



# Update on EU Customs

## 1. Introduction

This short newsletter has purpose to inform the ECASBA Advisory Panel and members of the latest developments at EU level of the Customs policy, legislation and procedures. The main subjects are linked to needed changes of or additions to legal, procedural and IT technical documents related to the Union Customs Code implementation.

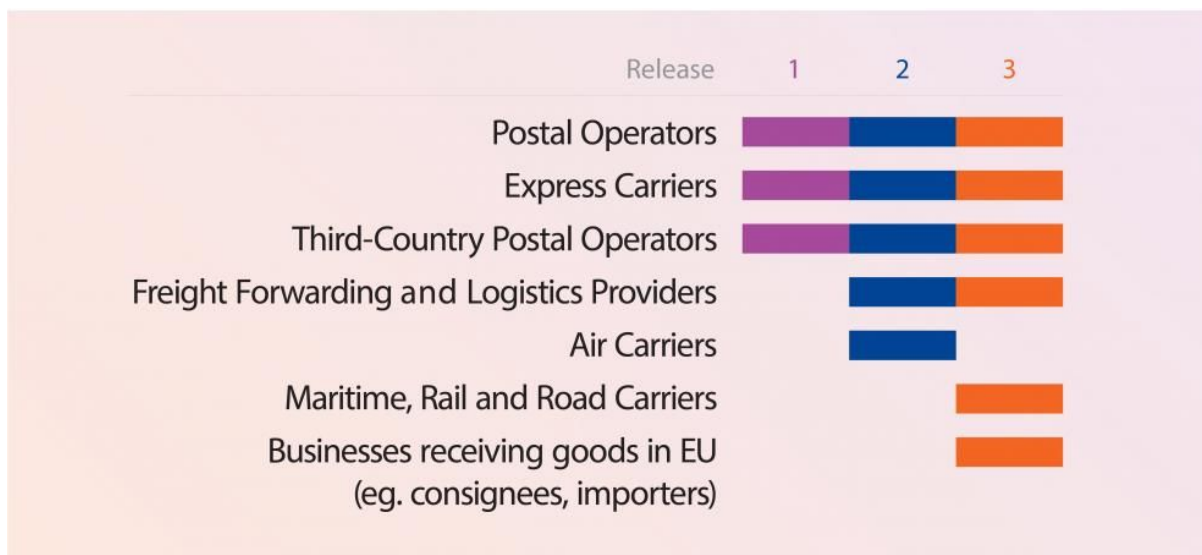
## 2. EU Risk-Management - Import Control System 2 (ICS 2)

ICS2 is the EU customs the new completely revised risk management system based on advance cargo information. It will be implemented to gather data on all goods destined to enter or to transit via the EU before they reach the EU's external borders.

The EU customs administrations have launched on 15 March 2021 the first release of Import Control System ICS 2 for the postal air sector and air express service providers.



In alignment with the UCC – Union Customs Code work programme (Commission Implementing Decision (EU) 2019/2151 - UCC Work Programme), the Import Control System 2 (ICS2) will be operational in three releases. Each release affects different Economic Operators (EOs) and models of transport. EOs will begin declaring their goods to ICS2 depending on the type of services they provide.



Illustrations by the European Commission. See [https://ec.europa.eu/taxation\\_customs/customs-4/customs-security/import-control-system-2-ics2\\_en](https://ec.europa.eu/taxation_customs/customs-4/customs-security/import-control-system-2-ics2_en)

ECASBA is most concerned by the third release planned to be operational from 1 March 2024 onwards, because it affects operators carrying goods on maritime and inland waterways and roads and railways.

Operators will have to complete ENS dataset for all goods in these sectors. Maritime, road and rail carriers will have to submit ENS data to ICS2. This includes as well as other parties, such as logistic providers, and in certain circumstances also final consignees established in the EU, who will have to submit ENS data to ICS2.

### 3. e-Commerce

Although eCommerce is of limited relevance to ECASBA, as small consignments are normally not using maritime transport, but air and/or post, it is good to be aware of the latest developments.

In the EU, new procedures imposed by a change in the VAT legislation, which triggered some technical changes to the UCC Implementing and Delegated Acts. These changes are applicable since 01.07.2021 for consignments under 150 € where VAT needs to be paid from the first €. This is most visible for consignments under 22 €, where no longer relief of VAT is applicable. Before 01.07.2021 there was a relief of VAT up to 22 €. Customs duty relief remains up to 150 € as before.

The new procedure for the clearance of shipments delivered via e-commerce channels makes use either of the IOSS - Import One Stop Shop facility where consumers pay VAT to the supplier when ordering the goods or the non-IOSS procedure, where a declaration at import has become mandatory. The actual ICT systems are based on technical implementation by each of the 27 EU member states national administrations, based on EU legislation.

The start has caused a few practical and operational challenges for the express industry and postal services. At this moment, not all processes are running smoothly and without problems. Often temporary solutions are still in use and will be replaced in the coming weeks.

More information can be found on [https://ec.europa.eu/taxation\\_customs/ioss\\_en](https://ec.europa.eu/taxation_customs/ioss_en)

## 4. Export (ECS becoming AES) and Transit (NCTS)

The export and transit procedures are further adapted to be aligned to the Union Customs Code (UCC), where at present we are still in a transition phase where the UCC Transitional Delegated Act is applicable. EU Member States and operators need to update their ICT systems and will switch over to the new Automated Export System (AES) and to the updated NCTS system in line with the national planning which needs to fit within the larger EU planning.

The European Commission has published the final version of the updated Level 2-3-4 BPM/FSS package for NCTS-P5 and AES the final Level 2-3-4 BPM/FSS for implementation verification and approval (deadline 23.08.2021). The purpose of this exercise is to ensure a full alignment between the functional specifications and the already approved technical specifications.

The adoption of the Union Customs Code Delegated Act (No 2015/2446) and Implementing Act (No 2015/2447) created the need for an update of the NCTS and the evolution from ECS to AES. The update requires changes both on Business Processes and Information Exchanges (IEs). The updated documentation is now aligned to these new UCC requirements. The documentation covers the scope of the systems for NCTS and AES as identified by the MASP (Multi Annual Strategic Plan).

The Trade Contact Group members were informed of the publication of the definitive version of the Level 2, Level 3 and Level 4 BPM and FSS packages for NCTS P5 and AES Update. Unless further feedback is received by the Commission before 23/08/2021, the packages are accepted.

## 5. Other Customs systems under development to complete the UCC implementation by end 2025.

The implementation of the UCC is supported by the upgrade or creation of about 20 ICT Customs systems. The figure below provides an overview of the planning of those Customs systems.

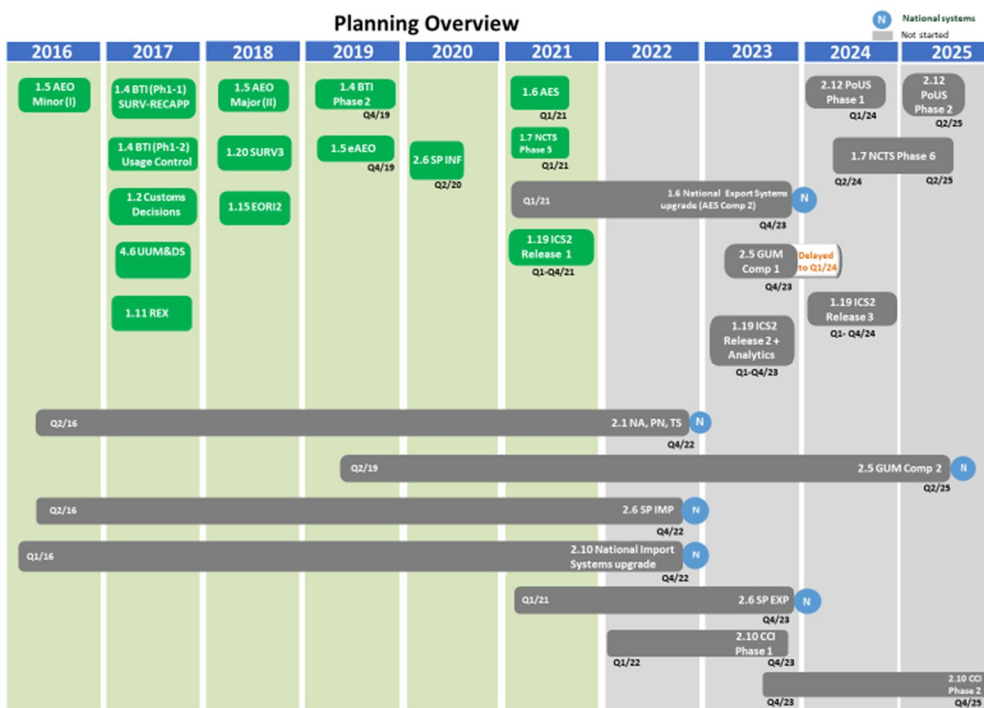


Illustration by the European Commission

More detailed information on the content and functionality of those systems can be found on the EU DG TAXUD website [https://ec.europa.eu/taxation\\_customs/customs-4/union-customs-code/ucc-work-programme\\_en](https://ec.europa.eu/taxation_customs/customs-4/union-customs-code/ucc-work-programme_en).

## 6. Customs and “Single Window” activities

The legal proposal for an EU Single Window Environment for Customs<sup>1</sup> has been adopted by the European Commission and now is being discussed at the level of the European Parliament and Council.

The EU SW environment wishes to provide a digital environment for the management of certificates defined at EU level and that accompany the import declaration. It is envisaged to have a central component ‘the EU Customs Single Window Certificates Exchange’ (EU CSW-CERTEX), which will be developed by the Commission and will provide services to the national authorities whereby customs import systems will have access to EU systems or databases managing non-customs requirements, such as the TRACES<sup>2</sup> tool used by the food safety authorities.

The completion of the EU SW environment is currently scheduled for March 2025.

## 7. New eLearning module for Traders

The European Commission Directorate General for Taxation and Customs (DG TAXUD) is rolling out a new eLearning module to assist traders get up to speed quickly and start taking full advantage of the Uniform User Management and Digital Signatures System (UUM&DS).

Based on the Union Customs Code (UCC) and produced under the Customs 2020 Programme, the course is designed for Economic Operators and their Customs representatives. Upon completion of the course, they will be able to confidently work with the UUM&DS and conduct delegation, certificate registration and authentication processes within the UUM&DS process flow. For more information, check out the [Course: UUM&DS system: Your passport to EU applications, Topic: en \(europa.eu\)](#)

## 8. EU Customs Data Model (EU CDM)

The EU CDM is a technical instrument that:

- models the data requirements laid down by EU customs legislation (UCC)
- presents a single, authoritative source of information for national customs authorities wanting to make technical developments to their own IT systems

EUCDM is based on data provided by traders to customs authorities in the various declarations and notifications required under EU customs legislation (for the data requirements, formats and codes).

Version 6.0 of the EU CDM has been published 02.07.2021 at [EUCDM 6.0 \(gefeg.com\)](#).

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<sup>1</sup> [The EU Single Window Environment for Customs \(europa.eu\)](#)

<sup>2</sup> [How does TRACES work \(europa.eu\)](#)

The latest version 6.0. integrates the new structure of annex B of the UCC to allow the seamless development of IT level data modelling, creating integrated datasets, and re-usable data elements and unique identifiers for all data (sub-)elements.

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