Union Customs Code. Recast

2012/0027(COD) - 22/01/2018 - Follow-up document

The Commission presented a report on the implementation of the Union Customs Code and on the exercise of the power to adopt delegated acts pursuant to Article 284 thereunder.

The European Union adopted the Union Customs Code (UCC). Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code entered into force on 30 October 2013 although most of its substantive provisions took effect from 1 May 2016.

Notwithstanding the fact that the UCC is still in this transitional phase, the European Commission has prepared the present report so as to **take stock of the state of play of implementation of the legislative provisions and delivery of the electronic systems**.

In addition, the Commission herewith reports to the European Parliament and the Council, as required, on its use of the delegation of power to adopt delegated acts conferred by Article 284 of the UCC.

State of implementation of the UCC legislative package: the UCC package was **implemented on time** on 1 May 2016. The Commission has **not so far identified any major problems** in its application, although it is clear that both the benefits and the impact of the UCC will only be fully evident when all the related IT systems have been deployed.

Since the UCC's entry into force, **the Commission has continued the process of regular meetings with Member States and trade representatives** in order to identify and address problems with the legislation, assist in its interpretation and explore the scope for further simplification of processes.

The Commission has paid particularly close attention at all times to the need for **realistic timelines** and to the costs and general impact of the changes on customs and trade. It has set up a number of project groups under Customs 2020, involving both Member States and trade representatives, to look at some concrete business cases.

Furthermore, **pilot testing** in conjunction with trade and Member States is ongoing, as provided for in the UCC, to test new methods and find better ways to address challenges such as those posed by increased internet sales, lack of availability of data and the need for systems-based approaches.

The process of **regular dialogue** with stakeholders has led to some further amendments and additions to the UCC legal package since 1 May 2016.

The first deadline for the operation of some of the seventeen IT systems listed in the UCC Work Programme was 2017 and this deadline has been met. However, it has also become clear that **not all the systems can be fully completed** by the 2020 deadline due to the complexity of these systems.

The harmonisation of the data requirements (i.e. the data that the customs authorities of the Member States require from economic operators) has proved to be one of the main challenges for the development of the IT systems.

Next steps: the Commission views as a considerable achievement the fact that the UCC which introduced such major changes has not encountered any major legislative problems during its first eighteen months of implementation. However, it is clear that the **impact of the UCC must be studied in a comprehensive way** in the future so as to determine whether the UCC has met the goals for which it was designed.

The Commission proposes, therefore to

- carry out **by 2021 an interim evaluation of the UCC legal framework** and the electronic systems implemented by that date;
- continue to propose corrections or **technical amendments** to the UCC legal package necessary to ensure the continued smooth functioning of the legislative framework;
- consider **tabling a legislative proposal in early 2018 for an amendment to the UCC**, so as to extend to 2025 at the latest the period during which transitional arrangements can be used in respect of the customs formalities that are dealt with by the IT systems which cannot be fully implemented by 2020;
- **update the UCC Work Programme** via a Commission Implementing Decision.

Exercise of the power to adopt delegated acts: concerning the use of the power to adopt delegated acts conferred by Article 284 (2) of the UCC, the Commission believes that it has exercised these powers actively and appropriately.

Until November 2017, the Commission exercised its power to adopt delegated acts **four times**. When preparing the delegated acts the Commission consulted all relevant stakeholders and ensured the timely and appropriate transmission of relevant documents to the European Parliament and to the Council. The European Parliament and the Council did not object to the adoption of any of those acts.

In order to ensure that the EU customs legislation is constantly adapted to the technical requirements and technological progress of customs activity, the Commission is of the view that the **power to adopt delegated acts conferred on it should be extended** for a further period of five years.