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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Proposal for a Regulation of the European Parliament and of the Council establishing the 'Customs' programme for cooperation in the field of customs
- Outcome of the European Parliament's proceedings
(Strasbourg, 14 to 17 January 2019)

I. INTRODUCTION

The rapporteur, Maria GRAPINI (S&D, RO), presented a report consisting of 61 amendments to the proposal for a Regulation on behalf of the Committee on the Internal Market and Consumer Protection.

II. VOTE

When it voted on 15 January 2019, the plenary adopted in a block vote the amendments to the proposal for a Regulation. The amendments adopted are set out in the annex.

At the end of the vote, the proposal was referred back to the Committee, pursuant to Rule 59(4)(4) of the European Parliament's Rules of Procedure, thereby not bringing the Parliament's first reading to a close and opening the negotiations with the Council.

Establishing the 'Customs' programme for cooperation in the field of customs ***I

Amendments adopted by the European Parliament on 15 January 2019 on the proposal for a regulation of the European Parliament and of the Council establishing the 'Customs' programme for cooperation in the field of customs (COM(2018)0442 – C8-0261/2018 – 2018/0232(COD))¹

(Ordinary legislative procedure: first reading)

Amendment 1 Proposal for a regulation Recital 1

Text proposed by the Commission

(1) The Customs 2020 programme **set up under** Regulation (EU) No 1294/2013¹⁸ and its predecessors have significantly **contributed** to facilitating and **enhancing** customs cooperation. Many of the activities **in the customs area** are of a cross-border nature, involving and affecting all Member States, and therefore **they** cannot be effectively and efficiently **delivered by individual Member States. A** customs programme **at Union level**, implemented by the Commission, **offers** Member States a **Union** framework to develop **those cooperation** activities, which is more **cost-efficient** than if each Member State **were to** set up individual cooperation **frameworks on a** bilateral or multilateral **basis**. It is therefore appropriate to ensure the continuity of **Union financing of** activities in the field of customs cooperation by establishing a new programme in the same **area**, the Customs

Amendment

(1) The Customs 2020 programme, **established by** Regulation (EU) No 1294/2013¹⁸ and its predecessors have **contributed** significantly to facilitating and **strengthening** customs cooperation. Many of the **customs** activities are of a cross-border nature, involving and affecting all Member States and therefore cannot be effectively and efficiently **implemented by each Member State alone. A Union-wide** customs programme implemented by the Commission **provides** Member States **with** a framework **at Union level** to develop **such cooperative** activities, which is more **cost-effective** than if each Member State set up **an** individual cooperation **framework at** bilateral or multilateral **level. The customs programme also plays an essential role in safeguarding the financial interests of the Union and of the Member States by ensuring the effective collection of customs duties and thus**

¹ The matter was referred back for interinstitutional negotiations to the committee responsible, pursuant to Rule 59(4), fourth subparagraph (A8-0464/2018).

programme.

representing an important source of revenue for the Union and national budgets, also by focusing on IT capacity building and increased cooperation in the field of customs. Furthermore, harmonised and standardised controls are necessary in order to track illegal cross-border flows of goods and fight fraud. It is therefore appropriate and in the interest of efficiency to ensure the continuity of the Union's financing activities in the field of customs cooperation by establishing a new programme in the same field, the 'Customs' programme ('the Programme').

¹⁸ Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC, OJ L 347, 20.12.2013, p. 209.

¹⁸ Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC, OJ L 347, 20.12.2013, p. 209.

Amendment 2

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) For 50 years, the customs union, implemented by national customs authorities, has been a cornerstone of the Union, one of the largest trading blocks in the world. The customs union is a significant example of successful Union integration, and is essential for the proper functioning of the single market for the benefit of both businesses and citizens. The European Parliament, in its resolution adopted on 14th March 2018, entitled 'The next MFF: Preparing the Parliament's position on the MFF post-2020', expressed particular concern regarding customs fraud. A stronger and a more ambitious Union can only be

achieved if it is provided with reinforced financial means, continuous support for existing policies, and increased resources.

Amendment 3

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The customs union has evolved considerably over the last **fifty** years and customs administrations now successfully **perform** a wide **variety of** tasks **at borders**. **Acting** together, they work to facilitate trade and reduce **red tape**, collect **revenues** for national and Union budgets and protect the **public** against terrorist, health, environmental **and** other threats. In particular, **with the introduction of an EU-wide Common Risk Management Framework¹⁹ and** customs **control of movements of** large amounts of cash to combat money laundering and terrorist financing, customs **assume a front line position** in the fight against terrorism **and** organised crime. Given **that broad** mandate, customs **is now effectively the lead authority** for the control of goods at the Union's external borders. **Against that backdrop**, the Customs programme should not only cover customs cooperation but **extend its support to the mission of** customs **authorities at large, as set out** in Article 3 of Regulation (EU) No 952/2013, **i.e. the supervision** of the Union's international trade, the implementation of the external aspects of the internal market, **of** the common trade policy and **of the** other common **Union** policies having **a** bearing on trade, **as well as** the security of the supply chain. The legal basis **will** therefore cover customs cooperation (Article 33 TFEU), internal market (Article 114 TFEU) and commercial policy (Article

Amendment

(2) The customs union has evolved considerably over the last **50** years, and customs administrations **are** now successfully **fulfilling** a wide **range of** **border** tasks. **Working** together, they **strive** to facilitate **ethical and fair** trade and reduce **bureaucracy**, collect **revenue** for national and Union budgets, and **help to** protect the **population** against terrorist, health **and** environmental **threats, as well as** other threats. In particular, **by introducing a common framework¹⁹ for** customs **risk management at Union level and by controlling** large amounts of cash **flows** to combat money laundering and terrorist financing, **the** customs **authorities take a leading role** in the fight against terrorism, organised crime **and unfair competition**. Given **their extensive** mandate, **the** customs **authorities are now in reality the main authorities** for the control of goods at the Union's external borders. **In this context**, the Customs programme should not only cover customs cooperation but **also provide** support **for the wider** customs **mission as provided for** in Article 3 of Regulation (EU) No 952/2013, **namely the supervision** of the Union's international trade, the implementation of the external aspects of the internal market, the common **commercial** policy and other **Union** common policies having **an influence on** trade **and** the security of the supply chain. The legal basis **of this Regulation should** therefore cover customs cooperation

207 TFEU).

(Article 33 TFEU), *the* internal market (Article 114 TFEU) and commercial policy (Article 207 TFEU).

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https://ec.europa.eu/taxation_customs/general-information-customs/customs-risk-management/asures-customs-risk-management-framework-crmf_en

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https://ec.europa.eu/taxation_customs/general-information-customs/customs-risk-management/asures-customs-risk-management-framework-crmf_en

Amendment 4 Proposal for a regulation Recital 3

Text proposed by the Commission

(3) *In* providing a framework for actions that *has as objective* to support the customs union and customs authorities, *the Programme should* contribute to protecting the financial and economic interests of the Union and its Member States; *protecting* the Union from unfair and *illegal trade* while *supporting* legitimate business *activity*; *ensuring* the security and safety of the Union and its residents; and *facilitating* legitimate trade, so that businesses and citizens can benefit from the full potential of the internal market and *of global* trade.

Amendment

(3) *The Programme should, as a general objective, assist the Member States and the Commission by* providing a framework for actions that *aims* to support the customs union and customs authorities *with the long-term objective that all customs administrations in the Union work together as closely as possible*; contribute to protecting the financial and economic interests of the Union and its Member States; *protect* the Union from unfair and *unlawful commercial practices*, while *encouraging* legitimate business *activities*, *guaranteeing* the security and safety of the Union and its residents, *thereby enhancing consumer protection*; and *facilitate* legitimate trade so that businesses and citizens can benefit from the full potential of the internal market and *world* trade.

Amendment 5 Proposal for a regulation Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) As it has become evident that some of the systems referred to in Article 278 of the Union Customs Code can only be partially deployed by 31 December 2020, which implies that non-electronic systems will continue in use beyond that date, and in the absence of legislative amendments that extend that deadline, companies and customs authorities will be unable to perform their duties and legal obligations as regards customs operations, one of the primary specific objectives of the Programme should be to assist the Member States and the Commission to set up such electronic systems.

**Amendment 6
Proposal for a regulation
Recital 3 b (new)**

Text proposed by the Commission

Amendment

(3b) Customs management and control is a dynamic policy area, facing new challenges generated by constantly evolving global business models and supply chains, as well as changing consumption patterns and digitalisation, such as e-commerce, including the internet of things, data analytics, artificial intelligence and block chain technology. The Programme should support customs management in such situations and enable the use of innovative solutions. Such challenges further underline the need to enforce cooperation between customs authorities and the need for a uniform interpretation and implementation of the customs legislation. When public finances are under pressure, the volume of world trade increases and fraud and smuggling are a growing

concern; the Programme should contribute to tackling those challenges.

Amendment 7
Proposal for a regulation
Recital 3 c (new)

Text proposed by the Commission

Amendment

(3c) In order to ensure maximum efficiency and to avoid overlaps, the Commission should coordinate the implementation of the Programme with related Union programmes and funds. This includes in particular the Fiscalis Programme, the EU anti-fraud Programme and Single Market Programme, as well as with the Internal Security Fund and Integrated Border Management Fund, the Reform Support Programme, the Digital Europe Programme, the Connecting Europe Facility and the Council Decision on the system of Own Resources of the European Union, as well as the implementing regulations and measures.

Amendment 8
Proposal for a regulation
Recital 3 d (new)

Text proposed by the Commission

Amendment

(3d) With regard to the potential withdrawal of the United Kingdom from the Union, the financial envelope of the Programme does not take into account the costs resulting from the signing of the withdrawal agreement and the potential future relationship between the United Kingdom and the Union. The signing of that agreement, the disengagement of the United Kingdom from all existing customs

systems and cooperation, and the lapsing of its legal obligations in this area, could lead to additional costs, which cannot be precisely estimated at the time of establishment of the Programme. The Commission should therefore consider reserving sufficient resources to prepare for those potential costs. However, those costs should not be covered by the envelope of the Programme, as the budget provided for in the Programme will only be sufficient to cover the costs which could realistically be foreseen at the time of establishment of the Programme.

Amendment 9

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In order to support the process of accession and association **by** third countries, the Programme should be open to the participation of acceding and candidate countries as well as potential candidates and partner countries of the European Neighbourhood Policy if **certain** conditions are **fulfilled**. It may also be open to other third countries, **in accordance with** the conditions **laid down** in specific agreements between the Union and **those** countries **covering** their participation **to** any Union programme.

Amendment

(5) In order to support the process of accession and association **of** third countries, the Programme should be open to the participation of acceding and candidate countries as well as potential candidates and partner countries of the European Neighbourhood Policy, if **all** conditions are **met**. It may also be open to other third countries **under** the conditions **provided for** in specific agreements between the Union and **the** countries **concerned on** the participation of those countries **in** any Union programme, **if that participation is of interest to the Union and if it has a positive impact on the internal market without affecting consumer protection**.

Amendment 10

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) Regulation (EU, Euratom) [2018/XXX] of the European Parliament and of the Council²¹ (the ‘Financial Regulation’) **applies to this Programme. It lays down** rules on the implementation of the Union budget, including the rules on grants, prizes, procurement and reimbursement of external experts.

²¹ COM(2016)0605

Amendment

(6) **The Programme should be covered by** Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council²¹ (*hereinafter referred to as* ‘the Financial Regulation’). **The Financial Regulation provides for the rules for** the implementation of the Union budget, including the rules on grants, prizes, procurement and reimbursement of external experts.

²¹ **Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).**

Amendment 11

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) The actions which applied under the Customs 2020 programme have proven to be adequate **and** should therefore be maintained. In order to provide more simplicity and flexibility in the execution of the Programme and thereby better deliver on its objectives, the actions should be defined only in terms of overall

Amendment

(7) The actions which applied under the Customs 2020 programme **and** have proven to be adequate should therefore be maintained, **while others that have proven to be inadequate should be terminated.** In order to provide **greater** simplicity and flexibility in the execution of the Programme and thereby better deliver on

categories with a list of illustrative examples of concrete activities. Through cooperation and capacity building, the **Customs programme** should also promote and support the uptake and leverage of innovation to further improve the capabilities to deliver on the core priorities of customs.

its objectives, the actions should be defined only in terms of overall categories with a list of illustrative examples of concrete activities. Through cooperation and capacity building, the **Programme** should also promote and support the uptake and leverage of innovation to further improve the capabilities to deliver on the core priorities of customs.

Amendment 12

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) Regulation [2018/XXX] establishes, as part of the Integrated Border Management Fund, a Customs Control Equipment Instrument²² ('CCE Instrument'). In order to preserve the coherence and horizontal coordination of all cooperation actions relating to customs and customs control equipment, it is appropriate to implement all of them under one single legal act and set of rules, being this Regulation. Therefore, the CCE Instrument should only support the purchase, maintenance and upgrade of the eligible equipment while this Programme should support all other related actions, such as cooperation actions for the assessment of equipment needs or, where appropriate, training in relation to the equipment purchased.

²² Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment

Amendment

(8) Regulation [2018/XXX] establishes, as part of the Integrated Border Management Fund, a Customs Control Equipment Instrument²² ('CCE Instrument'). In order to preserve the coherence and horizontal coordination of all cooperation actions relating to customs and customs control equipment, it is appropriate to implement all of them under one single legal act and set of rules, **that act and those rules** being this Regulation. Therefore, the CCE Instrument should only support the purchase, maintenance and upgrade of the eligible equipment, while this Programme should support all other related actions, such as cooperation actions for the assessment of equipment needs or, where appropriate, training in relation to the equipment purchased.

²² Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment

Amendment 13

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Considering the importance of globalisation, the Programme should continue to provide the possibility of involving external experts within the meaning of Article 238 of the Financial Regulation. Those external experts should mainly be representatives of governmental authorities, including from non-associated third countries, as well as representatives of international organisations, economic operators or civil society.

Amendment

(10) Considering the importance of globalisation, the Programme should continue to provide **for** the possibility of involving external experts within the meaning of Article 238 of the Financial Regulation. Those external experts should mainly be representatives of governmental authorities, including from non-associated third countries, as well as **academics and** representatives of international organisations, economic operators or civil society.

Amendment 14

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) In line with the Commission's commitment to ensure the coherence and simplification of funding programmes, set out in its Communication of 19 October 2010 entitled 'The EU Budget Review'²³, resources should be shared with other Union funding instruments if the envisaged actions under the Programme pursue objectives that are common to various funding instruments, excluding however double financing. Actions under the Programme should ensure coherence in the use of the Union's resources supporting the customs union and customs authorities.

Amendment

(11) In line with the Commission's commitment to ensure the coherence and simplification of funding programmes, set out in its Communication of 19 October 2010 entitled 'The EU Budget Review'²³, resources should be shared with other Union funding instruments if the envisaged actions under the Programme pursue objectives that are common to various funding instruments, **taking into account that the amount allocated to the Programme is calculated without taking into account that there could be unforeseen expenses**, excluding however double financing. Actions under the Programme should ensure coherence in the use of the Union's resources supporting the customs union and customs authorities.

²³ COM (2010)0700

²³ COM (2010)0700

Amendment 15

Proposal for a regulation Recital 11 a (new)

Text proposed by the Commission

Amendment

(11 a) *The purchase of software that is needed to perform tight border controls should be eligible for funding under the Programme. Furthermore, the purchase of software that can be used in all Member States should be encouraged in order to facilitate exchange of data.*

Amendment 16

Proposal for a regulation Recital 12

Text proposed by the Commission

Amendment

(12) Information Technology (IT) capacity building actions are set to attract **the** greatest part of the budget under the Programme. Specific provisions should describe, respectively, the common and national components of the European electronic systems. Moreover, the scope of actions and the responsibilities of the Commission and the Member States should be clearly defined.

(12) Information Technology (IT) capacity building actions are set to attract **a greater** part of the budget under the Programme. Specific provisions should describe, respectively, the common and national components of the European electronic systems. Moreover, the scope of actions and the responsibilities of the Commission and the Member States should be clearly defined. ***In order to ensure coherence and coordination of IT capacity-building actions, the Programme should provide that the Commission develops and updates a Multiannual Strategic Customs Plan ('MASP-C'), with the aim of creating an electronic environment which ensures consistency and interoperability of the customs systems in the Union.***

Amendment 17

**Proposal for a regulation
Recital 14 a (new)**

Text proposed by the Commission

Amendment

(14a) In line with the findings contained on the two special reports adopted recently by the European Court of Auditors in the field of customs, namely special report No 19/2017 of 5 December 2017 entitled ‘Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU’, and special report No 26/2018 of 10 October 2018 entitled ‘A series of delays in Customs IT systems: what went wrong?’, the actions undertaken within the ‘Customs’ programme for cooperation in the field of customs should aim at tackling the shortcomings signalled.

Amendment 18

**Proposal for a regulation
Recital 14 b (new)**

Text proposed by the Commission

Amendment

(14b) On 4 October 2018 the European Parliament adopted a resolution on the fight against customs fraud and the protection of the Union’s own resources. The conclusions contained in that resolution should be taken into account during the actions implemented in the framework of the Programme.

Amendment 19

**Proposal for a regulation
Recital 20**

Text proposed by the Commission

(20) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

Amendment

(20) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver **the best** results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

Amendment 20
Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. The Programme **has the general objective to** support the customs union and customs authorities **to protect** the financial and economic interests of the Union and its Member States, **to ensure** security and safety **within the Union** and to protect the Union **from** unfair and **illegal trade, while facilitating** legitimate business **activity**.

Amendment

1. **With a view to achieving the long-term aim that all customs administrations in the Union work together as closely as possible, and in order to guarantee the security and safety of the Member States and to protect the Union against fraud, unfair and unlawful commercial practices, and at the same time, promote legitimate business activities and a high level of consumer protection,** the general objective of the Programme **is** to support the customs union and **the** customs authorities **in protecting** the financial and economic interests of the Union and its Member States..

Amendment 21
Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

2. The Programme has the specific **objective** to support the preparation and uniform implementation of customs legislation and policy as well as customs cooperation **and administrative** capacity building, **including human competency and the development and operation of European** electronic systems.

Amendment

2. The Programme has the **following** specific **objectives**:

(1) to support the preparation and uniform implementation of customs legislation and policy as well as customs cooperation;

(2) to assist with **IT** capacity building, **which consists in developing, maintaining and operating the** electronic systems **as referred to in Article 278 of the Union Customs Code, and enabling a smooth transition to a paperless environment and trade in line with Article 12 of this Regulation**;

(3) to finance joint actions, which consist in cooperation mechanisms enabling officials to carry out joint operational activities under their core responsibilities, share experience in the customs field and join efforts to deliver on customs policy;

(4) to enhance human competencies, supporting the professional skills of customs officials and empowering them to fulfil their role on a uniform basis;

(5) to support innovation in the area of customs policy.

Amendment 22
Proposal for a regulation
Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Programme shall be consistent with and exploit any synergies with other Union action programmes and funds with similar objectives in related fields.

Amendment 23
Proposal for a regulation
Article 3 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The implementation of the Programme shall respect the principles of transparency, proportionality, equal treatment and non-discrimination.

Amendment 24
Proposal for a regulation
Article 3 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. The Programme shall also support the continuous evaluation and monitoring of the cooperation between customs authorities with a view to identifying weaknesses and possible improvements.

Amendment 25
Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Programme for the period 2021 – 2027 shall be EUR 950 000 000 in current prices.

Amendment

1. The financial envelope for the implementation of the Programme for the period 2021 – 2027 shall be EUR **842 844 000 in 2018 prices** (EUR 950 000 000 in current prices).

Amendment 26

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 may also cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Programme and evaluating the achievement of its objectives. It may moreover cover expenses relating to studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Programme, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Programme.

Amendment

2. ***When necessary and duly justified, the*** amount referred to in paragraph 1 may also cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Programme and evaluating ***its performance and*** the achievement of its objectives. It may moreover cover expenses relating to studies, meetings of experts, information and communication actions ***by the Commission addressed to Member States and economic operators,*** in so far as they are related to the objectives of the Programme, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Programme, ***in so far as such activities are required for the achievement of the objectives of the Programme.***

Amendment 27

Proposal for a regulation

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Programme shall not be used to cover costs relating to the potential withdrawal of the United Kingdom from the Union. The Commission shall reserve upon its own assessment resources in order to cover the costs relating to the disengagement of the United Kingdom from all Union customs systems and cooperation, and the lapsing of its legal obligations in this area.

Before reserving those resources, the Commission shall make an estimate of the potential costs, and shall inform the European Parliament once data relevant for that estimate become available.

Amendment 28

Proposal for a regulation

Article 5 – paragraph 1 – point c – introductory part

Text proposed by the Commission

Amendment

(c) other third countries, ***in accordance with*** the conditions laid down in a specific agreement ***covering*** the participation of ***the*** third country ***to*** any Union programme, provided that the agreement:

(c) other third countries, ***under*** the conditions laid down in a specific agreement ***on*** the participation of ***a*** third country ***in*** any Union programme, provided that the agreement:

Amendment 29

Proposal for a regulation

Article 5 – paragraph 1 – point c – indent 2

Text proposed by the Commission

Amendment

– ***lays down*** the conditions ***of*** participation in the programmes, including the calculation of financial contributions to

– ***establishes*** the conditions ***for*** participation in the programmes, including the calculation of financial contributions to

individual programmes and their administrative costs. These contributions shall constitute assigned **revenues** in accordance with Article [21(5)] of **Regulation [2018/XXX] [the new Financial Regulation]**;

individual programmes and their administrative costs. These contributions shall constitute assigned **revenue** in accordance with Article 21(5) of the Financial Regulation;

Amendment 30

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

2. Actions complementing or supporting the actions implementing the objectives referred to in Article 3 of Regulation (EU) [2018/XXX] [CCE instrument] shall also be eligible for funding under this Programme.

Amendment

2. Actions complementing or supporting the actions implementing the objectives referred to in Article 3 of Regulation (EU) [2018/XXX] [CCE instrument] **and/or complementing or supporting the actions implementing the objectives referred to in Article 2 of Regulation (EU) [2018/XXX] [Anti-Fraud Programme]** shall also be eligible for funding under this Programme.

Amendment 31

Proposal for a regulation Article 7 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission

(b) project-based structured collaboration;

Amendment

(b) project-based structured collaboration, **such as collaborative IT development by a group of Member States**;

Amendment 32

Proposal for a regulation Article 7 – paragraph 3 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(d) human competency and capacity building actions;

(d) human competency and capacity building actions, ***including training and exchange of best practices***;

Amendment 33

Proposal for a regulation

Article 7 – paragraph 3 – subparagraph 1 – point e – point 3 a (new)

Text proposed by the Commission

Amendment

(3a) monitoring activities;

Amendment 34

Proposal for a regulation

Article 7 – paragraph 4

Text proposed by the Commission

Amendment

4. Actions consisting in the development and operation of adaptations or extensions to the common components of the European electronic systems for cooperation with third countries not associated to the Programme or international organisations shall be eligible for funding when they are of interest to the Union. The Commission shall put in place the necessary administrative arrangements, which may provide for a financial contribution from the third parties concerned to these actions.

4. Actions consisting in the development, ***deployment, maintenance*** and operation of adaptations or extensions to the common components of the European electronic systems for cooperation with third countries not associated to the Programme or international organisations shall be eligible for funding when they are of interest to the Union. The Commission shall put in place the necessary administrative arrangements, which may provide for a financial contribution from the third parties concerned to these actions.

Amendment 35

Proposal for a regulation

Article 8 – paragraph 1

Text proposed by the Commission

1. Wherever beneficial for the achievement of the actions implementing the objectives referred to in Article 3, representatives of governmental authorities, including those from third countries not associated to the **programme** pursuant to Article 5, representatives of international and other relevant organisations, of economic operators and organisations representing economic operators and of civil society may take part as external experts to actions organised under the Programme.

Amendment

1. Wherever beneficial for the achievement of the actions implementing the objectives referred to in Article 3, representatives of governmental authorities, including those from third countries not associated to the **Programme** pursuant to Article 5, **academics and** representatives of international and other relevant organisations, of economic operators and organisations representing economic operators and of civil society may take part as external experts to actions organised under the Programme.

Amendment 36

**Proposal for a regulation
Article 8 – paragraph 3**

Text proposed by the Commission

3. **The** external experts shall be selected by the Commission **based** on their **skills**, experience **and** knowledge **relevant to** the specific action, avoiding any potential conflict of interest.

Amendment

3. External experts shall be selected by the Commission on **the basis of** their **competence**, experience **in the field of application of this Regulation and their relevant** knowledge **of** the specific action **being taken**, avoiding any potential conflict of interest. **The selection shall strike a balance between business representatives and other civil society experts, as well as take into account the principle of gender equality. The list of external experts shall be regularly updated and made accessible to the public.**

Amendment 37

**Proposal for a regulation
Article 9 – paragraph 1**

Text proposed by the Commission

1. Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

Amendment

1. Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation, **and specifically with the principles of sound financial management, transparency, proportionality, non-discrimination and equal treatment.**

Amendment 38

Proposal for a regulation Article 10 – paragraph 1

Text proposed by the Commission

1. By derogation **to** Article 190 of the Financial Regulation, the Programme may finance up to 100 % of eligible costs of an action.

Amendment

1. By **way of** derogation **from** Article 190 of the Financial Regulation, the Programme may finance up to 100% of **the** eligible costs of an action **according to the relevance of the action and the estimated impact.**

Amendment 39

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

1. The Commission and the Member States shall **ensure** jointly the development and operation, including **the** design, specification, conformance testing, deployment, maintenance, evolution, security, quality assurance and quality control, **of the European electronic systems listed in the Multi-Annual Strategic Plan for Customs referred to in Article 12.**

Amendment

1. The Commission and the Member States shall jointly **ensure** the development and operation **of the European electronic systems listed in the Multi-Annual Strategic Plan for Customs referred to in Article 12**, including **its** design, specification, conformance testing, deployment, maintenance, evolution, **modernisation**, security, quality assurance and quality control.

Amendment 40

Proposal for a regulation

Article 11 – paragraph 2 – point b

Text proposed by the Commission

(b) the overall coordination of the development and operation of European electronic systems with a view to their operability, inter connectivity and continuous improvement and their synchronised implementation;

Amendment

(b) the overall coordination of the development and operation of European electronic systems with a view to their operability, **cyber-resilience**, inter-connectivity and continuous improvement and their synchronised implementation;

Amendment 41

Proposal for a regulation

Article 11 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) an efficient and swift communication with and between Member States with a view to streamlining the governance of the Union’s electronic systems;

Amendment 42

Proposal for a regulation

Article 11 – paragraph 2 – point e b (new)

Text proposed by the Commission

Amendment

(eb) a timely and transparent communication with the stakeholders concerned with the implementation of IT systems at Union and Member States level, in particular about delays in the implementation of and spending relating to Union and national components.

Amendment 43

Proposal for a regulation

Article 11 – paragraph 3 – point d

Text proposed by the Commission

(d) the regular provision to the Commission *of* information *regarding* the measures taken to enable *their respective* authorities or economic operators to make full use of European electronic systems;

Amendment

(d) *providing* the Commission *with regular* information *on* the measures taken to enable *the* authorities or economic operators *concerned* to make full *and effective* use of *the* European electronic systems;

Amendment 44

Proposal for a regulation

Article 12 – paragraph 1 – introductory part

Text proposed by the Commission

1. The Commission shall draw up and *keep updated a Multi-Annual* Strategic Plan for Customs listing all tasks relevant for the development and operation of European electronic systems and classifying each system, or part *thereof*, *as:*

Amendment

1. The Commission shall draw up and *update a Multi-Annual* Strategic Plan for *the* customs *field* listing all *the* tasks relevant for the development and operation of European electronic systems and classifying each system or part *of a system* *as:*

Amendment 45

Proposal for a regulation

Article 12 – paragraph 1 – point a

Text proposed by the Commission

(a) a common component: a component of the European electronic systems developed at Union level, which is

Amendment

a) a common component: a component of European electronic systems developed at Union level, which is available to all

available for all Member States or identified *as common* by the Commission for reasons of efficiency, security *and* rationalisation;

Member States or identified by the Commission *as being common* for reasons of efficiency, security *of* rationalisation *and reliability*;

Amendment 46

Proposal for a regulation

Article 12 – paragraph 1 – point b

Text proposed by the Commission

(b) a national component: a component of the European electronic systems developed at national level, which is available in the Member State that created such a component or contributed to its joint creation;

Amendment

(b) a national component: a component of the European electronic systems developed at national level, which is available in the Member State that created such a component or contributed to its joint creation, *for instance as part of a collaborative IT development project by a group of Member States*;

Amendment 47

Proposal for a regulation

Article 12 – paragraph 3

Text proposed by the Commission

3. Member States shall notify the Commission of the completion of each task allocated to them under the Multi-Annual Strategic Plan for Customs referred to in paragraph 1. They shall also regularly report to the Commission on progress with their tasks.

Amendment

3. Member States shall notify the Commission of the completion of each task allocated to them under the Multi-Annual Strategic Plan for Customs referred to in paragraph 1. They shall also regularly report to the Commission on progress with their tasks *and where applicable about foreseeable delays in their implementation*.

Amendment 48

Proposal for a regulation

Article 12 – paragraph 5

Text proposed by the Commission

5. No later than 31 October of each year, the Commission shall, on the basis of the annual reports referred to in paragraph 4, establish a consolidated report assessing the progress made by Member States and the Commission in the implementation of the plan referred to in paragraph 1 and make that report public.

Amendment

5. No later than 31 October of each year, the Commission shall, on the basis of the annual reports referred to in paragraph 4, establish a consolidated report assessing the progress made by Member States and the Commission in the implementation of the plan referred to in paragraph 1, ***including information on necessary adaptations of or delays with the plan,*** and make that report public.

Amendment 49

**Proposal for a regulation
Article 13 – paragraph 1**

Text proposed by the Commission

1. The Programme shall be implemented by multiannual work programmes referred to in Article 108 of the Financial Regulation.

Amendment

1. The Programme shall be implemented by multiannual work programmes referred to in Article 110 of the Financial Regulation. ***The multiannual work programmes shall in particular set out the objectives to be pursued, the expected results, the method of implementation and the total amount of the financing plan. They shall also set out in detail a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. The multiannual work programmes shall be, communicated to the European Parliament where applicable.***

Amendment 50

**Proposal for a regulation
Article 13 – paragraph 2**

Text proposed by the Commission

2. The multiannual work programmes shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 18(2).

Amendment

2. The multiannual work programmes shall be adopted by the Commission by means of implementing acts **and communicated to the European Parliament and the Council**. Those implementing acts shall be adopted in accordance with the **examination** procedure referred to in Article 18(2).

Amendment 51

Proposal for a regulation

Article 13 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The multiannual work programmes shall build on lessons learned from previous programmes.

Amendment 52

Proposal for a regulation

Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. **Indicators to report on progress** of the Programme **towards the achievement of the specific objectives set out in Article 3 are set in Annex 2.**

1. **In compliance with its reporting requirements pursuant to point (h) of Article 41(3) of the Financial Regulation, the Commission shall present to the European Parliament and the Council information on the performance of the Programme. Reporting on performance shall include information on both progress and shortfalls.**

Amendment 53

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

2. To ensure effective assessment of progress of the Programme towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 17 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.

Amendment

2. ***Indicators for reporting on the performance of the Programme towards the achievement of the specific objectives provided for in Article 3 are set out in Annex 2.*** To ensure effective assessment of progress of the Programme towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 17 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework ***in order to provide the European Parliament and the Council with updated qualitative as well as quantitative information on the performance of the Programme.***

Amendment 54

Proposal for a regulation Article 14 – paragraph 3

Text proposed by the Commission

3. The performance reporting system shall ensure that data for monitoring ***programme*** implementation and results are collected ***efficiently, effectively, and in a*** timely manner. To ***that*** end, proportionate reporting requirements ***shall*** be imposed on recipients of Union funds.

Amendment

3. The performance reporting system shall ensure that ***the*** data for ***the*** monitoring ***of the*** implementation and ***the*** results ***of the Programme*** are ***comparable and complete as well as*** collected ***in an efficient, effective and*** timely manner. To ***this*** end, proportionate ***and relevant*** reporting requirements ***shall*** be imposed on ***the*** recipients of Union funds. ***The Commission shall provide the European Parliament and the Council with reliable***

information on the quality of the performance data used.

Amendment 55

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. The interim evaluation of the Programme shall be ***performed once there is sufficient information available about the implementation of the Programme***, but no later than ***four*** years after the start of the programme implementation.

Amendment

2. The interim evaluation of the Programme shall be ***carried out as soon as sufficient information on its implementation is available***, but no later than ***three*** years after the start of the programme implementation.

Amendment 56

Proposal for a regulation Article 15 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The interim evaluation shall present findings necessary to make a decision about a follow-up to the Programme beyond 2027 and its objectives.

Amendment 57

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

3. At the end of the implementation of the Programme, but no later than ***four*** years after the end of the period ***specified*** in Article 1, a final evaluation of the

Amendment

3. At the end of the implementation of the Programme, but no later than ***three*** years after the end of the period ***referred to*** in Article 1, ***the Commission shall carry***

Programme *shall be carried out by the Commission.*

out a final evaluation of the Programme.

Amendment 58

Proposal for a regulation Article 15 – paragraph 4

Text proposed by the Commission

4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Amendment

4. The Commission shall ***present and*** communicate the conclusions of the evaluations, accompanied by its observations ***and lessons learned***, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Amendment 59

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

Where a third country participates in the programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors to comprehensively exert their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud

Amendment

Where a third country participates in the programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors ***and the European Public Prosecutor's Office (EPPO)*** to comprehensively exert their respective competences. In the case of OLAF ***and the EPPO***, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council^{1a} ***and in Council Regulation (EU)***

^{1a} Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1.)

^{1b} Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1.)

Amendment 60

Proposal for a regulation Article 19 – paragraph 1

Text proposed by the Commission

1. The recipients of Union funding shall acknowledge the origin and ensure **the** visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment

1. The recipients of Union funding shall acknowledge the origin and ensure **maximum** visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment 61

Proposal for a regulation Article 19 – paragraph 2

Text proposed by the Commission

2. The Commission shall implement information and communication actions **relating to the Programme, and its** actions

Amendment

2. The Commission shall implement information and communication actions **on the Programme, on the** actions **financed**

and results. Financial resources allocated to the Programme shall also contribute to the *corporate* communication of the political priorities *of the Union, as far as they are related* to the objectives *referred to* in Article 3.

under the Programme, and on the results achieved by those financed actions. The financial resources allocated to the Programme shall also contribute to the *institutional* communication of the *Union's* political priorities *in so far as they are linked* to the objectives *set out* in Article 3.
