



European
Commission

Management plan 2023

DG TAXATION AND CUSTOMS UNION

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At a time when every euro counts, generating public revenues and protecting the financial interests of the EU and our Member States are of critical importance.

Taxation and customs are central to helping Europe leave the economic downturn behind and transition towards a stronger, greener and more digitalized economy.

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Paolo Gentiloni

European Commissioner for Economy



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The recent crises highlighted the critical role of taxation and customs in responding to emergencies, protecting our economies, safeguarding our citizens and supporting our businesses.

In 2023, DG TAXUD will work with continued commitment and vigour to deliver initiatives that support the EU's path to a more prosperous, more sustainable and greener future

”

Gerassimos Thomas

Director General Taxation and Customs Union



INTRODUCTION

In 2023, **DG Taxation and Customs (DG TAXUD)** will continue to develop important initiatives to support the Commission's agenda for a fairer, greener and more competitive future. Many of these initiatives respond to the conclusions of the **Conference on the Future of Europe**, presented in June 2022. At the same time, we will actively engage in the interinstitutional negotiations on recently adopted tax and customs proposals, to ensure that their benefits are delivered for citizens and businesses across Europe.

In the area of taxation, our agenda to create a robust, efficient and fair tax framework, which delivers solid revenues and is conducive to growth, was set out in the Business Taxation in the 21st Century Communication in 2021. DG TAXUD has made substantial progress in delivering the initiatives set out in that programme and we will deliver further important work in the year ahead.

Corporate tax reform will be a high priority in 2023. In her State of the Union speech last September, President Von der Leyen emphasized the importance of creating an enabling business environment, for a more dynamic and competitive Single Market. In this vein, we will present a new initiative to improve the business tax framework in the EU. Our **BEFIT** proposal will seek to reduce compliance costs, break down tax obstacles and encourage productive investment and entrepreneurship in the Single Market. We are also committed to ensuring the implementation of both pillars of the international tax reform – in Europe and worldwide. This will provide businesses with tax certainty and a level playing field, while ensuring that national governments can access fair and stable corporate tax revenues. Another measure to enhance the business tax environment will be our proposal on **Withholding Tax Procedures**, planned in the first half of the year. This will reduce major tax obstacles that currently make it cumbersome to invest cross-border. In addition, businesses will benefit from new initiatives in the field of VAT, including a proposal to reduce the negative impact of **VAT disputes**, which are so costly and time-consuming for cross-border companies.

Our fair taxation agenda will also remain a priority in the year ahead, given its role in protecting public budgets from base erosion and safeguarding fair competition for businesses. Fighting tax abuse is a key way to boost public finances without burdening those most impacted by the recent crises. DG TAXUD will propose new measures to target those that encourage the use of **abusive tax schemes in third countries (SAFE)**, in a bid to reduce aggressive tax planning and tax evasion.

DG TAXUD will also build on the reflection process it has launched through the **EU Tax Symposium**, to re-orientate taxation policy so that it is fit for the future. Over the course of 2023, we will combine deep analytical work with stakeholder outreach activities to examine how best to respond to new and emerging trends and challenges in the area of taxation. The outcome of this process will be critical in orientating future tax policy, at both EU and national level.

The Symposium process spotlighted the importance of taxation for a smooth green transition, and the vital role that green tax measures can play in tackling climate change. In 2023, DG TAXUD will support the roll-out of the landmark **Carbon Border Adjustment Mechanism**, including through the development of new IT systems, while also pushing for the swift adoption of the revision of the **Energy Tax Directive**.

DG TAXUD is also central to the work on EU Own Resources, on which the EU growth agenda depends. In 2023, we will provide legislative proposals in the area of **corporate taxation**, which will contribute to the future of the EU budget, together with revenues from the new Carbon Border Adjustment Mechanism (CBAM). In addition, we will examine the issue of **financial sector taxation** as a possible new own resource, in line with the inter-institutional agreement. Our work on **tackling VAT and customs fraud** also remains essential in protecting the EU's financial interests.

This year marks the 30th anniversary of the Single Market, of which the EU Customs Union is the founding stone. Customs is an integral part of the Single Market machinery, protecting our citizens and businesses, promoting and enforcing our regulatory requirements, allowing legitimate trade to flow and collecting much-needed public revenues. However, the Customs Union has failed to evolve with the new demands and challenges confronting it in the 21st century. To ensure that customs can fully protect the Single Market, while delivering efficiently on its many other tasks, DG TAXUD will propose a major **reform of the Customs Union** in the first half of 2023. This reform will seek to make customs fit for a fast-paced, digitalised, globalised world, particularly through the use of data analytics and modern technologies.

Over the past few years, Europe has been hit by an unprecedented number of exogenous crises. Importantly, this has also been a period when the EU has shown that it can respond swiftly, strongly and in solidarity to such crises. Historic flagship initiatives from the Commission have been pivotal to our success in facing up to each emergency as it arose. DG TAXUD has been heavily involved in each EU **crisis response**, at every stage. Our actions have ranged from coordinating customs' enforcement of the war sanctions, installing VAT and duty waivers for vital medical equipment in the pandemic and designing a new solidarity contribution from the fossil fuel sector, so that the burden of the energy crisis is fairly shared. Over the next 12 months, DG TAXUD will be ready to react with the same agility, innovation and determination to crises as we have over the past few years. We will also continue to ensure that Member States remain as coordinated as possible in national crisis response measures in the areas of taxation and customs.

In addition, the work of DG TAXUD remains focused on supporting the EU's highest political priorities, including in other policy fields. Through both taxation and customs policies, we will support other key flagships such as the **Security Union**, the **Health Union** and the **Digital Transition**. DG TAXUD will also continue to invest in the Commission's work on the **Recovery and Resilience Facility (RRF)**, working with Member States on the implementation of the taxation and customs elements of their national plans. We also work

in close partnership with DG REFORM to assess Member States' requests for assistance with their reforms, under the **Technical Support Instrument**.

This Management Plan highlights the most important deliverables for the year ahead, through which DG TAXUD will deliver on these and other priorities.

PART 1

General Objective 1: European Green Deal

Specific Objective 1.1: Design EU tax policy actions that contribute to a carbon neutral continent by 2050

The Green Deal highlighted that tax policy can not only encourage more environmentally conscious behaviours, but also boost economic growth and improve our resilience to climate shocks. Importantly, well-designed taxation can also contribute to a fairer society, where no one is left behind in the green transition. The Commission's REPowerEU plan underlined the need to intensify the move to clean energy and to increase the EU's energy autonomy and resilience – work which Russia's aggression in Ukraine has made ever more urgent.



DG TAXUD will continue to make an important contribution to the EU's green and energy agendas in 2023, building on the legislative proposals, emergency measures and policy support and guidance that it has already delivered over the past few years.

The revision of the **Energy Tax Directive**, proposed in 2021 as an integral part of the Commission's "Fit for 55" Package, will support the green transition while also helping to reduce our dependence on foreign imports of fossil fuels. The revised Directive will overhaul the EU's outdated framework for taxing energy, so that the most polluting fossil fuels are taxed the most, while cleaner fuels are taxed the least. In 2023, DG TAXUD will continue to support the negotiations on this important proposal, pushing for them to be successfully concluded as early as possible in the year.



DG TAXUD's second proposal in the "Fit for 55" Package was for a **Carbon Border Adjustment Mechanism (CBAM)** – a tool to ensure that the EU's climate change ambitions are not undermined by others. The CBAM will apply to imports in a similar manner that the EU ETS that applies to domestic production, in order to mitigate the risk of carbon leakage. Following the political agreement on the Carbon Border Adjustment Mechanism in December 2022, DG TAXUD will support the work to pin down the final technical details and ensure the formal adoption of this important initiative. ,

A high priority for DG TAXUD will be to ensure that the CBAM can be smoothly implemented, with a transitional period starting in 2023. We should receive the first data

on the embedded emissions on imported goods in 2023, which we will analyse in order to refine the methodology for declaring the emissions during the definitive period. The forms for declaring this data, and other crucial IT support instruments, will also start to be developed. In addition, DG TAXUD will prepare the necessary implementing and delegated acts for CBAM.

Given that a significant proportion of the CBAM revenues should go to the EU budget to finance Europe's recovery and growth plans, we will also review the implementing measures for the system of new own resources, based on the final outcome of the CBAM negotiations.

Beyond EU legislation, DG TAXUD will continue to support Member States' use of taxation to support their green transition. Taxation can have a significant impact in sending the right environmental price signals and providing incentives for sustainable behaviour by producers, users and consumers. Over half of all Member States have adopted green tax measures in the context of their Recovery and Resilience Plans and DG TAXUD will continue to encourage such reforms, including through the **Recovery and Resilience Facility** and **European Semester**.

Fighting climate change must be a global effort and DG TAXUD will continue to promote **international discussions on carbon pricing and carbon mitigation** policies in all relevant fora (OECD, G7, G20, WTO...), as well as bilaterally with our trade partners.



TACKLING CLIMATE CHANGE AND SUPPORTING EU ENERGY AUTONOMY, IN A SOCIALLY FAIR MANNER

Taxation policy can play a central role in ensuring a socially fair green transition and in cushioning the impact of changes in the energy markets for the most vulnerable.

As highlighted in the November 2022 Tax Symposium [see pp. 15], green taxation must be part of any holistic tax reform, to support the EU's environmental objectives and generate revenues for a just transition. The European Green Deal includes a commitment to shift the tax burden away from labour towards pollution, which would support jobs and growth while supporting our climate goals. The reflection on the future tax mix, the role of green taxation and the fair redistribution of revenues will continue in the year ahead. DG TAXUD will build on the outcomes of the Symposium to develop policy options for the medium-to-long term.

The proposal to revise the ETD [see above] is fully aligned with the EU's ambitious climate objectives while also supporting the goal of EU strategic autonomy. It contains several provisions that would reduce the price of climate-friendly products, which can be internally sourced in the EU, and would increase the tax burden on imported fossil fuels. In addition, the revised ETD includes measures to ensure the most vulnerable are protected, in keeping with the commitment to a just transition. Under the proposal put forward by the Commission, Member States will be able to activate a targeted exemption for those hardest hit by costs of the green transition.

With a more immediate impact, in the context of the current energy crisis, DG TAXUD has worked to identify measures to alleviate the pressure on citizens and businesses, while remaining faithful to the green agenda.

In September 2022, we developed a temporary new Solidarity Contribution from the fossil fuel sector, as part of the Commission's package of emergency measures to address high energy prices. The Solidarity Contribution will consist of a portion of the excess profits of oil, coal and gas extraction and refinery companies. The revenues from this measure will be redistributed primarily to those most impacted by the energy crisis. In 2023, DG TAXUD will assist Member States in the implementation of this measure, providing guidance and technical advice where needed.

Since the start of the energy crisis, DG TAXUD has also responded to a steady stream of requests from Member States for derogations from EU excise duties rules and guidance on applying VAT reduced rates. We will continue to provide guidance and explanations to Member States in these areas and support them in finding sustainable ways of easing the impact of the crisis, in compliance with EU law.

In the area of **customs**, DG TAXUD has also worked to promote the green transition and environmental protection worldwide. The Customs Union reform, which TAXUD will propose in 2023 [see p. 20] will put the greening of customs at its core. At the same time, customs serves as the gate-keeper in enforcing EU environmental rules at the borders, such as the new deforestation requirements. DG TAXUD will also continue to push international partners, notably through the WCO, to maximise customs' potential to contribute to greener international trade [see p. 25]. In 2023, we will continue to promote and support WCO initiatives that enable customs to support the green transition, while continuing to press for environmental classification of goods at customs when the harmonised system rules are revised in 2027.



General Objective 3: An economy that works for the people

Specific Objective 3.1: Develop tax policy actions for a stronger, fairer and more efficient Single Market

I. Implementing corporate tax reform, for a fairer system that supports business and investment

As underlined in President Von der Leyen's State of the Union address, Europe's future competitiveness relies heavily on a favourable business environment in our Single Market, particularly for small and medium enterprises. On one hand, this means ensuring a level playing field and protecting fair competition. On the other hand, it requires removing unnecessary compliance costs and administrative burdens, supporting the shift to more digitalised processes and creating an environment that encourages innovation and investment. The work that DG TAXUD will carry out in the area of corporate taxation in 2023 delivers on both fronts.

The EU agenda to reform corporate taxation was broadly set out in the 2020 **Tax Action Plan** and the **Business Taxation in the 21st Century Communication**. A large part of these plans have already been delivered by DG TAXUD and further major initiatives to advance this ambitious reform programme will be presented in the year ahead.

In addition, DG TAXUD will continue to push for the swift implementation of the landmark **international corporate tax reform**, agreed in 2021, which will create a fairer global tax framework, fit for the modern, digitalised economy. The 2-pillar reform entails the reallocation of taxing rights for the 100 biggest multinationals and the establishment of a minimum effective tax rate worldwide. In 2022, DG TAXUD invested heavily in the OECD's work to hammer out the technical specifications for implementing these two pillars.

As a swift follow-up to the global agreement, DG TAXUD presented a proposal to implement the **minimum effective tax rate (Pillar 2)** across the EU. We supported the inter-institutional negotiations on this proposal throughout 2022, which resulted in Member States' unanimous agreement in December. In 2023,

DG TAXUD will continue the work on minimum taxation, by supporting Member States in their work to implement the Pillar 2 Directive by the deadline of 31 December 2023.



This agreement on minimum corporate taxation is a win for fairness, a win for diplomacy and a win for multilateralism. The European Commission never gave up on this deal, and I am proud to see it became reality.

Paolo GENTILONI
European Commissioner for Economy



With regard to **the reallocation of taxing rights (Pillar 1)**, an EU approach will also be established once the OECD-level Multilateral Convention has been signed on this issue. This is currently expected to happen in the first half of 2023, and should be coupled with Model Rules defining the technical details to implement Pillar 1. As soon as these steps are completed at global level, DG TAXUD will present a proposal for the consistent and comprehensive implementation of Pillar 1 in Europe, taking into account the specificities of the Single Market. By 30 June 2023, we will submit a **report** to Council on the progress on Pillar 1 at international level, with a view to providing more clarity on the plans for the EU proposal. Once agreed and implemented, a proportion of the Pillar 1 revenues will be used to promote recovery and growth via the EU budget, as foreseen in the Commission's proposal on new own resources of December 2021 [see box on p. 14].

In parallel to supporting the international reforms and their proper implementation, DG TAXUD continues to work for a comprehensive overhaul of corporate taxation within the EU. In 2023, a major initiative will be proposed to install a new, modern and simple framework for corporate taxation in Europe. **BEFIT** will create a common rulebook for calculating companies' tax base, replacing the 27 different national systems that businesses in its scope must deal with today. This will cut red-tape, reduce compliance costs and foster an environment that supports cross-border enterprise, investment and growth. It will also facilitate SMEs that are looking to expand beyond their domestic markets and will contain

measures to stimulate investment and growth. BEFIT will also lay down a more efficient system for allocating taxing rights between Member States, thereby complementing and strengthening the impact of the international tax reform. BEFIT will replace the 2016 proposal for a Common Consolidated Corporate Tax Base, which will be **withdrawn** in 2023.



In a further move to improve corporate taxation in the EU – for both businesses and administrations – DG TAXUD will also present a new proposal to improve **Withholding Tax Relief Procedures** in the EU. This is an important initiative, amongst other things, for the Capital Markets Union. Current withholding tax procedures are highly inefficient, cumbersome and prone to fraud, with one estimate putting the losses at EUR 8.4 billion annually (2016 data). The proposal will seek to improve and digitalise the procedures for withholding tax, to make it less burdensome to invest cross-border in the EU and more attractive to operate in the Single Market. It will also include new transparency and information exchange provisions in this area, to combat fraud and protect much needed public revenues.

A strong and stable business environment must be built on a level-playing field, with all taxpayers' paying their fair share. Moreover, EU growth and prosperity relies on Member States having strong and stable revenues, which are not undercut by aggressive tax planning and tax evasion. **Fair taxation**, therefore, remains crucial to the EU's recovery and resilience agenda.

Over the past decade, the Commission has built up a robust legislative framework to increase tax transparency and clamp down on abusive tax practices. A cornerstone in this is the **Administrative Cooperation Directive (DAC)**, which enables the automatic exchange of information between Member States in a wide range of areas with tax consequences, and creates more transparency and accountability around taxpayers' behaviour. The DAC has been amended several times to ensure that its scope matches the modern market and to respond to new and emerging challenges. The latest update – **DAC8** – was proposed at the end of 2022. It provides a new level of transparency around crypto-currencies and e-money, which the war in Ukraine highlighted as an ever more important area to regulate. In 2023, DG TAXUD will work with the co-legislators to ensure the earliest possible adoption of this proposal.



In addition, DG TAXUD will carry out an **evaluation of DAC** and its amendments, building on recommendations received from the European Court of Auditors and European Parliament. The evaluation will look at issues such as monitoring and the use of exchanged data, with a view to ensuring that the DAC remains a powerful and relevant tool in the fight against tax evasion and avoidance.

In 2023, DG TAXUD will also present a proposal to prohibit enablers from designing, marketing and/or helping to create aggressive tax planning or tax evasion schemes in non-EU countries. The proposal – **SAFE** – will target those that encourage the use of complex structures in third countries to evade or avoid tax, and will put forward a harmonised EU approach to penalties for such actions. The SAFE proposal complements the **UNSHELL** initiative, which the Commission proposed in 2021 to end the abuse of shell companies for tax purposes within the EU. DG TAXUD will continue to support Member States' negotiations on UNSHELL with a view to its adoption in early 2023.



As a complement to these and other EU legislative initiatives, the **EU listing process** is also an important tool to clamp down on third countries that facilitate tax abuse. DG TAXUD will continue to push for the EU list to be used to full effect in 2023 and will work to tighten the beneficial ownership requirements and criteria for zero-tax jurisdictions.

DG TAXUD will organise **communications campaigns** to promote all new initiatives in the corporate tax field.

II. Upgrading VAT rules, to protect revenues and promote growth

In the field of Value Added Tax (VAT), DG TAXUD is also firmly focussed on making life much simpler for businesses, including through digital solutions, while increasing public revenues by improving VAT compliance and fighting fraud.

A priority in 2023 will be to secure a swift agreement on the **VAT in the Digital Age** package, proposed by the Commission in December 2022. This comprehensive package seeks to modernise EU VAT rules for today's economy, reduce administrative burdens for cross-border businesses and safeguard significant revenues for Member States. Data and new technologies will be fully exploited to ease VAT procedures for businesses, enhance VAT collection and better tackle VAT fraud. New rules for platforms will bring the VAT framework up-to-date with the modern economy. The package also upgrades the EU's rules for VAT in eCommerce, extending the One Stop Shop for EU businesses and improving the Import One Stop Shop for external traders. All of this will contribute to an enabling business environment and boost EU competitiveness, while ensuring that Member States have sustainable public revenues.



Better **prevention and resolution of VAT disputes** would also enhance tax certainty and improve the tax environment for companies operating in the Single Market. In 2023, DG TAXUD will carry out a **study** and propose new measures to reduce the time, cost and effort currently required to solve VAT disputes.

Reforms to improve the Single Market for businesses and citizens from a tax perspective are essential for long-term growth and competitiveness. However, unless taxpayers are aware of the EU rules – and the rights they afford them across the Union – they may have little effect. Therefore, DG TAXUD will publish a **Communication on Taxpayers' Rights** and launch a wide-scale **information campaign** on the issue. The aim is to increase taxpayers' knowledge and understanding of the full range of EU rights they have in the field of taxation and to guide them in accessing these rights when needed.

DG TAXUD will also put forward further enhancements to the VAT system to ensure it works better for national administrations. As part of the VAT in the Digital Age package, which should be agreed by Member States in 2023, the **VAT information exchange system (VIES)** will radically change. VIES will become an agile electronic central system that will provide tax authorities with more up-to-date and granular information on intra-Community transactions. Furthermore, we will continue the **evaluation** of the Regulation on **VAT administrative cooperation**. This Regulation had been amended several times over the

past few years, with new and more effective tools for administrative cooperation. However, the way Member States fight VAT fraud can still be improved. The evaluation will provide important information to assess the current tools and serve as a basis to plan a new proposal to further strengthen VAT administrative cooperation by the end of 2023. The aim will be to improve cooperation between tax authorities and OLAF and Europol, enhance the role of **Eurofisc**, and give a more central role to the Commission in fighting VAT fraud.

An important forum in which administrative cooperation between Member State authorities can be reinforced is **TADEUS**, which brings together the heads and deputy heads of national tax administrations and the Commission. Following a high-level plenary in 2022 to define a forward-looking agenda for TADEUS, several new projects have been identified by the heads of EU tax administrations. These include, amongst other things, projects on digital security, artificial intelligence and the better use of DAC data. DG TAXUD will actively contribute to these and the other workstreams in TADEUS and take stock of progress at the plenary in autumn 2023. TADEUS is also working on common methodologies for the estimation of the tax gap, and in particular of the VAT e-commerce gap and the gap linked to Missing Traders fraud. This work will complement the recurrent annual report on the **VAT Gap**, undertaken by the Commission.



In 2023, DG TAXUD will keep working with the Member States to improve the implementation of the **EU tax recovery assistance framework**. This activity will include actions to support the full application of EU law and to increase the knowledge of this EU framework at the level of national tax authorities. We will also start the preparatory work to improve the EU legal framework on mutual tax recovery assistance.

Cooperation with non-EU countries in fighting cross-border evasion and fraud will remain a priority in 2023. An important deliverable in this respect will be the revised **EU-Norway Agreement** on Administrative Cooperation in the area of VAT, which should be signed in the first half of the year. This revision will align the Agreement – which has already delivered notable results – to new administrative tools and make it even more effective as a tool for detecting and preventing fraud.

The Commission will also continue to make efforts for the implementation of the **EU-UK Trade Cooperation Agreement** on VAT administrative cooperation and tax debt recovery assistance. Likewise, the Commission will make every effort to ensure a correct application

of the **Protocol on Ireland and Northern Ireland**. DG TAXUD will also look for useful and effective cooperation with other third countries, based on the mutual interest in fighting VAT fraud.

We will organise **communications campaigns** on all new VAT initiatives in 2023.

III. Looking ahead for a more prosperous and resilient future

The EU’s long-term budget, coupled with NextGenerationEU (NGEU), form the largest ever stimulus package in Europe, focussed on the EU’s recovery and the transition to a greener, more digital and more resilient future. In order to finance this investment package, as well as the Social Climate Fund for a just green transition, the Commission proposed a first package of **new EU own resources** in 2021. DG TAXUD is responsible for two out of three of the proposals in that package, namely **CBAM** and the upcoming **Pillar 1 Directive** (re-allocation of taxing rights).



The Commission intends to present another package of new own resources in 2024, and DG TAXUD will remain central to the design and development of these new sources of funding. The second basket of new own resources will be built, inter alia, on TAXUD’s proposal for a single set of tax rules for doing business in Europe (BEFIT). At the same time, we will continue to ensure that the revenues from traditional own resources are well protected, through our work to improve compliance and tackle VAT and customs fraud.

The **Recovery and Resilience Facility** (RRF), and the **European Semester** with which it has been integrated, will continue to be the main frameworks for economic policy coordination across the EU in 2023. The economic policy agenda remains structured around the four dimensions of competitive sustainability: fairness, environmental sustainability, productivity and macroeconomic stability. Accelerating structural reforms that make taxation systems more growth friendly and that improve the long-term efficiency of public spending would strengthen potential growth and debt sustainability. It would also support the capacity of fiscal policy to respond to future crises. In 2023, DG TAXUD will continue to ensure that tax policy plays its part in the EU economic governance processes and in the implementation of the RRF. We will also continue to support DG REFORM in assessing Member States’ requests for support with their reforms under the **Technical Support Instrument**.



The EU’s agenda for a greener, more digitalised and more resilient future, coupled with new and emerging mega-trends such as changing labour markets, globalisation and an ageing population, call for a re-think

of the very fundamentals of taxation. On one hand, these economic and societal changes will significantly impact the long-term viability of our current tax systems as sustainable sources of revenue. On the other hand, well-designed tax frameworks can help substantially in delivering on the EU's medium- to long- term goals, and in addressing the challenges that we face as a Union. With this in mind, DG TAXUD has launched an ambitious reflection process on the "EU Tax Mix on the road to 2050", which culminated in the first **EU Tax Symposium** in 2022. The Symposium, which brought together over 1000 high-level politicians, policy-makers, academics and stakeholders, discussed various key aspects of the future tax mix, including corporate and green taxation.

In 2023, DG TAXUD will build on the input received from the Symposium process to deepen the analytical work and widen the debate around the future of taxation. Another high-level Tax Symposium **event** will be held in autumn 2023, to take stock of the progress made. DG TAXUD's annual reports - '**Taxation Trends in the European Union**' and '**Annual Report on Taxation**' – will also provide valuable insights into Member States' tax systems, with a view to supporting evidence-based reforms.

PROPER ENFORCEMENT FOR BETTER RESULTS IN EU TAX AND CUSTOMS POLICY

DG TAXUD will enhance its support to Member States in implementing the EU tax and customs legislation, monitor the application of EU rules and take infringement actions, as needed.

The first focus is on engaging proactively with Member States as they transpose and implement EU law in these policy areas, to prevent potential breaches. In this respect, DG TAXUD will hold compliance dialogues and meetings on specific aspects of relevant legislation; this includes through dedicated bodies such as the VAT Committee, Excise Duties Committee and Customs Expert Group, as well as via dedicated working parties or bilateral meetings on horizontal issues in the field of direct tax.

As part of prevention efforts, and in line with the Commission's policy, DG TAXUD will systematically check the completeness and correctness of the transposition of EU legislation into national law. Where appropriate, DG TAXUD will request the input of external consultants, to have a full picture of how EU legislation in the areas of tax and customs is being implemented on the ground.

Through **information campaigns**, DG TAXUD will also encourage citizens and businesses to speak up on how EU legislation works concretely and whether it delivers the expected results. DG TAXUD will continue to contribute to and follow up closely on the implementation of Court of Justice preliminary rulings in the field of taxation. Such rulings remain an essential avenue for Commission actions to ensure the correct application of EU law. They are also crucial for the development of EU tax policy, in an area where agreement on tax proposals depends on the unanimity rule.

When the dialogue with Member States fails, infringement procedures may be launched, to ensure that DG TAXUD's policy priorities are fully and correctly delivered at national level. DG TAXUD will prioritise enforcement actions in areas where they are most required, align with policy priorities and/or have the greatest impact. The DG will also endeavour to make progress in solving long-running infringement cases, including via dedicated bilateral meetings with Member States.

Specific Objective 3.2: Implement the EU Programmes supporting tax and customs policy

The Customs and Fiscalis programmes finance initiatives to boost collaboration, complemented by the large portfolio of EU level training activities, between the Member States' customs and tax administrations. This collaboration directly contributes to the increased effectiveness and efficiency of national administrations and to the coherent and consistent application of EU law across Member States.



In addition, these programmes have a strong focus on the modernisation and digitalisation of EU tax and customs, in line with the EU's wider priorities. Over 96% of the new Customs programme's budget and over 93% of the new Fiscalis programme are dedicated to establishing and operating trans-European electronic systems (EES), thereby enabling them to also contribute

to the **General Objective of creating a Europe Fit for a Digital Age**.

Under these programmes, the full set of Customs EES should be delivered by the end of 2025, as foreseen under the Union Customs Code. These will connect customs administrations across the EU, to better manage financial and security risks while facilitating trade. As such, they will complement the objectives of the ambitious reform of the EU Customs Union that DG TAXUD will propose in the first half of the year [see p. 20]. In 2023, DG TAXUD and the Member States will pursue the work to deliver the Customs EES within the timeframe foreseen. We will also work on the Taxation EES, which will support the objectives of fair taxation and sustainable revenues, by enabling tax administrations to better fight tax fraud and evasion, and to exploit the massive amounts of data collected by tax authorities.

For the **Customs and Fiscalis programmes**

(2021-2027), activities will continue in 2023 in accordance with the Multi-Annual Work Programmes (MAWPs)¹. In line with the planning set out, DG TAXUD will support the implementation of activities within the scope of the grant agreements for collaborative activities under each programme. One new expert team under Fiscalis should be launched in 2023. The

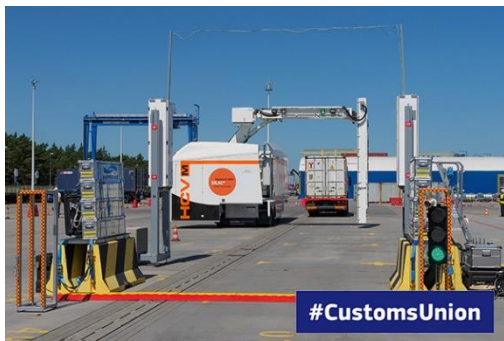
work of eleven on-going expert teams will continue to be supported by DG TAXUD. Considering that three new countries (**Ukraine, Georgia, Moldova**) have joined the



¹ In 2023, the second MAWP for Customs (2023-2025) will kick off, whereas for Fiscalis it will be the last year of implementation of the first MAWP (2021-2023, amended in 2022).

programmes² for the first time, a particular attention will be given to on-boarding activities to help these countries become fully fledged participants.

In 2023, the second multi-annual work programme (MAWP) for the **Customs Control**



Equipment Instrument (CCEI) will be adopted, and continue to reflect the CCEI's goal of enabling the EU customs to function as one. The CCEI will support national customs administrations in ensuring equivalent and adequate levels of customs controls. Specifically, the CCEI will co-finance the purchase, upgrade and maintenance of customs control equipment to modernize and equip all customs offices and laboratories within the Customs Union with state-of-art equipment.

The results of programmes' activities will be reported in the respective **annual progress reports**, building on the full implementation of the programmes' streamlined and improved monitoring and evaluation framework, finalised in 2022. Appropriate follow-up will be given to the implementation of the outcomes of the final evaluation of 2020 programmes. Deploying a more streamlined approach to programmes' activities, encouraging participating countries to reinforce their ownership and sense of initiative in the programmes, and providing a strategic steer to programmes' activities in order to reach the expected results will continue to be at the core of programmes' activities. At the same time, DG TAXUD plans to give a particular focus to **communication and awareness-raising activities** to highlight the added value of the programmes and their potential.

Specific Objective 3.3: Support wider EU policy priorities through taxation

DG TAXUD ensures that EU tax and customs policies are fully coherent with other EU policy areas and we seek to maximise their potential in delivering on Europe's key goals. EU taxation policy is already highly integrated in the EU's recovery and growth agenda, central to the Green Deal (*see General Objective 1*) and an important factor in the work for the digital transition. Customs plays an essential role in managing and enforcing EU trade policy, while also checking that imports conform to a wide range of EU requirements and standards and protecting our citizens and businesses from external risks.

In addition, over the past few years, taxation and customs policies have made notable contributions to the EU's **crisis response** – whether this has been on Covid-19, Russia's war in Ukraine, energy prices or Brexit. In 2023, DG TAXUD will remain ready to take swift, effective and appropriate action in response to any emergency situations that arise.

² In addition to seven non-EU countries participating in 2020 programmes and continuing their participation in the new programmes.

SOLIDARITY WITH UKRAINE THROUGH TAX AND CUSTOMS POLICIES

DG TAXUD has been actively involved in the EU response to the war in Ukraine. We quickly mobilised resources to identify and implement effective measures in both tax and customs policy, which reinforce the EU action against Russia and support for Ukraine. This work will remain a high priority in 2023.

Customs have been at the forefront in enforcing the 8 EU sanctions packages, adopted since the start of Russia's war in Ukraine, and in preventing their circumvention. In 2023, DG TAXUD will continue to coordinate closely with EU national customs authorities, the private sector and third countries to this end. This includes facilitating quick and regular information exchange between Member States (via TARIC and CRMS2) on sanctions and related risks and holding regular meetings with the heads of EU customs administrations to coordinate proper crisis management. DG TAXUD will continue to compile a weekly survey on the implementation of the sanctions, while working to further fine-tune the IT systems and data needed to monitor the situation on the ground. Particular support will be given to Member States bordering Russia and/or Ukraine, with on-site visits to assess the situation and provide support when needed. We will also continue to work with non-EU partner countries to prevent EU sanctions from being circumvented, including by activating customs cooperation agreements to this end. High priority will also be given to providing traders and other stakeholders with information and clarifications on the sanctions, as was done in 2022.

DG TAXUD has also boosted EU customs cooperation with Ukraine, in particular through the pre-accession work [see p. 24] but also through support for the solidarity lanes, supporting Ukraine's accession to the Common Transit Convention and opening the EU's Customs and Fiscalis programmes to Ukraine. This work on closer cooperation between EU and Ukrainian customs and the facilitation of smooth and safe trade-flows between both sides will continue in 2023.

We will also assess the need to renew the 2022 decision on **VAT and customs duty relief** for goods imported by state organisations for charitable purposes, to help Member States in their humanitarian assistance to Ukrainians, both in the EU and in Ukraine. In addition, we will continue to reflect on tax and customs measures that can be taken to facilitate the integration of Ukrainian people into the EU market.

The **Tax Enforcement Plan**, agreed in 2022, contains measures to ensure effective tax enforcement action against sanctioned Russians and Belarussians, their companies and their associates. These actions include tax audits, screening refunds and information exchange between authorities. Its implementation is coordinated by the tax subgroup of the EU's "Freeze and Seize" Task Force. In 2023, the subgroup on tax enforcement will continue its activities with a view to making progress on the detection of tax evasion or other crimes,

undertaking cross-border investigative measures and enhancing cooperation with third countries in this area.

EU leaders have committed to “bolster European defence capabilities” and intensify the work on the **Security Union**. To support this goal, DG TAXUD will contribute to the European Defence Investment Package (EDIP) proposal, due in early 2023. We will seek to align the **VAT treatment of defence efforts** in the EU and under the NATO umbrella. The aim is to support EU Member States in carrying out joint procurement and developing joint defence capabilities – particularly in light of Russia’s military aggression against Ukraine.

On the customs side, we will support, where needed, the negotiations on the proposals on **firearms** and against **goods produced by forced labour** and ensure that these can be properly implemented and enforced at customs. Customs also contributes to the Security Union by tackling a wide range of risks at the external border, from drug precursors, to unsafe and illegal products, to illicit cash flows [see p. 21]. The upcoming reform of the EU Customs Union [p. 20] will make customs far more effective in tackling these risks and in ensuring that EU policy standards and rules are upheld as goods cross our borders.

DG TAXUD will also continue to contribute to the EU’s **Health agenda** in 2023, given the impact that taxation can have in tackling public health risks. In particular, we plan to present a proposal to **revise the Tobacco Taxation Directive**, in line with Europe’s Beating Cancer Plan. The new proposal will revise the minimum excise duty rates for tobacco, harmonise the taxation of new products and strengthen the measures against fraud via the trade in tobacco.



We will also continue to work on the possible revision of the **Alcohol Rates Directive**, in keeping with the Beating Cancer Plan. The EU minimum rates for duty on alcohol and alcoholic beverages have not been revised since 1992, and no longer reflect the market or the rates applied by many Member States. In the first half of next year, we will report on the outcome of the evaluation on the revision of this Directive, with a view to deciding the appropriate next steps.

General Objective 5: Promoting our European Way of Life

Specific Objective 5.1: Develop a more modern Customs Union, to facilitate trade, safeguard revenues and protect citizens and businesses

I. Reforming the Customs Union, to make it fit for the future

Customs Union is the foundation of the EU Single Market. It enables goods to move freely within the EU based on customs clearance in any Member State and exports from the Union to be declared at any point of exit. However, since its creation, the role of the Customs Union has evolved, expanding beyond the traditional job of collecting tariffs. Growing trade volumes and new trade models, technological developments, security risks, geopolitical challenges and the green transition have all created new tasks and challenges for customs, demanding increasing agility, coordination and resources. In its current guise, EU customs has been ill-equipped to manage these challenges.



For that reason, in the first half of 2023, DG TAXUD will present the biggest **reform of the EU Customs Union** since its creation in 1968. This reform package will seek to make the Customs Union fit for a more globalised, digitalised and geopolitical world, and better adapted to modern challenges, such as new trade models and technological developments. The proposal will reorient and reinforce customs for a future in which the EU is safe, revenue is collected and trade is simple.

Among the key areas of action that will be included in this major reform package are:

- Simplifying processes and reducing the administrative burden for traders, including by streamlining import and export formalities and establishing trust-based relations.
- Improving risk management to better supervise goods entering and leaving the EU.
- Exploiting the full potential of data and creating a more joined-up approach between national and EU level, customs and non-customs authorities.
- Creating an improved governance structure, that will allow EU customs to act as one, eliminating weak points by ensuring that all authorities act in a unified way.

As the digitalisation of customs administrations and processes will be a key part of the reform, this work also contributes to the **General Objective of creating a Europe fit for the Digital Age**.

In preparing this reform, DG TAXUD will also consider the results of the **UCC evaluation** and the recommendations of the 2022 Wise Person's Group report, which highlighted the strengths and weaknesses of the current customs framework. The proposal will also take

on board the recommendations of the 2021 report by the European Court of Auditors (ECA), which found that customs controls are still insufficiently harmonised across Member States, EU rules are inadequately designed and risk assessment procedures are inadequate. DG TAXUD will also prepare an **impact assessment** on modernising and improving various domains of customs activity.



In parallel to the work on the legislative proposal, we will invest heavily in the groundwork to ensure that the reforms can be implemented smoothly and effectively, once agreed by the European Parliament and Council. This includes the **development of IT systems** needed for the more digitalised, data-driven customs processes and the enhancement of systems already in place

[see p. 22]. We will also continue to work closely with Member States to ensure the **IT implementation of the UCC systems** in the shortest possible time-span. DG TAXUD will also start an assessment of the **implementing measures** that will be required once the Customs reform process begins. Projects to improve risk management and develop a more efficient approach to the non-financial risks that customs must control will continue at full pace [see below].

Engaging with stakeholders on the proposed customs reform and explaining its benefits and impact will be crucial. DG TAXUD will conduct an active **outreach programme** on the envisaged reforms, targeted at businesses, traders and international partners.

II. Protecting EU citizens and businesses against non-financial risks

Customs is the first line of defence for the EU against unsafe and illegal products entering the Single Market. It is also the enforcer of various export controls, which have become ever more important in the context of recent sanctions and trade restrictions. The Customs Union is therefore a critical component of the **EU Security Union**.

In 2023, a new project on information exchange between **customs and Europol** will begin, following endorsement by the high level European Police Chiefs Convention (EPCC) in 2022. This is the first operational project on cooperation between customs and police to ever be launched at EU level. DG TAXUD will follow it closely, and will also receive and share information with Europol via the secure, dedicated SOENA system, to which we received access in October 2022.



Beyond safety and security considerations, customs also enforces EU regulations and standards in a wide array of other policy domains, ranging from human rights, to

environmental measures, to cultural goods. In fact, the range of **prohibitions and restrictions** which customs must control currently extends across 350 different pieces of EU legislation, and this is likely to continue to grow.

The upcoming Customs Union reform should ensure that customs is better equipped to manage the increasing number of controls related to EU prohibitions and restrictions. An important project in this respect will be the establishment of a “customs menu”, to review legislation across all policy fields in which customs has a task. This will build on the integrated Prohibitions and Restrictions List, published by DG TAXUD last year. A concrete deliverable in this workstream will be the **review of EU drug precursor legislation**, together with DG GROW, planned for at the end of 2023.

In recent years, several important new tools have been developed to improve customs’ capacity to manage controls and identify risks, particularly by tapping into the potential of data and digitalisation. These systems can be seen as stepping-stones towards the wider modernisation and reform of the EU Customs Union [see above].

The first such instrument is the **Import Control System** (ICS2) which was launched (Release 1) in 2021. The ICS2 aims to significantly improve customs’ risk management and the EU’s safety and security controls, notably through new pre-arrival security and safety requirements. On 1 March 2023, the second Release of ICS2 becomes effective, covering postal operators, express and air carriers and freight forwarders. DG TAXUD will continue the extensive **information campaign** to ensure that all relevant economic operators are aware of the new obligations under ICS2 and sufficiently prepared in advance. Another important development in 2023 will be the adoption of the Decision on the pre-arrival, common risk criteria, which DG TAXUD will present in the first half of the year. We will also continue to implement the data analytics component of ICS2 and look at how to strengthen the inter-connection between this system and other systems and databases.



The **Customs Risk Management System** (CMRS2) is another important IT system, conceived to reinforce customs controls. This system enables real-time exchanges of risk-related information between customs administrations. The CMRS2 has been at the heart of the work to enforce the EU sanctions against Russia and Belarus at customs. It also played a critical role in facilitating the swift control and clearance of large quantities of medical goods during the covid crisis. In 2023, DG TAXUD will ensure that this system continues to be used to its full potential and we will assess how to further expand it, also in light of the planned Customs Union reform.

The third major new system is the **EU Single Window Environment for Customs** (EU SWE-C). This is designed to improve digital cooperation and facilitate quicker and more

efficient data sharing between the authorities in charge of border controls. It aims to enable interoperability between customs and other competent authorities at the EU borders to streamline the electronic exchange of documents and information required for the goods clearance process. A central component of this framework is the EU CSW-**CERTEX** system, which links EU databases and systems managing non-customs requirements with Member States' customs systems. This is increasingly important given the growing scope of the non-customs rules and standards that customs have to control. The EU SWE-C Regulation will enter into force in December 2022, and government-to-government exchanges will become mandatory from 2025.

In 2023, DG TAXUD will start preparing the implementing and delegated acts governed by the EU SWE-C Regulation. These will establish procedural arrangements for the information exchange and specify the data elements to be exchanged through EU CSW-CERTEX. The proposed text of the implementing acts will be discussed with the Member States at a new "Single Window Environment" subsection of the Customs Code Committee. In addition, work is ongoing to develop **e-Learning courses** on the EU Single Window Environment, to provide training support to customs officers and economic operators.

III. Securing revenues and supporting compliant trade

Customs revenues are an important source of public funding, while customs tariffs help to encourage EU businesses and producers, and protect them from unfair competition.



The **Common Customs Tariff** (CCT) applies uniformly to goods imported into the EU, regardless of the Member State they are imported into. The uniform application of the CCT at every entry point to the EU is essential to ensure a level playing field and prevent fraud. DG TAXUD will also continue to work closely with customs administrations to ensure the uniform application of the CCT, while regularly updating the **Integrated Tariff database (TARIC)**, which contains all measures relevant to importing or exporting goods from the EU. This work also supports businesses and traders, by providing them with a comprehensive overview of all tariffs and other measures (e.g. prohibitions and restrictions) that apply for import and export.

In addition, DG TAXUD will continue the daily management of the **European Binding Tariff Information (EBTI)** system, which issues tens of thousands Binding Tariff Information (BTI) decisions every year. In 2023, we will prepare and present legal initiatives for a system of **Binding Value Information (BVI) Decisions**. These BVI Decisions should increase transparency, legal certainty and greater uniformity in customs valuation, to the benefit of businesses and traders, as well as customs authorities.

Before the summer, DG TAXUD will present proposals to update the **autonomous tariff quota and suspensions**, as is required every 6 months. These are granted to agricultural

and industrial products that we need in the EU, but do not produce ourselves in sufficient quantities. In order to ensure sufficient supplies of these specific goods in the Single Market, some customs tariff duties are partially or totally suspended.

Finally, to ensure that the deterrents and sanctions against illicit and illegal trade are effective across the EU, DG TAXUD has started to review **national customs infringements and sanctions**. In early 2023, we will report on our findings on the national sanctions regimes and develop best practice guidelines, to help ensure a more uniform EU approach.

DG TAXUD will organise **communications actions** to promote all new initiatives in the customs field and to keep businesses and traders updated with any new developments.

Specific Objective 5.2: Promote the EU's customs agenda internationally

Current geo-political turbulence and Russia's illegal invasion of Ukraine have highlighted the importance of strong EU cooperation with our international partner countries. DG TAXUD works with high priority to ensure close collaboration with non-EU partners, as well as within international organisations.



Customs cooperation with Ukraine was significantly stepped up in 2022 [see p. 24], with a view to ensuring safe and smooth trade-flows, tackling security risks and facilitating humanitarian passage. In 2023, the work to support **Ukraine, Moldova** and **Georgia** in their path towards EU accession will remain a primary focus. DG TAXUD will work very closely with these countries on the customs and taxation chapters, to ensure closer alignment to the *acquis*, and will help them to put the necessary standards, legislation and exchange of information mechanisms in place. We will also continue to pursue mutual recognition in key areas, notably in

relation to Authorised Economic Operators, with a view to facilitating swifter and smoother trade between both sides.

In addition, we will continue assisting **the Western Balkan countries** in their path towards EU accession and support the progressive alignment of the Eastern Partnership countries with the EU customs legislation. With **Turkey**, the work will continue to improve the implementation of the EU-Turkey customs union, for the benefit of traders and operators.

The **Pan-Euro-Mediterranean** (PEM) Convention on rules of origin aims at establishing common rules of origin among the EU and countries in the PEM zone (EFTA, Turkey, Western Balkans, Eastern Partnership countries and Mediterranean countries). DG TAXUD is currently working very closely with the PEM partners on the technical elements needed for a revision of the PEM Convention. A PEM Ministerial meeting in autumn 2023 will take stock of the progress in this work and decide the next steps.

With regard to relations with the **United Kingdom**, DG TAXUD will continue the work that we have been conducting since the end of the Brexit transition period, to ensure the proper implementation of the EU-UK Trade and Cooperation Agreement. This includes providing common or coordinated guidance for EU and UK customs authorities and operators on, for example, origin-related issues relevant for new and green technologies. We will also consider a political dialogue on harmful tax regimes with the UK, with a view to ensuring fair taxation. To ensure businesses and other stakeholders are well informed of any new developments, DG TAXUD will continue to proactively **communicate** on any changes or new procedures in tax and customs.

The work-strand on the **Protocol on Ireland and Northern Ireland** will also remain a priority in 2023 and DG TAXUD will maintain a core presence in the Northern Ireland Liaison Team. We will continue to assist in seeking bespoke solutions to the difficulties that businesses and citizens in Northern Ireland have been experiencing as a result of the withdrawal of the United Kingdom from the European Union and we will engage with the UK on the implementation of the customs aspects of the Protocol. Finally, DG TAXUD will continue to participate in the negotiations on the future **EU-UK agreement in respect of Gibraltar** in relation to customs and taxation issues.

Meanwhile, DG TAXUD will continue to ensure the smooth implementation of the EU's agreements with other third countries from a customs perspective and will propose updates and amendments as needed. In early 2023, we will put forward Decisions for the mutual recognition of Authorised Economic Operators (AEOs) with **Singapore** and propose an amendment to the Rules of Origin with **Central America**. We will also present the results of the evaluation of the **EU-China** Customs Cooperation and Mutual Administrative Assistance Agreement and work with Member States on the follow-up to the findings.

The **World Customs Organisation (WCO)** is the primary international organisation in which DG TAXUD participates to promote worldwide cooperation and global standards in customs. In 2023, we will remain firmly focussed on the modernisation of the WCO, with a view to a future-fit, powerful body for the global customs community by 2025. EU priorities such as technology and innovation, governance and green customs will be the primary focus of DG TAXUD's contributions at WCO level in the year ahead. We will also contribute constructively to the work on WCO flagship



instruments, including the revision of the Kyoto Convention. For any geo-political issues that arise, DG TAXUD will present the EU position in the WCO and collaborate with like-minded countries, as we did in response to Russia's war in Ukraine in 2022.

Domestically, DG TAXUD will work to renew the **Council Omnibus Decision** 2020/1707, which serves as the legal framework for preparing EU positions in the WCO Harmonised System Committee. The aim is to have the renewed Decision adopted by autumn 2023.

PART 2. Modernising the administration: main outputs for 2023

DG TAXUD will continue breaking the silos between units, between customs and tax and between areas of competence. In 2023, DG TAXUD will in particular aim to strengthen the internal consultation process. This interdisciplinary approach should further increase cross-fertilisation between disciplines and areas of expertise, result in innovative and novel ideas and stimulate ownership at all levels of the DG.

The internal control framework³ supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls. DG TAXUD has established an internal control system tailored to its particular characteristics and circumstances. The effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and will be subject to a specific annual assessment covering all internal control principles.

A. Human resource management

In 2023, DG TAXUD will keep its focus on competent and engaged staff and will foster diversity and inclusion across the DG. At the core of DG TAXUD's culture lies a collaborative and inclusive working culture, organisational agility and a two-way communication with staff.

In this vein, DG TAXUD will follow up on the feedback from the 2021 Staff Survey by revisiting its **mission and working culture**. This comprehensive process includes all staff, with a prominent input from middle and senior managers. To foster innovative and collaborative environment, DG TAXUD will further support project groups, task forces and networks. Furthermore, it will launch a **pilot project for co-development** on empowerment, leadership and breaking silos.

To ensure the high level of **staff competence** and to support **career development**, DG TAXUD will launch campaigns on career guidance and mobility, including cooperation with other DGs with similar staff profiles. **Learning and development** will continue to be a priority.

In line with its culture, as well as with the corporate and local HR strategies, DG TAXUD has adopted the **Equality mainstreaming work plan** and will work on its implementation throughout 2023. With a view to create a truly diverse and inclusive workplace, DG TAXUD plans to promote diversity in the form of workshops, appropriate composition of selection panels and monitoring related statistical data on gender and geographical balance. DG TAXUD will also strive to open up the possibilities for female candidates for the first Middle

⁽³⁾ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

Management appointments, in line with the Commission target in this respect. In 2023, it will continue its in-house female talent development programme.

These initiatives will be underpinned by reinforced human resource management. Under the corporate guidance, DG TAXUD will review, align and enhance its local assessment of available capabilities and its specific staffing needs, including succession planning, by **mapping existing skills** across the DG, to make the best use of them and identify gaps. DG TAXUD will also **assess workload** in a structured way which should also be comparable with similar exercises in other DGs, while still focusing on TAXUD's specificities.

DG TAXUD will also pay special attention to its **staff well-being**, with an aim of creating a safe, healthy and secure space within its organisation. It will follow the corporate health and wellbeing programme in this respect, promote the physical wellbeing activities organised in DG TAXUD premises, as well as raise awareness about mental health and wellbeing risks.

Objective: DG Taxation and Customs Union employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business.

Main outputs in 2023:

| Output | Indicator | Target |
|--|--|---|
| Launch an in-house programme for female talent development | Number of participants in the programme | Enrolment of at least 20 participants in the programme |
| Increase diversity and inclusion among staff | Progress in implementing actions in the TAXUD Equality mainstreaming work plan after 18 months | TAXUD Equality mainstreaming work plan implemented as planned |
| Encourage staff engagement and transform TAXUD culture | Progress in implementing actions in the 2021 Staff survey follow-up plan | Action plan following the 2021 Staff survey implemented as planned |
| Develop solid knowledge and data for informed HR decisions | <ul style="list-style-type: none"> In-house skills assessment In-house workload assessment | <ul style="list-style-type: none"> Overview of available and missing skills needed to deliver DG TAXUD objectives and for succession planning Overview of links between resources and priorities |
| Inform about career possibilities for different staff profiles | <ul style="list-style-type: none"> Certification information campaign for AST staff Communication campaign on career guidance Reviewed learning paths | <ul style="list-style-type: none"> Organising an event for AST staff on certification and a campaign for all staff on career Performing a thorough review of learning paths with an accompanying information to all staff |

| Output | Indicator | Target |
|-----------------------|---|--|
| Foster staff mobility | <ul style="list-style-type: none"> • Pilot mobility project with family DGs • Communication on mobility opportunities within the DG | <ul style="list-style-type: none"> • Implementing three actions within the family DG mobility project and organising three communication actions on internal mobility |

B. Sound financial management

In 2023, the internal control and risk management processes will be implemented as defined at corporate level. The indicators of the Strategic Plan will be closely monitored. The internal control framework will be fully adhered to, results of which will be reported in the 2023 annual activity report.

Under the new MFF, DG TAXUD's expenditure nearly tripled. To be able to maintain legal and regulatory assurance of all financial transactions, the focus throughout 2023 will continue to be on:

- 1) implementing the new eProcurement corporate tools and platforms ⁽⁴⁾;
- 2) prepare for the roll-out of SUMMA (January 2024)
- 3) continued review of the financial processes and control strategies and implementation of improvements/simplifications
- 4) trigger the implementation of phase II of the Analytical Cost Accounting mechanism for IT projects and services by further enhancing the tool and encoding the 2022 expenditure into the model.

The corporate eGrants platform has been configured for DG TAXUD's Customs and Fiscalis programmes, as well as for the new Customs Control Equipment Instrument (CCEI). eGrants brings operational efficiency, quality and consistency of data, while being a major simplification and harmonisation factor for the Commission and for beneficiaries. It plays a major role in the standardisation of ex ante controls of grants management

The delivery of the new eProcurement tools is somewhat delayed. DG TAXUD will start using these tools as soon as they will become available.

To maintain all ex ante and ex post controls cost-effective, and to be able to ensure timely payments, a dual approach is taken. DG TAXUD will:

- 1) exploit to the maximum extent the checks and controls that are embedded in the eGrants and eProcurement tools;
- 2) review and implement the ex ante and ex post control strategies for all expenditure using a risk-based approach.

⁽⁴⁾ Already implemented in 2022 for eGrants

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions.

Main outputs in 2023:

| Output | Indicator | Target |
|---|---|---|
| Effective controls: Legal and regular transactions | Risk at payment | remains < 2 % of relevant expenditure |
| | Estimated risk at closure | remains < 2 % of relevant expenditure |
| Effective controls: Safeguarded assets | Disposal of assets ((in)tangible assets and inventories) follow formal procedures | 100% compliance in imputation in the accounting system and 100% compliance with regulatory provisions |
| Efficient controls | <ul style="list-style-type: none"> Budget execution Time-to-pay | <ul style="list-style-type: none"> Remains 100% of payment appropriations Becomes 100% of payments (in value) on time |
| Economical controls | Overall estimated cost of controls | Remains 3% of funds managed |
| Analytical Cost Accounting mechanism for IT projects and services | Phase II completed | IT budget spending of 2022 fully encoded and attributed to specific projects, systems, actions |

C. Fraud risk management

With an ambitious EU budget addressing collective recovery and the green and digital transitions, protecting the financial interests of the EU and its Member States is more than ever a priority. Tax and customs policies should contribute to this objective.

DG TAXUD has developed and implemented its anti-fraud strategy since 2012, based on the methodology provided by OLAF and following the adoption of the Commission anti-fraud strategy. DG TAXUD strategy - updated during 2022 - set out an anti-fraud action plan to continue decisive actions to deter and prevent fraud.

DG TAXUD will continue implementing its updated anti-fraud strategy pursuing three operational objectives: fighting revenue fraud, ensuring the sound management of the EU programmes and public procurement, and creating an antifraud culture in the Directorate General. In addition, in 2023, DG TAXUD will continue to contribute to the implementation of the Commission Anti-Fraud Strategy (CAFS) and its action plan.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ⁽⁵⁾ aimed at the prevention, detection and correction ⁽⁶⁾ of fraud.

Main outputs in 2023⁷:

| Output | Indicator | Target |
|-----------------------------|--|---|
| DG TAXUD anti-fraud actions | Number of actions implemented or well-advanced | All actions in place in 2023 as planned / satisfactory progress in multi-annual actions – see Ares(2022)5440944 |

D. Digital transformation and information management

As ongoing **IT operations** work, TAXUD shall continue to ensure the management in operations of its two data centres and the appropriate functioning of its 130+ Information Systems in production, following the constraints of the existing Service Level Agreements. Many of those Information Systems are Trans-European Systems (TES), linking the Customs and Taxation authorities between themselves and with the Commission, as well as in certain cases with third parties.

As ongoing Customs operations work, TAXUD shall continue to perform the timely maintenance of the legislation and the underpinning business systems that support the Customs operations in Europe, such as management of Tariffication, Suspensions, Quotas, Classification and Nomenclature, etc. TAXUD operates its own data lab to make best use of the data processed.

On the front of IT Projects Management, the current portfolio of projects is of 100+ projects. These are projects to update existing systems or to create new TES required to deliver on legislation previously adopted, such as the Union Customs Code, EU Single Window Environment for Customs, VAT and Direct Tax, etc.

In 2023, DG TAXUD will continue implementing its IT vision fully in line with the **New Digital Strategy** (Next Generation Digital Commission), ensuring Continual Service Improvement via its IT Modernisation initiative, composed of 4 main tracks of work. The

⁽⁵⁾ Communication from the Commission ‘Commission Anti-Fraud Strategy: enhanced action to protect the EU budget’, COM(2019) 196 of 29 April 2019 – ‘the CAFS Communication’ – and the accompanying action plan, SWD(2019) 170 – ‘the CAFS Action Plan’.

⁽⁶⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁽⁷⁾ The following actions in the performance table also contribute to the Commission’s anti-fraud strategy: VAT Gap initiative, Evaluation of the VAT administrative cooperation, Communication on new risk management strategy, Monitoring of the functioning of preferential trade arrangements (rules of origin and administrative cooperation).

new design features coming from the Corporate IT Governance, like the “Solution design guidelines” and the Canvas application, will be used when preparing the new IT Systems

The main actions aim at improving further ICT services to the Member States and third parties (as well as within DG TAXUD together with its partners). DG TAXUD identified four tracks leading to modernization projects, tackling the following aspects:

- Adopting modern ways of doing ICT (similar to digital industry leaders),
- Faster time-to-operations for policy initiatives,
- Reducing risks of obsolescence and non-compliance,
- Reducing planning shifts and complex administrative procedures between contractors,
- Supporting the EC’s Digital Strategy principles: New IT Business Continuity Management System, further alignment and compliance with the corporate guidance for IT Security, implementation of the DevSecOps paradigm, Agile software development, Ask Once-Only principle, Digital by default and progressive move to the Cloud where appropriate.

In the context of the **modernisation initiative**’s track aimed at reducing the risk of obsolescence of IT solutions, DG TAXUD confirms having a process to deal with IT legacy (also known as technical debt). It is setup in iterative mode involving all contractors (Operations, Development and quality assurance) that report specifically on this area, either on-demand (to trigger an ad-hoc action), or discussed in the monthly follow-up meetings.

DG TAXUD follows all **corporate IT security rules** and recommendations and works closely with DG DIGIT to guarantee compliance. At the same time, DG TAXUD is one of the few DGs with an audited security posture along with a security strategy aligned with the latest corporate one. The main objective being increasing maturity levels, DG TAXUD will implement a security dashboard as outlined in the Information Security Management System (ISMS) presented in 2022. In terms of operations IT security, we continue implementing a Security Operations Centre (SOC) with DG DIGIT as the key service provider.

DG TAXUD will continue to raise awareness among DG TAXUD colleagues on the **personal data protection** rules and obligations for compliance. The objective is to ensure a high level of compliance and reach the targeted 100% awareness rate in 2024. In 2023 dedicated events will be organised for newcomers and all the staff processing personal data through trans-European electronic systems or any other way. Topical data protection features will be brought to the attention of staff through the weekly newsletter.

DG TAXUD will closely cooperate with Member States:

- To ensure the joint controllership arrangements are signed.
- To facilitate discussions on drafting agreements between Member States acting as (joint) controllers in trans-European electronic systems. and DG TAXUD, acting as a processor
- To discuss internal arrangements and agreements

The Data Protection Coordinator of DG TAXUD will continue to engage in the inter-DG Data Protection working groups, notably on arrangements and agreements, on data protection impact assessment, training courses and any other existing or new working group established by Data Protection Office.

In the context of **knowledge and information management**, DG TAXUD’s M365 project team will continue supporting the roll out of the M365 collaborative platform and Sharepoint Online within DG TAXUD. The team will remind DG TAXUD colleagues of the common practices and regularly organise Q&A sessions. Throughout, the DG TAXUD M365 project team will closely cooperate with the corporate M365 project team. This project will contribute to knowledge management in DG TAXUD together with the actions described under the Human Resources’ Management chapter. In addition, DG TAXUD will assess how its external stakeholders perceive the TAXUD communication activities. In 2023, TAXUD will continue to roll out the Welcome Digital environment to the remainder of staff.

In the context of the introduction of the single integrated framework for collaboration (see above), the DMO will help business owners decide which, and at what stage, documents on collaborative sites should be registered. DMO will take into account that units might need support to analyse sites of collaborative platforms that are being decommissioned to identify the documents that need to be captured in Ares.

Additionally, in 2023, the document management team will continue to monitor and stimulate good document management practices in the Directorate- General including amongst other things:

- Regularly reminding relevant colleagues about their open tasks and non-filed documents in the Hermes-ARES-NomCom system;
- On-demand training on registration and filing of documents in ARES.

Objective: DG Taxation and Customs Union is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission.

Main outputs in 2023:

| Output | Indicator | Target |
|---|---|---|
| Implementation of the corporate principles for data governance for DG TAXUD’s key data assets | Percentage of implementation of the corporate principles for data governance for DG TAXUD’s key data assets | Interim milestone by 2023: 60% |
| All Information Systems in production managed in an optimal way | Service Level Agreements, Gold, Silver, Bronze or Best-Effort (as per the MASP-C and the MASP-T) | Full respect of the relevant Service Level Agreements for each system |
| All projects managed in an optimal way | Project Plans set in the relevant Vision Document or Project Charter (as per the MASP-C and the MASP-T) | Full respect of the relevant project plans and their milestones |

| Output | Indicator | Target |
|---|---|--|
| List of key actions on data protection | <ul style="list-style-type: none"> • Awareness raising sessions organised • Joint Controllership Agreement with Member States ready for signature • Data protection records are up-to-date | <ul style="list-style-type: none"> • Two in 2023 reaching 30% of the staff in the DG • Joint Controllership agreement signed in 2023. • 100% |
| List of key actions on knowledge and information management | <p>Document Management</p> <ul style="list-style-type: none"> • Single integrated framework for collaboration <p>Information management</p> <ul style="list-style-type: none"> • “Ask Your Questions” TAXUD internal helpdesk operational • Relations with external stakeholders assessed once per year. | <p>Document Management</p> <ul style="list-style-type: none"> • Support to business owners on Single integrated framework for collaboration <p>Information Management</p> <ul style="list-style-type: none"> • Reply within two working days to the questions of DG TAXUD colleagues • Survey addressed to external stakeholders on external communication activities |

E. Sound environmental management

In 2023, DG TAXUD will continue to actively promote a greener approach in its working methods within the EMAS framework. Although DG TAXUD is already using many digital working methods, DG TAXUD will promote an even more extensive use of digital tools, for example in the financial area. The fast adaptation of DG TAXUD’s working methods to the situation under the Covid-19 crisis has clearly proven useful in the context of the remote working.

DG TAXUD will continue to raise awareness, both internally and with Member States to reduce the related day-to-day impact of the administration and its work. It will promote environmentally-friendly events such as online expert meetings, as per the Commission guidance on meetings and missions under the Communication on the Commission action on climate.

Objective: DG Taxation and Customs Union takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support of its EMAS Correspondent.

Main outputs in 2023:

I. More efficient use of resources (energy, water, paper):

| Output | Indicator | Target (2019 as baseline) |
|--|-----------------------------------|--|
| Participation in the end of the year energy saving action, by closing down DG's buildings during the Christmas and New Year's holiday period. | Number of buildings participating | 100% of DG TAXUD buildings participating |
| Paperless working methods at DG level (such as paperless working: esignatories, financial circuits, collaborative working tools) | Remaining paper procedures | <i>All internal workflows are paperless except if otherwise provided by the internal rules. TAXUD will adapt if the internal rules change.</i> |
| Staff awareness actions to reduce waste and energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG's total energy consumption in collaboration with OIB | Number of events organised | At least once a year |

II. Reducing CO₂, equivalent CO₂ and other atmospheric emissions

| Output | Indicator | Target (2019 as baseline) |
|--|---|--|
| Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and/or raise staff awareness on sustainable commuting in collaboration with OIB or OIL (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff). | % of staff informed | 100 % of staff informed |
| | % of sustainable commuters ⁽⁸⁾ at DG/service | At least 20 % of sustainable commuters at DG/service (%) |
| | | |
| Gradual increased use of videoconference for meetings with stakeholders | % of meetings with Member States taking place online vs physical meetings | Only essential meetings take place physically |

⁽⁸⁾ Sustainable commuting usually refers to environmentally friendly travel modes, such as. Public transport (bus, tram, subway, light rail), walking, cycling, and carpooling.

| Output | Indicator | Target (2019 as baseline) |
|---|---|--|
| Analysis of DG's missions trends /patterns (based on corporate EC-staff's professional trips (missions), optimise and gradually reduce CO ₂ emissions (e.g. by optimising the number of participants in the same mission, promoting more sustainable travelling options, promoting videoconferencing/ virtual events as an alternative). | CO ₂ (t) emissions from DG's missions <i>(% means of transportation used)</i> | Reduce DG's CO ₂ emissions from missions to 50% by 2024 |
| Analysis and monitoring of TAXUD CO ₂ emissions | Reports generated in MiPS provided by PMO | Reduction of CO ₂ emissions compared to 2019 |

III. Reducing and management of waste

| Output | Indicator | Target (2019 as baseline) |
|---|----------------------------|---------------------------|
| Implementation of the EC Guidelines for sustainable meetings and events , e.g. reduce/eliminate single-use plastics, gadgets/gifts. | % of events that are green | 100% |

IV. Promoting green public procurement (GPP)

| Output | Indicator | Target (2019 as baseline) |
|---|--|--|
| Gradual introduction of GPP criteria in contracts and starting to monitor the process. | % of contracts relevant for GPP criteria | 100% of contracts relevant for GPP criteria by 2027. |
| Staff awareness actions on encouraging secretariats and staff to order sustainable office furniture (pens, notebooks, etc.) among EC office supplies' catalogue (for example, introduce a DG-specific office supplies' catalogue, including only 100% "green items"). | Number of actions | Two actions per year |

F. Initiatives to improve economy and efficiency of financial and non-financial activities

Throughout 2023, DG TAXUD will prepare for the roll-out of SUMMA and the various eProcurement modules which will – once fully deployed and operational – allow an end-to-end electronic and paperless management of all financial transactions. Until such time, all procurement contracts will continue to be electronically signed using the **Qualified Electronic Signature** capabilities, thus avoiding both contractors and DG TAXUD to handle and to maintain (store, archive, etc.) paper copies of contracts.

ANNEX 1: Performance tables

| General objective 1: European Green Deal | | |
|---|--|---|
| Specific objective 1.1: Design EU tax policy actions that contribute to a carbon neutral continent by 2050 | | Related to spending programme Fiscalis |
| Main outputs in 2023: | | |
| New policy initiatives | | |
| Output | Indicator | Target |
| Proposal for a Carbon Border Adjustment Mechanism | Support work of co-legislators to reach adoption by co-legislators | Throughout 2023 |
| Proposal for a review of the Energy Tax Directive | Support work of co-legislators to reach adoption by co-legislators | Throughout 2023 |
| Evaluations and Fitness Checks | | |
| Output | Indicator | Target |
| Evaluation of the impact of free zones and proposals for guidelines on their future modernisation in light of the European Green Deal (PLAN/2021/12553) | Evaluation completed | Q1 2023 |

| General objective 3: An economy that works for the people | | |
|---|---------------------|--|
| Specific objective 3.1: Develop tax policy actions for a stronger, fairer and more efficient Single Market | | Related to spending programme: Fiscalis |
| Main outputs in 2023: | | |
| New policy initiatives | | |
| Output | Indicator | Target |
|  Proposal for a Directive on Business in Europe: Framework for Income Taxation (BEFIT) (PLAN/2022/663) | Adoption by College | Q3 2023 |
| Proposal to implement the globally agreed re-allocation of taxing rights (Pillar 1) (PLAN/2022/252) | Adoption by College | Q3 2023 |
| Proposal for Withholding Tax Relief procedures (PLAN/2021/10794) | Adoption by College | Q2 2023 |
| Proposal for tackling the role of enablers involved in facilitating tax evasion and aggressive tax planning (PLAN/2022/927) | Adoption by College | Q2 2023 |

Evaluations and fitness checks

| Output | Indicator | Target |
|--|----------------------------------|---------|
| Evaluation of the VAT administrative cooperation (regulation 904/2010) (PLAN/2021/12029) | Staff Working Document published | Q1 2023 |

Enforcement actions

| Output | Indicator | Target |
|--|---|---------|
| Assessment of the completeness of transposition of the recast Excise Duties directive (2020/262/EU) | Transposition checks completed for 27 Member States or infringement action launched/continued | Q2 2023 |
| Assessment of the conformity of transposition of the Recast Excise Duties directive (2020/262/EU) | Conformity checks for 27 Member States completed or infringement action launched/continued | Q4 2023 |
| Assessment of the of the completeness of transposition of the Directive (2020/1151/EU) on alcohol excise duty | Transposition checks for 27 Member States completed or infringement action launched/continued | Q2 2023 |
| Assessment of the conformity of the Directive (2020/1151/EU) on alcohol excise duty | Conformity checks for 27 Member States completed or infringement action launched/continued | Q4 2023 |
| Assessment of the completeness of transposition of the Directive (2019/2235/EU) regarding defence efforts | Transposition checks for 27 Member States completed or infringement action launched/continued | Q2 2023 |
| Assessment of the conformity of the Directive (2019/2235/EU) regarding defence efforts | Conformity checks for 27 Member States completed or infringement action launched/continued | Q4 2023 |
| Assessment of the completeness of transposition of ATAD2 – reverse hybrid mismatches (2017/952) | Transposition checks for 27 Member States completed or infringement action launched/continued | Q1 2023 |
| Assessment of the conformity of transposition of ATAD2 – hybrid mismatches (2017/952) | Conformity checks for 27 Member States completed or infringement action launched/continued | Q1 2023 |
| Assessment of the conformity of transposition of the Dispute Resolution Mechanism Directive (DRM)(2017/1852) | Conformity checks for 27 Member States completed or infringement action launched/continued | Q2 2023 |
| Assessment of the conformity of transposition of DAC6 – intermediaries (2018/822 as amended by 2020/876) | Conformity checks for 27 Member States completed or infringement action launched/continued | Q2 2023 |
| Assessment of the conformity of transposition of DAC7 – reporting obligations on platforms (2021/514 amending 2011/16) | Transposition checks for 27 Member States completed or infringement action launched/continued | Q2 2023 |

External Communication Actions

| Output | Indicator | Target |
|--|---|--------------------|
| Communication support to tax policies | | |
| Online Social media | Impressions (organic): | 350.000 – 500.000 |
| | Impressions (paid): | 1.5-4 million |
| | Avg. Engagement rate: | 2.5% |
| | Link clicks: | 2.100 |
| Publications | Number of publications / updates (report, press material, factsheet): | 10 |
| | Number of downloads and views (report, press material, factsheet): | 5.000 |
| | AV material produced: | 4 videos |
| | Number of video views: | 1.000.000 |
| Press & media relations (output data is not available to DG TAXUD) | Press materials prepared: | 20-30 |
| | OpEds written: | OpEds written: 0-2 |
| Website (Tax and Customs pages) | Visitors: | 14 Mio |
| | Page views: | 45 Mio |
| | Returning visitors: | 8% |

Other important outputs

| Output | Indicator | Target |
|---|---------------------|---------|
| Article 59 Report to the Parliament and the Council on VAT administrative cooperation (PLAN/2021/12439) | Adoption by College | Q1 2023 |
| Study on economic impact of VAT disputes | Study completed | Q2 2023 |
| Study on the evaluation of the Directive 2011/16 EU and its amendments | Study completed | Q4 2023 |

General objective 3: An economy that works for the people

Specific objective 3.2: Implement the EU Programmes supporting EU tax and customs policy

Related to spending programme
Fiscalis
Customs
Customs Control Equipment
Instrument (CCEI)

Main outputs in 2023:

Other important outputs

| Output | Indicator | Target |
|---|--|---|
| Ensure all networks are operational, | All networks operational e.g. 24/7 when relevant | Fully operational |
| Ensure availability of all applications | All applications available, e.g. 24/7 when relevant | Fully available |
| Deliver all the projects in line with their respective legal deadlines | Project deliver dates defined in the respective legal bases, e.g. in the UCC Work Programme, or in the MASP-C or the MASP-T. | Deliver all the projects within the pre-defined date. |
| Adapt IT workplans in line with the conclusions of the Wise Persons Group and of the Tax Symposium. | Update of the IT workplan when relevant | IT workplan updated when conclusions are available |
| 2022 Customs programme progress report | Report adopted | Q2 2023 |
| 2022 Fiscalis programme progress report | Report adopted | Q2 2023 |
| 2022 CCEI programme progress report | Report adopted | Q2 2023 |
| 2023-2024 CCEI Multiannual Work Programme and call launched | Programme adopted CCEI call launched | Q2 2023 Q3 2023 |

General objective 3: An economy that works for the people

Specific objective 3.3: Support wider EU policy priorities through taxation

Related to spending programme
Fiscalis

Main outputs in 2023:

Other important outputs

| Output | Indicator | Target |
|---|------------------|---------|
| Study on the evaluation of the rates and structures of excise duty on alcohol and alcoholic beverages | Report published | Q1 2023 |

General objective 5: Promoting our European way of life

Specific objective 5.1: Develop a more modern Customs Union, to facilitate trade, safeguard revenues and protect citizens and businesses

Related to spending programmes Customs and Customs Control Equipment Instrument (CCEI)

Main outputs in 2023:

New policy initiatives

| Output | Indicator | Target |
|---|---------------------------------------|---------------------------|
| Proposal to amend the Union Customs Code (PLAN/2021/12806) | Adoption by College | Q4 2023 |
| Implementing Act for the Union Customs Code Work Programme | Adoption by College | Q4 2023 |
| Implementing Act for the technical arrangements of the Union Customs Code | Adoption by College | Q1 2023 |
| Delegated Act and implement Act amending the data elements related to the Union Customs Code | Adoption by College | Q2 2023 |
| Bi-annual amendments of Council Regulations for the autonomous suspensions and quotas | Adoption by College | May 2023 November 2023 |
| Implementing act laying down rules for the application of Regulation (EU) 2019/1020 as regards the details of the information to be transmitted from national customs systems to the information and communication system for market surveillance concerning products placed under the customs procedure 'release for free circulation' | Adoption by College | Q2 2023 |
| Proposal for Commission Decision establishing common risk criteria for security and safety and for harmonised application of customs controls (ICS2) | Adoption by College | Q1 2023 |
| Expert team for establishment for multi-disciplinary collaboration of all Member States in the field of safety and security risk management within ICS2 central analytics capabilities | ICS2 central analytics used by all MS | Q3 2023 |

External Communication Actions

| Output | Indicator | Target |
|--|--|---|
| Communication support to customs policies | | |
| Online Social media | Impressions (organic): Impressions (paid): Avg. Engagement rate: Link clicks: | 200.000 – 350.000 3-6 million 2.5% 2.100 |

| | | |
|-------------------------|---|--------------------|
| Publications | Number of publications / updates (report, press material, factsheet): | 10 |
| | Number of downloads and views (report, press material, factsheet): | 5.000 |
| | AV material produced: | 4 videos |
| | Number of video views: | 4.000.000 |
| Press & media relations | Press materials prepared: | 15-20 |
| | OpEds written: | OpEds written: 0-2 |

Other important outputs

| Output | Indicator | Target |
|---|--|---------|
| UCC Annual Progress Report 2023 | Adoption by College | Q4 2023 |
| Multi-Annual Strategic Plan for electronic Customs (MASP-C) | Format of adoption dependent on outcome of the Wise Persons Group? | Q4 2023 |
| Study on the EU Single Window Environment for Customs business to government (B2G) features | Final Report delivered | Q2 2023 |
| Final report of the AEO fact finding visits | Report finalised and shared with MS | Q1 2023 |
| Customs Union Performance 2022 Annual Report | Report published | Q3 2023 |
| Customs Union Performance MIS System | System available | Q1 2023 |

General objective 5: Promoting our European way of life

Specific objective 5.2: Promote the EU's customs agenda internationally

Related to spending programme Customs

Main outputs in 2023:

New policy initiatives

| Output | Indicator | Target |
|---|---------------------|---------|
| Proposal Binding Valuation Information (PLAN/2021/12693, PLAN/2021/12694) | Adoption by College | Q2 2023 |
| Revision of the provisions on preferential origin in the UCC Implementing Act | Adoption by College | Q1 2023 |
| Facilitation of digitalization of the electronic proofs of origin with the neighbouring countries | Adoption by College | Q1 2023 |

Other important outputs

| Output | Indicator | Target |
|---|--------------------|---------|
| Decision to request negotiating mandate for EU-China Administrative Cooperation agreement | Adopted by College | Q1 2023 |

| | | |
|---|---|--|
| Monitoring of the functioning of preferential trade arrangements (rules of origin and administrative cooperation) | Monitoring actions undertaken; Requests for information answered; Specimen Management System (SMS) kept up-to-date. | Throughout 2023 |
| FTA negotiations on Rules of Origin with Indonesia, Australia and India | Completed | Q2 2023 (Australia, Indonesia) Q4 2023 (India) |
| FTA negotiations on Customs and Trade Facilitation with India | Completed | Q2 2023 |
| Implementation of the Pan Euro Med transitional rules of origin among more than 51 Pan Euro Med countries | Adoption by the related Joint Bodies | Ongoing throughout 2023 |
| Conclude AEO mutual recognition agreements | Adoption of decision | <ul style="list-style-type: none"> • Q2 2023 Singapore • Q4 2023 /Turkey/Ukraine |
| Pilot project on exchange of information with UA | Agreement between the EU and UA | <ul style="list-style-type: none"> • Throughout 2023 |
| Accession of Moldova and Georgia to the Common Transit Convention | Adoption of the Decision by the convention parties | <ul style="list-style-type: none"> • Throughout 2023 |
| Enable the participation of third countries in the Customs and Fiscalis programmes (2021-2027) | International agreements concluded | Q2 2023 (Moldova) |