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Customs: European Commission proposes a new customs environment to face globalisation challenges

(see also [MEMO/05/453](#))

The European Commission has adopted two proposals to modernise the EU Customs Code and to introduce an electronic, paper-free customs environment in the EU. The first proposal aims to simplify and streamline customs processes and procedures. The second proposal is designed to make Member States' electronic customs systems compatible with each other; introduce EU-wide electronic risk analysis and improve information exchange between frontier control authorities; make electronic declarations the rule; and introduce a centralised customs clearance arrangement. The result should be to increase the competitiveness of companies doing business in Europe, reduce compliance costs and improve EU security.

"These proposals would achieve the dual objective of enhancing security at the EU's external borders and facilitating trade" said European Taxation and Customs Commissioner László Kovács. "The work ahead of us is daunting but I am hopeful that we can achieve our goals with the support of business and Member States who have been consulted extensively on this initiative."

The proposal for a Regulation to modernise the Customs Code would simplify legislation and administration procedures both from the point of view of customs authorities and traders. It would

- simplify the structure and provide for more coherent terminology, with fewer provisions and simpler rules;
- provide for radical reform of customs import and export procedures to reduce their number and make it easier to keep track of goods;
- rationalise the customs guarantee system; and
- extend the use of single authorisations (whereby an authorisation for a procedure issued by one Member State would be valid throughout the Community).

The proposal incorporates the amendments provided for in the Regulation to improve the security and safety of goods crossing Community borders that the Council and Parliament adopted earlier this year (see [IP/05/209](#)).

The proposal for a Decision promoting electronic customs contains actions and deadlines for making Member States' electronic customs systems compatible with each other and creating a single, shared computer portal. This would facilitate communications between traders and customs and would allow for faster and better exchange of information between European customs authorities. Electronic declarations would become compulsory, with paper-based declarations becoming the exception.

The proposal also suggests the setting up of an electronic "Single Window" whereby traders of proven trustworthiness ("authorised importers") would only have to deal with one body instead of several frontier control authorities as happens at present. Customs and other policy-related information relating to any given import consignment would then only have to be sent once. The goods would then be controlled by customs and other authorities (e.g. police, border guards, veterinary and environmental authorities) at the same time and at the same place under a 'One Stop Shop' arrangement.

The Customs Union is one of the pillars of the European construction and is at the heart of the Internal Market. Current legislation on customs procedures and processes is generally complicated and is based on paper declarations. While all Member States have electronic customs systems, they are not inter-connected. The Commission considers that, if customs legislation were simplified, customs processes and procedures streamlined and IT systems converged, traders would save money and time in their business transactions with customs. In addition to improving safety and security checks, this would contribute to the competitiveness of European business and thus to the main goals of the Lisbon strategy.

The plans to modernise the customs code and to introduce an electronic, paper-free customs environment in the EU will soon be available on the Europa website at:
http://europa.eu.int/comm/taxation_customs/customs/policy_issues/e-customs_initiative/index_en.htm