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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**pursuant to Article 14(3) of Regulation (EU) 2019/880 of the European Parliament and
of the Council of 17 April 2019 on the introduction and the import of cultural goods**

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GLOSSARY

Business Case	The document that provides the IT project justification and defines its budgetary requirements.
Vision Document	The Vision Document elaborates on the assumptions made in the Business Case Document. It records the system owner/system supplier partnership and understanding of the system at the time of writing.
ICG system	Import of Cultural Goods system - the centralised electronic system for the import of cultural goods.
TRACES	Trade Control and Expert System - the European Commission's multilingual online platform for sanitary and phytosanitary certification.
EU CSW - CERTEX	EU Customs Single Window - Certificates Exchange.
MPF	Multiannual Financial Framework; the EU long-term budget, running from 2021 to 2027.
BPM	Business Process Model - the application-level Business Process Model describes the entirety of the business process and flow of information for an application, completing the System Business Process Model created during the “System Specification” phase, to take into account the application’s own needs.
BAC document	The Business Acceptance Criteria document

1. INTRODUCTION

Regulation (EU) 2019/880 of the European Parliament and of the Council of 17 April 2019¹ on the introduction and the import of cultural goods (hereafter “the Regulation”) aims to prevent the illicit trade in cultural goods, in particular when it contributes to the financing of terrorist activities, and to prohibit the import into the customs territory of the Union of cultural goods exported illegally from third countries.

The Regulation subjects the import of certain cultural goods that are considered to be particularly endangered (namely, archaeological objects and parts of monuments that have been dismembered) to import licences and others, which are considered less endangered, to importer statements and ensures that they undergo uniform controls when imported into the Union. Certain imports of cultural goods that are intended for specific uses (educational, scientific or research-related) are exempted from these documentary requirements.

The obligation for importers to obtain an import licence or draw up and submit an importer statement to customs will only start to apply from the moment that a centralised electronic system (the ICG system) will become operational.

The ICG system will not only serve as a means for the accomplishment of formalities by operators, but also for the storage and the exchange of information between Member States administrations in charge of implementing the Regulation (customs and cultural authorities).

The functioning of the ICG system depends on the EU Single Window Environment for Customs established by Regulation (EU) 2022/2399², which provides a legal basis for the functioning of the EU Customs Single Window Certificates Exchange (EU CSW-CERTEX).

The EU CSW-CERTEX represents the central component of the EU Single Window and is developed by the Commission to link the national Single Window Environments for customs to Union systems or databases managing non-customs requirements so that all relevant authorities can access the relevant data and collaborate more easily on border checks.

Every 12 months from the entry into force of the Regulation and, until the ICG system becomes operational, the Commission is to present a report to the European Parliament and to the Council on the progress made with establishing this electronic system.

The first Commission annual progress report³ outlined the action taken by its services during the first year after the Regulation entered into force, namely: (a) the preparatory work for adopting the necessary implementing provisions, and (b) the consultations with the Member States via the Expert Group for customs issues related to cultural goods and the Project Group for the import of cultural goods.

The second Commission annual progress report⁴ presented the progress achieved with the adoption of the Commission Implementing Regulation (EU) 2021/1079⁵, as well as the roll-

¹ OJ L 151, 7.6.2019, p. 1–14

² Regulation (EU) 2022/2399 of the European Parliament and of the Council of 23 November 2022 establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013 OJ L 317, 9.12.2022, p. 1–23

³ [COM\(2020\) 342 final](#)

⁴ [COM \(2021\) 358 final](#)

out of Phase 1 – ‘Conceptualisation’ of the ICG project, the work carried out by the Project Group created for this purpose and the advancement of the Business Case and the Vision Document for the ICG project.

The third Commission annual progress report⁶ covered:

- (a) the finalisation of the first version of the package of Business Process Models for the ICG system. Additional updates of the package will be required during the development phase.
- (b) the finalisation of the Business Acceptance Criteria (BAC) document, describing all the test scenarios required to test comprehensively the business requirements and functional requirements for the ICG system, so as to ensure that all identified business needs can be implemented by it.
- (c) the creation of user stories and their alignment with the BAC, verifying the information needed for the developers to estimate and implement the functionalities necessary to meet the requirements.

The present fourth annual progress report covers the period from July 2022 to June 2023. For the sake of completeness, the objectives to be met, the project architecture and the planning approach, which are detailed in previous progress reports, are also briefly mentioned here. The overall assessment of the progress made and the identified risks for delay are summarised in the conclusions section of this report.

2. OBJECTIVES TO BE MET

The ICG system is to become operational by 28 June 2025 at the latest, as on that date, it will become mandatory for all operators to obtain import licences or submit importer statements to customs through that electronic system, in order for them to be able to import⁷ legally specific categories of cultural goods into the Union.

After the adoption, in June 2021, of Commission Implementing Regulation (EU) 2021/1079 and the approval of the Vision Document, the development phase of the ICG system began in the second quarter of 2022. It will cover about two years, at the end of which the third phase will start. In the third phase, the ICG system will be interconnected to the EU-CSW CERTEX, to allow the exchange of documents with Member States’ customs systems. In parallel, training sessions will be organised to familiarise their administrations with the ICG system’s operational functionalities.

Alongside other activities of the Commission services in the field of customs, the project on the import of cultural goods is also planned in detail through the Multi-Annual Strategic Plan for electronic Customs 2019 revision⁸ (MASP-C rev. 2019). An excerpt of the planning of the project on the import of cultural goods from MASP-C rev. 2019 is provided in Annex I to this

⁵ Commission Implementing Regulation (EU) 2021/1079 of 24 June 2021 laying down detailed rules for implementing certain provisions of Regulation (EU) 2019/880 of the European Parliament and of the Council on the introduction and the import of cultural goods; OJEU L 234 of 2.7.2021, p. 67.

⁶ [COM\(2022\) 580 final](#)

⁷ The Regulation defines as ‘import’ the placement of goods under the following customs procedures: release for free circulation; storage in customs warehouses or free zones; temporary admission; and end-use, including inward processing.

⁸ See https://ec.europa.eu/taxation_customs/general-information-customs/electronic-customs_en.

report (table 1). A revision of MASP-C is expected by the end of 2023, and the project fiche will be updated at that moment to reflect the actual progress on the project.

As previously mentioned, part of the project on the import of cultural goods is developed also within the EU Single Window Environment for Customs of which CERTEX is a key component. An excerpt of the planning of EU CSW-CERTEX rev. 2019 from MASP-C Fiche 1.13 is also provided in Annex I to this report (table 2).

3. PROJECT ARCHITECTURE AND PLANNING APPROACH

As explained analytically in the first annual progress report, the Project Architecture is based on the methodology provided for in MASP-C rev. 2019 and its Annexes, including the Governance Scheme⁹, the EU Customs Business Process Modelling Policy¹⁰ and the IT strategy¹¹. A comprehensive roadmap, with the main project phases and the critical milestones is detailed in Annex II.

Although the project is progressing on several levels at the same time, it can be figuratively divided into three main phases:

Phase 1 – Conceptualisation: Initially, a Business Case is prepared, providing the project justification and defining budgetary requirements. Further, the Level 3 (user requirements BPMs) and Level 4 (functional requirements BPMs) are produced, with the aim of providing a visual representation of business processes and detailed functional requirements to guarantee that the envisaged operational IT system will function as set out in the legislation. Subsequently, a Vision Document is produced, which provides more detailed information on the project definition in terms of architecture, cost, time, and risk, as well as information such as milestones, deliverables and project organisation. These documents reflect the discussions, and the content of the implementing act to be produced by the Commission.

Phase 2 – System development Based on the provisions of the implementing act, the user requirements and the functional specifications for the system, technical specifications on how the system will be constructed are developed. These technical specifications include: the architecture to be used, the messages to be submitted by economic operators, the interfaces to other systems, testing plans, etc.

Once the design of the system is ready from a conceptual perspective and the deliverables listed in Table 1, Milestones 1 and 3 (see Annex I) are produced, a more in-depth work begins and more technical aspects are taken into account in the Application & Service specifications and Technical System Specification documents, which are the concretisation of the Business Case (prepared during Phase 1) and the Vision Document (prepared during Phase 2). The ICG is to be integrated in the existing TRACES platform and therefore reuse to some extent the existing specifications, architecture, messages and interface.

Phase 3 – Deployment and Operation The actual IT development phase (Construction Phase) begins, which is followed by a Transition phase where the early versions of the ICG system will be gradually rolled out to the different groups of users and tests are performed to ensure that, by 28 June 2025, operators and competent authorities are capable and well trained in the use of the system. Then, a 6 months after-care period will follow, during which the

⁹ https://ec.europa.eu/taxation_customs/sites/taxation/files/2019_masp_annex3_en.pdf

¹⁰ https://ec.europa.eu/taxation_customs/sites/taxation/files/2019_masp_annex4_en.pdf

¹¹ https://ec.europa.eu/taxation_customs/sites/taxation/files/2019_masp_annex5_en.pdf

system will be fine-tuned to match any operational needs that may become evident only after the use of an IT system becomes mandatory, and to ensure that operations are running smoothly.

It is to be noted that the ICG system will be interconnected with Member States' customs administrations via the EU CSW-CERTEX by **3 March 2025**, following the adoption of the Regulation on the EU Single Window Environment for Customs¹² to allow customs automated controls on the documents issued for the import of cultural goods. This activity will require Conformance Testing.

4. PROGRESS OVERVIEW

Project development

The technical activities have been well-progressing during the reporting period. As of the second quarter of 2022 the development of the ICG system has begun, with the first internal releases addressing the general functional infrastructure (i.e. support entities, reference data, users, roles, search indexes and others), as well as the core workflows (i.e. register/submission workflows for the forms required at import, draft saving workflows, etc.).

Given that the first results are already available, 3 extensive demonstrations were made by the Commission to the Project Group, showcasing the system to the participant Member States. While the efforts concentrated on extending the core functionalities to the complete management capabilities, the focus was placed also on defining new functional concepts such as the subsequent import facilitation, applying for a licence that covers multiple objects, the licence application split or the ICG third countries law compendium feature.

Additionally, as of the first quarter of 2023, the business activities for the EU CSW-CERTEX integration have been launched, so that import licences or importer statements are accessible to customs via the EU CSW-CERTEX by early 2025, in line with the schedule for the entry into operation of the ICG system.

Methodology: approach used for the implementation of the ICG System

The methodological approach used for the implementation of the ICG represents a mix between different Commission services' methodologies and practices for conceptualisation, quality assurance, development and deployment. In this context, the regular internal meetings and demonstration sessions allow for discussing and implementing real functionalities, avoiding too elaborate mock-up screens. The adaptive planning allows for responding faster to expectations and changes in a flexible way. To get proper feedback from the field and properly implement the system, the Member States will be associated on a voluntary basis as soon as there is a test version. The test environment will be accessible from the outside, using generic training profiles, as of the fourth quarter of 2023.

High-level planning

The ICG features are classified under different categories as presented below:

¹² After almost 10 years of pilot projects and almost four years of preparations and negotiations, the Regulation establishing the EU Single Window Environment for Customs made its way into EU law in December 2022, providing a new legal framework to improve information sharing and digital cooperation between customs administrations and other government authorities.

- (a) “ICG core features with existing base in TRACES”: essential features where existing functionality will be reused;
- (b) “ICG core features without existing base in TRACES”: essential features to be built from scratch;
- (c) “ICG not core features”: important but not essential features;
- (d) “External connections”: features that rely on external inputs;
- (e) “Out of scope”: features not for the first ICG system version (e.g. Artificial Intelligence);

An estimation of availability by quarter is given in the table below. The effort is currently organised in 8 releases from second quarter 2022 to second quarter 2024, with the caveat that this organisation is subject to continuous agile refinement and optimisation.

High level overview of availability targets												
Category	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A – Core, reuse TRACES												
B – Core, new development												
C – Not core features												
D – External connections												

Table 1: High-level overview of availability targets

Request for Changes (RfCs)

As per the Change Management Process, whenever a change is identified, this is registered in a Request for Change (RfC) list. While the development activities are progressing and internal discussions are ongoing, several changes are identified to be implemented at the Level 2-Level 4 ICG BPMs. Therefore, the BPMs and BAC document are updated to reflect the latest status considering the amendments. The Member States are informed about the changes, however so far the modifications do not have any impact on them.

External synergies

During the reporting period, the Commission has been liaising closely with international organisations, such as the International Council of Museums (ICOM) for ensuring that the system incorporates elements of risk management, notably from the ICOM Red Lists¹³ and Unesco. In addition, other tools used by ICOM to protect cultural heritage (i.e. Object ID¹⁴, Observatory¹⁵, etc.) were explored with the aim of combating illicit trafficking.

Internal Cooperation

An extensive cooperation exists between the Commission’s services responsible for customs and for health, who are responsible for a number of policies that are deeply intertwined. The operational framework of cooperation has been agreed between services and has been further enhanced during the reporting period through continuous monitoring.

¹³ <https://icom.museum/en/resources/red-lists/>

¹⁴ <https://icom.museum/en/resources/standards-guidelines/objectid/>

¹⁵ <https://www.obs-traffic.museum/>

Work with the Project Group on ‘Digitalisation of Cultural Goods’

The Commission has created a Customs Project Group on the Digitalisation of Cultural Goods¹⁶ which serves as a discussion forum for experts from Member States’ national customs administrations and competent (cultural) authorities with experience in carrying out licencing formalities in heritage matters, in particular digitally. The Group provided support in the preparation of the implementing act, and is assisting the Commission services with defining the parameters and elaborating the criteria for the functional specifications of the ICG system.

The Project Group¹⁷ currently consists of delegates from 15 Member States (AT, BE, BG, DK, DE, EE, EL, ES, FR, HU, IT, LV, NL, PT and RO) and to-date it has met twenty times (six during the reporting period 29.6.2022 – 28.6.2023).

During this reporting period, the Project Group mainly examined and provided their expertise and insight on the following subjects:

- Guidelines for competent authorities for the validation of registrations in the ICG system of entities which may benefit from the exemptions from licencing or statement requirements for temporary imports that have an educational, scientific or research purpose. Creating a best practices document to ensure that the same evaluation criteria are used by all Member State competent authorities when they validate such registrations.
- Understanding the administrative structure of the competent authorities in the Member States and harmonising it with the configuration and concepts of the ICG and TRACES systems, so as to direct licence applications each time to the appropriate competent authority.
- How to organise best in the ICG system the facilitation offered to importers in the case of subsequent import of a previously licenced cultural good.
- With the aim of creating a third country law library feature within the ICG system to help competent authorities, customs and importers to identify whether there is an export certification requirement or an export prohibition in third countries, a template has been designed in close cooperation with the Project Group members, to serve as a library specimen profile.
- How to handle in the ICG system applications for import licences that cover consignments of multiple cultural goods; drawing from the practical experience of competent authorities in the context of export licences under Regulation (EC) 116/2009.
- Brainstorming on the most efficient and effective way to organise the workflow of an import licence application with multiple objects, in the case where the competent authority intends to grant the licence for some of the objects but reject the application with regard to the rest.
- In the context of reducing the free text fields within the import licence and importer statement templates, the members were consulted on creating lists of values to improve the collection of statistical data.

¹⁶ The Project Group on Digitalisation of Cultural Goods serves as a discussion platform, where experts from national customs administrations and competent (cultural) authorities with experience in carrying out licencing formalities in heritage matters, in particular digitally, come together to provide support with the activities related to the development of the ICG System.

¹⁷ For more details on the Project Group’s mandate and work, please see the Commission’s first Progress Report [COM\(2020\) 342 final](#).

Additionally, during the reporting period and as new functionalities were created and added to the system, the ICG developers team made three demonstrations to the Group to get feedback on the implementation of the new features.

5. RISKS FOR DELAYS

Risk 1 – Staff allocation

The initial proposal from the Commission did not provide for the creation of an IT system. Thus, resources were not allocated accordingly. However, in the course of the negotiations and at the request of the co-legislators, the creation of the ICG system was included in the Regulation, which called for additional resources that were unforeseen at that point. The needs for this six-year project in terms of IT development personnel were estimated, at the time of the final political trilogues in December 2018, to be two full time Administrator posts. However, only one full time Administrator could be allocated since mid-July 2020.

Risk 2 – EU Single Window Environment for Customs and overall customs IT development priorities

The ICG system is interdependent on the correct implementation of EU CSW-CERTEX, the core component of the EU Single Window Environment for Customs, to exchange information with the national single window environments for customs. The risks are situated mostly on the side of the Member States and linked to resource constraints, the complexity of the projects and their integration, contractual, as well as possible procurement and funding issues. These risks need to be considered in the context of the Member States' overall IT activities, particularly the UCC IT projects (such as import systems) which have an indirect impact on the overall ICG implementation. Some Member States have experienced additional resources impact related to the war in Ukraine. To tackle the funding issues, COM has promoted the use of the relevant instruments, including the Technical Support Instrument (TSI).

Mitigation actions

The risks have been reported internally.

6. CONCLUSIONS

The main actions to develop the ICG system that were undertaken during the period covered by the present 4th progress report can be summarised as follows:

- The ICG system development has began and the first basic results can already be seen on the screen. The ICG core functions, such as for instance the document creation, saving as a draft, and the submission or registration of documents for all types of cultural goods, are already operational.
- The focus is now on extending these core functionalities to the complete management capabilities of the system. The efforts planned under the 8 internal releases from the second quarter of 2022 to the second quarter of 2024 are on track, with their organisation being subject to continuous Agile method adaptations.
- Close collaboration with the members of the Project Group on ‘Digitalisation of Cultural Goods’ has allowed to advance the technical activities and three demonstrations of the ICG system took place in the context of the regular Project Group meetings.

- New ICG functional concepts were agreed and implemented such as the facilitation in the case of subsequent import of previously licenced cultural goods, multiple objects under the same import licence, licence application split, etc.
- A functional template was created for the third country law profiles. This third country law Library feature of the ICG will help administrations and operators alike in identifying whether the export of cultural goods from a given third country is subject to restrictions or prohibitions.
- The business activities for the EU CSW-CERTEX integration has been launched in order for the ICG system documents to be accessible to customs by early 2025, in line with the entry into operation of the ICG e-licensing system. Work on other external connections such as for instance with EORI has been progressing.
- As per the MASP-C 2019 milestones, the work on the Application & Service Specifications and Technical System Specifications has been launched.
- The Commission has been so far on schedule with development deadlines and no significant risks for delays have been identified.

ANNEX I: MULTIANNUAL STRATEGIC PLANNING

The MASP-C ensures an effective and coherent management of IT projects by setting out both a strategic framework and milestones within the legal deadlines established in legislation. It is ultimately endorsed by the Member States in the Customs Policy Group (CPG) based on advice provided by the Electronic Customs Coordination Group (ECCG) and consultations with trade at the Trade Contact Group (TCG).

The planning for the electronic system has been discussed and approved by the Member States and is described in detail in Fiche 1.18 of the MASP-C rev. 2019.

Table 1 below provides an excerpt of the planning of the project on the import of cultural goods from MASP-C rev. 2019 Fiche 1.18.

<i>Table 1 - Excerpt of MASP-C rev. 2019 Fiche 1.18</i>		
	<i>Milestones</i>	<i>Estimated completion date</i>
1	Business Analysis and Business Modelling	
	- Business Case Document	Q4 2020
	- Level 3 (User Requirements BPM)	Q1 2022
	- Level 4 (Functional Requirement detailed BPM)	Q1 2022
2	Legal Provisions	
	- Current provisions adopted*	Q2 2019
	- Future provisions adopted**	Q2 2021
3	Project Initiation Phase	
	- Vision Document	Q2 2021
	- GO decision	Q2 2021
4	IT Project	
	- Application & Service Specifications	Q2 2023
	- Technical System Specifications	Q2 2023
	Construction Phase	
	- Central services implementation	Q3 2024
	- Service integration in National Systems	N/A
	- National implementation	N/A
	Transition Phase	
	- Deploy and rollout	Q4 2024
	- Conformance tests	Q2 2025
5	Operation	
	- Commission, Member States administrations and Traders	Q2 2025
	- Non-EU Countries and non-EU traders (in case required)	N/A
6	Implementation support (training and communication)	
	- Centrally developed training and communication	Q4 2024
	- National training and communication	Q4 2024

*Current provisions refer to Regulation (EU) 2019/880

**Future provisions refer to the implementing provisions to be adopted according to Regulation (EU) 2019/880

Table 2 provides an excerpt of the EU CSW-CERTEX project, with a focus on Component 2 of the EU-CSW CERTEX project, interconnecting the ICG system.

<i>Table 2 - Excerpt of MASP-C rev. 2019 Fiche 1.13 – Component 2 “EU CSW- CERTEX”</i>		
	<i>Milestones</i>	<i>Estimated completion date</i>
1	Business Analysis and Business Modelling	
	- Business Case Document	Q1 2017
	- Business Case Annex	Q2 2023
	- Level 3 (User Requirements BPM)	Q1 2024
	- Level 4 (Functional Requirement detailed BPM)	Q1 2024
2	Legal Provisions	
	- Current provisions adopted*	In force
	- Future provisions adopted**	2021
3	Project Initiation Phase	
	- Vision Document	Q3 2017
	- Vision Document Annex	Q3 2023
	- GO decision	Q3 2023
4	IT Project	
	- Application & Service Specifications	Q2 2024
	- Technical System Specifications	Q2 2024
	Construction Phase	
	- Central services implementation	Q3 2024
	- Service integration in National Systems	From Q4 2024 onwards
	- National implementation	From Q4 2024 onwards
	Transition Phase	
	- Deploy and rollout	Q4 2024
	- Conformance tests	From Q1 2025 onwards
5	Operation	
	- Commission, Member States administrations and Traders (NB: This is the Operations date for the Commission, MS will conformance test from Q2 2020)	Q2 2025
	- Non-EU Countries and non-EU traders (in case required)	N/A
6	Implementation support (training and communication)	
	- Centrally developed training and communication	N/A
	- National training and communication	N/A

*Current provisions refer to Regulation (EU) 2019/880

**Future provisions refer to the implementing provisions to be adopted according to Regulation (EU) 2019/880

ANNEX II: MAIN PROJECT PHASES AND CRITICAL MILESTONES TIMELINE

