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Governance Scheme

TABLE OF CONTENTS

TABLE OF CONTENTS	2
WHY THE NEED FOR A GOVERNANCE FRAMEWORK FOR THE IMPLEMENTATION OF THE MASP-C AND ELECTRONIC CUSTOMS (ECUSTOMS) PROJECTS?	3
THREE-LEVEL GOVERNANCE MODEL.....	5
1. LEVEL I: POLICY LEVEL	7
1.1. Customs Policy Group (CPG)	7
Representation	7
Role and responsibility	7
Meetings, documentation and reporting	8
1.2. High Level Project Group (HLPG).....	8
Representation	8
Role and responsibility	8
Meetings, documentation and reporting	9
2. LEVEL II: COORDINATION LEVEL	10
2.1. Electronic Customs Coordination Group (ECCG)	10
Representation	10
Role and responsibility	10
Meetings, documentation and reporting	11
LEVEL III: EXPERTISE LEVEL.....	13
3.1. Customs Business Group (CBG)	13
Representation	13
Role and responsibility	13
Meetings, documentation and reporting	14
3.2. IT Systems Development Group	14
Representation	14
Role and responsibility	14
Meetings, documentation and reporting	14
3.3. IT Technology & Infrastructure Group	14
Representation	14
Role and responsibility	15
Meetings, documentation and reporting	15
4. EXTERNAL GOVERNANCE SCHEME FOR THE IMPLEMENTATION OF THE MASP-C AND ALL RELATED ECUSTOMS PROJECTS	16

WHY THE NEED FOR A GOVERNANCE FRAMEWORK FOR THE IMPLEMENTATION OF THE MASP-C AND ELECTRONIC CUSTOMS (ECUSTOMS) PROJECTS?

The revised Governance structure aims to increase efficiency and transparency. It takes Decision No 70/2008/EC¹ on a paperless environment for customs and trade (the eCustoms Decision) and the Communication on the State of the Customs Union² (mainly points 1.4.3 and 2.2) into consideration and is in line with the provisions of the Customs Programme³.

In its proposal for establishing an action programme for customs in the European Union, the Commission included provisions to support IT capacity building and the IT strategy via the Customs programs strategy, proposing measures to further support the digitalisation of the customs union and improve the efficiency of cooperation between Member States in the field of customs under the new Multi-Annual Financial Framework (MFF) for the period 2021-2027. The governance scheme aims to:

- Closely supervise the planning and monitoring of projects resulting from the UCC and other related customs legislation where complex projects have to be realised in a very limited timeframe;
- Improve coordination of very complex and diversified activities in the domains of policy, legislation, business operations and IT, while maintaining coherence and transparency;
- Make a clear separation between management, steering and expertise;
- Increase efficiency, monitoring and coordination capabilities while maintaining flexibility;
- Clearly define roles and tasks, considering the high level of interdependency between eCustoms and related areas, to ensure that all engaged parties will meet the prefixed d
- And lastly, to remind us that we are accountable to all the different stakeholders involved (i.e. customs administrations and authorities, trade associations, companies and citizens) bearing in mind the huge amount of Union and Member States resources (both budgetary and human) required to finance eCustoms.

¹ Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade (OJ L 23 of 26.1.2008)

² Communication from the Commission to the European Parliament, the Council and the European and Social Committee on the State of the Customs Union, COM(2012)791 final, 21.12.2012

³ Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013 (OJ L 87, 15.3.2021, p. 1)

The Customs programme is crucial in supporting the implementation of interoperable customs IT systems that underpin the functioning of the EU Customs Union. In line with this programme, DG TAXUD is responsible for:

- the development and operation of common system components;
- the overall coordination of the development and operation of European electronic systems ensuring their operability, cyber-resilience, interconnectivity, continuous improvement and synchronised implementation, and the facilitation of an efficient and swift communication with and between Member States on matters related to the systems;
- the coordination of European electronic systems at Union level with a view to their promotion and implementation at national level;
- the coordination of the development and operation of European electronic systems as regards their interactions with third parties, excluding actions designed to meet national requirements;
- the coordination of European electronic systems with other relevant actions relating to eGovernment at Union level;
- the timely and transparent communication with the stakeholders that are concerned with the implementation of European electronic systems at Union and Member State level, in particular about delays in the implementation of common and national components.

Supported by the Customs programme through collaborative activities, the Member States are responsible for:

- the development and operation of national components;
- the coordination of the development and operation of the national components at national level;
- the coordination of European electronic systems with other relevant actions relating to eGovernment at national level;
- the regular provision to the Commission of information on the measures taken to enable the customs authorities or economic operators concerned to make full and effective use of the European electronic systems;
- the implementation at national level of European electronic systems.

In summary, to have better governance and management we are bound to sound steering, close cooperation, better coordination, milestones-based planning, deliverables implementation, overall communication and risk management.

THREE-LEVEL GOVERNANCE MODEL

The revised organizational structure enhances coherence and coordination, reduce duplication and streamline the bureaucratic process. Further, it ensures that commitments are made at the appropriate level.

The implementation of eCustoms can only be successful if there is regular interaction across all levels, roles and competences and if responsibilities are clearly and explicitly defined for each of those levels and each group.

The established governance considers all of the above and has the objective to create **more transparency and to facilitate efficient coordination** between all stakeholders.

This structure consists out of the following three levels:

I. Policy level

At this level, the Customs Policy Group (CPG) is to steer towards eCustoms implementation. Additionally it serves an escalation function. The CPG can advise and provide expertise to the European Commission.

The High Level Project Group (HLPG)⁴ provides follow-up on the implementation of the Union Customs Code and eCustoms initiatives.

II. Coordination level

At this level, the Electronic Customs Coordination Group (ECCG) has a key role on the operational and technical coordination and is held in order to ensure updates of the MASP-C and reporting on overall progress. The National Customs authorities will be consulted and requested to approve certain deliverables through a written protocol or approval at meetings for the ECCG, which has a steering and management function in the establishment and IT implementation of the MASP-C. The approval by ECCG or CBG is not a formal approval in the sense of a vote at a CCC.

III. Expert level

At this level, four groups will be created:

1. The Customs Business Group (CBG) which will deal with business processes and data requirements analyses (BPM L3 & L4, Business Cases, working papers)
2. The IT Systems Development Group which will deal with the preparation of systems development (MASP-C Project Groups I, II & III) and may split in two or more parallel ones according to needs and Expert level groups can be supported by lower level working groups;

⁴ The use of the HLPG format will be subject to the internal COM/DG TAXUD approval mechanisms when to be triggered for the first time under the Customs 2027 Program.

3. The IT Technology & Infrastructure Group which will deal with the preparation of the technical framework of the projects and systems (MASP-C Project Group IV).

Coordination with the Commission comitology committees that deal with customs issues is required, notably these are the Customs Code Committee (CCC) and the Customs Programme Committee. For participating countries, it will be also important to critically examine their national co-ordination structure and to select delegates with appropriate profiles. These delegates are to be fully briefed and prepared for the meetings.

1. LEVEL I: POLICY LEVEL

1.1. Customs Policy Group (CPG)

The CPG is a formal expert group established by the European Commission, made up of the directors general for customs (or their representatives) of each of the Member States (and Candidate Countries) and the Commission.

The CPG provides strategic advice to the Commission on customs policy matters. Amongst other things, it is also responsible to enhance the operation of the Customs Union through leadership on matters of implementation.

For the follow-up of the implementation of the Union Customs Code and the eCustoms initiatives, specific mandate was given to the High Level Project Group (see section 1.2).

Representation

The CPG is:

- Chaired by the European Commission;
- Composed of 1 delegate per participating country, being the Director General of the Customs Administration.

Role and responsibility

The role of the CPG is to:

- Provide strategic policy advice to the European Commission on matters of Customs policy and on how the operation of the Customs Union can be enhanced;
- Provide collegial leadership for the effective and efficient operation of the Customs Union, including leadership on matters of operational policy implementation;
- Share best-practices and information on emerging risks and compliance challenges;
- Provide strategic oversight, direction and guidance to the work of the various committees and groups under the Customs programme, including the settlement of differences of opinion that might arise out of the work of other committees or groups, steering the work of these committees and groups and advising the Commission on the need to establish or abolish committees or groups, based on an evaluation of the value of their work;
- Provide a forum for the early strategic discussion of, inter alia:
 - Emerging or planned newly proposed Customs policy initiatives or planned legislation that will change or impact existing Customs policy or affect operational procedures;
 - Operational policy implementation matters that arise from new legislation;
 - Issues that will impact the Member States' organisation, human resource management, including training and educational programs, budget or capacity;

- The choice for the start and evaluation of monitoring actions and their results;
- All other issues of a strategic nature that might be agreed on by the members of the CPG and that are within the scope of the CPG's role.
- Endorse the regular revision of the MASP-C.

The European Commission will, in good time, seek the advice of Member States on relevant matters in the context of the agreed role of the CPG.

Meetings, documentation and reporting

Activities of the CPG include:

- At least 3 meetings of the CPG will be held per year (or more if required);
- Timely distribution of documents to MS, particularly where approval is sought;
- Distribution of minutes to Member States, Commission services and the Electronic Customs Coordination Group.

1.2. High Level Project Group (HLPG)

Specific mandate is provided to the High Level Project Group for the implementation of the Union Customs Code and eCustoms ("HLPG for the implementation of the UCC and eCustoms") for the Governance of the implementation of the Union Customs Code (MCC Recast) and eCustoms initiatives.

Representation

The HLPG is:

- Chaired by the European Commission;
- Composed of two delegates per participating country, being the Deputy of the customs administration and/or the director, who can ensure real-time decisions engaging the National Administration can be made. Experts will be invited to the meetings as and when they are required.

Role and responsibility

The role of the HLPG is to:

- Function as a high level coordination and steering forum by finding agreements to facilitate a coordinated implementation of all the different activities linked to the Union Customs Code (MCC Recast) and the eCustoms Decision, which require the Member States and the Commission to work closely for the implementation of the UCC. It will also make it possible to exchange views on the blue print for the EU Customs Union governance reform;
- The HLPG will provide a forum for:

- Maintaining strategic oversight of the implementation of the provisions of the Union Customs Code;
 - Ensuring the follow-up of all the activities triggered within committees, other groups and subgroups;
 - Enhancing the highest level of coordination with all Member States (involving the highest level of management);
 - Guaranteeing the Business Process Models will deliver the agreed policy objectives;
 - Enabling coherence between the different areas of development for the Union Customs Code implementation (legal, processes and BPM, IT, etc.);
 - Exchanging views on strategic or major implementation issues related to the Union Customs Code;
 - Agreeing on the planning and prioritisation of electronic customs projects related to the implementation of the Union Customs Code and providing overall direction, leadership and monitoring in delivering against the prioritised scope and timetable.
- In particular the High-Level Project Group (HLPG) will pay special attention to the co-ordination between the CCC (and its sections), the UCC expert groups and the ECCG;
 - The HLPG may endorse policies and instruments to guide and inform and achieve the optimum co-ordination between these groups and to track the progress in the implementation of the UCC, related acts and projects;
 - The HLPG may issue resolutions to this end addressed to the CPG, the CCC, the UCC expert groups, the ECCG, the MS and the Commission services.

Meetings, documentation and reporting

Activities of the HLPG include:

- Arranging meetings on an ad hoc basis whenever strategic discussion, coordination or support of the work of governance on particular items is required;
- Holding a maximum of 5 meetings per year;
- Timely distribution of documents to MS, particularly where approval is sought;
- Distribution of minutes to Member States, Commission services and the Electronic Customs Coordination Group.

2. LEVEL II: COORDINATION LEVEL

2.1. Electronic Customs Coordination Group (ECCG)

The ECCG is made up out of representatives from all Member States (and Candidate Countries), mandated by their administration and with competencies in areas such as legislation, processes & BPM, project management, operations, planning and IT-technical aspects.

Meetings will address all aspects of the eCustoms projects and mainly validation, key outputs and major change packages, in particular MASP-C key achievements and progress will be presented.

Representation

- Chaired by DG TAXUD;
- Each Member State (and Candidate Country) is expected to represent its administration with at least one representative. The rules for reimbursement are covered as part of the Customsprogramme, which in general allows reimbursement for two experts. Exceptions may exist. The formal invitation to the events will stipulate the conditions for reimbursement;
- Representatives from Trade Contact Group could be invited on a regular basis;
- Delegates have IT & Customs Business profiles.

Role and responsibility

The role of the ECCG entails the following:

- The ECCG is the platform for all participating countries to discuss eCustoms-related subjects and to reach a common understanding and agreement on the Multi-Annual Strategic Plan for Customs (MASP-C), ensuring its update and reporting the progress of all projects in regard of set timelines contained within the MASP-C and assessing the overall MASP-C planning.

The ECCG follows up on projects, ensures progress is made against the key milestones, takes a programme level view and escalates to CPG (and/or HLPG) when agreement cannot be reached or when a policy/strategy statement is required;

- Definition of Level 3 and 4 Customs Business Process Models (BPM), clarifying Business Requirements and Functional Requirements and coordination of operational projects and systems are also merits of the ECCG;
- The ECCG reviews the produced BPM;
- The key role of the ECCG is to find agreement with the Commission on the implementation of eCustoms projects defined in the MASP-C with regards to:
 - Ensuring coherence between the customs legislation and the implementation of eCustoms (e.g. standardisation of data elements and messages);

- Preparing and establishing a suitable and interoperable IT-environment that responds to the requirements of eCustoms (e.g. harmonisation of interfaces);
- Ensuring coherence and consistency between all projects related to eCustoms and between the projects and the MASP-C;
- Improving the dialogue with Trade on complex Customs issues.
- The ECCG will also assist the Commission in the establishment and updating of the MASP-C implementation plan and will agree on this plan and its execution with the Commission. This is in order to make sure that the target dates fixed in the eCustoms decision (or in any other applicable legal text) can be met. The ECCG will act as the Change Advisory Board (CAB) for Change Requests and updates related to the MASP-C;
- Preparatory analytical work can be done by the ECCG, by another Customs programme group, a contractor, a small project group, during a seminar or a benchmark, etc. The Commission, assisted by the ECCG, will provide for close coordination and follow-up of each of these activities.

Meetings, documentation and reporting

Activities of the ECCG include:

- Meeting at least three to five times a year;
- Ensuring the timely distribution of documents to participating countries;
- Reporting on the outcome (achievements) of ECCG project groups and the planning of activities for the upcoming period;
- Follow-up of the ECCG meetings by preparing Summary records and possible separate reporting to the CPG and/or HLPG (on strategic impact), the Customs Code Committee (on legislative impact) and the Customs Committee (on management or financial impact);
- Ensuring the coordination of reviews of MASP-C projects deliverables;
- In order to ensure coordination with the other Customs Steering Groups, separate reports on eCustoms-related subjects have to be addressed by the ECCG to the other groups and vice-versa (via DG TAXUD as intermediary);

KELs/RfCs are discussed on Governance Level III (expertise level) and resulting proposals for acceptance are created on that same level. Formal acceptance of such KELs/RfCs (based on these proposals originating at Level III) takes place at Governance Level II (i.e. at ECCG level) Any change to the MASP-C package must follow the MASP-C Change Management Process as described in the below workflow.

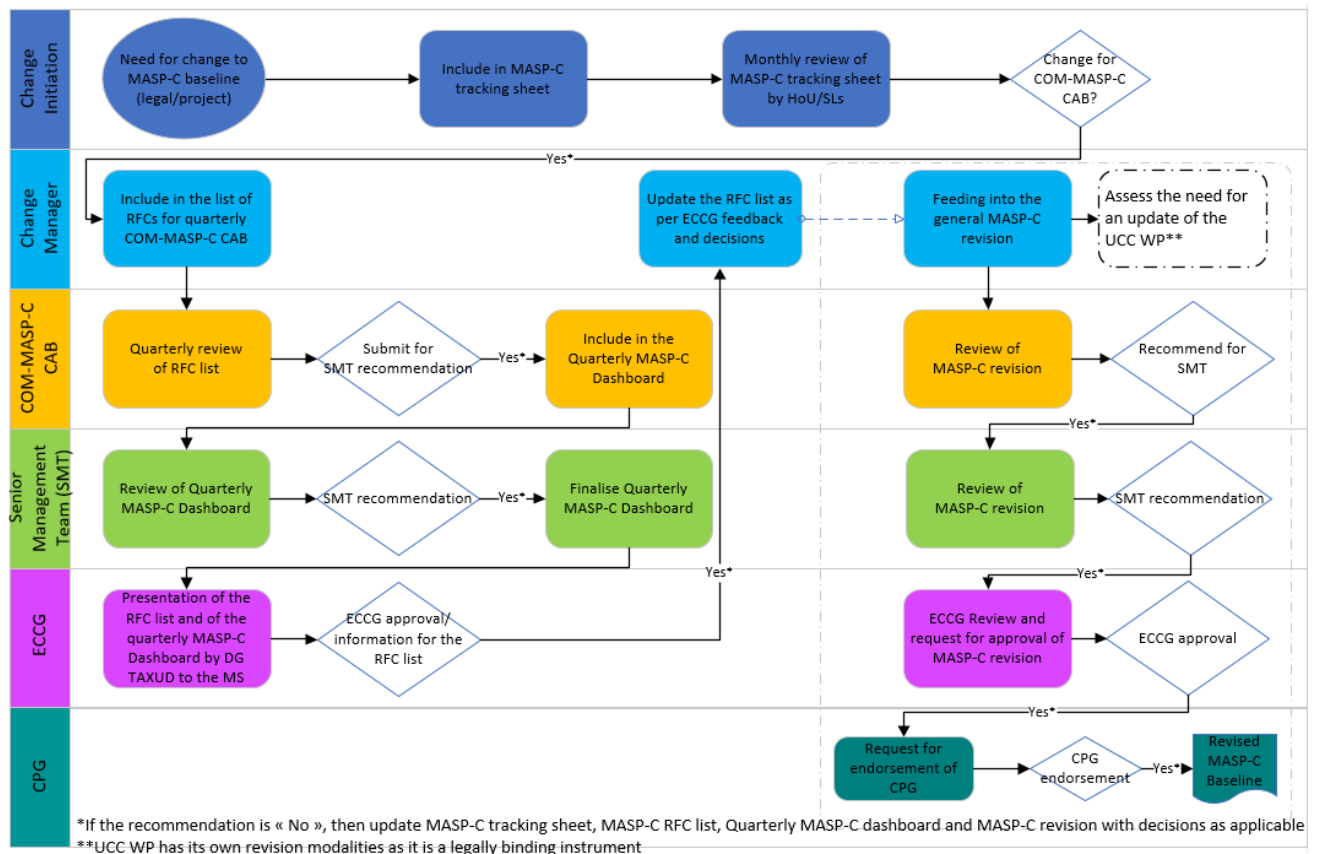


Figure 2.1: MASP-C Change Management operational view

LEVEL III: EXPERTISE LEVEL

Four groups will coordinate the work at Expertise level. For targeted activities, they may be supported by subgroups. These groups are:

- Customs Business Group (CBG) (see 3);
- IT Systems Development Group (see 3.2);
- IT Technology & Infrastructure Group (see 3.3).

KELs/RfCs are discussed on Governance Level III (expertise level) and resulting proposals for acceptance are created on that same level. Formal acceptance of such KELs/RfCs (based on these proposals originating at Level III) takes place at Governance Level II (i.e. at ECCG level).

The rules for reimbursement are covered as part of the Customs programme.

3.1. Customs Business Group (CBG)

Representation

- Chaired by DG TAXUD;
- All Member States (and Candidate Countries) are expected to have their administration represented;
- Delegates are customs business experts, but representation might change depending on the subjects under discussion;
- Other project groups or experts (private or public) are to be invited, either to report or to give support if and when necessary;
- The CBG can meet with the TCG and other relevant Committee groups (e.g. DIH, the expert group for UCC) when necessary.

Role and responsibility

The role of the CBG is to define all Customs business processes and their implementation.

The Customs Business Group will in particular focus on the definition of Level 3 and 4 customs Business Process Models (BPM), Business Cases and working papers for new and on-going initiatives and electronic projects and for legislation, processes and operational systems. For the CBG, the purpose is to have an in-depth discussion and consultation on a (new) EU customs initiative with legal, business and IT experts together. The feedback will be incorporated into the business analysis and IT activities and deliverables but it's not expected to have documents for approval at these meetings.

It will be supported by project groups that have a limited number of participants, scope and duration.

Meetings, documentation and reporting

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants;
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the approved Customs programme action proposal.

3.2. IT Systems Development Group

Representation

- Chaired by DG TAXUD;
- All Member States are expected to have their administrations represented;
- Delegates are IT Project Managers (with business participation when required). Representation might change when required;
- If many parallel projects running at same time, the Group may split in two.

Role and responsibility

Preparation of the development of systems (MASP-C Groups 1, 2 and 3 fiches) followed by IT deliverables review and coordination. The Group may receive support from the project groups reporting to it. The IT Systems Development Group mainly deals with the preparation and delivery activities of the MASP-C IT projects. As such, the group brings the required IT expertise to guarantee a successful delivery of a given IT project at trans-European level. It ensures that all IT projects listed in the MASP-C and applicable to the group are implemented as per the agreed milestones and the trans-European dimension is considered and reflected on in the various project artefacts such to guarantee a successful IT implementation at overall level.

Meetings, documentation and reporting

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants;
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the approved Customs action proposal.

3.3. IT Technology & Infrastructure Group

Representation

- This group will continue the activities of the CCN working party;
- Chaired by DG TAXUD;
- All Member States (and Candidate Countries) are expected to have their administrations represented;

- Delegates are IT Project Managers. Representation might change when required.

Role and responsibility

Preparation for the technical/enabling projects and systems (MASP-C Group 4 fiches), followed by deliverables review and coordination. The Group may receive support from the project groups reporting to it. The Group can meet jointly with *Taxation* representatives (Fiscalis).

Meetings, documentation and reporting

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants;
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the Customs programme action forms.

4. EXTERNAL GOVERNANCE SCHEME FOR THE IMPLEMENTATION OF THE MASP-C AND ALL RELATED eCUSTOMS PROJECTS

