



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 22 November 2013

16322/13

**Interinstitutional File:
2011/0341A (COD)**

**CODEC 2613
UD 297
AELE 71
PE 545**

INFORMATION NOTE

from: General Secretariat
to: Permanent Representatives Committee / Council

Subject: Proposal for a Regulation of the European Parliament and of the Council establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC – Outcome of the European Parliament's first reading (Strasbourg, 18 to 21 November 2013)

I. INTRODUCTION

The Rapporteur, Mr. Raffaele BALDASSARRE (EPP, IT), presented a report on the proposal for a Regulation on behalf of the Committee on Internal Market and Consumer Protection. The report contained 41 amendments (amendments 1 - 41) to the proposal.

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

¹ OJ C 145, 30.6.2007, p.5

In this context, the Committee presented one compromise amendment (amendment 42) to the proposal for a Regulation. This amendment had been agreed during the informal contacts referred to above and was consequently intended to replace the 41 amendments previously voted by the Committee. In addition, the Committee presented one other amendment (amendment 43) relating to the legislative resolution (a statement by the Parliament).

II. VOTE

When it voted on 21 November 2013, the plenary adopted the compromise amendment (amendment 42) to the proposal for a Regulation. It also adopted amendment 43 to the legislative resolution. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto¹.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in *bold and italics*. The symbol "■" indicates deleted text.

Action programme for customs ***I

European Parliament legislative resolution of 21 November 2013 on the amended proposal for a regulation of the European Parliament and of the Council establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC (COM(2012)0464 – C7-0241/2012 – 2011/0341A(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0706) and the amended proposal (COM(2012)0464),
 - having regard to Article 294(2) and Article 33 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0241/2012),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the undertaking given by the Council representative by letter of 17 July 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinion of the Committee on Budgets (A7-0026/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Approves its statement annexed to this resolution;
 3. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 21 November 2013 with a view to the adoption of Regulation (EU) No .../2013 of the European Parliament and of the Council establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular *Article* 33 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure¹,

¹ Position of the European Parliament of 21 November 2013.

Whereas:

- (1) The multi-annual action programme for customs which applied before 2014 has significantly contributed to facilitating and enhancing cooperation between customs authorities within the Union. 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 continuation of the previous multi-annual action programme for customs by establishing a new programme in the same area, the Customs 2020 programme ('the Programme').

- (2) The activities under the Programme, namely the European Information Systems, the joint actions for customs officials and the common training initiatives, **will** contribute to the realisation of the Europe 2020 Strategy for smart, sustainable and inclusive growth **by strengthening the functioning of the internal market**. In providing a framework for activities which strive for more efficient **and modernised** customs authorities, strengthen the competitiveness of businesses, promote employment and **rationalise and coordinate the Member States' actions to protect their** financial and economic interests **and those of the Union**, the Programme will actively strengthen the functioning of the customs union, **so that businesses and citizens can benefit from the full potential of the internal market and of global trade**.
- (3) 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. Considering the increasing interconnectivity of the world economy, the Programme should continue to provide the possibility of involving external experts, such as officials of third countries, representatives of international organisations or economic operators in certain activities. **The participation of external experts is considered to be essential whenever the objectives of a programme cannot be achieved without the contribution of those experts**. The setting up of the European External Action Service under the authority of the High Representative of the Union for Foreign Affairs and Security Policy facilitates policy coordination and coherence in an area which is a relevant component of the Union's external strategies and actions, both on a bilateral and multilateral basis.

- (4) The objectives of the Programme *should* take into account the problems and challenges identified for customs in the next decade. The Programme should continue to play a role in vital areas such as the coherent implementation of Union law in the field of customs and related matters. Moreover, the Programme *should focus* on protecting the financial and economic interests of the Union *and* safeguarding safety and security. *This should encompass, inter alia, cooperation and information pooling between national and Union market monitoring authorities and the customs authorities. The Programme should also be dedicated to* trade facilitation, inter alia, through collaborative efforts to fight fraud and increasing the administrative capacity of customs authorities. *In that perspective, a cost-benefit analysis of detection equipment and related technology should be carried out in order to facilitate the acquisition of modern customs control tools by customs authorities after 2020. Methods facilitating the acquisition of modern customs control tools, including joint public procurement, should also be explored.*
- (5) The programme tools which applied before 2014 have proven to be adequate and should therefore be retained. In view of the need for more structured operational cooperation, additional tools should be added, namely expert teams composed of Union and national experts to perform tasks jointly in specific domains and public administration capacity-building actions which should provide specialised assistance to those participating countries in need of administrative capacity building.

- (6) The European Information Systems play a vital role in reinforcing the customs systems within the Union and should therefore continue to be financed under the Programme. In addition, it should be made possible to include in the Programme new customs-related information systems established under Union law. The European Information Systems should, where appropriate, be based upon shared development models and IT architecture, ***in order to increase the flexibility and efficiency of customs administration.***
- (7) Human competency building ***should also be carried out*** in the form of common training ***and*** should be realised through the Programme. Customs officials need to build up and update their knowledge and the skills required to serve the needs of the Union. The Programme should be essential to strengthen human capacities through enhanced training support that targets customs officials as well as economic operators. To that end, the current common training approach of the Union, which was mainly based on central eLearning development, should develop into a ***multifaceted*** training support programme for the Union.
- (8) ***The Programme should give due importance, and allocate an adequate share of its budget, to the functioning of the existing European Information Systems for customs and to the development of new European Information Systems necessary for the implementation of the Union Customs Code. At the same time, the appropriate means should be dedicated to activities bringing together officials working with customs and to human competency building. Moreover, the Programme should provide for a certain degree of budgetary flexibility in order to respond to changes in policy priorities.***

- (9) The Programme should cover a period of seven years to align its duration with that of the multiannual financial framework laid down in Council Regulation (EU) No .../2013^{1*}.
- (10) This Regulation lays down a financial envelope for the entire duration of the Programme which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of ...2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management^{2**}, for the European Parliament and the Council during the annual budgetary procedure.
- (11) In line with the Commission's commitment, set out in its Communication of 19 October 2010 entitled 'The EU Budget Review', to coherence and simplification of funding programmes, resources should be shared with other Union funding instruments if the envisaged activities under the Programme pursue objectives which 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 functioning of the customs union.

¹ Council Regulation (EU) No .../2013 of ...2013 laying down the multiannual financial framework for the year 2014-2020 (OJ L ...).

* OJ: Please insert, in the recital and footnote 1, the number, date of adoption and publication reference of the Regulation as contained in document ST 11791/13.

² OJ C ...

** OJ: Please insert the date of adoption and publication reference of the IIA as contained in document ST 11838/13.

- (12) The measures necessary for the financial implementation of this Regulation should be adopted in accordance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹ and with Commission Delegated Regulation (EU) No 1268/2012².
- (13) The financial interests of the Union should be protected through appropriate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, unduly paid or incorrectly used, and, where appropriate, penalties.
- (14) ***Cooperation on intelligent risk assessment is vital in order to allow compliant and trustworthy businesses to gain maximum benefit from the simplification of the e-administration of customs, and allowing irregularities to be targeted.***

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

² Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (15) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in respect of the establishment of the annual work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.
- (16) *In order to respond appropriately to changes in policy priorities, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending the list of indicators to measure the achievement of the specific objectives and modifying the indicative amounts allocated to each type of action. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.*
- (17) Since the objective of this Regulation, namely establishing a multiannual programme to improve the functioning of the customs union, cannot be sufficiently achieved by the Member States as they cannot efficiently perform the cooperation and coordination necessary to carry out the Programme, but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (18) The Commission should be assisted by the Customs 2020 Committee for the implementation of the Programme.
- (19) *To facilitate the evaluation of the Programme, a proper framework for monitoring the results achieved by the Programme should be put in place from the very beginning. A mid-term evaluation looking at the achievement of the objectives of the Programme, its efficiency and its added value at the European level, should be carried out. A final evaluation should, in addition, deal with the long-term impact and the sustainability effects of the Programme. Full transparency with regular reporting on monitoring and evaluation to the European Parliament and to the Council should be ensured. Those evaluations should be based on indicators, measuring the effects of the Programme against pre-defined baselines. The indicators should, inter alia, measure the time during which the Common Communication Network is available without system failures, as this is the condition for the proper functioning of all the European Information Systems, for customs authorities to cooperate efficiently within the customs union.*

- (20) Directive 95/46/EC of the European Parliament and of the Council¹ governs the processing of personal data carried out in the Member States in the context of this Regulation and under the supervision of the Member States competent authorities, in particular the public independent authorities designated by the Member States. Regulation (EU) No 45/2001 of the European Parliament and of the Council² governs the processing of personal data carried out by the Commission within the framework of this Regulation and under the supervision of the European Data Protection Supervisor. Any exchange or transmission of information by competent authorities should be in accordance with the rules on the transfer of personal data as laid down in Directive 95/46/EC and any exchange or transmission of information by the Commission should be in accordance with the rules on the transfer of personal data as laid down in Regulation (EC) No 45/2001.
- (21) This Regulation replaces Decision No 624/2007/EC of the European Parliament and of the Council³. That Decision should therefore be repealed,

HAVE ADOPTED THIS REGULATION:

¹ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).

² Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

³ Decision N°624/2007/EC of the European Parliament and the Council of 23 May 2007 establishing an action programme for customs in the Community (Customs 2013) (OJ L 154, 14.6.2007, p. 25).

CHAPTER I
General provisions

Article 1

Subject matter

1. A multiannual action programme "Customs 2020" ("the Programme") is hereby established to support the functioning of the customs union.
2. The Programme shall cover the period from 1 January 2014 to 31 December 2020.

Article 2

Definitions

For the purpose of this Regulation, the following definitions shall apply:

- (1) "customs authorities" means the authorities responsible for applying rules on customs;
- (2) "external experts" means:
 - (a) representatives of governmental authorities, including those from countries not participating in the Programme, pursuant to Article 3(2);
 - (b) economic operators and organisations representing economic operators;
 - (c) representatives of international and other relevant organisations.

Article 3

Participation in the Programme

1. Participating countries shall be the Member States and the countries referred to in paragraph 2, provided that the conditions set out in that paragraph are met.
2. The Programme shall be open to participation by any of the following countries:
 - (a) acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements, Association Council decisions or similar agreements;
 - (b) partner countries of the European Neighbourhood Policy provided that those countries have reached a sufficient level of approximation of the relevant legislation and administrative methods to those of the Union.

The partner countries referred to in point (b) of the first subparagraph shall participate in the Programme in accordance with provisions to be determined with those countries following the establishment of framework agreements concerning their participation in Union programmes.

Article 4

Contribution to the activities under the Programme

External experts may be invited to ***contribute to*** selected activities organised under the Programme wherever this is ***essential*** for the achievement of the objectives referred to in Articles ***5 and 6***. The external experts shall be selected by the Commission ***together with the participating countries***, on the basis of their skills, experience and knowledge relevant to the specific activities.

Article 5

General objective and specific objectives

1. The general objective of the Programme shall be to ***support the functioning and modernisation of the customs union in order to*** strengthen the internal market ***by means of cooperation between participating countries, their customs authorities and their officials. The general objective shall be pursued through the achievement of specific objectives.***

2. ***The specific objectives shall be to support customs authorities in protecting the financial and economic interests of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights, to increase safety and security, to protect citizens and the environment, to improve the administrative capacity of the customs authorities and to strengthen the competitiveness of European businesses.***

The specific objectives shall be achieved, in particular by:

- (a) ***computerisation;***
- (b) ***ensuring modern and harmonised approaches to customs procedures and controls;***
- (c) ***facilitating legitimate trade;***
- (d) ***reducing compliance costs and administrative burden; and***
- (e) ***enhancing the functioning of the customs authorities.***

3. The achievement of *the specific objectives* shall be measured on the basis of the *indicators listed in Annex I. Where necessary, those indicators may be revised during the course of the Programme.*

The Commission shall be empowered to adopt delegated acts in accordance with Article 15 amending the list of indicators laid down in Annex I.

Article 6

Operational objectives

The operational objectives of the Programme shall be *the following*:

- (a) to support the preparation, coherent application and effective implementation of Union law *and policy in the field of customs;*
- (b) *to develop, improve, operate and support the European Information Systems for customs;*
- (c) *to identify, develop, share and apply best working practices and administrative procedures, in particular further to benchmarking activities;*
- (d) *to reinforce the skills and competences of customs officials;*
- (e) to *improve cooperation between* customs authorities *and* international organisations, third countries, other governmental authorities, *including Union and national market surveillance authorities, as well as* economic operators and organisations representing economic operators.

CHAPTER II
Eligible actions

Article 7
Eligible actions

The Programme shall provide, under the conditions set out in the annual work programme referred to in Article 14, financial support for the following types of action:

- (a) joint actions:
 - (i) seminars and workshops;
 - (ii) project groups, generally composed of a limited number of countries, operational during a limited period of time to pursue a predefined objective with a precisely ***defined*** outcome, ***including coordination or benchmarking***;
 - (iii) working visits organised by the participating countries or another country to enable officials to acquire or increase their expertise or knowledge in customs matters; for working visits organised within third countries only travel and subsistence (accommodation and daily allowance) costs are eligible under the Programme;
 - (iv) monitoring activities carried out by joint teams made up of Commission officials and officials of the participating countries to analyse customs practices, identify any difficulties in implementing rules and, where appropriate, make suggestions for the adaptation of Union rules and working methods;

- (v) expert teams, namely structured forms of cooperation, with a non-permanent or permanent character, pooling expertise to perform tasks in specific domains or carry out operational activities, possibly with the support of online collaboration services, administrative assistance and infrastructure and equipment facilities;
 - (vi) *customs* administration capacity building and supporting actions;
 - (vii) studies;
 - (viii) *jointly developed* communication *actions*;
 - (ix) any other activity in support of the *general*, specific *and operational objectives* set out in Articles 5 and 6;
- (b) IT capacity building: development, maintenance, operation and quality control of Union components of the European Information Systems set out in *Section A* of Annex II and new European Information Systems established under Union law;
- (c) human competency building: common training actions to support the necessary professional skills and knowledge relating to customs.

Article 8

Specific implementation provisions for joint actions

1. ***Participation in joint actions referred to in point (a) of Article 7 shall be on a voluntary basis.***
2. Participating countries shall ensure that officials with an adequate profile and qualifications are nominated to participate in the joint actions.
3. Participating countries shall, ***when appropriate***, take the measures necessary for the implementation of the joint actions, in particular by raising awareness on those actions and by ensuring that an optimal use is made of the outputs generated.

Article 9

Specific implementation provisions for IT capacity building

1. The Commission and the participating countries shall ensure that the European Information Systems referred to in Section A of Annex ***II*** are developed, operated and appropriately maintained.

2. The Commission shall coordinate, in cooperation with the participating countries, those aspects of the establishment and functioning of the Union *components, listed in Section B of Annex II*, and non-Union components, *described in Section C of Annex II*, of the *...* referred to in *Section A of Annex II* which are necessary to ensure their operability, interconnectivity and continuous improvement.
3. ***The Union shall bear the cost of acquisition, development, installation, maintenance and day-to-day operation of the Union components. The cost of acquisition, development, installation, maintenance and day-to-day operation of the non-Union components shall be borne by the participating countries.***

Article 10

Specific implementation provisions for human competency building

1. ***Participation in the common training actions referred to in point (c) of Article 7 shall be on a voluntary basis.***
2. Participating countries shall, where appropriate, integrate jointly developed training content, including e-learning modules, training programmes and commonly agreed training standards into their national training programmes.

3. Participating countries shall ensure that their officials receive the initial and continuing training necessary to acquire common professional skills and knowledge in accordance with the training programmes.
4. Participating countries shall provide the linguistic training necessary for officials to ascertain a sufficient level of linguistic competence for participation in the Programme.

CHAPTER III

Financial framework

Article 11

Financial framework

1. The financial envelope for the implementation of the Programme for the period 2014-2020 is set at EUR **522 943 000 in current prices**.

The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

2. *Within the financial envelope for the Programme, indicative amounts shall be allocated to eligible actions listed in Article 7, within the percentages set out in Annex III for each type of action. The Commission may depart from the indicative allocation of funds set out in that Annex, but may not increase the allocated share of the financial envelope by more than 10 % for each type of action.*

Should it prove necessary to exceed that limit, the Commission shall be empowered to adopt delegated acts in accordance with Article 15 modifying the indicative allocation of funds set out in that Annex III.

Article 12

Types of intervention

1. *The Commission shall implement the Programme in accordance with Regulation (EU, Euratom) No 966/2012.*
2. *Union financial support for eligible actions provided for in Article 7 shall take the form of:*
 - (a) *grants;*
 - (b) *public procurement contracts;*
 - (c) *reimbursement of costs incurred by the external experts referred to in Article 4.*

3. *The co-financing rate for grants shall be up to 100 % of the eligible costs in the case of daily allowances, travel and accommodation costs and costs linked to the organisation of events.*

The applicable co-financing rate where actions require the awarding of grants shall be set out in the annual work programmes.

4. The financial allocation for the Programme may also cover:
- (a) expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Programme and the achievement of its objectives, in particular, studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the Union insofar as they are related to the objectives of this Programme;
 - (b) expenses linked to IT networks focusing on information processing and exchange;
and
 - (c) all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.

Article 13

Protection of the financial interests of the Union

1. The Commission shall take appropriate measures ensuring that, where actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities by effective checks and, if irregularities are detected, by the recovery of the amounts unduly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.

2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds under this Regulation.
3. The European Anti-fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹ and Council Regulation (*Euratom*, EC) No 2185/96² with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under this Regulation.

CHAPTER IV

Implementing powers

Article 14

Work programme

1. In order to implement the *Programme*, the Commission shall adopt annual work programmes *by means of implementing acts*. *Those implementing acts* shall be adopted in accordance with the examination procedure referred to in Article **16**(2).

¹ 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).

² Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

Each annual work programme shall implement the objectives of the Programme by determining the following:

- (a) the actions in accordance with the general, specific and operational objectives as set out in Articles 5 and 6, the method of implementation including, where appropriate, the modalities for the establishment of expert teams referred to in point (v) of point (a) of Article 7 and the expected results;*
- (b) a breakdown of the budget per type of action;*
- (c) the co-financing rate for grants referred to in Article 12(3).*

2. In preparing the annual work programme, the Commission shall take into account the common approach regarding the customs policy. That approach shall be **regularly** reviewed and established in a partnership between the Commission and the Member States in the Customs Policy Group, composed of the heads of customs administrations from the Member States or their representatives and the representatives of the Commission.

The Commission shall keep the Customs Policy Group regularly informed of measures relating to the implementation of the Programme.

Article 15

Exercise of the delegation

1. *The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.*
2. *The power to adopt delegated acts referred to in the second subparagraph of Article 5(3) and in the second subparagraph of Article 11(2) shall be conferred on the Commission for a period commencing on 1 January 2014 and ending on 31 December 2020.*
3. *The delegation of power referred to in the second subparagraph of Article 5(3) and in the second subparagraph of Article 11(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following publication in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.*

4. *As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.*
5. *A delegated act adopted pursuant to the second subparagraph of Article 5(3) and the second subparagraph of Article 11(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of the notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.*

Article 16

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

CHAPTER V

Monitoring and evaluation

Article 17

Monitoring of actions under the Programme

1. The Commission shall, in **cooperation** with the participating countries, monitor the **implementation of the** Programme and actions under it **on the basis of the indicators referred to in Annex I**.
2. **The Commission shall make public the outcome of the monitoring.**
3. **The outcome of the monitoring shall be used for the evaluation of the Programme in accordance with Article 18.**

Article 18

Evaluation

1. **The Commission shall submit to the European Parliament and to the Council** a mid-term and **a** final evaluation report of the Programme regarding the matters referred to in paragraphs 2 and 3. **The** results of those evaluations, **including the identification of major shortcomings**, shall be integrated into decisions on the possible renewal, modification or suspension of the Programme for subsequent periods. Those evaluations shall be carried out by an independent external evaluator.

2. The Commission shall, by 30 June 2018, draw up a mid-term evaluation report on the achievement of the objectives of the actions under the Programme, the efficiency of the use of resources and the added value of the Programme at the European level. That report shall, additionally, address the simplification and the continued relevance of the objectives, as well as the contribution of the Programme to the Union priorities of smart, sustainable and inclusive growth.
3. The Commission shall, by 31 December 2021, draw up a final evaluation report on the matters referred to in paragraph 2, and on the long-term impact and the sustainability of the effects of the Programme.
4. Upon request from the Commission, the participating countries shall provide it with all data and information relevant for the purpose of contributing to its mid-term and final evaluation reports.

CHAPTER VI

Final provisions

Article 19

Repeal

Decision No 624/2007/EC is repealed with effect from 1 January 2014.

However, financial obligations related to actions pursued under that Decision shall continue to be governed by it until their completion.

Article 20

Entry into force

This Regulation shall enter into force on the **third** day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ,

For the European Parliament

The President

For the Council

The President

ANNEX I

Indicators

The achievement of the specific objectives referred to in Article 5(2) shall be measured on the basis of the following indicators:

- (a) the feedback from participants in actions under the Programme and users of the Programme index which will measure the perception of Programme stakeholders regarding the impact of the actions under the Programme inter alia in terms of:
 - (i) networking impact of the actions under the Programme;*
 - (ii) cooperation impact of actions under the Programme;**
- (b) the number of guidelines and recommendations issued following activities under the Programme relating to modern and harmonised approaches to customs procedures;*
- (c) the Common Communication Network for the European Information Systems Indicator, which will measure the availability of the common network which is indispensable for the running of the customs-related European Information Systems. The network should be available 98 % of the time;*

- (d) *the Union Law and Policy Application and Implementation Index, which will measure the progress in the preparation, application and implementation of Union law and policy in the field of customs inter alia on the basis of:*
- (i) *the number of actions under the Programme organised in this area, in particular relating to the protection of intellectual property rights, the issues of safety and security, the fight against fraud and the security in the supply chain;*
 - (ii) *the number of recommendations issued following those actions;*
- (e) *the European Information System Availability Indicator, which will measure the availability of the Union components of IT customs applications. These should be available 97 % of the time during business hours and 95 % of the time otherwise;*
- (f) *the Best Practices and Guideline Index, which will measure the evolution in the identification, development, sharing and application of best working practices and administrative procedures inter alia on the basis of:*
- (i) *the number of actions under the Programme organised in this area;*
 - (ii) *the number of guidelines and best practices shared;*

- (g) *the Learning Index, which will measure the progress resulting from actions under the Programme aiming to reinforce skills and competences of customs officials, inter alia on the basis of:*
- (i) *the number of officials trained by using common training material of the Union;*
 - (ii) *the number of times Programme eLearning modules were downloaded;*
- (h) *the Cooperation with third parties Indicator, which will establish how the Programme supports authorities other than Member States' customs authorities by measuring the number of actions under the Programme supporting that objective.*

ANNEX II

European Information Systems and their Union and non-Union components

A. The European Information Systems are the following:

- (1) the common communications network/common systems interface (CCN/CSI – CCN2), CCN mail3, the CSI bridge, the http bridge, CCN LDAP and related tools, CCN web portal, CCN monitoring;
- (2) supporting systems, in particular the application configuration tool for CCN, the activity reporting tool (ART2), Taxud electronic management of project online (TEMPO), service management tool (SMT), the user management system (UM), the BPM system, the availability dashboard and AvDB, IT service management portal, directory and user access management;
- (3) Programmes information and communication space (PICS);
- (4) the customs movement systems, in particular the (New) Computerised Transit System ((N)CTS), NCTS TIR for Russia, the Export Control System (ECS) and the Import Control system (ICS). The following applications/components are supporting these systems: the system to exchange data with third countries (SPEED bridge), the SPEED Edifact Converter Node (SPEED-ECN), the Standard SPEED Test Application (SSTA), the Standard Transit Test Application (STTA), the Transit Test Application (TTA), the Central Services/Reference Data (CSR2) and the Central Services/Management Information System (CS/MIS);

- (5) the Community Risk Management System (CRMS) covering the Risk Information Forms (RIF) and the Common Profiles CPCA functional domains;
- (6) the Economic Operators System (EOS) covering the Economic Operator Registration and Identification (EORI), the Authorised Economic Operators (AEO), the Regular Shipping Services (RSS) and the mutual recognition with partner countries functional domains. The Generic Web Service is a support component for this system;
- (7) the tariff system (TARIC3) which is a reference data system for other applications such as the quota management system (QUOTA2), the surveillance management and monitoring system (SURV2), the European Binding Tariff Information system (EBTI3) the European Customs Inventory of Chemical Substances (ECICS2). The Combined Nomenclature (CN) and the suspensions (Suspensions) applications are managing legal information with a direct link to the tariff system;
- (8) the applications for control purposes, in particular the Specimen Management System (SMS) and the Information System for Processing Procedures (ISPP);
- (9) the anti-COUNTERFEIT and anti-PIRACY System (COPIS);

- (10) the Data Dissemination System (DDS2) managing all information which is accessible to the public via the Internet;
- (11) the Anti-Fraud Information System (AFIS); and
- (12) any other systems included in the multiannual strategic plan provided for in Article 8(2) of Decision No 70/2008/EC of the European Parliament and of the Council¹, and the successors of that plan.

B. The Union components of the European Information Systems are:

- (1) IT assets such as the hardware, the software and the network connections of the systems, including the associated data infrastructure;
- (2) IT services necessary to support the development, the maintenance, the improvement and the operation of the systems; and
- (3) any other elements which, for reasons of efficiency, security and rationalisation, are identified by the Commission as common to participating countries.

C. *The non-Union components of the European Information Systems are all those components which are not identified as Union components in Section B.*

¹ Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade (OJ L 23, 26.1.2008, p. 21).

ANNEX III

Indicative allocation of funds

The indicative allocation of funds to eligible actions listed in Article 7 is the following:

<i>Types of action</i>	<i>Share of the financial envelope (in %)</i>
<i>Joint actions</i>	<i>maximum 20 %</i>
<i>IT capacity building</i>	<i>at least 75 %</i>
<i>Human competency building</i>	<i>maximum 5 %</i>

STATEMENT BY THE EUROPEAN PARLIAMENT

Effective, efficient, modern and harmonised approaches to customs controls at the external border of the Union are essential:

- to protect the financial interests of the Union and its Member States,
- to fight against illegal trade while allowing facilitations for legitimate business activity,
- to ensure the safety and security of the Union and its inhabitants, and the protection of the environment,
- to protect intellectual property rights, and
- to secure compliance with the common commercial policy.

In order to exercise such controls, it is crucial for customs to have access to the appropriate tools, such as detection equipment and technology. The need for these tools is exemplified, amongst others, in Europol's Organised Crime Threat Assessment 2011, which states that the economic impact of cigarette smuggling represents a loss to the budgets of the Member States and of the Union estimated at around EUR 10 billion per year.

At present, the several instruments of the Multiannual Financial Framework (MFF) available to co-fund the acquisition of such tools are not exploited to the fullest extent. To achieve efficient allocation of funding resources, the European Parliament invites the Commission to present a report, no later than mid-2018, on the provision of the necessary financial resources to purchase appropriate tools for customs controls in the area referred to in point (a) of Article 3(1) TFEU, including the possibility of allocating those resources through a single fund."