



## Updating the EU Customs Code

The EU's current customs code is still based on procedures involving paper documents. In order to modernise the rules and adapt the legislation to the electronic environment, the European Commission has proposed to amend the pending modified customs code and postpone its full implementation until 2020.

### Background

The [1992 Community Customs Code](#) is a single act incorporating the rules, arrangements and procedures governing the trade of goods between the EU and third countries. It was based on procedures using paper documents. In order to adapt the legislation to the electronic environment and to simplify and restructure the rules, the [Modernised Customs Code](#) entered into force in 2008. This modified code was intended to be applicable once its implementing provisions are in force, and by 24 June 2013 at the latest. However, in 2012 the Commission decided to amend ([recast](#)) the modified Code before it is applied, due to very limited or no introduction of new customs IT systems by 2013. Moreover, the Lisbon Treaty, requires the Code's implementing provisions to be split into delegated and implementing [acts](#), while certain provisions, which have proved difficult to implement or are no longer in line with post-2008 customs legislation or other developments, need adjusting.

### Commission proposal

On 20 February 2012 the Commission proposed a [Union Customs Code](#) (UCC), which sets as 31 December 2020 the final deadline for implementing the IT systems and techniques needed in a paperless customs environment. Its main elements include [centralised clearance](#) allowing traders to clear customs in their place of establishment irrespective of where the goods actually are; companies accredited as [Authorised Economic Operator](#) (AEO) may be allowed to carry out some customs formalities and benefit from simplification; financial guarantees covering both actual and potential [customs debts](#); and an additional declaration for [temporary storage](#) of goods.

### Stakeholder views

The **European Economic and Social Committee** [emphasises](#) the need to properly inform and train the workforce before the UCC is implemented and calls for the establishment of a European customs training institute. The Committee also stressed that differing national interpretations of the rules must be avoided. **Employers** [call](#) for emphasis on a risk-based approach to customs controls instead of the routine control of all trade. They support using centralised clearance and increasing simplification. They also [insist](#) that providing data for customs declarations should remain the sole responsibility of the goods' carrier, not the importer. **European freight service providers** [welcome](#) the UCC and the extension of the deadline for introducing IT systems. However, they suggest that more tangible benefits could have been used to incentivise companies to apply for AEO status. They also advocate including importers in provision of data for customs declarations as carriers are often not in the possession of all the required information. **PWC**, a consulting firm, [state](#) in a study for the EP that an IT strategy should be decided before IT systems are developed and claim the UCC lacks one.

### European Parliament

The Internal Market and Consumer Protection Committee adopted its [report](#) on the UCC in December 2012 (rapporteur: Constance Le Grip, EPP, France). An April 2013 trilogue agreement with Council was endorsed by the Committee on 29 May. The [agreed text](#) will provide economic operators, in particular small and medium-sized enterprises, with a less burdensome administrative environment. Furthermore, companies granted AEO status would get preferential treatment, such as lighter customs controls with fewer physical and document checks. Further to the EP's position, issues linked to data requirements, time limits and thresholds will be in the basic text or subject to delegated rather than implementing acts.