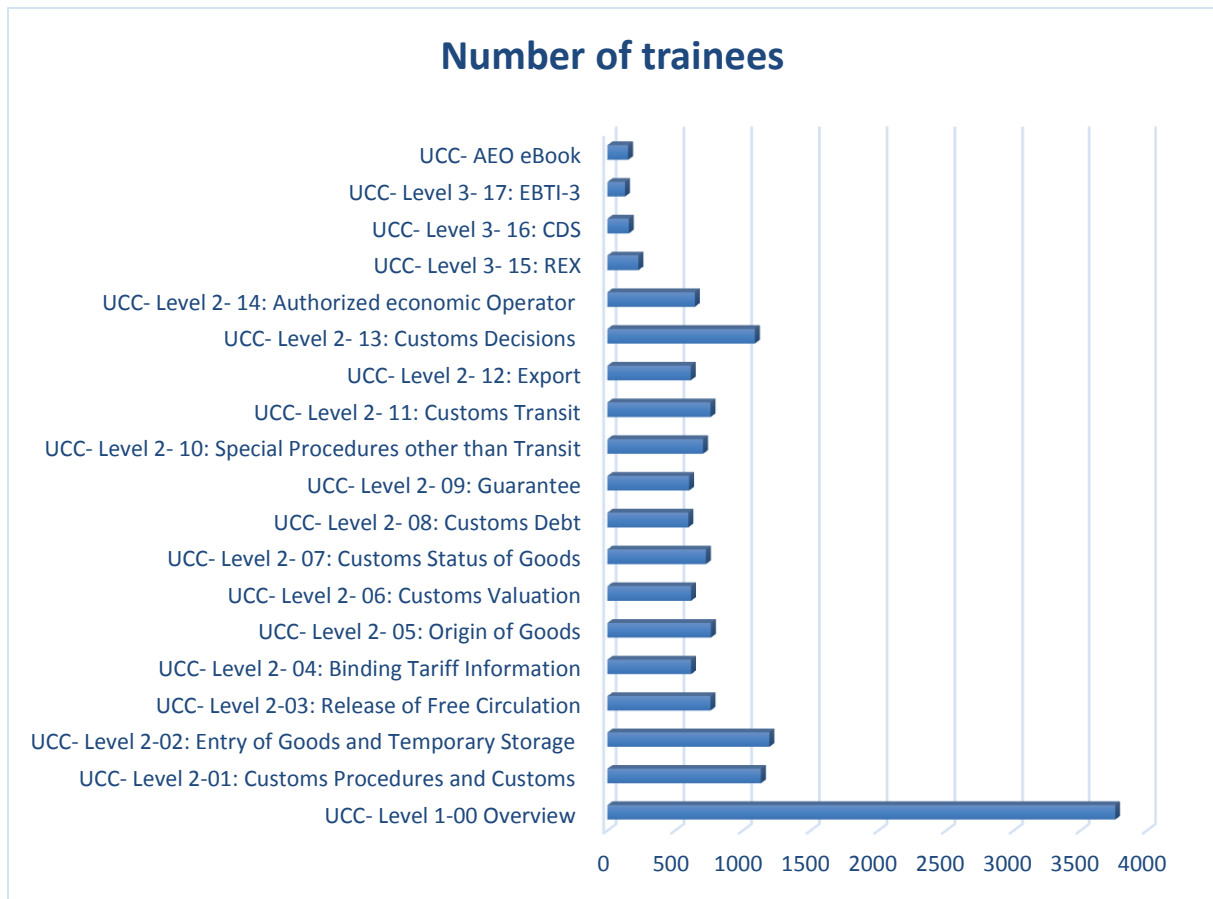
have supported the development of training solutions and services for customs officials to provide the necessary skills and knowledge towards implementing and maintaining e-Customs projects. In particular, the establishment of online training tools and guidelines entails a continuous long-term learning plan for customs officials and other stakeholders. The main objective of these electronic learning materials is to help national customs and taxation administrations, as well as economic operators and citizens throughout the EU, to better understand and implement the EU customs and taxation legislation and its related procedures. This, in turn, will lead to more uniformity and efficiency of customs and taxation operations throughout the EU and further enhance consistent performance across the Member States.

In 2018, the EU Commission focussed on eLearning courses to build and strengthen the technical and operational capacity of national administrations and their staff in various customs subjects. Most notably, the UCC EU eLearning Programme, first launched in 2016, was designed to ensure that customs officers in the EU are properly trained on the implementation of EU customs legislation and policies. In 2018, this programme is developed in 18 modules, targeting 3 different learning levels ranging from basic to expert knowledge. Translated in various EU languages, the modules are designed as stand-alone courses to meet the professional competency needs of EU customs and other competent officials. Courses free of sensitive content are also made available via the Europa website to economic operators, representatives of academia and the general public.

In 2018, 279 versions of the EU eLearning courses for customs were in use in the participating countries. Compared to 2017, a modest 3% of increase in the area of customs can be observed (279 compared to 271 in 2017). In general, the total number of trainees reported by the participating countries has decreased. As detailed in the Figure 21 below, 17,547 trainees followed the UCC eLearning courses in 2018, resulting in a 48.7% decrease in users over the previous year (2017). The number of total downloads has slightly decreased as well to 10,950 downloads (compared to 11,807 in 2017). The new courses launched during 2018 have been especially dedicated to customs officials and consequently they were not available for download on Europa website<sup>55</sup>.

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<sup>55</sup> More information can be found in the ‘EU eLearning Programme Survey Report 2018’ owned by EU Commission.



**Figure 21: Number of trainees for the UCC eLearning Programme during 2018**

During 2018, the first eBook for customs thread has been launched: the AEO Interactive eBook. The eBook is available for download via the portal in Europa website and also through direct link on Europa website, in all EU languages.

The overall performance of the eLearning initiative was monitored through data collected at national level, downloads from the Europa website and user satisfaction surveys. The results of 3051 online surveys available in 20 EU languages indicated overall satisfaction with the customs eLearning services, with an average score of 72.9 out of 100 (according to the principles of Kirkpatrick<sup>56</sup>). Scores were particularly high on UCC-Level 2-08: Customs Debt Programme (80.3 out of 100), on UCC-Level 2-10: Special Procedures other than Transit Programme (77.6 out of 100) and on UCC-Level 2-02: Entry of Goods and Temporary Storage Programme (75.3 out of 100).

The Member States organised various seminars and workshops throughout 2018 at ministerial level on an as-needed basis. Several customs administrations offered online courses and trainings engaging in projects such as UCC CDS, Transit Systems including NCTS, REX, AES, AEO and Impacts of MRA, COPIS, SW, EORI2, UCC ICS2 for strengthening the Security of the Supply Chain at Entry, Adjustments of the existing import applications under the UCC, UCC Proof of Union Status, EU

<sup>56</sup> **Kirkpatrick Learning Model:** D. Kirkpatrick's four levels of training evaluation is the most widely used training evaluation model in the world. A focus of this program is the exploration of how to ensure that what is learned transfers to on-the-job behaviours. According to Kirkpatrick, evaluations of the effectiveness of any employee learning process should follow four steps: reaction, learning, behaviour and results.

Implementation of the eATA Carnet Project, EU Implementation of UNECE eTIR system (UNECE eTIR), Smart and Secure Trade Lanes (SSTL), Exchange of TIR movement via SPEED2 to Republic of Moldova and Ukraine, UUM&DS, CS/RD2 and Special Procedures, Maintenance and Updates of Operational IT systems and CCN2.

In 2018, 10,950 downloads from the Europa website were registered for customs eLearning courses, 9,399 of which pertained to the UCC Programme. Several Member States reported using the customs eLearning Programme (BG, DE, DK, EE, ES, FR, HR, IT, LT, MT, PL, PT and SI). In 2018, ES, FR and HR prepared user manuals and tutorials for the national CDS system. HR reported that two customs officials were trained in REX system. Information and education on REX were passed to other customs officials who worked with declaration processing, via regular seminars or workshops. HR also reported that in 2018, new material continued to be published on the eLearning portal for customs officers, as well as on the public portal for economic operators for several projects. MT reported using the full curriculum of the customs eLearning Programme. BG reported that one customs officer took part in the training of the EU Commission related to CCN2 project, whereas various meetings concerning IT technology and infrastructure issues and webinars pertaining to the CCN2 project were hosted by PL customs' authorities in partnership with the Ministry of Finance. Finally, IT reported that specific CDS training courses for local customs officers and central customs officers have been organised in 2018.

Working in close collaboration with the policy units and national administrations, the EU Commission intends to continue improving the eLearning programme, to ensure delivery of services that meets user needs. This entails the availability of course material in local languages after the release of the English master version, production of high-quality training guidelines, as well as the introduction of audio-visual material and interactive learning tools.

#### **1.6.4 Promotion and implementation of e-Customs services**

The promotion of cooperation within national customs administrations constitutes an integral part of optimising customs process flows. In 2018, the EU Commission and Member States' authorities conducted various meetings and seminars with project working groups, national partners, trade contact groups, governmental and customs institutions, tax authorities, IT support centres, chambers of commerce, economic operators and technical universities to promote an integrated level of administration collaborating towards the implementation of e-Customs services.

The EU Commission conducted 201 meetings with Member States' customs officials with expertise in areas such as legislation, project management, operations, planning and IT, addressing all aspects of e-Customs projects.

In 2018, several communication products and actions were prepared to communicate on initiatives related to e-Customs. These included the production of a video on the CDS system and the production of a video on the "Expert Teams" that specifically mentions the international IT Collaboration on customs systems. In addition, a poster depicting a flowchart of the UCC processes and systems was published. Finally, in some cases, smaller-scale actions were made, such as updates to the EU Commission website, publication of news-items or tweets from the DG TAXUD Twitter account on e-Customs related topics.

Likewise, the Member States supported promotion activities targeted at the ongoing task of developing, implementing and performing updates to various projects, such as UCC CDS, Transit System including NCTS, REX, AES, AEO and Impacts of MRA, COPIS, SW, EORI2, UCC ICS2 for strengthening the Security of the Supply Chain at Entry, Adjustments of the existing import applications under the UCC, UCC Proof of Union Status, EU Implementation of the eATA Carnet Project, EU Implementation of UNECE eTIR system (UNECE eTIR), Smart and Secure Trade Lanes (SSTL), Exchange of TIR movement via SPEED2 to Republic of Moldova and Ukraine (SPEED2), UUM&DS, CS/RD2 and Special Procedures, Maintenance and Updates of Operational IT systems and CCN2.

In 2018, CZ organized a working group with the participation of an external contractor and the business department in which the status of Single Window Project Group was presented at the Steering Board for e-Customs. CZ also reported that two meetings were organised for customs officers and IT experts on COPIS eAFA. Regarding REX system, two meetings of the project group and three meetings of the Steering Committee were organised in Prague. In addition, CZ organised some workshops with airlines companies and handling agents and seminars for customs officers.

DK and EE promoted CDS, eATA Carnet Project, UNECE eTIR system, SSSL system in their organisation. DK reported that internal and external newsletters, customs interest group meetings and training seminars were conducted. For UUM&DS and CCN2, DK reported that relevant back-office users and developers were involved in working groups from the side of DK. EE reported that for CDS, officials have attended many internal workshops and working groups in order to solve hindering issues. Regarding AEO and Impacts of MRA and EORI2, EE organised meetings for economic operators and associations, in which Estonian e-Customs solution were introduced. In addition, EE organised various meetings for economic operators and their representatives to present the future planning for the development of the national e-Customs solution, predominantly focusing on the UCC CDS, REX, EU Implementation of UNECE eTIR system (UNECE eTIR), EU Implementation of the eATA Carnet and UUM&DS.

FR reported that CDS domains and new authorisations are promoted by the Directorate-General of Customs and Indirect Taxes (DGDDI).

HR reported that a final closing event of phase 1 of CDMS was organised by them and representatives of trade community and other governments attended it. Also, as mentioned in the section above, the eLearning module and several presentations were still available on eLearning system and available for free usage for Customs officers in 2018. Information was published on the official Internet site of Croatia Customs Administration.

IT organised the second meeting of the Project Group 'UCC Customs Decisions System', as well as some workshops and seminars with economic operators. MT reported that familiarisation sessions with regards to UCC took place during 2018, for most e-Customs projects.

In addition, PL informed that NCTS2 is promoted through NCTS coordinating officers and local trainers directly to the economic operators operating locally. The registration procedures, information on any new services, operating updates and clarifications for users were notified through newsletters sent directly to the economic operators' mailboxes. The updates and announcements concerning the launch and operation of particular e-services were published on the national portal of PL. Regarding COPIS system, PL confirmed the participation in the eAFA working group responsible for designing electronic service that will allow new functionalities, such as applying an application for action in electronic form.

Lastly, SI reported on study and review of the specifications prepared by the EU Commission ICS2 project group. Also, in 2018, a meeting was held with representatives of the national post office of SI and their IT providers. The processes and specification requirements were presented for the implementation and establishment of the first phase of the ICS2 system. Additionally, SI reported that a meeting with providers of IT solutions for economic operators who cooperate with customs was held, in which the status and the planning dates of the deployment of NCTS Phase 5 system were presented.

### **1.6.5 Coordination of e-Customs with other e-Government systems or activities**

In 2018, the coordination of e-Customs activities with other e-Government services was managed through cooperation with various ministries, ICT departments, tax administrations, national banks, economic operators, certification and statistical authorities, customs clearance and excise services, as well as port authorities. The objective was to inform all relevant stakeholders on the necessary requirements for the implementation of the MASP and other e-Customs related projects.

Alongside the MASP coordination activities carried out by the EU Commission discussed at length in previous sections, some Member States highlighted the following key activity areas during 2018.

BG's national customs administration collaborated closely with the National Competent Authority for Veterinary Control on the EU CSW program. Furthermore, BG implemented the national e-Customs Roadmap 2016-2025, which includes measures and requirements related to the integration of national projects pertaining to the MASP. CZ established a national steering group in 2018 to ensure the coordination of the e-Customs projects under the MASP and the UCC Work Programme. In view of the UCC UUM&DS, a project group was organised in collaboration with other customs units and departments focusing on the Identity and Access Management System. DK took preparatory steps for all national systems with the assistance of the IT and Development Agency and the Danish Customs Agency towards the effective implementation of UCC projects. EE was in constant communication with the IT centre of Ministry of Finance and several Taxation and Customs Board Departments for discussing e-Customs related issues and developments. FR prepared the business requirements with the assistance of internal and external stakeholders for the implementation of the ICS2 Phase 1. HR project unit coordinated with other business units and Legal and Procedural Departments for integrating all national systems with the national UUM&DS component. IT's national administration collaborated with the Legal and Procedural Department to address matters related to UUM&DS, UCC AEO and impacts on MRA, EORI2 and CCN2. Furthermore, IT coordinated all activities with the local customs officers on several national systems, such as the guarantee and authorisation system and the import and transit control systems. Finally, the national administration maintained regular communication with the Ministry of Foreign Affairs for exchanging all necessary REX information. Discussions with economic operators and other implicated stakeholders have been coordinated by the national administration in MT to address topics related to the national Single Window system.

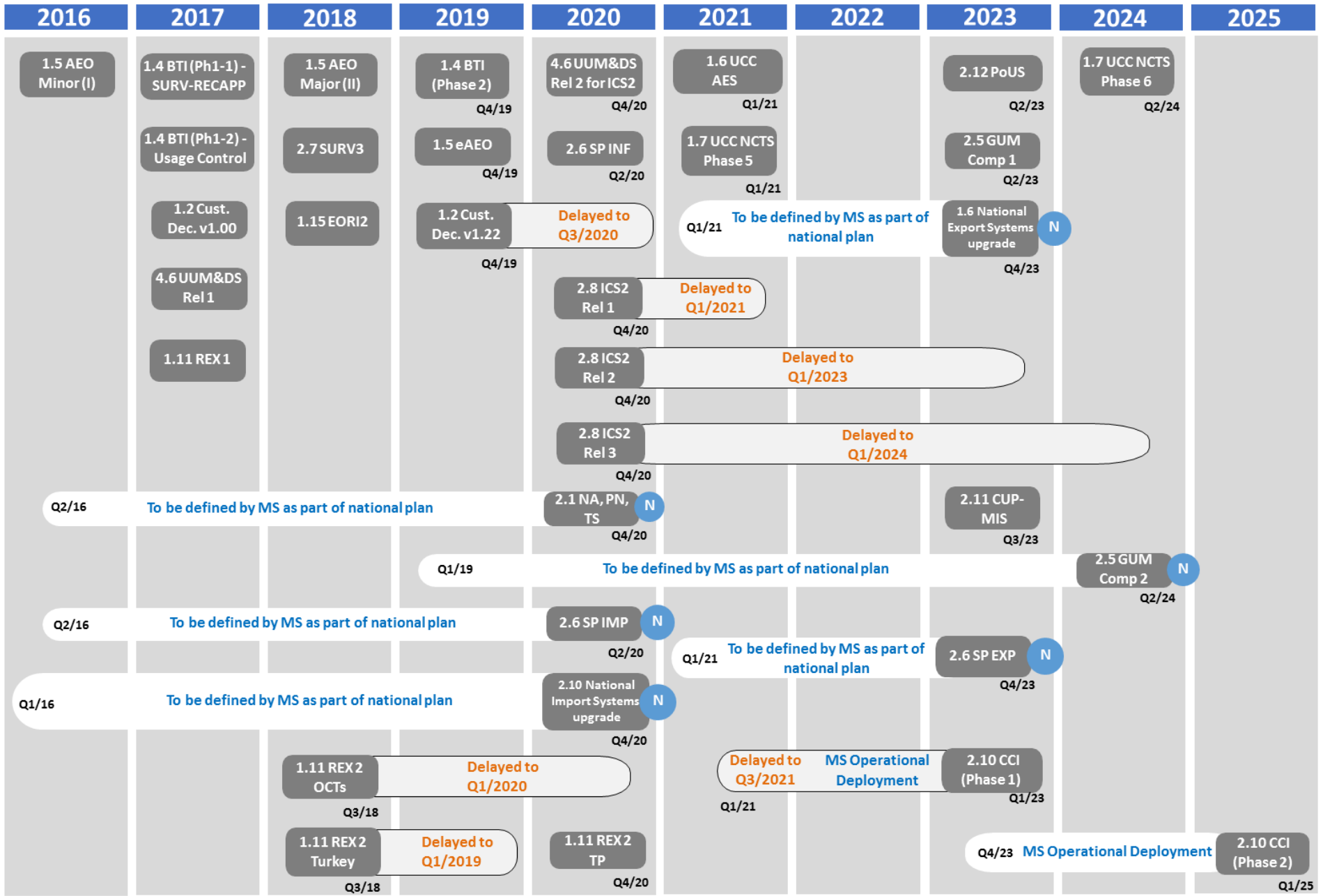
## **ANNEX 2 – PLANNING OVERVIEW OF MASP-C PROJECTS**

### **Explanatory Note on the Planning Overview of MASP-C Projects**

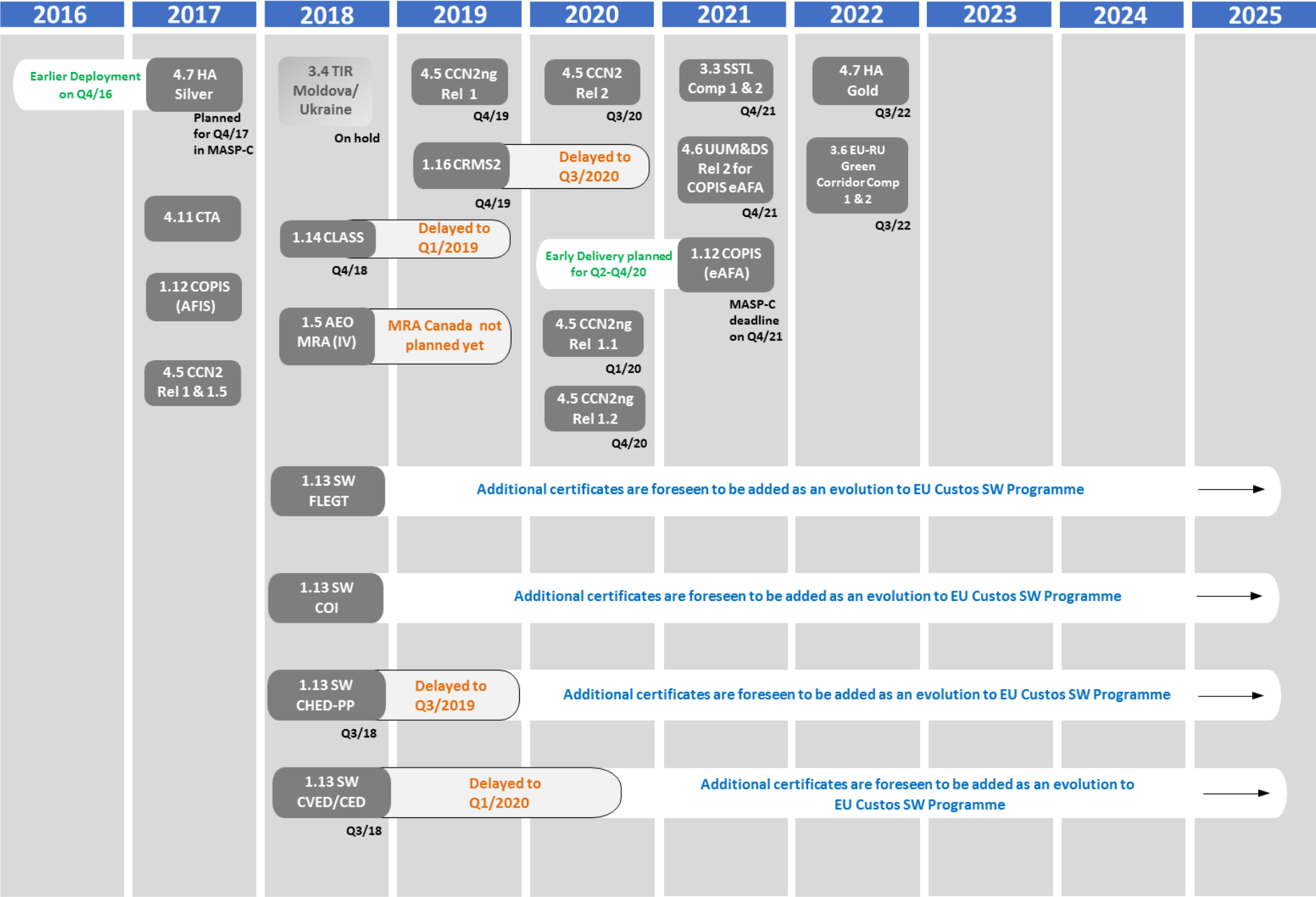
The planning overview of MASP-C Projects presents a visual summary of the status of Customs IT projects as known by end of year 2018 relative to the milestones detailed in the MASP Rev. 2017 v1.4 Consolidated Project Fiches. The project status is depicted in terms of the date of entry into operations for initiatives that have already been completed, or the anticipated date of entry into operations for forthcoming projects. Deviations from the MASP Rev. 2017 v1.4 Consolidated Project Fiches baseline planning are indicated – either as delays or earlier deployments – in the white bars to the right and left of individual project titles. The actual or expected date of entry into operations is also shown in these bars, for comparison with the MASP Rev. 2017 v1.4 Consolidated Project Fiches baseline. For projects with a window for national deployment activities, the dark grey project title box corresponds with the end of the period for MS’ operational deployment, while the white bar with blue text indicates the start of this period.

# Planning Overview projects MASP-C UCC WP

N National systems



# Planning Overview other MASP-C projects





### ANNEX 3 – ACRONYMS, ABBREVIATIONS & KEY TERMS

<b>Acronym</b>	<b>Description</b>
AEO	Authorised Economic Operator
AES	Automated Export System
AFA	Application for Action
AFIS	Anti-Fraud Information System
AGREX	Export Licence for exports of agricultural products from the Community
AGRIM	Import Licence for imports of agricultural products into the Community
AIS	Automated Import System
ARIS	Architecture of Integrated Information Systems (DG TAXUD has chosen ARIS produced by IDS-Scheer as a technical supporting tool for the business process modelling following the Commission overall policy of using ARIS software platform); New version ARIS9.8.4
ATA	Admission Temporaire/Temporary Admission
ATLAS	Automated Customs Tariff and Local Processing Application System
B2G	Business-to-Government
BCMS	Business Continuity Management System
BPM	Business Process Model
BTI	Binding Tariff Information
CC	Centralised Clearance
CCC-GEN	Customs Code Committee – General Customs Legislation section
CCI	Centralised Clearance for Import
CCN/CSI	Common Communication Network & Common System Interface
CCN; CCN2	Common Communication Network; Common Communication Network 2
CDM	Customs Data Model
CDMS	Customs Decisions Management System
CDS	Customs Decisions System
CED	Common Entry Document
CERTEX	Certificates Exchange Project
CFTS	Common Functional and Technical Specifications
CHED-PP	Common Health Entry Document module for Plant Protection
CIRCABC	Communication and Information Resource Centre for Administrations, Businesses and Citizens
CLASS	Classification Information System
CMS	Container status message

<b>Acronym</b>	<b>Description</b>
COD	Co-decision Procedure
COI	Certificate of Organic Inspection
COM	European Commission
CONF	Conformance
COPIS	Anti-Counterfeiting and Anti-Piracy System
COREPER	Committee of Permanent Representatives
COTS	Commercial Off-The-Shelf
CPG	Customs Policy Group
CR	Common Repository
CRMS; CRMS2	Customs Risk Management System; Customs Risk Management System 2
CRS	Customer Reference Services
CS/MIS	Central Services - Management Information System
CS/RD; CS/RD2	Central Services – Reference Data; Central Services – Reference Data 2
CSI	Common Systems Interface
CSW	Customs Single Window
CTA	Conformance Testing Application
CTC	Common Transit Convention
CUG	Customs Union Group
CUP-MIS	Customs Union Performance – Management information System
Customs 2020	EU cooperation programme providing national customs administrations with the possibility to create and exchange information and expertise.
CVED	Common Veterinary Entry Document
CVEDA	Common Veterinary Entry Document for Animals
CVEDP	Common Veterinary Entry Document for Animal Products
D/E	Data Elements
DA	Delegated Act
DAC4	Directive on Administrative Cooperation 4
DC	Data Centre
DG AGRI	Directorate General for Agriculture and Rural Development
DG ENV	Directorate General for Environment
DG GROW	Directorate General for Internal Market, Industry, Entrepreneurship and SMEs
DG MOVE	Directorate General for Mobility and Transport
DG SANTE	Directorate-General for Health and Food Safety

<b>Acronym</b>	<b>Description</b>
DG TAXUD	Directorate General for Taxation and Customs Union
DGDDI	Directorate-General of Customs and Indirect Taxes
DIH	Data Integration and Harmonisation
DR	Disaster Recovery
eAFA	Electronic Application for Action
EAM	Enterprise Architecture Model
eATA	Electronic Admission Temporaire/Temporary Admission
EBTI	European Binding Tariff Information
EC	European Commission
ECA	European Court of Auditors
ECCG	Electronic Customs Coordination Group
ECS	Export Control System
EDB	Enforcement Database
eIDAS	Electronic IDentification Authorisation and trust Services
EIS	European Information Systems
eMan	Electronic cargo Manifests service
EMCS	Excise Movement and Control System
ENS	Entry Summary Declaration
EORI; EORI2	Economic Operators Registration and Identification; Economic Operators Registration and Identification 2
EOS	Economic Operators System
ETCIT	Expert Teams on new approaches to develop and operate Customs IT systems
ETD	Electronic Transport Document
eTIR	Electronic TIR
EU	European Union
EUCDM	European Union Customs Data Model
EUIPO	European Union Intellectual Property Office
e-WIT	PL's national public electronic service
EXP	Export
EXS	Exit Summary Declaration
FGAS	Fluorinated Gases
FLEGT	Forest Law Enforcement, Governance and Trade
FSS	Functional System Specifications
G2G	Government-to-Government

<b>Acronym</b>	<b>Description</b>
GEFEG	GEFEG software is used to model data formats and develop implementation guidelines for data interchange standards.
GTP	Generic Trader Portal
GUM	Guarantee Management
H/W	Hardware
HA	High Availability
HF	Hot Fix
HTI	Harmonised Trader Interface
IA	Implementing Act
IAM	Identity and Access Management
ICC	International Chambers of Commerce
ICS; ICS2	Import Control System; Import Control System 2
ICT	Information and Communications Technology
IMCO	Internal Market and Consumer Protection
IMP	Import
INF	Information Sheet
INF SP	Standardised Exchange of Information for Special Procedures
IPR	Intellectual Property Rights
IT	Information Technology
ITO	Binding Tariff Information (Romanian translation to English)
ITSM	IT Service Management
KEL	Known Error List
L1 BPM	Level 1 – Global BPM (overview of EU Customs Business Domain and Global Business Data).
L2 BPM	Level 2 – High Level BPM (interactions between the main Business Processes with each EU Customs Business Domain).
L3 BPM	Level 3 – Business Requirement BPM (Flow of the legal and business tasks within each main business process and the interactions between the involved stakeholders).
L4 BPM	Level 4 – Functional Requirement BPM (i.e. functional specification) (Flow of the envisaged system; information exchanges; data rules and conditions; requirements trees; test cases and scenarios).
LAAC	Stock records and reporting system (Estonian translation to English)
MASP	Multi-Annual Strategic Plan
MASP-C	Multi-Annual Strategic Plan for Customs
MASP-T	Multi-Annual Strategic Plan for Taxation
MR	Mutual Recognition

<b>Acronym</b>	<b>Description</b>
MRA	Mutual Recognition Agreement
MS	Member States
MSME	Micro, Small or Medium Entities
NCTS	New Computerised Transit System
NES	National Export System
NSW	National Single Window
ODS	Ozone Depleting Substances
OIM	Oracle Identity Manager
OJ	Official Journal
OLAF	European Anti-Fraud Office
OPC	Open Public Consultation
PG	Project Group
PICS	Programmes Information and Collaboration Space (online document sharing tool used to support the exchange of information between the Commission, customs administrations and the representatives of economic operators across the EU)
PoC	Proof of Concept
PoUS	Proof of Union Status
PROD	Production
QUOTA	Electronic system for quota management / allocation
REX	Registered Exporters System
RfC	Request for Change
RPS	Reference Pricing System
S/W	Software
S2S	System-to-System
SAML	Security Assertion Markup Language
SASP	Single Authorisation for Simplified Procedures
SDR	Single Declaration Record
SMS	Specimen Management System
SMT	Service Management Tool (Synergia)
SOA	Service Oriented Architecture
SP	Special Procedures
SPEED; SPEED2	Single Point for Entry or Exit of Data; Single Point for Entry or Exit of Data 2
SSO	Single Sign-On
SSTL	Smart and Secure Trade Lanes

<b>Acronym</b>	<b>Description</b>
STI	Shared Trader Interface
Surveillance; Surveillance2; Surveillance3	A central database (managed by DG TAXUD) providing statistics for all products imported into the EU customs territory and for certain products exported from the EU customs territory
SURV-RECAPP	Surveillance Reception Application
SW	Single Window
SW-CVED	Single Window – Common Veterinary Entry Document
T2L	Means of proof of the Customs status of Union goods
T2LF	Means of proof of the Customs status of Union goods for goods transported to, from or between the non-fiscal areas
TARIC3	Integrated Tariff of the European Communities 3
TB	Terabyte
TCG	Trade Contact Group
TCS	Trade Customs Solutions
TDA	Transitional Delegated Act
TEMPO	TAXUD Electronic Management of Projects Online
TES	Trans-European System
TIR	Transports Internationaux Routiers / International Road Transports
TP	Trader Portal
TRACES	Trade Control and Expert System
TS	Technical Specifications
UCC	Union Customs Code
UCC WP	Union Customs Code Work Programme
UI	User Interface
UNECE	United Nations Economic Commission for Europe
UUM&DS	Uniform User Management & Digital Signature
VPN	Virtual Private Network
WCO	World Customs Organisation
XDEV	Development contractors (FITSDEV, CUSTDEV, CCN2-DEV)
XML	Extensible Markup Language
XSD	XML Schema
Country codes	<a href="http://www.iso.org/iso/country_codes.htm">http://www.iso.org/iso/country_codes.htm</a> (ISO 3166)

**Table 1: Abbreviations and acronyms**