



European Economic
and Social Committee

INT/917
Customs single window

OPINION

European Economic and Social Committee

Proposal for a Regulation of the European Parliament and of the Council establishing a European Union Single Window Environment for Customs and amending Regulation (EU)

No 952/2013

[COM(2020) 673 final – 2020/306 (COD)]

Rapporteur: **Athanasios IOANNIDIS**

Referrals	European Parliament, 11/11/2020 Council, 13/11/2020
Legal basis	Articles 3, 114 and 207 of the Treaty on the Functioning of the European Union
Section responsible	Single Market, Production and Consumption
Adopted in section	02/03/2021
Adopted at plenary	24/3/2021
Plenary session No	559
Outcome of vote (for/against/abstentions)	268/0/3

1. Conclusions and recommendations

- 1.1 The European Economic and Social Committee (EESC) welcomes the European Commission's proposal on establishing a European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013. The purpose of the proposal is to address the fragmented interoperability between customs and partner competent authorities in handling customs clearance procedures for goods.
- 1.2 The EESC believes that the proposal is in keeping with the Union's vision and strategic objectives, both in relation to the Action Plan *Taking the Customs Union to the Next Level – an Agenda for Action for a strong and modern Customs Union* and to its communication on *Developing the EU Customs Union and Its Governance*.
- 1.3 In the EESC's view, the proposal supports the strategic plan of the Directorate-General for Taxation and Customs Union (DG TAXUD) 2016-2020 and the European eGovernment Action Plan 2016-2020, provided for in the Commission communication of 19 April 2016¹, which is intended to strengthen the efficiency of public services by removing existing digital barriers, reducing red tape and enhancing the quality of interaction between national authorities.
- 1.4 The EESC points out that implementing the single window environment for customs will take trade in goods into the new digital age through simplification and automation. Trade generally in the EU will grow and the Union will become more competitive, customs will be modernised, and there will be multiple outcomes for the stakeholders involved – Member States' customs authorities, partner competent authorities, economic operators and citizens.
- 1.5 The EESC believes that the European Single Window, along with the national windows, should not just be a digital gateway for data collection and information exchange processes. As information systems and processes are evolving, there must also be an option in the future – as agreed by the Member States and the Council – of progressing to more complex automated computational processes, as will be used for the quantities of goods. This will make it possible for the trader to have an overall picture of the transaction, which should therefore be described as "smart".
- 1.6 The EESC believes that incorporating Union non-customs formalities into the EU Single Window Certificates Exchange System (CSW-CERTEX) will require new IT infrastructure to create links between the national single window environments for customs and the Union non-customs systems. The data to be exchanged must be precisely determined.
- 1.7 The EESC recommends that the Commission pay particular attention to the cybersecurity of systems and windows by establishing security systems with high standards that will protect against attacks that could shatter trade in goods in the EU and have devastating economic effects.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *EU eGovernment Action Plan 2016-2020 – Accelerating the digital transformation of government*, COM(2016) 179 final, 19 April 2016.

- 1.8 The EESC agrees that effective implementation of the single window programme for customs and avoiding delays will require a particular focus on Member States that did not take part in the 2015 *EU Customs Single Window – Common Veterinary Entry Document* (EU CSW-CVED) pilot project and which have not therefore developed national single window environments for customs that are aligned to the EU single window.
- 1.9 A similar issue arises with a number of Member States that have developed their own single window initiatives at national level, which remain isolated and are characterised by different modalities based on the level of existing customs IT architecture, priorities and cost structures.
- 1.10 For the above reasons the EESC would advocate a more detailed schedule, with targets and measures for the Member States, so that they bring their national single window customs environments into line with the European single window.
- 1.11 The EESC recognises the complexity of the system and the fact that coordination is needed both within the Member States and between them to implement it. It proposes drawing up a more detailed schedule for monitoring and submission of reports on the functioning and development of the single window, with targets and measures to be taken by the Member States and the national players to implement the system.
- 1.12 The EESC recommends that the programme help to strengthen respect for fundamental rights and data protection within its sphere of application.
- 1.13 The EESC deems it crucially important to prepare and train the staff who will be involved in operating the IT systems, the national single window environments and the European single customs window. The current project should therefore provide for workers' training and skills improvement programmes, which should receive national and/or EU funding.

2. **Background/Introduction**

- 2.1 In 2008, the Member States and the Commission made a commitment to promote an electronic customs environment in the EU by endeavouring to establish a framework of single window services. The 2014 Venice Declaration proposed a progressive action plan to implement an EU single window environment for customs and to develop its legal framework. This was reiterated in the 2016 Communication from the Commission on *Developing the EU Customs Union and its Governance*, which announced the Commission's plans to explore a workable solution for the development and creation of an EU single window environment for customs. The approach was supported by the ECOFIN Council Conclusions of 23 May 2017.
- 2.2 The Commission launched a pilot project in 2015, the *EU Customs Single Window – Common Veterinary Entry Document* (EU CSW-CVED). The project was jointly managed by DG TAXUD and DG SANTE to enable the automated verification by customs of three non-customs regulatory formalities submitted with the customs declaration as evidence of compliance. Five Member States' customs administrations initially participated in this pilot on a voluntary basis. Its successor, the EU Customs Single Window Certificates Exchange System (EU CSW-CERTEX), expanded the scope of regulatory requirements and introduced new functionalities, such as

quantity management. The number of participating Member States has risen from five to nine, and more policy areas are being covered.

- 2.3 The COVID-19 pandemic has made it more important than ever to establish a stronger framework for the Customs Union and to further facilitate the fulfilment of customs and Union non-customs formalities to support the economic recovery. To this end, the increased digitalisation of customs and Union non-customs regulatory formalities applicable to international trade open up new opportunities for Member States to improve digital cooperation.

3. **Gist of the Commission proposal**

- 3.1 The Union's international trade is subject to both customs legislation and Union non-customs legislation. The authorities responsible for Union non-customs regulatory formalities ("partner competent authorities") and customs authorities often work in silos, creating complex and burdensome reporting obligations for traders and inefficient goods clearance processes conducive to error and fraud. To address the fragmented interoperability between customs and partner competent authorities in the management of goods clearance processes and to coordinate action in this area, the Commission and the Member States have made a number of commitments over the years to develop single window initiatives for the clearance of goods.
- 3.2 The Commission proposal envisages setting up a European Union single window environment for customs that provides an integrated set of interoperable electronic services at Union and national level through the European Union Customs Single Window Certificates Exchange System. This will support interaction and information exchange between the national single window environments for customs and the Union non-customs systems referred to in the Annex to the proposal.

4. **General comments**

- 4.1 The proposal for a Regulation is a first and essential step towards improving cooperation between customs authorities through a single electronic application. This is a comprehensive proposal that provides a broad analysis of the results, actions and measures implicated in the functioning of the European single window for customs.
- 4.2 Implementing the single window will enable businesses and traders to submit data electronically, whether supporting documents or Union non-customs formalities, to an electronic window (national window) in each Member State, thus reducing the risk of duplication and saving time and transaction costs. The single window will allow customs and other authorities to collect data submitted based on a harmonised system for goods clearance procedures. At the same time the EU is provided with an overview of products entering and exiting across its borders, as well as being able to check the quantities of goods in the context of quotas and fraud prevention.
- 4.3 As specified in the Commission proposal, implementation of the programme will be financed from EU and national sources. The costs relating to the development, integration and operation of the EU CSW-CERTEX Single Window will be borne by the Union, whereas the Member States will meet the costs arising from the development, integration and operation of their national single

window environments and their connection with EU CSW-CERTEX. Given that the COVID-19 pandemic has led to a financial crisis in all the EU Member States, the EESC wishes to know how the Commission can ensure that the Member States comply with this requirement and provide the funding earmarked for implementing the programme from their national budgets.

- 4.4 If the single window initiative is to be harmonised and established, implementation by the Member States needs to be mandatory. Indeed, the success of the customs single window is dependent on simultaneous compliance, harmonisation and implementation by all countries. The EESC points to the risk that some Member States may not implement the single window within the estimated time frame due to budgetary constraints (resulting from the COVID-19 financial crisis) and other policy priorities. This will give rise to numerous problems for the Union's customs and trade policy, not to mention for the Member States. The EESC asks the Commission whether penalties are envisaged in the event of any Member State failing to implement the single window or exceeding the time frame set.
- 4.5 The single window measures must go hand in hand with modernisation of customs and customs authorities. It would be extremely useful for a study to be carried out first, describing the existing situation at the entry gates of the Member States, and for there to be an assessment of the need for investment in upgrading services, so that they can support the single window. At the same time an indicative date could be set for completing the national part of the single window.
- 4.6 The Commission states in its proposal for a Regulation that each Member State is to designate an authority to act as a national coordinator for implementing and coordinating single window measures. The EESC would like to know whether appointing the national coordinator is the exclusive responsibility of each Member State or whether the Commission will make recommendations.
- 4.7 In relation to ensuring data protection, the EESC believes that the complementary activity of protecting data collected, along with all customs declarations, must take the following into account:
 - what public authority will be responsible for ensuring confidentiality and how the degree of tolerance will be set at each level;
 - the assurance that will be given to traders with the single window and details of the guarantees given.

5. Specific comments

- 5.1 The EESC is of the view that the present proposal for a Regulation and the point where subsidiarity is referred to can be considered to be the contribution made by this measure, i.e. the creation of the single window, to European GDP and increased competitiveness.
- 5.2 In addition, the EESC considers it essential to carry out an impact assessment for each Member State, highlighting the benefits of implementing this policy, as a way of convincing them to do so promptly. At the same time, the EESC calls on the Commission to report on the impact of piloting the customs single window in each of the Member States taking part in the pilot project.

- 5.3 After the impact assessment report, which is analysed in the proposal for a Regulation, the EESC thinks that the package of options 1+6+8(ii)² is the right one.
- 5.4 The EESC emphasises that the European Commission should adopt uniform technical specifications for the functioning of the national single window environment, as set out in Article 2 of the proposal for a Regulation.
- 5.5 The EESC points out that the European Commission should adopt uniform technical specifications for the functioning of the national single window environment as set out in the provisions of Article 8, so as to avoid malfunctions with customs declarations. The EESC believes that it would be useful to create a single standard.
- 5.6 The EESC considers that for the customs single window to function successfully, the national environments need to operate smoothly, with properly trained staff. Given that the number of customs officers³ per 100 000 inhabitants varies from 7 to 70, depending on the Member State, the EESC recommends adding minimum standards on operating the system and on the number of staff required.
- 5.7 The EESC recommends adding in Article 1 of the proposal for a Regulation the phrase "without prejudice to the provisions of the General Data Protection Regulation (GDPR) and the provisions of Article 6 of the present Regulation".
- 5.8 The EESC notes that in both legal and substantive terms, Article 3 could refer to the contradiction that arises because of its reference to the European single window environment for customs while also including Union non-customs systems. A separate subparagraph could be introduced to cover these (as well as making the necessary adjustments to the references).
- 5.9 The EESC requests clarification as to whether the work programme of the European Commission will precede the Regulation or whether it will follow after the Regulation has entered into force. If the entry into force comes first, then what will the time frame be for adopting the action plan?
- 5.10 The EESC thinks that the reference to the possibility of revoking the power to adopt delegated acts referred to in the first sentence of Article 21(3) is far too vague, and seeks clarification as to whether revocation concerns one or all of the categories listed in Article 5(4), Article 10(3) and Article 13(4). It is also unclear whether this concerns one act in the above categories or the

² Option 1 makes EU CSW-CERTEX mandatory and covers EU regulatory requirements for which relevant customs-related information is available at EU level for all Member States, providing an automated quantity management functionality. Option 6 establishes single windows at national level to provide economic operators with harmonised single-entry points to fulfil customs and non-customs formalities. Option 8(ii) is based on expanded use of the existing Economic Operator Registration and Identification (EORI) system just for validation. COM(2020) 673 final.

³ <https://ufe-online.eu/wp-content/uploads/2020/04/2020-04-04.pdf>.

possibility generally of adopting acts for one of these categories. The EESC points out that there should be consultation between the co-legislators about the process of informing them.

Brussels, 24 March 2021

Christa SCHWENG

The president of the European Economic and Social Committee
