

COMMISSION OF THE EUROPEAN COMMUNITIES

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1980 PROGRAMME FOR THE ATTAINMENT OF THE CUSTOMS UNION

(Communication from the Commission to the Council)

COM(79) 742 final

INTRODUCTION

In March 1979, the Commission transmitted to the Council, the European Parliament and the Economic and Social Committee a "multiannual programme for the attainment of the customs union" (1) which defined the general objectives which should guide the Community in the establishment of a genuine customs union. In order to implement the programme, the Commission undertook to submit each year to the appropriate Community institutions a list of the results obtained and efforts expended during the previous year in the light of the overall objectives set out in the programme, together with the priorities for the following year. This communication constitutes the first implementation of this commitment procedure. It responds furthermore to the wish expressed by the Economic and Social Committee in an Opinion on the Multiannual Programme for the Attainment of the Customs Union (2) which emphasised "the major political significance" of the programme and underlined the "importance of monitoring its implementation closely, particularly as regards the specified deadlines", endorsing in this respect the Commission's decision to issue an annual communication on the state of progress towards the attainment of the customs union.

Chapter I of this document sets out the achievements of the Community in the customs field in 1979.

Chapter II details the priority measures which the Commission proposes to promote in the Council in 1980. These priorities have been established in close cooperation with the Heads of the customs administrations of the Member States.

The professional organisations within the Advisory Committee on Customs Matters have expressed great interest in these initiatives and have pledged their full support for the attainment of the priorities contained herein.

(1) OJ No C 84 of 31.3.1979

(2) Plenary session of 29.10.1979.

I. ACHIEVEMENTS IN 1979

1. In many respects, 1979 was a year rich in achievements. A great deal of work was done by the customs administrations of the Member States in close contact with the Commission and this gave a new impetus to the Council as regards the attainment of the customs union. This spirit of cooperation which came to the fore during the first phase of implementation of the multi-annual programme constitutes the necessary foundation for the continued harmonisation of customs legislation and the consequent fulfilment of one of the essential conditions for the establishment of a genuine single market.

The achievements constituted on the whole by the adoption of proposals which had been pending before the Council for several years, made up to a considerable extent for the cumulative delay in the establishment of Community customs legislation. This will lead to a more uniform application of the Common Customs Tariff in the Community and to the accomplishment of an important step towards the attainment of the customs union.

The proposals adopted by the Council in 1979 are set out in annex I to this document. While most of the proposals listed as priorities by the Commission for 1979 have been adopted by the Council, two proposals remain before the Council at the present time (Umwandlungsverkehr and mutual assistance). Given the new spirit of cooperation which has arisen, the Commission considers it essential that the Member States renew their efforts in order that these proposals, together with those listed as priorities for 1980, be adopted as soon as possible; constant attention must indeed be paid to the question of the attainment of the customs union.

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This first report justifies amply the drawing-up of annual priorities and of the programme as a whole. It is many years since the Community has achieved such good overall results in the customs field.

2. It should be emphasised, moreover, that the Commission has remained in close contact with the customs administrations of the Member States in respect of its day-to-day activities in the customs field, be they concerned with the Committees on Rules, which have prepared a large number of implementation provisions (several hundred such provisions were adopted, particularly in the field of textiles), with quota management in accordance with the common commercial policy, with the preparation of the integrated customs tariff of the European Communities (TARIC) and of a list of chemical products (mentioned in the priorities for 1979) or with the training of officials responsible for teaching Community matters in each Member State.

In particular, there is constant activity in the area of Community transit in order to simplify procedures and make the common market more of a reality for the European citizen. In 1979, this activity brought about the adoption of measures enabling proof of the Community nature of road vehicles to be established by means of registration information, obviating the need to produce documents. In addition, a number of proposals have been made which are intended to simplify the documents used in the verification of use and destination of goods, to facilitate the movement of empty packages and to improve, with respect to their functional operation, the provisions designed to free users, under certain conditions, from the obligation to present packages at outgoing and incoming customs posts.

Furthermore, the Commission has pursued coordination between Member States in order to arrive at the establishment of common positions in respect of international organisations in the customs field, particularly the Customs Cooperation Council.

Certain other measures have been implemented : a working party on the use of computers in the customs field has been created on the Community level and contacts with the customs administrations of the Member States should enable

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the ad hoc working party responsible for the examination of the practical application of Community customs legislation to commence its work shortly.

Finally, the Commission, on behalf of the Community, brought to a successful conclusion the negotiations in the Tokyo Round on the Agreement on valuation for customs purposes. This should provide a neutral, uniform and equitable system for calculating the customs value of goods.

II. PRIORITIES FOR 1980

1. The priority measures for 1980 have been drawn up in the overall perspective of the attainment of the customs Union as defined in the multiannual programme. They are founded essentially on the dual imperative of ensuring homogeneity of trade arrangements between the Community and non-member countries and of pursuing the work of simplifying, indeed abolishing customs checks and formalities in intra-Community trade. The goal of ensuring an equal standard of legal protection throughout the Community is also accorded particular attention among the priority measures.

2. The Commission emphasises once again that the aim of ensuring the homogeneity of customs rules in relations with the outside world responds to a number of needs.

Apart from the fact that the unity of rules is, together with the common customs tariff, one of the cardinal features of a customs union, Community procedures and arrangements constitute, by reason of their direct impact on external trade and internal industrial activities, the expression of the Community's customs policy. In this context, the example of the rules of origin as the basis for the application of the various preferential regimes is telling.

Furthermore, numerous Community measures forming part of other common policies such as commercial or agricultural policy could not be implemented in conditions which are, of necessity, uniform and efficient without being founded on customs rules which are not only Community rules but are also applied in much the same way, even as to detail, in all the Member States.

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3. In order to develop the homogeneity of trade arrangements between the Community and non-member countries, the Commission will transmit to the Council proposals containing the basic Community principles which will replace those set out in national legislation in those areas where customs provisions exist only at a national level. The task of drawing up a coherent set of Community customs rules must be pursued in order to arrive at a European customs code. The proposals for a regulation to replace the directives governing the so-called economic customs procedures such as the inward processing procedure will provide the foundations of the code.

The pursuit of the goal of harmonising customs legislations will facilitate increasingly the tasks of Community undertakings active throughout the Community and will contribute to closer cooperation between such undertakings by encouraging division of work within the Community.

4. Finally, although a set of homogeneous customs rules applied in relations with the outside world is clearly not enough by itself to create a genuine single market - this requires substantial progress in other sectors such as taxation, transport, statistics and currency - it is nevertheless an indispensable prerequisite. In effect, in so far as each Member State is convinced by the unification of legislation that all trade with non-Member countries is governed by the same rules whatever the place of importation or exportation in the Community, the maintenance of checks and customs formalities at internal frontiers loses its raison d'être.

The process of unification contributes therefore to the removal of barriers between national markets, as well as to the constant activity intended to simplify those checks and formalities which still remain necessary in intra-Community trade because of insufficient progress in fields other than customs. In other words, this process creates the conditions in which Community producers may benefit to a greater degree from the advantages offered by a vast common market, as do their competitors in economic zones of similar size.

This rationalisation will of necessity be accompanied by a development of administrative cooperation between the customs administrations and between them and the Commission with a view to improving the operation of the customs union and intensifying efforts to combat fraud.

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5. All these measures, drawn up in response to the objectives mentioned above, will favour the elimination of the causes of distorted treatment or deflection of trade to the detriment of economic operators in any of the Member States and will contribute to the task of dismantling barriers between national markets in the perspective of the establishment of a genuine single market.

Their implementation will create the conditions necessary for healthy competition between undertakings in order to establish effective Community preference and thus to contribute to an upturn in economic activity in the Community.

6. These measures have been drawn up in accordance with the memorandum annexed to the 1980 programme address. As in the March 1979 communication, they have been divided into three categories:

- proposals already examined or in the final stages of examination and which could therefore be adopted in the first half of 1980;
- proposals not yet examined or in the early stages of examination but which should be adopted before 1 January 1981;
- proposals to be transmitted to the Council in 1980.

7. Other measures corresponding either to the pursuit of current activities or to long-term policies, which were set out in part D of the priorities for 1979 1979, will be continued, particularly in respect of measures designed to follow the course of implementation of customs rules in the Member States, training programmes and cooperation between the Commission and national administrations. In this last-mentioned area, much has been accomplished in certain specific sectors such as those of textiles and steel, especially as regards the fight against fraud. It is also noteworthy that this cooperation enables other initiatives to be taken as regards a wider utilisation of data processing.

Among these measures, the Commission wishes to highlight the activities of the Committees on Rules (1). These are intended to bring about a thorough harmonisation of customs rules and practices, having recourse, where necessary, to the drafting of administrative arrangements within guidelines already laid down. The Commission will pursue these activities with the utmost interest. To take one example among many, mention might be made of the simplification of procedures for the movement of goods within the Community, with particular reference to combined transport operations by container.

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(1) A list of measures to be taken by the Commission to implement Council provisions is contained in annex II.

In addition, the Commission will continue to see to it that all the provisions of the treaty are complied with.

A. Proposals already examined or in the final stages of examination and which could therefore be adopted in the first half of 1980

The following two proposals which were listed as priorities for 1979 had not been adopted at the date of this communication :

A.1. Proposal for a Regulation on processing prior to customs clearance

(Umwandlungsverkehr)

Doc. COM(72) 1623 final

Transmitted to the Council on 29.12.1972;

Opinion of the E.P., sitting of 9.5.1973;

Opinion of the E.S.C., meeting of 23.1.1973.

Although this proposal has been pending before the Council for several years, adoption has not yet proved possible. Agreement has been reached on the economic importance of this new procedure, residing in the fact that it will prevent, in particular cases such as damaged goods, pure and simple application of the common customs tariff leading to the charging of economically unjustified amounts of duty or the carrying out of certain processing operations outside rather than within the Community for tariff reasons.

However, determination of the ambit of the procedure is still proving difficult, particularly in the unmanufactured tobacco sector. With the assistance of the Member States, the Commission is continuing its investigation of the economic implications for this sector, account being taken as well of the tariff concessions decided upon recently in the multilateral trade negotiations.

A.2. Proposal for a Regulation on mutual assistance between the competent authorities of Member States and between them and the Commission to ensure correct application of Community rules regarding customs and agriculture

Doc. COM(78)538 final

Transmitted to the Council on 25.4.1973;

Opinion of the E.P., sitting of 11.12.1973;

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Discussion of this proposal has reached an advanced stage in the Council. However, adoption has not yet proved possible.

Difficulties have arisen in respect of the delimitation between administrative and judicial assistance. The judgment of the Court of Justice in a case dealing with a similar problem should enable a way to be found out of this impasse.

Since the operational capabilities of a customs union depend largely on mutual assistance between the administrations concerned and between them and the Commission, the lack of a basic Community provision in this area is a gap to be filled without delay.

The Commission considers that the delay in the execution of the 1979 programme caused by the non-adoption of these two proposals should be made up for as soon as possible. The proposals are therefore included as priorities for 1980.

Apart from these proposals, the Commission considers that the following proposals, examination of which, in the light of the advanced stage which they have reached, should be completed shortly, should be adopted in the first six months of 1980.

A.3. Preparation of new Community rules on the valuation of goods for customs purposes

An agreement on implementation of Article VII of the GATT has been concluded within that organisation and is open for the signature of contracting parties. In order to fulfil the Council's intention that this agreement be in force by 1 July 1980, new Community provisions will have to replace the previous rules before that date. It is essential that these new provisions should be adopted as early as possible in the first half of 1980.

A.4. Proposal for a Regulation defining the conditions under which natural or legal persons may be allowed to enter goods for customs purposes

Doc. COM(78)724

Transmitted to the Council on 12.12.1978

Opinion of the E.P., sitting of 8.5.1979

Opinion of the E.S.C., meeting of 22.5.1979

The urgency of this proposal, which provides a Community wide definition of persons entitled to declare goods, resides in the necessity to ensure uniform treatment for all economic operators in the Community, in whichever Member State they may exercise their activities.

A.5. Proposals on the rationalisation of preferential rules of origin (E.F.T.A.)

Doc. COM(78)745 final

Doc. COM(78)746 final

Transmitted to the Council on 11.1.1979

The Commission has asked the Council for authorisation to negotiate a number of simplification measures with the E.F.T.A. countries (cumulation, alternative percentage rule for lists A and B). Because of the volume of trade between the Community and E.F.T.A., these measures are of considerable economic importance.

A.6. Proposal for a Regulation laying down the customs procedure applicable to the stores of vessels, aircraft and international trains (1)

Doc. COM(78)76 final

Transmitted to the Council on 8.3.1978

Opinion of the E.P., sitting of 16.6.1978

Opinion of the E.S.C., meeting of 17.5.1978

This proposal will set up a uniform customs procedure for the supplies of Community international transport undertakings and will enable them to avoid distortions of competition in relation to their foreign counterparts.

A.7. Proposal for a Regulation concerning outward processing arrangements applicable to certain clothing and textile products reimported after working or processing in certain Mediterranean countries

Doc. COM(79)32 final

Transmitted to the Council on 6.2.1979

This proposal should be adopted urgently in order to subject the trade in question to uniform conditions in the light of the requirements of commercial and industrial policy in the textile/clothing sector and to initiate a Community surveillance system.

A.8. Communication by the Commission on the improvement of the conditions for negotiations international customs conventions

Doc. COM(78)283 final

Transmitted to the Council on 4.10.1978

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(1) A proposal concerning the fiscal procedure applicable to the stores of vessels, aircraft and international trains will be transmitted to the Council before the end of 1979.

In January 1974, an ad hoc procedure for customs negotiations was established in the Council in accordance with which the Community's point of view is expressed in international meetings by means of a previously defined common position. This procedure has produced positive results but its operation has proved extremely cumbersome. In the light of the working methods of certain international organisations, in particular the Customs Cooperation Council, the Commission has proposed to the Council that the procedure be improved in order to increase the Community's effectiveness in international institutions.

A.9. Recommendation for a Council decision authorising participation by the Commission on behalf of the E.E.C. in negotiations for the conclusion of a Convention on international multimodal transport

Doc. COM(79)389 final

Transmitted to the Council on 27.7.1979

This convention could include customs provisions liable to interfere with Community transit rules. It will contribute to the development of world trade by facilitating greatly combined transport operations.

A.10. Recommendations for Council decisions accepting certain annexes to the Kyoto Convention

The Community is a contracting party to the international Convention on the Simplification and Harmonisation of Customs Procedures (Kyoto Convention) and must therefore adopt a position on annexes drawn up in accordance with that Convention.

B. Proposals not yet examined or in the early stages of examination but which should be adopted in 1980

B.1. Proposal for a directive on the harmonisation of export procedures for goods

Doc. COM(79)371 final

Transmitted to the Council on 12.7.1979

The intention is to establish common export procedures. This proposal is particularly important in current economic circumstances in which exports must be given all possible encouragement.

B.2. Proposal for a Council Regulation setting up a Community system of reliefs from customs duty

Doc. COM (78)104 final

Transmitted to the Council on 12.3.1979.

This proposal, intended to establish a Community reliefs system, provides for uniform application of the common customs tariff in this area and ensures that the same facilities are granted to all citizens, in order to make them more aware of their Community identity.

B.3. Proposal for a Regulation laying down the conditions governing the issuing of information by the customs authorities and the legal significance of such information

This regulation will define the conditions under which an individual can request information from the authorities and under which such information is binding. The importance of this proposal resides in the legal protection it offers to users and in the definition of a single line of action for the customs authorities of the Member States.

B.4. Proposal for a Regulation amending for the second time Regulation (EEC) No 222/77 on Community transit

Doc. COM(79)456 final

Transmitted to the Council on 7.9.1979

This proposal contains a number of modifications the main object of which is to improve Community transit procedures, notably by amending the rules governing settlement of disputes, by providing a more flexible guarantee system, by alleviating somewhat the burden of charges borne by principals and guarantors and by accelerating the movement of combined transport operations in ports.

B.5. Proposal for a Regulation on a temporary admission procedure

Transmitted to the Council on 5.7.1978;

O.J. C 172 of 19 June 1978

Modified following Opinion of E.P.

Doc. COM(79) 29 final

Transmitted to the Council on 12.2.1979

Opinion of the E.S.C., meeting of 31.1.1979

This Regulation sets up a uniform Community procedure for temporary admission of goods originating in non-member countries and the use of which does not constitute inward processing. This subject is covered at present by numerous international conventions of which discordant interpretations sometimes arise. It is therefore important to provide for uniform application of the C.C.T. in this area.

B.6. Simplification of temporary movement in Member States of Community goods sent from another Member State.

This proposal should have been transmitted to the Council before the end of 1979 but work on it had to be suspended temporarily because of problems relating to taxation. It provides for the setting up of a procedure for free movement within the Community of Community goods situated temporarily in the territory of one or more Member States other than that of departure.

B.7. Proposals for the simplification of the administration of the common customs tariff with regard to temporary exemptions from customs duties

As the Commission pointed out in the multiannual programme, action should be taken to alleviate the cumbersome institutional procedures currently in use by making wider use of the delegation of powers, as provided for in Article 155 of the Treaty. These proposals are intended to provide for a more rapid and efficient administration of measures granting temporary exemptions from customs duties.

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C. Proposals to be transmitted to the Council in 1980

C.1. Proposal concerning the exercise of a right of appeal in the customs field

This proposal is intended to provide for common protection of European citizens in respect of the interpretation and application of customs law by the authorities.

C.2. Transformation of directives into regulations

The Commission emphasised in the programme the need to use binding measures in the establishment of Community customs law and therefore declared itself in favour of regulations since they provide greater legal security than directives. For this reason, the Commission will propose the transformation into regulations of directives governing important customs procedures: the first will be directive 69/73 on inward processing.

C.3. Proposal on the definition of customs arrangements applicable within the customs territorial sea

Community wide customs arrangements applicable to the territorial sea have not yet been defined and Member States have therefore been free to apply their various customs rules. This situation gives rise to distortions of treatment which are particularly serious since certain Community provisions in the course of preparation such as those on stones rely to a considerable extent on a common definition.

C.4. Proposal on the definition of customs arrangements applicable to platforms used for research and exploitation of the seabed

The Commission will make this proposal defining the customs arrangements applicable to the construction, maintenance and supplies of platforms in order to establish uniform treatment for all interested parties.

C.5. Proposal on the definition of customs debtor

Following the adoption of the directive on customs debt (25.6.1979, O.J. L 179 of 17.7.1979), it is necessary to define the debtor. This proposal will also lay down rules regarding the prescription of customs debt.

C.6. Proposal on import declarations

This proposal completes the directive on the harmonisation of procedures for the release of goods for free circulation (adopted on 24.7.1979, O.J. L 197 of 3.8.1979) by establishing a single model import declaration. This will constitute a new measure creating similar conditions of treatment for all economic operators.

C.7. Proposal on temporary admission of means of transport coming from third countries

This subject is convened at present by international conventions giving rise to divergent interpretations among the Member States. The intention is therefore to lay down a uniform procedure providing equal treatment for all operators.

ANNEX I

Proposals adopted by the Council in 1979

1. Council Decision on the conclusion of the Protocol of the Agreement on the importation of educational, scientific and cultural materials.
Adopted on 8.5.79
O.J. L 134 of 31.5.79.
2. Regulation amending Council Regulation (EEC) No 1798/75 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials.
Adopted on 8.5.79
O.J. L 134 of 31.5.79.
3. Regulation on the importation free of Common Customs Tariff duties of articles for the use of handicapped persons.
Adopted on 8.5.79
O.J. L 134 of 31.5.79.
4. Regulation amending Regulation (EEC) No 228/77 on Community transit.
Adopted on 14.5.79
O.J. L 123 of 19.5.79.
5. Directive on customs debt
Adopted on 25.6.79
O.J. L 179 of 17.7.79.
6. Council recommendation on notification by the Member States of the denunciation of the 1950 Convention on the Valuation of Goods for Customs Purposes.
Adopted on 25.6.79.

7. Regulation on the refund or remission of import and export duties
Adopted on 2.7.79
O.J. L 175 of 12.7.79.

8. Regulations laying down conditions for post-clearance collection
Adopted on 24.7.79
O.J. L 197 of 3.8.79

9. Directive on the harmonisation of procedures for the release of
goods for free circulation
Adopted on 24.7.79
O.J. L 205 of 13.8.79

ANNEX II

Progress in the establishment of the customs union is not merely a matter of enactments by the Council. The Commission also has certain powers to be exercised to that end which have been conferred upon it by the Council for the implementation of rules laid down by the latter in relation to customs matters. By its exercise of these delegated powers, the Commission is to adopt in 1980 a certain number of implementing measures the importance of which justifies their inclusion in this programme :

1. Commission Regulation laying down certain provisions regarding the implementation of Council Regulation (EEC) No 1430/79 on the repayment or remission of import or export duties.
2. Commission Regulation determining certain provisions for the implementation of Council Regulation (EEC) No 1697/79 laying down conditions for the post-clearance collection of import duties or export duties which have been underpaid on goods entered for a customs procedure involving the obligation to pay such duties.
3. Commission Regulation laying down certain provisions for implementing Council Directive (EEC) No 79/695 on the harmonization of procedures for the Release of goods for free circulation.
4. Commission Directive on the calculation of the amount of duty to be deducted where more than one kind of compensating product is obtained as a result of one or more outward processing operations carried out on temporarily exported goods.
5. Commission Regulation laying down provisions for the implementation of Council Regulation (EEC) No 1798/75 on the importation free of Common Customs Tariff duties of educational, scientific or cultural materials.
6. Commission Regulation laying down provisions for the implementation of Council Regulation (EEC) No 1028/79 on the importation free of Common Customs Tariff duties of articles for the use of handicapped persons.

7. Commission Regulation amending Regulation (EEC) No 223/77 on provisions for the implementation of Council Regulation (EEC) No 222/77 on Community Transit (amendments and simplification for goods carried in large containers).
8. Commission Regulation relating to customs valuation.
9. Commission Regulations applying articles 41 and 42 of the Act of Accession of the Hellenic Republic.
10. Commission Regulation implementing Council Regulation No 802/68 and introducing a new form of certificate of origin.