

Establishing an EU customs data hub and an EU customs authority

In May 2023, the European Commission tabled a customs reform package. Key to the reform is the proposal to establish an EU customs authority, which would oversee a new EU customs data hub. This would entail a more centralised and digitalised approach to customs, which should lower compliance costs for traders and ensure a more efficient, fraud-proof customs union. The proposal follows the ordinary legislative procedure. Parliament is due to vote on its first-reading report during the March plenary session.

Background

A massive increase in trade volumes, coupled with the need to check goods for compliance with a growing number of EU standards at the border, has heaped pressure on customs authorities. Concerns have been raised that the EU's customs union is burdened by an uneven level of digitalisation and by divergent IT customs environments across the EU. Coordination between authorities is also suboptimal, leaving traders with high administrative compliance costs and criminals with opportunities to commit fraud.

European Commission proposal

The two key provisions in the proposal involve the establishment of an EU customs authority and an EU customs data hub. The latter would serve as a single EU-wide digital customs environment allowing traders to report all of their customs data to the authorities by means of a single interface, rather than having to deal with multiple national systems. As all data would be centralised in the data hub, this would allow national and EU authorities to run swift checks. The data hub would be fully operational by December 2037. A new EU customs authority would be set up to develop and manage the data hub. It would analyse the incoming data, measure the customs union's overall performance, develop risk strategies and issue recommendations to national authorities.

Subject to strict requirements (clean criminal record, high level of transparency, etc.), traders would also be able to apply to the 'Trust and Check' traders scheme. Authorised traders would benefit from 'green lanes', which would afford their goods quicker and smoother handling at customs.

European Parliament position

Parliament's Committee on Internal Market and Consumer Protection (IMCO) is responsible for the file, with Deirdre Clune (EPP, Ireland) as rapporteur. Adopted by IMCO on 22 February 2024, the <u>report</u> voices broad, strong support for the proposal and welcomes the establishment of the new customs authority and data hub. It however proposes advancing the full roll-out of the data hub and its mandatory use by traders (to happen by 31 December 2032 rather than by the end of 2037). It also demands the setting-up of a platform, to be overseen by the new customs authority. Businesses and citizens would be able to signal to this platform information about goods that enter the internal market, but are not compliant with EU standards. In the Council, negotiations on the file are ongoing, so trilogue negotations would only start in the new

Ordinary legislative procedure: <u>2023/0156(COD);</u> Committee responsible: IMCO; Rapporteur: Deirdre Clune (EPP, Ireland). For further information, see our 'EU Legislation in progress' briefing.



Outcome of the Conference on the Future of Europe: This proposal is relevant for measures 12(17), (18), (20).

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