REPORT


Committee on the Internal Market and Consumer Protection

Rapporteur: Jasenko Selimovic
**Symbols for procedures**

* Consultation procedure  
*** Consent procedure  
****I Ordinary legislative procedure (first reading)  
****II Ordinary legislative procedure (second reading)  
****III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

**Amendments to a draft act**

Amendments by Parliament set out in two columns

Deletions are indicated in *bold italics* in the left-hand column. Replacements are indicated in *bold italics* in both columns. New text is indicated in *bold italics* in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in *bold italics*. Deletions are indicated using either the ▌ symbol or strikeout. Replacements are indicated by highlighting the new text in *bold italics* and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.
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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION


(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2018)0085),
– having regard to Article 294(2) and Articles 33 and 207 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0097/2018),
– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
– having regard to Rule 59 of its Rules of Procedure,
– having regard to the report of the Committee on the Internal Market and Consumer Protection (A8-0342/2018),

1. Adopts its position at first reading hereinafter set out;
2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation
Recital 5 a (new)

| Text proposed by the Commission |
| Amendment |
| (5a) The shift to a complete use of electronic systems for interactions between economic operators and customs authorities, and between customs |

RR\1166640EN.docx 5/13 PE623.824v02-00
authorities, will enable the simplifications provided for in the Code to take full effect, resulting in an improved exchange of information between actors, a more effective registration of the arrival, transit and exit of goods, a centralised customs clearance and harmonised customs controls throughout the customs territory of the Union, thereby reducing administrative costs, red tape, error fraud in customs declarations and harmful port-shopping.

Amendment 2
Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) There are many challenges in setting up all the necessary electronic systems by 2020 both for the Commission and for the Member States. First, in some cases, harmonising the data elements on the basis of internationally accepted data models as required by the Code demands a full reprogramming of existing electronic systems and investments both in financial terms and in terms of time that are greater than foreseen at the time of adoption of the Code. Second, as the electronic systems are closely interlinked, introducing them in the right order is important. Delays in the development of one system will therefore unavoidably lead to delays in the development of others. Third, the Code (including the end date for transitional measures on 31 December 2020) was adopted in 2013 while the rules supplementing and implementing it, namely Commission Delegated Regulation (EU) 2015/2446, Commission Implementing Regulation (EU) 2015/2447 and Commission Delegated Regulation (EU) 2016/341, were only adopted in 2015 and 2016. The discussions on those rules took much longer than

Amendment

(6) Setting up electronic systems requires the Commission and the Member States to harmonise the data elements on the basis of internationally accepted data models, as required by the Code, in some cases to fully reprogramme existing electronic systems and to make investments both in financial terms and in terms of time. Member States prioritise adaptation differently, which has led to differences in the timing of implementation of systems in Member States. As the electronic systems are closely interlinked, introducing them in the right order is important. Delays in the development of one system will therefore unavoidably lead to delays in the development of others. The Code (including the end date for transitional measures on 31 December 2020) was adopted in 2013 while the rules supplementing and implementing it, namely Commission Delegated Regulation (EU) 2015/2446, Commission Implementing Regulation (EU) 2015/2447 and Commission Delegated Regulation (EU) 2016/341, were only adopted in 2015 and 2016, and this has
expected and this has caused a delay in setting out the functional and technical specifications necessary for the development of the electronic systems.


Amendment 3
Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) It has become evident that, while most systems will be deployed by 2020, others can only be partially completed by that date.

Amendment

(7) Although Article 278 of the Code set a single deadline of 31 December 2020 for the deployment of all the systems referred to in that Article, and despite the efforts made by the Union and some of the Member States, at budgetary and
operational levels, to complete the work within the time limit given, it has become evident that some systems can only be partially deployed by that date, which implies that non-electronic systems will continue in use beyond that date, and in the absence of legislative amendments extending that deadline, companies and customs authorities will be unable to perform their duties and legal obligations as regards customs operations.

Amendment 4
Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10a) In order to enable the European Parliament and the Council to monitor the deployment of all the electronic systems necessary for the application of the provisions of the Code referred to in Article 278 of the Code, the Commission should regularly report on the progress made and on the attainment of interim objectives within the planned schedule, to which end the relevant administrations of the Member States should facilitate regularly the appropriate information to the Commission. Once all electronic systems are operational, the Commission should assess whether they are fit for purpose through a fitness check to be carried out within one year of the first date on which they are all operational.

Amendment 5
Proposal for a regulation
Article 1 – paragraph 1 – point 1
Regulation (EU) 952/2013
Article 278 – paragraph 2 – introductory part
Text proposed by the Commission

2. **Means** other than the electronic data-processing techniques referred to in Article 6(1) may be used on a transitional basis, **until 31 December 2025 at the latest**, where the electronic systems which are necessary for the application of the following provisions of the Code are not yet operational:

Amendment

2. **Until 31 December 2023 at the latest, means for the storage and exchange of information** other than the electronic data-processing techniques referred to in Article 6(1) may be used on a transitional basis, where the electronic systems which are necessary for the application of the following provisions of the Code are not yet operational:

Amendment 6

Proposal for a regulation
Article 1 – paragraph 1 – point 1
Regulation (EU) 952/2013
Article 278 – paragraph 2 a (new)

Text proposed by the Commission

2a. **Not later than one year after the entry into force of Regulation (EU) 2018[XXX]+ and every year thereafter until the date when the electronic systems referred to in paragraph 1 and 2 of this Article become fully operational, the Commission shall submit an annual report to the European Parliament and to the Council on progress in developing these electronic systems. For that purpose, the Member States shall provide the Commission with updated information in due time.**

+ *OJ: Please insert the number of this amending Regulation in the text and the title, date and publication reference of this amending Regulation in the footnote.*
EXPLANATORY STATEMENT

I. Introduction

The Customs Union is a cornerstone of the European Union as one of the largest trading blocks in the world, and it is therefore essential in order to ensure the proper functioning of the single market for the benefit of both EU businesses and citizens. In that regards, the setting up of electronic systems for all exchanges of information between customs authorities and between economic operators and customs authorities, and the storage of such information, has already led to significant reduction of administrative costs, administrative simplification for businesses and citizens and a more harmonized exchange of such information.

II. The Rapporteur’s position

The Rapporteur finds it very regrettable that the work to set up such electronic systems will not be completed by the deadline of 2020, as provided by Article 278 of the Union Customs Code. However, due to the importance of the well-functioning of such electronic systems, the Rapporteur’s priority is to make sure that this necessary work is implemented as effectively and as thoroughly as possible.

The Rapporteur supports therefore the Commission’s proposal to amend Article 278 of the Code so that the transitional arrangements for the exchange and storage of customs information (i.e. existing electronic and paper-based systems) can continue to be used after 2020 and no later than 2025 for the customs processes covered by the electronic systems that will not be implemented by 2020. The Rapporteur believes that extending such deadline is necessary in order to ensure legal certainty for both custom authorities, businesses and citizens, that would encounter difficulties if some of the electronic systems were not implemented and at the same time the law prohibited the continued transitional use of alternative arrangements.

Moreover, the Rapporteur believes that a further extension of the deadline after 2025 should be avoided at any cost. Therefore, the Rapporteur suggests to fully involve the European Parliament in monitoring the setting up of the electronic systems that will not be implemented by 2020 by inviting the European Commission to report, one year after the entry into force of this Regulation and every year thereafter, on the progresses achieved and challenges ahead as regards to the completion of that work.
ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the draft report:

<table>
<thead>
<tr>
<th>Entity and/or person</th>
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<tbody>
<tr>
<td>Permanent Representation of Austria to the European Union</td>
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<td>Permanent Representation of France to the European Union</td>
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## PROCEDURE – COMMITTEE RESPONSIBLE

<table>
<thead>
<tr>
<th>Title</th>
<th>Prolongation of the transitional use of means other than the electronic data-processing techniques provided for in the Union Customs Code</th>
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<tr>
<td>Date submitted to Parliament</td>
<td>2.3.2018</td>
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| Committee responsible | IMCO  
  Date announced in plenary | 12.3.2018 |
| Committees asked for opinions | INTA  
  Date announced in plenary | 12.3.2018  
  JURI  
  Date announced in plenary | 12.3.2018 |
| Not delivering opinions | INTA  
  Date of decision | 21.3.2018  
  JURI  
  Date of decision | 27.3.2018 |
| Rapporteurs | Jasenko Selimovic  
  Date appointed | 21.3.2018 |
| Discussed in committee | 19.6.2018  
  11.7.2018  
  24.9.2018 |
| Date adopted | 11.10.2018 |
| Result of final vote | +: 31  
  -: 3  
  0: 2 |
| Members present for the final vote | John Stuart Agnew, Pascal Arimont, Dita Charanzová, Carlos Coelho, Anna Maria Corazza Bildt, Daniel Dalton, Pascal Durand, Evelyne Gebhardt, Maria Grapini, Robert Jarosław Iwaszkiewicz, Liisa Jaakonsaari, Philippe Juvin, Antonio López-Istúriz White, Morten Løkkegaard, Eva Maydell, Marlene Mizzi, Christel Schaldemose, Andreas Schwab, Olga Sehnalová, Jasenko Selimovic, Richard Sulík, Róża Gräfin von Thun und Hohenstein, Mylène Troszczyński, Marco Zullo |
| Substitutes present for the final vote | Lucy Anderson, Biljana Borzan, Edward Czesak, Arndt Kohn, Julia Reda, Martin Schirdewan, Lambert van Nistelrooij, Sabine Verheyen |
| Substitutes under Rule 200(2) present for the final vote | Ramón Jáuregui Atondo, Stanislav Polčák, Flavio Zanonato, Tomáš Zdechovský |
| Date tabled | 19.10.2018 |
### FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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<td><strong>31</strong></td>
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<tr>
<td>ALDE</td>
<td>Dita Charanzová, Morten Løkkegaard, Jasenko Selimovic</td>
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<td>ECR</td>
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<tr>
<td>EFDD</td>
<td>Marco Zullo</td>
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<td>S&amp;D</td>
<td>Lucy Anderson, Biljana Borzan, Evelyne Gebhardt, Maria Grapini, Liisa Jaakonsaari, Ramón Jáuregui Atondo, Arndt Kohn, Marlene Mizzi, Christel Schaldemose, Olga Sehnalová, Flavio Zanonato</td>
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<td>Verts/ALE</td>
<td>Pascal Durand, Julia Reda</td>
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| **3** | **-** |
| EFDD | John Stuart Agnew |
| PPE | Róža Gräfin von Thun und Hohenstein, Tomáš Zdechovský |

| **2** | **0** |
| ALDE | Robert Jaroslaw Iwaszkiewicz |
| GUE/NGL | Martin Schirdewan |

Key to symbols:
+ : in favour
- : against
0 : abstention