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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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Subject: COMMISSION DELEGATED REGULATION (EU) .../... of 2.5.2024 supplementing Regulation (EU) 2018/1240 of the European Parliament and of the Council as regards the identification of increases in the costs of operation and maintenance of the European Travel Information and Authorisation System (ETIAS) for the purpose of changing the amount of the travel authorisation fee

Delegations will find attached document C(2024) 2678 final.

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EUROPEAN
COMMISSION

Brussels, 2.5.2024
C(2024) 2678 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 2.5.2024

**supplementing Regulation (EU) 2018/1240 of the European Parliament and of the
Council as regards the identification of increases in the costs of operation and
maintenance of the European Travel Information and Authorisation System (ETIAS)
for the purpose of changing the amount of the travel authorisation fee**

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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

In September 2018, the Council and the European Parliament adopted Regulation (EU) 2018/1240, establishing the European Travel Information and Authorisation System ('ETIAS')¹.

That Regulation requires the European Commission to adopt delegated acts that are necessary for the development and technical implementation of the ETIAS Information System.

In particular, pursuant to Article 18(4) of that Regulation, the Commission is delegated the task of defining the conditions for changing the amount of the ETIAS travel authorisation fee on the basis of any evolution of the costs of operation and maintenance of ETIAS that may justify an increase of the amount of the ETIAS travel authorisation fee.

Pursuant to Article 18 of Regulation (EU) 2018/1240, applicants applying for an ETIAS travel authorisation are to pay a fee set at EUR 7. In accordance with Article 86 of that Regulation, revenues generated from the fee should cover the costs of the operation and maintenance of ETIAS, which are outlined in Article 85 of that Regulation, and as incurred by the Member States, the European Border and Coast Guard Agency, the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice and the European Union Agency for Law Enforcement Cooperation ('agencies').

Following Article 85(3) of Regulation (EU) 2018/1240, ETIAS' operating costs should also include financial support to Member States for expenses incurred to customise and automate border checks in order to implement ETIAS.

In this regard, if the revenue from the fee set at EUR 7 is not enough to cover the costs mentioned in the preceding two paragraphs, that fee may be changed by the adoption of a Delegated Act. In this respect, the Commission was delegated the task to provide for such a possible change.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

For the purpose of developing the above-mentioned delegated act, an Expert Group was established. All Member States were presented with an opportunity to nominate experts to participate in the Expert Group on Information Systems for Borders and Security, in accordance with Article 89(4) of Regulation (EU) 2018/1240 and with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. As a result, this Commission Delegated Regulation was developed based on the input given by experts of the Member States in the framework of the above-mentioned Expert Group.

This Expert Group was consulted for the first time on 26 March 2021. The experts were also given the opportunity to provide the European Commission with written comments. A final version of this Regulation that built on the feedback received was presented to the Member States on 26 January 2024, after which the document was considered final by the experts and by the Commission.

¹ Regulation (EU) 2018/1240 of the European Parliament and of the Council of 12 September 2018 establishing a European Travel Information and Authorisation System (ETIAS) and amending Regulations (EU) No 1077/2011, (EU) No 515/2014, (EU) 2016/399, (EU) 2016/1624 and (EU) 2017/2226 (OJ L 236, 19.9.2018, p. 1).

In addition, the European Border and Coast Guard Agency ('Frontex'), within which the ETIAS Central Unit will be established, and the European Union Agency for Law Enforcement Cooperation ('Europol') were consulted.

Furthermore, the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice ('eu-LISA') advised the Commission regarding the technical needs and feasibility of the measure proposed.

Additionally, the European Data Protection Supervisor was consulted before adoption to ensure the respect of data protection provisions.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

In accordance with Article 18(1) of Regulation (EU) 2018/1240, the applicant shall pay a fee of EUR 7 to apply for an ETIAS travel authorisation. This fee shall be waived for applicants under 18 years or above 70 years of age at the time of the application, as well as for third-country nationals referred to in point (c) of Article 2(1) of the Regulation.

Pursuant to Article 86 of Regulation (EU) 2018/1240, the ETIAS travel authorisation fee collected is to cover the costs of operation and maintenance of ETIAS, in accordance with that Article.

In instances where the collected fee is insufficient to cover those costs, it becomes necessary to raise the amount of the fee. In this respect, in accordance with Article 18(4), the European Commission is to adopt a delegated act to identify any increase in the costs of operation and maintenance of ETIAS justifying a change of the fee.

This Regulation conforms to the principle of proportionality. While the European Commission relies on the reporting of costs of operation and maintenance of ETIAS by Member States and agencies to be able to make a timely and informed decision on whether a change of the amount of the ETIAS travel authorisation fee is required, no obligations to report on ETIAS-related costs will be imposed on Member States and agencies beyond those that already exist under the applicable legal bases.

COMMISSION DELEGATED REGULATION (EU) .../...

of 2.5.2024

supplementing Regulation (EU) 2018/1240 of the European Parliament and of the Council as regards the identification of increases in the costs of operation and maintenance of the European Travel Information and Authorisation System (ETIAS) for the purpose of changing the amount of the travel authorisation fee

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2018/1240 of the European Parliament and of the Council of 12 September 2018 establishing a European Travel Information and Authorisation System (ETIAS) and amending Regulations (EU) No 1077/2011, (EU) No 515/2014, (EU) 2016/399, (EU) 2016/1624 and (EU) 2017/2226¹, and in particular Article 18(4) thereof,

Whereas:

- (1) Regulation (EU) 2018/1240 establishes the European Travel Information and Authorisation System ('ETIAS') applicable to visa-exempt third country nationals seeking to enter the territory of the Member States.
- (2) In accordance with Article 86 of Regulation (EU) 2018/1240, the costs of operation and maintenance of ETIAS are to be covered by revenues generated by the ETIAS travel authorisation fee. To know their structure and identify any significant or longstanding increase in these costs, the Commission should review, on a yearly basis, the costs of operation and maintenance of ETIAS reported by the Member States, as well as the European Border and Coast Guard Agency ('Frontex'), the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice ('eu-LISA') and the European Union Agency for Law Enforcement Cooperation ('Europol') (hereafter collectively referred to as 'agencies') under their pre-existing reporting obligations.
- (3) A significant or persistent increase in those costs should lead to a change of the amount of the ETIAS travel authorisation fee. To that end, the Commission should compare the costs of operation and maintenance of ETIAS reported by the Member States and the agencies in a given year with those reported in previous years, in order to identify any significant or longstanding increases. In order to minimise reporting obligations, this comparison should be performed on the basis of data already reported by Member States under Regulation (EU) 2021/1148 of the European Parliament and of the Council². To determine whether an increase of the amount of the ETIAS travel authorisation fee would be justified, the Member States and the agencies should provide, upon request by the Commission, the reasons underpinning the increase in the costs of operation and maintenance.

¹ OJ L 236, 19.9.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1240/oj>.

² Regulation (EU) 2021/1148 of the European Parliament and of the Council of 7 July 2021 establishing, as part of the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy (OJ L 251, 15.7.2021, p. 48, ELI: <http://data.europa.eu/eli/reg/2021/1148/oj>).

(4) This Regulation does not affect the application of Directive 2004/38/EC of the European Parliament and of the Council³ and of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community⁴.

(5) Given that Regulation (EU) 2018/1240 builds upon the Schengen *acquis*, in accordance with Article 4 of Protocol No 22 on the position of Denmark, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, Denmark notified its decision to implement Regulation (EU) 2018/1240 in its national law. Denmark is therefore bound by this Regulation.

(6) This Regulation constitutes a development of the provisions of the Schengen *acquis* in which Ireland does not take part, in accordance with Council Decision 2002/192/EC⁵. Ireland is therefore not taking part in the adoption of this Regulation and is not bound by it or subject to its application.

(7) As regards Iceland and Norway, this Regulation constitutes a development of the provisions of the Schengen *acquis* within the meaning of the Agreement concluded by the Council of the European Union and the Republic of Iceland and the Kingdom of Norway concerning the association of those two States with the implementation, application and development of the Schengen *acquis*⁶, which fall within the area referred to in Article 1, point A, of Decision 1999/437/EC⁷.

(8) As regards Switzerland, this Regulation constitutes a development of the provisions of the Schengen *acquis* within the meaning of the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen *acquis*⁸, which fall within the area referred to in Article 1, point A, of Decision 1999/437/EC, read in conjunction with Article 3 of Decision 2008/146/EC⁹.

(9) As regards Liechtenstein, this Regulation constitutes a development of the provisions of the Schengen *acquis* within the meaning of the Protocol between the European Union, the European Community, the Swiss Confederation and the Principality of Liechtenstein on the accession of the Principality of Liechtenstein to the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen *acquis*¹⁰ which fall within the area referred to in Article

³ Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC (OJ L 158, 30.4.2004, p. 77, ELI: <http://data.europa.eu/eli/dir/2004/38/oj>).

⁴ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community 2019/C 384 I/01 (OJ C 384I, 12.11.2019, p. 1).

⁵ Decision 2002/192/EC of 28 February 2002 concerning Ireland's request to take part in some of the provisions of the Schengen *acquis* (OJ L 64, 7.3.2002, p. 20).

⁶ OJ L 176, 10.7.1999, p. 36, ELI: [http://data.europa.eu/eli/agree_internation/1999/439\(1\)/oj](http://data.europa.eu/eli/agree_internation/1999/439(1)/oj).

⁷ Decision 1999/437/EC of 17 May 1999 on certain arrangements for the application of the Agreement concluded by the Council of the European Union and the Republic of Iceland and the Kingdom of Norway concerning the association of those two States with the implementation, application and development of the Schengen *acquis* (OJ L 176, 10.7.1999, p. 31, ELI: <http://data.europa.eu/eli/dec/1999/437/oj>).

⁸ OJ L 53, 27.2.2008, p. 52, ELI: [http://data.europa.eu/eli/agree_internation/2008/178\(1\)/oj](http://data.europa.eu/eli/agree_internation/2008/178(1)/oj).

⁹ Decision 2008/146/EC of 28 January 2008 on the conclusion, on behalf of the European Community, of the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen *acquis* (OJ L 53, 27.2.2008, p. 1, ELI: <http://data.europa.eu/eli/dec/2008/146/oj>).

¹⁰ OJ L 160, 18.6.2011, p. 21, ELI: <http://data.europa.eu/eli/prot/2011/350/oj>.

1, point A, of Decision 1999/437/EC read in conjunction with Article 3 of Decision 2011/350/EU¹¹.

(10) This Regulation constitutes an act building upon, or otherwise relating to, the Schengen *acquis* within the meaning of Article 3(1) of the 2003 Act of Accession.

(11) Considering the absence of a preceding operational year to serve as a baseline for meaningful year-on-year cost comparison during the first year of operation of ETIAS, Articles 2 to 6 of this Regulation should only apply commencing from the second year of operation of ETIAS,

HAS ADOPTED THIS REGULATION:

Article 1
Subject matter

This Regulation sets out the procedure for identifying an increase in the costs of operation and maintenance of the European Travel Information and Authorisation System ('ETIAS') requiring a change in the amount of the ETIAS travel authorisation fee incurred by:

(a) the Member States;

(b) the European Border and Coast Guard Agency ('Frontex'), the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice ('eu-LISA'), and the European Union Agency for Law Enforcement Cooperation ('Europol') (hereinafter collectively referred to as 'agencies').

Article 2
Costs of operation and maintenance of ETIAS incurred by the Member States

1. The Commission shall, on a yearly basis, review the costs reported by Member States in the Annual Performance Report submitted to the Commission pursuant to Article 29(2), point (g), of Regulation (EU) 2021/1148 and identify an increase in the costs of operation and maintenance, referred to in Article 85(2) and (3) of Regulation (EU) 2018/1240, in relation to those reported by the Member States in the previous years.
2. Member States shall provide, upon request by the Commission, the reasons justifying an increase in the costs of operation and maintenance of ETIAS referred to in paragraph 1 of this Article.

Article 3
Costs incurred by Frontex

1. The Commission shall, on a yearly basis, review the costs reported by Frontex in the Budget Implementation Report referred to in Article 99 of the Frontex Financial Regulation adopted pursuant to Article 120 of Regulation (EU) 2019/1896 of the

¹¹ Decision 2011/350/EU of 7 March 2011 on the conclusion, on behalf of the European Union, of the Protocol between the European Union, the European Community, the Swiss Confederation and the Principality of Liechtenstein on the accession of the Principality of Liechtenstein to the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen *acquis*, relating to the abolition of checks at internal borders and movement of persons (OJ L 160, 18.6.2011, p. 19, ELI: <http://data.europa.eu/eli/dec/2011/350/oj>).

European Parliament and of the Council¹² and identify an increase in the costs incurred for fulfilling the responsibilities defined in Article 75 of Regulation (EU) 2018/1240, in relation to those reported by Frontex in the previous years.

2. Frontex shall provide, upon request by the Commission, the reasons justifying an increase in the costs of operation and maintenance of ETIAS referred to in paragraph 1 of this Article.

Article 4 ***Costs incurred by Europol***

1. The Commission shall, on a yearly basis, review the costs reported by Europol in the Report on the Budgetary and Financial Management referred to in Article 60(2) of Regulation (EU) 2016/794 of the European Parliament and of the Council¹³ and identify an increase in the costs incurred for fulfilling the responsibilities defined in Article 77 of Regulation (EU) 2018/1240, in relation to those reported by Europol in the previous years.
2. Europol shall provide, upon request by the Commission, the reasons justifying an increase in the costs of operation and maintenance of ETIAS referred to in paragraph 1 of this Article.

Article 5 ***Costs incurred by eu-LISA***

1. The Commission shall, on a yearly basis, review the costs reported by eu-LISA in the report on the budgetary and financial management referred to in Article 47(4), of Regulation (EU) 2018/1726 of the European Parliament and of the Council¹⁴ and identify an increase in the costs incurred for fulfilling the responsibilities defined in Article 74 of Regulation (EU) 2018/1240, in relation to the costs reported by eu-LISA in the previous years.
2. eu-LISA shall provide, upon request by the Commission, the reasons justifying an increase in the costs of operation and maintenance of ETIAS referred to in paragraph 1 of this Article.

Article 6 ***Assessment of changes to the amount of the ETIAS travel authorisation fee***

The Commission shall, on a yearly basis and after identifying any significant or persistent increase in the costs incurred by the Member States and the agencies in accordance with Articles 2 to 5 of this Regulation, determine whether a change in the amount of the ETIAS travel authorisation fee is required.

¹² Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 (OJ L 295, 14.11.2019, p. 1, ELI: <http://data.europa.eu/eli/reg/2019/1896/oj>).

¹³ Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA (OJ L 135, 24.5.2016, p. 53, ELI: <http://data.europa.eu/eli/reg/2016/794/oj>).

¹⁴ Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 (OJ L 295, 21.11.2018, p. 99, ELI: <http://data.europa.eu/eli/reg/2018/1726/oj>).

Article 7

Information on trends and challenges impacting the ETIAS travel authorisation fee

Member States and the agencies may inform the Commission on an ad-hoc basis where they identify trends and challenges that may have a significant economic impact on the operation and maintenance of ETIAS or otherwise justify a change of the amount of the ETIAS travel authorisation fee.

Article 8

Entry into force and application

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

Articles 2 to 6 of this Regulation shall apply as from the second year of operation of ETIAS.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels, 2.5.2024

*For the Commission
The President
Ursula VON DER LEYEN*