Union Customs Code: inclusion of the municipality of Campione d'Italia and the Italian waters of Lake Lugano in the customs territory of the Union; aligning with the international trade agreements signed by the EU

2018/0123(COD) - 08/05/2018 - Legislative proposal

PURPOSE : to make technical amendments to the Union Customs Code (UCC) to ensure that the Code meets its objectives of improving the competitiveness of European businesses, but also better protecting the financial and economic interests of the Union and the Member States and the safety and security of EU consumers.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: following the entry into force of the new substantial provisions of the Regulation (EU) No 952/2013 of the European Parliament and the Council laying down Union Customs Code (UCC) in May 2016, the process of regular consultation with Member States and business has resulted in the identification of errors and technical anomalies that need to be corrected in order to ensure legal certainty and consistency.

The Commission has therefore prepared this proposal to amend the UCC with a view to correcting these technical errors and omissions, including the alignment of the UCC with an international agreement that was not in force at the time of adoption of the UCC, namely, the Canada-EU Comprehensive Economic and Trade Agreement (CETA).

The proposal also aims at addressing a **request from Italy** to include the municipality of Campione d'Italia and the Italian waters of Lake Lugano in the EU customs territory.

CONTENT: the proposal provides for the following amendments to the provisions of the UCC:

- amend the definition of the customs territory of the Union to **include the Italian municipality of Campione d'Italia and the Italian waters of Lake Lugano** within its scope. The inclusion of these territories in the customs territory of the Union should apply from 1 January 2019;
- specify that the holder of a **binding tariff information** (BTI) decision may use that decision for up to six months after the decision has been revoked if the revocation results from the fact that the decision was not in conformity with customs legislation or that the conditions laid down for issuing the decision were not or no longer fulfilled;
- add **temporary storage** to the list of customs formalities covered by the provision that extinguishes a debt due to non-compliance in cases where there was no significant negative effect, no attempt at deception and the situation was subsequently regularised;
- clarify that, where customs authorities must invalidate an entry summary declaration due to the fact that the goods covered by the declaration have not been brought into the customs territory of the Union, the entry summary declaration should be invalidated without delay **200 days after the**

declaration was lodged rather than within 200 days as that is the period within which the goods must be brought into the customs territory of the Union;

- clarify that economic operators provide them with pre-arrival data concerning non-Union goods in the form of an **entry summary declaration**. Where an entry summary declaration has not been lodged before the arrival of the goods and the obligation to lodge it has not been waived, economic operators should submit the data normally included in entry summary declarations in their customs declarations or temporary storage declarations;
- clarify that, in cases where customs authorities have to invalidate a temporary storage declaration due to non-presentation of the relevant goods, the invalidation must happen **once 30 days have elapsed since the declaration was lodged** rather than "within" the period of 30 days;
- clarify that, in cases where customs authorities have to invalidate an exit summary declaration or reexport notification due to the non-export of the relevant goods, the invalidation must happen **once 150 days have elapsed since the declaration or notification was lodged** rather than "within" the period of 150 days;
- add a new provision in order to provide **total relief** from import duty for **goods that have been repaired or altered** under the outward processing procedure in a country with which the Union has concluded a preferential agreement (like CETA with Canada) providing for such relief.