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2015 E-CUSTOMS PROGRESS REPORT

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1 INTRODUCTION

The 2015 e-Customs annual progress report is the eighth report prepared pursuant to Article 12 of the e-Customs Decision[1] under which Member States are required to assess the progress made towards coordinating the implementation of the e-Customs initiative. The Commission consolidates the data gathered by the national customs authorities into a comprehensive report covering the annual operational and financial strategic goals of the Member States within the scope of the e-Customs projects.

This year the Commission received 24 national e-Customs progress reports.

2 BACKGROUND

2.1 E-Customs Initiative

In 2003, the Commission issued an e-Customs Communication[2] that contained proposals about a simple and paperless environment for customs and trade. The subsequent 2003 Council Resolution[3] endorsed the ideas raised in the e-Customs Communication, thus setting the framework for the e-Customs initiative. The e-Customs Communication carved out an important path towards radically simplifying customs regulations and procedures and integrating effective and uniform working methods within the EU Customs Union. Decision 70/2008/EC[4] on a paperless environment for customs and trade, also known as the e-Customs Decision, is the key piece of legislation related to the e-Customs initiative, promoting a shift to an interoperable electronic customs environment with a unified data system to facilitate communication between traders and customs.

2.2 Tasks and Coordination

Articles 5, 6 and 7 of the e-Customs Decision define the main components of the e-Customs systems and assign tasks to the Commission and Member States required for the development and implementation of IT projects.

2.3 Governance of the e-Customs Implementation

Article 8(2) of the e-Customs Decision provides that the Commission and the Member States should jointly establish a Multi-Annual Strategic Plan (MASP) to ensure the management and coordination of all activities and tasks related to e-Customs future projects. As an overall project management tool, the MASP lays out the strategic framework and milestones for the implementation of the e-Customs initiative. It is an essential instrument for ensuring operational planning and implementation of all IT projects. This implementation is based on a three-tier governance model, which consists of the Customs Policy Group (CPG) acting as a steering body at the policy level, the Electronic Customs Coordination Group (ECCG) at the coordination level and several groups consisting of specialists from Member State administrations at expertise level.

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[1] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, OJ L 23, 26/01/2008, p. 21–26.

[2] Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee - A simple and paperless environment for Customs and Trade /COM/2003/0452 final/

[3] Council Resolution of 5 December 2003 on creating a simple and paperless environment for customs and trade, OJ C 305, 16.12.2003, p. 1–2.

[4] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, OJ L 23, 26.1.2008, p. 21–26.

2.4 European Commission and Member States Tasks

The Commission and the Member States equally share the responsibility of facilitating customs communication and information exchange systems. They coordinate the setting-up, deployment and operation of the electronic systems at Community and national level.

3 SUMMARY OF E-CUSTOMS PROGRESS PERFORMANCE

3.1 E-Customs Key Milestones and Achievements in 2015

3.1.1 Core Legislative Framework

Modernising EU customs law has been a priority in the evolution of the EU Customs Union. In this context, the Commission has made considerable progress towards reforming the legal framework for customs procedures. In its 2012 Communication on the State of the Customs Union[5], the Commission outlined a course of action for a more robust and unified EU Customs Union by 2020. In addition, a new legal framework was needed to reflect the impact stemming from the legal changes introduced by the 2010 Treaty on the Functioning of the European Union[6] ('The Lisbon Treaty'). Consequently, the Union Customs Code (UCC), adopted on 09/10/2013 as Regulation (EU) No 952/2013[7] of the European Parliament and of the Council, serves as the legal basis for the modern and electronic customs environment. It will be implemented gradually from 01/05/2016 until the end of 2020.

The Commission, national customs administrations and trade representatives have been engaged in lengthy discussions related to the development of the UCC Implementing Provisions. These provisions were adopted as the Delegated Act (DA) and the Implementing Act (IA) to the UCC. The final texts of the UCC DA/IA and associated annexes have been published in the EU Official Journal on 29/12/2015. The UCC DA/IA will take legal effect across all EU Member States as of 01/05/2016.

The changes introduced by the UCC will require the development of new IT systems and enhancements to existing systems which will be introduced on a phased basis until 31 December 2020. Since not all electronic systems will be deployed on 01/05/2016 when the UCC will apply, the phased implementation would require transitional measures during the development of the supporting IT architecture. The transitional period implies that existing national processes can continue to be used while the necessary IT systems are being developed. In this respect, the Commission adopted the Transitional Delegated Act (TDA) on 17/12/2015 to establish transitional rules for operators and customs authorities pending the introduction of new IT systems.

In order to support the development of the electronic systems, the Commission Implementing Decision[8] establishing the Work Programme for the Union Customs Code (UCC WP) was adopted on 29/04/2014. The UCC WP lays down the IT architecture and technical IT implementation, as well as the harmonisation and standardisation of interfaces. The UCC WP is of pivotal importance for establishing the transitional measures related to the electronic systems and its content is closely

[5] Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the State of the Customs Union /COM/2012/791 final/

[6] Treaty of Lisbon amending the Treaty on European Union and the Treaty Establishing the European Community, 2007 OJ C306/0.

[7] Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, OJ L 269, 10.10.2013, p. 1–101.

[8] 2014/255/EU: Commission Implementing Decision of 29 April 2014 establishing the Work Programme for the Union Customs Code, OJ L 134, 7.5.2014, p. 46–53.

linked to the MASP. In 2015, substantial work has been accomplished in relation to the update of the UCC WP. The Commission and the Member States have been working together to gradually define what to reflect in the updated UCC WP.

3.1.2 General Objectives and Instruments

The Customs 2020 programme maintains the support for coordination between the customs administrations of EU Member States by providing a platform for the electronic exchange of information, the development of common guidelines and IT systems. In 2015, the programme furthered its objectives of supporting the implementation of Union law and policy in the field of e-Customs by sharpening its focus on the UCC, the MASP, trade facilitation, security and safety measures, as well as the Risk Management Strategy and Action Plan. Echoing this precedence, 93 e-Customs related meetings with a total of 2.831 participants were convened during 2015 under the auspices of the Customs 2020 programme.

The Commission performs an organizing and facilitating role to ensure the proper functioning of the Customs 2020 programme and to link its activities with the overall e-Customs objectives. In fact, one of the greatest assets of Customs 2020 is making full use of the knowledge of experts from EU Member States who collaborate in project groups to analyse national customs practices in order to identify obstacles in the correct implementation of EU customs legislation. In the context of the preparatory work for the adoption of the delegated acts, various project groups were established to address specific concerns and to render reports with recommendations pertaining to the acceleration of IT systems implementation. Chaired by DG TAXUD, these project groups held several sessions in 2015.

During the 2014 MASP Review, Member States expressed the need for an overall assessment of the developments impacting their national systems to properly plan the implementation of the UCC at a national level. To this end, the Customs 2020 Project Group examining the impact of the UCC related IT requirements on Member State systems was established as a follow-up to the discussions on the transitional measures for the UCC electronic systems. Its work lasted from March to October 2015, driven by a collaboration of 22 Member States. The project group members presented a final report[9] containing six recommendations, which assessed the most appropriate approach to be taken for the IT-related transitional measures from 2016 until 2020. This set of recommendations has been taken into consideration for the drafting of the UCC Delegated Act on Transitional Measures, the MASP revision and the UCC WP update.

Based on the 2014 Feasibility Study[10], another Customs 2020 Project Group was established in 2015 to address objectives 1 and 2 of the EU Risk Management Strategy (ICS – common repository and optional shared services) in view of launching the inception activities for the ICS 2.0 project. The ICS 2.0 Trans-European system will provide a solution for Member States' customs administrations and the Commission to perform the UCC assigned tasks pertaining to customs formalities, risk management and control processes for the entry of goods in a more effective manner. The project group, comprised of 15 Member States, prepared a Business Case and a Vision Document for setting up a common repository for mandatory use by all Member States and optional shared services (e-screening and harmonized trader interface). These documents defined the approach to be taken with regard to ICS 2.0 project implementation, including elaboration on the technical and functional requirements, legal aspects and cost estimates.

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[9] Customs 2020 Project Group Final Report "Examine the Impact of the UCC related IT requirements on Member State systems", issue date 09/11/2015 (http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=22336&no=1)

[10] Customs 2020 Project group supporting analysis of the implementation feasibility for Objectives 1-2 of the EU Risk Management Strategy, issue date 02/12/2014.

In order to further simplify customs procedures and anchor a paperless environment of customs and trade, DG TAXUD in cooperation with other DGs is working towards facilitating cooperation between national customs authorities and other authorities involved in the movement of goods across Union borders. Based on Article 4(4)(c) of the e-Customs Decision[11], the EU Single Window – Common Veterinary Entry Document (EU SW-CVED) is the first operational project of the EU Customs Single Window (SW) programme, run jointly by DG TAXUD and DG SANTE. In 2015, four Member States enrolled in this pilot project. At its current state, the EU SW Common Veterinary Entry Document (CVED) establishes the interconnection between the DG SANTE TRACES system and the national customs authorities' systems through the DG TAXUD IT infrastructure to allow the automatic verification of the CVED certificates and Common Entry Documents (CED) provided with the customs declaration. In an effort to further facilitate and improve the harmonisation and exchange of data between authorities, the Commission is committed to expanding the scope of the EU Customs SW with other digitalised EU certificates pertinent to customs processes. The Commission gears towards the solution to grant relevant national customs authorities standardised access to EU certificates issued by other public authorities. With this intention, an EU Customs SW Project Group was set up in early 2014 to analyse the possible options for such information exchange. The SW Project Group, consisting of several DGs that manage EU certificates databases, eight Member State representatives and various trade organizations, presented a final report in early 2015 entitled the "Options Paper for the Implementation of the EU Customs SW." This paper serves as the basis for discussions with the involved DGs on the evolution of the EU Customs SW project.

One of the essential instruments supporting the EU Customs Union in its efforts to modernise customs procedures and systems is the EU Customs Business Process Modelling (BPM) Policy. Given the complex business environment of EU customs, the BPMs are being created to properly reflect business processes in a unified and standardised way. Aiming at ensuring a more holistic view of the customs organisation, the BPMs will further deepen the common understanding of customs process flows and the practical implications of its implementation. As such, the enhancement of the BPM policy remains a paramount objective for the e-Customs architecture. In 2015, Level 1 (L1) EU Customs Global BPM, Level 2 (L2) UCC Interaction BPM and Level 3 (L3) UCC Business Requirements BPM, encompassing all customs domains, were aligned with the third consolidated draft version of the UCC DA/IA. The next update of the UCC L1-2-3 BPMs is the alignment with the adopted UCC DA/IA. Concurrently, work has continued on improving Level 4 (L4) Functional Requirement BPMs.

The BPMs are facilitated by ARIS[12], a software tool which enables the reusability and continuous improvement of business processes and data. A new version of ARIS has become available in 2015, offering improvements in modelling and analysis functionalities. To this end, more than 8.500 EU Customs BPMs were successfully migrated to the new ARIS9 version in November 2015. Consequently, the EU Customs BPM guidelines were updated in alignment with the new ARIS9 version. This process is consistently contributing to the refinement of the EU Customs modelling approach. Currently, there are more than 750 users utilising BPMs/ARIS.

Equally important, data exchange is indispensable to the efficient functioning of the e-Customs architecture. For this reason, the new IT systems will be based on the EU Customs Data Model (EU CDM) which is composed of EU customs legislation data and is built upon the World Customs Organisation Data Model. The EU CDM will adopt a three-tier approach ranging from the global, regional and national levels, with the aim of enhancing data quality and improving the

[11] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, OJ L 23, 26/01/2008, p. 21–26.

[12] Corporate policy decision to be used by EU Commission.

interconnection between customs and economic operators. The instrument envisaged to facilitate the adoption of this data model is the software GEFEG.FX[13], a business schema documentation tool whose purpose is to derive XML files. This tool is also anticipated to organize the preparation of the UCC data guidelines and data mapping for the UCC DA/IA Annex B data requirements. Based on the customs declaration information, the data elements defined in this tool will be connected to many IT applications.

In addition, the EU CDM is foreseen to be developed in several formats, and at a later stage, the Commission is expected to gain a better understanding of handling its language versions. In this context, the data elements are not subject to change in the future except when corrections to the legal text are necessary. Along with the development work related to the EU CDM, substantial data mapping activities were carried out in 2015. In collaboration with the Member States, the Commission is looking at possible solutions to ensure that the Member States choose the appropriate tools for applying the EU CDM.

Furthermore, the Commission supported the electronic exchange of information through the Common Communication Network /Common System Interface (CCN/CSI) with an availability of 99,97% in 2015. The CCN is made up of a series of physical gateways located in the national administrations, whereas the CSI ensures the interoperability between the relevant application platforms of any national administration and a gateway provided by the Commission. The Commission has initiated a process to analyse the options for the evolution of CCN to a modernised system (CCN2), which will be able to respond to IT challenges that Member States and the European Commission will collectively face until 2020.

The Commission has made considerable progress towards advancing the e-Customs agenda. In 2015, the EU accounted for almost 15% of the world trade in goods. Managing this volume of international trade requires handling millions of customs declarations in an efficient manner. The uniform application of EU law in customs remains a high priority for the Commission. To this effect, the Commission is leading the way towards the gradual closing of the gaps that exist in the interpretation of EU customs law. In 2015, work in the implementation of the UCC and its implementing acts has progressed to achieve the goal of deploying most electronic systems by 31 December 2020 as laid out in the MASP.

The harmonisation of e-Customs relies on active collaboration between the Commission and Member State authorities. Although Member States make progress at different speeds and according to different national priorities, the Commission has taken action to maximise business continuity with existing systems and to avoid time-consuming transition periods.

3.1.3 Challenges to Successful e-Customs Implementation

In 2015, the e-Customs reform remained a priority for the proper functioning of the EU Customs Union. Its agenda included further improvements to the legal, IT and operational aspects, all intended to prepare EU customs for current and future challenges.

The manifold activities performed throughout 2015 in the context of e-Customs implementation, ranging from highly specialized expert groups to online trainings tailored to meet the specific needs of customs officials from different EU Member States, are a clear indication of the dynamic and successful partnership between the Commission and the national customs authorities of the Member States. In this light, the Commission has served as a catalyst in fostering open communication and cooperation amongst national customs administrations, as well as between the national and EU level. In a similar vein, the Member States showed commitment and determination in sharing the same objectives and moving forward with the e-Customs reform.

[13] The tool is used to align with the WCO.

In 2015, the Commission put considerable effort into the management of electronic systems and databases and the coordination of MASP projects. It should nevertheless be recognized that several MASP projects have been delayed due to the fine-tuning of the existing legislation. However, considering the pattern of progress made towards the coordination and implementation of the IT projects in 2015, it can be assumed that if delays arise, timely implementation of the projects is still feasible.

As demonstrated in this progress report, a number of Member States displayed a notable tendency to concentrate their budget mainly on system preparation and the impact analysis phase in preference to the maintenance of operational customs IT systems. According to the analysis provided, a cost decrease of 50% was noticed in certain Member States in comparison to the 2014 overall expenditure. From a financial perspective, this observed decrease can be interpreted to imply that a number of Member States were operating under budgetary constraints or experienced difficulties in allocating funds for 2015. On that premise, this could also be a reflection of the Member States' current financial situation in view of the projected resources associated with the preparation for the entry into force of the UCC DA/IA and their annexes.

Despite all the challenges posed over the period covered in this report, the Commission and Member States made considerable progress in 2015 towards the implementation of e-Customs IT projects. A leading factor to this success was the hard work and dedication contributed towards the publication of the final UCC DA/IA text. This continued development in the area of e-Customs is framing the terrain upon which an electronic, paperless environment for customs and trade will be attainable by the end of 2020.

4 IT SYSTEMS PROGRESS ACTIVITIES

4.1 Purpose of this Section

This section summarizes the contribution made by the Commission and the Member States in 2015 towards the overall IT systems' achievements pertaining to MASP projects.

As the overall management tool for ensuring the coherence of the electronic customs projects, the MASP is revised annually in order to reflect the progress made towards the coordination and implementation of the IT projects, as well as to align and update their planning. In 2015, significant changes were implemented to the MASP 2014 Revision, designed to update and amend the project fiches with various enhancements. In this context, a new Annex 6 entitled "Change Log" was drafted to highlight the results of these significant transformations.

4.1.1 MASP Group 1 - Customs European Information Systems

Group 1 incorporates the operational MASP projects at different stages of development whose objectives, scope and timeline for implementation are defined by common agreement between the Commission and the Member States.

4.1.1.1 *UCC Customs Decisions (1.2)*

The UCC Customs Decisions is one of the earliest and biggest UCC projects aiming at standardizing electronic customs data across the EU. In 2015, all the planned IT activities associated with this project were implemented according to schedule.

The Customs Decisions Collaboration Project Group continued its work at regular intervals in 2015. The Member States' delegates participating in this project group provided advice and expertise to the Commission in connection with the production of IT specifications for the UCC Customs Decisions project. In 2015, this expert group held three two-day workshops chaired by DG TAXUD.

During the UCC Customs Decisions elaboration phase, progress was made towards the update of L4 BPMs, which included the requests for change provided by DG TAXUD's IT unit. The L4 BPM package was published for external review in 2015.

The review cycles with the Member States related to IT specifications for the Customer Reference Services (CRS), the Customs Decisions Management System (CDMS) and the Trader Portal (TP) packages, compliant with the 2014 L4 BPM version, ended in early 2015. The new versions of IT specifications were produced in alignment with the L4 BPM version of April 2015. Subsequently, the pertinent review process with the Member States has started.

In 2015, ES and FR proposed to extend a hybrid approach for the development of an EU harmonized trader interface. These Member States expressed interest in enabling the economic operators to choose between the EU and national trader portals.

In 2015, a number of Member States (BE, BG, CZ, EE, ES, FI, FR, HR, PL, PT, SE, SI, SK, UK) reported on implementation of analysis/modelling activities for national user requirements as well as for national technical and functional specifications. Entrusted with the task of choosing a course of action for their system implementation strategies, many Member States (BE, BG, CY, CZ, SE, EE, FI, PL, HR, HU) carried out preparatory work for project development.

With respect to CDMS, a few Member States (CY, CZ, IE) indicated the intention of using the Commission-built system for both national decisions and those that affect other Member States, whereas BG adopted the approach of using CDMS and the Central Trade Harmonisation Portal. MT foresees using the central system for national customs decisions until it develops a national authorisation system in the future.

In addition, FR reported that it has implemented the national application (Soprano) which, among other national procedures, will start managing UCC-related decisions in 2016. DE and LT reported on proper system operation and regular maintenance activities. In addition, LT carried out activities on the implementation of the Customs Decisions within the Single Window project. PL reported that its national customs decisions system "SZPROT" will be updated with an aim to align it with UCC Customs Decisions System.

In summary, the Member States have played an active part to meet the requirements of the UCC Customs Decisions system by preparing and analysing the documentation, assessing the national situation and planning further national experts' groups or Customs 2020 project group activities.

4.1.1.2 *UCC Proof of Union Status (PoUS) (1.3)*

The project is on hold due to additional clarifications required on the scope of the system from a legal and business perspective. As a result, no agreement was reached between the Commission, the Member States and the Trade Contact Group (TCG) on the scope of PoUS. One of the major concerns was identified as the need for further clarification on the processes linked to the Customs Goods Manifest. In the course of the work undertaken to address the outstanding issues, the Commission presented the following documents to the ECCG:

- Proof of Union Status System – clarification of processes[14]
- Final Implementation Details related to the consolidated comments and APOs for PoUS Business Case, version 1.20[15]

According to the ECCG, these documents were not sufficiently explicit. Regardless of the suspended activities related to the Business Case, the work pertaining to the BPMs continued. The Commission updated L3 BPMs and published L4 BPMs for review. Since the scope of functionalities had not been supported by the TCG and Member States, the Commission concluded

[14] Proof of Union Status (PoUS) System Clarification of processes (Ref. Ares (2015)1215735 - 19/03/2015).

[15] Consolidated Comments, Authors Response to the Business Case document for PoUS v.1.20, updated with the final implementation details (Ref. Ares(2015)1215735 - 19/03/2015).

that the real benefits of the project could not be attained. Consequently, the Commission announced a "hold" status for the project on a de facto basis.

Although some of the Member States (AT, EE, IE, MT, PT, SK) reported the project status as "on hold", several analysis activities pertaining to the national user requirements were undertaken by BE, CY, EE, ES, FR, MT, PL SI, UK, CY and UK. In addition, UK reported conducting analysis for internal investment. FR notified about carrying out activities related to national functional specifications and arranging meetings at national level. HR was also involved in project preparation activities. MT informed about plans to use the central system, while PL carried out an analysis to create validation rules and new conditions for the upgraded XSDs. PL further developed an interface to support a request for the registration of PoUS goods by submitting the request to the customs authority. SI executed analysis on how to integrate the PoUS application in the national customs environment.

4.1.1.3 *UCC Binding Tariff Information (BTI Phase 1) (1.4)*

The development of the UCC BTI project (Phase 1) met with a number of difficulties, the main source of which was the disagreement among the Member States on the proposed obligation to provide 52 data elements to the central Surveillance system. The Member States were constrained by legal and technical obstacles. However, the elaboration phase activities (feasibility study and specifications) continued based on the provisional list of 52 data elements. The application, service and technical systems specifications were bundled in one package for review, thus updating the existing specifications of the EBTI3 and Surveillance2 systems (functional and technical message exchange specifications).

The Commission made every effort to further develop this project in 2015. Following lengthy discussions with the Member States, the Commission decided to apply the revised Annex UCC-IA-21-01 with the list of 40 data elements for the upcoming activities of the UCC BTI and Surveillance3 projects. To further implement the necessary transition requirements, an RfC was introduced, enabling the Member States to arrange the conversion from the current dataset to the new one within the agreed time window.

According to the adopted UCC DA/IA with a list of 40 surveillance data elements referred to in the UCC-IA Article 55(1), the UCC BTI Business Case was scheduled for approval in early 2016, followed by the update of the Vision Document and the launch of IT contractual activities. The production of updated IT specifications for the Member States is considered a high level priority.

As regards the UCC BTI Phase 2, the Commission drafted the required changes to the Business Case, however no developments were reported in 2015.

Following more stable legislation, the Commission put forward a new timetable for the project, taking into account the proposed transition strategy for the Member States.

A number of Member States (BE, BG, CY, EE, ES, FI, HU, PL, UK) reported their activities in progress. EE, FI and UK put emphasis on analysing and modelling national functional requirements, whereas CY reported progress on the national functional specifications. FI performed national user requirements analysis and launched an initiative to replace the current national declaration system (UTU Programme) which covers several MASP projects.

In addition to conducting analysis and modelling, ES carried out the necessary upgrade and operations activities related to the national system. ES further reported that due to the UCC legal requirements, economic operators face the burden of using paper forms and their corporate website to access BTI files. MT, on the other hand, planned on using the central system.

In regards to the status of the BTI project, FR and PL reported that their system is operational. FR performed the necessary maintenance activities, whereas PL executed maintenance upgrades and other activities. PL also expressed that the national system must be compliant with the UCC legal requirements.

4.1.1.4 *UCC AEO Updates and impact of MRA (1.5)*

The Commission cooperated with partner countries in 2015. An Interface Control Document (ICD) was signed between the Commission and the Chinese customs authorities. The AEO MRA with China has been operational since the end of 2015. With respect to the USA, the SHA-2 security algorithm was put in place. Japan, on the other hand, agreed to implement the fully automated solution. The Commission and Japan proceeded with the signing of the Interface Control Document at the 7th Joint Customs Cooperation Committee (JCCC). The development activities continued throughout 2015, while negotiations with Canada were ongoing.

The Minor Enhancements activities regarding the UCC AEO progressed according to schedule, resulting in a high level assessment of the changes. Further progress was made towards development activities, incorporating the first bundle of the UCC changes. The EOS System-to-System (S2S) Specifications for the AEO Minor Enhancement were accepted by the Commission and the project was implemented on time.

Several Member States (BE, CY, ES, FR, MT, SI, UK) reported their activities in progress. BE carried out analysis and modelling activities in view of national functional specifications. In addition, BE conducted general maintenance of the existing AEO and MRA systems and performed incident management. CY did not implement the national AEO system, but used the centrally developed system instead. UK and PL reported that the national user requirements phase was underway. The EOS-AEO system integration process has been suspended in PL due to errors in documentation. As such, upcoming system activities may be prone to conformance testing.

In regards to the current project status, CZ, FR, HR, MT and SI reported the system as operational. In addition, FR reported on the Known Error List (KELs) activities, whereas CZ and MT performed system upgrades. CZ dedicated considerable efforts towards system development and testing at the national level. Furthermore, CZ carried out updates of the operating documentation (User Manual), as well as focused on testing requirements in order to incorporate new functionalities in the AEO system.

4.1.1.5 *UCC Automated Export System (AES) (1.6)*

Conforming to the third consolidated version of the UCC DA/IA, the updated AES Business Case document was accepted by the ECCG in early 2015. The Vision Document was published for external review shortly afterwards. Likewise, the AES L4 BPM/FSS package was published for external review at the end of 2015. At the request of the Member States, the Commission decided to set up a Customs 2020 project group in 2016. The main purpose of the AES Project Group would be to provide recommendations aimed at fine-tuning the AES L4/FSS package in line with the adopted UCC DA/IA and at facilitating a smooth migration process from ECS Phase 2 to AES.

In 2015, the Member States reviewed the legislation and analysed the documentation pertaining to AES. BE researched the procedure in which export processes could be automated nationally, and HR explored the impact on the existing ECS system. CY informed that the project was undergoing the inception phase, whereas SI prepared the necessary documentation package to start the project. EE analysed the documents in collaboration with the IT centre of the Ministry of Finance.

Furthermore, the Member States performed operational system maintenance as indicated under section 4.1.4.8 “Maintenance and updates of operational IT systems”.

4.1.1.6 *UCC Transit System including NCTS (1.7)*

As regards Component 1, which covers the adaptation of the NCTS to the new UCC requirements, the UCC NCTS project development was ongoing, although system deployment has been postponed until 2019.

Driven by the objective to align the NCTS with the new UCC requirements, the Commission decided to establish the Customs 2020 project group “UCC New Computerised Transit System Project Group” towards the end of 2015, aiming at updating the L4 BPM and the Functional Transit System Specification (FTSS), including required transition specifications. The purpose of this

activity was to develop proposals to implement the necessary processes and data requirements in the NCTS system in line with the UCC Work Programme. The update of the L4 BPM and FTSS will serve as the basis for the migration from NCTS Phase 4 to the new NCTS.

With reference to Component 2, namely the implementation of the Electronic Transport Document Process, the Commission expressed the view that since this process constitutes a national matter, the development of the Business Case and Vision Document is unnecessary.

The Member States analysed necessary changes arising from the UCC. For such purpose, BG set up a working group at national level on the preparation of technical specifications to adapt the existing application to the new IT architecture framework. On the other hand, FI reported that the national user requirements were under preparation.

In addition, the Member States conducted operational system maintenance. Additional information can be found under section 4.1.4.8 "Maintenance and updates of operational IT systems", which also focuses on FYROM's membership to the Common Transit Convention[16] in July 2015 and Serbia's final steps towards employing an operational NCTS system.

4.1.1.7 *Registered Exporters System (REX) (1.11)*

The Registered Exporters System (REX) is listed in the UCC WP as the first system to be deployed. Member States put a lot of effort to meet the milestones given that the deployment date for this project is set for 01/01/2017. Thus far, project activities have been carried out on time. The Vision Document was approved by the ECCG and the review of the L4 BPMs was closed in March 2015. In terms of IT specifications, the first main milestone was the delivery of system interfaces required for the National Customs Declaration Processing Systems in CH and NO.

The Commission produced the service specifications package for those Member States which would choose to integrate their national REX application with the central REX application in order to upload the relevant data. The review cycle with the Member States finished in early July 2015 and the construction phase activities have been ongoing according to the agreed schedule.

In 2015, the Commission launched a call for interest with respect to the establishment of a Customs 2020 Registered Exporters (REX) Project Group for the GSP beneficiary countries. The objective of the project group is to elaborate the REX user manual document, share best practices, provide feedback on the training material and contribute to the testing activities.

A number of Member States (BE, BG, CY, CZ, DE, EE, ES, FR, HR, PL, PT, SI, SK, UK) reported their activities being in progress. In addition, some Member States analysed possible project implementation options. BE, CY, DE, HR, PT, SK, UK carried out national user requirements analysis and modelling. BE prepared a national Business Case for REX and informed about the decision to use the central system. BE foresees to execute data replication and to develop a link with its national declarations system. HR took the decision to use the centrally developed REX and notified about conducting a study to develop a number of applications in view of the national "CDPS" and the risk analysis system. Likewise, MT intends to use the central system. UK reported on the successful development of the high level Business Case for internal investment. FR and SI carried out activities related to national functional specifications. In addition, FR elaborated on enhancing the national REX application, whereas SI analysed the possibility of integrating the REX system into the national customs environment. CZ and EE identified the national systems in the design phase. PL analysed system-related documentation at a national level, establishing that the national REX application will act as one of the components of the existing national system "SZPROT".

[16] Convention on a common Transit Procedure, OJ L 226 13/8.1987, p. 2.

4.1.1.8 *Anti-Counterfeiting and Anti-Piracy System (COPIS) (1.12)*

The COPIS project encompasses the following three systems:

- COPIS 1.2.0 (operational)
- COPIS Interface with Anti-Fraud Information System (AFIS) (inception phase in 2015)
- COPIS implementation of electronic Application for Action (AFA) (deployment to start at a later stage)

With regard to the COPIS-AFIS link, a delay was observed in the implementation of the required link with the AFIS application which is owned by OLAF. This delay was caused due to the lack of supplementary analysis, taking into account that only an initial feasibility study has been conducted between DG TAXUD and OLAF. Nevertheless, the activities recommenced in May 2015. The required inception activities started in September with the aim to draft a Vision Document for governance approvals at the beginning of 2016. The new production date is foreseen for Q2 2017.

The COPIS Enforcement Database[17] (COPIS-EDB) link has been in production since mid-July 2015. In view of the electronic AFA implementation, the Commission started to update the Business Case with the proposed business strategy on the subject.

BE installed a new functionality for the existing national system. CY reported using the central CDCO system, while CZ continued system development and improvement. ES carried out maintenance to adapt the national IT application to COPIS, whereas FR and PL performed EDB conformance testing, along with other analysis and maintenance activities. In addition, PL performed product quality improvement, issued a new version of replication and synchronisation agents, carried out functionality to verify database consistency and implemented new COPIS features in the national Intellectual Property Rights (IPR) system.

4.1.1.9 *EU Single Window Programme (1.13)*

With regard to the EU Single Window CVED Phase1 implementation, Release 1.1.4 was put in production and TRACES was upgraded to v6.22. Development activities for the new Release 1.2.0 were ongoing. In parallel, the Commission made progress towards L4 BPMs, which will be adapted to the new Release 1.3.0. In addition, the Commission expressed the intention of increasing the SW scope to other EU-wide certificates, which should be implemented during Phase 2 of the project.

Several fact-finding missions were established in view of the implementation of the EU SW-CVED pilot project. The first mission was organised in IE, followed by another in CZ.

With respect to the EU SW-CVED Phase 1 pilot project, CZ, IE, SI, LV were in production and successful conformance tests were performed in 2015 with BG, PL and LT.

As regards Member States activities during 2015, IE was the first country to join Phase 1 of the project. CY reported on national acceptance testing, whereas ES conducted activities related to national functional specifications. BG performed additional integration testing for veterinary control between customs and national competent authorities. CZ became fully operational in automating the validation process of the CVED document against the EU SW CVED (TRACES) system. LT developed the Single Window Information System based on interfaces of national customs declarations processing system and other national administrations. PL carried out activities related to the implementation of a communication mechanism between NCTS2 and the TRACES system developed to verify the CVED notifications. Among its activities, FR established the interconnection of the national clearance application with other national competent authorities. The

[17] The Enforcement Database (EDB) is owned by the Office of Harmonisation in the Internal Market (OHIM).

Member States also performed analysis activities. BE conducted a pre-study of methods for assessing possible system implementation, whereas EE explored the cost benefit analysis and objectives specifications.

4.1.2 MASP Group 2 - Customs European initiatives needing further study and agreement

Group 2 contains projects that require further review and discussions before being mapped on the IT planning chart.

4.1.2.1 *UCC Notification of Arrival, Presentation Notification and Temporary Storage (2.1)*

The Customs 2020 Project Group, established to examine the impact of the UCC-related IT requirements on Member States systems, conducted analysis on the entry domain, specifically concentrating on the Arrival Notification (NA), the Presentation Notification (PN) and Temporary Storage (TS). The project group members presented a final report[18] identifying key issues affecting these procedures and developed recommendations to address them. The implementation strategy, described in the final report, provides flexibility for Member States to optimally plan the changes. It is worth mentioning that this project is interlinked with the developments of ICS 2.0.

Various activities were performed by the Member States in relation to this project. BG, CY, FI and SE performed national user requirements analysis and modelling. In addition, SE reported on implementing prospective changes to the NA and PN concerning sea transport. The scope of these changes encompasses the development and implementation of ship reporting which is handled in cooperation with the SE Maritime Agency. BG analysed necessary adjustments to the national import system, including national electronic solutions for NA, PN and TS.

The import processes for NA, PN and TS were already operational in BE, as pointed out in their 2015 national report. Other Member States, such as DE and HU, also indicated that the project was in the operational phase. HU implemented further developments in regard to the current ICS system. LT upgraded the national IT application and completed the pilot project for TS functionality. HR informed that the existing national system which processes NAs was developed pursuant to the Commission's documentation. PL reported progress towards the implementation of the new software infrastructure which includes the TS functionality.

4.1.2.2 *UCC Guarantee Management (GUM) (2.5)*

In its provisions, the UCC stipulates that the guarantee may be used in more than one Member State. To further address this matter, the Project Group on EU Guarantee Management System was established upon CZ's proposal. The aim of the project group is to examine the availability of the national guarantee management systems in the Member States and to prepare possible implementation options for the Trans-European GUM. The first meeting took place in CZ in November 2015. The activities of this project group, which consists of 16 Member States (BG, CZ, DK, EE, HR, IT, LV, LT, HU, NL, PL, RO, SK, FI, SE, UK), will continue in 2016. The initiation of the IT project is planned for a later stage.

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[18] Customs 2020 Project Group Final Report "Examine the Impact of the UCC related IT requirements on Member State systems", issue date 09/11/2015.

(http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=22336&no=1)

MT informed about its intention to use the central system, whereas CZ, DE and EE carried out activities related to national user requirements. In addition, HR arranged an initial meeting at national level regarding GUM, whereas LT reported on development activities of the national guarantee management system in the framework of the implementation of its national transit project. Given that the national GUM system was already operational in PL, maintenance and support activities were carried out in 2015.

4.1.2.3 *UCC Special procedures (2.6)*

There are two aspects to the practical implementation of the project:

- Harmonization of UCC Special Procedures: national IT developments for the harmonization of special procedures and alignment with the legal provisions defined in the UCC DA/ IA.
- UCC INF for Special Procedures: central services provided for the management of standardized information. Currently, there is no system for Special Procedures at the EU level, except for Information Sheets (INF).

In 2015, the project development continued with the preparation of the L4 BPMs for INF. The Business Case for the UCC Standardised Exchange of Information for Special Procedures was approved by the ECCG. The IT inception activities leading to the preparation of the Vision Document were launched in 2015. In addition, the Commission established the Customs 2020 Project Group on Special Procedures other than Transit at the end of 2015. The objective of the project group was to draft a UCC-related guidance document to reflect the outcome of the discussions between the Member States and trade.

An important achievement in 2015 was the establishment of the easy-to-use eLearning module, available on the *Europa* website, which provides fundamental knowledge in the domain of special procedures (other than transit) and its related procedures, as defined in the UCC. The courses were developed by experts of national administrations in close collaboration with trade and the Commission under the Customs 2020 Programme.

In light of the national developments related to the Special Procedures, several Member States, such as BG and FI, reported that relevant analysis was carried out in view of national user requirements, whereas others reported on the design of the national system, as was the case for SE. MT informed about the intention to use the central system. In addition, BG set up a working group in December 2015, the purpose of which was to analyse adjustments to the national import system. BG also created a national e-Customs roadmap for 2014-2020.

4.1.2.4 *Surveillance 3 (2.7)*

The system development activities were ongoing in 2015. The Member States conducted the external review of L3-L4 BPMs. Due to legal uncertainty, the Business Case was not published for approval in 2015, whereas the Vision Document was submitted to the Member States for review.

The specifications will be based on the revised Annex UCC-IA 21-01 with the list of 40 surveillance data elements referred to in the UCC-IA Article 55(1). The elaboration phase activities have been launched.

The national administrations of the Member States have reviewed the documents submitted by the Commission. In addition, the Member States reported that work has been done regarding the collection and definition of national user requirements (EE, ES), as well as the production of national technical specifications (FR, MT).

4.1.2.5 *UCC related changes to ICS for strengthening the Security of the Supply Chain at Entry (Objectives 1 and 2 of customs risk management strategy – data quality and availability) (2.8)*

As mentioned in section 3 of the report, the Customs 2020 Project Group “IT project for objectives 1 and 2 of the Risk Management Strategy” in collaboration with the Commission worked on the

Business Case and the Vision Document for the common repository and additional shared services (e-Screening and Shared Trader Interface). The project group participants (BE, DE, EE, IE, ES, FR, HR, IT, LT, HU, NL, PT, FI, SE, UK) contributed to the preparation of these documents. A survey was launched to determine the Member States' preference concerning e-Screening and the Shared Trader Interface. 19 Member States expressed their interest in e-Screening and 20 favoured the Shared Trader Interface.

The Business Case for ICS 2.0 was reviewed by the ECCG and presented to the CPG in 2015. The Vision Document was discussed at the CPG at the end of 2015. Internal preparatory work on the update of L4 BPMs has started. In 2016, the Commission will provide further clarification on the legal basis and the required budget for project implementation before moving to the elaboration phase. The Business Case and Vision Document should be updated in alignment with the decision taken on the outstanding issues.

The Member States examined the prospective UCC updates to the current ICS. HR analysed the impact of the UCC-related changes on the existing system, whereas SI carried out preparatory activities for the ICS 2.0 implementation cost. In addition, SI drafted a document addressing risk management in view of the EU legislation.

4.1.2.6 *Classification Information System CLASS (2.9)*

The project activities were ongoing in 2015. The L4 BPMs were updated during the project inception phase. Upon completion of the feasibility study and the proof of concept, the Commission decided to use the DG DIGIT search engine for search functionality purposes. The Vision Document was published for Member States review at the end of 2015 and the elaboration activities started according to schedule.

During the inception phase, Member States mainly reported on analysis activities related to the review of the above-mentioned Commission drafted documents. In addition, FR carried out activities linked to the analysis and preparation of national functional specifications.

4.1.2.7 *Adjustments of the existing import applications under the UCC (2.10)*

The Commission aimed at consolidating the prospective components pertaining to the development of national import applications in view of the UCC requirements. To this end, several projects, such as "Adaptation of the movement systems", "UCC Centralised Clearance for Import (CCI)", "UCC Harmonisation of the Customs Declaration" and "UCC Self-Assessment (SA)" are grouped together under the umbrella of this combined project file. A newly added element to the combined project was the creation of an interface between import systems and Excise Movement and Control System (EMCS) with regard to the import of goods subject to excise duties.

In 2015, the Customs 2020 Project Group examining the impact of the UCC related IT requirements on Member States systems identified links and interdependencies in the MASP projects. The project group drafted a final report[19] outlining the development of an IT implementation strategy, its findings and recommendations. The outcome of the project group was reflected in the UCC Work Programme and the MASP updates.

In terms of national activities, BG, FI, MT reported progress in collecting national user requirements. In addition, BG established a working group to prepare the necessary documentation

[19] Customs 2020 Project Group Final Report "Examine the Impact of the UCC related IT requirements on Member State systems", issue date 09/11/2015

(http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=22336&no=1)

and to choose the contractor for the development of national functional and technical specifications. PL progressed with the national acceptance testing and further aligned its import systems to the UCC requirements. MT developed a new national import system using a SOA platform with a view to extending it to the UCC-determined functionality. LT improved the national import application within the scope of the customs declaration processing system development. SK carried out activities involving the development of automated import procedures to ensure a paperless environment.

4.1.2.8 *Customs Union Performance – Management Information System (CUP-MIS) (2.11)*

Customs Union Performance – Management Information System (CUP-MIS) was included in the MASP as a new project. The CUP-MIS is considered an important element within the EU Customs Union's governance reform. The system is a performance measuring tool set up to analyse customs activities. Its objectives are in line with the crucial initiatives and documents composed by experts in the field of customs policy.

The Business Case was revised taking into account the new developments surrounding the project, such as the adoption of the new UCC related legal acts. Although the approval of the Business Case was still pending in 2015, the document was expanded to include a thorough cost-benefit analysis.

There were no particular activities reported by the Member States on this project.

4.1.3 MASP Group 3 - Customs International Information Systems

The third group consists of projects managed by international organisations. The EU and its Member States play an active role in the development of these projects, however not as project organisers or owners.

4.1.3.1 *Implementation of UNECE eTIR System (3.1)*

The scope of the "eTIR international system" implementation in the EU is the adaptation of the NCTS to handle TIR operations as defined in the eTIR Reference Model Document[20] and the adaptation of SPEED to enable the exchange of data between the NCTS and eTIR system.

In general, the project is governed by UNECE (United Nations Economic Commission for Europe) and the information on its progress will be updated at Commission level when the tasks are delegated to the contracting parties. In 2015, neither the European Commission nor the Member States initiated the actual project activities, with the exception of FR and CY. FR carried out analysis on national functional specifications, whereas CY launched the inception phase of the national project.

4.1.3.2 *EU Implementation of the eATA Carnet Project (3.2)*

The objective of the project is the development of a new European electronic information and communication system called "eATA Carnet System" under the Union law, taking into account the Utility Block for eATA carnet in the framework of the Globally Network Customs (GNC). The external review cycle of the GNC Utility Block was officially closed in the beginning of 2015, resulting in the updated Utility Block "eATA Carnet" document v3.10. Subsequently, the EU

[20] This document can be found on the UNECE website under the following link:

http://www.unece.org/trans/bcf/etir/references.html

eATA Carnet L3 BPMs were created based on the Istanbul Convention on Temporary Admission[21] and presented during the dedicated meeting held at the WCO. Subsequently, the BPM external reviews started with the contracting parties of the Istanbul Convention, the Member States and trade. In 2015, neither the Commission nor the Member States initiated actual IT activities.

4.1.4 MASP Group 4 – Customs cooperation initiatives and technological development to facilitate Customs EIS (including current CCN operations)

In the context of MASP fiche grouping, the fourth group consists of customs cooperation initiatives, which address efforts to strengthen cooperation between Member States. The group also focuses on initiatives to accelerate the progress in the field of technology with the purpose of creating new functions in the European Information Systems.

4.1.4.1 *National Core Systems Implementation by Collaborating Projects (4.1)*

In order to prepare a set-up of specific collaboration activities with Member States and to establish a collaboration governance framework, the Commission set up a new project group that would serve as a platform for continuing discussions with the Member States on how to govern projects and ensure the best possible preparation to kick off new collaboration activities. The main task of this new "Collaboration Community Group" was to follow up on the work of the project group "Support to the Implementation of the UCC Work Programme (through collaboration)" which was active in 2014. However, due to unforeseen circumstances, the new project group did not start its activities in 2015.

4.1.4.2 *Single Point for Entry or Exit Data (SPEED2) (4.2)*

Given that SPEED2 is in production, Member States reported on operation and maintenance activities. In 2015, SPEED2 was used for the EU SW-CVED system and the AEO MRA with China (MRA-CN). For these systems, the SPEED2 platform had an average availability of over 99.80% in 2015. The Commission reported various technical adjustments in relation to SPEED2 and other IT components.

4.1.4.3 *Master Data Consolidation (4.3)*

Member States did not report any activities. Likewise, no IT activities were reported from the Commission as the project objectives will be achieved on a system-by-system basis.

4.1.4.4 *Single Electronic Access Point (SEAP) (4.4)*

The components related to the implementation of SEAP will be carried out with a focus on the new IT systems developments to the extent that the concept of SEAP should be considered for each new IT system. From the Commission side, the project should be rolled out within the lifecycles of various other projects (Customs Decisions, BTI, COPIS, etc.) and interlinked with the UUM&DS project. The Member States did not report any particular activities in 2015.

[21] This Convention can be found on the World Customs Organization website under the following link:

http://www.wcoomd.org/en/about-us/legal-instruments/~/media/2D53E23AA1A64EF68B9AC708C6281DC8.ashx

4.1.4.5 *CCN2 (4.5)*

Although the CCN2 project has proved to be more difficult than anticipated, the DG TAXUD CCN2 team made tremendous efforts to keep up with the planning for key milestones. Although the project has been at the risk of delay, all important milestones visible to the CCN2 users (DG TAXUD Customs Decisions team and National Administrations) have been met.

In 2015, the CCN2 Pilot including Customs Decisions Reference Application was deployed for testing by the development teams of the Commission and the Member States respectively. The CCN2 Pilot Playground was available for four national administrations. Pilot testing was performed with AT, DE, IT, PL and DG TAXUD's Customs Decisions pilot project[22]. The pilot version of the system received positive feedback from the Member States participating in the testing. In light of this, the playground availability was extended to allow national administrations to conduct testing on the CCN2 pre-production version.

In terms of project documentation, the system process model and requirements were accepted by Member States. Functional specifications were also finalised and reviewed by Member States.

The CCN2 project has to be delivered in three major iterations (Releases 1, 2 and 3). The Intermediate Release 1.5 will ensure technical migration to the new version of Oracle Software. In 2015, the preparation of the CCN2 Release 1 progressed with its major deliverables reviewed and accepted by Member Stares. The technical, design and conformance test specifications were finalised. The preparation of a detailed scope and planning for Releases 1.5 and 2.0 was initiated, accompanied by the start of installation for the CCN2 infrastructure in DG TAXUD's Data Centre.

The national administrations worked closely with the Commission in working groups, examining requirements and analysing functional and technical changes in view of the CCN evolution.

4.1.4.6 *Uniform User Management and Digital Signatures (UUM&DS) – Direct Trader Access to EIS (4.6)*

In 2015, the UUM&DS project progressed as planned. 18 Member States participated in the UUM&DS Collaboration Project Group and pilots. The UUM&DS project pilots 1, 2 and 3 were deployed for testing by the development teams of the Commission and the Member States respectively. The software of pilot 1 was delivered to 14 volunteer pilot Member States (BE, CY, CZ, EE, ES, GR, HR, HU, IT, LT, LV, PT, SE and SI) to start pilot testing preparation. Nine of the pilot volunteers completed testing successfully. Likewise, pilot 2 testing to validate the interface with the central system was also completed successfully. Pilot 3 end-to-end testing started at the end of 2015 with 14 collaborating Member States.

The System Process Model was approved by all Member States at ECCG level. In terms of project documentation, the system architecture document, as well the functional, technical and user interface specifications were approved by all Member States at ECCG level. The Master Test Plan was produced and the infrastructure requirements document was issued and reviewed by DG TAXUD. The UUM&DS Release 1 development started as per the project plan.

Many Member States reported progress on the UUM&DS project at a national level. The major part of activities was related to the analysis of requirements and documentation of national developments. BE issued a Business Case for national implementation and coordination with the Federal ICT service, whilst BG produced national functional system specifications. Several Member States (BG, HR and CZ) informed about contract commencement to develop their national identity access management systems.

[22] Customs Decisions will be one of the first projects using the new CCN2.

4.1.4.7 *High Availability DG TAXUD operational capabilities (4.7)*

In order to build the capacity for high availability, the delivery and installation of hardware was finalised in 2015. The installation and deployment of new servers and new storage disk arrays was completed to host the upcoming projects, such as REX and UUM&DS, in view of their development and production. The deployment of network infrastructure (load balancer, routers, etc.) and connectivity (high speed WAN link) was completed to ensure redundancy and high availability between DG TAXUD's data centres and the applications hosted in DG DIGIT's data centre. To this end, high availability has been ensured for new applications since 01/01/2015, along with disaster recovery which was implemented by the end of 2015.

4.1.4.8 *Maintenance and Updates of Operational IT systems (4.8)*

This section provides an overview of the trans-European systems operations in 2015, including error rate evaluation and system availability. The figures contained in the section depict the evolution of the message volume exchanged on the common domain within a certain period of time.

This section places emphasis on the NCTS, ICS and ECS operations and maintenance, although, a number of Member States, such as CY, EE, DE, FI, FR and LT, reported activities related to TARIC3 in their 2015 national progress reports.

4.1.4.8.1 New Computerised Transit System (NCTS Phase 4)

In regard to the maintenance and modifications to the NCTS, the RfC-List.28 contained various improvements and corrective changes. Its formal approval was obtained during the 5th ECCG meeting on 02-03/12/2014. The RfC-List.28 was deployed by all Member States by the end of 2015.

During 2015, 10.2 million transit movements were released. Figure 1 depicts the evolution of movements since 2006, the average number of which reached 39.187 movements released per business day (stable compared to 2014). The average error rate was stable throughout 2015, although slightly impacted by a technical issue in PL since late summer.

In addition, Member States improved their national transit applications. LT reported that its national transit control system was redesigned and supplemented with new features in 2015. Similarly, PL was very active implementing several enhancements to the national transit control system, such as a communication mechanism with the customs tariff system and modifications of transit operations displaying.

The Former Yugoslav Republic of Macedonia (FYROM) acceded to the Common Transit Convention[23] joining the NCTS procedures on 01/07/2015 with a limited message exchange. In the beginning of their activities, the operational status of FYROM was satisfactory with a low number of rejections. To this end, the economic operators based in FYROM obtained the possibility to transport their goods to the EU, the EFTA countries and Turkey more quickly than before. The economic operators based in the EU, EFTA and Turkey were entitled to the same benefits as border crossings procedures were simplified. The simplified border crossings became possible due to FYROM's accession to both the Common Transit Convention and the Convention on the simplification of formalities in trade in goods[24]. The FYROM electronic system was developed with the help of EU funding under the Instrument for Pre-accession Assistance (IPA).

[23] Convention on a Common transit procedure of 20 May 1987.

[24] Convention on the simplification of formalities in trade in goods of 20 May 1987.

Similarly, in 2015, Serbia was invited to accede to the Convention on a common transit procedure and to the Convention on the simplification of formalities in trade in goods. Serbia executed conformance testing in the second half of 2015. The accession of Serbia to the conventions had been planned for 01/10/2015, but this was postponed until the beginning of 2016 due to unforeseen circumstances.

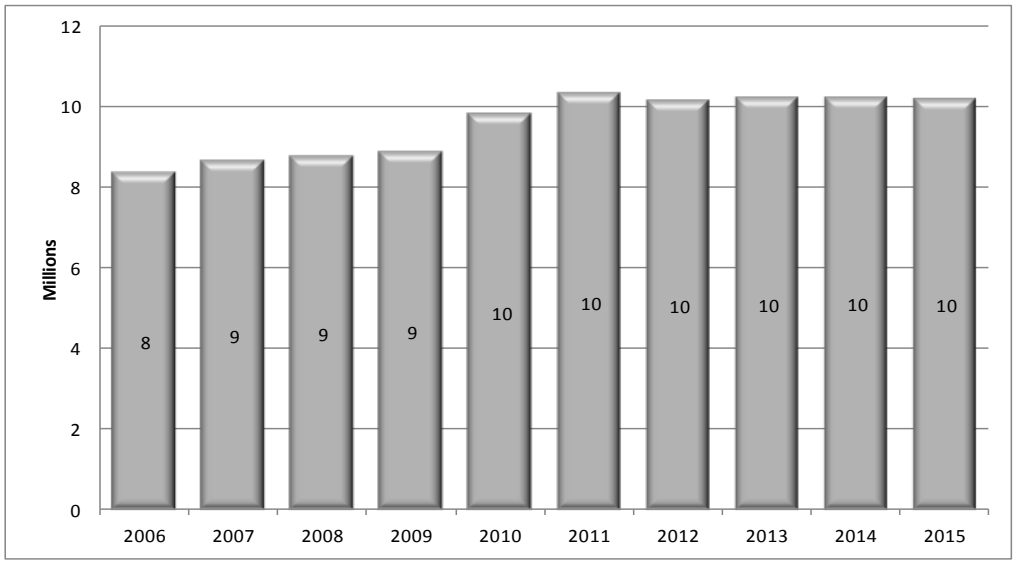

Figure 1: NCTS - Evolution of movements (message IE001)

4.1.4.8.2 Export Control System (ECS Phase 2)

Similar to the NCTS, the RfC-List.28 contained improvements and corrective changes to the ECS and was deployed by all Member States before the end of 2015.

The number of movements released (approximately 14 million electronic messages 'IE501') during 2015 was relatively stable compared to 2014. The evolution of movements depicted in Figure 2 demonstrates that the number of ECS messages exchanged annually between the Member States in the common domain grew by 23% from 2010 to 2015. Additionally, the minor decrease of the total volume of ECS messages during the period from 2013through 2015 was a result of fewer errors in operations and individual solutions of national administrations. Hence, the decreasing error rate since 2010 is largely attributable to the continuous efforts of the Member States to improve their applications.

In terms of improvements to the national export system, LT, MT and PL reported additional developments in their national applications. LT implemented several changes related to the introduction of the euro, renewed the trader portal and updated the reference data functionality. MT launched the new national export control system. PL made many modifications, such as updates to the interfaces with the new risk analysis system and with the new national customs tariff data system, improvement of the electronic document validation module and other updates.

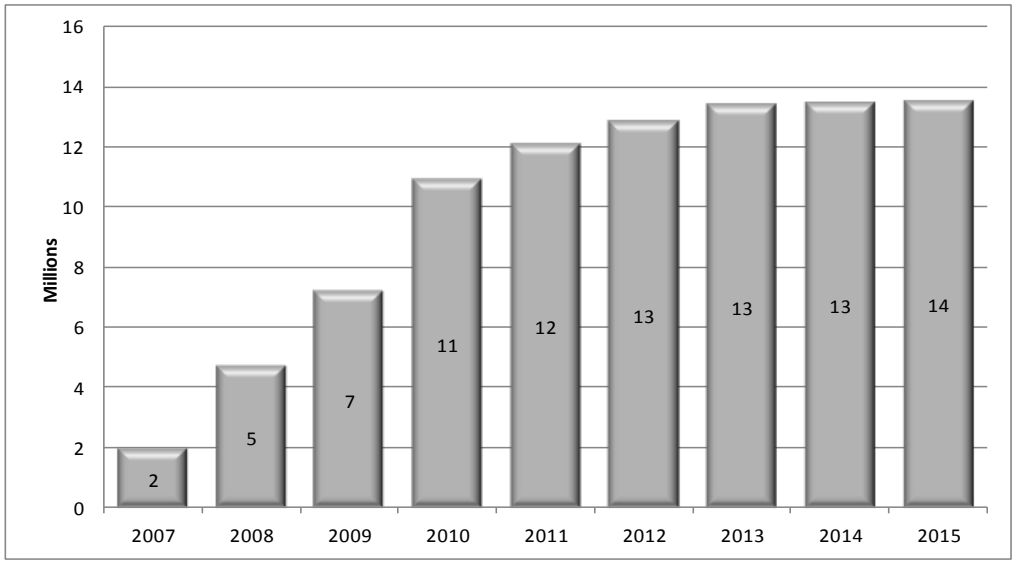

Figure 2: ECS - Evolution of movements released (message IE501)

4.1.4.8.3 Import Control System (ICS Phase 1)

The latest RfC-List.28 was also applicable for ICS, containing various improvements and corrective changes for this operational system. The RfC-List.28 was deployed by all Member States before the end of 2015.

As depicted in Figure 3, approximately 41 million movements were lodged in the EU during 2015. Although the number of ENS was globally stable, significant variations in comparison with 2014 were recorded in the Member States showing an increase in activity of up to 43% (BE, ES, MT) and a decrease of up to -22% (DE, UK, NL). The most significant variations were observed in BE (+43%), ES (+17%), MT (+30%) and DE (-5%), UK (-5%), NL (-22%). The main contributors remained DE with 29% of the overall ENS, followed by UK (17%) and FR (17%), which sums up to an aggregate of approximately 63% of the total ENS lodged. In addition, about 60% of the total ENS movements were submitted for air transport.

At a national level, several Member States reported that work was proceeding on upgrading the national import applications. FR improved a link with the national application to report controls. PL reported on the development of new software infrastructure for the customs systems, including the operational import control system.

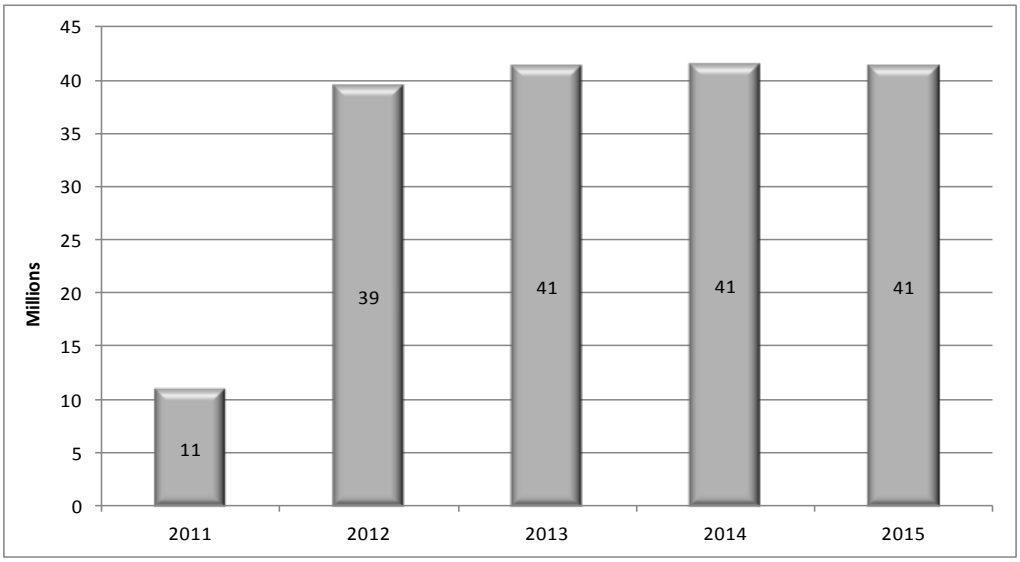

Figure 3: ICS - Evolution of number of ENS

4.1.4.9 *Business Continuity (4.9)*

During 2015, significant work was successfully performed on a set of 11 projects (also known as "CCN/CSI Grandes & Petites Manoeuvres") to guarantee continuity of CCN/CSI and to finalise the full knowledge transfer on some complex areas. The outcome of these projects demonstrated that the earlier risk of insufficient CCN expertise has been put under control thanks to the many efforts carried out throughout 2015. During the execution of these projects, detailed knowledge on all CCN components increased a lot while the number of incident tickets decreased. In addition, various patches and changes were implemented as part of the continuous corrective maintenance and evolutions for all customs IT systems in production. Of all Member States, only FI reported about the deployment stage of business continuity project.

For information purposes, this report also presents the overview of the CCN statistics in 2015. The Common Communication Network (CCN) has experienced a continuous growth in 2015. The CCN applications exchanged 3.27 billion messages marking an increase of 19,6% over 2014 when 2.73 billion messages were exchanged. This growth is contributed to the significant increase of message quantity and volume from 14,4% (4.41 TBs) in 2014 to 15,5% (5.10 TBs) in 2015.

The following Figure 4 delineates the evolution of CCN message quantities and volume exchanged since 2008.

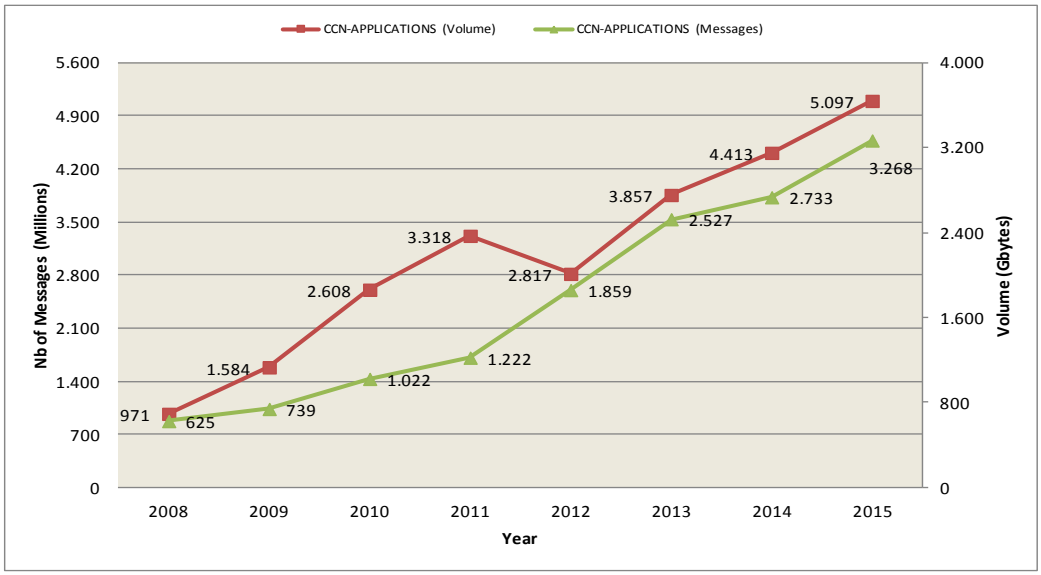

Figure 4: Evolution of CCN message quantities/volume

This figure reflects a decrease in the rising[25] number of exchanged messages through the years. However, the number of exchanged messages started to pick up momentum in 2015 with a slight increase of 11,38% over 2014. In the same manner, volume growth[26] also improved with a minor recovery of 1,11%.

Figure 5 presents the evolution of the exchanged message quantities over the years for NCTS, ECS, ICS, EOS, EBTI, Surveillance and SMS. In comparison to 2014, SMS, EBTI, EOS and NCTS experienced a minor increase in 2015, whereas ECS, ICS and SURVEILLANCE indicated a decrease.

[25]In 2014, the number of messages decreased by 8,18%, whereas in 2015 it increased by 19,56%.

[26]In 2014, the message volume was 14,41%, experiencing a slight increase of 15,52% in 2015.

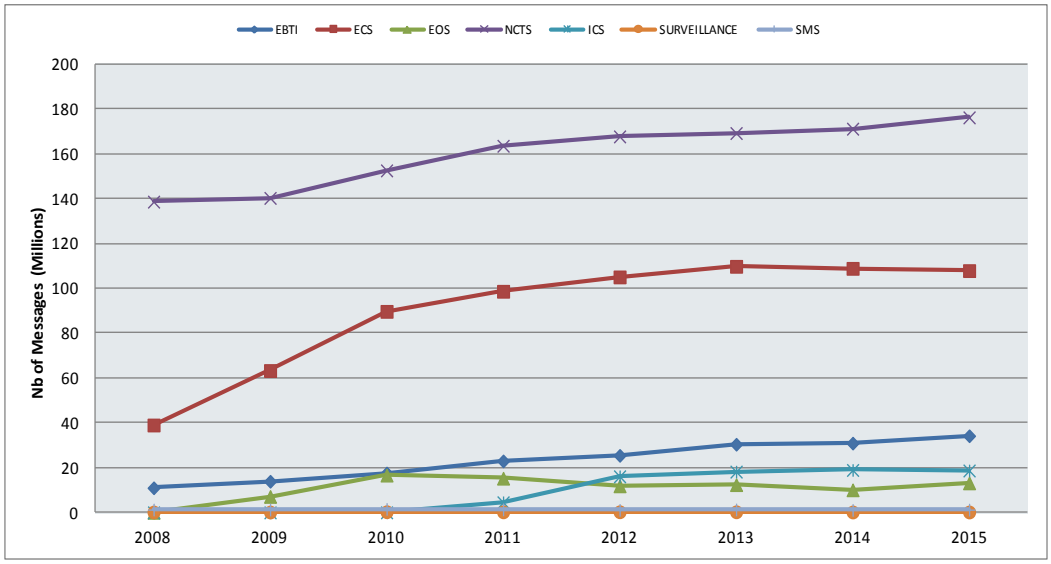

Figure 5: System message evolution

The number of messages exchanged per system – NCTS, ECS, ICS, EOS, EBTI, Surveillance, COPIS and SMS – is depicted in Figure 6.

As outlined in Figure 6, the quantity of messages exchanged by the movement systems, such as NCTS, ECS, and ICS, constitutes 78,30% of the total messages exchanged by all systems versus 80,37% in 2014. Hence, this percentage has experienced a slight decrease of 2,07%.

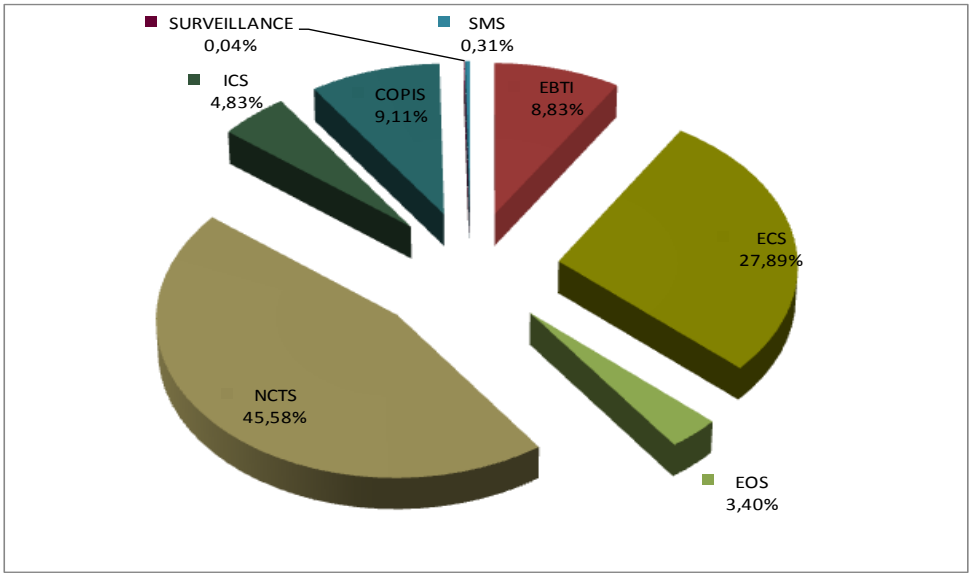

Figure 6: CCN messages distribution per application

4.2 Other National Projects

In the 2015 national progress reports, Member States provided information about other national projects and improvements. BG notified about a national IT project for the development and implementation of the export information system. The project incorporates the necessary IT developments for electronic simplified export declaration. All functionalities were deployed in the production environment in August 2015. BG highlighted that the introduction of a service-oriented approach in the design of the new customs IT systems will result in flexible and modular applications that are easy to adapt to changes and that can benefit from the reuse of existing functionality.

CZ upgraded their national authorisation management system, which provides information for verification to the primary system for import, export or transit procedures. CZ foresees changes to this national system in relation to the UUM&DS and UCC Customs Decisions projects.

DE reported on the improvements made to the national Automated Customs Tariff and Local Processing Application System (ATLAS), pointing out that in 2015 most of the efforts were dedicated to migrate the existing specifications to BPM/SOA. A BPM competence centre was established which defined the method and style guide to be applied for the ATLAS system.

LV developed a new system for temporary storage and eManifest, which provides the possibility to submit and process declarations for temporary storage and eManifest data electronically. The system also contains functionality to account the goods placed under temporary storage. These components were developed as part of the national electronic data processing system which was deployed in the production environment in February 2015.

In addition, Member States found efficient solutions to improve the infrastructure and ensure a better functioning of the national systems.

4.3 Supporting activities

An objective of the EU Customs Union in the context of electronic customs reform is the support for cooperation between the different customs administrations of the Member States at national level. This approach toward cooperation contributes to ensuring coherence of customs operations by spreading best practices and increasing coordination between customs authorities and other relevant public authorities or economic operators (EO). In addition, it has the potential to produce far-reaching benefits in terms of harmonising working methods for customs control and improving governance structure.

In 2015, Member States reported on their main activities related to the promotion of e-Customs services, training for customs officials, consultation with economic operators, as well as activities carried out between e-Customs and other e-Government systems.

4.3.1 Supporting tools used for collaboration and communication between EU and EU Member State administrations

The Commission continued to take an active role in facilitating supporting application tools for the effective coordination of the e-Customs projects. Two of the main supporting tools that have been developed for sharing information and improving business processes are PICS (Programmes Information and Collaboration Space) and ARIS Publisher.

PICS is an online collaboration and document sharing tool used to support tax and customs administrations across the EU. Led by DG TAXUD, this platform offers the Commission and the Member States administrations an online space for cooperation to increase the efficiency and flexibility of the Customs 2020 Programme activities.

Similarly, ARIS is a software tool designed to support the continuous improvement of the EU customs business modelling approach. The new ARIS9 version became available in 2015, introducing a new functionality which enables ARIS users to comment on the FTSS documents and the BPMN diagrams contained in the application tool. As such, the ARIS BPM comment forms contribute to further facilitating the review process for the Member States.

4.3.2 Consultation with economic operators

In order to facilitate the implementation of the e-Customs IT projects and to promote the transparency of national measures, the Member States' administrations have taken significant steps towards maintaining a regular dialogue with trade representatives and EOs. Over the past year, the Member States organised a series of seminars, workshops and meetings in close cooperation with the trading community to introduce recent developments related to the legal, business and technical arrangements in the field of e-Customs. In addition, special attention was given to the needs of economic operators in fostering an environment that is conducive to collaboration through information sharing and consultation initiatives.

The Member States' customs authorities regularly informed trade associations and EOs of the potential impact of the UCC-related changes on the national IT systems. The majority of meetings organised with trade representatives addressed system functionality/interface/implementation issues

for projects such as “UCC Customs Decisions”, “UCC Proof of Union Status (PoUS)”, “UCC BTI”, “UCC AEO and impacts of MRA”, “UCC Automated Export System (AES)”, “UCC Transit System including NTCS” and “EU Customs Single Window Programme”.

The past year saw significant progress towards spearheading electronic initiatives to simplify and standardise procedures for EOs. In this context, seminars and information sessions were specifically organised to inform EOs on the present and expected future developments in the area of e-Customs, exploring procedures pertaining to the UCC Notification of Arrival (NA), Presentation Notification (PN) and Temporary Storage (TS), clearance of export, EU Customs Single Window system implementation, explanations regarding XML specifications relating to UCC-related changes to ICS, to name a few. EOs were informed through their affiliated bodies, as well as through other means of communication, such as forums or online consultations. In addition, Member States authorities conducted a few external user surveys in regards to the “Uniform user management and digital signatures (UUM&DS)” project. With the intention of briefing the EOs, the Member States also released information documents on upcoming e-Customs priorities, as was the case with the “E-Customs Multi-Annual Strategic Plan” published by EE on its Tax and Customs Service website.

4.3.3 Training for Customs officials and other competent officials

The effectiveness of the e-Customs initiative can only be achieved by placing due emphasis, among other factors, on the skills and the training of the customs officials who manage the day to day customs operations. The changing dynamics of the e-Customs environment demand a common core of high quality training and consultation on customs law and IT system procedures. In this respect, Member States conducted numerous training sessions, seminars and workshops with customs officials, focusing primarily on the alignment of IT systems with the EU customs legislation.

Various seminars were organised centrally at ministerial level on an as-needed basis. Several Member States offered online courses engaging in projects, such as “UCC PoUS”, “UCC AES”, “UCC NTCS”, “UCC NA, PN and TS”, “Adjustment of the existing import applications under the UCC” and “UCC-related changes to ICS”. In addition, specialised training sessions were provided to explore the development of unified procedures for TS, eManifests System and the new functionality for the amendment of post-clearance declarations. Training documentation was also developed on a continuous basis, addressing the new “UCC AES” and “UCC NCTS” projects.

In 2015, a national expert group was established in FI to monitor progress towards the UCC Customs Decisions and Trader Portal national project implementation. IT technology & infrastructure meetings and webinars pertaining to the CCN2 project were hosted by PL customs’ authorities in partnership with the Ministry of Finance. Special-purpose trainings were also organised on the national system (“COTS” software) used in the development of NCTS PL2.

In addition, bilateral and multilateral meetings were held in connection with the EU Single Window. Prior to this project’s deployment rollout, CZ organized Specialised Certification Courses for its customs officials, focusing on restrictions and prohibitions and veterinary goods. In 2015, CZ also organised the 21st Symposium EDI for electronic communication in business operations focused on e-Invoicing (FITPRO).

4.3.4 Promotion and implementation of e-Customs services

The promotion of cooperation within national customs administrations constitutes an integral factor in optimising customs process flows. In 2015, the Member States’ authorities conducted various meetings and seminars with project working groups, national partners, trade contact groups, governmental and customs institutions, national veterinary services, tax authorities, IT support centres, chambers of commerce, economic operators and technical universities in order to promote an integrated levels of administration working together to ensure a uniform functioning of the EU Customs Union.

The promotion activities were targeted at the ongoing task of developing and implementing the following projects, “UCC AES”, “UCC NCTS”, “REX”, “UCC NA, PN and TS”, “UCC-related changes to ICS”, “UCC GUM”, “e-CLO systems” and “CCN2”. CZ promoted the CCN2 solution

by participating in working groups on EU project level and working towards introducing changes on the national level. PL held a presentation on the CCN2 Pilot R1 test campaign in the scope of the Polish e-Customs Programme. Through NCTS liaison officials and local trainers, PL also promoted the NCTS PL2 project to the traders and local businesses.

4.3.5 Coordination of e-Customs with other e-Government systems or activities

Cooperation between e-Customs and other e-Government services was particularly close and productive throughout 2015. In order to coordinate activities between these domains, the Member States' customs authorities supported a large number of key meetings and extensive collaboration in the technical assistance field to ensure the coherence of all operations related to e-Customs. In 2015, coordination activities on national MASP projects were managed through cooperation with various ministries, ICT departments, tax administrations, national banks, economic operators, certification and statistical authorities, customs clearance, excise and legal service units, national competent authorities for veterinary control as well as port and immigration authorities. The objective was to inform all the relevant stakeholders on the necessary requirements to implement the MASP and e-Customs related projects in terms of concrete measures to put into place.

The following Member States' initiatives were highlighted among the important efforts deployed in 2015 in view of coordination activities for the MASP projects:

- By closely cooperating with the Tax and Customs Authorities, the Ministries of Finance, Economic Affairs and Communication, EE obtained approval of the cost-benefit analysis for the UCC System Customs Decisions, BTI, REX and Single Window system development. EE further introduced the Single Window solution in a seminar organised by Tallinn Technical University. In addition, EE made changes to the existing guarantee management systems in coordination with the Customs and Revenue departments.
- LT collaborated with the Ministries of Agriculture and Culture, the State Food and Veterinary Service and the Centre of Registers on the implementation of the interfaces pertaining to the UCC Customs Decisions System and the analysis of the Single Window Information System.
- PL adjusted the national system functionalities to the new EBTI system, which will be implemented on 01/05/2017, making the necessary preparations for the transitional period before the production deployment. In view of the "UCC AES", PL tested a two-way communication within a single IT platform, such as the interface with the national system of the Agricultural Market Agency, including balancing the CAP export licence (AGREX). PL conducted a similar testing in relation to the "Adjustments of the existing import applications under the UCC" to create an interface with the national system of the Agricultural Market Agency, including balancing CAP import licence (AGRIM). Furthermore, PL implemented the Single Window Programme in cooperation with government agencies at central and local level, as well as other departments of the Ministry of Finance.
- With respect to the Single Window project, CZ collaborated with DG TAXUD and DG SANTE via the EU Single Window CVED Project, and with Ministry of Environment and their CITES database on national level. The national guarantee management system in CZ is coordinated with the national working group for e-import and transit. In relation to the 2015 UUM&DS related workshops, the national project team in CZ analysed their findings to draft the contract for the first phase of the pilot project for Member State type A.
- The new National Import System in MT, planned to be launched during the first quarter of 2017, will exchange messages with Surveillance 3.
- In 2015, LV collaborated with the Ministry of Transport to implement the project "International Freight Logistics and Port Information System", which is based on national SafeSeaNet system and data exchange with the national Electronic Customs Data Processing System.

5 COSTS

5.1 Costs incurred by DG TAXUD on IT systems development in 2015

Figure 7 depicts the Commission's costs committed under the 2015 budget for IT system development and maintenance as well as Customs coordination. The common Customs 2020 joint actions' costs pertain to participation costs in the programme events, such as the ECCG and the technical sub-group meetings. Other costs associated with joint actions that cover IT training sessions under the Customs 2020 programme are also included in this category.

System/Activity			Commission Committed budget for 2015 (EUR)
	Customs Projects	AEO MR adaptation	200.000,00
		UCC Customs Decisions	2.750.000,00
		UCC Proof of Union Status (PoUS)	250.000,00
		UCC BTI Phase 1	200.000,00
		UCC BTI Phase 2	100.000,00
		UCC AEO updates	100.000,00
		UCC Automated Export System (AES)	300.000,00
		UCC Common and Community Transit System (UCC NCTS)	300.000,00
		REX	1.030.000,00
		COPIS Interface with AFIS	250.000,00
		UCC Guarantee Management	100.000,00
		UCC Special Procedures (information sheets)	300.000,00
		Surveillance 3	400.000,00
		UCC Strengthening the Security of the Supply Chain at Entry (including Air Cargo Security) and Customs Risk Management in the EU	1.000.000,00
		CLASS	300.000,00
		CRMS-CN	300.000,00
		Customs Union Performance	350.000,00
		Uniform user management & digital signature (UUM&DS)	1.501.000,00
		IT architecture Customs	600.000,00
		CTA	100.000,00
	Total:		***10.431.000,00***
	CCN2 Projects	CCN2	10.092.202,86
	Total:		***10.092.202,86***
Studies and Development Total			**20.523.202,86**
Maintenance (corrective/evolutive) of Customs systems			15.855.367,46
Operations of IT systems			9.381.379,45
Communication network CCN/CSI and other meddleware (e.g. SPEED2)			2.179.209,00
Quality Assurance including TEMPO			4.728.813,12
Consultancy and Intra-muros services			5.047.900,00
BPM			4.000.000,00
Common costs	**Customs2020**	E-customs joint actions - ECCG meetings	**310.741,71**
		E-customs joint actions - Trainings	**308.232,68**
		E-customs joint actions - Other	**1.724.173,05**
		UCC eL	**673.649,81**
		AEO eL	**114.274,56**
GRAND TOTAL			**64.846.943,70**

Figure 7: Commission allocated costs in year 2015 (expressed in €)

As detailed in Figure 7, the Commission's dedicated 2015 budget for e-Customs has reached 64.846.943,70 €. In contrast to the overall cost allocated in 2014 (58.670.910,89 €), a 10,53% increase is observed in 2015 due to the initiation of additional projects.

The following Figure 8 represents the main categories of the Commission's costs. As illustrated in

the graph, the Commission's costs have been mostly absorbed by two categories, operations and the studies and development of IT systems. In comparison to 2014, IT systems operations' costs were reduced by 58% in 2015. This could be a result of no major releases or applications developed. Moreover, the system studies and development cost doubled in 2015 due to the obligation to align with the UCC legal framework and the progress made towards the implementation of the new MASP projects that have launched the inception phase.

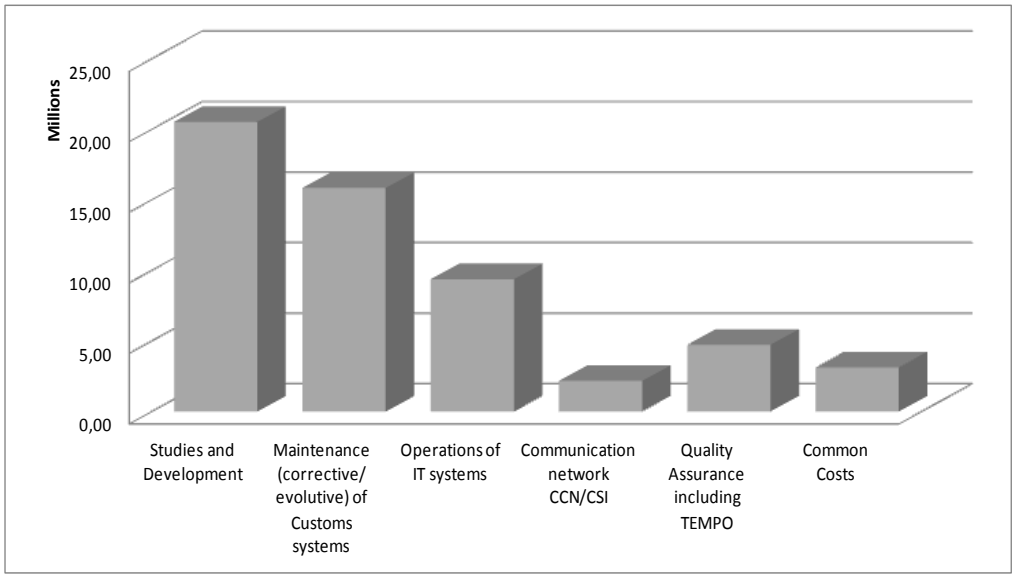

Figure 8: Main categories of Commission Costs in year 2015

5.2 Costs incurred by Member States in 2015

The Figure 9[27] below illustrates Member States' investment per project according to the MASP Revision 2014, as reported in the national annual reports.

[27] Projects, such as CUP-MIS (2.11), Master Data Consolidation (4.3), SEAP (4.4) and High availability DG TAXUD operational capabilities (4.7), are excluded from the graph due to zero cost reported.

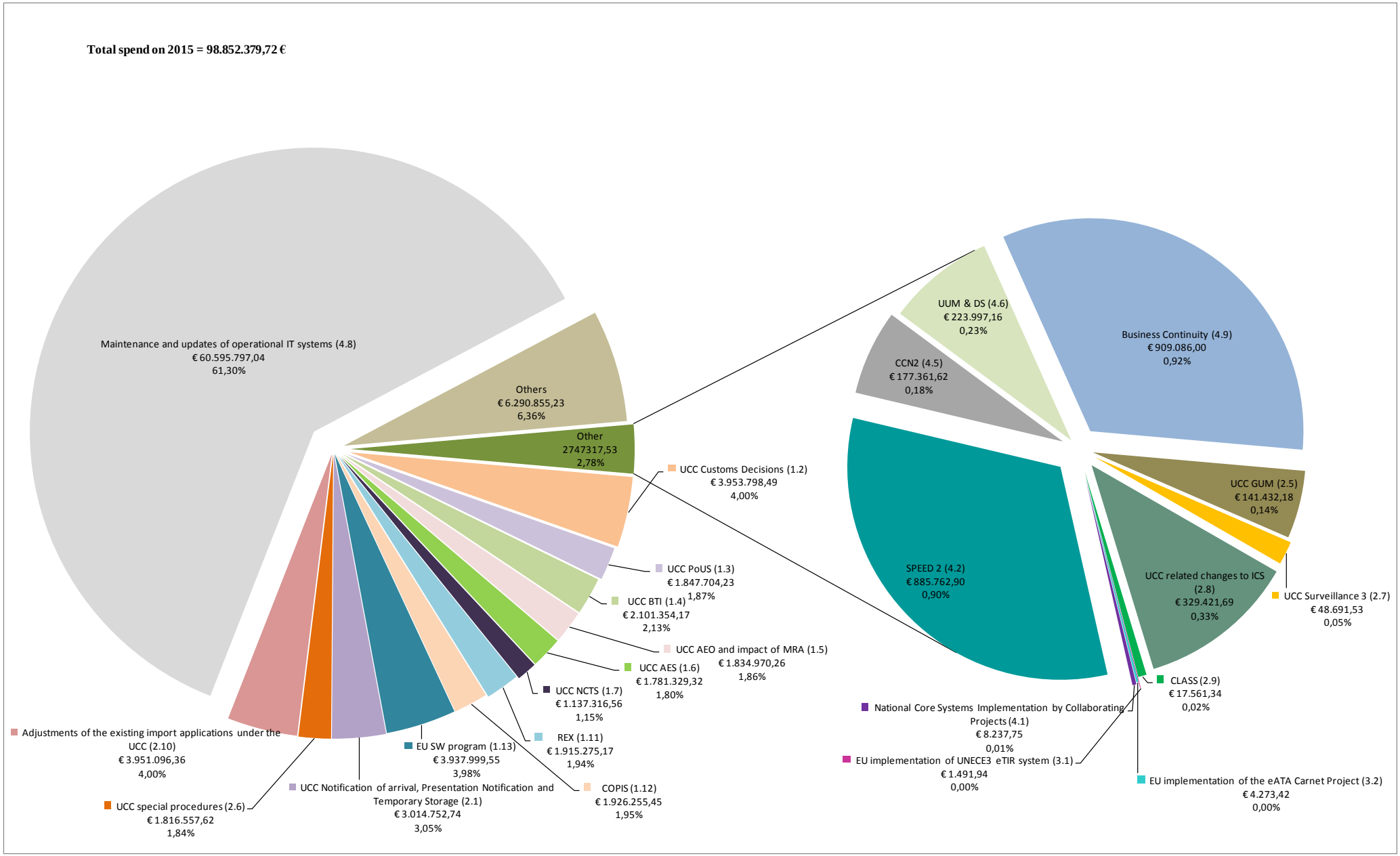

Figure 9: Member States costs of Customs IT systems in 2015

Member States reported on 27 MASP projects. In comparison to 2014, the overall number of reported projects decreased by 2 in 2015 (27 instead of 29), due to the structure and content-related transformations that took place during the MASP Revision 2014. According to Figure 9, the greatest share of the Member States' budget in 2015 was consumed for the maintenance and updates of the operational IT systems which constituted 60,30% of the total expenditure. However, this figure has been considerably reduced from 80,50% in 2014. This decrease was primarily due to the substantial functionality of the operational systems. As such, the need for updates and maintenance required in 2015 is less. In addition, the Adjustments of the existing import application under the UCC (2.10), the UCC Customs Decisions (1.2) and the EU Single Window Programme (1.13) absorbed approximately 4% of the overall expenditure (respectively 4%, 4% and 3,98%). Furthermore, a noteworthy increase is observed in the expenditure of "Other" projects, holding an aggregate percentage of 6,36% of the total investment, which experiencing an increase of 6,14% from 2014. This indicates that the Member States have begun to prepare their national systems in order to implement the UCC in the upcoming years. As regards the UCC Customs Decisions (1.2), REX (1.11), CCN2 (4.5) and UUM&DS (4.6), Member States achieved a significant increase (2,58%, 1,12%, 0,13% and 0,16 respectively) in budget expenditures throughout 2015 in comparison to 2014. This increase is contributed to the fact that particular attention was paid to the UCC Customs Decisions (1.2) and REX (1.11), given that these projects are the first two scheduled to be implemented in 2017. Likewise, this increase was reflected in the budget allocation for CCN2 (4.5) and UUM&DS (4.6) since they serve as the supporting technology to the aforementioned projects.

The following Figure 10 depicts the comparison between the operational and non-operational IT systems' costs, consuming respectively 60,30% and 38,70% of the overall system expenditure reported in 2015. This tendency can be noticed by the abrupt increase of 19,50% in non-operational IT systems in 2015 (38,70%), compared to 19,50% in 2014 and 18,24% in 2013. The cost decrease related to the operational IT systems implies that the allocated budget is progressing from update and maintenance to system analysis and design for the projects that have to be deployed by the end of 2020.

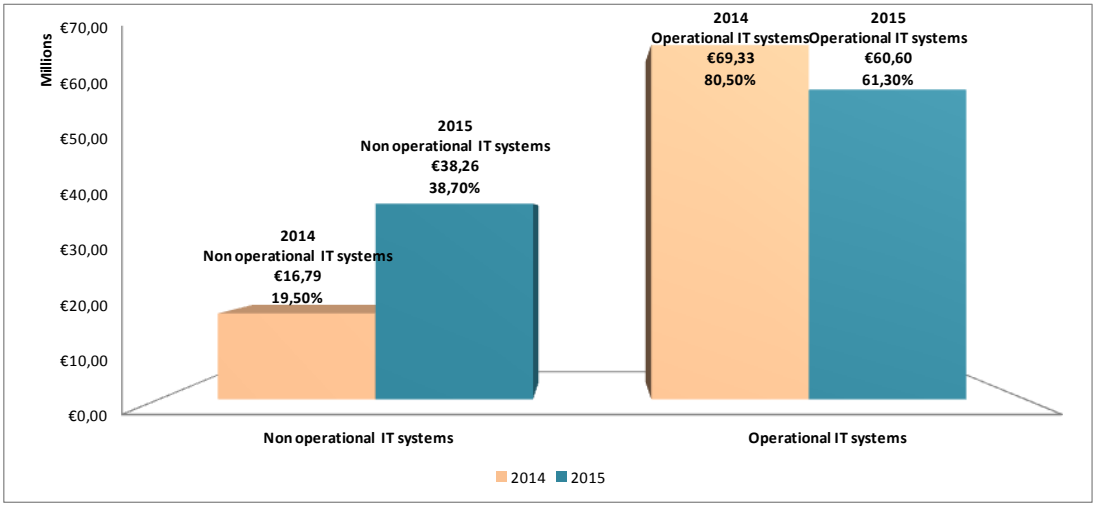

Figure 10: Costs on Operational IT systems and non-Operational IT systems as part of all systems in 2015

Figure 11 presents the accumulated cost of the MASP Revision 2014 project groups. Group 1 refers to the Customs European Information Systems (EIS), Group 2 relates to Customs European initiatives' that require further analysis and agreement, Group 3 encompasses Customs International Information Systems, and lastly, Group 4 presents Customs cooperation initiatives and technological developments to facilitate Customs EIS, along with the maintenance of existing projects. The main budget consumption consisting in 63,53%% was absorbed by Group 4. Group 1 consumed 20,67% of the total budget followed by Group 2, which utilized 9,43%. In contrast, Group 3 consumed only 0,01% of the overall budget for MASP groups. In relation to 2014, it is worth noting that the significant increase from 0,22% to 6,36% in the operations of the project groups "Others" is an indicator that Member States started spending more on their national systems.

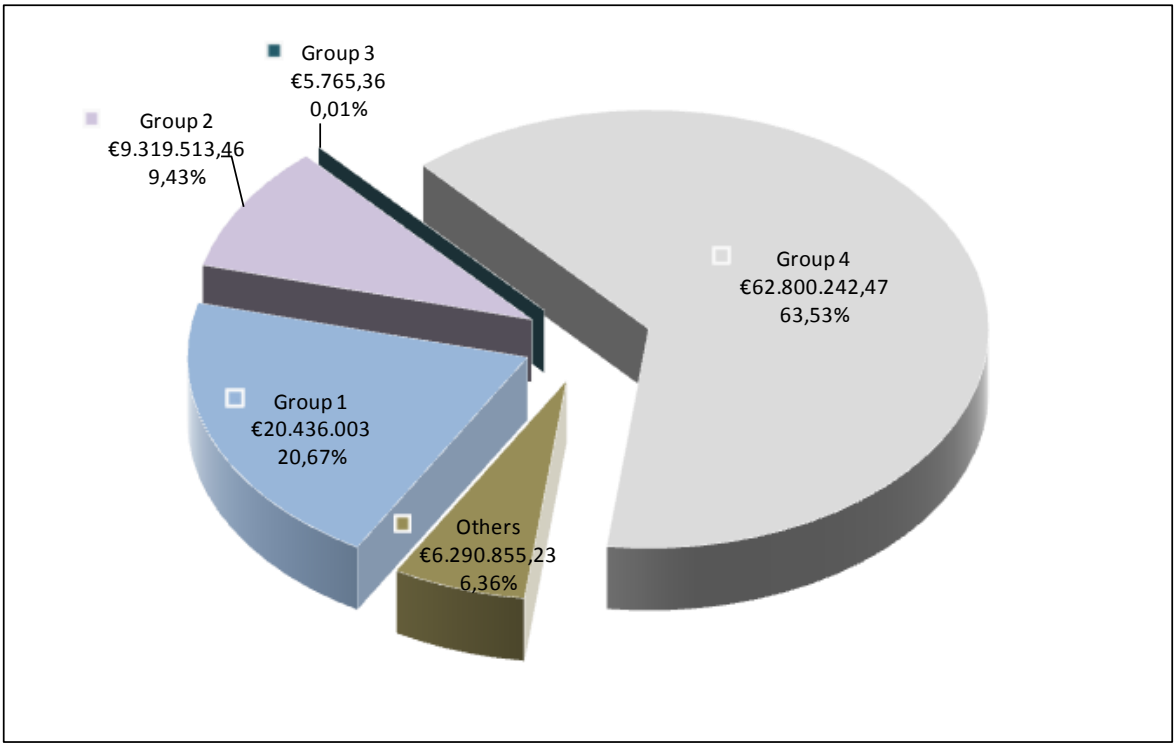

Figure 11: Cost spent per MASP revision 12 Project Groups

Analogous to the data cost figures provided by Member States annual progress reports, it is observed that:

- The number of Member States that contributed budgetary information is not the same throughout the years. More explicitly, 22 Member States reported in 2008, 25 in 2009, 23 in 2010, 12 in 2011, 25 in 2012, 24 in 2013, 22 in 2014 and 24 in 2015;
- Various approaches pursued by Member States result in diverse reporting for the project phases and/or costs associated to them (i.e. project progress, software/hardware costs). This expenditure is aggregated under the respective project as reported;
- The national systems could be developed on common platforms and the costs of numerous systems are noted only under one reference baseline. This affects the results and the accuracy of the data.

Figure 12 depicts the overall allocation of Member States' costs in 2015. The main utilization of Member States budget is apportioned mainly on MASP project groups that absorb 58% of the total cost, wherein "Maintenance" and "Others" consume 38% and 4% of the overall budget respectively.

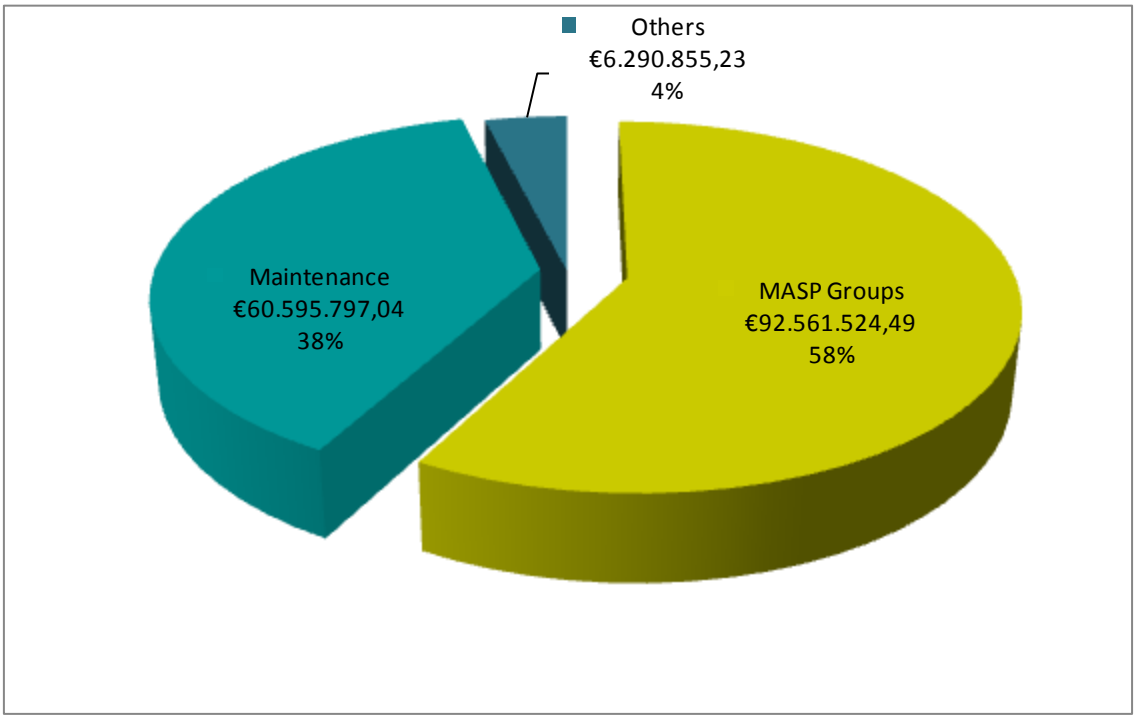

Figure 12: Distribution of Member States' expenditure

Figure 13 below presents the total investment of Member States in Customs IT systems for the period 2008-2015. It is noteworthy to mention that the cited figures are not directly comparable due to the uneven number of Member States reported over the years. The number of the reporting Member States is respectively presented at the top of each bar for all the years.

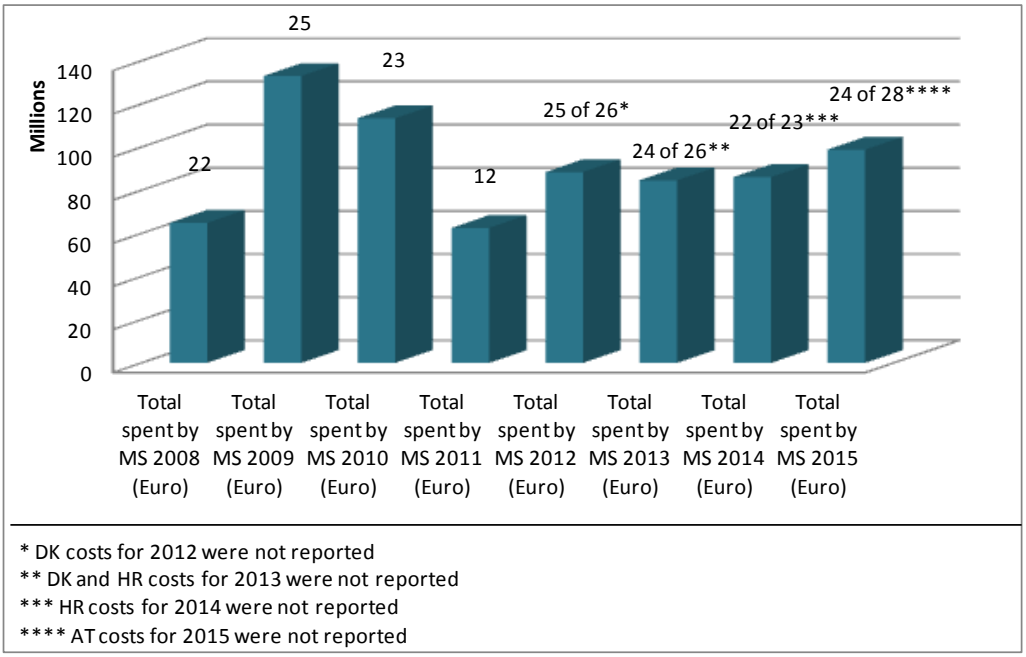

Figure 13: Member States' costs, 2008-2015

Figure 14 delineates the average cost per Member State through the years 2008-2015. The total sum dispensed by Member States for each year is divided by the number of Member States reported in the aforementioned time period.

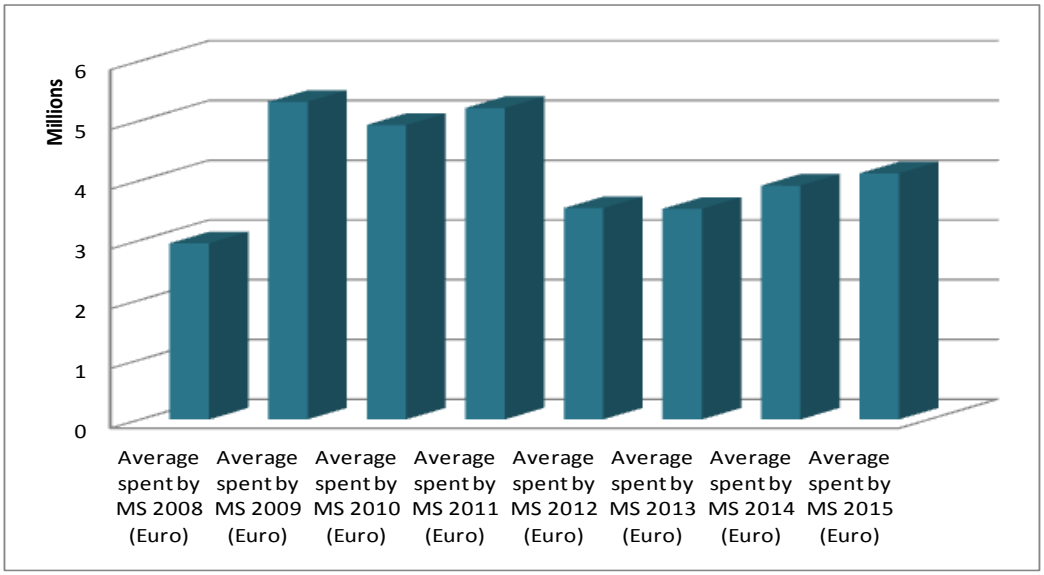

Figure 14: Average Member States' costs, 2008-2015

As shown in the figure above, the average disbursed cost per Member State has increased by 5,2% in 2015 compared to 2014. As demonstrated in the graph, the total project expenditure dropped to its lowest levels (22,91%) in the period between 2012 and 2013, however the past two years have been marked by a rapid increase, reaching 65,57% in 2015.

This sharp trend reversal is also justified in the following Figure 15, which presents the total amounts utilized by FI, HU, LT, NL, PL, PT, SE, and UK for the period 2008-2015. The expenditure in 2015 has increased by 6,16% in comparison to 2014. This can be interpreted as a result of the growing activities of the MASP projects and the step by step preparation and analysis for the implementation of the UCC.

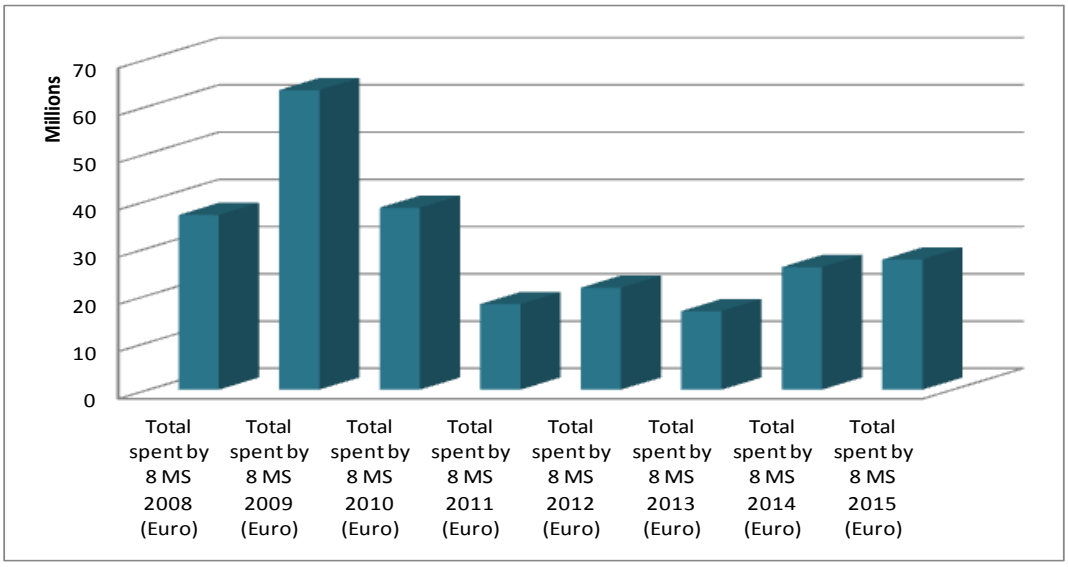

Figure 15: Total costs over the years 2008-2015 for 8 Member States that reported in all years

Furthermore, Member States' consumption of man-hours is illustrated in the following Figure 16[28] for each project of the MASP revision 2014.

[28] Projects, such as CUP-MIS (2.11), Master Data Consolidation (4.3), SEAP (4.4) and High availability DG TAXUD operational capabilities (4.7), are excluded from the graph due to zero working hours reported.

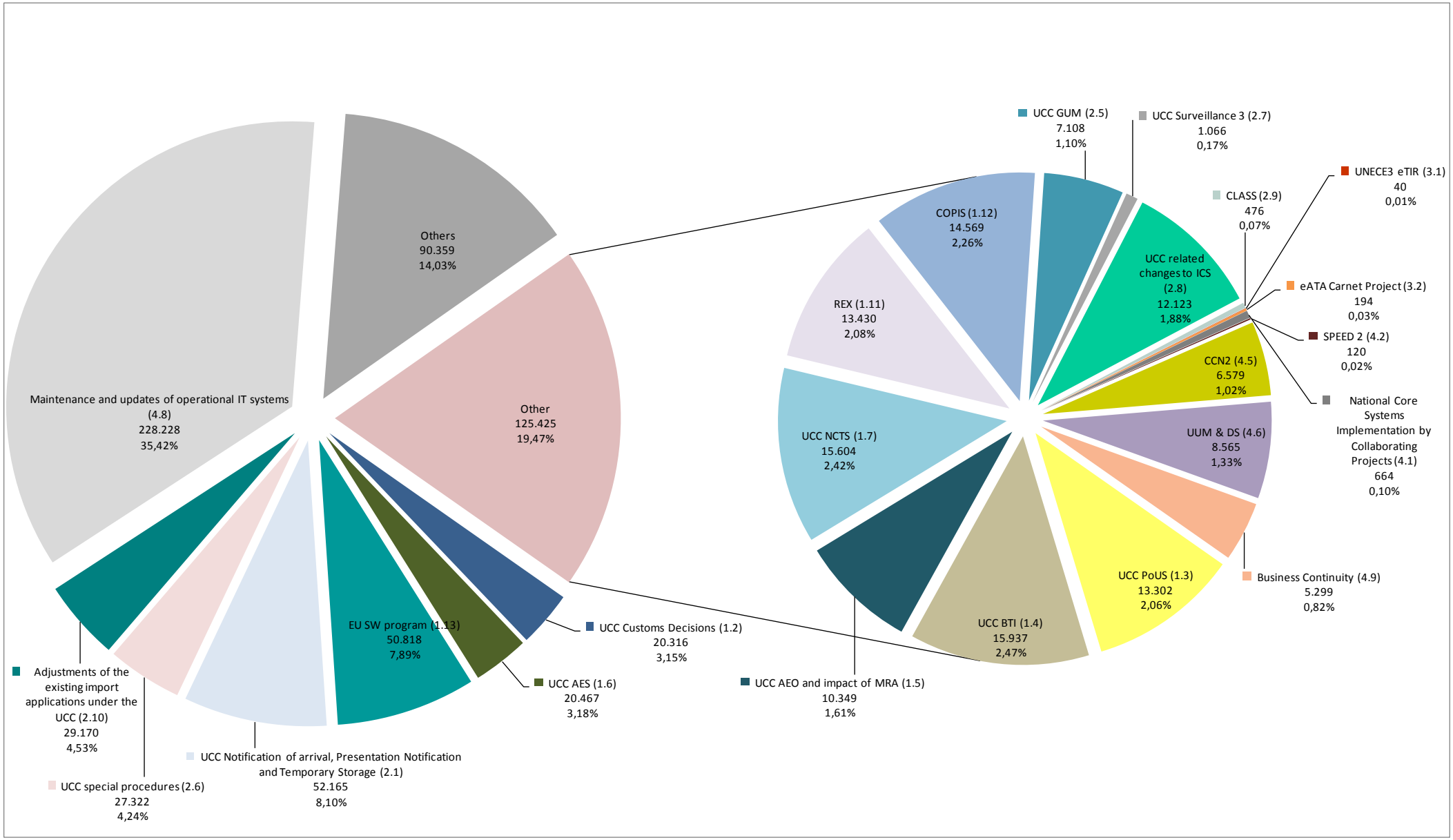

Figure 16: Member States' man-hours for Customs IT systems in 2015

According to Figure 16, the main proportion of the utilization of man-hours in 2015 was the maintenance and updates of the operational IT systems, incorporating 35,42% of the total time spent. This consumption is proportional to the Member States' cost that was absorbed by Maintenance and Updates of Operational IT systems (4.8), the EU Single Window Program (1.13), UCC Notification of Arrival, Presentation Notification and Temporary Storage (2.1) and Adjustments of the existing import application under the UCC (2.10) projects, which employed a great share of the man-hours by consuming 7,89%, 8,10% and 4,53% respectively.

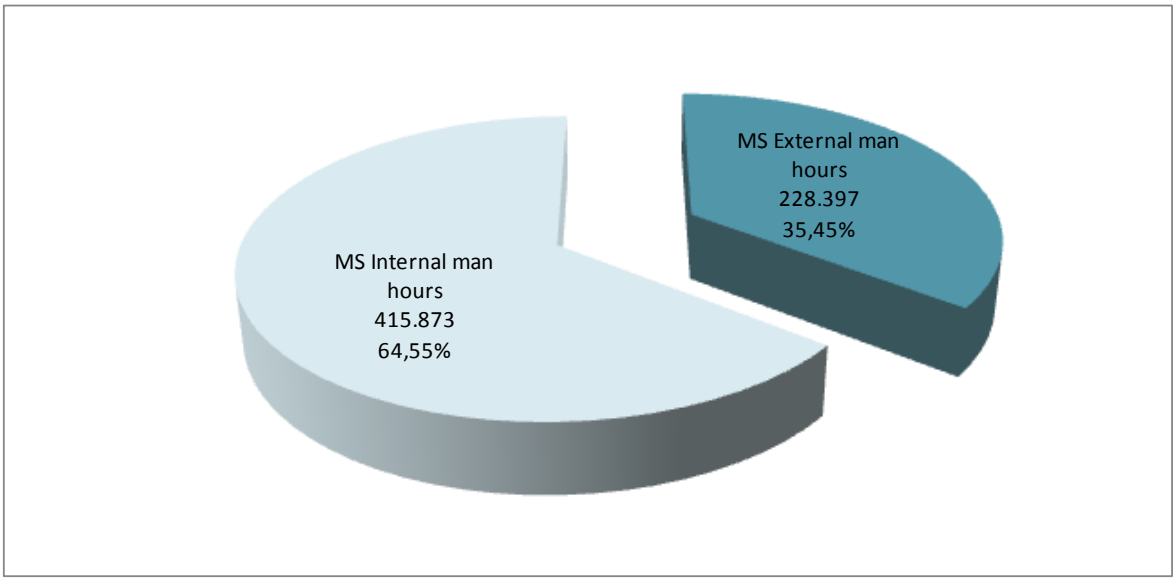

Figure 17: Member States' man-hours consumed in 2015

Lastly, Figure 17 displays the man-hours that the Member States have devoted to all MASP projects in 2015. As illustrated in the figure above, the internal man-hours make up the majority of the projects' operation, more explicitly 64,55% in contrast to the external man-hours that absorbed 35,45%.

6 ACRONYMS AND ABBREVIATIONS

Acronym	Description
AEO	Authorised Economic Operator
AEO eL	AEO eLearning is part of the UCC eLearning programme.
AES	Automated Export System
AFA	Application for Action
AFIS	Anti-Fraud Information System
AGREX	Export Licence for exports of agricultural products from the Community
AGRIM	Import Licence for imports of agricultural products into the Community
APO	Author's position
ARIS; ARIS9	Architecture of Integrated Information Systems (DG TAXUD has chosen ARIS produced by IDS-Scheer as a technical supporting tool for the business process modelling following the Commission overall policy of using ARIS software platform); New version ARIS9
ATLAS	Automated Customs Traffic and Local Processing Application System
BPM	Business Process Modelling
BPMN	Business Process Model and Notation
BTI	Binding Tariff Information
CAP	Common Agricultural Policy
CCI	Centralised Clearance for Import
CCN; CCN2	Common Communication Network; Common Communication Network 2
CDCO	Centrally Developed/Centrally Operated
CDM	Customs Data Model
CDMS	Customs Decisions Management System
CDPS	Customs Declaration Processing System
CED	Common Entry Document
CITES	Convention on International Trade in Endangered Species
CLASS	Classification Information System
CN	Combined Nomenclature
COM	European Commission
COPIS	Anti-Counterfeiting and Anti-Piracy System
CPG	Customs Policy Group
CRMS	Customs Risk Management System
CRS	Customer Reference Services
CS/RD	Central System – Reference Data
CSI	Common Systems Interface
CTA	Common Test Application
CUP-MIS	Customs Union Performance – Management information System

Acronym	Description
Customs 2020	EU cooperation programme providing national customs administrations with the possibility to create and exchange information and expertise
CVED	Common Veterinary Entry Document
DA	Delegated Acts
DG DIGIT	Directorate General for Informatics
DG TAXUD	Directorate General for Taxation and Customs Union
DG SANTE	Directorate-General for Health and Food Safety
eATA	Electronic Admission Temporaire/Temporary Admission
EBTI	European Binding Tariff Information
ECCG	Electronic Customs Coordination Group
ECS	Export Control System
EDB	Enforcement Database
EDI	Electronic Data Interchange
EFTA	European Free Trade Association
EIS	European Information System
EMCS	Excise Movement and Control System
ENS	Entry Summary Declaration
EO	Economic Operator
EOS	Economic Operators System
eTIR	Electronic TIR
EU	European Union
FSS	Functional System Specifications
FTSS	Functional Transit System Specification
FYROM	Former Yugoslav Republic of Macedonia
GEFEG.FX	GEFEG.FX software is used to model data formats and develop implementation guidelines for data interchange standards. GEFEG.FX is the only software tool that brings together modelling, XML schema development, and editing of classic EDI standards under a unified user interface.
GNC	Globally Network Customs
GSP	Generalised System of Preferences
GUM	Guarantee Management
IA	Implementing Act
ICD	Interface Control Document
ICS; ICS 2.0	Import Control System; Import Control System 2.0
ICT	Information and Communication Technology
INF	Information Sheet
IPA	Instrument for Pre-accession Assistance
IPR	Intellectual Property Rights

Acronym	Description
IT	Information Technology
JCCC	Joint Customs Cooperation Committee
KEL	Known Error List
L1 BPM	Level 1 – Global BPM (overview of EU Customs Business Domain and Global Business Data).
L2 BPM	Level 2 – High Level BPM (interactions between the main Business Processes with each EU Customs Business Domain).
L3 BPM	Level 3 – Business Requirement BPM (Flow of the legal and business tasks within each main business process and the interactions between the involved stakeholders).
L4 BPM	Level 4 – Functional Requirement BPM (i.e. functional specification) (Flow of the envisaged system; information exchanges; data rules and conditions; requirements trees; test cases and scenarios).
MASP	Multi-Annual Strategic Plan
MRA	Mutual Recognition Agreement
MR	(AEO) Mutual Recognition
NA	Notification of Arrival
NCTS; NCTS2	New Computerised Transit System; New Computerised Transit System 2
OHIM	Office of Harmonisation in the Internal Market
OJ	Official Journal
OLAF	European Anti-Fraud Office
PICS	Programmes Information and Collaboration Space
PN	Presentation Notification
PoUS	Proof of Union Status
REX	Registered Exporters System
RfC	Request for Change
S2S	System to System
SA	Self-Assessment
SEAP	Single Electronic Access Point
SHA-2	A set of cryptographic hash functions designed by the NSA (U.S. National Security Agency)
SMS	Specimen Management System
SOA	Service-Oriented Architecture
SPEED; SPEED2	Single Point for Entry or Exit of Data; Single Point for Entry or Exit of Data 2
Surveillance; Surveillance2; Surveillance3	A central database (managed by DG TAXUD) providing statistics for all products imported into the EU customs territory and for certain products exported from the EU customs territory
SW	Single Window
SW-CVED	Single Window – Common Veterinary Entry Document

Acronym	Description
TARIC 3	Integrated Tariff of the European Communities 3
TB	Terabyte
TCG	Trade Contact Group
TDA	Transitional Delegated Act
TEMPO	TAXUD Electronic Management of Project Online
TIR	Transports Internationaux Routiers / International Road Transports
TP	Trader Portal
TRACES	TRAde Control and Expert System
TS	Temporary Storage
UCC	Union Customs Code
UCC eL	UCC EU eLearning programme has been developed by DG TAXUD in collaboration with a pool of customs experts from national authorities and the private sector in order to support the implementation of the Union Customs Code (UCC) and its Delegated Act (DA) and Implementing Act (IA).
UUM&DS	Uniform User Management & Digital Signature
UCC WP	Union Customs Code Work Programme
UNECE	United Nations Economic Commission for Europe
WAN	Wide Area Network
WCO	World Customs Organisation
XML	Extensible Markup Language
XSD	XML schema definition
Country Codes	http://www.iso.org/iso/country_codes.htm (ISO 3166)