



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 04.04.1995  
COM(95) 119 final

95/ 0087 (COD)

Proposal for a  
EUROPEAN PARLIAMENT AND COUNCIL DECISION

**adopting an action programme  
for Community customs  
(Customs 2000)**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

The completion of the internal market on 1 January 1993 emphasized the vital need to strengthen administrative co-operation between the Member States. This obligation, deriving from Article 5 of the Treaty, is all the more vital in the customs sector because the confidence that both business and the citizens of the European Union have in the functioning of the internal market must depend on the effectiveness and homogeneity of controls at the external border.

This fact was already acknowledged before the internal market was actually completed and was reflected, in particular, in the adoption of the decision establishing a programme of vocational training for officials from the customs administrations of the Member States (the Matthaeus Programme)<sup>1</sup>, which underlined the willingness to provide training of a high standard and of a comparable quality to Member States' customs officers in order to ensure uniform implementation of Community law at the external border.

Since 1993 the Commission has examined more fully the requirements and means for better management of the internal market along the lines proposed in the Sutherland Report and has addressed several relevant communications to the Council and the European Parliament.<sup>2</sup> These communications particularly stress the need for stronger administrative co-operation among Member States and between them and the Commission.

The 1993 Communication drew up a strategic programme to make the most of the internal market and identified a number of priority areas, the customs sector being among them. This point was endorsed by the Council in its resolution of 16 June 1994 on the same subject<sup>3</sup>, which called upon the Commission actively to pursue its work in this field.

In 1994, in the framework of this strategic programme, the Commission, in partnership with the Member States, carried out a pilot action, "Customs 2000", aimed at ensuring improved openness in customs activities to manage the external border and identifying the most auspicious areas for co-operation among the customs administrations of the Member States and between them and the Commission's customs services, in order to implement controls and procedures of equivalent effectiveness at every point of the external border.

This pilot action was based on an initiative that the Commission's services put before the heads of the Member States' customs administrations and was crystallized in a joint statement "concerning a framework strategy for Customs 2000", adopted in December

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<sup>1</sup>Council Decision N° 91/341/EEC of 20.6.1991, OJ N° L 187, 13.7.1991, p. 41.

<sup>2</sup> - Communication from the Commission to the Council "Making the most of the internal market: strategic programme", 22.12.1993, COM(93) 632 final;

- Communication from the Commission to the European Parliament and the Council on the development of administrative co-operation in the implementation and enforcement of Community legislation in the internal market, 16.2.1994, COM(94) 29 final.

<sup>3</sup>Resolution N° 94/C179/01, OJ N° C 179, 1.7.1994, p. 1.

1993 by the Customs Policy Group, an expert group made up of the heads of the customs administrations of the Member states and of the Commission, or of their personal representatives, who will, moreover, continuously monitor the implementation of this programme, taking advantage of the relevant knowledge of other Commission services.

Having looked at the experience gained in the course of this pilot action, the Commission has decided to make a proposal to the European Parliament and the Council of the European Union to develop and enhance this action in the framework of an action programme for Community customs, entitled "Customs 2000".

## **1. Objectives of the action programme.**

### **a) General objectives**

The objective of the action programme is to ensure improved openness in the application of Community customs law and identify difficulties in its implementation, as well as to reinforce the effectiveness of customs procedures and controls at the external border of the European Union, in order to allow the best possible management of the internal market.

These procedures and controls must ensure that trade can flow with the requisite smoothness and at the same time guarantee the security of the European Union's citizens and businesses. They must protect the financial interests of the Community and its Member States and offer all operators equivalent treatment in their dealings with customs, particularly in order to avert the appearance of distortions of competition and the development of new kinds of fraud that would prejudice the proper functioning of the internal market.

### **b) Focuses of action**

To achieve the general objectives set out in the action programme, the actions carried out by the Community and the Member States must be focused on the following areas:

- Ensuring openness in the implementation of Community law by the customs administrations of the Member States. This implies:
  - detailed awareness of the difficulties that national administrations face when it comes to the concrete implementation of Community rules;
  - precise identification of factors leading to a lack of homogeneity at the external border.
- Strengthening the common training policy put in place by the Matthaëus Programme, by taking maximum advantage of existing instruments to set up a genuine "common core of training" at the service of the objectives of Community customs policy developed in this action programme.

- Developing and spreading use of the best new working methods in order to equip the Member States' customs administrations to face their mission with increased efficiency.
- Deepening, through information and communication exercises, the continuing dialogue between those who run customs services in the Community and customs users, in order to foster a better mutual knowledge of the needs and constraints experienced by both customs administrations and business, consumers and citizens. Special efforts must be devoted to small and medium-sized undertakings in order to promote their access to international trade.
- Fostering the growth of an international customs environment conducive to the best possible management of the external border.

## **2. Nature of the action programme.**

The action programme is addressed to all officials exercising customs responsibilities in the national administrations.

The various actions whose establishment or development it entails are firmly rooted in the principle of partnership between the Commission's services and those of the Member States, as well as in active collaboration with outside interests, and are embodied particularly in the following contributory operations:

### **a) Monitoring the application of Community law**

- This action is mainly carried out by teams set up to monitor the implementation of customs procedures and controls.

These teams, made up of officials from Member States' administrations and the Commission's services, undertake thematically based visits to different places at the external border in order to assess the implementation of Community rules at the sites under examination, difficulties encountered in the actual application of these rules and the working methods in use there. They may put forward recommendations regarding both working methods and, where necessary, any adaptations of the rules that may be considered desirable and which will then be dealt with suitably in the appropriate forum.

- As a parallel measure to the work of the monitoring teams, the services of the Commission and the Member States will pursue any other necessary actions, such as complementary studies, exchanges of officials and seminars on relevant topics.

### **b) Developing the best working methods**

Analysis carried out jointly by the customs services of the Commission and the Member States has shown that customs administrations had to develop their recourse to modern working methods to be able to fulfil their mission effectively in an environment

characterized by a growing burden of work on administrations and limits on the resources available to cope with it.

Four main topics have so far been identified: greater use of risk analysis techniques, development of company audits, generalization of simplified procedures and co-ordinated development of the use of computerized customs procedures.

To meet the need to ensure the uniformity of the external border, the equivalence of results and the transparency of customs action at every point of this border, a concerted action at Community level is required. This action must combine carrying out co-ordinated preliminary studies, the definition of common guidelines, training activities and technical support for implementation.

**c) Gearing common training actions to the priority needs of customs policy**

The Community training policy established by the above-mentioned Matthaëus Programme has been very favourably received both by officials from customs administrations and by those who are responsible for running those administrations. While respecting the principle of subsidiarity, especially where the practical organization of training is concerned, all have stressed the need for this policy to be strengthened and give rise to a genuine common core of training that guarantees every official from the customs administrations of the Community a comparable level of qualification in order to apply Community law at the external border.

This Community policy must provide real technical support through training for the actions undertaken in the framework of this action programme. Such a development, undertaken with the Member States in accordance with the future developments defined by the Commission in its report to the Council, the European Parliament and the Economic and Social Committee of 15 December 1993<sup>4</sup> will be continued and developed as a genuine flanking policy for the strategic programme. This also implies opening up training to the outside world by encouraging sharing of experience between Community and third-country customs through exchanges of officials or seminars.

**d) Fostering the creation of an international environment conducive to the best possible management of the external border**

The international environment of the European Union has been profoundly affected by various factors that have arisen in recent years. In the field of trade, the entry into force of the new GATT agreements and the opening up of free international trade to the Central and East European countries have been powerful catalysts in the developing globalization of trade. At the same time there has been a growing globalization of illicit traffic in all areas, including drugs, arms, nuclear material or protected species of animals or plants.

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<sup>4</sup>Report from the Commission to the Council, the European Parliament and the Economic and Social Committee on the experience gained in the application of the Matthaëus Programme - COM(93) 661 final, 15.12.1993.

From a customs viewpoint, this requires strengthened co-operation and mutual assistance between Community and third-country customs administrations. In return, the Community must meet the pressing and urgent demands for technical assistance and support from countries for which access to free international trade entails putting in place competent and efficient customs administrations.

Meeting these demands is essential for the Community, for the efficiency of controls at the external border depends on the existence of efficient customs administrations among the Union's trading partners. This need is heightened by the assistance that we must give to certain of these states in the course of preparing their future accession to the European Union.

This action takes the form of study and assistance missions, exchanges of officials, the organization of joint meetings and seminars and significant *technical and material support*, all of which are provided by the Community's customs administrations.

e) **Developing information and communication links with professional circles**

To ensure that the actions of customs constantly match the evolving needs of international trade and to enable economic operators to know better the constraints that customs intervention imposes in the trading system, customs administrations must develop or set up a genuine information policy and a continuing intensive dialogue with the various users of customs, and in particular those engaged in international trade, small and medium-sized undertakings and consumers.

To this end, the Commission must give support to Member States, by assisting the actions that they pursue in this field or by its own complementary actions, as well as by encouraging and supporting co-operative actions undertaken by the Member States among themselves. This work may take a variety of forms, including publications, the development of modern information media, conferences and meetings bringing together the various players in international trade.

**3. Justification of the action programme.**

The management of the internal market imposes on Member States' administrations a radical transformation in their modus operandi and working habits. For the Community it is essential that this transformation should be carried out in the best possible conditions and with due regard for the fundamentals of the internal market.

So far as business and citizens are concerned, the trust that they have in the internal market will be proportionate to their trust in the ability of the Community to ensure respect for Community law and to combat the development of any types of fraud that the abolition of controls at national frontiers between Member States might favour.

As the Commission stated in the Communication of 16 February 1994 already referred to, "without the assurance that, broadly speaking, Community law is being enforced in a comparable way in all Member states, it is unlikely that the objectives of Article 7A of the Treaty will be realized". Only action at Community level to complement the constant endeavours that Member States must make to ensure the correct enforcement of Community law is capable of providing such a guarantee by offering national administrations the legal, organizational and logistical framework that will enable them to take account of the transnational aspect of such an action. Any deficiency at Community level in this field would constitute a serious failing and would be prejudicial to the proper working of the internal market.

It is in this spirit that the Commission set up its pilot action "Customs 2000" in 1994 to ensure the efficient management of the external border in the framework of the internal market and now proposes, in the light of the experience thus gained, to develop and deepen that action in the framework of this action programme.

#### **4. Financing the programme**

Achieving the objectives set out in the framework of the action programme will lead to an improvement in the management of the internal market and will thus bring with it advantages both for the Community and for the Member States. It therefore seems desirable for the costs of implementing the programme to be shared between the Community and the Member States.

The Community will take charge of the costs associated with travel by officials required to work outside their Member state, the organization of seminars and meetings held in furtherance of the programme and certain other actions linked to information and communication involving outside interests.

The Community will also intervene to support and complement actions initiated and developed by the Member States, by means of subsidies, support and assistance.

The Member States, in return, will take responsibility for all the costs related to the co-ordination and implementation at national level of the actions making up this programme, as well as for the salaries of their participating officials.

#### **5. Legal basis**

Article 100A has been chosen as the legal basis for this decision, completed by Article 113. The action programme has as its immediate objective the establishment and functioning of the internal market, thanks to the best possible management of the European Union's external border. It also incorporates an external dimension, in as much as it aims to further the smooth flow of the Union's external trade with absolute compliance with Community law.

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty instituting the European Community, and in particular Articles 100A and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Whereas the completion of the internal market since 1 January 1993, the entry into force of the Treaty on European Union, the enlargement of the Union to include new states and the rapid development of trade between the Union and the rest of the world, in particular as a consequence of the GATT agreements signed in April 1994 and approved by the Council on 19 December 1994, require the clear identification and implementation of strategic guidelines, so that the role that customs services are expected to play in the European Union may be better defined;

Whereas the existence of a single external border, while enabling goods to move freely throughout the territory of the Union, without formalities of a customs nature, makes it necessary to carry out procedures and controls of equivalent effectiveness at every point of this external border at the time of entry into or exit from this territory, in order to safeguard the application of Community policies and to protect the legitimate interests of citizens and economic operators as well as the Community's financial interests, while respecting the need for speed and fluidity in external trade;

Whereas the application of these procedures and controls at the external border of the European Union is the responsibility of the customs administrations of the Member States: whereas the effectiveness of the action of these customs administrations is an essential condition for guaranteeing the proper management of the internal market; whereas it may, however, sometimes prove necessary to agree at Community level on the criteria which will determine the level at which controls must be carried out;

Whereas equivalent results can be obtained from customs action in the application of Community law only by strengthening co-operation and collaboration among the customs administrations of the Member States and between them and the Commission; whereas the



development of such co-operation can only strengthen the effectiveness of instruments for the management of the borders of the single market such as Council Regulation (EEC) N° 339/93 of 8 February 1993 on checks for conformity with product safety in the case of products imported from third countries<sup>1</sup>;

Whereas, in its communication of 16 February 1994 to the European Parliament and the Council on the development of administrative co-operation in the implementation and enforcement of Community legislation in the internal market<sup>2</sup>, the Commission identified customs as one of the various fields to be covered by the Community; whereas, in its Resolution of 16 June 1994 on the same subject<sup>3</sup> the Council invited the Commission and the Member States to pursue work actively in this field;

Whereas the need for customs action with regard to the fight against the growth of illicit traffic and fraud should be emphasized, and the Community must be able, within the framework set by its own competences, to support the action of its Member States; whereas, without prejudice to the obligations arising from Council Regulation (EEC) N° 1468/81 of 19 May 1981 on mutual assistance between the administrative authorities of the Member States and co-operation between the latter and the Commission to ensure the correct application of the law on customs or agricultural matters<sup>4</sup>, or from any other regulation that may replace it, full advantage should be taken of every possibility for administrative co-operation that Community rules provide;

Whereas individual action by each administration cannot enable such a result to be attained; and it is essential for customs provisions to be applied in a uniform way in order to ensure the proper functioning of the internal market; whereas a Community framework is therefore necessary to draw up plans and priorities in order to arrive at co-ordinated action by the Community and the Member States to ensure the adaptation of the customs administrations to the tasks which are entrusted to them in the framework of a market with no internal borders;

Whereas the implementation of an action programme for Community customs constitutes one of the most suitable ways of achieving these objectives;

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<sup>1</sup>OJ N° L 40, 17.2.1993, p. 1.

<sup>2</sup>COM(94) 29 final, 16.2.1994

<sup>3</sup>Resolution N° 94/C 179/01, OJ N° C179, 1.7.94, p. 1

<sup>4</sup>OJ N° L 144, 2.6.1981, p. 1.

Whereas the objectives of this action programme must be grounded in a framework of objectives common to the Community and the Member States, in order to guide their action;

Whereas a first initiative has already been taken with the implementation of the Community action programme for the vocational training of officials from the customs administrations (Matthaeus)<sup>5</sup>;

Whereas consideration must be given, in the fields of training and technical co-operation, to the external dimension of the action taken by the Community and its Member States;

Whereas the financing of the action programme will be shared between the Community and the Member States, and the Community contribution will appear in the budget of the Commission; whereas this decision establishes, for the whole duration of the programme, a total financial allocation which constitutes the preferred reference point, within the meaning of point 1 of the declaration of the European Parliament, the Council and the Commission of 6 March 1995, for the budgetary authority in the framework of the annual budget procedure;

Whereas a programme of five years' duration should be foreseen;

Whereas this programme is based on the experience acquired during the pilot action launched by the Commission in 1994;

HAVE ADOPTED THIS DECISION:

### *Article 1*

#### Establishment of the programme

1. This decision establishes an action programme for Community customs, supporting and complementing the actions undertaken by and in the Member States, with due respect for the responsibilities which fall upon the latter with regard to the implementation of Community law.

2. The programme shall be called the "Customs 2000 Programme" and shall be implemented for the period from 1 January 1996 to 31 December 2000.

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<sup>5</sup>Decision N° 91/341/CEE of 20 June 1991, OJ N° L187, 13.7.1994, p.41

3. The action of the Community shall be based on a common framework of objectives for the implementation of this programme.
4. The monitoring and assessment procedure provided for in Article 15 shall aim to analyse the results obtained and to draw lessons for the continuation of the Community action.

## **Article 2**

### **Common framework of objectives**

The common framework provided for in Article 1(3 ), within which the Community and the Member States will draw up plans and priorities in order to define and carry out co-ordinated action to ensure that customs action adequately matches the needs of the European Union's internal market, shall comprise the following objectives:

1. To safeguard the uniform application of Community law in order to achieve equivalent results at every point of the border of the European Union, thereby avoiding distortions likely to prejudice the proper functioning of the internal market which might appear because of variations in the way customs procedures are carried out in the various parts of the Union, and also to protect the Community's financial interests.
2. To provide an equivalent level of protection to the Union's citizens and economic operators, whatever the place where goods cross the external frontier, while ensuring the necessary smooth flow of international trade operations.
3. To strengthen awareness of the Community dimension in the organization of services and in the provision of infrastructures and equipment, and to promote the joint use of operational material contributing to the implementation of Community legislation.
4. To encourage and support initiatives that Member States may propose to implement, singly or jointly, to improve the overall efficiency of customs administrations in carrying out their missions.
5. To enhance the training given to officials from the customs administrations by supporting the teaching of subjects that enable them to adapt to evolving tasks and technologies in a way that adequately matches the Community dimension of their mission.

6. To contribute, by appropriate actions in the fields of training and technical assistance and co-operation, to the establishment or the development of customs services of quality in third countries that so request and, by this means, to encourage the development of the Union's external trade.
7. To encourage openness and efficiency of customs action for the benefit of legitimate trade by strengthening the relations among the customs administrations of the Union, business, legal and scientific circles, and operators engaged in international trade.

### *Article 3*

#### Specific joint actions

1. For the purposes, in particular, of carrying out the strategy defined in Articles 5 (points 1, 3, 4, 5 and 6), 6 and 9, the Commission shall set up monitoring actions in specific sectors of Community customs legislation.

It shall decide the sectors each year, in partnership with the Member States.

These actions shall be carried out by joint teams made up of customs experts from the Member States and the Commission.

The teams thus made up shall, on the basis of a theme-by-theme approach, visit particular points of the external border. At the end of these visits, they shall draw up a report analyzing the working methods as well as any possible difficulties of implementing the rules observed at the various sites studied and, where appropriate, including suggestions for the adaptation of both Community rules and working methods used, in ways likely to improve the efficiency of customs action as a whole.

2. In addition to these monitoring actions, the Commission, in partnership with the Member States, shall also have recourse, inter alia, to:
  - a) complementary studies intended to reveal the points of view of the various actors involved in international trade;
  - b) the organization of working parties and of seminars charged with studying the means of improving the operation of customs administrations in a co-ordinated way.

**Article 4**

Member States shall adopt the necessary provisions at national level to ensure the co-ordination and organization of the implementation of the actions of this programme, in particular by providing for suitable structures and mechanisms.

**Article 5****Control of the external border**

In accordance with the objectives defined in Article 2(1)-(4), the Member States and the Commission shall:

1. make sure that the controls at the external border guarantee the flow of traffic, protect the financial interests of the Community, ensure an effective, efficient and homogeneous application of Community rules, and common policies; provide an equivalent level of protection and make it possible to check that procedures relating to conformity with technical standards, the safety of imported products and dangerous products have been complied with, no matter where the external border is crossed;
2. work in collaboration to obtain equivalent results with regard both to the control and the simplification of trade at the external border, in order to avoid distortions of competition which could lead to deflection of trade, and to guarantee identical treatment for all operators;
3. put in place, in order to achieve these objectives, the most suitable new working methods, equipment and materials so as to reinforce the effectiveness of controls at the external border;
4. ensure that penalties for breaches of Community rules are of an effective, proportionate and deterrent character;
5. take full advantage of all the possibilities provided by Community legislation setting up administrative co-operation as well as agreements on mutual assistance with third countries;
6. have recourse to the appropriate facilities for analysing and evaluating the implementation of controls and procedures put into operation at the external border.
7. carry out a detailed consideration of the definition and exercise of the powers held by customs officers and of the possibilities for co-ordinating the use of available resources.

*Article 6*Monitoring the application of Community customs legislation and its continuing adaptation to the evolving realities of international trade

1. The Commission, in partnership with the Member States and in close concertation with the economic partners, shall arrange for continuous monitoring of Community rules and procedures, in particular as they arise from the rules of the Community Customs Code and of its implementing provisions.
2. The aim of this monitoring shall be to ensure that these rules and procedures are adapted to the protection of the legitimate interests of the Union and of its Members, while meeting the requirements of operators engaged in international trade
3. By carrying out common actions, as described in Article 3, the Commission and the Member States shall endeavour to identify any difficulties involved in implementing these rules as well as any possible malfunctioning of the internal market that divergent practices might entail.

*Article 7*The fight against fraud

For the purposes of fulfilling the objectives set out in Article 2(1-3) and in Article 5(2) and (4), the Community and the Member States shall make every effort to use as rationally and efficiently as possible the means by which they act to combat fraud and illicit traffic. This action is to be interpreted broadly and covers any rules or provisions applicable to any trade in goods whatever between the Community and third countries, including the presence or transit of goods in connection with such trade.

To this end, the Community and the Member States shall draw up, carry out and further develop a policy of combating customs fraud at Community level in order to take account of developments in European construction, the Community's international commitments, the evolution of the relevant situation with regard to customs and other sectors and the need to make the best possible use of their resources in a complementary way.

This policy shall aim in particular at:

- taking maximum advantage of existing legislative provisions, and, where necessary, amending them,

- improving the collection, analysis, distribution and exploitation of information at Community level, making the fullest use of information technology,
- removing obstacles to efficient action and co-operation in the fight against fraud, in particular with regard to the powers of enquiry of customs investigators,
- applying effective penalties,
- pursuing and developing co-ordinated actions, in particular Community investigative or control missions in third countries,
- developing co-operation with third countries and with competent international organizations, as well as with relevant professional circles,
- making greater use, for the benefit of the whole Community, of the capacities of Commission and Member State staffs in third countries,
- financial monitoring of irregularities.

### *Article 8*

#### Role of the customs administrations in common policies

In carrying out their mission, the services of the Member States and of the Commission which are responsible for implementing customs rules shall take all the measures necessary for the optimum discharge of the responsibilities which fall upon them by virtue of the provisions applicable for the implementation of common policies, in particular within the framework of the control of the application of the common commercial policy, the common agricultural policy and the common fisheries policy.

The Community and the Member States shall take special care that customs administrations can intervene efficiently for the purposes of the proper application of other Community provisions affecting the control of the external border, in particular those relating to co-operation for development and to the protection of intellectual property, of the environment, of consumers and of the cultural heritage

### *Article 9*

#### Improvements in working methods

The Community shall support actions aimed at improving the working methods of customs administrations. In partnership with the Member States, it shall encourage the further development and application of new working methods, in particular in the following fields:

1. risk-analysis, in order to determine whether goods subject to customs control must undergo a documentary or a physical examination before release is granted;
2. the use of audit to check undertakings' accounts;
3. simplified procedures for assigning goods to and discharging them from a customs-approved treatment;
4. the harmonized development of the use of computerized handling of customs procedures, taking into account the current state of computerization of national administrations and the interests of the Union's economic operators, as well as relevant developments occurring in the international sphere.

### *Article 10*

#### Powers of customs officers

The Commission shall, in collaboration with the Member States, carry out an examination of the adequacy of the powers available to the customs officers of the Member States to implement Community law and control the external border.

### *Article 11*

#### Rational and co-ordinated use of resources

1. For the purposes of carrying out the provisions of Article 2(3), the Commission shall set up a Community framework for consultation and co-ordination in order to ensure that full account is taken of the requirements of the internal market and to enable the needs of Member States and the distribution of resources among them to be defined in the best possible way.
2. Within this Community framework for consultation and co-ordination, the Commission, in partnership with the Member States, shall identify the means enabling sufficient resources to be allotted to customs action, in particular through the use of any available instruments of Community finance, through the sharing or joint use of equipment, through joint operations and through other arrangements or actions which might prove necessary in order to attain the objectives of this programme.
3. To help identify such possibilities for action, the Commission shall organize meetings of experts, as well as seminars, bringing together, as necessary, representatives of the business circles concerned.



*Article 12*Customs penalties and equivalent measures

The Commission, in close co-operation with the Member States, and with due regard for the principles of Article 5 point 4, shall draw up an inventory of irregularities in the customs sector, on the basis of the obligations resulting from the Community Customs Code and from its implementing provisions, as well as a comparative study of their importance and ranking in the legal order of the Member States on the basis of their degree of gravity, in order to identify the minimum needs for harmonization that are necessary to avoid distortions in the treatment of economic operators and to protect effectively the Community's financial interests.

*Article 13*Training and technical assistance

1. Within the framework set by Article 2(5), the training of officials from the customs administrations shall be undertaken by the Member States, in conformity with the rules adopted by the Council in its Decision of 20 June 1991 establishing the Mattheus programme.
2. In the implementation of this programme, the Member States and the Community shall take the necessary steps to set up a genuine common training policy on matters contained in the Community Customs Code.

Special attention must be paid to the training of new customs officials entering in service in order that common teaching modules relating to the full range of customs rules and procedures may be drawn-up and provided. Specific actions must be introduced and incorporated in continuing training so as to provide staff of customs administrations with the level of training necessary to carry out their tasks.

3. This training shall be complemented by actions aimed at opening the customs of the Union to the best working methods and techniques developed in third country customs administrations and more generally by increased co-operation with these countries.

To this end, according to the needs identified and on a reciprocal basis, exchanges of officials with these administrations, as well as training seminars, may be organized, with the Community budget taking responsibility for that share of the cost of these operations relating to officials from the administrations of the Union as well as a contribution, to be

determined on a case by case basis, to the costs linked to the organisation of these seminars.

4. Within the framework of the implementation of Article 2(6), the Commission shall ensure the co-ordination of the training and technical assistance and co-operation actions carried out by the Community and the Member States for the benefit of third countries' customs administrations, to ensure the consistency of Community action on training, both external and internal. The Community shall also ensure the implementation of training and technical assistance and co-operation actions for the benefit of third country administrations. In the framework of these actions, the Community shall bear the expenses that arise.

#### *Article 14*

##### Relations with operators engaged in external trade

1. Within the framework of the implementation of Article 2(7), the Commission shall set up actions, or give support to initiatives taken by the Member States, aimed at improving and strengthening relations between the customs administrations of the Union and operators engaged in foreign trade.

2. These actions may take the form, in particular, of:

- the development, publication and distribution of informative material intended to ensure greater familiarity by operators with customs procedures, and in particular with simplified customs clearance procedures, which aim to strengthen the competitiveness of the Community economy;
- seminars enabling a detailed dialogue to be established between administrative and business circles, in particular on the subjects referred to in Article 2(1) and (2).
- training activities aimed at ensuring a better knowledge of Community law by the various operators involved in foreign trade.

#### *Article 15*

##### Monitoring, assessment and reports

1. This programme shall be subject to continuous monitoring, carried out in partnership between the Commission and the Member States by means of the Customs Policy expert

group (full members and deputies), made up of the Directors-General of Customs of the Commission and of the Member States of the European Union or their representatives.

It shall be pursued by means of the reports referred to in paragraph 3 and by means of specific activities.

2. This programme shall be subject to periodic assessment, carried out in partnership between the Commission and the Member States.

3. Member States shall forward to the Commission, at the latest on 31 December 1997 and at the latest 31 December 2000, reports on the implementation and the impact of the programme.

4. The Commission shall submit to the European Parliament and to the Council:

- at the latest on 31 December 1998, an interim report on the implementation of this programme,
- at the latest on 30 June 1999, a communication on the desirability of continuing this programme, accompanied, if necessary, by a suitable proposal,
- at the latest on 30 June 2001, a final report on the implementation of this programme.

These reports shall also be forwarded to the Economic and Social Committee and to the Committee of the Regions:

#### ***Article 16***

##### **Financing**

1. The financing of the actions making up this programme shall be shared between the Community and the Member States, without prejudice to any budgetary expenditure linked to the normal running of the Customs Union and any actions the financing of which is provided for in other programmes - in particular: Matthaëus (training actions), PHARE, TACIS (co-operation and technical assistance), IDA (development of the Community customs "Customs 2000" informatics network).

The total financial provision for carrying out this programme, for the period from 1 January 1996 to 31 December 2000, is set at 139,670,000 ECU.

Annual appropriations will be authorized by the budgetary authority within the limits of the financial perspectives.

2. The Member States shall contribute to the accomplishment of the action programme. They shall be responsible for the costs related to the administrative organisation and to the co-ordination of actions linked to the implementation of the programme within their territory, in particular those resulting from Article 4 of this Decision.

The Member States shall take care, in this respect, that the use of the sums retained as the costs of collecting own resources pursuant to Article 2(3) of the Council Decision of 24 June 1988<sup>6</sup> take the fullest account of the objectives of this Decision.

#### *Article 17*

This Decision shall be applicable as from 1 January 1996.

#### *Article 18*

This Decision is addressed to the Member States.

Done at ....., the .....

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<sup>6</sup> Council Decision N° 88/376/EEC, EURATOM, OJ N° L158, 15.7.1988

## Financial Statement

### **1. TITLE OF ACTION**

**Action Programme for Community Customs (Customs 2000)**  
*Proposal for a decision of the European Parliament and of the Council - adoption envisaged: December 1995 - anticipated date of entry into force : 1 January 1996*

### **2. BUDGET LINES CONCERNED**

The "Customs 2000" action uses various sources of financing, most of which has, in the main, already been approved. These sources of financing are on several budget lines which are detailed in the table produced at point 7.2.

### **3. LEGAL BASIS**

Articles 100A and 113 of the Treaty

### **4. DESCRIPTION OF THE ACTION:**

N.B. This description relates only to the actions to be financed under the budget lines referred to in point 7.1.

#### **4.1 General objective of the action**

To ensure the correct operation of the internal market through an homogeneous control of the external border of the European Union. To achieve this, it is important to implement customs procedures and controls of equivalent effectiveness at every point of the external border in order to guarantee equal treatment to citizens and to external trade operators, whatever the crossing point of the external frontier, simplification of the procedures necessary to ensure the flow of traffic and thus to encourage the foreign trade of the Union and the effective prevention of fraud. Such a result can be reached only by effective co-operation and collaboration between the customs administrations of the Member States through an action co-ordinated at the Community level which includes in particular:

- to identify the difficulties of applying Community legislation and seek, jointly, appropriate solutions ("monitoring") by follow-up actions, studying and examining the implementation of Community law in the various Member States;
- to ensure an efficient management of the customs union and to develop new working methods allowing customs administrations to cope, in an environment of scarce resources, with the development of foreign trade in an effective and homogeneous way at all points of the external border. The new working methods concern in particular audit techniques applied to the accounts of companies, the techniques of risk analysis, the development of

simplified customs clearance procedures and the co-ordinated development of the computerised treatment of customs procedures. This action involves the organisation of working parties, seminars, assistance and technical support, studies and pilot actions, on the basis of jointly agreed guidelines and methods;

- to ensure a correct application of the Community rules and to improve prevention of irregularities and fraud through the dissemination of information to economic operators;
- to check continuously the adequacy of the customs rules and procedures for the needs of international trade by means of communication with all the operators;
- to ensure the efficient development and coordination of customs cooperation and assistance actions to third countries.

#### **4.2 Period covered by the action and methods planned for its renewal.**

Multiannual action 1996 - 2000.

A periodic evaluation will take place throughout the programme. In the light of the experience gained, a new Decision will be necessary for its renewal or extension beyond 31/12/2000.

### **5. CLASSIFICATION OF EXPENDITURE**

5.1. *DNO*

5.2. *CD*

### **6. TYPE OF EXPENDITURE**

Operational expenditure essentially includes:

- financing monitoring actions; working groups; operations or pilot experiments and seminars involving officials of the customs administrations of Member States and, according to the subject, of other national administrations concerned, of the customs administrations of third countries and of the representatives of external organisations;
- financing studies, analyses or simulations;
- financing of information activities and communication programmes;
- financing of assistance actions and of technical support;
- financial contributions to communication and information actions.

## 7. FINANCIAL IMPACT

### 7.1 Method of calculation of the cost of the action for the financial year 1996 (link between the individual costs and the total cost)

The costs of the monitoring operations, missions and of participation in the seminars for officials are calculated on the basis of travelling expenses and daily allowances.

With regard to actions for which Community funds are used as a grant for projects or actions initiated by Member States or external organisations, the amounts envisaged will depend on the number and the quality of the actions which will be eligible for the 2000 Customs programme.

### 7.2 Breakdown of the action, by element

EC in MioEcus (1996 value)

Budget Line	Ventilation	APB 96	1997	1998.	1999	2000	Total
B5-300	- MI Customs 2000 (1)	2,000	2,300	2,600	2,900	3,200	13,000
B5-3051	- Mattheus (Customs) (1)	2,520	3,000	3,100	3,150	3,300	15,070
B5-7210	- Projects IDA						
	- CCN/CSI (1)	7,900	5,000	3,500	2,000	2,500	20,900
	- TARIC (1)	2,400	2,500	3,000	3,000	3,000	13,900
	- QUOTA (1)	0,500	1,500	1,500	1,000	1,000	5,500
	- EBTI (1)	2,100	1,500	2,000	2,000	2,000	9,600
	- TRANSIT (1)	3,500	3,000	3,000	3,000	2,500	15,000
	- SCENT/CIS (1)	2,200	2,000	2,000	1,500	2,000	9,700
	- Customs 2000 *	1,000	4,000	6,500	6,500	5,000	23,000
		19,600	19,500	21,500	19,000	18,000	97,600
B7-860	Customs co-operation and international assistance *	2,000	3,000	3,000	3,000	3,000	14,000
	<b>TOTAL</b>	<b>26,120</b>	<b>26,800</b>	<b>30,200</b>	<b>28,050</b>	<b>27,500</b>	<b>139,670</b>

(1) These amounts appear in the financial programme of the Commission and represent only a part of the budgetary allocation of these lines

\* New project subject to the budget procedure. This programme does not foresee additional expenditure over and above what is already programmed for the headings cited in the above-mentioned table. The necessary appropriations will be found by internal redeployment within these headings.

Actions which are linked to this programme and which have the same aims are carried out under financing from Community programmes and from Financial Protocols in the framework of agreements concluded between the Community and third countries (e.g. PHARE, TACIS, countries in the Mediterranean basin, African, Caribbean and Pacific States within the framework of the Lomé Convention, Latin American and Asian countries etc.).

### 7.3 Operational expenditure on studies, experts' meetings etc., included in Part B.

EC in MioEcus

Action	APB 96	1997-2000
- Studies	0,250	1,300
- Experts' meetings	0,160	0,9000
- Conferences and meetings	0,200	1,100
- Information and publications	0,300	1,600
<b>TOTAL</b>	<b>0,910</b>	<b>4,900</b>

## 8. ANTI-FRAUD PROVISIONS ENVISAGED (AND THE RESULTS OF THEIR IMPLEMENTATION)

The checking of payments or of the receipt of benefits and studies is carried out by the Commission services before payment, taking account of the contractual obligations and the principles of economy and sound financial management. Anti-fraud provisions (controls, handing-over of reports, etc.) are included in all the agreements or contracts concluded between the Commission and the recipients of the payments.

## 9. COST-EFFECTIVENESS ANALYSIS

### 9.1. Quantifiable specific objectives, population concerned

#### - *Specific objectives:*

The Community has now entered a phase of management of all the rules adopted within the framework of the internal market in relation to its responsibility to economic operators and all the citizens of the European Union.

With regard more specifically to the management of the Customs union, the entry into force of the Community Customs Code, on 1 January 1994, means that the harmonisation of customs regulations is practically complete.

It is now necessary to strengthen the actions tending to make the practices and working methods of the customs administrations of the Member States more homogeneous with a view to arriving at equivalent results, both with regard to the control and the simplification of trade at the external border and to guarantee identical treatment to all the operators, in order to avoid distortions of competition



which can generate traffic diversions and are likely to undermine the confidence of operators and citizens in the correct operation of the Customs union.

This involves, in addition, ensuring that the customs mechanisms, on which the common policies rest, function in an effective and efficient way in order not to compromise the sound management of these policies.

At the same time, the rules for customs activities have to be made more accessible to the users, economic operators, SMEs, consumers and citizens of the Union. That involves a coherent management of communication and information through partnership with Member States, using, if necessary, intermediaries such as Chambers of Commerce and professional federations and associations.

While following developments inside the Community, it is necessary to cooperate closely with the customs administrations of third countries in order to strengthen the existing Community actions to ensure in particular the harmonization of legislation for the future applicant countries to the European Union and to provide assistance in specific cases.

- *Population concerned:*

The customs administrations of Member States, professional groups, citizens and consumers.

9.2. Justification of the action

- *Need for Community budgetary intervention*

The completion of the internal market and the unification of Community customs law, formalised by the entry into force of the Community Customs Code on 1 January 1994, has led to harmonized action by customs administrations at all points of the external border of the Customs union becoming necessary. Only controls of a comparable standard all along the external border, controls which make use of best working methods to ensure at the same time the flow of traffic and a high degree of fraud prevention and which guarantee equivalent treatment to all operators no matter where the crossing point at the external border, will avoid distortions of competition which lead to deflections of trade and which may prejudice the necessary confidence that economic operators and citizens must have in the correct functioning of the internal market.

It is only by action at Community level, which provides the legal, organisational and logistic framework for a co-ordinated action of the customs administrations that such an objective may be achieved.

A first step was provided by the adoption of the Community programme for vocational training of customs officers (Matthaeus), Council Decision n°91/341/EEC of 20 June 1991 (OJ n°L 187 of 13.7.1991, p. 41) and by the adoption of a pilot action in 1994 within the framework of the internal market action programme. A Commission initiative is necessary to complete and develop this action, required to ensure optimum management of the customs union within the framework of the internal market.

The optimum management of the internal market from the customs point of view also depends on cooperation with third countries. Cooperation with neighbouring countries,

particularly the adoption of common procedures, facilitates trade, improves the prevention of fraud and consequently makes the management of the internal market easier.

- *Choice of the methods of intervention*

The action programme proposes the implementation of actions and of measures complementary to those that Member States would normally implement in order to apply Community law. These actions and complementary measures aim at ensuring that the transnational dimension necessary to achieve the objectives is taken into account.

Its implementation and its management is based on the principle of partnership between the Community and the Member States for it does not lay down fixed rules, rather permanent co-operation between Community and national administrations so that a common objective may be achieved.

9.3 Follow-up and evaluation of the action

- *Performance indicators*

\* *output indicators (measure of the activities undertaken)*

- a) Number of monitoring missions undertaken with the Member States.
- b) Number of seminars organized on working methods and external border controls.
- c) Number of exchanges and seminars organized with third countries.
- d) Number of studies undertaken in collaboration with national administrations or entrusted to external organisations.
- e) Number of operations or pilot experiments carried out in partnership with the national administrations.
- f) Number and diffusion of publications edited by the Commission or by the Commission in collaboration with the Member States.
- g) Number of seminars, meetings and conferences organized by the Commission, the Member States or by external organisations, which are financed in full or in part by the action programme.

\* *impact indicators according to the aims in view*

- a) Number of open procedures relating to the application and to the observance of Community regulation at the external border, including complaints from the public and infringements.
- b) Number of customs problems dealt with.
- c) Collection of Community own resources or of quantified national resources.
- d) Strengthening of controls at the external border, quantifiable for example, by drug seizures or by the prevention or repression of other illicit traffic.
- e) Acceptance by the Member States of guidelines for the implementation of new working methods.
- f) Initiatives proposed by the Member States to develop communication or information for the benefit of third parties which make use of customs services.
- g) Effective participation of economic operators and of third parties in the initiatives proposed under the action programme.

- *Methods and time schedule for the proposed evaluation*

The action programme will be subject to a permanent follow-up within the customs policy expert group, composed of the Directors General of the customs administrations of the Member States and the Commission or of their personal representatives.

Member States will forward reports on the implementation and the impact of the programme to the Commission by 31.12.1997 and by 31.12.2000 at the latest.

The Commission will submit to the European Parliament and to the Council:

- an interim report on the implementation of the programme by 31.12.1998 at the latest,
- a communication on the advisability of continuing the programme, accompanied, if necessary, by a suitable proposal, by 30 June 1999 at the latest,
- a final report on the implementation of this programme by 30 June 2001 at the latest.

9.4 Coherence with financial planning

- *Is the action foreseen in the financial planning of the DG for the years concerned?*

The action corresponds to the pilot action relating to customs matters (Customs 2000) undertaken in 1994 under the internal market action programme which will be converted into the Community action programme.

**10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)**

*10.1. Does the proposed action involve an increase in the manpower of the Commission? If so, what?*

YES (post B5-300):      5 category A agents  
    2 category B agents  
    2 category C agents

The additional personnel will be found from within the envelope accorded to DGXXI by the Commission in its yearly allocation of resources.

*10.2. Indicate the amount of the administrative costs and personnel generated by the proposed action. Clarify the method of calculation.*

-	Mission expenses, travel and other additional supplementary expenditure	
	- monitoring:	
	50 missions in M.S. (ECU 1000)	ECU 50 000
	other missions in M.S. (seminars, customs 2000 network)	
	30 missions (ECU 1000)	ECU 30 000
	- cooperation with third countries	
	50 missions (ECU 2000)	ECU 100 000
	line A0-1300 :	ECU 180 000

- Customs policy expert group (full members and deputies).  
line A0-2500 (This group of experts already exists and does not represent  
additional expenditure for the Community budget).  
- 4 meetings a year (2 experts per Member State): ECU 90 000
  
  - Expert groups for new working methods and for penalties:  
line A0-2500  
- 8 meetings a year (1 expert per Member State): ECU 90 000
  
  - Expert groups for external policy of customs training and technical  
assistance:  
- 3 meetings a year (1 expert per Member State plus 11 experts from third  
countries): ECU 68 000
- Total part A of the Budget:** ECU 428 000

ISSN 0254-1475

COM(95) 119 final

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Catalogue number : CB-CO-95-151-EN-C

ISBN 92-77-87769-3

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Office for Official Publications of the European Communities

L-2985 Luxembourg