

# Strengthening the competitiveness of the internal market by developing the EU customs union and its governance

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Virginie ROZIÈRE (S&D, FR) on strengthening the competitiveness of the internal market by developing the EU Customs Union and its governance.

The report noted that the Customs Union, which is 50 years old this year, is a cornerstone of the EU and is one of the world's largest trading blocs. EU imports and exports totalled EUR 3 700 billion in 2017 and customs duties collected make up 15 % of the EU budget.

The implementation of the Union Customs Code (UCC) is essential to safeguard EU own resources, in particular customs duties, and national fiscal interests, but also to safeguard European consumers and fair competition in the internal market.

## *Generalities*

Members stressed that a fully functional Customs Union is essential to guarantee the credibility and strength of the EU and its negotiating position for the conclusion of new trade agreements. An efficient EU Customs Union helps to facilitate legal trade and to reduce administrative burdens for legitimate traders.

The report noted that the current divergences in the level and quality of controls, customs procedures and sanctions policies at the EU's points of entry into the Customs Union often result in distortion of trade flows, feeding the problem of 'forum shopping' and putting at risk the integrity of the single market. In this context, Members strongly requested that the Commission and the Member States address this issue.

Members also encouraged the Commission to step up its efforts to create an integrated EU customs one-stop shop that would help businesses submit all the necessary information and documents in one place and are thus able to meet all the regulatory requirements for the import, export and transit of goods.

## *Digitisation of customs procedures*

Members called on the Commission and the Member States to develop a more efficient, cost-effective and streamlined approach to the management of IT systems for customs authorities. Given the delays in this area, they called for a more precise and realistic estimate of the time and resources that will be needed, and of the scope of the individual IT projects that will help to digitise customs procedures.

Deploring the fact that the implementation of the new IT systems for the Customs Union has suffered a series of delays, resulting in the request by the Commission to Parliament and the Council for an extension of the transitional period beyond the deadline of 2020 laid down in the UCC, the Commission and the Council must, as a matter of the utmost priority, ensure that the customs code is implemented and customs procedures digitised within the new deadline.

The Commission is called on to:

- update its multiannual strategic plan by sequencing projects throughout the transition period so as to avoid the concentration of deployments at the end of the period, and by establishing binding milestones, including for Member States;
- report regularly and transparently on the conduct of the multiannual strategic work plan and on the setting-up of the customs electronic systems, so as not to repeat the mistakes of the previous programming, and to inform about any possible future delays while not doing so at a moment's notice or without proper corrective actions;
- continuously evaluate the Customs 2020 programme and to respond to the shortcomings identified, in particular the under-utilisation of the teams of experts set up under this programme, and to make it possible to increase cooperation between customs services.

### ***Governance, reports and funding for the Customs programme***

Members called on the Commission and Member States to step up their efforts and expand the resources deployed so as to ensure full application of the customs code adopted in 2013 and of uniform customs procedures throughout the EU. They called on the Commission, in that connection, to submit an action plan that might usefully be based on a peer review of customs practices, on the exchange of good practices, on stepped-up cooperation between customs services and on a sufficiently resourced training programme.

Taking note of the funding effort made under the EU budget, increasing the allocation for the next Customs programme for 2021-2027 to EUR 842 844 000 at 2018 prices, Member States were called on to provide the necessary human and financial resources for deployment of the national components, on which the introduction of the European electronic customs system is dependent.

The Commission is called on to propose a more effective governance structure for the conduct of customs IT projects and their updates.

Members stressed that the 'Customs 2021-2027' programme, by supporting Member States' customs authorities, will help not only to increase EU budget revenues, but also to guarantee product safety, the protection of European consumers and a level playing field for EU businesses.

### ***Brexit***

Recalling that the United Kingdom will become a third country after withdrawal from the EU, thus altering the EU's external borders, the Brexit process should not impact negatively on the development and governance of EU Customs. Members stressed that, following the withdrawal of the UK there must be no loopholes in the customs system – including at the external borders of the EU – that would pave the way for illicit trade or the evasion of public-law debts provided for under EU law.