## **Modernised Community Customs Code**

2005/0246(COD) - 30/11/2005 - Legislative proposal

PURPOSE: to replace the existing Community Customs Code and the related Regulations with a modernized Customs Code that streamlines customs procedures and lays the foundations for accessible, inter-operable customs clearance systems at EU level.

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

CONTENT: the present Community Customs Code, Council Regulation 2913/92/EEC, is out of date. It has not kept pace with either the radical changes to the environment in which international trade is conducted, particularly the rapid and irreversible growth of the use of information technology and the exchange of electronic data, or with the changing focus of customs work. This compromises efficient customs clearance and risk-based controls within the internal market. One should also take into consideration the Community's trade facilitation agenda in the context of the Doha Development Agenda, as well as the requirements stemming from the need to address emerging security and safety threats by strengthening controls at the external border of the Community. The modernizing of the Customs Code, streamlining of customs procedures and processes and the adaptation of the rules towards common standards for IT systems will:

- implement the e-Government initiative in the area of customs;
- fulfil the commitment to the 'better regulation' initiative in this area, by providing less complex and better structured rules and regrouping several Regulations;
- enhance the competitiveness of companies doing business in and with the Community, thus creating economic growth;
- increase security and safety at the external border, once common standards (including those for risk-analysis) are introduced and managed via a common IT framework;
- reduce the risk of fraud;
- contribute to better coherence with other Community policies, such as indirect taxation, agricultural, commercial, environmental, health and consumer protection policy; and
- ensure an effective decision-making process for the adoption of implementing provisions, guidelines and explanatory notes and provide for the Commission to request a national administration to withdraw a decision.

Such extensive changes cannot be achieved by continued amendment of the present Customs Code, but only by a complete overhaul, i.e. its replacement by a modernized Community Customs Code.

The present proposal must be seen in the context of the renewed Lisbon Strategy, hose objectives are to make Europe a more attractive place to invest and work, where growth is led by knowledge and innovation and where policies allow businesses in the EU to create more and better jobs. The present proposal was also developed to fulfil the objectives of the e-Government initiative, by allowing business, through electronic Customs, to benefit fully from modern technology and the resulting facilitation of trade.

For more details concerning the financial in	nplications of this proposal, please refer to the financial statement.