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**ENFOCUSTOM 55
JAI 171**

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
On: 15 February 2017
To: Customs Cooperation Working Party (Experts)
Subject: Summary of discussions

1. Adoption of the agenda

The agenda was adopted as set out in CM 1349/17.

2. Information from the Presidency

The Presidency briefed delegations on current activities of interest for the CCWP that are being addressed in the Council and other fora.

3. Revision of the JCO Guide; strategic and tactical objectives and risk areas for Joint Customs Operations

3.1 Review of the strategic objectives for Joint Customs Operations (JCOs)

The CCWP approved the strategic objectives for JCOs as set out in 5026/1/17 REV 1.

3.2 Review of the tactical objectives and risk areas for Joint Customs Operations (JCOs)

The CCWP approved the tactical objectives and risk areas for JCOs as set out in 5540/1/17 REV 1.

3.3 Review of the JCO Guide - addressing recurring problems including business cases, financing and approvals

The Presidency presented a series of changes aimed at streamlining procedures set out in the JCO Guide. The changes concern recurring problems such as business cases for JCOs, financing issues and approval of final reports.

The Commission said that it could generally support those changes and that it would send written comments to provide more clarity on the approval of final reports by the CCWP and the Mutual Assistance Committee.

The Presidency invited delegations to send in their comments by 22 February 2017.

4. Update on the Data Mining Project Group's activities: considerations regarding application for Horizon 2020 funding

LT gave a presentation on the 'Data Mining Project', whose aim is to exchange best practices for using data mining to detect infringements of customs legislation. The project started in September 2014 and is led by Lithuania with the participation of 11 Member States, DG TAXUD, JRC-Ispra, VUMIF, OLAF and Europol, which recently joined the group.

5. Tobacco Products Directive – Track and Trace issues

The Commission (DG SANTE) gave a presentation on Articles 15 and 16 of the Tobacco Products Directive, which introduced a tracking and tracing system (from the manufacturer to the last economic operator before the first retail outlet) with a unique identifier for each unit packet of tobacco products.

A number of delegations intervened, expressing concerns that its impact on the illegal market would probably be low, as illegal goods would not be covered if they are not distributed through known channels, and in relation to the costs of the system for small operators and the fact that the system would not apply to products in transit or manufactured in third countries. Several delegations asked the Commission to enhance its efforts in encouraging Belarus to become a party to the Protocol to Eliminate Illicit Trade in Tobacco Products (FCTC). Some delegations also urged the Commission to proceed swiftly with the adoption of the technical standards for the establishment and operation of the tracking and tracing system. The Commission said that a decision (implementing act) should be taken by the end of this year.

6. EU Policy Cycle

The CCWP approved 14782/2/16 REV 2 on 'Synergies and opportunities for coordination between the activities developed under the EU Policy Cycle and the Eight Action Plan of CCWP for the year 2017'.

7. Common non-paper on the value of PNR for customs law enforcement and risk management in light of the new PNR Directive

NL presented the changes introduced in 14785/3/16 REV 3.

FR also asked to add the following sentence to page 2 at the end of the introduction: 'In any case, the privacy of the data must be ensured.' FR asked for an addition to paragraph 2 on page 4, stating that under the PNR Directive, API data could be used in the same way as PNR data.

The Commission asked for the wording of the third bullet point on page 12 to be brought in line with Articles 6(6) and 7(1) of the PNR Directive. ES asked for the word 'manual' to be deleted from this paragraph. AT indicated that this paragraph of the common non-paper would not be applicable in Austria because its national rules implementing the Directive foresaw that customs authorities would receive PNR data which has been already processed by the police. However, that delegation stated that it did not intend to oppose the approval of the common non-paper for the reason mentioned above.

The Commission could not agree with the paragraph on page 12 starting 'Apart from cooperation with the different authorities...' because the PNR Directive and its national implementing legislation regulated the systematic collection of PNR data by authorities in the Member States.

The Presidency emphasised that the CCWP should approve the common non-paper as soon as possible while the implementation of the PNR Directive was still underway and invited delegations to send their written comments before 22 February 2017 for the purpose of having the common non-paper approved by written procedure. It was indicated that if potential differences on implementation of the PNR directive appear, those would be forwarded to the relevant working groups.

8. Upcoming WCO initiatives in the area of trafficking of cultural heritage

The Deputy Director of the Enforcement and Compliance Department at the WCO gave a presentation on the measures adopted by the UN Security Council, UNESCO and WCO to prevent the illegal trade of cultural goods, in particular to finance terrorism.

In 2016, the WCO adopted a resolution on the role of customs in addressing the trafficking of cultural heritage. The WCO representative gave information on two tools developed for that purpose, 'IRIS' and 'ARCHEO'.

The Commission informed the working party that it was preparing a legislative proposal on this issue and that it was working on the impact assessment. The Commission would adopt the legislative proposal in September 2017.

9. Opportunities for operational cooperation between customs authorities and the European Border and Coast Guard Agency (Frontex)

The Executive Director of Frontex gave a thorough presentation on opportunities opened by the new Frontex mandate on operational cooperation between the Agency and customs authorities. He referred *inter alia* to the participation of customs officers in JOs, which required the agreement of the host Member State and the possibility of selecting some customs officers as 'cross-border crime detection officers', a new profile. He also provided information on further synergies as regards risk assessments, training, and innovation and research.

10. AOB

No items were raised under this point.
