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#### **DRAFT STATEMENT OF THE COUNCIL'S REASONS**

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Subject: Position of the Council at first reading with a view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013  
- Draft Statement of the Council's reasons

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## I. INTRODUCTION

1. On 12 June 2018, the Commission submitted to the Council and the European Parliament a Proposal for a Regulation of the European Parliament and of the Council establishing the 'Customs' Programme for cooperation in the field of customs<sup>1</sup>.
2. The European Economic and Social Committee delivered its opinion on 17 October 2018<sup>2</sup>.
3. On 16 April 2019, the European Parliament adopted its legislative resolution on the proposal<sup>3</sup>, thus concluding its first reading.
4. The Permanent Representatives Committee provided the Presidency with a partial mandate<sup>4</sup> to enter into informal negotiations with the Parliament with some provisions remaining in brackets due to their link to the overall MFF discussions or their horizontal nature.
5. The partial mandate for negotiations was updated to take into account the conclusions of the European Council on the 2021-2027 MFF and the Recovery package adopted on 21 July 2020<sup>5</sup>, resulting in a full mandate for negotiations endorsed by the Permanent Representatives Committee on 4 November 2020<sup>6</sup>.
6. Following the inter-institutional negotiations with the European Parliament in 2019 and 2020 a provisional agreement on the Customs Programme Regulation was reached between the co-legislators at the political trilogue on 15 December 2020. On 18 December 2020, the Permanent Representatives Committee endorsed the final compromise resulting from the trilogues<sup>7</sup>.

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<sup>1</sup> Doc. ST 9929/18.

<sup>2</sup> OJ C 62 of 15.2.2019, p. 45.

<sup>3</sup> Doc. ST 8055/19.

<sup>4</sup> Doc. ST 15514/18.

<sup>5</sup> Doc. ST 10/20.

<sup>6</sup> Doc. 12344/20.

<sup>7</sup> Doc. 14089/20.

7. On 11 January 2021, the IMCO Committee of the European Parliament gave its endorsement to the text. Subsequently, on 14 January 2021 the Chair of the IMCO Committee sent a letter to the Chair of the Permanent Representatives Committee indicating that she would recommend to the Plenary that the Council's position be accepted without amendment, subject to legal-linguistic verification, at Parliament's second reading.
8. On 27 January 2021 the Permanent Representatives Committee confirmed the compromise reached on the proposal in order to enable an early second reading agreement between the Council and the European Parliament.

## II. OBJECTIVE

9. The proposal is part of the sectoral proposals complementing the package of horizontal proposals on the Multiannual Financial Framework (MFF) for the years 2021 to 2027.
10. The Programme's objective is to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from unfair and illegal trade, while facilitating legitimate business activity.
11. It aims at allowing an adequate funding for cooperation actions between customs authorities, for electronic systems, for the administrative capacity building as well as for innovation and complements national initiatives and investments in this area.

### **III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING**

#### **A. General**

12. The European Parliament and the Council conducted negotiations with the aim of concluding a second-reading agreement on the basis of a Council first-reading position that the Parliament could approve as such. The text of the Council's first-reading position fully reflects the compromise reached between the co-legislators.

#### **B. Key issues**

13. The main elements of the compromise reached with the European Parliament are outlined below:
- the duration of the Programme from 1 January 2021 to 31 December 2027 and retroactive application of Regulation have been agreed;
  - the specific objectives of the Programme have been elaborated;
  - the actions eligible for funding have been further specified;
  - the selection process of external experts has been clarified;
  - the responsibilities to ensure the development and operation of the European electronic systems have been detailed;
  - the reference to the Multi-Annual Strategic Plan for Customs has been removed while Decision 70/2008/EC has not been repealed;
  - the Programme will be implemented by multiannual work programmes adopted by implementing acts;
  - the criteria and modalities of evaluation have been reinforced;
  - a new clause regarding the reporting obligation and extension in respect of the delegation of power has been introduced.

#### IV. CONCLUSION

The Council's position fully reflects the compromise reached in the negotiations between the European Parliament and the Council, facilitated by the Commission. This compromise is confirmed by the letter that the Chair of the IMCO Committee addressed to the Chair of the Permanent Representatives Committee on 14 January 2021.

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