



Council of the
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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
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Subject:	Draft Council Conclusions on the follow-up of the Union Customs Code - Adoption

Delegations will find in Annex the above draft Council Conclusions, as amended by the Presidency in light of comments by delegations.

This text will be submitted to Coreper and the Council for adoption as an item without discussion.

Draft Council Conclusions on the Follow up of the Union Customs Code

The Council,

ACKNOWLEDGING THAT:

- the Union Customs Code (UCC) is an important milestone in the history of the ongoing development of the Customs Union since 1968 as it reflects a major overhaul of existing EU customs legislation in order to achieve clearer customs procedures, better safety and security of EU citizens, and, through new IT systems, a stronger cooperation between the customs authorities and the Commission;
- close cooperation between the Commission, the Council and the European Parliament, together with the input from trade, paved the way for the adoption of the basic legislative framework of the UCC on 9 October 2013;
- intensive work has continued until recently, notably in completing the legislative framework through detailed implementing and delegated acts;
- this ‘UCC package’¹ has become applicable from the 1st of May 2016 but further work is foreseen for a transitional period up until 2020 to refine and fully implement the new rules.

¹ Regulation (EU) No 952/2013 of the European Parliament and the Council of 9 October 2013, Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015, Commission Delegated Regulation (EU) 2016/341 of 17 December 2015, Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 and Commission Implementing Decision (EU) 2016/578 of 11 April 2016.

STRESSING

- the importance of this transitional period to allow a pragmatic, business-friendly approach to implementation in which a constructive and supportive approach on behalf of the Commission is essential;
- the importance that further work in this transitional period, in particular on IT-systems, is based on realistic costs and time planning, and explores ways to keep costs for customs and trade at a minimum, e.g. by adopting common IT solutions.

EMPHASIZING the pivotal role of customs with regard to the movement of goods across EU borders, in particular, as set out in the UCC, for the protection of the revenue, the safety and the security of EU citizens, in fighting fraud and in maintaining a proper balance between controls and trade facilitation for legitimate trade.

UNDERLINING THE NEED:

- to look forward and continue work on further innovation of the 'UCC package' so as to deal effectively with the constantly changing environment in which customs work, such as changes in IT technology, management of the integral supply chain, trade flows, e-commerce, safety and security;
- to continue work that effectively reflects the input and the needs of customs authorities and trade, and that takes into account the needs of the SME's;
- to continue work in developing further trade facilitation and simplification;
- to continue the work based on a clear and realistic indication of both the costs and the time planning for the implementation of new rules by Member States and trade.

INVITES COMMISSION AND MEMBER STATES

- to continue the work in keeping the ‘UCC package’ up to date, that is, modern, agile and able to cope with challenges for customs. This entails, but is not limited to:
 - further developing effective simplifications and modernization, such as centralised clearance and self-assessment, as well as a modern approach to for instance single window and cooperation between customs and other government authorities involved in the movement of goods across the EU borders;
 - enhancing benefits for Authorised Economic Operators;
 - ensuring the best alignment of provisions and procedures in customs and other policy areas, including efficient and effective risk management in the wider customs area;
 - improving transparency in the development of IT systems, in particular in relation to planning, by finding flexible approaches, funding, and cost-efficiency;
 - having clear provisions in the basic legislative text and a common view on the use of delegated acts, implementing acts and guidance. Guidance should be based on best practices to help the implementation by Member states, and cannot exceed the limits set by the regulations;
 - promoting the use of UCC-based provisions, in e.g. Free Trade Agreements and World Customs Organization instruments.

- when considering further work, the following should be taken into account:
 - ensuring a proper balance between controls and trade facilitation for legitimate trade by Member States, and by the Commission in particular, when developing new legislative proposals;
 - ensuring that adequate attention is given to realistic timelines, costs, and impact on customs and trade, based on comprehensive business cases and, when possible, pilot projects;
 - ensuring timely and optimal involvement of trade;
 - data protection legislation and the respective competences of the Union and the Member States.

- to continue cooperation in a pro-active way on strategic topics at Council level, in order to obtain the maximum from the post-Lisbon institutional framework. This remains essential in securing a viable customs union.

INVITES THE COMMISSION to ensure regular and adequate reporting at Council level on the progress made and the planning of further modernisation of the ‘UCC package’, taking into account the reporting that is already foreseen.
