

1. SPEECH

Mister Chairman,
Honourable Members,

Let me start by congratulating this Committee on its important contribution to the re-launch of the Single Market. We are now ready to take forward a number of priority actions, making the single market more dynamic and at the same time robust and resilient to threats.

As Commissioner of Customs, Tax, Audit and Anti-Fraud, I am a co-owner of the Single Market Act. I am keen to see progress on my shares in the project, for instance relating to VAT, energy tax, corporate taxation, and customs enforcement of IPR and product safety. Today, I am here to present recent and upcoming customs initiatives, which you could say reflect the external dimension of the Single Market.

In March, I was very pleased to hear from your chair, Malcolm Harbour, that this Committee decided to give to customs a high political profile by drafting an own initiative report on the modernisation of customs. I understand that Mr. Salvini (IT/EFD) has taken this task upon him, and that you had a brief first exchange of views yesterday.

Indeed even though customs might at first sight appear a technical issue, the smooth functioning of the Customs Union is at the core of the internal market. Having this in mind, every Commission initiative in the customs area is therefore driven by two main objectives: to facilitate the flow of goods for legitimate traders while at the same time protecting citizens against any risk for their safety or security.

Customs are expected to react quickly to prevent risky products or modes of transport from entering the EU territory, without blocking the flow of safe goods. We have seen this most recently following the nuclear crisis in Japan. To achieve this, they must cooperate closely with the safety authorities.

My services have taken several initiatives to support the Member States customs administrations in enforcing the measures against contaminated goods coming from Japan.

First, they provide guidance to national customs administrations to protect citizens from contaminated goods. Second, they ensure the instant dissemination of information about risky consignments to all customs offices in the EU territory.

So far, we have only seen slight surface contamination of a limited number of containers. Nevertheless, the feedback received on actual controls carried out and their results have demonstrated the high capacity of EU customs to quickly coordinate to enhance border protection against potentially dangerous cargo.

On the related topic of product safety, let me assure you that I have heard your call for the Commission to play a more active role in coordinating the activities of national market surveillance and customs authorities. The legal framework is in place and the services are making progress in establishing systematic cooperation and guidance to the administrations involved.

[First legislative proposal: IPR regulation]

Let me now turn to my customs legislative agenda for this year.

Yesterday, the Commission adopted a proposal for a new Regulation on the customs enforcement of intellectual property rights (IPR). It is part of a new IPR strategy for Europe, and I reckon this Committee will take a very active role in its follow-up.

The customs proposal responds to an invitation by the Council to review the current legislation in order to allow customs to tackle the challenges in the enforcement of IPR.

The proposal serves several key objectives, namely stronger IPR enforcement by customs, while safeguarding the interests of legitimate traders. Moreover, the proposal answers the concerns raised with regard to the growth in small (and sometimes dangerous) consignments of IPR infringing goods sent by post.

The proposal also aims at solving the dispute with India and Brazil over the issue of generic medicines transiting the EU territory, while leaving the door open to future developments in the fight against counterfeiting.

The proposal is on its way to you, and I am sure it will attract the interest of many stakeholders. I hope that I can count on your active support as co-legislator to have this proposal adopted in the course of 2012, as a tribute to the Single Market.

[Second legislative proposal: MCC]

The two other legislative priorities for this year are linked to the modernisation of customs.

Let me first address the Modernised Customs Code and its implementing provisions.

As you know the Commission and the Customs authorities are continually working to make EU customs work faster and better. Modernising customs processes remains a key priority to face the challenges of an increased need for security in an increasingly liberalised global market place.

My services have recently taken stock of the preparations and the outlook for the joint implementation of the Modernised Customs Code by the Commission, national customs administrations and traders. Unfortunately, in part due to the economic crisis, it appears very unlikely that IT systems can be ready to be used by June 2013.

In assessing the situation, my services have consulted many stakeholders, national customs administrations, traders and also this Committee. I can confirm today that I intend to table a proposal to amend the Modernised Customs Code, by the end of this year.

The amendments that will be proposed will aim for three things:

- First, to **postpone the date of application of the Code**. This postponement should allow a phased, binding but realistic implementation of new, electronic-based processes. This would allow the main benefits expected from the modernisation to be implemented;
- Second, to **align the Code with the provisions of the Lisbon Treaty**. This alignment is needed in particular as regards the use of either delegated or implementing powers by the Commission.
- And thirdly, to **correct a limited number of provisions of the Code**. These corrections would involve elements which are either no longer in line with the changes introduced since 2008 to current EU legislation, or elements that have revealed too difficult or unworkable to be implemented.

We should all be aware that this will not be a straightforward exercise, especially as we are bound by the deadline of 24 June 2013. Whether we succeed, will to a large extent depend on the emergence of a common understanding amongst the parties involved.

There is little sense in re-opening a debate on the purpose and principles of the modernisation of the customs legislation, repeating the discussions that took place between 2005 and 2008. It would also be a waste to undo the comprehensive work done to draft legislation matching the reality of our economic operators and our administrations.

Instead, I would recommend a limited and targeted intervention in the Code and sustained efforts to finalise the draft implementing legislation as quickly as possible.

I see a great opportunity for aligning our efforts already now as your own-initiative report on the "Modernisation of customs" can develop and define a shared understanding of the objectives and scope of the exercise. On this basis, the Commission, the European Parliament, the Council and national customs administrations will be able to implement and conclude this chapter in the modernisation of the Customs Union.

[Third legislative proposal: new Customs programme]

Let me now turn on my third priority for this year: designing the successor to the Customs 2013 programme.

The Customs Programmes notably assist national customs authorities to interconnect their national Customs IT systems and to improve the way information is exchanged and shared. There are elements of major European added value in the programme, in particular the Trans-European IT networks, representing 75-80% of the budget.

The recent evaluations have shown that the impact of the programme largely outweighs the relatively small budget invested at European level.

Last week, I addressed a forum of Customs Directors General, gathered to discuss a number of shared challenges. Their appreciation of the programme is undisputed, but they share the view that we need to take some further steps.

More and more, we need to think about how the future Customs Programme could deliver added value in terms of economies of scale and savings for national administrations. And we must consider how to ensure the availability of appropriate equipment and infrastructure in all Member States. This should also help in sharing the burden of protection of the external borders, which, for geographical and historical reasons, is heavier on some Member States than on others.

Currently, the Commission is finalising the proposal for the next Multi-Annual Financial Framework, determining the overall constraints on future initiatives. In the meantime, my services are working on assessing the impact of all the options available for the future programme for customs. You can expect the proposal by the end of the year, most likely in November.

[Conclusion]

Mister Chairman, Honourable Members,

I have given you an overview of the legislative proposals that I have or will present during this year. All these proposals are driven by the twin objectives to facilitate legitimate trade and to protect citizens for their security and safety. I hope you agree on these objectives and I look forward to a fruitful exchange of views. Thank you for your attention.

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