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2019 E-CUSTOMS ANNUAL PROGRESS REPORT

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1 INTRODUCTION

The 2019 e-Customs annual progress report is the twelfth report prepared pursuant to Article 12 of the e-Customs Decision (Decision 70/2008/EC)¹, under which the Member States are required to assess the progress made towards coordinating the implementation of the e-Customs initiative. The EU Commission prepares a comprehensive report covering the annual operational (from a technical viewpoint) and financial strategic goals of the Member States within the scope of the e-Customs projects and supporting initiatives.

This year the EU Commission received 26 national e-Customs progress reports.

2 BACKGROUND

2.1 E-Customs Initiative

In 2003, the EU Commission issued an e-Customs Communication² that contained proposals about a new simplified paperless environment for customs and trade. The e-Customs Communication carved out an important path towards radically simplifying customs regulations and procedures and integrating modern, efficient and uniform techniques within the EU Customs Union. The subsequent 2003 Council Resolution³ endorsed the objectives formulated in the e-Customs Communication, thus establishing the framework for the e-Customs initiative. Decision 70/2008/EC⁴ on a paperless environment for customs and trade, also referred to as the e-Customs Decision, is the key legislation related to the e-Customs initiative, promoting a shift to an interoperable electronic customs environment with a unified data system to facilitate communication between economic operators and customs authorities and to enhance security at EU's external borders.

2.2 Tasks and Coordination

Articles 5, 6 and 7 of the e-Customs Decision define the main components of the e-Customs systems and regulate the cooperation between the Member States and the EU Commission by specifying the tasks of both stakeholders for the development and the synchronised implementation of IT projects.

2.3 Governance of the e-Customs Implementation

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

¹ Decision No 70/2008/EC of the European Parliament and of the Council of 15/01/2008 on a paperless environment for customs and trade, OJ L 23, 26/01/2008, p. 21–26, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008D0070%2801%29>.

² Communication from the EU Commission to the Council, the European Parliament and the European Economic and Social Committee - A simple and paperless environment for customs and trade /COM/2003/0452 final, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52003DC0452%2801%29>.

³ Council Resolution of 05/12/2003 on creating a simple and paperless environment for customs and trade, OJ C 305, 16/12/2003, p. 1–2, [https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1591292437326&uri=CELEX:32003G1216\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1591292437326&uri=CELEX:32003G1216(01)).

⁴ Decision No 70/2008/EC of the European Parliament and of the Council of 15/01/2008 on a paperless environment for customs and trade, OJ L 23, 26/01/2008, p. 21–26, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008D0070%2801%29>.

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

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

2.4 European Commission and Member States Tasks

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

3 E-CUSTOMS KEY MILESTONES AND ACHIEVEMENTS IN 2019

3.1 Union Customs Code (UCC) and core legislative framework

In 2019, the EU Customs Union remains a unique example, where all EU Member States work together as one by applying a uniform legislative framework for handling the import, export and transit of goods. The EU Commission continued to fulfil an active role in optimising the customs legal framework and procedures to meet the demand of increasing trade flows, new business models, and a constantly evolving technological environment. In this climate of significant change, the emphasis of the EU customs modernisation over the last two decades shifted away from traditional business processes, towards the creation of a paperless environment for customs based on electronic exchange. In pursuit of this goal, the EU Commission outlined a course of action in 2012 for a more robust and unified Customs Union by 2020. Following the impact of the significant legal changes introduced by the Treaty of Lisbon,⁶ the UCC⁷ was adopted in October 2013 to serve as the legal basis for a modern and electronic customs environment, allowing for an enhanced level of uniformity, efficiency, and communication between the economic operators and customs administrations.

The UCC legislation consists of a package of legal acts laying out requirements for the comprehensive functioning of the EU Customs Union. During the elaboration of this legislation, the EU Commission, national customs administrations and economic operators, provided valuable contributions through consultations related to the development of the UCC Implementing Provisions, which were adopted as

customs and taxation domains overlap. Due to this transition, MASP-C and other variations referring to the MASP framework are used interchangeably.

The MASP-C Revision 2019 v1.1 serves as the baseline for this report. Nonetheless, its predecessor, MASP Rev. 2017 v1.4 remains a fundamental reference point for the implementation planning of e-Customs projects.

⁶ Treaty of Lisbon amending the Treaty on European Union and the Treaty Establishing the European Community, 2007 OJ C 306, 17/12/2007, p. 1–271, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ%3AC%3A2007%3A306%3ATOC>.

⁷ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 09/10/2013 laying down the Union Customs Code, OJ L 269, 10/10/2013, p. 1–101, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32013R0952>.

the Delegated Act⁸ (DA), Implementing Act⁹ (IA), and Transitional Delegated Act¹⁰ (TDA) to the UCC. The UCC DA, IA, and TDA came into force in May 2016, and provided the legal basis for the EU Commission to take measures to facilitate the transition to electronic customs systems and uniform application of the customs legal framework in the EU.

In March 2019, the Council and the European Parliament adopted the proposal for amendment to the Article 278 of the UCC in April 2019, leading to the new Regulation (EU) 2019/632¹¹. Article 278 defines that paper-based procedures may be used on a transitional basis for the exchange and storage of information until the UCC electronic systems become operational. The deadline for the deployment of the UCC electronic systems that would digitalise the process of exchanging and storing information was initially the 31st of December 2020. Nevertheless, due to the complexities encountered during the preparation for the systems' deployment, an amendment to Article 278 was deemed necessary. The EU Regulation provided for an extension to the initial deadline for the continued transitional arrangements, entailing that the deployment of the UCC electronic systems shall be extended to 2022 and to 2025¹². A new Article 278a¹³ was also introduced which laid out the reporting obligation for the Member States towards the EU Commission and by the EU Commission to the European Parliament. In particular, Article 278a provided that an annual report will be submitted to the European Parliament and the Council to inform on the UCC electronic systems' development progress and planning. In addition, the Member States are required to provide twice a year updated information on the progress in developing and deploying the electronic systems as well as the future planning Pursuant to Article 278a of the UCC, the first annual report¹⁴ on the implementation of the UCC IT projects was drafted

⁸ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 343, 29.12.2015, p. 1-557, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015R2446>.

Commission Delegated Regulation (EU) 2016/651 of 5 April 2016 correcting Delegated Regulation (EU) 2015/2446 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 111, 27.4.2016, p. 1-2, https://eur-lex.europa.eu/eli/reg_del/2016/651/oj/eng.

⁹ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, OJ L 343, 29.12.2015, p. 558-893, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015R2447>.

¹⁰ Commission Delegated Regulation (EU) 2016/341 of 17 December 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operation and amending Delegated Regulation (EU) 2015/2446, OJ L 69, 15.03.2016, p. 1-313, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0341>.

¹¹ Regulation (EU) 2019/632 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 952/2013 to prolong the transitional use of means other than the electronic data-processing techniques provided for in the Union Customs Code, OJ L 111, 25.4.2019, p. 54-58, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0632>.

¹² The deadline of 2022 concerns the following national electronic systems: UCC Notification of Arrival (NA), Presentation Notification (PN) and Temporary Storage (TS), the UCC National Import Systems and the UCC Special Procedures. The deadline of 2025 concerns the six trans-European systems: UCC Guarantee Management (GUM), UCC Import Control System (ICS2), UCC Proof of Union Status (PoUS), UCC Centralised Clearance for Import (CCI), UCC New Computerised Transit System (NCTS), UCC Automated Export System (AES).

¹³ Article 278a UCC on Reporting Obligations introduced by Regulation (EU) 2019/632 of the European Parliament and of the Council of 17 April 2019, OJ L 111, 25.4.2019, p. 54-58, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0632>.

¹⁴ Report from the Commission to the European Parliament and the Council, pursuant to Article 278a of the Union Customs Code, on progress in developing the electronic systems provided for under the Code, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019SC0434>.

and published in December 2019. It required intensive work throughout the challenging period of the establishment of the new EU Commission. The UCC annual report was based on the national planning of the Member States but also on a survey launched by the EU Commission, circulated among the Member States. The purpose of the survey was to gather and consolidate up-to-date information concerning the progress of the different projects. The Member States were required to indicate any possible delays against the deadlines included in their national planning as well as to describe the possible challenges that may emerge in the implementation of the projects. The UCC annual report reflects all the developments pertaining to the IT systems since the UCC entered into force.

In collaboration with the Member States, the EU Commission is coordinating the implementation of the UCC through the UCC Work Programme (UCC WP)¹⁵ and the MASP-C. The UCC WP, as defined by Article 280 of the UCC, lays down the IT architecture for the development and deployment of electronic systems, as well as the harmonisation and standardisation of interfaces. The UCC WP is of pivotal importance for detailing the implementation of the transitional measures related to the electronic systems and its content is closely linked to the MASP-C. In December 2019, the EU Commission adopted a new version of the UCC WP¹⁵ v 8.1 that sets out the planning for the development and deployment of the 17 essential electronic systems¹⁶. The update was considered necessary in order to take into account the amendment to the Article 278 of the UCC, thus further specifying the reporting obligations that emerged from the aforementioned amendment.

Since the entry into force of the UCC, ongoing dialogues about relevant legal issues among various stakeholders have led to further additions and amendments to the UCC legal package. The adoption of the amendment to the UCC IA in March 2019¹⁷ introduced the modifications referred to customs formalities such as temporary storage, entry summary declaration and exit summary declaration with the intent to tackle the technical issues that have been identified in the implementation of the UCC since it entered into force. In April 2019¹⁸, a further amendment to the UCC IA was adopted, which was related to Article 278 and the extension of the use of the transitional arrangements for certain customs formalities. The amendment established extended deadlines for the deployment of the UCC electronic systems and defined that other, non-electronic means shall be used as transitional measures until the aforementioned systems are operational.

¹⁵ Commission Implementing Decision (EU) 2019/2151 of 13 December 2019 establishing the Work Programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code, OJ L 325, 16.12.2019, p. 168-182, <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019D2151>.

¹⁶ The UCC projects and related electronic systems included in the UCC WP are: UCC Registered Exporter System (REX), UCC Binding Tariff Information (BTI), UCC Customs Decisions, Uniform User Management & Digital Signature (UUM&DS), UCC Authorised Economic Operators (AEO), UCC Economic Operator Registration and identification System (EORI), UCC Surveillance³, UCC Proof of Union Status (PoUS), UCC New Computerised Transit System (NCTS), UCC Automated Export System (AES), UCC Information Sheets (INF) for Special Procedures, UCC Special Procedures, UCC Notification of Arrival, Presentation Notification and Temporary Storage, UCC National Import Systems, UCC Centralised Clearance for Import (CCI), UCC Guarantee Management (GUM) and UCC Import Control System 2 (ICS2).

¹⁷ Regulation (EU) 2019/474 of the European Parliament and of the Council of 19 March 2019 amending Regulation (EU) No 952/2013 laying down the Union Customs Code, OJ L 83, 25.3.2019, p. 38-41, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32019R0474>.

¹⁸ Regulation (EU) 2019/632 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 952/2013 to prolong the transitional use of means other than the electronic data-processing techniques provided for in the Union Customs Code, OJ L 111, 25.4.2019, p. 54-58, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0632>.

As with the UCC IA, the UCC DA has undergone a series of amendments since its adoption. The most recent amendment to the UCC DA¹⁹ was adopted in March 2019 to introduce a new dataset for the low-value consignments with an intrinsic value of 150,00€ or below. Article 143a was introduced allowing to lodge a customs declaration for release for free circulation containing a specific dataset set out in Annex B for consignments that benefit from a relief from import duty.

Apart from amendments to the UCC IA and DA, the EU Commission has built on the precedent of the Implementing Regulation (EU) 2017/2089²⁰, which covers technical arrangements for the exchange of information through the UCC Uniform User Management and Digital Signatures (UUM&DS) and UCC Customs Decisions System (CDS). Developing this existing legislation, the EU Commission continued its work and thorough discussion with the Customs Code Committee – General Customs Legislation section (CCC-GEN) to expand the scope of the Implementing Regulation to include the UCC BTI, UCC AEO, and UCC EORI projects, which was formally adopted in June 2019. Consultations between the Member States and the EU Commission started in September 2019 with the view to further extend the scope, to include: UCC ICS2, UCC INF, EU Customs Trader Portal (EUCTP), UCC AES, UCC NCTS (Phase 5), Customs Risk Management System (CRMS) and possibly UCC Surveillance³. A preliminary draft was presented to the CCC-GEN in November 2019. The discussions are anticipated to continue during 2020.

3.2 E-Customs Governance

The Customs 2020 programme is a multiannual action programme with the aim to facilitate and enhance cooperation between national administrations in the EU. The programme is the key for the implementation of interoperable, interconnected, and unified customs IT systems that underpin the functioning of the EU Customs Union. The main role of the Customs 2020 programme is to provide a secured platform for the efficient and reliable exchange of information between the national customs administrations, as well as economic operators. Based upon the conclusions of the mid-term evaluation of the programme conducted by the EU Commission in 2018²¹ substantial gains have been identified in the efficiency of customs IT systems. Greater harmonisation of customs procedures, more uniform implementation of the legislative framework for customs, enhanced information sharing and the realisation of economies of scale in terms of system development and operation are all benefits stemming from the implementation of the customs IT programmes. Valid until 2020, the EU's Customs 2020 programme is crucial in supporting the implementation of the UCC.

The EU Commission is responsible for the implementation of the Customs 2020 programme and allocates appropriate resources to ensure the effective functioning and modernisation of the EU Customs Union through joint actions such as project groups, expert teams, trainings, and other activities. To this end, 207 e-Customs related meetings with a total of 3,053 participants were convened during 2019 under the auspices of the Customs 2020 programme. More particularly, 41 meetings with a total of 426 participants concerned trainings related to IT systems. Further details on the training services for customs officials can be found in section [1.6.3](#) of Annex 1.

¹⁹ Commission Delegated Regulation (EU) 2019/1143 of 14 March 2019 amending Delegated Regulation (EU) 2015/2446 as regards the declaration of certain low-value consignments, OJ L 181, 5.7.2019, p. 2–12, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2019.181.01.0002.01.ENG.

²⁰ Commission Implementing Regulation (EU) 2017/2089 of 14 November 2017 on technical arrangements for developing, maintaining and employing electronic systems for the exchange of information and for the storage of such information under the Union Customs Code, OJ L 297, 15/11/2017, p. 3–6, <https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX%3A32017R2089>.

²¹ The EU Commission completed a mid-term evaluation of the Customs 2020 programme in accordance with Article 18(2) of the Customs 2020 Regulation in June 2018.

In line with the overall e-Customs IT strategy, the yearly review of the MASP-C activities is an important factor in ensuring a well-coordinated approach to planning and project management. This process enables the relevant stakeholders to examine in phases different business and IT documents and to coordinate in an efficient manner in various domains, including policy development, legislative measures, business requirements and technology advancements. Adopted in December 2019, the MASP-C Revision 2019 (v1.1) currently serves as a baseline for project activities by the Member States and the EU Commission. The MASP-C offers a comprehensive overview of future customs projects including a timeline for the project delivery dates and reflects the progress made in various policy areas, such as the UCC or the EU Single Window environment for customs (EU SW-C). MASP-C Revision 2019 v1.1 was aligned to the UCC WP v 8.1.

In 2019, the Joint Research Centre (JRC) in partnership with DG TAXUD launched a Foresight Study on the Future of Customs in the EU for the 2040 horizon²². Created under the mandate of the CPG, this foresight exercise is designed as a structured process to better comprehend the trends and drivers impacting the EU Customs and to gather collective intelligence for the long-term future. Diverse stakeholder groups have been invited to participate in this project ranging from the EU Commission, Member States, economic operators to academia and international organisations. Four workshop sessions took place over the course of 2019 resulting in the development of several foresight scenarios as well as the drafting of a vision for customs in the EU for the 2040 horizon. The foresight project is planned to continue in the beginning of 2020 with a view to confirm the vision and to formulate a roadmap towards its implementation.

3.3 Customs IT Collaboration

While the UCC provides a single EU framework for customs rules and procedures, the development and upgrade of IT systems required for the completion of customs formalities are a joint responsibility of the Member States and the EU Commission. The UCC systems can assume diverse forms, being either decentralised, central, distributed or hybrid systems. In addition, the Member States operate national IT systems which may require further upgrades. The EU Commission therefore works closely with the Member States to deliver on many aspects that are key to the realisation of customs IT systems, including common planning, analysis, and systems requirements documents.

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

Throughout 2019, the EU Commission reaffirmed its commitment to support the Member States in their collaboration on the IT planning and development. To this intent, two expert teams and a project group were formed. The expert team on new approaches to develop and operate customs IT systems (ETCIT I) was established subsequent to the Council's Conclusions on the way forward for developing customs IT systems in 2018. Led by Estonia, the 13 participating Member States²³ sought to explore how customs IT systems could be developed and operated in the future. The work of the expert team led in identifying four approaches that deemed most promising for future exploration and implementation. During the execution of their tasks, the group analysed the experience of common

²² [The Future of Customs in the EU 2040, EU Policy Lab.](#)

²³ Belgium, Czechia, Cyprus, France, Italy, Lithuania, Malta, the Netherlands, Portugal, Romania, Slovakia and Sweden.

procurement, put forward recommendations for the financing of the development of future Customs IT systems and provided a useful tool for assessing the cost-benefit analysis aspect of the development. The presentation notification / temporary storage national component was chosen as a pilot project for the new approaches and the project group offered several recommendations to the EU Commission concerning the governance framework. The ETCIT I activity was concluded in September 2019, nevertheless the Member States' IT collaboration advanced further through the establishment of ETCIT II.

The transition from the activities of ETCIT I into the work of ETCIT II was facilitated through the project group preparing the Implementation Plan of expert team on new approaches for Customs IT. The project group's role was to prepare a detailed project plan for the aforementioned implementation and to draw up the required budget.

Since October 2019, the second expert team ETCIT II continued the strategic work of ETCIT I. The idea of pooling and sharing the expertise on the Customs IT attracted more Member States amounting to 17 participating Member States²⁴ with 50 participants. The focus of the team, led by Sweden, remains the strategy and future developments of the UCC. Two pilot projects have already been launched, while the team intends to further explore other potential pilots. The ETCIT II team will continue its activities for two years and the outcome of those activities will be used as input for the development of a long-term IT strategy of the EU Customs Union.

3.4 E-Customs Project Groups

The EU Commission performs a managing and facilitating role to ensure the proper implementation of the Customs 2020 Programme by linking its activities with the overall e-Customs objectives. This programme capitalises on the knowledge of experts from the EU Member States who, together with the EU Commission, collaborate in project groups²⁵ to analyse national customs practices and identify challenges in the correct implementation of EU customs legislation. In this context, various project groups continued their activities and new project groups were established to address specific concerns and render recommendation reports on IT system implementation. Chaired by DG TAXUD, several sessions of these project groups took place in 2019.

The CPG has contributed expertise and advice to the EU Commission in the field of customs cooperation for more than five decades. The crucial role fulfilled by the CPG in the formation of EU customs legal framework and procedures was formalised through its establishment as an expert group²⁶ in 2018. The CPG expert group continues to be made up of director-level representatives of the Member State customs administrations, while formalisation endows it with a greater role in defining policy, strategy, and objectives for the EU Customs Union, in close coordination with the EU Commission.

Launched in January 2018, the UCC CDS project group continued convening throughout 2019. The UCC CDS project group brings together the contributions of customs experts representing 17 Member States²⁷ with the objective of identifying, analysing, and developing solutions to operational business

²⁴ Austria, Belgium, Cyprus, Czechia, Estonia, France, Germany, Hungary, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Slovakia and Sweden.

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

²⁶ Commission Decision of 7 June 2018 formalising the Commission Customs Policy expert group, C/2018/3530, OJ C201, 12.6.2018, p. 3-7, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018D0612%2801%29>.

²⁷ Belgium, Czechia, Denmark, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Spain, Slovakia and Sweden.

issues affecting the UCC CDS. Notably, the UCC CDS project group serves as a key intermediary in capturing lessons-learned from the operation of UCC CDS version 1.00 and applying these towards continuous improvement of the forthcoming UCC CDS version 1.22, currently under development. Over the course of 2019, the UCC CDS project group discussed open business issues, including the possible extension of the UCC CDS to include the UCC Guarantee Management (GUM) project.

Given the significance of the UCC Centralised Clearance for Import (CCI) project for trade facilitation and the complexity of this endeavour, two different project groups were established to focus on UCC CCI development activities. The UCC CCI IT project group, which initiated its work in July 2019, has been assigned the task of producing the technical specifications of UCC CCI Phase 1. The IT and business experts representing 13 Member States²⁸ met during several sessions in 2019. The project group on UCC CCI Phase 2, which is focused on the functional specifications of the system, held its first meeting in October 2019. Representatives of 10 Member States²⁹ have been actively involved in identifying and developing proposals for the processes and the new functionalities to be implemented in the UCC CCI Phase 2. The project group initially focused on the processes and later tackled the content of the messages and data requirements. A first draft of the Business Case document for the UCC CCI Phase 2 was presented to the Member States in different forums in June 2019. Following several consultations with the Member States, the document underwent a number of revisions which resulted in the presentation of a final version at the 54th ECCG/Trade Contact Group (TCG) meeting. The Business Case for the UCC CCI Phase 2 v0.5 was formally approved by the ECCG and TCG on 02/10/2019.

Regular meetings of two further IT project groups dedicated to the UCC ICS2 and the UCC NCTS and UCC AES systems were organised throughout 2019. The work of the UCC ICS2 project group mainly focused on the finalisation of the common functional system specifications and common technical system specifications for iteration 1 of Release 2 of the UCC ICS2 system. Further to this, the participants of the project group initiated significant work on the Business Continuity Plan (BCP). A number of webinars dedicated to frequent questions related to UCC ICS2 business and technical aspects were also organised with the aim to adequately support all stakeholders in their effort to develop the national and trade system components in a harmonised way.

Over the course of 2019, the UCC NCTS and UCC AES project group was actively engaged in the elaboration of the technical system specifications for the UCC NCTS P5 and UCC AES systems in order to achieve the alignment to the UCC legal provisions and to ensure data harmonisation across all customs domains. Several consultations took place leading to the finalisation and approval of the technical system specifications document by the ECCG in November 2019, thus enabling the transition and parallel operations of the existing and the new systems. The finalisation of the technical system specifications demanded intensive efforts due to the complexity of the transit systems and represents an important milestone paving the way for the next step of the project.

In addition to UCC core projects, the EU Single Window environment for customs (EU SW-C) programme remained a key focus of the EU Commission's coordination with Member States and economic operators. To this end, several project group activities were carried out during 2019. Principally, the EU SW-C project group continued to study and discuss options for a new legal framework for an EU SW-C. The EU SW-C project group combines the expertise of five economic operators³⁰ with delegates from 19 Member States' customs administrations³¹. In 2019, the activities

²⁸ Austria, Belgium, Finland, France, Germany, Greece, Hungary, Latvia, Lithuania, Luxemburg, the Netherlands, Portugal and Spain.

²⁹ Austria, Belgium, Czechia, Denmark, Finland, France, Germany, the Netherlands, Portugal and Spain.

³⁰ Representatives of industry associations engaged in regular consultations at Union level through the Trade Contact Group platform on the development and implementation of customs policy.

of the EU SW-C project group focused on the working document on the draft legal proposal, which was published to the ECCG, TCG and CPG on July 2019.

Following the adoption of the new EU Regulation on the introduction and the import of cultural goods³², a project group on the Import of Cultural Goods was launched in May 2019. The project group has been coordinated jointly by the policy and business units of DG TAXUD, thus reflecting its two-fold objective; to build an e-Licensing system to be used by the economic operators and the competent authorities, which will be interconnected to the customs IT environment and to establish the implementing provisions for the Implementing Regulation that will support the system. The project group is comprised of 11 Member States³³ with representatives from customs administrations and Ministries of Culture of each Member State. The activities of the project group had been focused on the mapping between the provisions of the Implementing Regulation and the required functionalities by the system.

The project group on UCC Proof of Union Status System (UCC PoUS) was created in September 2019. Since then, 5 Member States³⁴ have actively contributed within the context of the project group to the creation of the new business processes. Discussions during the meetings of the project group highlighted discrepancies related to the scope of the Customs Goods Manifest (CGM) in the context of the European Maritime Single Window (EU MSW). This led to the elaboration of a new two-phased approach for the implementation of the UCC PoUS project that will attempt to take into consideration the existing trade practices to a greater extent. The new approach and the Business Case have been approved and the Business Process Models (BPMs) Level 2, Level 3 and Level 4 were published for external review in December 2019.

In support of the continuous evolution of the UCC legal package, the project group “UCC DA/IA Data Annexes Revision for Harmonisation of Customs Data Requirements” was established in the beginning of 2019 and met during several sessions periodically throughout 2019. The mandate given to the representatives of the 12 participating Member States³⁵ is to work towards the harmonisation of the data elements in UCC DA/IA Annexes A, B and 12. This preparatory work will provide the legal background for the proper implementation of various trans-European IT systems.

3.5 Supporting Instruments

The Business Process Modelling policy is considered as an essential instrument for the EU Customs Union in addressing the need for a higher level of uniformity and harmonisation, thus enhancing efficiency. Given the complex business environment of EU customs, the BPMs aim at enhancing the common understanding of the customs process flows and of the practical implications of their implementation. As such, the enhancement of the BPM policy remains a paramount objective for the e-Customs architecture. During 2019, the Level 4 BPMs for the UCC CCI, UCC GUM and the Level 2, Level 3 and Level 4 models for the UCC PoUS were updated in order to align the projects with the UCC requirements. In addition to the UCC BPM alignments, updates were delivered for the Customs Procedure (CP) 42/63 and e-Commerce VAT. The Level 3 and Level 4 BPMs of the Smart and Secure

³¹ Austria, Belgium, Bulgaria, Czechia, Estonia, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Spain and Sweden.

³² Regulation (EU) 2019/880 of the European Parliament and of the Council of 17 April 2019 on the introduction and the import of cultural goods, OJ L 151, 7.6.2019, P. 1-14, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2019.151.01.0001.01.ENG.

³³ Austria, Belgium, Bulgaria, France, Germany, Italy, Latvia, the Netherlands, Portugal, Romania and Spain.

³⁴ Cyprus, Denmark, Germany, Lithuania and Spain.

³⁵ Austria, Finland, France, Germany, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Spain and Sweden.

Trade Lanes (SSTL) project were also finalised. The relevant updates are elaborated in the corresponding project fiches under Annex 1 of the present report.

ARIS, a software tool, is used as a facilitating instrument for the BPMs, enabling the reusability and continuous improvement of business processes and data. All EU Customs BPMs are available to the Member States and the economic operators via the ARIS Business Publisher. In 2019, the ARIS Platform and ARIS Publisher achieved 99.4% availability rate for systems in production and 99.3% for conformance testing. 939 new models were created for different modelling projects in 2019, for a total number of 17,906. The total number of ARIS users is 653 (157 newly created), including Member States, economic operators and EU Commission staff. 20 “MSexportDB” services were provided for delivering BPM content to national authorities, a number that indicates a double increase of this type of service compared to 2018. 51 publications of BPMs were created for the Member States and DG TAXUD, meaning 20 more than in the previous year.

Indispensable to the efficient functioning of the e-Customs architecture is data exchange. The objective is for trans-European IT systems and national customs clearance systems to be based on the EUCDM, which provides a technical instrument that models the data requirements laid down in EU Customs legislation and present a single and genuine source of information for the technical developments of the different IT systems that are used for data processing by customs in the European Union. Besides the legal data requirements for customs data, the EUCDM also contains the mapping of the EUCDM data elements towards the WCO Data Model (version 3.8), thus allowing the understanding of the EU legal requirements for the international community of customs professionals. Over the course of 2019, the EUCDM was updated several times resulting in the current version 5.1 which was published in December 2019. EUCDM v5.1 includes a new section “EEZ Receipt Declaration” in compliance with the provisions of the Commission Implementing Regulation (EU) 2019/1131³⁶. In parallel with the improvements carried out in EUCDM v5.1, the EU Commission advanced the work on EUCDM 6 design (6d). The EUCDM 6d will be based on the new updated structure of the Annex B and on the data harmonisation exercise that took place during 2019. The EUCDM 6d is projected to finish in 2020.

In 2019, the EU Commission continued supporting the electronic exchange of information through the Common Communication Network/Common System Interface (CCN/CSI) and the CCN product services, which achieved a 99.97% availability rate in production. The high rate of availability supported a traffic volume of more than 32 terabytes (TBs) of data between January and December 2019, or the equivalent of more than 6998 million messages exchanged. Traffic volume and number of messages exchanged both increased between 2018 and 2019, by 12.6% and 19.3%, respectively. In parallel with ongoing operation of CCN/CSI, the EU Commission continued to develop infrastructure enhancements under the CCN2 project. Several trainings on the CCN2 development and CCN2 testing took place throughout 2019.

Equally important for the support of information exchange are diverse tools employed by the EU Commission in order to ensure the efficient coordination of the e-Customs projects and the effective collaboration between the Member States and the EU Commission. The Programmes Information and Collaboration Space (PICS) and the Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABC) are invaluable communication tools, designed to facilitate the flow of information. PICS is an online working platform dedicated to Customs 2020 Programme activities, which supports the exchange of information between the Member States and the

³⁶ Commission Implementing Regulation (EU) 2019/1131 of 2 July 2019 establishing a customs tool in order to implement Article 14a of Regulation (EU) 2016/1036 of the European Parliament and of the Council and Article 24a of Regulation (EU) 2016/1037 of the European Parliament and of the Council, OJ L 179, 3.7.2019, p.12-19, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2019.179.01.0012.01.ENG.

EU Commission. CIRCABC is a web-based application developed by the EU Commission in order to share information and resources in workspaces over the web to Member States and other stakeholders. Further enhancing communication and further reaffirming EU Commission's commitment to the transparency principle is the Register of EU Commission Expert Groups and other similar entities³⁷. The Register, which is publicly accessible, provides information on diverse expert groups, which contribute to the preparation of legislative proposals by the EU Commission and the implementation of EU legislation. The mission of each expert group as well as information related to the expert groups' activities are included in the Register.

The EU Commission also conducts awareness-raising campaigns to communicate the benefits of the EU Customs Union and its transition to electronic customs systems. In 2019, several communication products and actions were prepared to promote initiatives related to e-Customs. On 4th of May 2019, DG TAXUD participated in the EU Institutions Open Day, held in Brussels. The promotional material was focused on the fundamental role of the EU Customs Union in ensuring safety and security for EU citizens by preventing illegal, fake and dangerous products from entering the EU. In light of UK's withdrawal from the EU, DG TAXUD ran a campaign throughout 2019 advising businesses operating in the Member States to prepare for a possible no-deal BREXIT scenario, and its serious repercussions for the area of customs. These promotional activities were complemented by routine actions, including the revision of a poster depicting a flowchart of the UCC processes and systems, regular updates to the DG TAXUD website and outreach through DG TAXUD's social media presence.

In addition to the communication activities supporting the digital transition of the EU Customs Union, DG TAXUD implemented an active training and capacity building programme during the course of 2019. More than 377 e-Learning courses were available to users from Member States and Customs 2020 participating countries in several languages and two new courses were added to the UCC e-Learning programme. As depicted in the Figure 1 below, a survey³⁸ on EU Customs Training activities conducted in 2019 showed that 40.400 customs officials were trained during 2019.



Figure 1: Professionals trained with EU eLearning portfolio

³⁷ [Register of Commission Expert Groups and other similar entities.](#)

³⁸ More information can be found in the 'EU Customs and Tax Training Survey Report 2019' owned by EU Commission.

Furthermore, the English and localised versions of the e-Learning courses available at the EUROPA website have been used to train more than 164.000 economic operators, indicating the significance of the training possibilities for the trade sector across the EU.

The majority of the users have expressed complete satisfaction with the provided courses with respect to the content as well as the used methodology and technology. Specifically, the eLearning modules of BPM, UCC EORI, UCC CDS and UCC – Customs procedures and Customs declarations were highly appreciated and efficiently used in 2019. An overall increase of 35% in the use of the EU eLearning courses for the area of customs has been observed in 2019 compared to 2018 numbers. An increased interest was also expressed in the UCC EORI and BPM courses, which were recently redesigned. The AEO eBook made a significant impact on the training of customs officials, serving as a complementary tool for the EU Learning courses. In addition, national administrations showed particular interest in the CLEP (Common Learning Event Programme) events and webinars, further expressing their willingness to participate in the programme in the future.

The significance of the training possibilities offered is highlighted by the fact that the national administrations have integrated the EU eLearning portfolio as part of their national training. As detailed in the Figure 2, the implementation of the eLearning courses in the public sector is mainly achieved at national level through the national Learning Management System (LMS) or the intranet of the relevant authorities.

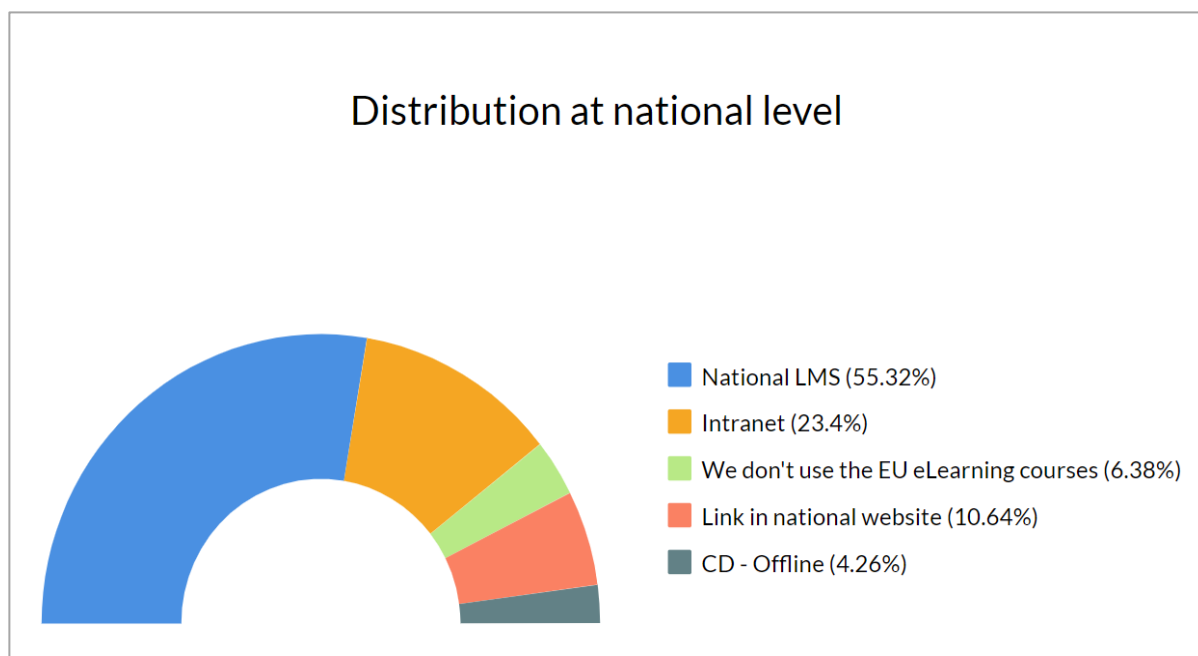


Figure 2: Distribution of EU eLearning portfolio at national level

DG TAXUD intends to continue focusing on the localisation of the training courses in the various official EU languages, thus responding to the increasing request by the national administrations. Furthermore, the development of an LMS platform is under consideration, since it could facilitate the access to the provided material for all stakeholders, thus increasing the positive impact of the training initiative on the digitalisation of the EU Customs Union.

3.6 IT Business Continuity Management System (IT BCMS)

As set out in the Strategic Plan 2016-2020 for DG TAXUD³⁹, ensuring the business continuity of existing electronic customs systems in an increasingly complex IT environment remains a core objective. In fulfilment of this ambition, DG TAXUD has invested in a number of business continuity measures. In 2019, the IT BCMS revamping Phase I project, which was launched in 2018, remained at the core of DG TAXUD's endeavour to ensure that previous investments made in preparedness are effectively translated into recoverability, when required, and aligned with overall business objectives and priorities. To this end, a set of core IT BCMS documents was developed or revised during 2019, covering a wide range of areas underpinning IT BCMS development. In pursuance of ensuring that all current and future arrangements and operations will support the aforementioned objectives in a consistent manner, a new BCMS Revamping Phase II was initiated in August 2019. Phase II project has produced thus far several key results, including the update of the DG TAXUD IT Business Continuity Plan and the update of various crucial BCMS documents. Further to this, DG TAXUD has initiated the Disaster Recovery testing for IT systems to verify the effectiveness and efficiency of the current Disaster Recovery plans and to identify areas that require further improvements. The work within the BCMS Revamping Phase II project has resulted in recommendations for several improvements, which will be addressed in the upcoming Phase III of the project.

In addition, DG TAXUD monitors business continuity in terms of the performance of core customs IT systems and infrastructure. One of the current measurements of the performance of the business continuity of the IT systems is indicated via the Common Communication Network (CCN), which experienced noteworthy growth during 2019. The CCN applications exchanged 7 billion messages during the year, with an increase of 17.15% compared to 2018, when 5.98 billion messages were exchanged. This increase in the quantity of messages exchanged has coincided with volume growth of 43.93%, from 7.79 TBs in 2018 to 11.2 TBs in 2019. Figure 3 below illustrates the evolution of CCN message quantities and volume exchanged since 2008.

³⁹ Strategic Plan 2016-2020: DG TAXUD, Ref. Ares (2016) 1266241 – 14.03.2016.

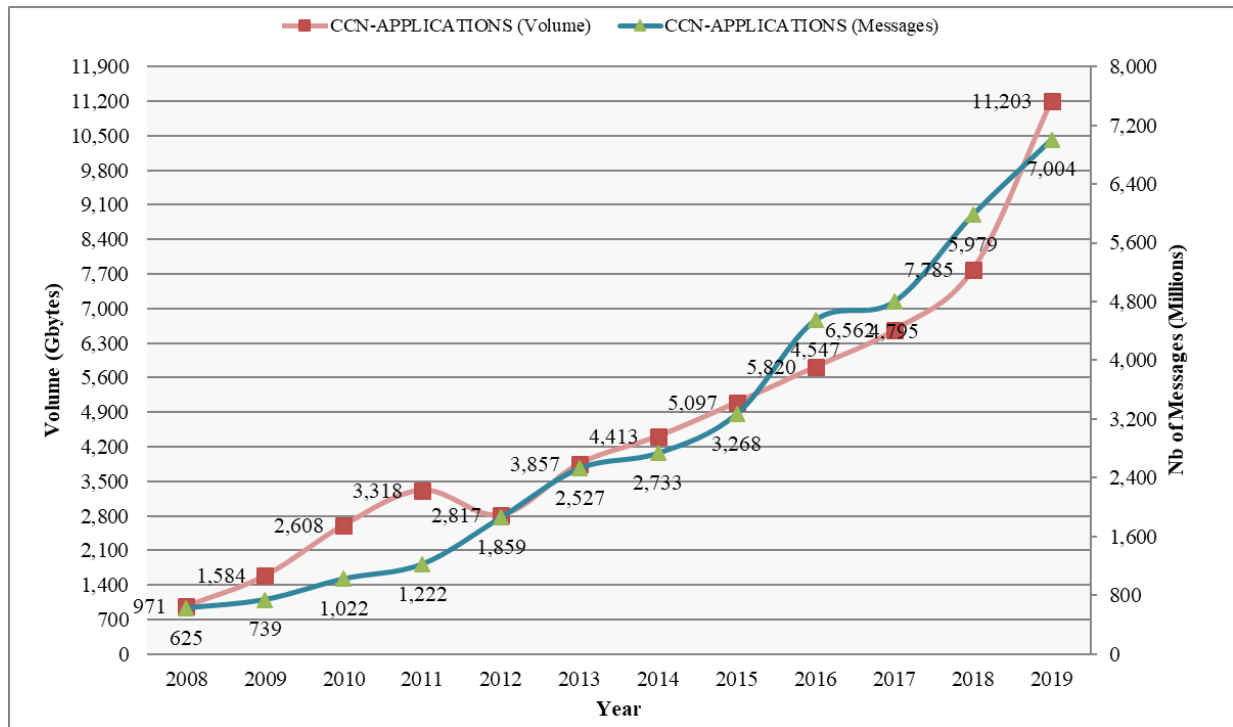


Figure 3: Evolution of CCN message quantities/volume

Figure 4 depicts the progress of the exchanged message quantities since 2008 for the European Binding Tariff Information (EBTI), Export Control System (ECS), Economic Operator System (EOS), New Computerised Transit System (NCTS), Import Control System (ICS), Surveillance, and Specimen Management System (SMS) projects. In comparison to 2018, an increase was observed for ECS (0.11%), EOS (42.06%) ICS (3.88%) and SMS (8.21%) during 2019, whereas EBTI, NCTS, and Surveillance experienced a decrease (5.18%, 0.87%, and 43.88% respectively).

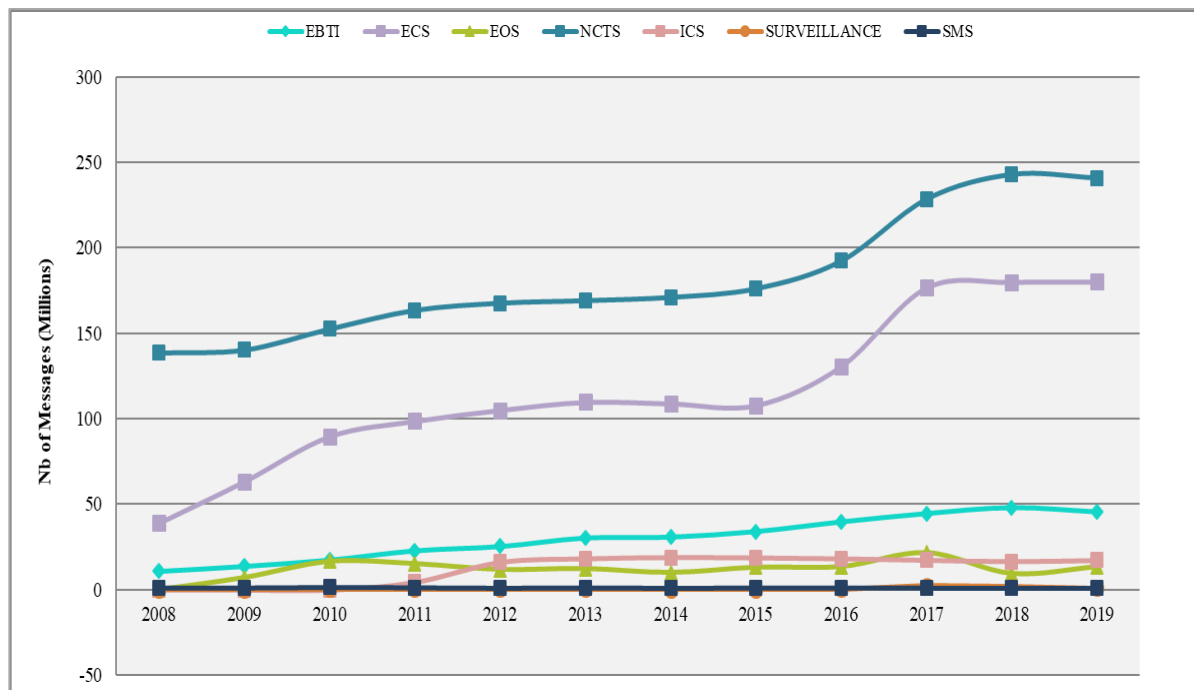


Figure 4: System message evolution

Figure 5 presents the distribution of messages exchanged per system (EBTI, ECS, EOS, NCTS, ICS, COPIS (Anti-Counterfeiting and Anti-Piracy Information System), Surveillance, and SMS) in 2019. The quantity of messages exchanged by the movement systems, such as NCTS, ECS, and ICS,

constitutes 82.40% of the total number of messages exchanged by all systems, compared with 82.64% in 2018. As noted, there was an insignificant change between 2018 and 2019 in the percentage of the messages exchanged.

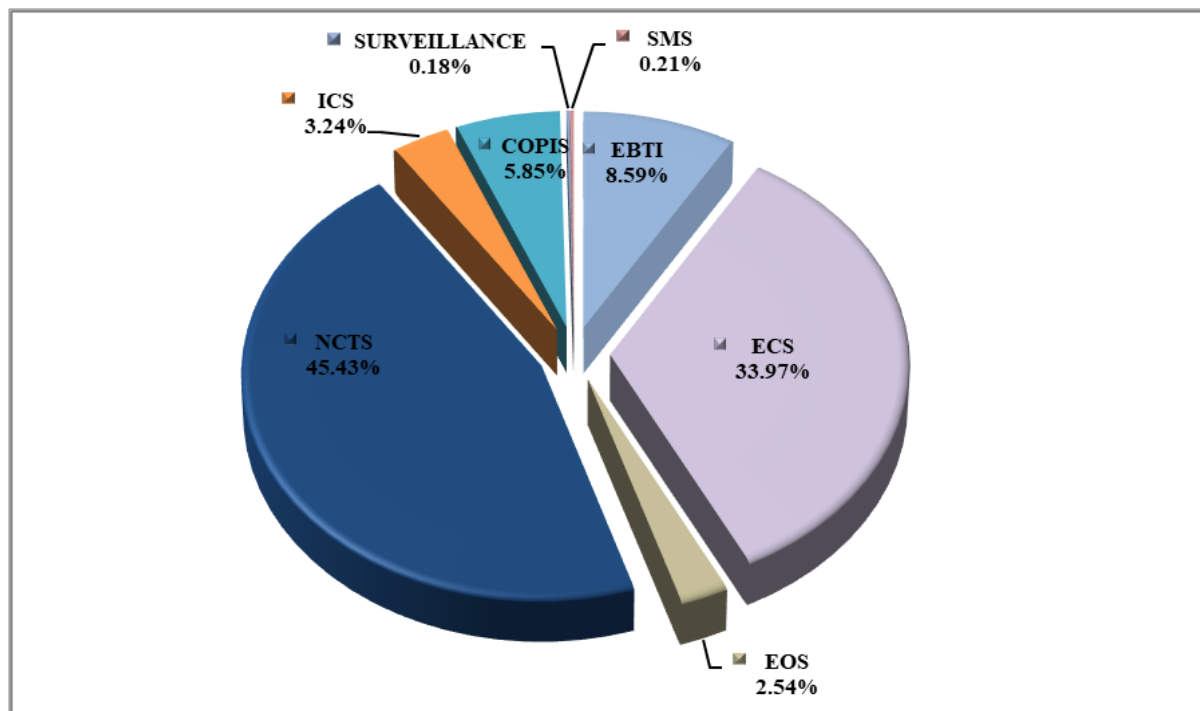


Figure 5: CCN messages distribution per system application

3.7 EU Single Window Environment for Customs (EU SW-C)

As the customs domain is progressively transformed into a paperless electronic environment, the clearance process imposes multiple non-customs formalities that must be fulfilled separately and not always electronically. These formalities are regulated by government agencies or departments responsible for monitoring and enforcing compliance with specific policy domains, such as health and safety, the environment, agriculture, fisheries, international heritage, market surveillance, etc. In order to streamline regulatory compliance in the EU and harness the full potential of cooperation between customs and other government authorities, the EU Commission has supported the development of single window initiatives.

The concept of a ‘single window’ is to be understood as a trade facilitation measure, which permits the economic operator to fulfil regulatory requirements related to cross-border movement of goods by submitting data in a standardised manner to multiple recipients via a single-entry point. The single window paradigm represents a new wave of customs modernisation with the potential to generate multiple gains for both the economic operators and the regulatory authorities. Despite the apparent benefits of harmonised single window services for cross-border operations, the complexity associated with building an EU Single Window environment for customs (EU SW-C) is notably attributable to the involvement of a high number of authorities and the multiplicity of their respective procedures and IT systems in the EU Member States. Given this context, a phased approach was adopted for its implementation.

The 2014 Venice Declaration⁴⁰ established a commitment to develop an action plan for an EU Single Window environment for customs and a corresponding legal framework. In line with these priorities, a pilot project, the “EU Customs Single Window-Common Veterinary Entry Document” (EU SW-CVED), was launched in 2015 and jointly administered by DG TAXUD and DG SANTE. The pilot provided for the automated verification by customs of three sanitary certificates⁴¹ required for the entry of products of animal and non-animal origin into the EU, with five Member States (BG, CZ, IE, LV, SI) participating on a voluntary basis. Its successor, known as the EU Customs Single Window Certificates Exchange project (EU CSW-CERTEX), expanded the scope of regulatory requirements⁴² and enhanced the pilot’s functionalities. By 2020, the EU CSW-CERTEX platform is projected to support nine certificates covering several policy domains and an expanded geographical coverage. The scope and status of the EU CSW-CERTEX project are further detailed in section [1.1.8](#) of Annex 1.

The extended scope of the EU CSW-CERTEX includes as from 2019 the Cultural Goods Import Licence and Importer Statement which implementation will be in force as from mid-2025. Following the EU Commission’s proposal to impose uniform controls on the import of cultural goods throughout the EU, Regulation 2019/880³² was adopted. The Regulation allows for the possibility of developing a central electronic system for the management of import licences and importer statements. The project is divided into three activity areas, namely the legislative process, the establishment of a central electronic licencing system and the development of a system interface with the EU SW-C. The legislative process consists in drafting an implementing act to govern the EU electronic licensing system for the import of cultural goods, which was discussed in 2019 within the expert group on Customs Issues related to Cultural Goods. An additional Customs 2020 project group on the Import of Cultural Goods was set up in 2019 with the participation of experts from national customs administrations and competent authorities to further elaborate on the technical and business aspects of an electronic system, the creation of an import licence template, and the development of the format for the importer statement. The interconnection of a central electronic licencing system with the EU CSW-CERTEX will facilitate the information exchange between customs and competent authorities dealing with the fulfilment of regulatory requirements for the import of cultural goods.

In line with the EU Commission’s broader agenda to increase digitalisation and smoothen clearance processes, the need for targeted additional legislation was identified. Since December 2016, the EU Commission collaborated closely with the Member States and the Trade Contact Group, through the EU SW-C project group, on the preparation of working documents to support the input to the legislative proposal. This project group collaborated closely to provide input on policy options for the EU SW-C that were taken forward as part of the external study to support the impact assessment. This study was launched to further assess the options and impacts of the implementation of this environment and its required legislation. In addition, the EU Romanian Presidency hosted a High-Level Seminar on the EU SW-C in May 2019. This seminar was jointly organised with the EU Commission with the participation of senior management officials from national customs administrations, candidate countries, representatives of trade associations and keynote speakers from international organisations (e.g. World Bank, UNECE) and the US Customs and Border Protection Agency. The objectives of the seminar were to present and discuss with the senior management of the national customs administrations and representatives of the trade associations the policy options

⁴⁰ Draft Council Conclusions on Electronic Customs and Single Window Implementation in the European Union, 16507/14, 4.12.2014.

⁴¹ CVED-A (Common Veterinary Entry Document Animals), CVED-P (Common Veterinary Entry Document Products) and CED (Common Entry Document).

⁴² Three more certificates were introduced as of 2019: CHED-PP (Common Health Entry Document for Plant Protection) for wood, fruits and vegetables, FLEGT (Forest Law Enforcement, Government and Trade) for imports of timber, COI (Certificate of Organic Inspection) for imports of organic products.

identified during the impact assessment study. Several workshops were held during the seminar to address the relevance of the policy options in the government-to-government (G2G) and business-to-government (B2G) context and to obtain feedback from the participants on the viable policy options. A strong support was expressed for the development of a legal framework for the EU SW-C, which will legitimise the EU CSW-CERTEX. Their views were taken into consideration by the EU Commission for the drafting of the legislative proposal on the EU SW-C.

Throughout 2019, the EU Commission continued the preparatory work on the impact assessment report to inform about its preferred policy option for the legislative proposal and the budgetary impacts of its implementation. In parallel, an inter-service steering group held several sessions to support the steering of the project and served as a discussion platform to integrate the views of other EU Commission services. The impact assessment report for the EU SW-C is anticipated to be presented and discussed with the Regulatory Scrutiny Board⁴³ in early 2020.

3.8 Innovative Technology Solutions

In 2019, the EU Commission continued its efforts on the “Blockchain@TAXUD” initiative to explore the possible use of blockchain technology in the context of e-Customs and taxation policies. During 2019, the project was focused on the organisational and operational feasibility within the Customs and Taxation ecosystem on the CCN, using “simple systems” such as sharing of registries. Following the Proof of Concept (PoC) launched by DG TAXUD in 2018, a training was organised in 2019 in order to inform the Member States on the deployment steps of blockchain. A peer-to-peer network between the blockchain nodes was initiated in September 2019 and the Joint Research Centre (JRC) contributed by validating that CCN performance would be adequate. In the context of the e-Commerce VAT Directive, a data sharing use case across Customs and Taxation authorities to the European Blockchain Partnership⁴⁴ was selected. Sharing “IOSS VAT identifiers” via a decentralised registry is one of the four blockchain use cases addressed in the first wave of the European Blockchain Services Infrastructure (EBSI) that will start beginning of 2020⁴⁵ and will be sponsored by the CEF DIGITAL funding framework led by DG CONNECT and DG DIGIT.

Throughout the year, DG TAXUD continued its consideration of additional innovative technology solutions, such as data mining and artificial intelligence, with a business- and delivery- focused strategy. Data, in particular, is at the heart of DG TAXUD’s emphasis on shaping policies to support the design of modern and interoperable electronic systems. As such, DG TAXUD and the Member States’ customs administrations have always been at the forefront of data harmonisation and of the compliance with international standards. In 2019, DG TAXUD focused principally on developing a data strategy that would facilitate data exploitation as well as the integration of the data in the daily operations of the organisation. Such a strategy is deemed essential in order to deal with data in an efficient and effective manner. Within this context, key strategic orientations have been identified. People, data value and tools are the vital elements in setting out DG TAXUD’s data strategy. DG TAXUD has emphasised on keeping data at the core of the work delivered and on establishing a network of people that will explicitly tackle data topics. It has been concluded that the role of data analyst needs to be developed within the organisation. This can be achieved by providing training to the existing staff members as well as by recruiting individuals with the relevant expertise. An important step towards becoming a data-driven organisation is identifying the existing data assets. The

⁴³ The Regulatory Scrutiny Board is an independent body of the EU Commission that examines and issues opinions and recommendations on all the EU Commission's draft impact assessments prepared by the EU Commission.

⁴⁴ <https://ec.europa.eu/digital-single-market/en/blockchain-technologies>

⁴⁵ <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/ebsi>

EU Commission has produced a data catalogue and has defined diverse policies to support data governance. Setting up a Data Lab has been considered as a possible effective tool for exploiting data. A single data platform accessible to everyone is essential in maximising the value of data. Hence, the enhancement of the existing environment of Surveillance3 has been identified as an appropriate short-term solution. The implementation of this data strategy will be monitored on a regular basis.

3.9 Preparation Activities for UK Withdrawal from the EU

The UK formally notified of its intent to withdraw from the EU on March 29, 2017. Under the procedure outlined in Article 50 of the Treaty of the European Union, the UK was foreseen to complete its withdrawal from the EU no later than March 29, 2019. On this basis, the EU Commission continued to conduct a series of technical seminars, assessments, and coordination activities with the Member States during 2019 to prepare for a range of scenarios, including a ‘No Deal’ outcome, UK accession to the Common Transit Convention (CTC), and an orderly withdrawal. In light of the postponement of the withdrawal, the EU Commission reviewed the published “No Deal” guidance to ensure that it was fully up-to-date. In parallel, coordination meetings were organised with the UK Task Force to discuss appropriate preparations, in particular pertaining to the IT implementation issues arising due to the latest developments. Further meetings were planned to take place in the beginning of 2020 to address specific topics on a case by case basis e.g. the implementation of the Ireland/Northern Ireland Protocol.

3.10 General Data Protection Regulation (GDPR) and its impact on e-Customs

The General Data Protection Regulation (GDPR)⁴⁶ has become applicable throughout the EU territory since the 25th of May 2018. Building upon Article 8(1) of the EU Charter of Fundamental Rights⁴⁷ which defines that everyone has the right to the protection of their personal data, GDPR represents a significant step towards strengthening the fundamental rights of EU citizens within the context of the digital age. The EU Regulation further seeks to facilitate the business sector by providing a single legal framework applicable in all Member States and by clarifying rules for the stakeholders involved in the Digital Single Market.

In the context of the e-Customs initiative and the digitalisation of the customs procedures, GDPR becomes particularly relevant. Upon the entry into force of the Regulation (EU) 2018/1725⁴⁸ on the protection of individuals with regard to the processing of personal data by EU institutions, DG TAXUD undertook specific activities to ensure compliance with the data protection legal framework. In particular, DG TAXUD proceeded by screening the personal data processing operations, including the customs IT systems, while assessing the role of DG TAXUD in the processing of personal data in

⁴⁶ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1-88, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0679>.

⁴⁷ Charter of Fundamental Rights of the European Union, OJ C 326, 26.10.2012, p. 391-407, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012P/TXT>.

⁴⁸ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (Text with EEA relevance), OJ L 295, 21.11.2018, p. 39-98, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R1725>.

consonance with the European Data Protection Supervisor (EDPS) guidelines⁴⁹. DG TAXUD informed the Member States on a regular basis about its compliance activities and reminded of the obligation to comply with GDPR. Further a project group was launched upon request of the Member States in order to facilitate the exchange of information and expertise among the data protection experts of the Member States and to enhance the cooperation with respect to the assessment of the roles and the establishment of related arrangements.

4 COSTS

4.1 Costs incurred by DG TAXUD on IT systems development in 2019

Figure 6 presents an overview of the EU Commission's costs committed under the 2019 budget for IT system development and maintenance as well as customs coordination. The common Customs 2020 joint action budget pertains to participation costs in the programme events, such as the ECCG and the technical sub-group meetings. Other costs associated with joint actions that cover promotional activities and IT training sessions under the Customs 2020 programme are also included in this category.

⁴⁹ EDPS Guidelines on the concepts of controller, processor and joint controllership under Regulation (EU) 2018/1725, 7.11.2019, https://edps.europa.eu/sites/edp/files/publication/19-11-07_edps_guidelines_on_controller_processor_and_jc_reg_2018_1725_en.pdf.

System/Activity		Commission Committed budget for 2019 (EUR)
Customs Projects	AEO Mutual Recognition (MR) adaptation	350,000.00
	UCC Customs Decisions System (CDS)	1,600,000.00
	UCC Proof of Union Status (PoUS)	600,000.00
	UCC BTI Phase 1	200,000.00
	UCC Automated Export System (AES)	200,000.00
	UCC Transit System including (NCTS)	200,000.00
	COPIS eAFA	500,000.00
	UCC CCI Phase 1	500,000.00
	EU-RU 'Green Corridor' pilot project	100,000.00
	UCC Customs Decisions/Generic Trader Portal	150,000.00
	Contingency	600,000.00
	UCC Guarantee Management (GUM)	150,000.00
	UCC Special Procedures (information sheets)	700,000.00
	Surveillance ³	300,000.00
	UCC ICS2 (Common Repository & STI)	2,700,000.00
	CLASS	456,000.00
	Customs Union Performance (CUP-MIS)	400,000.00
	CS/MIS2	700,000.00
	CRMS2	200,000.00
	Smart and Secure Trade Lanes (SSTL)	400,000.00
	EU Single Window environment for customs (EU SW-C)	650,000.00
	UCC Uniform user management & digital signature (UUM&DS)	1,591,000.00
	IT Architecture Customs	100,000.00
Subtotal:		13,347,000.00
CCN2		3,957,697.76
Studies and Development Subtotal		17,304,697.76
Maintenance (corrective/evolutive) of Customs systems		6,245,595.00
Operations of IT systems		30,882,521.03
Communication network CCN/CSI and other middleware (e.g. SPEED2)		4,472,865.91
Procurement of H/W & S/W COTS		23,956.48
Hosting		1,143,588.13
Common costs Customs 2020	E-customs joint actions - ECCG meetings	2,675,704.00
	E-customs joint actions - Trainings	921,892.36
	Promotion activity	238.68
Quality Assurance including TEMPO		4,000,000.00
DIH and Data modelling (including GEFEG consulting and licenses)		282,810.41
Administrative budget		3,500,000.00
Activities related to Business Process Modelling (BPM)		2,193,894.98
Intra-muros services		6,397,364.30
Horizontal budget (e.g. PICS, ARIS, CMS, SMT)		2,096,160.39
GRAND TOTAL		82,141,289.43

Figure 6: EU Commission's committed costs in year 2019 (expressed in €)

As noted in Figure 6, the EU Commission's committed 2019 budget for e-Customs has reached **82,141,289.43 €**. In contrast with the overall costs allocated in 2018 (85,841,249.68 €), a decrease of 4.31% is observed in 2019. This is mainly due to preparatory work for BREXIT that was prioritised, and some other activities were put on hold. This decrease is also justified by the fact that several projects are in elaboration phase (technical system specifications) which consumes less budget compared to IT work related to a system development, further deployment and entry in operation. In addition, the cost on BREXIT is not reported separately as the previous year. The amount of 2,480,000.00 € of the total budget was distributed within the projects and services. More specifically, 1,600,000.00 € of the above-mentioned amount was distributed to perform changes in the customs systems and 850,000.00 € was allocated for the changes in the infrastructure.

Figure 7 below represents the main categories of the EU Commission's costs which were mostly absorbed by two categories, "operations" and the "studies and development" of IT systems. In comparison to 2018, IT systems operations' costs had a small increase of 4% in 2019. On the other

hand, the cost dedicated to studies and development had a significant decrease of 26%. The decrease is attributed due to BREXIT focus, which removed resources from the core IT activities by putting projects on hold and the new wave of projects in inception phase.

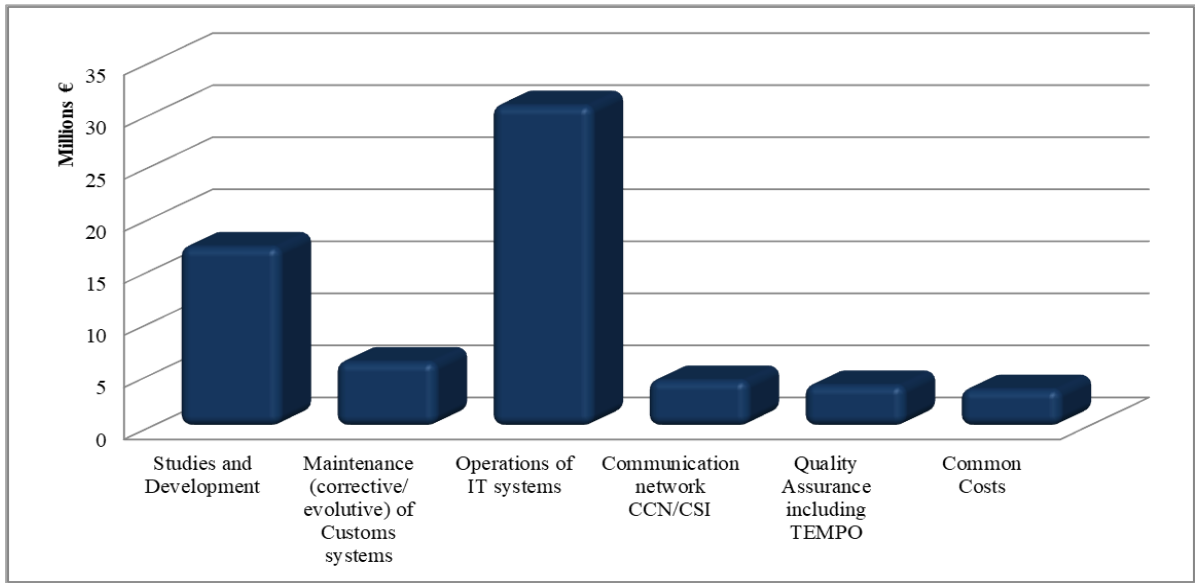


Figure 7: Main categories of the EU Commission costs in year 2019

Figure 8 outlines the overall investment of EU Commission in customs IT systems for the period 2008-2019. An incremental tendency on budget increase has been noticed throughout the years. This increase was significantly higher from 2017 onwards when most of the efforts were dedicated to achieving the 2020 target.

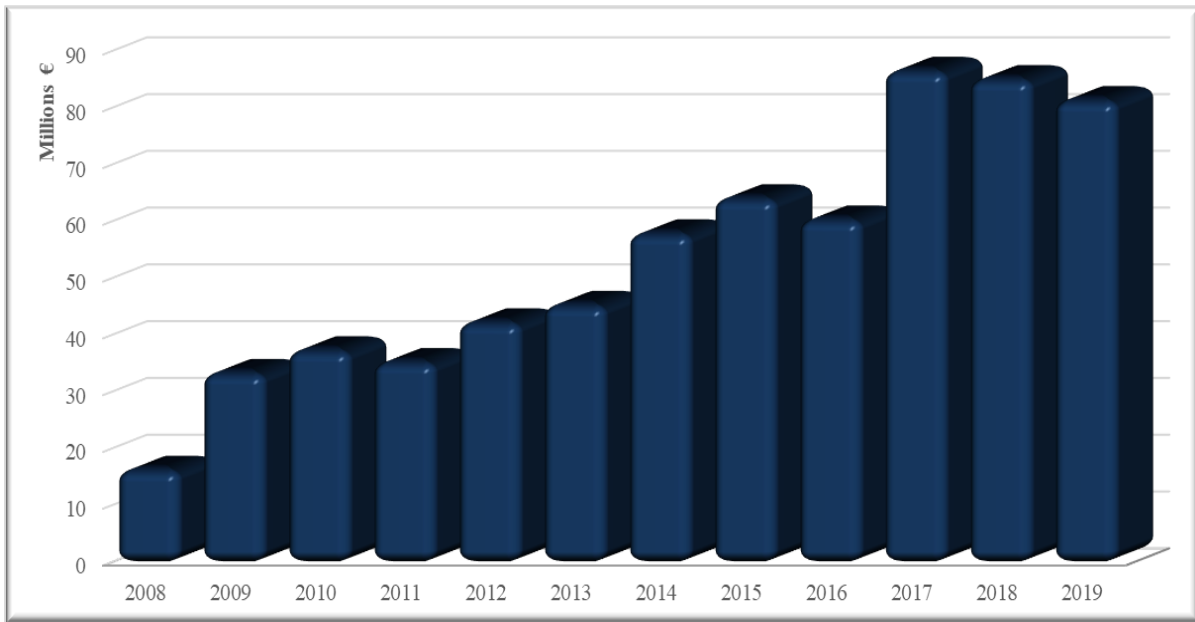


Figure 8: EU Commissions’ costs for customs IT systems, 2008-2019

4.2 Costs incurred by the Member States in 2019

Total expenditures by the Member States on customs IT systems in 2019 were **133,470,389 €**. Figure 9 below illustrates Member States’ investment per project according to the MASP-C Revision 2019, as reported in the national annual reports.

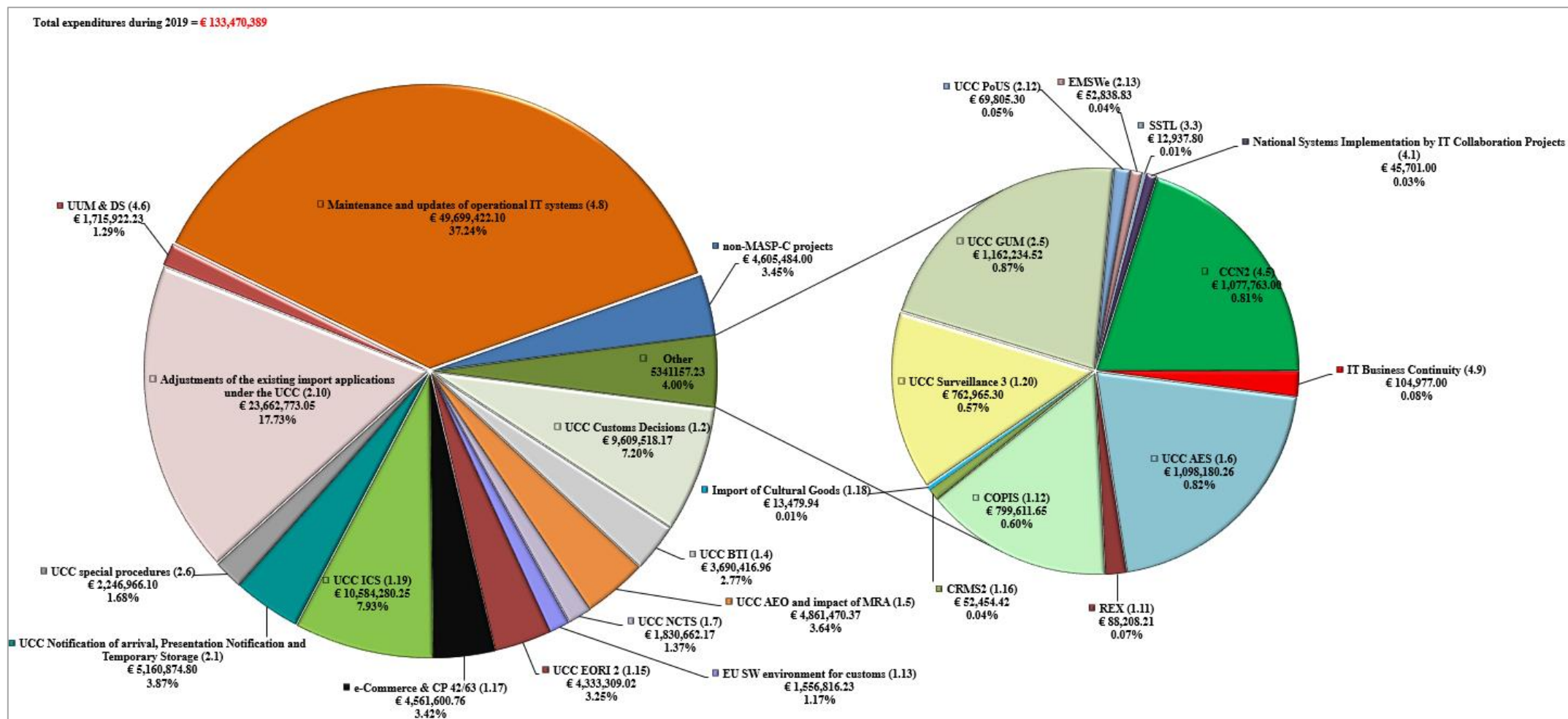


Figure 9: Member States' costs of customs IT systems in 2019⁵⁰

⁵⁰ The CLASS (1.14), CUP-MIS (2.11), EU implementation of UNECE eTIR system (3.1), EU implementation of the eATA Carnet Project (3.2) and High availability DG TAXUD operational capabilities (4.7) projects represented less than 0.01% of the customs IT systems cost and have not been included in the figure.

Following the structure and content-related transformations that took place during the MASP-C Revision 2019, Member States have reported on 31 projects.

According to Figure 9, the greatest share of the Member States' budget⁵¹ in 2019 was consumed for the maintenance⁵² and updates of the operational IT systems, which constituted 37.24% of the total expenditure. This figure has increased from 34.08% in 2018. This increase was mainly due to the additional operational adaptation of the systems in 2018, resulting in an increase for updates and maintenance required in 2019. In addition, the "Adjustments of the existing import applications under the UCC" (2.10), "UCC ICS2" (1.19), "UCC CDS" (1.2) and the "UCC Notification of Arrival, Presentation Notification and Temporary Storage" (2.1) absorbed approximately the average of 7.35% of the overall expenditure (respectively 17.73%, 7.93%, 7.20% and 3.87%). A lightweight decrease was observed in the expenditure of the "non-MASP-C Rev. 2019 projects", which hold an aggregate percentage of 4.01% of the total investment compared to 4.72 % in 2018. This indicates that the Member States slightly minimised the allocation of their budget to adjust their national systems to the new UCC requirements and focus more on the development of the new systems.

Figure 10 depicts the comparison between the operational and development IT systems costs, consuming 37.24% and 62.76%, respectively, of the overall system expenditure reported in 2019. An increase of 3.17% has been reported for the operational IT systems in 2019 compared to 2018. One of the attributes of the cost increase is the fact that Member States allocated a considerable part of their budget to the existing systems in order to align them with the UCC requirements.

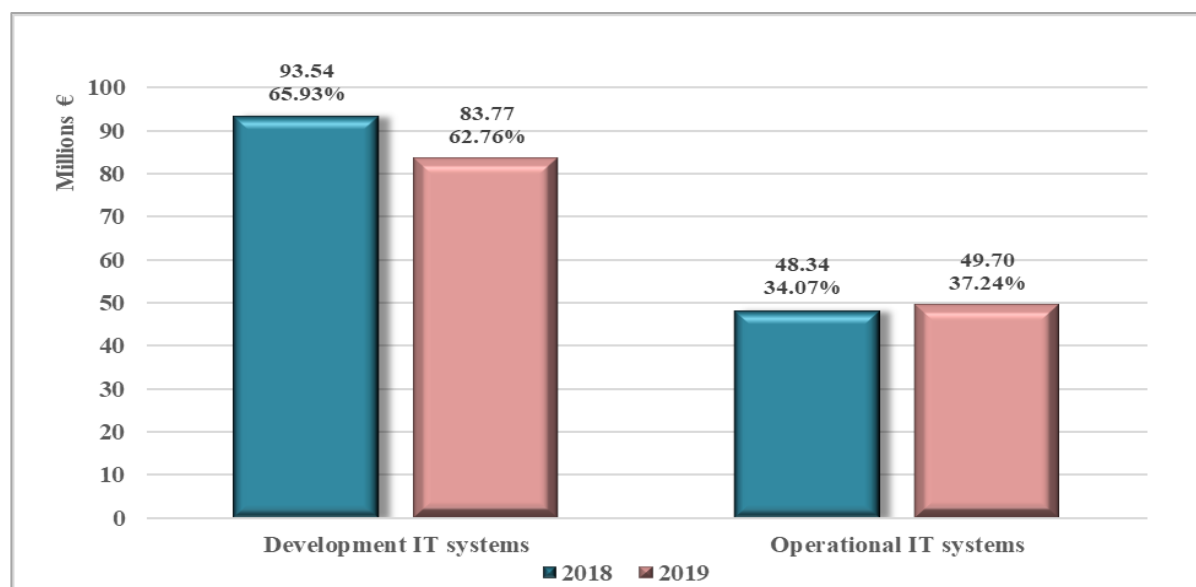


Figure 10: Costs on Operational IT systems and Development IT systems as part of all systems in 2019

Figure 11 presents the accumulated cost of the MASP-C Revision 2019 project groups. Group 1 refers to the Customs European Information Systems (EIS), Group 2 relates to Customs European initiatives that require further analysis and agreement, Group 3 encompasses Customs International Information Systems, and lastly, Group 4 presents Customs cooperation initiatives and technological developments to facilitate Customs EIS, along with the maintenance of existing projects. The main budget consumption consisting in 39.44% was absorbed by Group 4. Group 1 consumed 32.85% of the total

⁵¹ The data on budget amounts is not precise due to the aggregated information received from some Member States.

⁵² The reported cost on maintenance of the systems in operation since 2017 has been included under the Maintenance (4.8) project fiche.

budget followed by Group 2, which occupied 24.24%. In 2019 it has been observed that the focus of the Member States has shifted from the implementation and the development of the Group 2 projects by decreasing 8.59% compared to 2018 towards Group 1 with an increase of 6.8%. The focus was changed due to the UCC legislation, the Member States and the EU Commission had to deploy and put in operation a significant number of systems⁵³.

In contrast, Group 3 consumed only 0.01% of the overall budget for MASP-C groups. In comparison to 2018, the Member States' distributed budget for "non-MASP-C Rev. 2019 projects" in 2019 was mainly consumed for the maintenance and upgrades of their national systems, marking a small decrease from 4.72% to 3.45%.

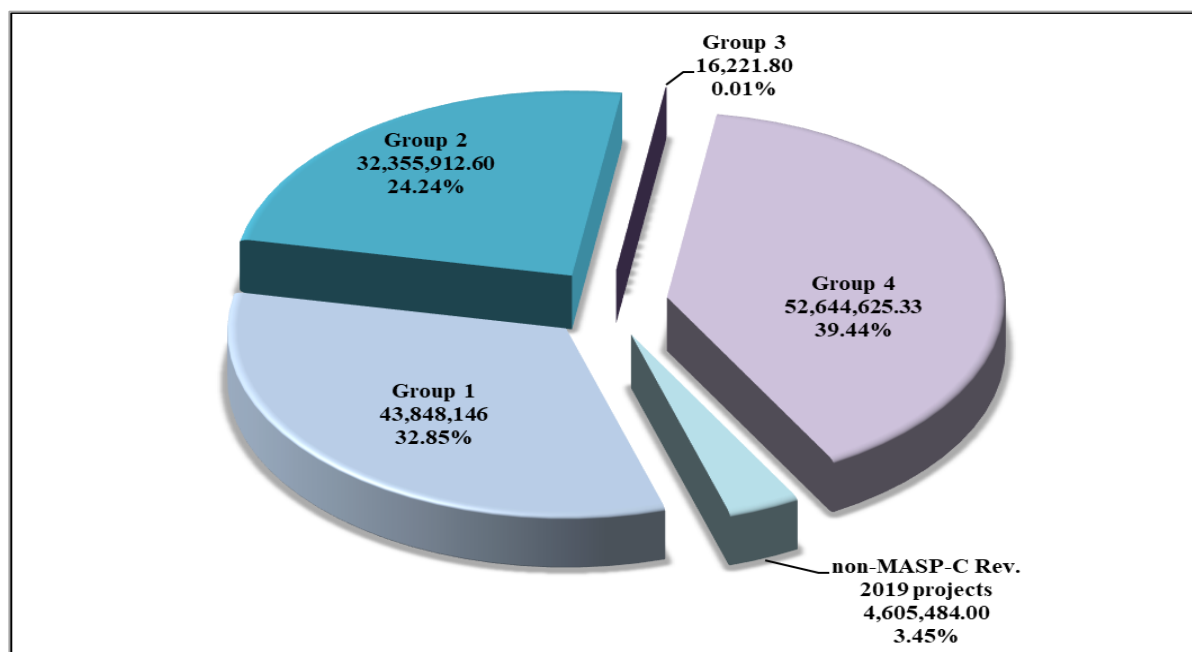


Figure 11: Cost per MASP-C Revision 2019 Project Groups

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

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

As depicted in Figure 12, Member States reported less expenditures for the maintenance and the updates of the operational IT systems in 2019, since the primary focus was directed to the development and implementation of the MASP-C projects. Specifically, a significant amount of Member States' budgets was allocated to MASP-C project groups, which accounted for 59.31% of total expenditures on electronic systems, while maintenance costs consumed only 37.24% of the

⁵³ Detailed planning can be found under Annex 2 – PLANNING OVERVIEW OF MASP-C PROJECTS of this report.

overall budget. Maintenance represents a small increase from 34.07% in 2018. Similarly, Member States' cost for the "non-MASP-C Rev.2019 projects" accounted for 3.45% of the total expenditure.

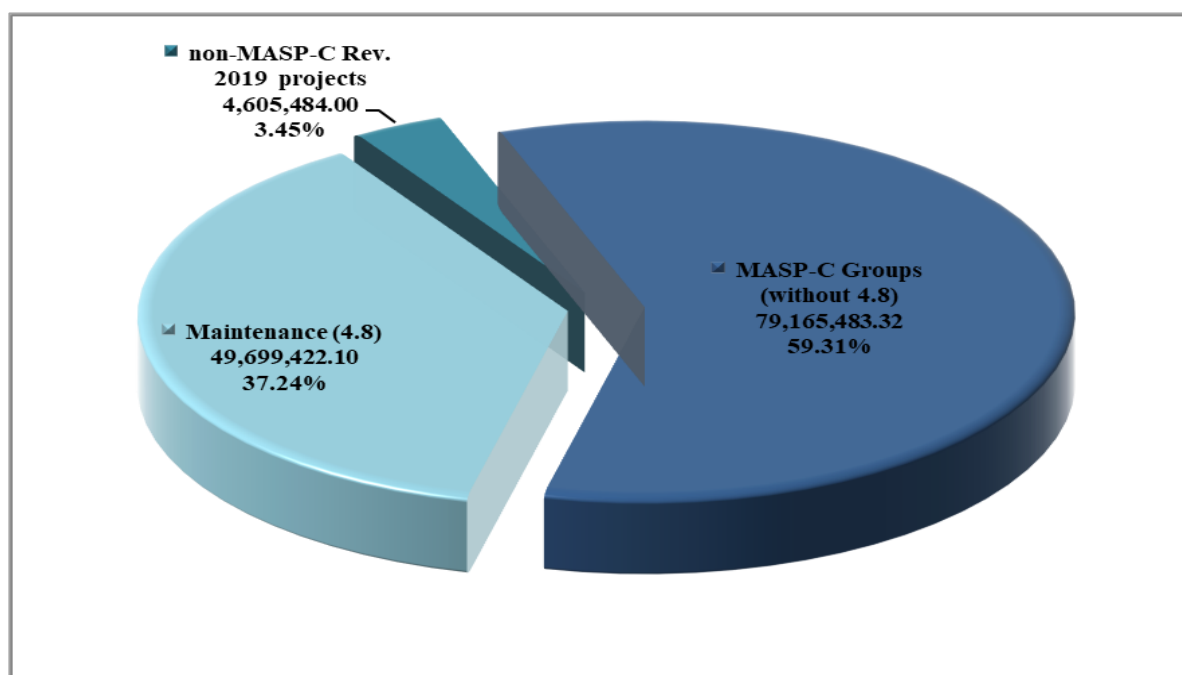


Figure 12: Distribution of Member States' expenditure

Figure 13 below presents the total investment of Member States in customs IT systems for the period 2008-2019⁵⁴. The below cited figures are not directly comparable due to the inconsistent number of Member States reporting over the years, which is respectively presented at the top of each bar for all years, in which data was collected.

⁵⁴ As of 2013, the total number of the Member States is 28.

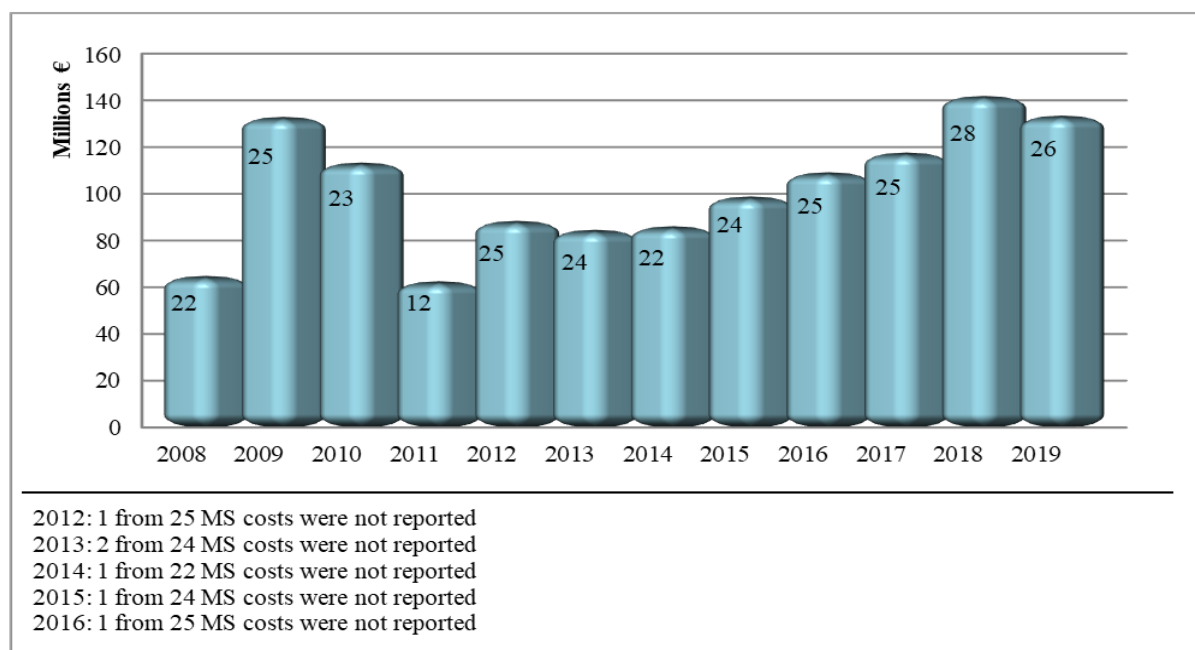


Figure 13: Member States' costs, 2008-2019

Figure 14 sets out the average Member States' cost through the years 2008-2019. The total sum allocated by Member States for each year is divided by the number of the Member States that reported during this timeframe.

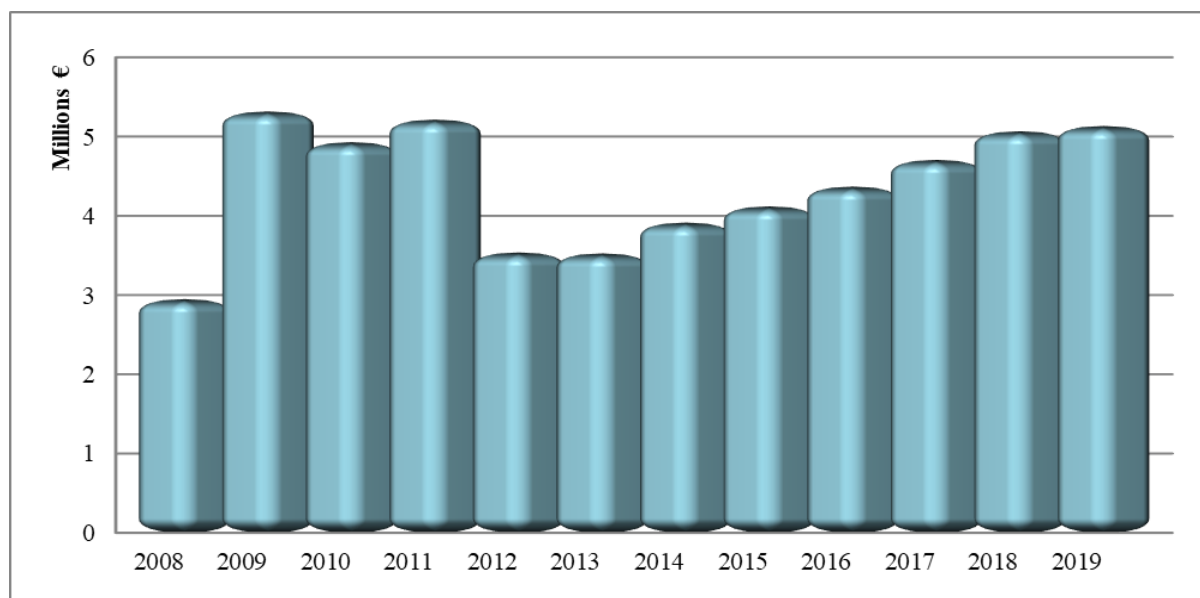


Figure 14: Average Member States' costs, 2008-2019

As illustrated in the figure above, the average Member States' dispensed cost has increased by 1.3% in 2019 compared to 2018. As indicated in the graph, the total project expenditure dropped to its lowest levels (22.91%) in the period between 2012 and 2013. However, the past five years were notable by an increase of 24.60% compared to 2015.

This is also justified in the following Figure 15, which presents the total amounts utilised by seven Member States (FI, HU, LT, NL, PL, PT and SE) for the period 2008-2019.

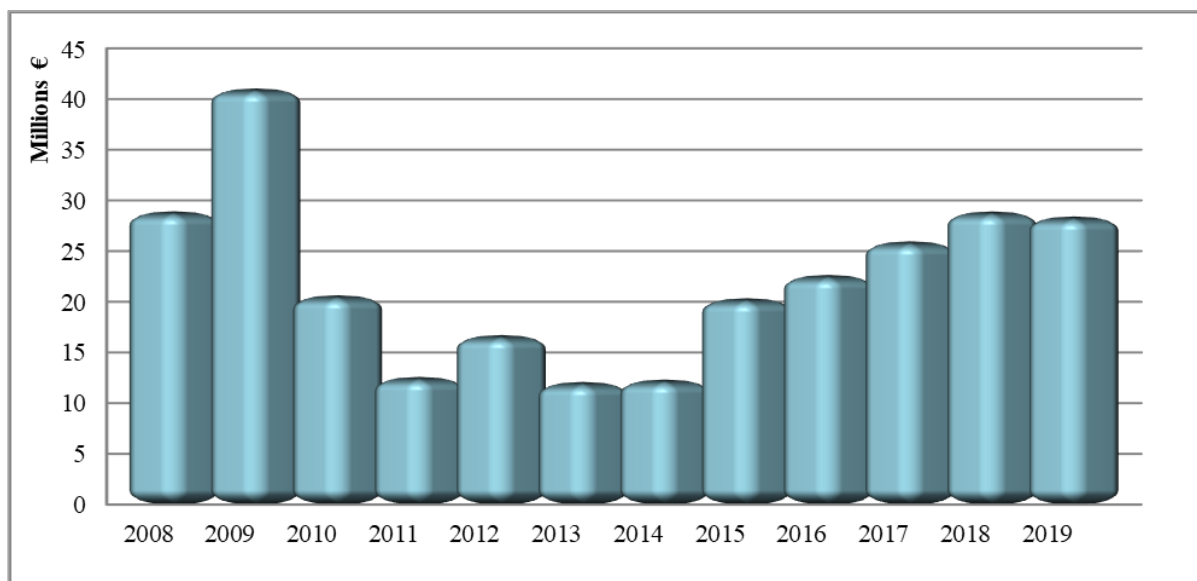


Figure 15: Total costs over the years 2008-2019 for 7⁵⁵ Member States that reported in all years

In addition, Member States' utilisation of man-hours is shown in the following Figure 16 for each project of the MASP-C Revision 2019.

⁵⁵ United Kingdom has been excluded from the graph due to its withdrawal from the European Union. In order to be consistent in comparison UK has been removed also from the previous years since 2008 as illustrated in the graph.

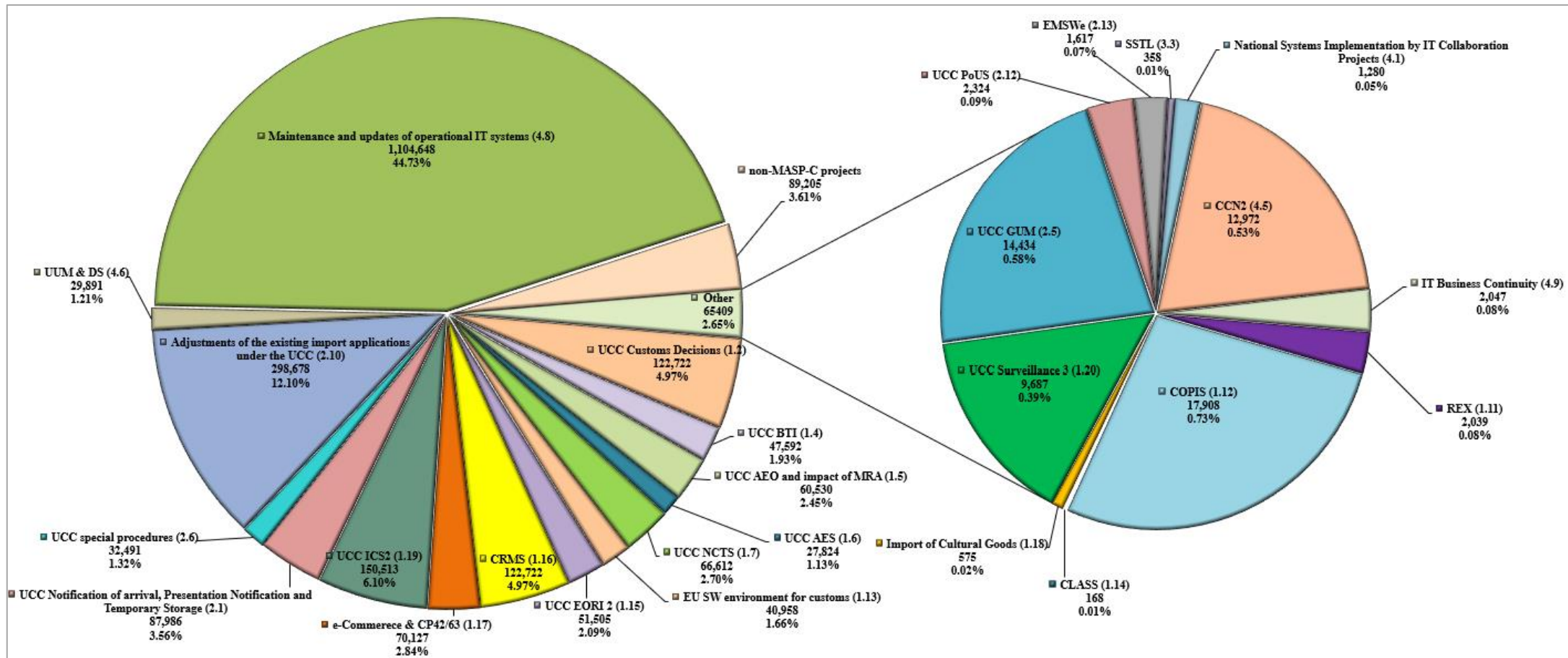


Figure 16: Member States' man-hours for Customs IT systems in 2019⁵⁶

⁵⁶ The CUP-MIS (2.11), EU implementation of UNECE eTIR system (3.1), EU implementation of the eATA Carnet Project (3.2) and High availability DG TAXUD operational capabilities (4.7) projects represented less than 0.01% of the customs IT systems man-hours and have not been included in the figure.

Based on Figure 16, the main proportion of the utilisation of man-hours in 2019 was the maintenance and updates of the operational IT systems, incorporating 44.73% of the total time spent. This consumption is proportional to the Member States’ cost that was absorbed by Maintenance and Updates of Operational IT systems (4.8), the “Adjustments of the existing import applications under the UCC” (2.10), the “UCC ICS2” (1.19), “UCC CDS” (1.2) and the “UCC Notification of Arrival, Presentation Notification and Temporary Storage” (2.1) projects, which utilised a great share of the man-hours by consuming 12.09%, 6.09%, 4.97% and 3.56% respectively.

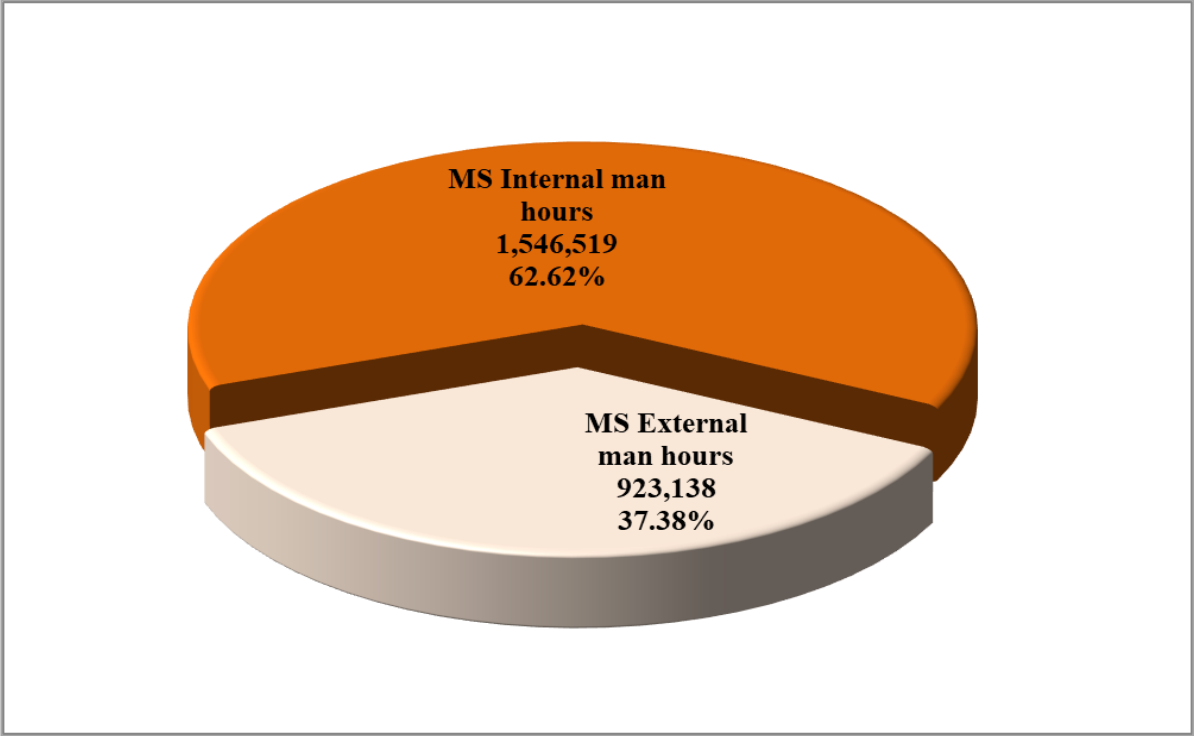


Figure 17: Member States’ man-hours consumed in 2019

Lastly, Figure 17 displays the man-hours that the Member States have allocated to all MASP-C projects in 2019. As depicted in the figure above, the internal man-hours make up the majority of the projects’ activities, more explicitly 62.62% in contrast to the external man-hours that absorbed 37.38%. Compared with the previous year, the internal and the external man-hours were 55.23% and 44.77%, respectively, the trend has shown an additional and continual increase in the attribution of internal man-hours compared to external. Due to budget restrictions, Member States assigned greater part of the deployment and development of the systems internally rather than externally.

5 SUMMARY OF E-CUSTOMS PROGRESS PERFORMANCE

During the course of 2019, the EU Commission achieved several fundamental milestones related to the successful implementation of the ongoing e-Customs reform. The transition to a paperless environment is a priority for the Member States and the EU Commission, a commitment reflected in the completion of several legislative, business, IT, and operational activities in the e-Customs domain.

In 2019, the EU Commission continued amending the existing legislation, and introducing additional measures to strengthen the e-Customs framework for a modern Customs Union. A series of amendments to the UCC DA/IA were adopted, bringing greater clarity to both customs authorities and economic operators on the use of certain procedures. Notably, the UCC IA was amended to include technical arrangements for the UCC BTI, UCC AEO and the UCC EORI projects. An additional proposal was issued to extend the legal basis for the technical arrangements linked to the implementation of the UCC ICS2, UCC INF, EUCTP, UCC AES, UCC NCTS P5, CRMS and potentially UCC Surveillance3 projects.

In parallel, the EU Commission adopted an updated timeline for the implementation of several core e-Customs systems governed by the UCC. Article 278 of the UCC was amended to extend the use of transitional measures for the UCC electronic systems, which were foreseen to not be ready within the initial 2020 deployment window. The new Article 278a introduced a provision requiring the EU Commission to submit an annual progress report to the EU Parliament and the Council on the national planning related to these projects until their full implementation by December 2025. The EU Commission delivered the first annual UCC progress report in December 2019, highlighting the progress made on the development of the UCC electronic systems. At the same time, a new version of the UCC Work Programme was adopted to reflect the modifications made to Article 278 and was aligned with the MASP-C Revision 2019.

Building on the EU Customs 2020 programme, DG TAXUD initiated a Foresight Study on the Future of Customs in the EU for the 2040 horizon, in collaboration with the JRC. Several stakeholders ranging from Member States to international organisations participated in this structured process to better comprehend the trends and drivers impacting EU Customs and to simultaneously harness collective intelligence for the long-term future. These activities helped produce a vision for EU Customs 2040, which is expected to be embodied in a long-term implementation roadmap in 2020.

Cooperation between the Member States, the EU Commission and economic operators through an array of specialised project groups remained a key area of activity throughout 2019. Active project groups continued to drive progress on the UCC CDS, UCC CCI, UCC ICS2, UCC NCTS Ph5 and UCC AES and EU SW-C projects, while further enhancement of the harmonisation of the e-Customs framework and trade facilitation took place under the newly established project group UCC DA/IA Data Annexes Revision for Harmonisation of Customs Data Requirements. In addition, two project groups on the Import of Cultural Goods and the UCC PoUS system were created in 2019, marking a significant step forward in terms of system inception activities. Remarkable progress was also achieved in the field of customs IT collaboration through the activities of the ETCIT group. Following the outcome of ETCIT I, ETCIT II was established, thus further advancing the collaboration between the Member States. The strategy and the future developments of the UCC remained at the core of the group's activities with the intention to actively contribute to the development of a long-term IT strategy for the EU Customs Union.

These efforts culminated in the operation and deployment of several projects during the course of 2019. UCC BTI Phase 2, UCC REX2 Turkey, UCC AEO, CCN2ng Rev.1 and CLASS Phase 1 entered into operations, while e-Commerce Phase 1 was deployed in 2019. In addition, e-Commerce Phase 2 and CUP-MIS were launched following the “go decision” taken in the second and fourth quarter of 2019, respectively. The high degree of effectiveness achieved during 2019, both through legislative accomplishments and through the delivery of new electronic customs systems, highlights an increasing maturity of the e-Customs framework, and reaffirms the need for close coordination between the Member States' customs authorities and the EU Commission.

A significant contribution to the implementation of the e-Customs framework and the overall modernisation of the customs domain is the EU Single Window Environment for customs. The prospective gains for the economic operators and regulatory authorities from standardised and harmonised single window initiatives has led to the extension of the scope of the EU CSW-CERTEX as well as to the preparation of a pertinent legislative proposal. The High-Level Seminar hosted by the EU Romanian Presidency in 2019 served as a valuable forum, where all key stakeholders expressed support for the development of a legal framework for the EU SW-C. Taking into consideration this support, the EU Commission advanced the preparatory work on the impact assessment report, which will include the preferred policy option for the legislative proposal and the budgetary impact of its implementation.

As the e-Customs environment continues to develop and entails greater responsibilities, the Member States and the EU Commission face an evolving set of challenges in relation to e-Customs implementation. The effective identification, preparation and management of these challenges remains a high priority. To this end, business continuity continues to be a core objective of the EU Commission. In 2019, several business continuity measures were adopted to ensure the recoverability

of the increasingly complex IT environment, the most notable being the initiation of Phase II of the BCMS Revamping project. In addition, the EU Commission has risen to the challenge posed by BREXIT by conducting preparation activities to deal with various scenarios for BREXIT and diverse IT implementation issues. Furthermore, following the entry into force of the GDPR, the EU Commission was faced with the challenging task of personal data processing. To address this issue, the EU Commission led initiatives to inform the Member States about the obligation to comply with the regulation and to facilitate the exchange of expertise among the Member States. However, the emerging challenges cover a wider scope of topics, including the strengthening of controls to tackle fraud and security risks, the need for greater monitoring of the EU customs legislation, the imperative of improving efficiency, harnessing innovation and continuing to work with international partners in the field of customs. The e-Customs reform remains a dynamic process as the EU Commission continues to consolidate a new legal framework for the Customs Union with new working methods and IT tools, in partnership with the Member States.

In line with this commitment, the Member States and the EU Commission dedicated a substantial number of resources to e-Customs activities, both in terms of personnel and of investments. Figure 18 depicts the 2019 budget allotted by the Member States and the EU Commission, showing that similar to 2018, the new IT system development remained the core focus, recording more than two-thirds of their overall combined budget. The remaining one-third of combined expenditure was dedicated to maintenance activities.

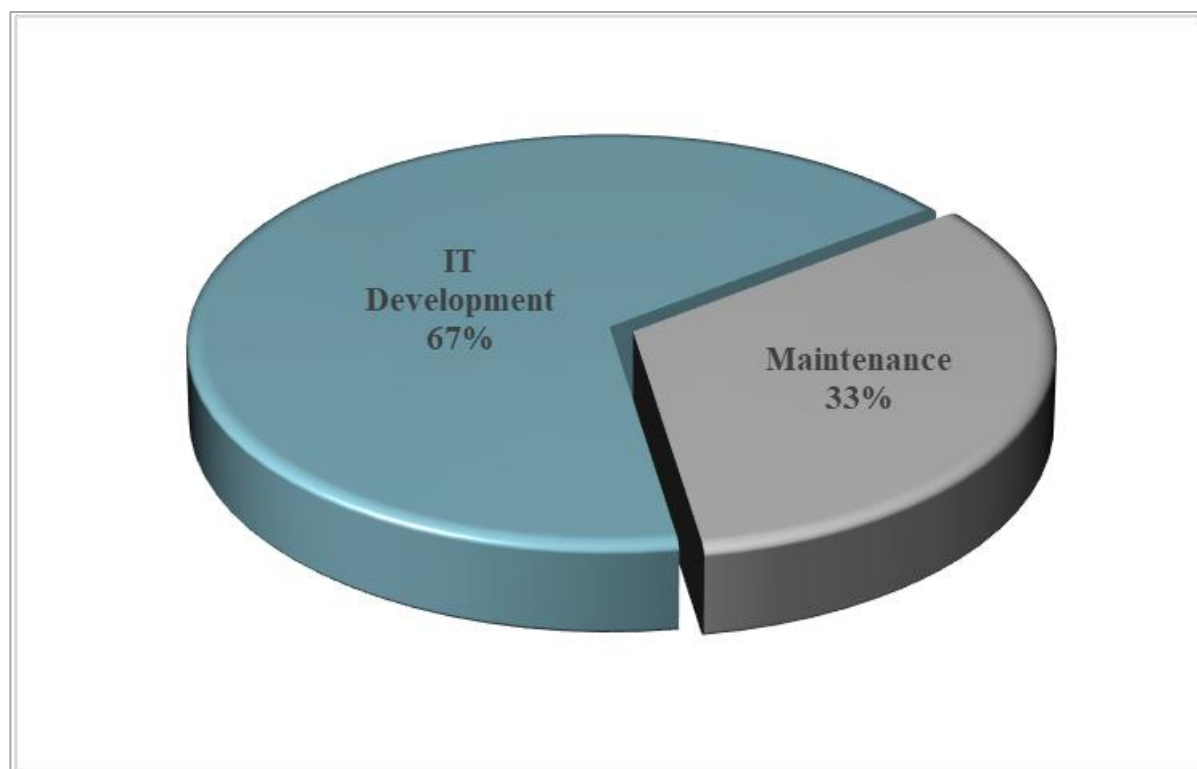


Figure 18: EU Commission and Member States' total expenditure on IT Development and Maintenance in 2019

Lastly, the combined cost distribution by the Member States and the EU Commission during 2019 decreased by 5.31% relative to the previous year. The total amount dedicated to e-Customs activities in 2019 was **215,611,678.86 €**.

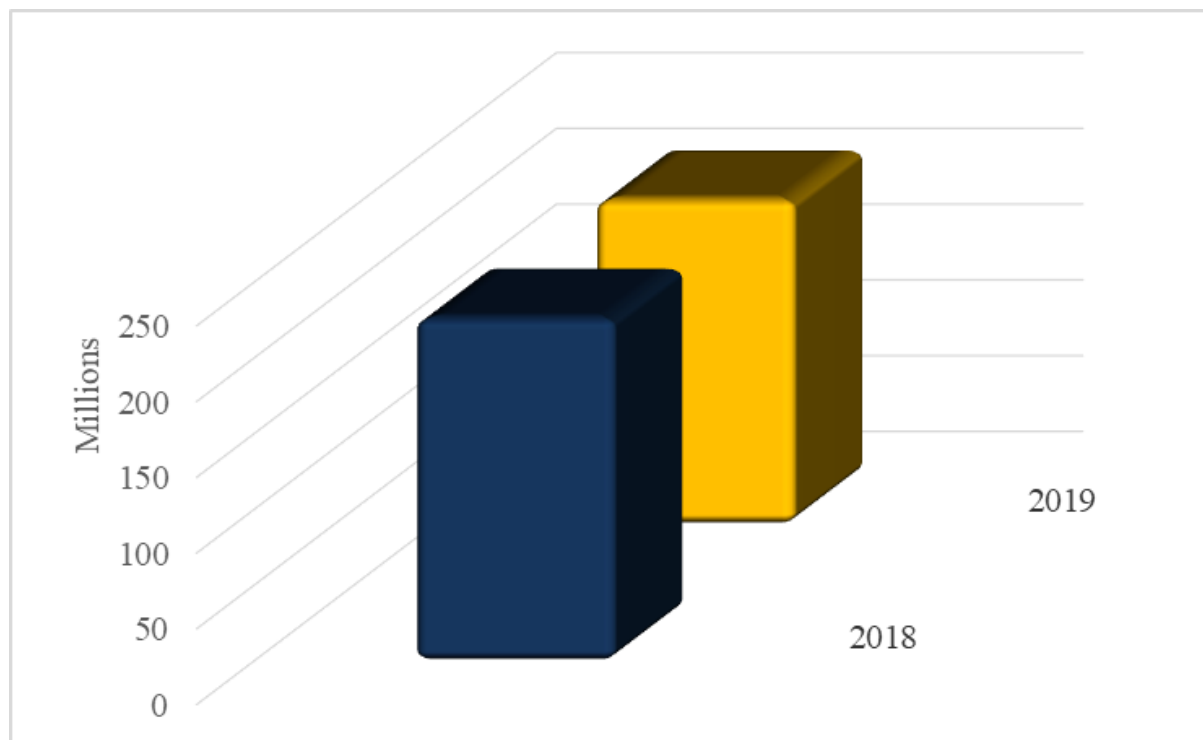


Figure 19: EU Commission and Member States' grand total on e-Customs activities in 2018-2019

ANNEX 1 – IT SYSTEMS PROGRESS ACTIVITIES

1 MASP-C PROJECTS

The MASP-C is a living document that will evolve continually in response to the effective implementation of the Union Customs Code (UCC) and the e-Customs projects. This section summarises the efforts made by the Member States and the EU Commission in 2019 towards the implementation of MASP-C e-Customs projects and achievements thereunder. Some Member States reported similar national activities for several projects under MASP-C Group 1. Therefore, the remarks hereunder apply for all projects under MASP-C Group 1:

- NL reported on performing activities related to operations, maintenance, upgrades, analysis and modelling for all national systems under MASP-C.

1.1 MASP-C Group 1 - Customs European Information Systems

1.1.1 UCC Customs Decisions (1.2)

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

2019 marked significant progress towards UCC CDS version 1.22 as the EU Commission finalised and published the Level 4 BPMs aligned with the legislation in force. The development activities of UCC CDS version 1.22 were organised in iterations, with each iteration exposed to and reviewed by the Member States in a Playground Environment. Due to the quality of the Member States' review as well as the positive feedback received on the iteration approach, two additional iterations were executed resulting in a total of five iterations leading to version 1.22. The code lists defined in the Level 4 BPMs have been reviewed and compared with the legal values as defined in the EUCDM. The finalised code lists have been agreed with the Member States and they were introduced in production since August 2019.

The UCC CDS project group continued convening throughout 2019 with the active contribution of customs experts from 17 Member States. The goal was to identify and solve potential issues raised by the Member States and to proactively provide solutions for the continuous improvements of the system. In addition, the UCC CDS project group members analysed the overall system's usability and proposed several solutions towards correcting known issues affecting the operational activities of the system.

As UCC CDS is a hybrid system for both development⁵⁷ and operations⁵⁸, the Member States can choose how to implement it in line with their preferences and national requirements. Therefore, most Member States (BG, CY, DK, EE, HU, IE, IT, LT, LU, LV, MT, NL, PT, RO, SE and SI) are using the centrally developed system, with AT and ES having developed their own national hybrid solution.

⁵⁷ Hybrid development refers to the development which gives MS the choice to either use the centrally developed and centrally operated system, or to develop and operate some of the components on their own national domain.

⁵⁸ Hybrid operation refers to the operation of a hybrid system. In these cases, central components coexist with national components operating in some or all MS.

The remaining Member States (BE, CZ, DE, EL, FI, FR, HR, PL, SK and UK) have adopted a different approach and they are using both central and national systems.

In 2019, the Member States informed about their status as 'In Progress' (AT, BE, BG, CZ, DE, DK, EL, FI, FR, HR, HU, IT, LV, MT, PL, PT and SI), 'Finished' (CY, EE, ES, IE, LT and SE) or 'On hold' (RO). Concerning the current phase, the majority of the Member States reported being in operations (AT, BE, BG, CY, CZ, DE, ES, FI, FR, HU, IE, IT, LV, PT, SE, SI and SK), in design of the national system (MT and PL), in upgrade of the national system (HR) or in conformance testing (DK and LT). The remaining Member States reported status 'Other', with activities such as participation in the project groups and Meetings (EE) and development and testing of national system (EE and EL). In addition, several Member States reported carrying out activities related to analysis and modelling (BE, CZ, DE, FR, HR, IT, MT and SI), maintenance (BE, CZ, DE, FR, HR, HU, IE, IT, SE and SK) and upgrades (BE, CZ, DE, ES, FR, HR, IT and SK). During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on national technical specifications (EL), conformance testing (AT) and design of national system (FR).

AT successfully executed the conformance tests and deployed their hybrid system in operations in September 2019. Furthermore, AT performed acceptance tests with the customs employees, scheduled training sessions for the internal users and the economic operators and setup the helpdesk processes. BE performed technical upgrades of the infrastructure on the national side. CZ performed activities related to the improvement of the CDS national components and new validations between the ICS and national data storage for customs decisions, while participating in the UCC CDS project group for improving the system and aligning it with the latest version of the EU legislation. DE carried out development and maintenance activities to the national CDS component, which was deployed in operations during the year. DK is being prepared for the next UCC CDS version and actively participated in the UCC CDS project group. EE started the development of the national system aligned with UCC CDS v1.22 and maintained the current operational system. EL developed a national component for retrieving data from the central system and experienced technical issues with CCN2 connection. ES focused on developing different interfaces between national CDS and various national systems, while adapting the national system according to the UCC CDS v1.22. FR successfully updated the national system in accordance with the central UCC CDS and performed the conformance testing, but their hybrid solution has not been connected to the central system yet. However, FR maintained the user connectivity with the central system by allowing some of their customs officers to obtain access to the user interface.

HR reported on activities related to upgrading the existing national system in accordance with the UCC. HU tested the new UCC CDS versions and actively supported economic operators and national users. IE highlighted identified issues that require attention, while testing the new system and performed training sessions for the national users. IT faced some problems with known system errors, legal misalignment of UCC CDS and procedural issues and welcomed Member States' and EU Commission's initiative on resolving them as soon as possible with the new version of CDS. LT carried out conformance testing activities for CDMS and CRS. MT initiated the development of a national e-authorisation system that will be linked with UCC CDS. Having analysed all possible approaches and solutions, PL decided that the central/national solution is most suitable, and the development of the national system started during the year. RO received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code" which includes the development and implementation of a national CDS component. The overall activities are ongoing, and RO announced some updates in the project, as a result of internal reorganisation. SE reported on national preparations related to the implementation of the new version of the system. SI continued activities for implementing national rules on CDMS and TP usage. SK indicated that central system is used for the multi-MS customs decisions.

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

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

During 2019, Phase 2 of the project has made remarkable progress, with both the EBTI Specific Trader Portal (EBTI-STP) and the EBTI Central System (EBTI-CS) successfully deployed in operations in October 2019, after the conformance testing activities were performed by almost all Member States. The EU Customs Trader Portal (EUCTP) is used as a single-entry point for the traders.

In 2019, the Member States informed about their status as 'In Progress' (BG, CZ, DE, EL and HU), 'Finished' (AT, BE, CY, DK, EE, FR, HR, IE, MT, PL, SE and SI), or 'On hold' (PT and RO). Concerning the current phase, the majority of the Member States reported being in operations (BE, BG, CY, CZ, DK, EL, FI, FR, HR, IE, MT, PL, SE, SI and SK), in upgrade of the national system (DE and EE) or in deployment activities (AT and HU). The remaining Member States reported status 'Other', with activities such as organising training sessions for the national users (PT) and development and implementation of a national component (RO). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, DE, FR, HR, PL, SE and SI), maintenance (AT, CZ, DE, FR, HU, PL, SE and SK) and upgrades (CZ, DE, FR, HR, PL and SK). During the reporting year, some Member States communicated their preceding phase and indicated performing deployment activities (DE) and conformance testing (AT, EL and HR).

AT performed conformance testing during the year and successfully deployed the national components in operations. BE, BG, CY, MT and SK reported using the central system developed by the EU Commission, while CY and EE announced that economic operators are using the EBTI-STP. BG reported on activities related to validation of the central system, organisation of the national service desk and participation in the monthly webinars scheduled by the EU Commission. CZ completed the preparations and the testing campaign during the year, while offering training to the national users related to the electronic process of issuing a UCC BTI. DK and SE identified some errors in the system during conformance testing, which were corrected before the deployment in operations. ES carried out several improvements in the national system which were then successfully deployed. FI validated the central system in conformance environment and notified EU Commission when an error was observed in operations. FR successfully carried out all conformance tests and deployed the national system in production but encountered some issues with the central BTI that impacted the national operations. HR completed all project activities on time. IE performed user testing in the central system and reviewed all the specifications. PL successfully implemented some improvements to the national system and covered all mandatory test cases during the conformance testing. RO had placed the national project 'On hold', but received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code", which includes the development and implementation of automatic validation of ITO (Binding Tariff Information) with national import system, based on using the central BTI system. IT, LT, LV and PT reported no activities on the project.

1.1.3 UCC AEO and impacts of MRA (1.5)

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

Each of the components will be applied to the current UCC AEO system. The Minor Enhancement contains updates to the code lists managed in the Central Services – Reference Data 2 (CS/RD2) application and in the EOS-AEO applications' user interface, Major Enhancement is needed for the alignment of the existing EOS-AEO system to the applicable UCC legislation, the Direct Trader Access allows data exchange between economic operators and customs authorities in a uniform and

harmonised way and Mutual Recognition Enhancement provides a standard interface for UCC AEO data exchange with partner countries.

The activities for the EU UCC AEO Direct Trader Access continued in 2019 and were divided into two phases. The first phase contained all features for the management of the submitted applications and for the consultation of EOS artefacts to be possible via eAEO-STP. The second phase introduced the entire workflow between the traders and the customs officers. Both phases have been successfully tested and deployed in production in the fourth quarter of 2019.

The UCC AEO Mutual Recognition Agreement (MRA) Enhancement component was already in production for China, Japan, Norway, Switzerland and the United States of America. Business negotiations for an MRA with Canada were ongoing but they have been set on hold as there is no further reaction from Canada. Discussions between the EU Commission and the Hong Kong for a possible MRA are in progress for finalising the draft of the Interface Control Document (ICD).

Additionally, continuous support was given by the EU Commission to the EUCTP application, former Generic Trader Portal (GTP), which eAEO is using as an interface. The EUCTP functions were identified for a generic platform for each customs domain in order to provide access to the economic operators. The deployment activities were finished with success during 2019 and EUCTP became operational.

In 2019, the Member States informed about their status as 'In Progress' (BG, CY, DE, EL, ES, FI, HU, IT and PL), 'Finished' (BE, DK, EE, FR, IE, LV, MT, SE and SI), or 'On hold' (AT and PT). Concerning the current phase, the majority of the Member States reported on various national activities related to being in operations (BE, BG, CY, CZ, DK, EE, EK, FI, FR, IE, IT, LV, PL, SE, SI and SK), the creation of national technical specifications (AT), in upgrade of the national system (DE and ES) or in deployment activities (HU and MT). PT is the only Member State who reported status 'Other', with no IT activities performed during the year. In addition, several Member States reported carrying out activities related to analysis and modelling (AT, DE, FR, HU, IE and PL), maintenance (BE, DE, EE, FR, HU, PL, SE and SK) and upgrades (BE, DE, EL, FR and SK). During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on national technical specifications (AT), operations (DE) and conformance testing (CZ and EL).

AT finished the creation of the user requirements and the national functional specifications and successfully performed the project plan and cost estimation. BG, CY, MT and SK reported using the central system developed by the EU Commission, while BG, CY, CZ and SK announced that economic operators are using the eAEO-STP. BG conducted validation of the central system, organisation of the national service desk and participation in the monthly webinars scheduled by the EU Commission. DE developed and maintained their national system which was successfully deployed in operations. DK identified some errors in the system during conformance testing, which were corrected before the deployment in operations. EE and EL performed the necessary conformance testing, while EE and FI participated in the training sessions and the monthly webinars organised by the EU Commission. FI configured the national UUM&DS component to enable the trader access to eAEO-STP and national meetings have been performed to inform the customers about the system. FR successfully passed all conformance tests and deployed the national system in production. HR attended the regular projects meetings and provided the translations for the EOS light client, since this is used by the national users. HU reported on activities related to the testing and the implementation of the UCC AEO Direct Trader Access phases, the support and the training of the national users and customs officials. IE analysed the documentation prepared by the EU Commission and provided proposals to the proper development from a business perspective. PL conducted internal analysis and prepared the requirements for the third phase of the UCC AEO Direct Trader Access. RO reported using the EOS light client since they have not developed a national AEO Application. LT reported no activities on the project.

1.1.4 UCC Automated Export System (AES) (1.6)

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

During 2019, the Technical System Specifications (TSS) have been successfully finalised and were accepted by the ECCG and the TCG. Furthermore, substantial work has been done with respect to data mapping activities, with the active participation of DE and PL as forerunner Member States. Several workshops and web-conference sessions were organised by the EU Commission on a monthly basis with the forerunner Member States, as well as joint meetings between the EU Commission, forerunner Member States and collaborating Member States. As a result, the export processes have been analysed and the structure of the messages was designed.

Concerning data harmonisation, the project group set up by the EU Commission continued the analysis to further align the integration of the missing functional D/E in the EUCDM. The UCC Annex B table and the draft version of the UCC DA and IA concerning the data elements and codes were prepared and published to the Member States. In this regard, the UCC AES TSS are aligned with the new data requirements.

Currently, the Export and Exit formalities, including safety and security features, are covered by the functionality of the Export Control System (ECS) Phase 2. The UCC AES is the next phase of ECS, which would provide the complete functionality related to export and exit of goods, as well as the required adaptations to be in line with the UCC and its implementing and delegated acts. By the end of 2019, the ECS system released 15.21 million indirect export movements. The system had an average availability of 99.43%.

In 2019, the Member States informed about their status as ‘In Progress’ (AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LV, MT, PL, PT, RO and SI), or ‘On hold’ (SK). Concerning the current phase, several Member States reported being in operations (DE and PT), in analysis of national user requirements (AT, CY, DK, EE, EL, IE, LV, MT and RO), in analysis of national functional specifications (CZ, FI and HR), in analysis of national technical specifications (BE), in design of national system (FR, HU and IT) or in national acceptance testing (PL). The remaining Member States reported status ‘Other’, with activities such as review of the specifications (BG and SI) and participation to the training related to the specifications and transition strategy (BG). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CY, DE, DK, EL, FI, FR, HR, IE, IT, LV, MT, PL RO and SI), maintenance (DE and PL) and upgrades (DE and PL). During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on technical specifications (SI), operations (DE) and preparing the call for tender (EL).

AT reported on activities related to analysis of the national user requirements in accordance with the TSS documents prepared by the EU Commission. BG planned the necessary measures for setting up the UCC AES application. Furthermore, BG organised and prepared some improvements to their national system for receiving and handling electronically the re-export notifications and linked it with UCC CDS. CZ initiated the global impact analysis. Sub-releases of the national export system in DE covered the implementation of UCC requirements and an evolution towards a service-oriented architecture, without having any risk to meet the agreed target date to start operations. DK reported being involved in “project initiation” phase activities, focusing primarily on the development of the business case and a transition convertor of messages between XML and EDIFACT, as well as conducting the financial estimation and the project foundation. EE took preliminary steps towards determining the project cost and the schedule, while documenting the national requirements and participating in all activities started by the EU Commission. Besides attending the working group for technical specifications, EL performed analysis on the Level 4 BPMs, the common specifications, the national data requirements and listed the differences from the current ECS system.

FI initiated the preparatory activities for the project and participated in the UCC AES project group. FR analysed the early versions of the UCC AES specifications and started developing the national system. HR updated a ‘Summary of Operations’ document, outlining the main project development phases and documents. IE reviewed the project’s documentation and organised meetings related to the operation and preparation for the new system. IT concluded the internal analysis and modelling for the national system and decided to develop a national convertor for both the external and common domain messages. MT took preparatory steps for the new system’s phase. PL reported on activities related to

analysis of all the documents prepared by the EU Commission for the new system, providing comments where necessary and participated in all meetings and webinars as a forerunner Member State. RO performed analysis on the project documentation and documented the national requirements, in view of the public tender procedure. SK reported on analysing the technical specifications as their sole activity, and LT and SE reported no project activities.

1.1.5 UCC Transit System including NCTS (1.7)

The UCC NCTS Phase 5 project updates the existing NCTS system which automates the common and community transit procedure and controls the movements covered under the International Road Transports (TIR) procedure within the EU.

During 2019, the TSS and the data mapping activities to enable the transition and parallel operations of the existing NCTS and the new UCC NCTS Phase 5 systems were implemented in close collaboration of IT, business and legal experts from the EU Commission, forerunner Member States and the working group of Member States and CTC countries. The TSS package has been accepted and published.

Further work has taken place to align the EUCDM functional Data Elements and Data Groups throughout the customs IT systems. As a result, some proposals were prepared for amending the legislation related to IA/DA on the UCC NCTS system.

Activities on the UCC AES and UCC NCTS ran in parallel during 2019. Therefore, the activities listed under UCC AES also concern UCC NCTS Phase 5.

By the end of 2019, the UCC NCTS system released over 11.61 million transit movements. The system had an average availability of 99.54%.

In 2019, the Member States informed about their status as ‘In Progress’ (AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LV, MT, PL, PT, RO and SI) or ‘On hold’ (SK). Concerning the current phase, several Member States reported being in operations (DE and PT), in analysis of national user requirements (CY, DK, EE, EL, IE, LV, MT and RO), in analysis of national functional specifications (AT, BE, CZ, FI and HR), in design of national system (HU and IT), in national acceptance testing (LT), in deployment activities (FR) or in upgrade (PL). The remaining Member States reported status ‘Other’, with activities such as review of the specifications (BG and SI) and participation to the training related to the specifications and transition strategy (BG). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CZ, DE, DK, EL, FI, HR, IE, LV, MT, PL, PT, RO and SI), maintenance (DE, ES, PL and PT) and upgrades (DE, ES, PL and PT). During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on technical specifications (SI), operations (DE and PL) and preparing the call for tender (EL).

AT reported on activities related to analysis of the national user requirements and the national functional specifications, in accordance with the TSS documents prepared by the EU Commission. BG planned the necessary measures for setting up the national transit application (NTA) and analysed the documents prepared by the EU Commission. CZ initiated the global impact analysis for implementing the UCC NCTS Phase 5 system. DE developed a new national transit component, which was deployed during the year, while maintaining the existing system. DK reported being involved in “project initiation” phase activities, focusing primarily on the development of the business case and the analysis of the national user requirements, as well as conducting the financial estimation and the project foundation. EE documented the national user requirements and FI initiated the preparatory activities for the project. FR maintained the current national transit application and prepared for the deployment of the updated system. Furthermore, FR analysed the UCC NCTS specifications and performed the impact study for designing the national translations of the new specifications. HR updated a ‘Summary of Operations’ document, outlining the main project development phases and documents.

IT concluded the internal analysis and modelling for the national system and decided to develop a national convertor for both the external and common domain messages. For avoiding any unnecessary

impact on both the economic operators and the customs officials, IT also concluded on the adopted national strategy for migration to UCC NCTS Phase 5. LT reported on activities related to redeveloping the National Transit Control system for complying with modern technologies and performing the needed conformance testing. MT took preparatory steps for the new system's phase. PL maintained and upgraded the national transit application to interoperate with the national Risk Management System and the national Single Window platform. Furthermore, PL started the procurement procedure to enter into a framework contract for the development and maintenance of a national system aligned to UCC NCTS Phase 5 to ensure operational continuity and support. A similar process was carried out by PT and operational, maintenance and support activities were delivered through the contracted services. RO performed analysis on the project documentation and documented the national requirements, in view of the public tender procedure. SI reviewed the technical specifications prepared by the EU Commission and provided some comments on message IE015 for the next phases of UCC NCTS. SE and SK reported no project activities.

1.1.6 UCC Registered Exporter System (REX) (1.11)

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

UCC REX1 system was deployed in operations since 2017, while UCC REX2 was successfully deployed into production in 2018. UCC REX3 will implement the UCC REX Trader Portal and will be based on the EUCTP. During the reporting year, the business requirements for UCC REX3 have been delivered and preliminary discussions took place. The Business Case for UCC REX3 has been approved and the Vision document for the UCC REX Trader Portal has been finalised and sent to the Member States for review by the end of the year.

UCC REX3 project is organised in two phases. Phase 1 will introduce the general requirements of the UCC REX Trader Portal, will enable the registration of economic operators and the modification, consultation and printing of the UCC REX numbers. Phase 2 will enable the revocation and annulment of the UCC REX numbers while adding new features and functionalities derived from the proposal of the Member States and economic operators. Both phases will be developed in an iterative approach, with at least 3 iterations prepared and presented to the Member States before deploying the system in operations.

In 2019, the Member States informed about their status as 'In Progress' (BG, DK, HU, LV and MT), 'Finished' (BE, CY, EE, FR, HR, IE, IT, PL, PT and SI) or 'On hold' (AT, CZ and RO). Concerning the current phase, the great majority of the Member States reported being in operations (BE, CZ, EE, EL, FR, HR, HU, IE, IT, LV, MT, PL, PT, SI and SK) or in analysis of the national user requirements (AT). The remaining Member States reported status 'Other'. In addition, several Member States reported carrying out activities related to analysis and modelling (AT and PL), maintenance (BE, FR, HU, IT, LV and SK) and upgrades (IT and SK). During the reporting year, CZ communicated their preceding phase relates to operational activities.

AT finalised and realised the national user requirements, while DE and SK indicated that the central system is used by the customs officials. EE performed automatic checks on the validity of UCC REX numbers in the customs declaration by interfacing UCC REX with the national declaration system. ES finalised all project activities and FR indicated that normal operational activities took place using the System-to-System (S2S) exchanges with the central application. HR is producing the UCC REX decision manually based on the English version, since the customs officials are using the central system. HU successfully tested and deployed the nationally developed system and resolved all issues on their side. IE reviewed all documentation prepared by the EU Commission and IT reported on the establishment of the National Helpdesk service for supporting all activities and translating the UI labels. In addition, IT stopped all activities related to the implementation of national UCC REX Trader Portal, since the upcoming UCC REX3 project will introduce such feature. PL reported no major

issues related to UCC REX registration and provided some remarks concerning the UCC REX3 Vision document. PT indicated that operational, maintenance and support activities were delivered through the contracted services. RO had placed the national project 'On hold' but received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code", which includes the development and implementation of automatic validation of REX numbers with the national export system. CZ, DK, EL, FI, LT and SE reported no project activities.

1.1.7 COPIS (1.12)

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

The COPIS project contains COPIS 3.2.0, COPIS Interface with Anti-Fraud Information System (AFIS), COPIS implementation of electronic Application for Action (eAFA) and Feasibility study on the interconnection with the European Union Intellectual Property Office (EUIPO) Enforcement Database (EDB).

COPIS eAFA aims to provide economic operators with the possibility to electronically submit and amend an application. During 2019, the Functional specifications of COPIS eAFA have been approved and published, after the review of the Member States has been completed.

In 2019, the Member States informed about their status as 'In Progress' (AT, BG, CZ, DE, DK, HU, IT, PL and SI), 'Finished' (BE, EE, ES, FR, IE and MT) or 'On hold' (PT and SK). Concerning the current phase, most Member States reported being in operations (BG, DE, EL, ES, HU, MT, PL and SI), in analysis of national functional specifications (AT and IT), in design of national system (CZ) and in upgrade (EE and IE). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, CZ, IT and PL), maintenance (DE, IT and PL) and upgrades (DE, IT and PL). During the reporting year, CZ communicated their preceding phase relates to analysis of the national technical specifications.

AT analysed the functional specifications and attended the meetings organised by the EU Commission. CY and EE indicated that the central system is used by customs officials and DK took preparatory steps for the conformance testing, while being in the design phase as per project timeline. FR reported on using the S2S exchanges with the central application but internal issues with managing the S2S extraction were encountered. IT focused on the need to update the EORI number to mandatory and the connection with UCC UUM&DS for authentication and digital signature of documents, according to the project plan. PL developed their national electronic services and unified a method of introducing infringements of intellectual property rights into the national system. BE, CY, FI, HR, LT, LV, PT, RO and SE reported no activities on the project.

1.1.8 EU Single Window environment for customs (EU SW-C) (1.13)

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

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

The 'EU SW-CVED' component had several releases deployed in production during 2019, with Release 1.5.0 being the latest release of this component deployed in December 2019.

The 'EU Customs SW-Certificates Exchange' (EU CSW-CERTEX) component has two main objectives. Firstly, it will enhance the EU SW-CVED functionalities, such as the quantity management and the possibility to generate and transmit certificates in PDF format. Additional functionalities will be introduced in subsequent stages. Secondly, it will expand the scope of the certificates, permits and other documents, currently available for exchange via EU CSW-CERTEX. The following certificates and licences are covered: FLEGT, COI, CHED, ODS, FGAS, Dual use and Cultural Goods Import Licence and Importer Statement⁵⁹. In 2019, EU CSW-CERTEX FLEGT and COI were maintained in production. During the reporting year, it was decided to re-engineer the EU CSW-CERTEX solution by providing the Member States with the access to all Partner Competent Authority (PCA) documents covered by the scope of the project via a single interface. The Level 3-Level 4 BPMs of the first release of this re-engineered solution have been published in November 2019 and the development of the IT system has been started, covering CHED-PP, CHED-D and ODS. Moreover, significant progress achieved to the FGAS Level 3-Level 4 BPM flow which was updated based on the legal aspects from DG CLIMA and the planned changes in the TARIC integration. Concerning the Dual use certificate, an interim Level 3-Level 4 BPM was produced with the contribution of DG TRADE and it is aligned to the progressed specifications of the e-Licensing system.

The 'Potential legislative initiative on the EU SW environment for customs' component does not envisage the development of a new IT solution but rather deals with the interoperability of already existing solutions. The Open Public Consultation (OPC) was conducted and concluded in the 1st quarter of 2019. The project group has prepared and finalised all working documents of the legal proposal which were published in July 2019. The EU Commission continued the work towards the completion of the initiative.

In 2019, the Member States informed about their status as 'In Progress' (AT, BE, BG, CZ, EL, ES, FI, FR, IE, IT, LT, MT, PT and SE), 'Finished' (CY, EE and PL) or 'On hold' (DK, RO and SK). Concerning the current phase, several Member States reported being in operations (BG, CY, EE and PT), in development of national user requirements (BE, EL, MT and SE), in creation of national functional specifications (AT, ES, LT), in upgrade (FR and IE) and in design of national system (FI). The remaining Member States reported status 'Other', with activities such as participation in project groups (IT, LV and PL), revision of EU SW documentation (PL) and upgrade of the national system (SI). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, CZ, EE, EL, ES, FI, FR, IE, PL, SE and SI), maintenance (BG, CZ, ES, FR and LV) and upgrades (BG, CZ, EE, FR and IE). During the reporting year, some Member States communicated their preceding phase and indicated performing upgrade of the national system (BG and CZ), creating the national functional specifications (ES) and preparing the call for tender (EL).

AT analysed the functional specifications and attended the various seminars organised by the EU Commission. BG reviewed all projects documents related to EU CSW-CERTEX, examined the new changes derived from the initiative and upgraded the national component to EU CSW-CVED Release 1.5.0. CZ focused on conducting conformance tests for the FLEGT IT system, on migrating to the new release of EU CSW-CVED and on preparing a global impact analysis for the national system. DE

⁵⁹ FLEGT: Forest Law Enforcement, Governance and Trade Action Plan (DG ENV) – Timber Import.

COI: Certificate of Organic Inspection (DG AGRI).

CHED: Common Health Entry Document module (DG SANTE).

ODS: Ozone-Depleting Substances (DG CLIMA).

FGAS: Fluorinated Greenhouse Gases (DG CLIMA).

announced that they followed up EU Commission's activities on this project and plan to develop an interface to EU CSW-CERTEX in the coming years. DK has put the project on hold and the planning will be evaluated the next year. EE successfully carried out the conformance tests in December 2019 and resolved all identified issues. ES, FI, HR and LV participated in the SW-C project group, while FR reported some budgetary restrictions that can delay the project's progress. IE took the preparatory steps for the COI conformance testing. IT initiated activities on the development of a national Customs and Control SW model, that foresees the implementation of a national entry point. Due to the above, IT considers the participation to the EU SW-C project group to be of high importance. LT prepared the detailed national functional specifications and initiated the development of a national SW Portal in the context of the national Customs Permits System. MT intends to implement a national SW component for handling all aspects of the SW process, from arrival to release, including certificate verification. In addition, this national component of MT will be integrated with EU CSW-CERTEX. PL prepared all national project documentation related to the national SW system in the context of the national 'Electronic Services Platform for the Revenue and Customs Services' project and conducted national acceptance tests of the first version of their system. In addition, PL concluded on the national planning and roadmap of the SW system after internal meetings with managers responsible of other national systems. PT implemented the latest EU SW-C release and maintained the interconnection between the SW component and the national import system. RO had placed the national project 'On hold' but received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code", which includes the development and implementation of the SW system. SE established a national group of experts dedicated to the analysis of the outcome of the project group. SI reported ongoing activities related to upgrading the EU CSW-CERTEX to the latest version and started preparation for conformance testing campaigns for FLEGT and COI certificates. HU and SK reported no activities on the project.

1.1.9 Classification Information System (CLASS) (1.14)

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

The system has been deployed in production since June 2019, with the identified issues being thoroughly analysed. As a result, incremental efforts have been made to resolve the technical issues of the SEARCH engine in the coming releases.

In view of project development, the Member States informed about their status as 'In Progress' (BG, EE and HU), 'Finished' (BE and IE) or 'On hold' (DK, MT and SK). Concerning the current phase, some Member States reported being in operations (BG, EL and FI), in deployment (IE), in design of the national system (HU) and in upgrade (EE).

BG, FI and IE successfully conducted the conformance testing and BG reviewed the Graphical User Interface Specifications prepared by the EU Commission. CY and EE announced their plan to use the central system and DE indicated that they followed up EU Commission's initiative on developing a single platform for all classification information and identified no impact on the national customs IT systems. ES deployed some improvements in their national system. The majority of the Member States (AT, CZ, FR, HR, IT, LT, LV, PL, PT, RO and SE) reported no activities on the project.

1.1.10 UCC Economic Operators Registration and Identification subsystem 2 (EORI2) (1.15)

The objective of the UCC Economic Operators' Registration and Identification (EORI) System is to establish a unique system of registration and identification for economic operators in the EU. The UCC EORI2 project aims to update the existing EORI system and the EOS web services in alignment with the legal changes resulting from Annex 12-01 of the UCC DA/IA. The system has been in operations since 2018.

In 2019, the Member States informed about their status as 'In Progress' (BG, DE, EE, EL, HU and LV), 'Finished' (BE, DK, ES, FR, HR, IT, MT, PL, PT and SI) or 'On hold' (AT). Concerning the

current phase, the great majority of the Member States reported being in operations (BE, BG, CY, CZ, DE, DK, EL, FR, HR, HU, IT, LV, MT, PL, PT, RO, SI and SK), in upgrade (EE and ES) or in analysis of the national technical specifications (AT). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, DE), maintenance (BE, DE, FR, HR, HU, IT, SI and SK) and upgrades (BE, CZ, DE, ES and SK). During the reporting year, some Member States communicated their preceding phase and indicated performing analysis on the national functional specifications (AT) or being in operations (DE and SI).

AT had placed the national project 'On hold' because they focused their effort on the UCC CDS conformance testing activities. However, AT created the national user requirements and started working for the implementation. BE performed some technical upgrades on their servers and implemented the changes for BREXIT. BG, DE, HR, RO and SK maintained and operated the national EORI systems and CZ partially upgraded the national application. DK reported attending the seminars organised by the EU Commission. EE identified and corrected some bugs in their system, while updating the user manuals into the Estonian language. An impact has been identified by FR on the national application due to BREXIT and high maintenance costs, due to high number of incoming EORI requests. IT reported that some changes would be essential in the national component at the moment of BREXIT. FI, IE, LT and PT reported no activities on the project.

1.1.11 Customs Risk Management System2 (CRMS2) (1.16)

The Customs Risk Management System (CRMS) is used for the exchange of risk information, to support the implementation of priority control areas for crisis management purposes and as a means of communication between risk experts. The CRMS2 system reshapes the CRMS system created in 2005 to increase the clarity of the different functions to be fulfilled. In 2019, the work on the business requirements and all the documents related to the elaboration phase of the project continued.

The project has been put on hold by the great majority of the Member States, mainly due to UCC Import Control System 2 (ICS2) activities and its interdependencies with CRMS2. However, it is up to the EU Commission to decide on the next phase of the project and link it with the UCC ICS2 system. As a result, the Member States communicated very few activities during 2019 related to CRMS2 document revision and design of business requirements for the system.

1.1.12 e-Commerce and CP 42/63 (1.17)

The objective of e-Commerce and Customs Procedure (CP) 42/63 is to automatically validate the individual Value Added Tax (VAT) identification numbers for the Import scheme declared in the customs declarations and for the CP42 and CP63 declared in the customs declarations against VAT Information Exchange System (VIES). As a result, the e-Commerce and CP 42/63 captures and offers all relevant data to tax authorities that are needed for validation purposes.

For achieving those objectives, the existing Surveillance Reception Application (SURV-RECAPP) system is used with the proper updates, for allowing the information required by the VAT legislation to be captured from the customs import declarations in all Member States and subsequently be accessible in an automated manner to the relevant tax authorities. During 2019, the Business Case document has been prepared and approved and the Business Process Model has been finalised.

In 2019, the Member States informed about their status as 'In Progress' (AT, BE, BG, CY, CZ, DE, DK, ES, FI, FR, HR, HU, IT, LT, LV, MT, PT, SE and SK) or 'Finished' (EE, EL, PL and RO). Concerning the current phase, several Member States reported on various national activities related to the creation of national technical specifications (AT, CY, ES, FR and HR), development of national user requirements (DE, LV and MT), creation of national functional specifications (BE, CZ, DK and RO), being in operations (EE, PL, PT and SE), design of national system (BG, IT and LT), deployment activities (FI), conformance testing (EL) or upgrade (SK). In addition, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CY, DE, DK, ES, FR, HR, LV, MT, PL, SE and SK), maintenance (DK, HU, SE and SK) and upgrades (BG, DK, ES, FI, FR, PL and SK). During the reporting year, some Member States communicated their

preceding phase and indicated performing analysis on the national functional specifications (AT), development of national user requirements (DE and DK) or design of national system (EL).

AT developed the technical specifications of the national system and created the national user requirements, while concluded on the implementation strategy. BG updated the national import system to cover the e-Commerce requirements for CP 42/63 and took preparatory steps for designing and upgrading the national system for the next phase of the project. DE initiated the preparation of the national specifications and DK achieved significant progress towards updating their Declaration Management System (DMS) for the next phase of the project. EE attended the webinars organised by the EU Commission, reviewed the Business Case document and successfully deployed the national surveillance system in operations, after performing the conformance tests. EL reported some problems in the national resource allocation, since the technical specifications were published by the EU Commission in May 2019. However, the national system has been designed and EL carried out the necessary conformance tests.

FI and FR successfully updated their national system for CP 42/63 and FR reviewed the project's impact analysis and the specifications prepared by the EU Commission. HR reported on activities related to the creation of the national specifications and HU corrected some identified issues of the national system after the deployment activities were carried out. LT analysed and designed the low value declarations processes. LV initiated the preparation of the national user requirements for the new system's functionalities, while MT and PT took all the preparatory steps for this project. PL analysed the technical specifications and upgraded the national customs clearance system to fulfil the new requirements. SE implemented the changes regarding CP 42/63 to the national system and started developing additional solutions for the other components of e-Commerce, which will be implemented at a later stage. IE and SI reported no activities on the project.

1.1.13 Import of Cultural Goods (1.18)

The project aims to introduce implementing measures governing the import of cultural goods and new customs business and IT processes and procedures in this area. Based on the agreed approach, the project will be divided into three different main areas of activity: the legislative process, the establishment of a central electronic licensing system and the development of a system interface within the EU Single Window environment for customs (EU SW-C).

The legislative process component includes the preparation and the progressive refinement of the draft implementing acts to the Regulation on the import of cultural goods, stipulating the electronic licensing system related aspects. The central electronic licensing system will be introduced to ensure the uniform controls for the import of cultural goods upon their entry into the customs territory of the European Union. The information exchange between the central electronic licensing system and the national customs/import systems will be facilitated through the EU CSW-CERTEX.

A dedicated project group has been established to act as a discussion platform where experts from national customs administrations and competent authorities will assist the EU Commission with the creation of the import licence template, and the development of the format for the importer statement.

The project is in an early phase and few Member States reported activities for 2019. The Member States informed about their status as 'In Progress' (BG, ES, IE and MT) or 'On hold' (PT and SK). Concerning the current phase, some Member States reported on various national activities related to the development of national user requirements (IE and MT), design of national system (ES) or other activities related to the project (BG). In addition, BG, ES and MT reported carrying out activities related to analysis and modelling.

Customs Experts from BG actively participated in the project group organised by the EU Commission. EL analysed the data model and the workflow of the application for an import licence and the submission of an importer statement to customs, as developed by the project group.

1.1.14 UCC Import Control System2 (ICS2) (1.19)

The UCC ICS2 Programme is set up for the development of the new version of the current Import Control System (ICS) system that is used for the lodgement and processing of the Entry Summary declaration (ENS). The programme consists of several projects and activities, including the Common Repository (CR), CRMS2 link, Trader Interface (national/Shared Trader Interfaces (STI)), National Risk Management systems, Risk Management support, e-screening, TES Helpdesk, National Declaration Processing Systems and Arrival/Presentation Notification controls for national systems.

In 2019, the activities of the construction of the CR and the STI for Release 1 were ongoing and according to the plan⁶⁰. The subsequent construction iteration is being tested and the Business Acceptance testing will take place afterwards. Different meetings were held to progress on the ICS2 Trans-European Coordination Activities between EU Customs Administrations and Postal Operators. In addition, an awareness-raising workshop was organised with the World Shipping Council in September 2019 to brief the maritime sector on the system's releases.

During 2019, the majority of the Member States informed about their current status as 'In Progress' (AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LV, MT, PL, SE and SI), 'Finished' (RO) or 'On hold' (PT). Concerning the current phase, several Member States reported on various national activities related to the development of national user requirements (AT, DE, EL, HU, LT and SK), creation of national functional specifications (CZ, FR, IE and MT), being in operations (DE), design of national system (BE, BG, EE, ES, FI, IT, LV, PL, SE and SI), deployment activities (CY and HR) or other activities related to this project (PT). RO reported that they have finished drafting the request for development of the national components. Furthermore, several Member States reported carrying out activities related to analysis and modelling (AT, BE, BG, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, PL, RO, SE, SI and SK), maintenance (DE) and upgrades (DE and DK).

DE also reported that the preparation for ICS2 is ongoing in view of their Release 9.2 of the national ATLAS system.

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

No contributions were received on the current phase from HR and RO.

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

1.1.15 UCC Surveillance3 (1.20)

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

The UCC Surveillance3 is operational since 2018. The sending of declaration information by the Member States to the central system was implemented under UCC BTI project. This does not imply a

⁶⁰ Please refer to the Annex 2 MASP-C Dashboard.

change in the context of UCC Surveillance3 project, hence there is no need for updated specifications to be provided.

During 2019, the Member States informed about their current status as 'In Progress' (BE, BG, CY, DE, FI, FR, HU, IE, LV, PT, SE and SI), 'Finished' (AT, EE, EL, LT and MT) or 'On hold' (PL, RO and SK). Regarding the current phase, several Member States reported on various national activities related to being in operations (BG, CY, DE, EE, EL, LV, MT), design of national system (BE, FI, FR, IE, PL), analysis on the national user requirements (RO), conformance testing (LT), in deployment (HU), upgrade (SI) or other activities related to this project (AT, PT and SE). In addition, several Member States carried out activities related to analysis and modelling (BE, BG, DE, EL, FI, IE, MT and PL), maintenance (BG, DE, LV and MT) and upgrades (BG, DE and MT). During the reporting year, two Member States communicated their preceding phase and indicated performing upgrade to the national system (BG) and update with additional data elements (FR).

BG improved the national surveillance system to allow data to be sent in the full UCC format. DE reported that the transmission of the 40 data elements (import and export) and the implementation of Surveillance3 would be delayed until the national systems are adapted and that the scope of Surveillance3 would then be considered within the ATLAS release management. EE reported that the operations are smooth with no major issues and participated in the webinars organised by the EU Commission. Furthermore, EE reviewed the reporting requirements document and the user guide for the CP 42/63. FI implemented the Surveillance within the national import project. FR faced some technical issues with the CCN connector used during the conformance testing, which have been resolved, allowing further progress of the project. HU successfully executed the conformance testing for CP 42/63 and IE analysed the project's documentation from a business perspective. LT conducted the conformance testing of the interface for the submission of the SURV-RECAPP report and MT stated that UCC changes have been successfully undertaken on their side. PL analysed all the documentation prepared by the EU Commission and RO had placed the national project 'On hold'. However, RO received the necessary funding for the project "Facilitating customs formalities in the context of European Union Customs Code", which includes the development and implementation of Surveillance3. SE reported that they have designated resources to follow the outcome of the work done in this project, while the last phase of the national project of SI is in progress, which implies that the system will be updated to send 41 D/E. Finally, several Member States reported no IT activities at this stage (AT, CZ, DK, ES, HR, IT, PT and SK).

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

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

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

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

During 2019, the Member States informed about their current status as 'In Progress' (AT, BE, BG, CY, CZ, DK, EE, EL, ES, FI, HR, HU, IE, LV, MT, PL and PT) and 'On hold' (FR, IT, SE and SK). DK reported on the preparation for a tender for the new Declaration Management System (DMS) handling import, special procedures and temporary storage. EE reported that analysis and modelling

has been carried out for the development of the national entry system to cover ICS2 requirements including the presentation notification and the temporary storage.

Concerning the current phase, the majority of the Member States reported on various national activities related to the development of national user requirements (AT, EL, ES, FR, HR, IT, MT and SE), creation of national functional specifications (CZ, DK and HR), being in operations (BG), in deployment phase (HU), system upgrade (PL) or in design of national system (EE and FI). FI reported that during 2019, the presentation notification and temporary storage declaration has been implemented as part of the UCC ICS2 project in UTU-programme (national declaration system). Regarding the current phase, several Member States reported other activities (BE, LV, PT and SI). More precisely, some Member States reported their participation in the dedicated Member States project groups, the upgrade of the existing national application to implement the presentation notification with the data set from the Annex B UCC, (SI) or no specific IT activities (PT). Further, LV stated that a user requirements and specifications for electronic transport document (outgoing flow) have been defined and the development of the new functionality is in progress, which is planned to be installed into production environment in 2020. On the other hand, the new functionality of electronic transport document (incoming flow) has been developed and installed into production environment in 2019 and the economic operators related to this data flow have completed the adaption of their systems in 2019.

Lastly, several Member States reported carrying out activities related to analysis and modelling (AT, BE, DK, EE, EL, ES, FI, FR, HR, HU, IE, MT, SE and SI), maintenance (LV and SI) and upgrades (LV). During the reporting year of 2019, some Member States communicated their preceding phase and indicated performing analysis on national user requirements (DK and HR) and being in operations (BG).

1.2.2 UCC Guarantee Management (GUM) (2.5)

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

In the beginning of 2019, a survey was conducted with the Member States on the current practices on the guarantees, which initiated to the update of the draft Business Case and to restart the work on this project before the end of 2019.

During 2019, the Member States informed about their current status as 'In Progress' (BG, CZ, HU, LT, PL and SE) or 'On hold' (BE, DE, DK, EE, ES, MT, PT and SK). In addition, some Member States did not provide their current status (AT, CY, EL, FI, FR, HR, IE, IT, LV, NL, RO, SE and SI). In particular, BE and DK reported that the project has been put on hold, whereas HR stated that the project has not started yet.

As regards the current phase, some Member States reported on various national activities related to the development of national user requirements (SE), being in operation (BG, CZ, and PL), design of national system (HU and LT) or other activities (BE, DE, DK, EE, MT and PT). DE reported that the preparation of the trans-European GUM system is on hold due to the envisaged time-plan of the updated UCC Work Programme, foreseeing the end of the deployment window in June 2025. BG noted that a national guarantee management system is in operation as part of the new import clearance system.

Alongside, the Member States carried out activities related to analysis and modelling (BE, CZ, ES and SE) and CZ also reported activities related to maintenance and upgrades of their national system. LT reported that analysis and preparation of the functional specifications, design and development of national Guarantee Management System was carried out during 2019. SE stated on the formation of a designated group at national level, dedicated to the analysis of the outcome of the work performed in the EU Commission's forums on this topic. SE also reported the development of a national GUM system.

1.2.3 UCC Special Procedures (2.6)

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

During 2019, the pilot project of the UCC Standardised Exchange of Information for Special Procedures (INF SP) system went in production in the beginning of the year. Frequent WebEx meetings were organised by the EU Commission in January 2019 with the customs officers and economic operators, participating to the project groups. The purpose of these meetings was to receive comments and user experience after the project group has been testing the software in conformance for a period of time. Furthermore, in 2019 an amendment to Annex 71-05 standardised exchange of information (INF) has been adopted. The amendment included mainly changes to the term “declarant” instead of “holder of the declaration” and included the possibility of adding the declaration number where the authorisation number is requested as well as the quantity of goods to indicate net before mass. Further works took place on the draft proposal to amend the legislation related to IA/DA on the UCC INF system.

In 2019, the majority of the Member States informed about their current status as ‘In Progress’ (AT, BE, BG, CZ, DE, DK, EE, EL, HU and PL), ‘On hold’ (FR, MT, PT, SE and SK) and ‘Finished’ (FI). In addition, several Member States did not provide their current status (CY, ES, FR, HR, IE, IT, LT, LV, NL, RO and SI). With reference to the current phase, four Member States reported on various national activities related to the development of national user requirements (EE, EL, HR and SE), on Member State reported being in operations phase (BG), design of national system (BE and HU), performing national conformance testing (DE), deployment (FI) or other activities (AT, DK, MT, PL, PT and RO).

The activities carried out in BG were relevant for both the national SP Import (IMP) as part of MASP-C project fiche 2.10 and the national SP Export (EXP) which will be implemented together with the UCC AES. It was noted that the new National Import System is in operation since the beginning of 2019 and provides solutions for all import related special procedures. DK reported to enter the conformance testing phase following the participation in the system prototype. DE reported that the national SP EXP is already covered within the national AES system to provide the required national electronic solutions for the export-related special procedures declarations, whereas the national SP IMP is covered by the national import system Automated Customs Tariff and Local Processing Application System (ATLAS). In addition, DE reported that they followed the elaboration, construction and transition phase activities until the start of operation at the beginning of 2019.

SE reported that the IT-solution has been deployed for the national project for customs warehousing and taken into full operation during 2019. An upgrade of the data model in the IT-solution used for automated risk analyses in connection to the custom warehousing has been performed as well as the analysis on the implementation. Similarly, FI stated that the production for customs warehouse and the next version supporting the messages started in 2019.

MT informed about its intention to use the central UCC INF system provided by the EU Commission. EE reported that SP project for import is in progress and the national user requirements have been determined. Concerning the SP for export, a preliminary analysis is ongoing in order to determine the future planning and the cost. Two Member States reported no IT activities about the phase of the project since it is ‘On hold’ (PT and SK). PL reported that the implementation of UCC SP project will be carried out through the national electronic services involving the UCC AES-national Export Systems upgrade, the UCC Automated Import System (AIS)-national Import Systems upgrade, the planned national Reference Pricing System (RPS) relating management of the special procedures and the UCC INF SP System.

Additionally, several Member States reported carrying out activities related to analysis and modelling (AT, BE, DE, EL, FI, PL and SE), maintenance (BE and DE) and upgrades (BG and PL). During the

reporting year, two Member States communicated their preceding phase. CZ stated that the development of the UCC SP project is planned for 2020/2021 and DK performed an analysis on national user requirements.

1.2.4 Adjustments of the existing import applications under the UCC (2.10)

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

During 2019, an IT elaboration phase has started and a new Customs 2020 IT project group on UCC CCI Phase 1 has been established to contribute to the next steps, related to the technical specifications. In February 2019, two e-surveys on the business implementation of CCI 1 were launched with the aim to establish the next step of the UCC CCI project to support the preparation for the effective implementation of CCI at national and EU level and to ensure coherence. The EU Commission carried out work on the alignment of the five import columns (H1, H2, H4, I1 and I2) in the context of the CCI with the proposed changes in the revision of Annex B with support of the Customs2020 project group “UCC DA/IA Data Annexes Revision for Harmonisation of Customs Data Requirements”.

In reference to the second phase of the UCC CCI project, it was agreed to keep the e-Commerce out of the scope. The Business Case document for UCC CCI Phase 2 version 0.5 was drafted during 2019 and approved in October 2019 following the consultation with the Member States and the economic operators. A new project group on UCC CCI Functional System Specifications Phase 2 was established in October 2019 to support the work on producing the UCC CCI Phase 2 Level 4 BPM/Functional System Specifications (FSS) package.

In 2019, the majority of the Member States informed about their current status as ‘In Progress’ (BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, IE, IT, LV, MT, PL, RO and SE), ‘Finished’ (AT and SI) or ‘On hold’ (PT). In addition, some Member States did not report on their current status (HR, HU, LT, NL and SK). BE reported that the implementation of column H7 impacted the planning of the project progress. SK reported that the system is in operation since 2017 for standard procedure and simplified procedures and provided no status for the current phase for 2019.

Concerning the current phase, the Member States reported on various national activities related to the development of national user requirements (CY, FR, HR and MT), being in operations (BG, DE, LV and SK), design of national system (AT, BE, FI and SE), creation of national functional specifications (CZ, DK, EE, EL, ES and RO), system upgrade (PL), performing national acceptance testing activities (IE and IT) or other activities related to this project (PT and SI). DK stated that the national user requirements regarding a new import solution were defined, compiled and published as part of the Declaration Management System (DMS) import tender in September 2019. DK reported on the development and testing of the new national import and UCC Special Procedures Harmonisation (IMP) system during the year of 2019. Further, EL carried out a study and an analysis of the BPMs and Annex B interoperability with other systems and indicated its preparation for call for tender.

FR reported that during 2019 an analysis was performed on a global view of import and export systems to build an optimised trajectory for implementation of the evolutions required by UCC. IT reported on the completion of the analysis of the new reengineered system at import and the beginning of the development of the new applications following the EUCDM data model.

In addition, most of the Member States reported carrying out activities related to analysis and modelling (AT, BE, DE, DK, EE, EL, ES, FI, FR, HR, IE, IT, MT, PL, SE and SI), maintenance (DE, IT, PL, SE, SI and SK) and upgrades (BG, DE, IT, PL, SI and SK). BG reported that during 2019, the new national import system was updated to cover the e-Commerce requirement of phase 1 for CP 42/63. DE stated that development and maintenance activities of the national import systems are carried out within the framework of the overall ATLAS system. LV reported on the new systems functionality with simplified user interface for import customs declarations for natural persons (to declare postal consignments) being developed and installed in production environment on 03/06/2019. Similarly, the new functionality for the data exchange with LV’s postal system in accordance to UCC

requirements has been developed and installed in production environment on 03/06/2019. Lastly, PL reported that they have performed an analysis of the UCC regulation, delegated and implementing acts in respect to the needs defined in the contract for constructing the AIS/IMPORT system and an analysis of the projects of customs regulation changes. PL also participated in workshops and meetings with representatives of other projects related to AIS/IMPORT (special procedures, Single Window for Customs and Surveillance) and internal workshops/meetings of experts dealing with customs declarations, customs simplifications and customs debt.

1.2.5 Customs Union Performance – Management Information System (CUP-MIS) (2.11)

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

The Vision document was drafted and approved following the Member States review in the last quarter of 2019. No other progress activities were reported concerning this project.

During 2019, several Member States informed about their current status as ‘In Progress’ (BG, IE and SI) or ‘On hold’ (MT, PT, PL and SK). Most of the Member States (AT, BE, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IT, LT, LV, NL, PL, RO and SE) reported no activities and no specific status for this project.

1.2.6 UCC Proof of Union Status (PoUS) (2.12)

The UCC PoUS system is a new trans-European system designed to store and manage the electronic T2L/T2LF documents and electronic Customs Goods Manifest (CGM). This project was re-launched in 2019 following various meetings with the Member States and economic operators to evaluate the possibility of adopting a collaborative approach for system architecture. However, following a survey conducted with the Member States and internal reflections within DG TAXUD, it was concluded that the need for a collaborative effort was no longer considered a high priority for this project. In light of these considerations, the approach taken on system architecture involved a centralised system (under a hybrid approach). The EU Commission adopted a two-phased approach for the development of the PoUS project. The first phase consists in implementing the electronic T2L(F) document with all the necessary functionalities, which is expected to be operational by 01/03/2024. The second phase involves the implementation of the electronic CGM, including the information exchange with the European Maritime Single Window environment. This component is anticipated to enter into production on 02/06/2025. The Business Case for this project was updated and approved in Q4 2019. In addition, a project group on UCC PoUS was established in September 2019 to assist the EU Commission with the preparation of Level 3 and Level 4 BPMs updates.

In 2019, several Member States informed about their current status as ‘In Progress’ (BG, DK, EL, ES, FR, HU, IE, LV and PL) or ‘On hold’ (BE, EE, IT, MT, PT, RO, SI and SK). Concerning the current phase, most of the Member States reported on other national activities (BE, BG, DK, EE, EL, ES, FR, IE, LV, MT, PL, PT, RO and SI), design of national system (HU) and national user requirements (IT). In addition, the majority of the Member States reported to participate in the project group activities and to perform analysis and review of the documentation provided on project development. EE and PT reported no activities during 2019 on PoUS project, whereas MT and RO reported to use the centrally developed system. PL reported that the new e-service called “e-Status” was extended to include the option of sending a control message from the system to which the entity will be able to respond. In addition, several Member States (AT, CY, CZ, LT, NL and SE) reported no activities on this project.

1.2.7 European Maritime Single Window environment (EMSWe) in relation to customs systems (2.13)

The European Maritime Single Window environment (EMSWe) aims to improve administrative procedures in maritime transport by introducing a single window for reporting formalities for ships to harmonise processes and data exchange with economic operators. In 2019, DG TAXUD reviewed the amendments to the Proposal for a regulation establishing the EMSWe made by the European Parliament and the Shipping Working Party of the Council. The concerned parties reached an agreement on the text of the regulation following a series of trialogue meetings organised by the European Parliament. Regulation (EU) 2019/1239⁶¹ came into force on 15 August 2019.

The MASP-C Revision 2019 introduced a new fiche (2.13) on the “European Maritime Single Window environment (EMSWe) in relation to customs systems” to develop a harmonised reporting interface module for the national single windows based on the provisions of Regulation (EU) 2019/1239⁶¹. In close collaboration with DG MOVE, DG DIGIT and EMSA, DG TAXUD will develop an implementation plan to address all activities involving the application of the provisions laid down by the EMSWe Regulation. The processes and data requirements for EMSWe’s external domain will be defined at EU-level based on the Implementing and Delegated Acts that will be prepared in collaboration with DG MOVE. This initiative is examining the interconnections between future system development introduced by Regulation (EU) 2019/1239 and national customs systems. According to this Regulation, the latest date for the system to be operational is no later than 15/08/2025.

During 2019, DG TAXUD organised several Customs Business Group (CBG) meetings jointly with DG MOVE’s “HLSG Expert Subgroup on Single Window” to progress on the definition of legal and business requirements. The new EMSWe “Data thematic team” and “Interfaces thematic team” were launched to discuss the IT architecture and the set of data components for the EMSWe. DG TAXUD supports full alignment of data with the EUCDM, UCC DA/IA Annex B and related customs processes.

In 2019, the Member States informed about their current status as ‘In Progress’ (BE, ES, IE, MT and SE) and ‘On hold’ (FR, IT, SE and SK). With reference to the current phase, the Member States reported on various national activities related to the development of national user requirements (ES, IE, IT and MT) or other (BE, BG, EE, EL, PT, SE and SI). In addition, three Member States reported carrying out activities related to analysis and modelling (ES, IE and SE). The majority of the Members States reported their participation and follow-up of the dedicated EMSWe project group meetings. DE stated that its customs authority coordinates all customs related matters with the transport authorities and provides all technical specifications (e.g. Message Implementation Guide for its External Domain) to ensure that the Maritime Single Window could establish the information exchange under the rules and conditions defined by DE customs authority. It was also noted that the EMSWe initiative has no impact on DE’s customs systems and it does not require any modification and/or change.

1.3 MASP-C Group 3 - Customs International Information Systems

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

⁶¹ Regulation (EU) 2019/1239 of the European Parliament and of the Council of 20 June 2019 establishing a European Maritime Single Window environment and repealing Directive 2010/65/EU, OJ L 198, 25/07/2019, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2019.198.01.0064.01.ENG.

1.3.1 EU Implementation of UNECE eTIR System (3.1)

The eTIR system aims to secure electronic data exchange between national customs systems related to the international transport of goods under cover of TIR Carnets. This project was launched by the contracting parties⁶² of the TIR Convention⁶³ under the auspices of the United Nations Economic Commission for Europe (UNECE) to provide an exchange platform for all actors involved in the TIR system, including customs authorities, the guarantee chain and transport operators.

The implementation scope of the eTIR system in EU is twofold: adaptation of UCC NCTS to handle TIR operations as described in the eTIR Reference Model Document⁶⁴ and adaptation of SPEED to enable the exchange of the data between UCC NCTS and eTIR system. The EU Commission will facilitate the compatibility and data exchange between UCC NCTS and eTIR and the connection to eTIR through SPEED or another system.

The amendment of the Annex 11 of the TIR Convention took place during 2019, which created a legal base for the eTIR system. The eTIR legal base was approved in the course of the UNECE Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerisation of the TIR Procedure meeting on 18-19/09/2019 in Budapest, Hungary. Following the acceptance of the legal base, the EU Commission proceeded with the creation of the eTIR Business Case. The following step of the eTIR to further develop is to produce the specifications.

During 2019, the Member States informed about their current status as ‘In Progress’ (BE, CY, HR and HU) and ‘On hold’ (BG, CZ, EE, ES, MT, PT, SI and SK). Concerning the current phase, the majority of the Member States reported status “Other” and one Member State reported to be in design of national system phase (HU). No other activities were initiated by the Member States and the EU Commission during 2019.

1.3.2 eATA Carnet Project (3.2)

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

The ATA Carnet⁶⁵ is an international customs document that allows the temporary export and import of goods for up to one year without payment of customs duty and value-added tax. It replaces national customs declarations and serves as “a passport for goods” to clear goods through customs, including professional equipment, commercial and testing samples and goods used at trade fairs, exhibitions, shows, or similar events.

The ATA Carnet System is administered by the International Chamber of Commerce World Chambers Federation (ICC/WCF) in line with the World Customs Organisation’s (WCO) ATA and Istanbul Conventions⁶⁶. Over the years, this system has spread to 78 countries and territories, including a

⁶² <https://www.unece.org/tir/system/countries.html>

⁶³ http://www.unece.org/fileadmin/DAM/tir/handbook/english/newtirhand/TIR-6Rev9EN_Convention.pdf

⁶⁴ <https://www.unece.org/trans/bcf/etir/references.html>

⁶⁵ “ATA” stands for the combined French and English words “Admission Temporaire - Temporary Admission”

⁶⁶ Convention on Temporary Admission (Istanbul, 26 June 1990). <http://www.wcoomd.org/en/about-us/legal-instruments/~media/2D53E23AA1A64EF68B9AC708C6281DC8.ashx>

growing number of emerging economies. Around 50% of the carnets issued annually concern goods' movement across the EU.

Since the current system is almost entirely paper-based, the ICC WCF is currently implementing a system to replace paper-based ATA Carnet modalities using a digital solution called "Mercury II". During 2019, the ICC conducted the first phase of the pilot⁶⁷ project with several stakeholders. The digitalisation of the ATA Carnet procedures is expected to facilitate trade transactions, increase the effectiveness of controls, improve the enforcement of data security, and reduce the administrative burden for all stakeholders involved in temporary admission formalities.

The EU Commission intends to further assess the outcome of this pilot before deciding on the best way forward to digitalise ATA Carnets. This means that the EU could, as one of the two options, either set up a new EU eATA system or adopt the digital solution deployed by the ICC. Currently, the eATA Carnet System included in fiche 3.2 of the Multi-Annual Strategic Plan for Customs (MASP-C) acts as a 'placeholder' because the possibility to access ICC's eATA Carnet System directly eliminates the need to deploy an EU eATA Carnet System for EU customs administrations. Similarly, the ICC plans to introduce additional functionalities to the eATA Carnet System for increased usability, and to make further system enhancements to meet the needs of the EU and other Contracting Parties.

In 2019, the EU Commission held several meetings to evaluate the benefits related to the direct use of the ICC eATA Carnet System by the EU Member States. If the EU Commission decides to implement this option, it would be necessary to ensure that specific system requirements are provided in order to meet the minimum level of standards required for EU systems. As soon as the list of the necessary requirements is formalised, the EU Commission will re-evaluate the situation, propose a way forward to the Customs Management Committee and examine the potential policy options to digitalise the ATA carnet.

In 2019, the Member States informed about their current status as 'On hold' (EE, ES, MT, PT, SI and SK) and 'Finished' (BG). Concerning the current phase, two Member States reported on the national activities related to the development of national user requirements (EE and HR) and five Member States reported on other activities (BG, ES, MT, PT and SI). No additional activities were initiated from the Member States during 2019.

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

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

All activities on this project were put on hold as a legal base and a possible scope expansion need to be defined.

In 2019, the Member States informed about their current status as 'In Progress' (ES, FR and HU) and 'On hold' (EE, MT, PT and SK). As regards the current phase, EE reported on the national acceptance testing, whereas HU reported to be in design of national system phase and ES stated to be in the phase of the system upgrades. In addition, ES reported carrying out activities related to analysis, modelling and upgrades. No further project activities were reported by the Member States during 2019.

⁶⁷ <https://www.iccwbo.be/ata-carnet-steps-into-the-digital-age-with-new-pilot-project/>

1.4 MASP-C Group 4 - Customs IT cooperation initiatives and technological developments to facilitate Customs EIS (including current CCN operations)

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

1.4.1 National Systems Implementation by IT Collaboration Projects (4.1)

Within the context of an IT Strategy for the implementation of the UCC and e-Customs initiatives, a new working method has been developed at EU-level, which is depicted in the joint efforts of the Member States towards building common union components for customs national systems. Following the Tallinn Declaration on the Development of the Future Customs IT systems⁶⁸, the expert team on new approaches to develop and operate Customs IT systems (ETCIT) was launched in 2018 as an initiative by EE and other 12 Member States (BE, CZ, CY, FR, IT, LT, LU, MT, NL, PT, RO, SE and SK). The work of the expert team produced four scenarios for future IT collaboration and three pilot projects (UCC Notification of Arrival, Presentation Notification and Temporary Storage, UCC PoUS and UCC GUM) were selected to test the new collaboration forms. A cost-benefit analysis tool was developed, and a questionnaire was distributed in May 2019 in order to identify the interest of the Member States to join ETCIT activities. In October 2019, the second phase of ETCIT was launched with three more Member States (AT, DE and HU) joining this collaborative effort. ETCIT II activities are anticipated to present improved collaborative tools for the future development and operation of IT systems and to provide input to the long-term strategy for Customs IT systems.

During 2019, most of the Member States (AT, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LV, NL, PL, RO, SI and SK) reported no specific status and activities for this project. A few Member States informed about their current status as 'In Progress' (BE, PT and SE) and MT as 'On hold' but provided no further details related to IT activities. MT reported participating in the expert teams on new approaches to develop and operate Customs IT systems (ETCIT) program, while SE is participating in ETCIT II and has a national designated group working with the analysis related to the outcome of this work.

1.4.2 Common Communication Network2 (CCN2) (4.5)

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

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

⁶⁸ [Council Conclusions on the way forward of developing customs IT systems](#)

production release CCN2 Release 1.3.2 that is expected to be the last platform release to correspond to the MASP-C⁶⁹ project entry.

The design and specifications for CCN2 Release 2, which should eventually allow decommissioning of the CCN gateways, was completed in February 2018 with the delivery of the Technical Specifications and the infrastructure requirements document. During 2019, the first step was made towards the creation of the CCN2ng roadmap. This development represents a major achievement, aiming at establishing the CCN2ng platform within the new DG TAXUD platforms landscape. Through the cooperation of the Member States and the EU Commission, the CCN2ng-1.0 was launched in October 2019. Release ng1.0 includes all features of Release 1.3.2 and replaced the CCN2 hardware with new, standardised hardware and updated the software components. In addition, the elaboration phase of Release ng1.1 was initiated in 2019.

During 2019, the majority of the Member States informed about their current status as ‘In Progress’ (BE, BG, CZ, DE, FI, FR, HU, MT, PL, PT and SI) or ‘Finished’ (AT, DK, EE, HR and IE). In addition, some Member States did not report their current status (CY, EL, ES, IT, LT, LV, NL, RO, SE and SK).

Concerning the current phase, most of the Member States reported on various national activities related to being in operations (BE, CY, CZ, DK, EE, FI, FR, HR, LV, MT, PL, PT, RO, SI and SK), design of national system (HU), being in deployment phase (AT), upgrade (IE) or other activities related to this project (BG and DE). DE reported that the project activities focus on preparatory work for a S2S connection of trans-European systems, as well as maintenance and support when using central web applications.

In 2019, several Member States reported carrying out activities related to analysis and modelling (BG, DE and HU), maintenance (BG, CZ, FI, HR, LV, PL, SI and SK) and upgrades (BG, DE, HR, IE, PL, SI and SK).

During the reporting year, PL communicated their preceding phase. PL performed an upgrade which ended in September 2019.

In 2019, AT deployed connectivity tests, while BG developed the CCN2 bridge and performed an upgrade to the latest NJCSI stack for CCN1. CZ reported that CCN2ng is currently being used in conformance and production environments for CRS and CDMS applications. DE reported that the project activities were focused on the preparatory work for a S2S connection of trans-European systems (TES). In addition, DE performed maintenance and support for the use of the central web applications. DK reported that a major upgrade of CCN2 was finalised at the end of 2019. FI reported the integration of CS/RD2 with CCN2 in production environment was completed and CCN2 was updated. FR completed the activities pertaining to CCN2ng R1.0 as well as the technical system specifications of R1.1 and R1.2. HR performed the migration from CCN2 to CCN2ng both in conformance and production environment and new applications (UCC INF/GTP, eAEO and EBTI) were introduced for usage over CCN2. HU informed that the migration to CCN2 was suspended due to lack of resources. PL reported that CCN2ng 1.0 was established and deployed in production and preparations have started for the upgrade of the CCN2 network. Due to changes in the hardware & software environments, PL performed configuration of the network in order to allow business users to perform their tasks as previously. Following the proper configuration of the conformance and production network environments, extensive tests were performed. RO implemented the CCN2 1.1.1 version.

⁶⁹ MASP-C Revision 2019 v1.1 Consolidated Project Fiches
(https://ec.europa.eu/taxation_customs/sites/taxation/files/2019_masp_annex2_en.pdf)

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

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

During 2019, the work was focused on UCC UUM&DS Release 2.0, which will support additional functionalities for UCC ICS2 and COPIS eAFA projects, namely S2S secure connectivity, certificates management and digital signature services. Specifically, the implementation of the new central services and functionalities was finalised, and the final validation testing was completed in the third quarter of 2019. Release 2.0 was deployed in the conformance environment in the last quarter of 2019 and it is expected that the conformance testing with the Member States will take place during the beginning of 2020.

To enable user authentication and authorisation, the majority of the Member States have used their national Identity and Access Management (IAM) system(s) that can be directly interfaced with UCC UUM&DS and are categorised under type A, B, C and D solutions⁷⁰. Most Member States (AT, BE, BG, CZ, EE, ES, FR, HU, IE, IT, LT, LV, SE and SI) are type A, FI, EL and PT are type B, few Member States (CY, DK, HR, NL and PL) are type C and the remaining Member States (DE, LU, MT, RO and SK) are type D.

In 2019, the Member States informed about their status as ‘In Progress’ (AT, BG, DE, DK, EE, EL, FI, FR, HR, HU, IE, IT, MT, PL, PT and SI), ‘Finished’ (CZ, LT and LV) or ‘On hold’ (RO). Concerning the current phase, the majority of the Member States reported being in operations (BE, BG, CY, CZ, DE, EL, HU, LV, PT, SI and SK), in national functional specifications (AT), in national user requirements (EE), in design of the national system (FR, IT and MT), in upgrade (DK, FI, IE and PL), in national acceptance tests (LT), or in conformance testing (HR). RO is the only Member State who reported status ‘Other’. In addition, several Member States reported carrying out activities related to analysis and modelling (BE, BG, DE, FI, FR, HR, IT and PT), maintenance (BE, BG, EL, CZ, EL, HU, IT, PL, PT and SK) and upgrades (BE, CZ, EL, FI, HR, IT, PL, PT and SK). During the reporting year, some Member States communicated their preceding phase. DE indicated having performed analysis on national user requirements, while FI initiated the operation of UCC UUM&DS v1.5 type B in September 2019. FR entered in production with type A in November 2019, IT completed the national technical specifications in November 2019 and PT performed an upgrade of the system in March 2019.

AT created the national functional requirements in cooperation with A-Trust, the national trust centre for digital signatures. BE started the preparation for upgrading UCC UUM&DS. Within the current phase of the national BCA IAM project, BG has successfully implemented the eAEO-STP and EBTI-STP roles and profiles in IAM system and participated in the review cycle for the UCC UUM&DS

⁷⁰ Type A: One consolidated IAM system that can be directly interfaced with the UCC UUM&DS.

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

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

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

R2.0⁷¹ documentation. In addition, BG completed the functional and technical specifications for the BCA IAM system related to UCC UUM&DS R2.0 and launched the preparation and development of the BG IAM upgrade for the UCC UUM&DS R2.0 capabilities. In 2019, CZ upgraded the UCC UUM&DS package for the development of the UCC UUM&DS project and installed the package into production environment. CZ further uploaded a new ECAS certificate and prepared a detailed analysis regarding UCC UUM&DS R2.0 focusing on the S2S communication and on cross border certificates. Additionally, CZ upgraded the business profiles and roles for UCC BTI and eAEO. DE continued using type D of the system, since DE has not yet developed a national IAM. DK reported that several features of the project have been analysed, designed, implemented and tested during 2019. EE analysed R2.0 of UCC UUM&DS and made progress in solving various problems in R1.5. EL reported performing support of EBTI and eAEO user profiles and upgrading R1.5 of the project. FI initiated the upgrade of Release 2.0 in the end of 2019, while FR initiated the development of UCC UUM&DS R2.1 with the future integration with UCC ICS2 and COPIS projects. HR conducted analysis related to R2.0 and R2.1 at S2S level. Following the analysis, national technical specifications and plans for implementing new components were created. During 2019, UCC INF/GTP, eAEO and EBTI were integrated into the UCC UUM&DS R1.0 infrastructure. HU performed small adjustments to the project and the national UCC UUM&DS service desk provided continuous support to traders. IT formalised the functional and technical specifications, allowing to launch the design and the implementation of the new components needed by R2.0. IT further performed maintenance of R1.5. LT prepared the national UCC UUM&DS system (BAP) in order to align it with the UCC UUM&DS R2.0. LV improved the national electronic declaration system in order to provide to the economic operators' access to eAEO and EBTI. PL did not implement R1.5, since no added value was identified in the changes implemented in this release. PL continues using R1.0 and in 2019, PL initiated the elaboration of the implementation scope of R2.0 and R2.1. RO reported that the National Agency for Fiscal Administration received funding for the project "Increasing performance of customs activity in order to facilitate legitimate trade", which includes the UCC UUM&DS project. SI performed maintenance of R1.5 and focused on the analysis and design of the national system.

1.4.4 High Availability DG TAXUD operational capabilities (4.7)

Under this project, the EU Commission intends to provide high availability infrastructure capabilities for the hosting of EU customs systems components and IT services. The EU Commission has developed High Availability (HA) and Disaster Recovery capabilities (DR) in the two DG TAXUD data centres hosted in Luxembourg. The main objective of establishing standardised HA capabilities is to assign appropriate HA characteristics to all hosted applications. To this end, three distinct HA service levels are defined: Bronze, Silver and Gold. Bronze service level is the default offering and it has been in place since 2015. Silver service level reflects the maximum current capability, while Gold service level, meaning 99,8% availability, is expected to be available by the third quarter of 2022.

The availability of production systems (ITSM-operated systems, the CCN/CSI network, as well as the CCN production services) in 2019 was 99.41% and of CCN gateway was 99.93%. In addition, CCN2 R1.3.2 Platform Release ng-1.0 infrastructure was changed from Solaris/Oracle Supercluster to a Linux/VMWare technology. The purpose of this update is to ensure the high availability as well as the improvement of the overall performance and the scalability of the CCN2 Platform.

During 2019, two Member States informed about their current status as 'On hold' (MT and PT) and one Member State as 'In Progress' (BG). No specific information was reported by MT and PT. BG reported that an effective availability rate was provided according to the SLA for all Customs trans-

⁷¹ R2.0 is an abbreviation used to indicate UCC UUM&DS Release 2. Similarly, the abbreviations R1.0, R1.5 and R2.1, also mentioned in the report, refer to UCC UUM&DS Release 1.0, Release 1.5 and Release 2.1 respectively.

European systems. BG has provided information on a daily basis to economic operators about the current IT systems' unavailability via the service desk platform as well as the official national customs website. Furthermore, BG has provided information about the upcoming maintenance and upgrade of the National Customs Agency Information systems. The rest of the Member States did not report any specific activities related to this project.

1.4.5 Maintenance and Updates of Operational IT systems (4.8)

This section provides an overview of the trans-European systems' operations in 2019, including the error rate evaluation and system availability. The figures presented in this section depict the evolution of the message volume exchanged in the common domain within a certain timeframe.

This section places emphasis on NCTS, ICS and ECS operations and maintenance in their 2019 national progress report. The vast majority of the Member States reported on ongoing maintenance and enhancements of the operational systems. Among the maintenance activities carried out, the analysis of RfCs and the implementation of the Known Error Lists (KELs) were most common.

1.4.5.1 New Computerised Transit System (NCTS Phase 4)

During the year 2019, 11.6 million transit movements were released, indicating a slight decrease compared to 2018. Figure 20 depicts the evolution of movements since 2012, the average number of which reached 45,885 movements released per business day (-2% compared to 2018). This decrease is attributed due to the operations improvement in TR, which reduced the number of message enquiry and LT's conformance testing activities have been concluded. In addition, the total number of messages exchanged in the common domain slightly increased in 2019, after a relative stability between 2012-2015. The quality of operations was stable, with the average error rate in 2019 slightly decreased at 0.11%, without any issue having a major business impact throughout the year. Since 2014, the error rate is decreasing as a result of the continuous effort of the Member States (supported by the EU Commission) to improve their applications.

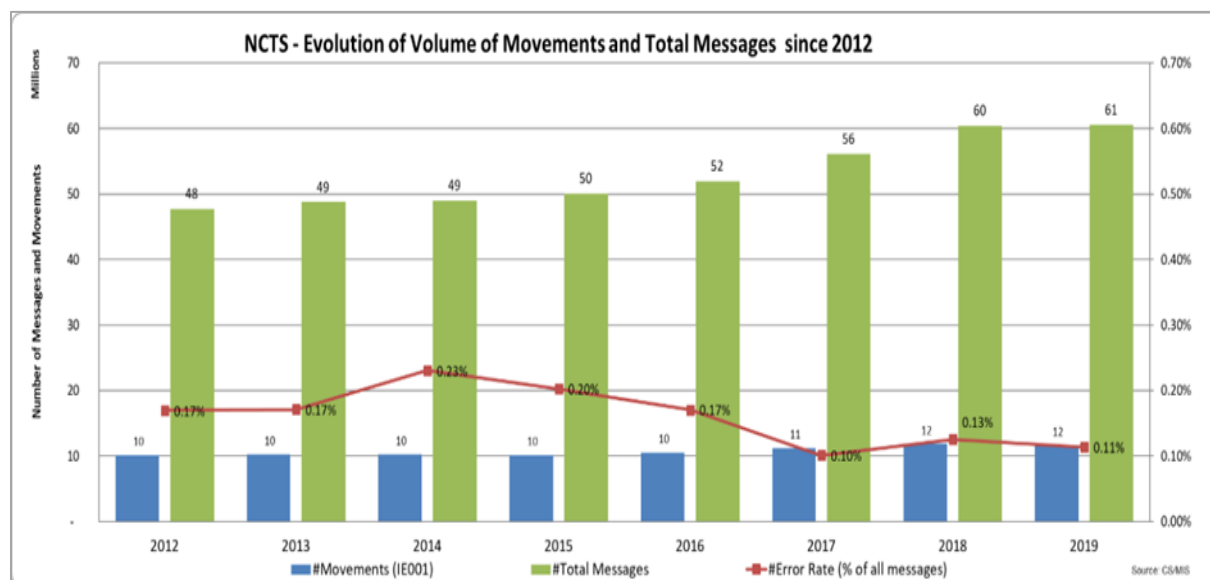


Figure 20: NCTS - Volume of movements and error rate per year since 2012

1.4.5.2 Export Control System (ECS Phase 2)

During 2019, the number of movements released for export (approximately 15.21 million electronic messages 'IE501') decreased by 1.1% compared to 2018, resulting in a decrease of 0.08% in the total number of exchanged messages. The evolution of movements depicted in Figure 21 illustrates that the number of ECS messages annually exchanged between the Member States in the common domain

grew by 21.5% from 2012 to 2019. The error rate in 2019 has decreased from 0.23% to 0.18% and was mainly impacted by the rejection of messages related to old (archived) movements.

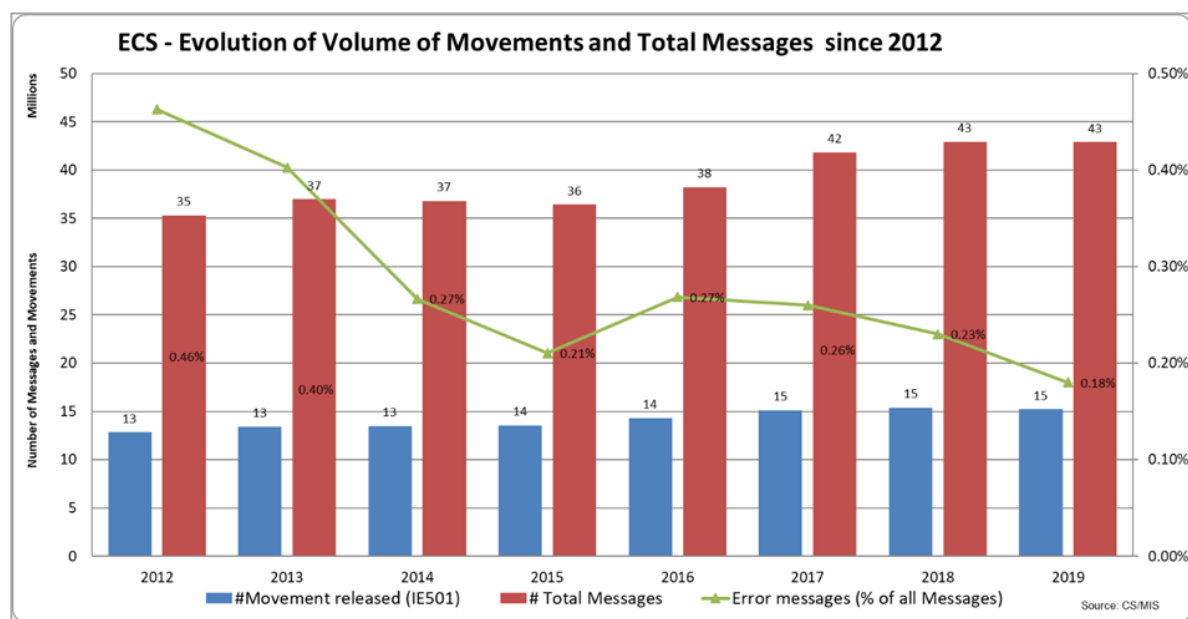


Figure 21: ECS – Evolution of movements and error rate per year since 2012

1.4.5.3 Import Control System (ICS Phase 1)

An excellent quality of ICS operations was observed during the reporting year 2019. As depicted in Figure 22, approximately 47.3 million ENS were lodged in the EU in 2019, with a decrease of 1.9% compared to 2018. In addition, about 63% of the total ENS movements were submitted for air transport.

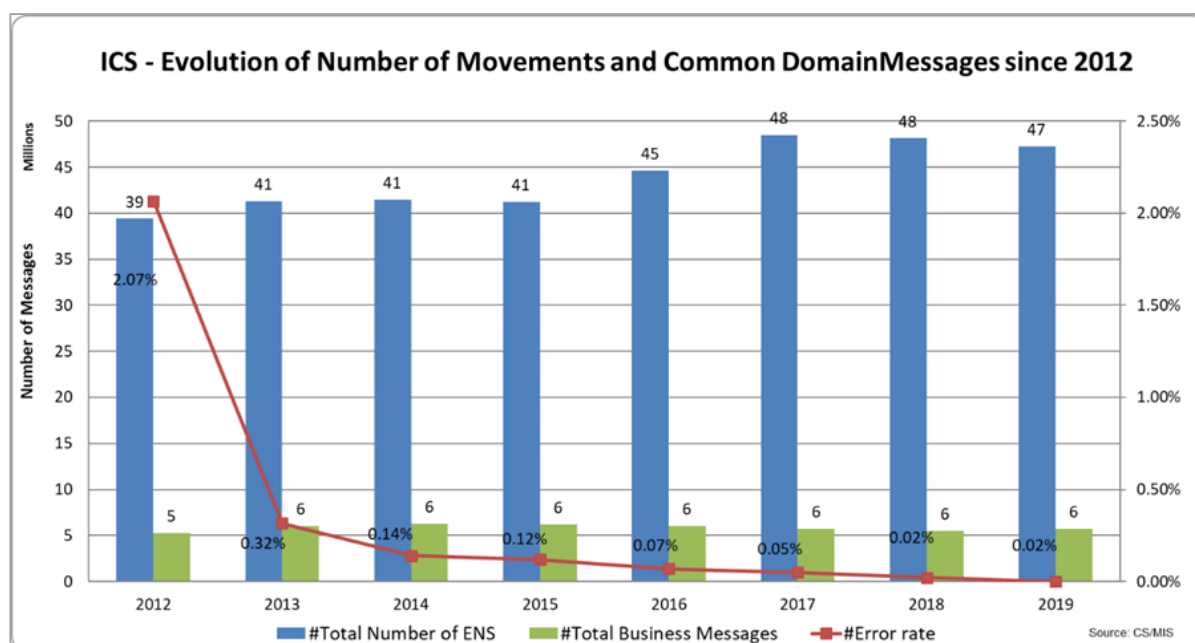


Figure 22: ICS – Evolution of number of movements and error rate per year since 2012

1.4.6 IT Business Continuity (Reinstated) (4.9)

IT business continuity focused on IT service continuity in support and alignment with the overarching business continuity. The objective is to ensure that DG TAXUD investments in preparedness in the

preceding years will be effectively reflected in recoverability when required, in alignment with its business aims and priorities. In this respect, the IT Business Continuity Management System (IT BCMS) will be aligned with all other existing levels of business continuity management arrangements and consider all the inter-dependencies within the EU Commission complex ecosystem to effectively meet its stakeholders' IT service continuity needs.

Following the launch of the IT Business Continuity Management System (IT BCMS) in 2018, DG TAXUD initiated a new BCMS Revamping Phase II project in August 2019. The aim of the second phase of the project is to ensure that all current arrangements and operations as well as future planning, actions and implementations will consistently support the objective of recoverability. During 2019, the BCMS Revamping Phase II project produced several crucial outcomes. The Continuity and Availability Service levels have been defined and standardised and all DG TAXUD IT systems have been categorised according to their level of criticality, the Business Impact and Risk Assessment Analysis continuity requirements and the recovery capabilities. Various crucial BCMS documents have been updated and new documents have been prepared throughout 2019. The DG TAXUD IT Business Continuity Plan was updated and was subsequently integrated with the DG TAXUD IT Crisis Management Process and the DG TAXUD Business Continuity Plan. In addition, the role and responsibilities of the DG TAXUD IT Duty officer were defined and supporting material was prepared and distributed to the Member States. Further to this, DG TAXUD has initiated the Disaster Recovery testing for IT systems to verify the effectiveness and efficiency of the current Disaster Recovery plans and to identify areas that require further improvements. The work within the BCMS Revamping Phase II project has resulted in recommendations for several improvements, which will be addressed in an upcoming Phase III of the project.

No project activities were reported by the Member States during 2019.

1.5 Other National Projects and Activities

Along with the UCC projects, the Member States' annual progress reports provided information about other national projects and activities related to the e-Customs domain. The most noteworthy, AT performed an evaluation of methods for engineering requirement and technical analysis for the existing and new customs systems. AT also reported on the development continuation of the Enterprise Architecture Model (EAM). In 2019, CY completed several maintenance activities for the trans-European systems ECS, ICS and NCTS, as well as the EORI system. A Risk Analysis was performed as well as the implementation of CS/RD2 services and KELs due to BREXIT. Maintenance activities were also performed at national systems of CY, including: Import Declaration System, Integrated Tariff of the European Communities 3 (TARIC3), Electronic system for quota management/allocation (QUOTA), National Risk Analysis (for import declaration), Warehousing System, Penalties System and Accounting and Payment System as well as the implementation of CP 42/63 and the changes in the Import System. EE carried out conformance testing in February 2019 on CS/RD2 application. In addition, new TARIC measures and national improvements were introduced in national Tariff system of EE. IE reported performing upgrade activities in the CS/RD2 application. LV maintained and improved the national Electronic Customs Data Processing System modules, containing ICS, ECS, Trade Customs Solutions (TCS), electronic cargo Manifests service (eMan)/Trading Services and EORI. Also, an automatic release of import customs declarations to ensure faster processing of import declarations has been developed and deployed in production environment on 27/01/2019. Another activity performed by LV was the integration of State Joint Stock Company "Latvian Railway" e-SMGS with Electronic Customs Data Processing System (EMDAS), which was developed and deployed in production environment on 27/09/2019. LV developed and installed two new functionalities in December 2019, one on the calculation of the average statistical prices and the other on the data exchange related to the automatic closure of export procedures between customs and International Freight Logistics and Port Information System. In addition, since 10/05/2019, three customs open data sets were published on LV's open data portal. NL stated that the UCC/MASP-C-developments are integrated in the ePIC application. PL carried out activities on the maintenance of CS/RD2 application. More explicitly, PL performed an alignment to the new version of CS/RD2 Reference Data Export message in NCTS2 and carried out an analysis of

problem related to CS/RD2 messages exchange with NCTS2 system. Lastly, SE reported on the national project programme for e-Customs. It was noted that the project programme is managing and coordinating the national projects that are launched to implement e-Customs covering all the SE's ongoing national projects with an indirect relationship to the development of e-Customs and MASP-C.

1.6 Supporting activities

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

In 2019, the Member States and the EU Commission continued their activities related to the promotion of e-Customs services, training for customs officials, consultation with economic operators, as well as the coordination of activities between e-Customs and other e-Government services.

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

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

PICS is a dedicated collaborative online platform administered by the EU Commission, which provides access to diverse information related to the implementation of the Customs 2020 Programme activities. In 2019, the search engine of the PICS platform was updated to facilitate faster and user-friendly search. Similarly, ARIS Publisher is a software tool designed to facilitate the development and continuous improvement of the EU Customs Business process modelling. In 2019, ARIS Publisher version 9.8.10 was actively maintained for enabling all change control management procedures. CIRCABC version 4.1.1 is a collaborative document management system, which offers a communication channel for exchanging information and sharing materials between the EU Commission, national administrations and other stakeholders.

1.6.2 Consultations with economic operators

The implementation of the e-Customs projects requires that the Member States' administrations and the EU Commission engage in a regular dialogue with the economic operators and their representative associations to ensure transparency in the implementation of national and European measures. Over the course of 2019, the Member States organised a series of seminars, workshops and meetings in close cooperation with economic operators, to introduce recent developments related to the technical, legal and business requirements in the area of e-Customs. During this process, careful consideration was given to the specific needs of economic operators to foster an environment conducive to collaboration.

The Member States' customs authorities and the EU Commission regularly informed the representatives of economic operators of the potential impact of the UCC-related changes on the national IT systems. Consultation activities also took place with the view to notify economic operators about the present and anticipated developments in the field of e-Customs but also to gather in-depth knowledge for different business processes from the trade sector's perspective. Furthermore, several Member States published information as well as guidelines about diverse systems on their national websites and national Helpdesks were utilised as a means to provide support to economic operators.

Specifically, AT engaged economic operators in the components testing of the EBTI as well as in the elaboration of the transition strategy for UCC NCTS. BE organised meetings to provide practical guidance to economic operators with regards to BREXIT in the context of UCC EORI2. BG reported that e-Commerce is being developed in close cooperation with the national postal operator and express carriers, while CZ organised special workshops with postal and express operators for the UCC ICS2 system. DK presented the national tariff system to economic operators, while EE introduced the UCC REX system. FI held several meetings with an ad hoc export and transit group in order to inform the representatives of economic operators about the relevant processes for the transitional period for UCC AES and UCC NCTS. In addition, FI organised meetings pertaining to the UCC Notification of Arrival, Presentation Notification and Temporary Storage with national express delivery trade group and the temporary storage operators at ports and airports. FR initiated a certification process with economic operators for the UCC NCTS system and held a number of meetings with the national postal operator to inform about the common specifications of UCC ICS2 and to elaborate a working plan as well as a follow up process. IT organised meetings with the representatives of economic operators in order to receive feedback about the implementation of the national customs Single Window, whereas LT provided valuable information concerning the handling of customs permits in the UCC CDS system. LV held meetings of the Customs Advisory Council with the participation of economic operators' representatives on a regular basis and NL reported that the Customs Trade Consultation Group on IT met regularly in order to discuss UCC related matters.

1.6.3 Training for Customs officials and other stakeholders⁷²

The dynamic environment of the e-Customs projects requires high-quality training and consultation on IT system procedures and customs legislation. In view of this, the Member States and EU Commission have supported the development of training solutions and services for customs officials and economic operators to provide the necessary skills and knowledge towards implementing and maintaining e-Customs projects. Since 2014, more than 120.000 customs officials have benefited from these training solutions. As depicted in Figure 23, a total number of 40.400 customs officials were trained with the EU eLearning portfolio in 2019 resulting in a 35% increase in users compared to the previous year. Additionally, 377 language versions of the EU eLearning courses were in use by the Customs 2020 partner countries during 2019 compared to 279 in 2018.

⁷² The data presented in this section are based on the EU eLearning Survey Report 2019 drafted by the EU Commission.

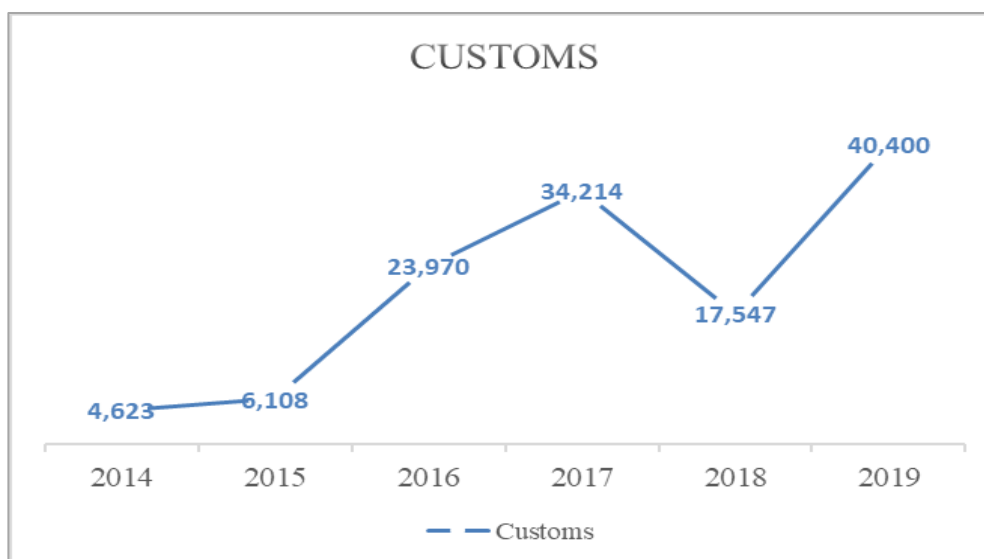


Figure 23: Evolution of number of Customs trainees in national administrations

The formation of online training tools and guidelines entails a continuous long-term learning plan for customs officials and other stakeholders. The main objective of these electronic learning materials is to help national customs administrations, as well as economic operators and citizens throughout the EU, to better understand and implement the EU customs legislation and its related procedures. This, in turn, will lead to more uniformity and efficiency of customs operations throughout the EU and further enhance consistent performance across the Member States.

In 2019, the EU Commission focused on eLearning courses to build and strengthen the technical and operational capacity of national administrations and their staff in various customs subjects. Most notably, the UCC EU eLearning Programme, first launched in 2016, was designed to ensure that customs officers in the EU are properly trained on the implementation of EU customs legislation and policies. This programme is developed in 20 modules divided in 3 different learning levels ranging from basic to expert knowledge. Translated in various EU languages, the modules are designed as stand-alone courses to meet the professional competency needs of EU customs and other officials of competent authorities. Courses free of sensitive content are also made available via the Europa website to economic operators, representatives of academia and the general public. In particular, more than 164.000 traders have accessed the Europa website, downloading 17.873 English and localised versions of the available courses.

The overall performance of the eLearning initiative was monitored through data collected at national level, downloads from the Europa website and user satisfaction surveys. The results of 457 online surveys available in 20 EU languages indicated overall satisfaction with the customs eLearning services, with an average score of 75 out of 100 (according to the principles of Kirkpatrick⁷³) compared with 72.9 in 2018. During 2019, the EU Training team has incorporated further questions regarding additional training initiatives apart from the eLearning courses in which the national administrations were consulted⁷⁴. The means of learning methods were: Learning Management System

⁷³ **Kirkpatrick Learning Model:** D. Kirkpatrick's four levels of training evaluation is the most widely used training evaluation model in the world. A focus of this program is the exploration of how to ensure that what is learned transfers to on-the-job behaviours. According to Kirkpatrick, evaluations of the effectiveness of any employee learning process should follow four steps: reaction, learning, behaviour and results.

⁷⁴ More information can be found in the EU eLearning Survey Report 2019 owned by EU Commission.

(LMS), eBooks for training purposes, Training webinars, CLEP programme and EU Competency Frameworks (CustComp^{EU})⁷⁵.

In particular, the EU Training team offered an eBook for Authorised Economic Operators, which was also used by 15.000 customs officials and 26.000 users from the private sector as a complementary tool for EU Learning modules.

During 2019, 47% of the national administrations offered training webinars at national level compared to 31% in 2018. In general, the majority of national administrations was positively inclined towards the implementation of CustComp^{EU} at national level. In fact, 82% of the administrations already implement the Customs Competency Framework to a greater or lesser degree. CLEP events were organised throughout the year, with the participation of 64% of the national administrations. However, the majority of national administrations (66%) used an LMS at national level to provide and disseminate their training material to their staff. In respect of the recently launched common project to develop an EU LMS (Learning Management System), 92.31% of the national administrations found the “Access to EU eLearning courses, eBooks, nanolearnings...” very effective.

Furthermore, Figure 24 below depicts the comparison between the numbers of trainees for the UCC eLearning programmes for 2018 and 2019. As it can be observed, a significant increase in the use of the AEO eBook was observed compared to 2018. This increase was probably due to the availability of the eBook via the download portal and through a direct link on the Europa website in all EU languages that provided easier and faster access. In addition, the “UCC Level 3 REX”, “UCC Level 2 AEO” and “UCC Customs Procedures and Customs declarations”, have a substantial increase in downloads by national customs officials and other stakeholders of an average 59.48% compared to 2018.

⁷⁵ https://ec.europa.eu/taxation_customs/eu-training/eu-customs-competency-framework_en

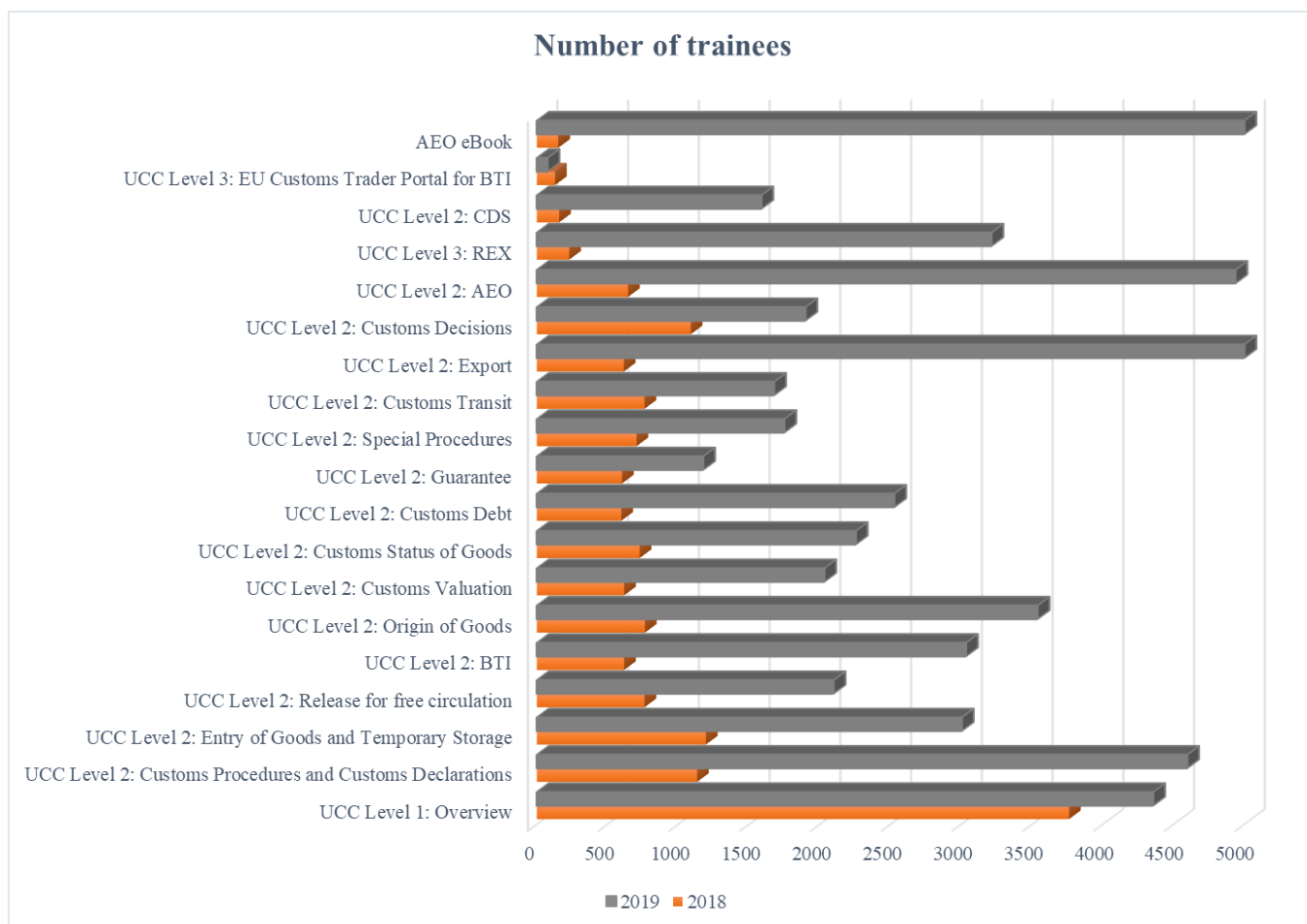


Figure 24: Number of trainees for the UCC eLearning Programme 2018-2019

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

During 2019, the majority of the Member States organised several seminars, trainings, workshops and prepared manuals. More specifically, on the UCC CDS project HR reported the preparation of training materials and manuals for the implementation of the new system functionality, whereas MT shared the related training materials and workshops via the national customs portal to its customs officials. PT organised a two-day training on the UCC CDS for its customs officials in all Decision Taking Customs Authorities (DTCAs). Similarly, PL conducted trainings for customs officials and economic operators on the UCC CDS project throughout the year.

BG carried out trainings on the use of the UCC AEO system for the customs officials. The members of the national service desk and the economic operators were trained on the Trader Portal eAEO-STP. PL updated the national guidelines, which were published on the national customs website and distributed a newsletter to its national economic operators.

Concerning the UCC UUM&DS project, three-day trainings were organised by BG for the national systems administrators and the service desk. DK noted that the national service desk has been trained in the use of the UCC UUM&DS system and EE informed that the UCC UUM&DS user manual was updated in its national language. HR maintained the materials on Release 1.0 on eLearning portal for customs officers, as well as on public portal for economic operators. The material on Release 2.0 and Release 2.1 will be prepared following the system specifications and the development of the system. LV organised trainings for the use of the national UUM&DS system (BAP). PL reported participating

in a collaboration project group that was set up by the Members States in order to enable common efforts and knowledge-sharing at the two project group meetings dedicated to UCC UUM&DS Release 2.0. PT also created training materials following the elaboration and approval of the top management of the “Oficio Circulado N.15730/2019 2019-10-01” which instructs the national economic operators on the registration process and access via UCC UUM&DS. A training on roles and responsibilities of PT’s UCC UUM&DS national project managers (NPM) also took place during 2019.

In 2019, two Member States (EE and FR) reported organising several seminars and trainings sessions for their customs officers on the UCC NCTS and UCC REX systems. LT prepared training materials for the UCC NCTS. PL reported that trainings were organised for the NCTS2 administrators and helpdesk consultants after each major change to the NCTS2.

In terms of the UCC Special Procedures, DK reported its participation in seminars and workshop sessions on the UCC INF project. PL stated that a project team on the implementation of the RPS (Regulatory Procedure with Scrutiny) system has been supplemented with customs practitioners in the field of the special procedures, who participated in testing the system prototype.

CZ indicated their training planning for the UCC AES, UCC NCTS, e-Commerce & CP 42/63, UCC ICS2, UCC Notification of Arrival, Presentation Notification and Temporary Storage, UCC Special Procedures and Adjustments of the existing import applications under the UCC projects. DK reported that due to the preparation of the tender material as a primary activity during 2019, seminars and workshop sessions were organised mainly inside the organisation. The trainings for the customs officials and other competent authorities will be more frequent as the following projects enter the next phase; UCC EORI2 Phase 2, UCC Notification of Arrival, Presentation Notification and Temporary Storage, Adjustments of the existing import applications under the UCC.

DK distributed information on the changes of the EU SW-C and e-Commerce & CP 42/63 via the e-channels and the user instructions for UCC EORI2 were updated, whereas FR prepared training materials for deployment of the new interconnections and internal services for the EU SW-C. IT reported that the ICT central directorate published operating instructions for COPIS users with regards to the new release on EU SW-C. In addition, internal training initiatives were implemented in IT to inform the customs officials on the state of play of the EU SW-C project at EU and national level. PL carried out five training sessions for the future national/local administrators and co-ordinators of the national SW system.

For the CCN2 project, three Member States (HR, FI and PL) participated in the IT Technology & Infrastructure meetings and Webinars.

Several Member States (BG, HR, MT and PL) organised trainings for their customs officials as well as for the economic operators on the UCC BTI system during 2019.

As regards the UCC GUM, BG organised training activities for the central customs administration officials on the new clearance system for import and its supportive modules.

DK organised three meetings, workshops and training sessions with customs officers on the UCC ICS2, whereas EE and SI have indicated their training planning on the UCC ICS2 project. In addition, EE reported on its planning regarding the UCC Notification of Arrival, Presentation Notification and Temporary Storage which will take place at a later stage.

PL prepared newsletters for internal and external users and online trainings on UCC PoUS.

In relation to TARIC3 and QUOTA2, EE prepared training materials and organised seminars for the customs officials.

In addition, BG reported that regular seminars, workshops and skill maintenance trainings were held during 2019. AT provided information to all the customs officials for all its systems in a format of newsletters, online surveys and training material. LV reported that various training courses have been organised for customs officials regarding changes and improvements in the National Electronic Customs Data Processing System.

1.6.4 Promotion and implementation of e-Customs services

An integral part of optimising customs procedures is the promotion of cooperation within the national customs administrations. In 2019, the Member States' authorities and the EU Commission conducted various meetings and seminars with project working groups, national partners, trade contact groups, governmental and customs institutions, tax authorities, economic operators and technical universities to promote an integrated level of administration collaborating towards the implementation of e-Customs services.

The EU Commission conducted 207 meetings with the Member States' customs officials with expertise in areas such as legislation, project management, operations, planning and IT, addressing all aspects of e-Customs projects.

In 2019, several communication products and actions were prepared to promote initiatives related to e-Customs. On 4th of May 2019, DG TAXUD participated in the EU Institutions Open Day, held in Brussels. The promotional material was focused on the fundamental role of the EU Customs Union in ensuring safety and security for the EU citizens by preventing illegal, fake and dangerous products from entering the EU. In light of UK's withdrawal from the EU, DG TAXUD ran a campaign throughout 2019 advising businesses operating in the Member States to prepare for a possible no-deal BREXIT scenario, and its serious repercussions for the area of customs. Finally, smaller-scale actions were made, such as the revision of a poster depicting a flowchart of the UCC processes and systems, updates to the EU Commission's website and publication of news-items from DG TAXUD's social media on e-Customs related topics.

Likewise, the Member States supported promotional activities targeted at the ongoing task of developing, implementing and performing updates to various projects, such as UCC CDS, transit systems including UCC NCTS, UCC REX, UCC AES, UCC AEO and Impacts of MRA, COPIS, EU SW-C, UCC EORI2, UCC ICS2, UCC Notification of Arrival, Presentation Notification and Temporary Storage and UCC UUM&DS.

In 2019, BG organised a number of activities with the view to assist customs officers to familiarise with the new clearance system and its supportive modules. CZ organised several meetings with national authorities and an external contractor to inform about the activities that took place within the context of the Single Window project group. EE participated in a training seminar for the EBTI Specific Trader Portal as well as in several webinars related to EBTI. EL reported that for EU SW-C exchange of experience with other Member States took place and a study visit to ES was organised. IT collaborated on a regular basis with the Legal and Procedural Department and established a working group with the internal departments to discuss issues related to risk analysis and procedures of the UCC ICS2 system. LT organised meetings with the representative of the State Tax Inspectorate for matters pertaining to e-Commerce, while LV reported that several training courses were held at the Riga Technical University International Business and the Customs Institute. SI reported that customs and tax systems were integrated at national level through the IAM management system and the UCC UUM&DS system was introduced to tax administrators.

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

In 2019, the coordination of e-Customs activities with other e-Government services was managed through cooperation with various ministries, ICT and legal departments, tax administrations and economic operators. The objective was to inform all relevant stakeholders on the necessary requirements for the implementation of the MASP-C and other e-Customs related projects.

Alongside the MASP-C coordination activities carried out by the EU Commission, discussed at length in previous sections, some Member States highlighted the following key activity areas during 2019.

AT reported that the national customs administration coordinated with A-Trust, Future Trust, the Ministry of Digitalisation and the E-Government Innovationszentrum on the UCC UUM&DS project. BG held meetings with the tax authorities in order to coordinate the national activities for e-Commerce and successfully integrated the eAEO and EBTI Specific Trader Portals, roles and profiles in the

national IAM system. CZ reported that a close cooperation with the Ministry of Industry and Trade and the Ministry for Environment was established in 2019 for tackling issues related to the SW-C, while DE coordinated with transport authorities in activities that are linked with the implementation of the EMSWe. DK initiated a dialogue with national stakeholders, including experts and external consultants in order to refine the technical processes for the UCC AES and UCC NCTS systems and cooperated with the IT Centre of the Ministry of Finance on issues pertaining to CS/RD2.

EE collaborated with diverse authorities on several projects. Specifically, EE's national customs administration cooperated with the IT department of the Ministry of Finance for the EBTI, UCC AEO, e-Commerce and UCC REX systems, with excise and VAT authorities within the context of the UCC AES system and with the Veterinary and Food Board for issues related to the EU SW-C. In addition, EE has been developing a National Entry System that will include Temporary Storage and Presentation Notification. ES conducted several activities related to e-Commerce in close cooperation with VAT units inside the national Tax Administration and created a working group that consists of IT and legal experts for VAT, import and presentation notification matters. FR carried out coordination activities with the legal departments responsible for Clearance, Transit and Financial issues for the UCC AES system as well as with national institutional partners for the EU SW-C.

HR cooperated with the Department for Legislation and procedures with the view to integrate CCN2 with the eAEO and EBTI central systems and coordinated with several business units related to the different systems which are using the UCC UUM&DS infrastructure. LT reported that the integration of e-Commerce and GUM projects with the interfaces of several national systems is foreseen. IT's national customs administration cooperated with the Legal and Procedural Department and local customs offices for UCC CDS, UCC REX and UCC ICS2 systems. Further to this, IT's Customs Agency worked in close cooperation with the Ministry of Health to develop a national customs single window with the aim to implement a new portal acting as a single-entry point for the economic operator. LT reported that the national Single Window system and the national Customs Permits system were interlinked with several national systems and interfaces with various national information systems have been specified for the UCC UUM&DS. NL reported that the national customs administration has cooperated among others with the Ministry of Infrastructure, the Ministry of Agriculture and the Ministry of Economic Affairs on issues pertaining to the competencies of each Ministry, whereas PT reported that the national UUM&DS system was integrated with the eAEO and EBTI systems.

Lastly, SI reported that customs authorities cooperated with the national postal operator Pošta Slovenije in order to analyse the processes for postal items as well as the structure of the messages for the submission and control of goods in UCC ICS2. Furthermore, regular coordination activities were conducted with the Ministry of Public Administrations in order to contribute to the maintenance of the UCC UUM&DS system.

ANNEX 2 – PLANNING OVERVIEW OF MASP-C PROJECTS

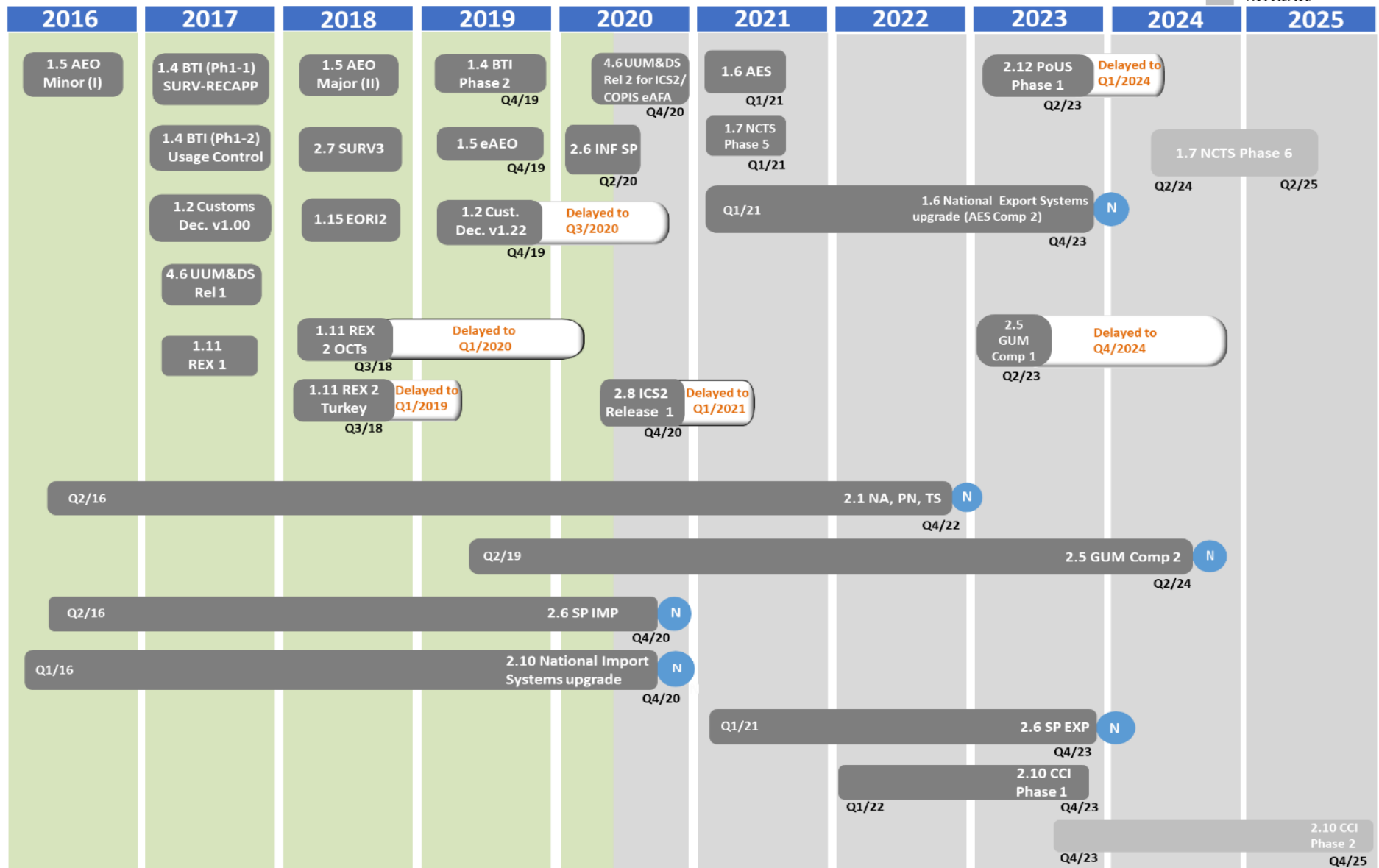
Explanatory Note on the Planning Overview of MASP-C Projects

The planning overview of MASP-C Projects provides visual representations of the status of the Customs IT projects, taking into account the MASP-C Revision 2017 as a reporting baseline, while incorporating the re-planned milestones in line with the revised MASP-C Revision 2019. The project status is depicted in terms of the date of entry into operations for initiatives that have already been completed, or the anticipated date of entry into operations for forthcoming projects. Any deviations from the MASP-C Revision 2017 and the MASP-C Revision 2019 Consolidated Project Fiches baseline planning are indicated – either as delays or earlier deployments – in the white bars to the right and left of individual project titles. The actual or expected date of entry into operations is also shown in these bars, for comparison purposes with the corresponding MASP-C. For projects with a window for national deployment activities, the dark grey project title box corresponds with the end of the period for the Member States' operational deployment, while the white bar with blue text indicates the start of this period. Finally, these visualisations focus on the last milestone of each project for readability reasons. For full details on each MASP-C⁷⁶ project milestones accompanied by a Gantt chart visualisation, please refer to the Annex 1 of the MASP-C package (produced in Microsoft Project Plan format) in the revision 2017 and the revision 2019.

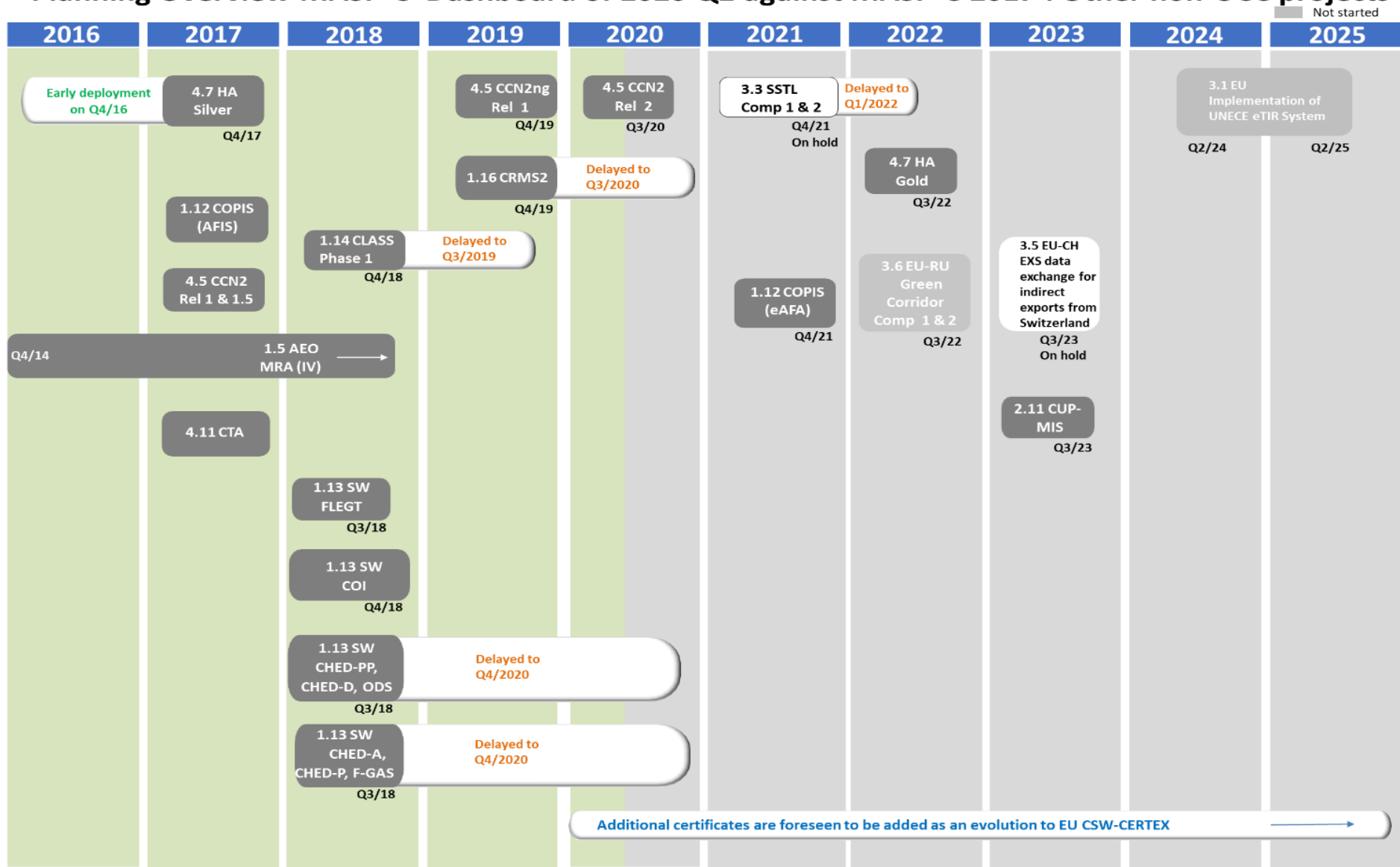
⁷⁶ https://ec.europa.eu/taxation_customs/general-information-customs/electronic-customs_en

Planning Overview MASP-C Dashboard of 2020 Q2 against MASP-C 2017: UCC projects

N National systems
Not started

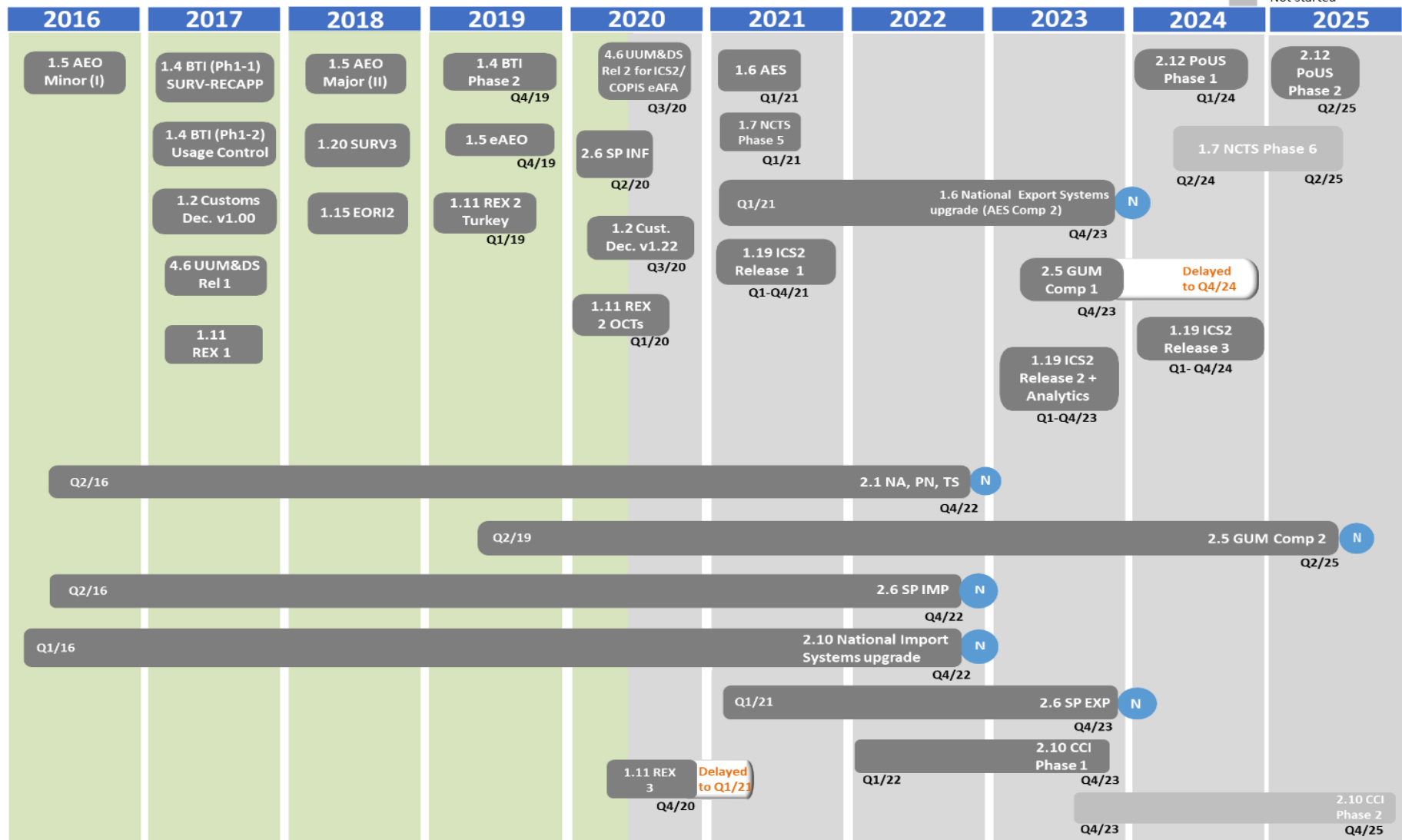


Planning Overview MASP-C Dashboard of 2020 Q2 against MASP-C 2017 : Other non-UCC projects



Planning Overview MASP-C Dashboard of 2020 Q2 against MASP-C 2019: UCC projects

N National systems
Not started



Not started



ANNEX 3 – ACRONYMS, ABBREVIATIONS & KEY TERMS

Acronym	Description
AEO	Authorised Economic Operator
AES	Automated Export System
AFA	Application for Action
AFIS	Anti-Fraud Information System
AIS	Automated Import System
ARIS	Architecture of Integrated Information Systems (DG TAXUD has chosen ARIS produced by IDS-Scheer as a technical supporting tool for the business process modelling following the EU Commission overall policy of using ARIS software platform); New version ARIS9.8.4
ATA	Admission Temporaire/Temporary Admission
ATLAS	Automated Customs Tariff and Local Processing Application System
B2G	Business-to-Government
BAP	LV's Common user management portal
BCMS	Business Continuity Management System
BCP	Business Continuity Plan
BPM	Business Process Model
BTI	Binding Tariff Information
CBG	Customs Business Group
CCC-GEN	Customs Code Committee – General Customs Legislation section
CCI	Centralised Clearance for Import
CCN/CSI	Common Communication Network & Common System Interface
CCN; CCN2	Common Communication Network; Common Communication Network 2
CDM	Customs Data Model
CDMS	Customs Decisions Management System
CDS	Customs Decisions System
CED	Common Entry Document
CEF DIGITAL	Connecting Europe Facility digital services
CERTEX	Certificates Exchange Project
CGM	Customs Goods Manifest
CHED	Common Health Entry Document
CHED-D	Common Health Entry Document module for Products Not of Animal Origin
CHED-PP	Common Health Entry Document module for Plant Protection

Acronym	Description
CIRCABC	Communication and Information Resource Centre for Administrations, Businesses and Citizens
CLASS	Classification Information System
CLEP	Common Learning Event Programme
CMS	Container status message
COI	Certificate of Organic Inspection
COM	European Commission
COPIS	Anti-Counterfeiting and Anti-Piracy System
COTS	Commercial Off-The-Shelf
CP	Customs Procedures
CPG	Customs Policy Group
CR	Common Repository
CRMS; CRMS2	Customs Risk Management System; Customs Risk Management System 2
CRS	Customer Reference Services
CS	Central System
CS/MIS	Central Services - Management Information System
CS/RD; CS/RD2	Central Services – Reference Data; Central Services – Reference Data 2
CSI	Common Systems Interface
CSW	Customs Single Window
CTC	Common Transit Convention
CUP-MIS	Customs Union Performance – Management information System
Customs 2020	EU cooperation programme providing national customs administrations with the possibility to create and exchange information and expertise.
CustComp ^{EU}	European Competency Frameworks
CVED	Common Veterinary Entry Document
CVEDA	Common Veterinary Entry Document for Animals
CVEDP	Common Veterinary Entry Document for Animal Products
D/E	Data Elements
DA	Delegated Act
DG AGRI	Directorate General for Agriculture and Rural Development
DG CLIMA	Directorate General for Climate Action
DG CONNECT	Directorate-General for Communications Networks, Content and Technology
DG DIGIT	Directorate General for Informatics
DG ENV	Directorate General for Environment

Acronym	Description
DG MOVE	Directorate General for Mobility and Transport
DG SANTE	Directorate-General for Health and Food Safety
DG TAXUD	Directorate General for Taxation and Customs Union
DG TRADE	Directorate General for Trade
DIH	Data Integration and Harmonisation
DMS	Declaration Management System
DR	Disaster Recovery
DTCA	Decision Taking Customs Authorities
eAFA	Electronic Application for Action
EAM	Enterprise Architecture Model
eATA	Electronic Admission Temporaire/Temporary Admission
EBTI	European Binding Tariff Information
EBSI	European Blockchain Services Infrastructure
EC	European Commission
ECAS	European Citizen Action Service
ECCG	Electronic Customs Coordination Group
ECS	Export Control System
EDB	Enforcement Database
EDIFACT	Electronic Data Interchange for Administration, Commerce and Transport
EDPR	European Data Protection Supervisor
EEZ	Exclusive Economic Zone
EIS	European Information Systems
eMan	Electronic cargo Manifests service
EMDAS	Electronic Customs Data Processing System
EMSA	European Maritime Safety Agency
EMSWe	European Maritime Single Window environment
ENS	Entry Summary Declaration
EORI; EORI2	Economic Operators Registration and Identification; Economic Operators Registration and Identification 2
EOS	Economic Operators System
EP	European Parliament
ePIC	Electronic Prior Informed Consent
ETCIT	Expert Teams on new approaches to develop and operate Customs IT systems
eTIR	Electronic TIR

Acronym	Description
EU	European Union
EUCDM	European Union Customs Data Model
EUCTP	European Union Customs Trader Portal
EUIPO	European Union Intellectual Property Office
EXP	Export
FGAS	Fluorinated Greenhouse Gases
FLEGT	Forest Law Enforcement, Governance and Trade
FSS	Functional System Specifications
G2G	Government-to-Government
GDPR	General Data Protection Regulation
GEFEG	GEFEG software is used to model data formats and develop implementation guidelines for data interchange standards.
GTP	Generic Trader Portal
GUM	Guarantee Management
H/W	Hardware
HA	High Availability
HLSG	High Level Steering Group
IA	Implementing Act
IAM	Identity and Access Management
ICC	International Chambers of Commerce
ICD	Interface Control Document
ICS; ICS2	Import Control System; Import Control System 2
ICT	Information and Communications Technology
IMP	Import
INF	Information Sheet
INF SP	Standardised Exchange of Information for Special Procedures
IOSS	Import One Stop Shop
IPR	Intellectual Property Rights
IT	Information Technology
ITO	Binding Tariff Information (Romanian translation to English)
ITSM	IT Service Management
JRC	Joint Research Centre
KEL	Known Error List
L1 BPM	Level 1 – Global BPM (overview of EU Customs Business Domain and Global Business Data).

Acronym	Description
L2 BPM	Level 2 – High Level BPM (interactions between the main Business Processes with each EU Customs Business Domain).
L3 BPM	Level 3 – Business Requirement BPM (Flow of the legal and business tasks within each main business process and the interactions between the involved stakeholders).
L4 BPM	Level 4 – Functional Requirement BPM (i.e. functional specification) (Flow of the envisaged system; information exchanges; data rules and conditions; requirements trees; test cases and scenarios).
LMS	Learning Management System
MASP	Multi-Annual Strategic Plan
MASP-C	Multi-Annual Strategic Plan for Customs
MASP-T	Multi-Annual Strategic Plan for Taxation
MR	Mutual Recognition
MRA	Mutual Recognition Agreement
MS	Member States
MSW	Maritime Single Window
NA	Notification of Arrival
NCTS	New Computerised Transit System
NPM	National Project Manager
NTA	National Transit Application
ODS	Ozone Depleting Substances
OJ	Official Journal
OPC	Open Public Consultation
PCA	Partner Competent Authority
PICS	Programmes Information and Collaboration Space (online document sharing tool used to support the exchange of information between the EU Commission, customs administrations and the representatives of economic operators across the EU)
PN	Presentation Notification
PoC	Proof of Concept
PoUS	Proof of Union Status
QUOTA	Electronic system for quota management / allocation
REX	Registered Exporters System
RfC	Request for Change
RPS	Reference Pricing System
S/W	Software
S2S	System-to-System
SLA	Service Level Agreement

Acronym	Description
SMS	Specimen Management System
SMT	Service Management Tool (Synergia)
SOA	Service Oriented Architecture
SP	Special Procedures
SPEED; SPEED2	Single Point for Entry or Exit of Data; Single Point for Entry or Exit of Data 2
SSTL	Smart and Secure Trade Lanes
STI	Shared Trader Interface
STP	Specific Trader Portal
Surveillance; Surveillance2; Surveillance3	A central database (managed by DG TAXUD) providing statistics for all products imported into the EU customs territory and for certain products exported from the EU customs territory
SURV-RECAPP	Surveillance Reception Application
SW	Single Window
SW-C	Single Window Environment for Customs
SW-CVED	Single Window – Common Veterinary Entry Document
T2L	Means of proof of the Customs status of Union goods
T2LF	Means of proof of the Customs status of Union goods for goods transported to, from or between the non-fiscal areas
TARIC; TARIC3	Integrated Tariff of the European Communities; Integrated Tariff of the European Communities 3
TB	Terabyte
TCG	Trade Contact Group
TCS	Trade Customs Solutions
TDA	Transitional Delegated Act
TEMPO	TAXUD Electronic Management of Projects Online
TES	Trans-European System
TIR	Transports Internationaux Routiers / International Road Transports
TS	Temporary Storage
TSS	Technical System Specifications
UCC	Union Customs Code
UCC WP	Union Customs Code Work Programme
UNECE	United Nations Economic Commission for Europe
UUM&DS	Uniform User Management & Digital Signature
VAT	Value Added Tax
VIES	VAT Information Exchange System
WCF	World Chambers Federation

Acronym	Description
WCO	World Customs Organisation
XML	Extensible Markup Language
Country codes	http://www.iso.org/iso/country_codes.htm (ISO 3166)

Table 1: Abbreviations and acronyms