EU/Canada Agreement: customs cooperation with respect to matters related to supply chain security

2012/0073(NLE) - 28/03/2012 - Preparatory document

PURPOSE: to conclude the Agreement between the European Union and Canada on customs cooperation with respect to matters related to supply chain security.

PROPOSED ACT: Council Decision.

LEGAL BASIS: Article 207(4) first subparagraph, in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the customs relations between the EU and Canada are based on the Agreement on customs cooperation and mutual assistance in customs matters (CMAA) that entered into force on 1 January 1998.

In December 2005, the Canada Border Services Agency (CBSA) signalled its interest to move forward with closer cooperation between the EU and Canada on supply chain security. Following a series of exchanges of views, an agreement was found between the Commission and the CBSA on the possible scope of the new agreement expanding the EU-Canada customs cooperation.

On 26 November 2009, the Council adopted a decision authorising the Commission to open negotiations with Canada. The negotiations were launched in May 2011.

The negotiations have resulted in the draft Agreement between the European Union and Canada on customs cooperation with respect to matters related to supply chain security which builds on and expands the CMAA.

The aim of this proposal is to conclude this Agreement on behalf of the European Union.

CONTENT: by this draft Decision, the Commission proposes that the Agreement between the European Union and Canada on customs cooperation with respect to matters related to supply chain security be approved on behalf of the Union.

Characteristics of the Agreement: the draft Agreement will establish a legal basis for EU-Canada customs cooperation on matters of **supply chain security and risk management**, including reinforcing the customs related aspects for securing the logistics chain of international trade while at the same time:

- facilitating legitimate trade;
- establishing **minimum standards, to the extent practicable, for risk management techniques** and related requirements and programmes;
- working towards and, where appropriate, establishing **mutual recognition of risk management techniques**, risk standards, security controls, container security and trade partnership programmes including equivalent trade facilitation measures;
- **exchanging information** for supply chain security and risk management subject to the confidentiality of information and personal data protection requirements set out in Article 16 of the CMAA and in the relevant legislation of the Contracting Parties;
- establishing contact points for this purpose;
-

- introducing, where appropriate, an interface for data exchange, including for prearrival or pre-departure data;
- developing a strategy that allows the customs authorities to partner cooperatively in the area of cargo inspection;
- collaborating, to the extent practicable, in any multilateral fora where issues related to supply chain security may be appropriately raised and discussed.

The draft Agreement constitutes an expansion of the CMAA in line with Article 23 of the CMAA, which sets down that the Contracting Parties may expand the CMAA with a view to increasing the levels of customs cooperation and supplementing them by means of agreements on specific sectors or matters. The CMAA will remain the overall umbrella for customs cooperation between the Contracting Parties and the institutional set-up of the CMAA is proposed to be extended also to cover the draft Agreement. In practice, the EU-Canada Joint Customs Cooperation Committee (JCCC), established under

Article 20 of the CMAA, will administer both agreements and will be empowered to adopt the necessary implementing decisions in accordance with the respective domestic legislation of the Contracting Parties, e.g. on mutual recognition of risk management techniques, risk standards, security controls and trade partnership programmes.

BUDGETARY IMPLICATIONS: this proposal has no budgetary implications for the Union budget.