***I

REPORT


Committee on the Internal Market and Consumer Protection

Rapporteur: Jiří Pospíšil
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)0474),

– having regard to Article 294(2) and Article 33, Article 114 and Article 207 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0273/2018),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of xxxx¹,

– 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 and the opinions of the Committee on Budgets, the Committee on Budgetary Control and the Committee on Civil Liberties, Justice and Home Affairs (A8-0460/2018),

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 1

¹ [OJ C 0, 0.0.0000, p. 0].
Text proposed by the Commission

(1) The 2,140 customs offices\(^{17}\) that are present over the external borders of the European Union need to be properly equipped to ensure the operation of the customs union. The need for adequate and equivalent customs controls is ever more pressing not only by reason of the traditional function of customs to collect revenue but also increasingly by the necessity to significantly reinforce the control of goods entering and exiting Union’s external borders in order to ensure both safety and security. However, at the same time, those controls on the movement of goods across the external borders should not impair but rather facilitate legitimate trade with third countries.

Amendment

(1) The 2,140 customs offices\(^{17}\) that are present over the external borders of the European Union need to be properly equipped to ensure the **efficient and effective** operation of the customs union. The need for adequate and equivalent customs controls is ever more pressing not only by reason of the traditional function of customs to collect revenue but also increasingly by the necessity to significantly reinforce the control of goods entering and exiting Union’s external borders in order to ensure both safety and security. However, at the same time, those controls on the movement of goods across the external borders should not impair but rather facilitate legitimate trade with third countries, in compliance with the safety and security conditions.


Amendment 2

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission

(1a) The customs union is a cornerstone of the European Union, which is one of the largest trading blocks in the world, and is essential for the proper functioning of the single market for the benefit of both businesses and citizens. In its resolution of 14 March 2018\(^{16}\), the European Parliament expressed particular concern regarding customs fraud, which has created a significant loss of income for the Union's
The European Parliament reiterated that a stronger and a more ambitious Europe can only be achieved if it is provided with reinforced financial means and called, therefore, for providing continuous support to existing policies, for increasing resources to the Union’s flagship programmes, and for additional responsibilities to be matched with additional financial means.

Amendment 3
Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability of modern and reliable customs control equipment. The provision of equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points.

Amendment

(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources, as well as to a lack of standardised customs controls. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability and proper functioning of modern and reliable customs control equipment. Other challenges, such as the surge of e-commerce, the digitalisation of the controls and inspections records, resilience to cyber-attacks, sabotage, industrial espionage and misuse of data, will also increase demand for better functioning of customs procedures. The provision of equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby
avoid the diversion of the flows of goods towards the weakest points. *All the goods entering the customs territory of the Union should be subject to thorough controls in order to avoid “port-shopping” by custom fraudsters. To ensure that the overall strength is increased as well as convergence in the performance of customs control by Member States, a clear strategy related to the weakest points is required.*

**Amendment 4**

Proposal for a regulation

Recital 3

*Text proposed by the Commission*

(3) Member States have repeatedly expressed the need for financial support and requested an in-depth analysis of the equipment needed. In its conclusions on customs funding on 23 March 2017, the Council invited the Commission to "evaluate the possibility of funding technical equipment needs from future Commission financial programmes and improve coordination and (...) cooperation between Customs Authorities and other law enforcement authorities for funding purposes".

*Amendment*

(3) *A number of* Member States have repeatedly expressed the need for financial support and requested an in-depth analysis of the equipment needed. In its conclusions on customs funding on 23 March 2017, the Council invited the Commission to "evaluate the possibility of funding technical equipment needs from future Commission financial programmes and improve coordination and (...) cooperation between Customs Authorities and other law enforcement authorities for funding purposes".

**Amendment 5**

Proposal for a regulation

Recital 6

*Text proposed by the Commission*

(6) It is therefore opportune to establish a new Instrument for financial support for customs control equipment.

*Amendment*

(6) It is therefore opportune to establish a new Instrument for financial support for customs control equipment *that should ensure the detection of practices, such as for example counterfeiting of goods and other illegal commercial practices*. *Already existing formulas of financial support should be considered.*
Recital 7

Text proposed by the Commission

(7) As customs authorities of the Member States have been taking up an increasing number of responsibilities, which often extend to the field of security and take place at the external border, ensuring equivalence in carrying out border control and customs control at the external borders needs to be addressed by providing adequate Union financial support to the Member States. It is equally important to promote inter-agency cooperation at Union borders as regards controls of goods and controls of persons among the national authorities in each Member State that are responsible for border control or for other tasks carried out at the border.

Recital 11

Text proposed by the Commission

(11) This Regulation lays down a financial envelope for the Instrument, which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, for the European Parliament and the Council during the annual budgetary procedure.

Amendment

(7) As customs authorities of the Member States have been taking up an increasing number of responsibilities, which often extend to the field of security and take place at the external border, ensuring equivalence in carrying out border control and customs control at the external borders needs to be addressed by providing adequate Union financial support to the Member States. It is equally important to promote inter-agency cooperation, while considering cybersecurity, at Union borders as regards controls of goods and controls of persons among the national authorities in each Member State that are responsible for border control or for other tasks carried out at the border.

(11) This Regulation lays down a financial envelope for the Instrument, which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, for the European Parliament and the Council during the annual budgetary procedure. To secure budgetary discipline, the conditions as to how the grants will be prioritised should be clear, defined and based on needs that have been identified.
for the tasks performed by customs points.

Amendment 8

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Customs control equipment financed under this Instrument should meet optimal security, including cybersecurity, safety, environmental and health standards.

Amendment 9

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) Data produced by customs control equipment financed under this Instrument should be accessed and processed only by duly authorised staff of the authorities, and should be adequately protected against unauthorised access or communication. Member States should be in full control of that data.

Amendment 10

Proposal for a regulation
Recital 13 c (new)

Text proposed by the Commission

Amendment

(13c) Customs control equipment financed under this Instrument should contribute to providing optimal customs risk management.
Amendment 11
Proposal for a regulation
Recital 13 d (new)

*Text proposed by the Commission*

(13 d) When replacing old customs control equipment by the means of this Instrument, Member States should be responsible for environment friendly disposal of old customs control equipment.

Amendment 12
Proposal for a regulation
Recital 15

*Text proposed by the Commission*

(15) Most customs control equipment may be equally or incidentally fit for controls of compliance with other legislation, such as provisions on border management, visa or police cooperation. The Integrated Border Management Fund has therefore been conceived as two complementary instruments with distinct but coherent scopes for the purchase of equipment. On the one hand, the instrument for border management and visa established by Regulation [2018/XXX] will exclude equipment that can be used for both border management and customs control. On the other hand, the instrument for financial support for customs control equipment established by this Regulation will not only support financially equipment with customs controls as the main purpose but will also allow its use as well for additional purposes such as border controls and security. This distribution of roles will foster inter-agency cooperation as a component of the European integrated border management approach, as referred to in Article 4(e) of Regulation (EU) 2016/1624, thereby enabling customs and
border authorities to work together and maximising the impact of the Union budget through co-sharing and inter-operability of control equipment.

To ensure that any instrument or equipment financed by the fund is in the permanent custody of the designated customs point that owns the equipment, the act of co-sharing and interoperability between customs and border authorities should be defined as being non-systematic and non-regular.


Amendment 13
Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) By way of derogation from the Financial Regulation, funding of an action by several Union programmes or instruments should be possible in order to allow and support, where appropriate, cooperation and interoperability across domains. However, in such cases, the contributions may not cover the same costs in accordance with the principle of prohibition of double funding established by the Financial Regulation.

Amendment

(16) By way of derogation from the Financial Regulation, funding of an action by several Union programmes or instruments should be possible in order to allow and support, where appropriate, cooperation and interoperability across domains. However, in such cases, the contributions may not cover the same costs in accordance with the principle of prohibition of double funding established by the Financial Regulation. If a Member State has already been awarded or has received contributions from another
Union programme or support from a Union fund for the acquisition of the same equipment, that contribution or support should be listed in the application.

Amendment 14
Proposal for a regulation
Recital 16 a (new)

Text proposed by the Commission

Amendment (16a) The Commission should incentivise joint procurement and testing of customs control equipment between Member States.

Amendment 15
Proposal for a regulation
Recital 17

Text proposed by the Commission

Amendment (17) In view of the rapid evolution of customs priorities, threats and technologies, work programmes should not span over long periods of time. At the same time, the need to establish annual work programmes increases the administrative burden for both the Commission and Member States without it being necessary for the implementation of the Instrument. Against that backdrop, work programmes should in principle cover more than one budgetary year. Moreover, to ensure that the integrity of the Union’s strategic interests are preserved, Member States are encouraged to consider carefully cybersecurity and the risks to potential exposure of sensitive data outside the Union when tendering for new customs control equipment.
Amendment 16
Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to ensure uniform conditions for the implementation of the work programme under this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) 182/2011 of the European Parliament and of the Council27.

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Amendment 17
Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) Although central implementation is indispensable in order to achieve the specific objective of ensuring equivalent customs controls, given the technical nature of this Instrument, preparatory work is required at technical level. Therefore, implementation should be supported by assessments of needs that are dependent on national expertise and experience through the involvement of customs administrations of the Member States. Those assessments of needs should be based on a clear methodology including a minimum number of steps ensuring the
collection of the required information.

collection of the required relevant information.

Amendment 18

Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) To ensure regular monitoring and reporting, a proper framework for monitoring the results achieved by the Instrument and actions under it should be put in place. Such monitoring and reporting should be based on indicators measuring the effects of the actions under the Instrument. Reporting requirements should include some information on customs control equipment beyond a certain cost threshold.

Amendment

(20) To ensure regular monitoring and reporting, a proper framework for monitoring the results achieved by the Instrument and actions under it should be put in place. Such monitoring and reporting should be based on quantitative and qualitative indicators measuring the effects of the actions under the Instrument. Member States should ensure a transparent and clear procurement procedure. Reporting requirements should include detailed information on customs control equipment and procurement procedure beyond a certain cost threshold, and a justification of the expenses.

Amendment 19

Proposal for a regulation
Recital 22

Text proposed by the Commission

(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level,

Amendment

(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending this Regulation in order to lay down work programmes, amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate and
and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

**Amendment 20**

**Proposal for a regulation**

**Recital 24**

*Text proposed by the Commission*

(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union’s budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.

**Amendment**

(24)  Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union’s budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding. *Funding under this Instrument should respect the principles of transparency, proportionality, equal treatment and non-discrimination.*
Amendment 21
Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objective of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

Amendment

(25) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objective of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation. Improving the implementation and quality of spending should constitute guiding principles for the achievement of the objectives of the Instrument while ensuring optimal use of financial resources.

Amendment 22
Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. As part of the Integrated Border Management Fund, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from unfair and illegal trade while facilitating legitimate business activity.

Amendment

1. As part of the Integrated Border Management Fund and with a view to the long-term aim that all customs controls in the Union are standardised, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States to promote inter-agency cooperation at Union borders as regards controls of goods and persons, to ensure security and safety within the Union and to protect the Union from illegal trade while
Amendment 23
Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

2. The Instrument has the specific objective of contributing to adequate and equivalent customs controls through the purchase, maintenance and upgrade of relevant, state-of-the-art and reliable customs control equipment.

Amendment

2. The Instrument has the specific objective of contributing to adequate and equivalent customs controls through the fully transparent purchase, maintenance and upgrade of relevant, state-of-the-art, secure, cyber-resilient, safe, environmental-friendly and reliable customs control equipment. An additional objective is to improve the quality of customs controls throughout Member States to avoid the diversion of goods towards weaker points in the Union.

Amendment 24
Proposal for a regulation
Article 3 – paragraph 2 a (new)

Text proposed by the Commission

2a. The Instrument shall contribute to the implementation of the European Integrated Border Management by supporting interagency cooperation, co-sharing and interoperability of new equipment acquired through the Instrument.

Amendment

2a. The Instrument shall contribute to the implementation of the European Integrated Border Management by supporting interagency cooperation, co-sharing and interoperability of new equipment acquired through the Instrument.

Amendment 25
Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 300

Amendment

1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 149
000 000 in current prices. 175 000 in 2018 prices (EUR 1 300 000 000 in current prices).

Justification

The financial envelope is proposed to be amended in line with the EP resolutions of 14 March and 30 May on the next MFF, based on a preliminary technical breakdown per programme that could be subject to further adjustments, while respecting the overall EP position as set out in those resolutions and the overall level of 1.3% of the EU-27 GNI.

Amendment 26

Proposal for a regulation
Article 4 – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 may also cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Instrument and evaluating the achievement of its objectives. It may moreover cover expenses relating to the studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Instrument, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.

Amendment

2. The amount referred to in paragraph 1 may also cover legitimate and verified expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Instrument and evaluating its performance and the achievement of its objectives. It may moreover cover likewise legitimate and verified expenses relating to the studies, meetings of experts, information and communication actions, exchange of data between involved Member States in so far as they are related to the specific objectives of the Instrument in support of the general objective, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.

Amendment 27

Proposal for a regulation
Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment
1a. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up adequate safeguards and contingency measures to ensure that all the equipment purchased with the support of Union programmes and instruments is put to use by the relevant customs authorities in all relevant cases.

Amendment 28

Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

3. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up a coordination mechanism ensuring efficiency and interoperability between all the equipment purchased with the support of Union programmes and instruments.

Amendment

3. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up a coordination mechanism ensuring efficiency and interoperability between all the equipment purchased with the support of Union programmes and instruments, which shall allow for the consultation and participation of relevant Union agencies, in particular the European Border and Coast Guard Agency. The coordination mechanism shall include the participation and consultation of the European Border and Coast Guard Agency to maximise the Union added value in the field of border management.

Amendment 29

Proposal for a regulation
Article 5 – paragraph 3 a (new)

Text proposed by the Commission

3a. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up adequate safeguards and contingency measures to ensure that all the equipment purchased with the support of Union
programmes and instruments meets agreed standards on regular maintenance.

Amendment 30
Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, in duly justified cases, the actions may also cover the purchase, maintenance and upgrade of customs controls equipment for testing new pieces or new functionalities in operational conditions.

Amendment

2. By way of derogation from paragraph 1, in duly justified cases, the actions may also cover the fully transparent purchase, maintenance and upgrade of customs controls equipment for testing new pieces or new functionalities in operational conditions.

Amendment 31
Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt delegated acts in accordance with Article 14 to amend the customs control purposes set out in point (b) of paragraph 1 as well as Annex 1 where such review is considered necessary.

Amendment

3. The Commission is empowered to adopt delegated acts in accordance with Article 14 to amend the customs control purposes set out in point (b) of paragraph 1 as well as Annex 1 where such review is considered necessary and in order to stay up to date with technological developments, changing patterns in smuggling of goods and with new, smart and innovative solutions for customs control purposes.

Amendment 32
Proposal for a regulation
Article 6 – paragraph 4

Text proposed by the Commission

4. Customs control equipment financed under this Instrument may be used for purposes additional to customs

Amendment

4. Customs control equipment financed under this Instrument should primarily be used for customs controls,
controls, including for control of persons in support of the national border management authorities and investigation. 

*but* may be used for purposes additional to customs controls, including for control of persons in support of the national border management authorities and investigation to comply with the Instrument’s general and specific objectives set out in Article 3.

**Amendment 33**

Proposal for a regulation
Article 6 – paragraph 4 a (new)

*Text proposed by the Commission*

**Amendment**

4a. The Commission shall incentivise joint procurement and testing of customs control equipment between Member States.

**Amendment 34**

Proposal for a regulation
Article 8 – paragraph 2 a (new)

*Text proposed by the Commission*

**Amendment**

2a. Funding in excess of that ceiling may be granted in cases of joint procurement and testing of customs control equipment between Member States.

**Amendment 35**

Proposal for a regulation
Article 8 – paragraph 2 b (new)

*Text proposed by the Commission*

**Amendment**

2b. The exceptional circumstances referred to in paragraph 2 may include purchasing of new customs control equipment and submitting it to the technical equipment pool of the European Border and Coast Guard. Admissibility of the customs control equipment to the
technical equipment pool shall be ascertained in accordance with Article 5(3).

Amendment 36
Proposal for a regulation
Article 9 – paragraph 1 – introductory part

Text proposed by the Commission

The following costs shall not be eligible for funding under the Instrument:

Amendment

All the costs related to actions referred to in Article 6 shall be eligible for funding under Instrument, with the exception of:

Amendment 37
Proposal for a regulation
Article 9 – paragraph 1 – point a (new)

Text proposed by the Commission

(aa) costs relating to training or the upgrading of skills necessary for the use of the equipment;

Amendment

Amendment 38
Proposal for a regulation
Article 9 – paragraph 1 – point c

Text proposed by the Commission

(c) costs associated with electronic systems, with the exception of software directly necessary to use the customs control equipment;

Amendment

(c) costs associated with electronic systems, with the exception of software and software updates directly necessary to use the customs control equipment and with the exception of the electronic software and programming necessary to inter-link existing software with the customs control equipment;

Amendment 39
Proposal for a regulation
Article 9 – paragraph 1 – point d

Text proposed by the Commission

(d) costs of networks, such as secured or unsecured communication channels, or subscriptions;

Amendment

(d) costs of networks, such as secured or unsecured communication channels, or subscriptions, with the exception of networks or subscriptions directly necessary to use the customs control equipment;

Amendment 40

Proposal for a regulation
Article 11 – paragraph 2

Text proposed by the Commission

2. The work programmes shall be adopted by the Commission by means of an implementing act. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 15.

Amendment

2. The Commission is empowered to adopt delegated acts in accordance with Article 14, amending Annex 2a in order to lay down work programmes.

Amendment 41

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

The preparation of the work programmes referred to in paragraph 1 shall be supported by an assessment of needs, which shall consist of the following at a minimum:

Amendment

The preparation of the work programmes referred to in paragraph 1 shall be supported by an individual assessment of needs, which shall consist of the following:

Amendment 42

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission

(b) an exhaustive inventory of

Amendment

(b) an exhaustive inventory of
available customs control equipment; available and functional customs control equipment;

Amendment 43

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point c

Text proposed by the Commission
(c) a common definition of a minimum and an optimal standard of customs control equipment by reference to the category of border crossing points and

Amendment
(c) a common definition of a minimum technical standard of customs control equipment by reference to the category of border crossing points;

Amendment 44

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point c a (new)

Text proposed by the Commission
(ca) an assessment of an optimal level of customs control equipment by reference to the category of border crossing points; and

Amendment

Amendment 45

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point d

Text proposed by the Commission
(d) a detailed estimate of financial needs.

Amendment
(d) a detailed estimate of financial needs depending on the size of customs operations and the relative workload.

Amendment 46

Proposal for a regulation
Article 12 – paragraph 1
1. **Indicators to report on** progress of the Instrument towards the achievement of the general and specific objectives set out in Article 3 are set out in Annex 2.

Amendment 47

Proposal for a regulation
Article 12 – paragraph 2

2. To ensure effective assessment of progress of the Instrument towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 14 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.

Amendment 48

Proposal for a regulation
Article 12 – paragraph 3

1. In compliance with its reporting requirement pursuant to Article point (e)(i) of 38(3) of the Financial Regulation, the Commission shall present to the European Parliament and the Council information on the performance of the Programme. The Commission’s reporting on performance shall include information on both progress and shortfalls.

2. **Indicators to report on the progress of the Instrument towards the achievement of the general and specific objectives in Article 3 are set out in Annex 2.** To ensure effective assessment of progress of the Instrument towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 14 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework in order to provide the European Parliament and the Council with updated qualitative as well as quantitative information on performance of the Programme.
3. The performance reporting system shall ensure that data for monitoring the implementation and results of the Instrument are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds. The performance reporting system shall ensure that data for monitoring the implementation and results of the Instrument are comparable and complete as well as collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds. The Commission shall provide the European Parliament and the Council with reliable information on the quality of the performance data used.

Amendment 49

Proposal for a regulation
Article 12 – paragraph 4 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the presence and condition five years after commissioning of items of equipment funded from the Union budget;

Amendment 50

Proposal for a regulation
Article 12 – paragraph 4 – point c b (new)

Text proposed by the Commission

Amendment

(cb) information on instances of maintenance of the customs control equipment;

Amendment 51

Proposal for a regulation
Article 12 – paragraph 4 – point c c (new)

Text proposed by the Commission

Amendment

(cc) information on the procurement
procedure;

Amendment 52
Proposal for a regulation
Article 12 – paragraph 4 – point c d (new)

Text proposed by the Commission

Amendment

(cd) justification of the expenses.

Amendment 53
Proposal for a regulation
Article 13 – paragraph 1

Text proposed by the Commission

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.

Amendment

1. Evaluations of actions funded under the Instrument and referred to in Article 6 shall assess the Instrument's results, impact and effectiveness, and shall be carried out in a timely manner to ensure their efficient use in the decision-making process.

Amendment 54
Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission

2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no later than four years after the start of the implementation of the Instrument.

Amendment

2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no later than three years after the start of the implementation of the Instrument.

Amendment 55
Proposal for a regulation
Article 13 – paragraph 2 – subparagraph 1 a (new)
The interim evaluation shall present findings necessary to make a decision about a follow-up to the Programme beyond 2027 and its objectives.

**Amendment 56**

Proposal for a regulation
Article 13 – paragraph 3

**Text proposed by the Commission**

3. At the end of the implementation of the Instrument, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Instrument shall be carried out by the Commission.

**Amendment**

3. At the end of the implementation of the Instrument, but no later than three years after the end of the period specified in Article 1, a final evaluation of the Instrument shall be carried out by the Commission.

**Amendment 57**

Proposal for a regulation
Article 13 – paragraph 4

**Text proposed by the Commission**

4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

**Amendment**

4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations and lessons learned, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

**Amendment 58**

Proposal for a regulation
Article 13 – paragraph 4 a (new)

**Text proposed by the Commission**

4a. The Commission shall include annual partial evaluations in its report
"Protection of the European Union's financial interests - Fight against fraud".

Amendment 59
Proposal for a regulation
Article 14 – paragraph 2

Text proposed by the Commission
2. The power to adopt delegated acts referred to in Articles 6(3) and 12(2) shall be conferred on the Commission until 31 December 2028.

Amendment
2. The power to adopt delegated acts referred to in Articles 6(3), 11(2) and 12(2) shall be conferred on the Commission until 31 December 2028.

Amendment 60
Proposal for a regulation
Article 14 – paragraph 3

Text proposed by the Commission
3. The delegation of power referred to in Articles 6(3) and 12(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment
3. The delegation of power referred to in Articles 6(3), 11(2) and 12(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment 61
Proposal for a regulation
Article 14 – paragraph 6

Text proposed by the Commission
6. A delegated act adopted pursuant to Articles 6(3) and 12(2) shall enter into force if no objection has been expressed either by the European Parliament or by the

Amendment
6. A delegated act adopted pursuant to Articles 6(3), 11(2) and 12(2) shall enter into force if no objection has been expressed either by the European
Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment 62

Proposal for a regulation
Article 15

*Text proposed by the Commission*

**Article 15**

*Amendment*

*deleted*

Committee procedure

1. The Commission shall be assisted by the “Customs Programme Committee” referred to in Article 18 of Regulation (EU) [2018/XXX]38.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) 182/2011 shall apply.


Amendment 63

Proposal for a regulation
Article 16 – paragraph 1

*Text proposed by the Commission*

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public, *thereby*
including the media and the public. showing the Union added value and aiding the data gathering efforts of the Commission in order to enhance budgetary transparency.

Amendment 64
Proposal for a regulation
Article 16 – paragraph 2

_text proposed by the Commission_
2. The Commission shall implement information and communication actions relating to the Instrument, and its actions and results. Financial resources allocated to the Instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

_text proposed by the Commission_
2. In order to ensure transparency, the Commission shall regularly provide information to the public relating to the Instrument, its actions and results, referring to, inter alia, the work programmes referred to in Article 11.

Amendment 65
Proposal for a regulation
Annex 1 – column 3 – row 1

_text proposed by the Commission_
Containers, trucks, rail wagons

_text proposed by the Commission_
Containers, trucks, rail wagons and vehicles

Amendment 66
Proposal for a regulation
Annex 1 – column 3 – row 3 a (new)

_text proposed by the Commission_

_text proposed by the Commission_
Vehicles

Amendment 67
Proposal for a regulation
Annex 1 – column 2 – row 5

Text proposed by the Commission

X-ray backscatter portal

Amendment

X-ray based backscatter portal

Amendment 68

Proposal for a regulation

Annex 2 – column 2 – row 6 a (new)

Text proposed by the Commission

Millimetre wave-based security scanner

Amendment 69

Proposal for a regulation

Annex 2 – point 1 a (new)

Text proposed by the Commission

1a. Security and Safety

(a) Degree of compliance with security standards of customs control equipment at all Border Crossing Points, including cybersecurity

(b) Degree of compliance with safety standards of customs control equipment at all Border Crossing Points

Amendment 70

Proposal for a regulation

Annex 2 – point 1 b (new)

Text proposed by the Commission

1b. Health and Environment

(a) Degree of compliance with health standards of customs control equipment at all Border Crossing Points

(b) Degree of compliance with environmental standards of customs
control equipment at all Border Crossing Points

Amendment 71
Proposal for a regulation
Annex 2 a (new)

Text proposed by the Commission

Annex 2a
Work programmes

Amendment 72
Proposal for a regulation
Annex 2 b (new)

Text proposed by the Commission

Annex 2 b
Exceptional circumstances for excess funding
EXPLANATORY STATEMENT

The proposed Instrument for financial support for customs control equipment, as a part of, a new Integrated Border Management Fund (IBMF) in the MFF for the period 2021 - 2027, aims at reinforcing controls of goods entering and exiting the Union’s borders via providing funding for the purchase, maintenance and upgrade of customs control equipment such as new scanners, automated number plate detection systems and mobile laboratories for sample analysis. The Instrument is a new financial tool developed upon prior requests from the Member States and is therefore based on their needs as regards better management of both external and internal borders. Following the Commission’s presentation of the proposal on 03/10/2018, Your rapporteur thoroughly examined the proposal and generally considers it useful and well-elaborated. Nevertheless, he has some remarks and recommendations in order to make the text of the proposal more clear and coherent.

In articles 3, 9, 12 and 13, some more specific wording should avoid misconception of the intended meaning. Besides these minor changes, two more substantial amendments are proposed.

Firstly, adaptations of recital 15 should clarify the use of customs control equipment for additional purposes by other parties. While fully acknowledging and supporting possible synergies, Your rapporteur considers that such use should be neither systematic nor regular, thus preventing misuse and undermining the Instrument’s objectives.

Secondly, in article 16, simplified rules for publishing information about the Instrument are being put forward with the aim not to impose too much obligation on the Commission, as regards publication and information tasks. Therefore, an appropriate way of publishing information about the Instrument would be subject to the Commission’s own consideration, without establishing any stringent rules in this regard.
OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on the Internal Market and Consumer Protection


Rapporteur for opinion: Georgios Kyrtos

AMENDMENTS

The Committee on Budgets calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to take into account the following amendments:

Amendment 1
Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission

(1 a) The Customs Union is a cornerstone of the European Union as one of the largest trading blocks in the world, and is essential for the proper functioning of the single market for the benefit of both EU businesses and citizens. In its resolution of 14 March 2018, the European Parliament expressed particular concern regarding customs fraud, which has created a significant loss of income for the Union’s budget. The European Parliament reiterated that a stronger and a more ambitious Europe can only be achieved if it is provided with
reinforced financial means and called, therefore, for providing continuous support to existing policies, for increasing resources to the Union’ flagship programmes, and for additional responsibilities to be matched with additional financial means.

Amendment 2
Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to ensure uniform conditions for the implementation of the work programme under this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) 182/2011 of the European Parliament and of the Council.

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Amendment 3
Proposal for a regulation
Recital 22

Text proposed by the Commission

(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union
should be delegated to the Commission in respect of amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 4
Proposal for a regulation
Recital 24

Text proposed by the Commission

(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial

Amendment

(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial
management and effective EU funding. Funding under this Instrument should respect the principles of transparency, proportionality, equal treatment and non-discrimination.

Amendment 5
Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objective of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

Amendment

(25) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objective of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation. Improving implementation and quality of spending should constitute guiding principles for achieving the objectives of the Instrument while ensuring optimal use of financial resources.

Amendment 6
Proposal for a regulation
Recital 26 a (new)

Text proposed by the Commission

(26 a) Reflecting the urgency of tackling climate change in line with the Union’s commitments to implement the Paris Agreement and to be a frontrunner in implementing the United Nations Sustainable Development Goals including gender equality, this Fund will contribute
to mainstream climate actions and to the achievement of an overall target of at least 25% of the EU budget expenditures supporting climate objectives over the MFF 2021-2027 period and 30% as soon as possible and at the latest by 2027. Relevant actions will be identified during the Fund’s preparation and implementation, and reassessed in the context of the relevant evaluations and review processes.

Amendment 7
Proposal for a regulation
Article 4 – paragraph 1

**Text proposed by the Commission**

1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 300 000 000 in current prices.

**Amendment**

1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 149 175 000 in 2018 prices (EUR 1 300 000 000 in current prices).

**Justification**

The financial envelope is proposed to be amended in line with the EP resolutions of 14 March and 30 May on the next MFF, based on a preliminary technical breakdown per programme that could be subject to further adjustments, while respecting the overall EP position as set out in those resolutions and the overall level of 1.3% of the EU-27 GNI.

Amendment 8
Proposal for a regulation
Article 11 – paragraph 2

**Text proposed by the Commission**

2. The work programmes shall be adopted by the Commission by means of an implementing act. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 15.

**Amendment**

2. The Commission is empowered to adopt delegated acts in accordance with Article 14, amending Annex IIa to lay down work programmes.
Amendment 9

Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission

2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no later than four years after the start of the implementation of the Instrument.

Amendment

2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no later than two years after the start of the implementation of the Instrument.

Amendment 10

Proposal for a regulation
Article 13 – paragraph 3

Text proposed by the Commission

3. At the end of the implementation of the Instrument, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Instrument shall be carried out by the Commission.

Amendment

3. At the end of the implementation of the Instrument, but no later than two years after the end of the period specified in Article 1, a final evaluation of the Instrument shall be carried out by the Commission.

Amendment 11

Proposal for a regulation
Article 14 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Articles 6(3) and 12(2) shall be conferred on the Commission until 31 December 2028.

Amendment

2. The power to adopt delegated acts referred to in Articles 6(3), 11(2) and 12(2) shall be conferred on the Commission until 31 December 2028.

Amendment 12

Proposal for a regulation
Article 14 – paragraph 3
Text proposed by the Commission

3. The delegation of power referred to in Articles 6(3) and 12(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

Proposal for a regulation

Article 14 – paragraph 6

Text proposed by the Commission

6. A delegated act adopted pursuant to Articles 6(3) and 12(2) shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment

Proposal for a regulation

Article 15

Text proposed by the Commission

6. A delegated act adopted pursuant to Articles 6(3), 11(2) and 12(2) shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment

Proposal for a regulation

Article 15

Text proposed by the Commission

Article 15 deleted
Committee procedure

1. The Commission shall be assisted by the “Customs Programme Committee” referred to in Article 18 of Regulation (EU) [2018/XXX]38.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) 182/2011 shall apply.

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Amendment 15

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public, thereby showing the Union added value and aiding the data gathering efforts of the Commission in order to enhance budgetary transparency.

Amendment 16

Proposal for a regulation
Annex II a (new)

Text proposed by the Commission

Annex IIa

Work programmes
### PROCEDURE – COMMITTEE ASKED FOR OPINION

<table>
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<tr>
<th><strong>Title</strong></th>
<th>Establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment</th>
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| **Committee responsible** | IMCO  
Date announced in plenary: 2.7.2018 |
| **Opinion by** | BUDG  
Date announced in plenary: 2.7.2018 |
| **Rapporteur** | Georgios Kyrtos  
Date appointed: 28.6.2018 |
| **Discussed in committee** | 26.9.2018 |
| **Date adopted** | 5.11.2018 |
| **Result of final vote** | +: 25  
−: 2  
0: 1 |
| **Members present for the final vote** | Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, André Elissen, José Manuel Fernandes, Eider Gardiazabal Rubial, Ingeborg Gräßle, Monika Hohlmeier, John Howarth, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Jan Olbrycht, Paul Rübig, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Daniele Viotti, Tiemo Wölken, Marco Zanni |
| **Substitutes present for the final vote** | Karine Gloanec Maurin, Alain Lamassoure, Janusz Lewandowski, Andrey Novakov, Marco Valli |
| **Substitutes under Rule 200(2) present for the final vote** | Michael Detjen |
### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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Key to symbols:
+ : in favour
- : against
0 : abstention
OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on the Internal Market and Consumer Protection

on the proposal for a regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment

Rapporteur for opinion: Nedzhmi Ali

SHORT JUSTIFICATION

Customs help safeguarding the financial interests of the Union and of the Member States. As it is one of the important traditional own resources of the Union, it remains one of the focal point of interest of the Budgetary Control Committee.

The new proposed instrument for Customs Control Equipment aims at improving equivalence in the performance of customs controls throughout Member States to avoid the diversion of flows of goods towards the weakest points. A dedicated Union intervention for customs control equipment will allow supporting the purchase, maintenance and upgrade of the eligible detection equipment for customs controls in the wide sense. The instrument should also cover detection equipment that is used for control purposes beyond customs controls as long as the latter remain the main purpose.

The new Customs Control Equipment instrument must be consistent with and exploit any synergies with other EU action programmes and funds with similar objectives in related fields, especially the Customs Program.

AMENDMENTS

The Committee on Budgetary Control calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation
Recital 1

Text proposed by the Commission

(1) **The 2 140 customs offices**\(^{17}\) that are present over the external borders of the European Union need to be properly equipped to ensure the operation of the customs union. The need for adequate and equivalent customs controls is ever more pressing not only by reason of the traditional function of customs to collect revenue but also increasingly by the necessity to significantly reinforce the control of goods entering and exiting Union’s external borders in order to ensure both safety and security. However, at the same time, those controls on the movement of goods across the external borders should not impair but rather facilitate legitimate trade with third countries.

_________________


Justification

*Specifying the number doesn't make sense - what if this increases, or even decreases?*

Amendment 2

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

(1 a) **The Customs Union is a cornerstone of the European Union, which is one of the largest trading blocks in the world, and is essential for the proper functioning of the single market for the benefit of both businesses and**

Amendment

(1 a) **All customs offices**\(^{17}\) that are present over the external borders of the European Union (land, sea, air and postal hubs) need to be properly equipped to ensure smooth and effective operation of the customs union. The need for adequate and equivalent customs controls is ever more pressing not only by reason of the traditional function of customs to collect revenue but also increasingly by the necessity to significantly reinforce the control of goods entering and exiting Union’s external borders in order to ensure safety, security and protection of the financial interests of the Union. However, at the same time, those controls on the movement of goods across the external borders should not impair but rather facilitate legitimate trade with third countries.

_________________

citizens. In its resolution of 14 March 2018\textsuperscript{17a}, the European Parliament expressed particular concern regarding customs fraud, which has created a significant loss of income for the Union's budget. The European Parliament reiterated that a stronger and a more ambitious Europe can only be achieved if it is provided with reinforced financial means and called, therefore, for providing continuous support to existing policies, for increasing resources to the Union’s flagship programmes, and for additional responsibilities to be matched with additional financial means.

Amendment 3

Proposal for a regulation

Recital 2

\textit{Text proposed by the Commission}

(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability of modern and reliable customs control equipment. The provision of equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points.

\textit{Amendment}

(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources \textit{as well as to a lack of harmonised and standardised customs controls}. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability \textit{and proper functioning} of modern and reliable customs control equipment. \textit{Other challenges, such as the surge of e-commerce, overall digitalisation and potential vulnerabilities as regards cyber attacks, sabotage, manipulation of data or industrial espionage, will also increase demand for better functioning of customs procedures}. The provision of equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in
the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points. **In view of differences in availability of customs control equipment between the Member States, measures should be taken in particular to ensure that goods are subject to uniform controls upon their entry into the customs territory of the Union in order to avoid “port-shopping” by custom fraudsters.**

Amendment 4  
Proposal for a regulation  
Recital 5

*Text proposed by the Commission*

(5) Supporting the creation of *an* adequate and equivalent level of customs controls at the Union’s external borders allows maximising the benefits of the customs union. A dedicated Union intervention for customs control equipment correcting current imbalances would moreover contribute to the overall cohesion between Member States. In view of the challenges facing the world, in particular the continued need to protect the financial and economic interests of the Union and its Member States while easing the flow of legitimate trade, the availability of modern and reliable control equipment at the external borders is indispensable.

*Amendment*

(5) Supporting the creation of *a uniform*, adequate and equivalent level of customs controls at the Union’s external borders allows maximising the benefits of the customs union *with a view to the long-term aim that all customs administrations in the Union work together as one*. A dedicated Union intervention for customs control equipment correcting current imbalances would moreover contribute to the overall cohesion between Member States. In view of the challenges facing the world, in particular the continued need to protect the financial and economic interests of the Union and its Member States while easing the flow of legitimate trade, the availability *and proper functioning* of modern, *state-of-the-art, secure, cyber-resilient, safe, environmental-friendly* and reliable control equipment at the external borders is indispensable.

Amendment 5  
Proposal for a regulation  
Recital 13 a (new)
Amendment 6

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission

(13 b) Data produced by customs control equipment financed under this Instrument should be accessed and processed only by duly authorised staff of the authorities, and should be adequately protected against unauthorised access or communication. Member States should be in full control of this data.

Amendment 7

Proposal for a regulation
Recital 13 c (new)

Text proposed by the Commission

(13 c) Customs control equipment financed under this Instrument should contribute to providing optimal customs risk management.

Amendment 8

Proposal for a regulation
Recital 13 d (new)

Text proposed by the Commission

(13 d) When replacing old customs control equipment by the means of this Instrument, Member States should be
Amendment 9
Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) Most customs control equipment may be equally or incidentally fit for controls of compliance with other legislation, such as provisions on border management, visa or police cooperation. The Integrated Border Management Fund has therefore been conceived as two complementary instruments with distinct but coherent scopes for the purchase of equipment. On the one hand, the instrument for border management and visa established by Regulation [2018/XXX] will exclude equipment that can be used for both border management and customs control. On the other hand, the instrument for financial support for customs control equipment established by this Regulation will not only support financially equipment with customs controls as the main purpose but will also allow its use as well for 
additional purposes such as border controls and security. This distribution of roles will foster inter-agency cooperation as a component of the European integrated border management approach, as referred to in Article 4(e) of Regulation (EU) 2016/1624, thereby enabling customs and border authorities to work together and maximising the impact of the Union budget through co-sharing and inter-operability of control equipment.

26 Regulation (EU) 2016/1624 of the European Parliament and of the Council of

Amendment 10
Proposal for a regulation
Recital 16 a (new)

Text proposed by the Commission

(16 a) The European Commission should incentivise joint procurement and testing of customs control equipment between Member States.

Amendment 11
Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) Although central implementation is indispensable in order to achieve the specific objective of ensuring equivalent customs controls, given the technical nature of this Instrument, preparatory work is required at technical level. Therefore, implementation should be supported by assessments of needs that are dependent on national expertise and experience through the involvement of customs administrations of the Member States. Those assessments of needs should be based on a clear methodology including a minimum number of steps ensuring the collection of the required information.

Amendment 12

PE628.634v02-00 52/80 RR\1172053EN.docx
Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) To ensure regular monitoring and reporting, a proper framework for monitoring the results achieved by the Instrument and actions under it should be put in place. Such monitoring and reporting should be based on indicators measuring the effects of the actions under the Instrument. Reporting requirements should include some information on customs control equipment beyond a certain cost threshold.

Amendment

(20) To ensure regular monitoring and reporting, a proper framework for monitoring the results achieved by the Instrument and actions under it should be put in place. Such monitoring and reporting should be based on quantitative and qualitative indicators measuring the effects of the actions under the Instrument. Member States should ensure transparent and clear procurement procedure. Reporting requirements should include detailed information on customs control equipment and procurement procedure beyond a certain cost threshold, and justification of the expenses.

Amendment 13

Proposal for a regulation
Recital 22

Text proposed by the Commission

(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the

Amendment

(22) In order to respond appropriately to evolving policy priorities, threats and technologies, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending the customs control purposes for actions eligible under the Instrument and the list of indicators to measure the achievement of the specific objectives. It is of particular importance that the Commission carries out appropriate and fully transparent consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in
European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 14
Proposal for a regulation
Recital 24

Text proposed by the Commission

(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.

Amendment

(24) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding. Funding under this Instrument should respect the principles of transparency, proportionality, equal treatment and non-discrimination.

Amendment 15
Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. As part of the Integrated Border

Amendment

1. As part of the Integrated Border
Management Fund, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from unfair and illegal trade while facilitating legitimate business activity.

Management Fund and with a view to the long-term aim that all customs administrations in the Union work together as one, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from unfair and illegal trade while facilitating legitimate business activity.

Amendment 16
Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

2. The Instrument has the specific objective of contributing to adequate and equivalent customs controls through the purchase, maintenance and upgrade of relevant, state-of-the-art and reliable customs control equipment.

Amendment

2. The Instrument has the specific objective of contributing to adequate and equivalent customs controls through the fully transparent purchase, maintenance and upgrade of relevant, state-of-the-art, secure, cyber-resilient, safe, environmental-friendly and reliable customs control equipment, to include technical training of the personal to operate with this equipment.

Amendment 17
Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 300 000 000 in current prices.

Amendment

1. The financial envelope for the implementation of the Instrument for the period 2021 – 2027 shall be EUR 1 149 175 000 in 2018 prices (EUR 1 300 000 000 in current prices).

Justification

The financial envelope is proposed to be amended in line with the EP resolutions of 14 March

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and 30 May on the next MFF, based on a preliminary technical breakdown per programme that could be subject to further adjustments, while respecting the overall EP position as set out in those resolutions and the overall level of 1.3% of the EU-27 GNI.

Amendment 18

Proposal for a regulation
Article 4 – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 may also cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Instrument and evaluating the achievement of its objectives. It may moreover cover expenses relating to the studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Instrument, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.

Amendment

2. The amount referred to in paragraph 1 may also cover legitimate and verified expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Instrument and evaluating its performance and the achievement of its objectives. It may moreover cover likewise legitimate and verified expenses relating to the studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Instrument, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.

Amendment 19

Proposal for a regulation
Article 5 – paragraph 1 a (new)

Text proposed by the Commission

1 a. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up adequate safeguards and contingency measures to ensure that all the equipment purchased with the support of Union programmes and instruments is put to use by the relevant customs authorities in all relevant cases.
Amendment 20

Proposal for a regulation
Article 5 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up adequate safeguards and contingency measures to ensure that all the equipment purchased with the support of Union programmes and instruments meets agreed standards on regular maintenance.

Amendment 21

Proposal for a regulation
Article 6 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(b a) support the purchase, maintenance and upgrade of customs controls equipment that meet the highest security, cybersecurity, safety, environmental and health standards.

Amendment 22

Proposal for a regulation
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. Data produced by customs control equipment financed under this Instrument shall be accessed and processed only by duly authorised staff of the authorities, and shall be adequately protected against unauthorised access or communication.
Amendment 23

Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, in duly justified cases, the actions may also cover the purchase, maintenance and upgrade of customs controls equipment for testing new pieces or new functionalities in operational conditions.

Amendment

2. By way of derogation from paragraph 1, in duly justified cases, the actions may also cover the fully transparent purchase, maintenance and upgrade of customs controls equipment for testing new pieces or new functionalities in operational conditions.

Amendment 24

Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt delegated acts in accordance with Article 14 to amend the customs control purposes set out in point (b) of paragraph 1 as well as Annex 1 where such review is considered necessary.

Amendment

3. The Commission is empowered to adopt delegated acts in accordance with Article 14 to amend the customs control purposes set out in point (b) of paragraph 1 as well as Annex 1 where such review is considered necessary and in order to stay up to date with technological developments and with new, smart and innovative solutions for customs control purposes.

Amendment 25

Proposal for a regulation
Article 6 – paragraph 4

Text proposed by the Commission

4. Customs control equipment financed under this Instrument may be used for purposes additional to customs controls, including for control of persons in support of the national border management authorities and investigation.

Amendment

4. Customs control equipment financed under this Instrument may be used for purposes additional to customs controls, including for control of persons in support of the national border management authorities and investigation if necessary to comply with the Instrument's general and
specific objectives outlined in Article 3.

Amendment 26
Proposal for a regulation
Article 6 – paragraph 4 a (new)

**Text proposed by the Commission**

4 a. The Commission shall incentivise joint procurement and testing of customs control equipment between Member States.

Amendment 27
Proposal for a regulation
Article 8 – paragraph 2

**Text proposed by the Commission**

2. Any funding in excess of that ceiling shall only be granted in duly justified exceptional circumstances.

**Amendment**

2. Any funding in excess of that ceiling shall only be granted in duly justified exceptional circumstances that are set out in Annex 3. The Commission shall adopt, and update if necessary, the list of exceptional circumstances by a delegated act.

Amendment 28
Proposal for a regulation
Article 8 – paragraph 2 a (new)

**Text proposed by the Commission**

2 a. Funding in excess of that ceiling may be granted in cases of joint procurement and testing of customs control equipment between Member States.

Amendment 29
Proposal for a regulation
Article 9 – paragraph 1 – point c

**Text proposed by the Commission**

(c) costs associated with electronic systems, with the exception of software directly necessary to use the customs control equipment;

**Amendment**

(c) costs associated with electronic systems, with the exception of software and software updates directly necessary to use the customs control equipment;

Amendment 30

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – introductory part

**Text proposed by the Commission**

The preparation of the work programmes referred to in paragraph 1 shall be supported by an assessment of needs, which shall consist of the following at a minimum:

**Amendment**

The preparation of the work programmes referred to in paragraph 1 shall be supported by an individual assessment of needs, which shall consist of the following at a minimum:

Amendment 31

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1 – point d

**Text proposed by the Commission**

(d) a detailed estimate of financial needs.

**Amendment**

(d) a detailed estimate of financial needs depending on the size of customs operations and the relative workload.

Amendment 32

Proposal for a regulation
Article 12 – paragraph 1

**Text proposed by the Commission**

1. **Indicators to report on** progress of the Instrument towards the achievement of the general and specific objectives set out in Article 3 are set out in Annex 2.

**Amendment**

1. On compliance with its reporting requirement pursuant to Article 38(3)(e)(1) of the Financial regulation, the Commission shall present to the European Parliament and the Council information on performance of the
Programme. Reporting on performance shall include information on both progress and shortfalls.

Amendment 33
Proposal for a regulation
Article 12 – paragraph 2

Text proposed by the Commission

2. To ensure effective assessment of progress of the Instrument towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 14 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.

Amendment

2. Indicators to report on progress of the Instrument towards the achievement of the general and specific objectives set out in Article 3 are set out in Annex 2. To ensure effective assessment of progress of the Instrument towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 14 to amend Annex 2 to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework in order to provide the European Parliament and the Council with updated qualitative as well as quantitative information on performance of the Programme.

Amendment 34
Proposal for a regulation
Article 12 – paragraph 3

Text proposed by the Commission

3. The performance reporting system shall ensure that data for monitoring the implementation and results of the Instrument are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds.

Amendment

3. The performance reporting system shall ensure that data for monitoring the implementation and results of the Instrument are comparable and complete as well as collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds. The Commission shall provide the European Parliament and the Council
with reliable information on the quality of the performance data used.

Amendment 35

Proposal for a regulation
Article 12 – paragraph 4 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the presence and condition five years after commissioning of items of equipment funded from the Union budget

Amendment 36

Proposal for a regulation
Article 12 – paragraph 4 – point c b (new)

Text proposed by the Commission

Amendment

(cb) information on instances of maintenance of the customs control equipment

Amendment 37

Proposal for a regulation
Article 12 – paragraph 4 – point c c (new)

Text proposed by the Commission

Amendment

(cc) information on the procurement procedure

Amendment 38

Proposal for a regulation
Article 12 – paragraph 4 – point c d (new)

Text proposed by the Commission

Amendment

(cd) justification of the expenses
**Amendment 39**

Proposal for a regulation  
Article 12 – paragraph 4 a (new)

*Text proposed by the Commission*

4 a. In case of failure to use the equipment purchased with the support of Union programmes and instruments by one singular or more member states, the Commission shall draft a comprehensive assessment of the situation and inform the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and the European Public Prosecutor's Office (EPPO). The assessment shall include, but not be limited to, an estimate of the risk to the financial interests of the Union as well as mitigating measures.

**Amendment 40**

Proposal for a regulation  
Article 13 – paragraph 1

*Text proposed by the Commission*

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.

1. Evaluations shall assess the programme’s results, impact, effectiveness and efficiency and they shall be carried out in a timely manner to feed into the decision-making process.

**Amendment 41**

Proposal for a regulation  
Article 13 – paragraph 2

*Text proposed by the Commission*

2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no

2. The interim evaluation of the Instrument shall be performed once there is sufficient information available about the implementation of the Instrument, but no
later than *four* years after the start of the implementation of the Instrument. later than *three* years after the start of the implementation of the Instrument.

**Amendment 42**

Proposal for a regulation
Article 13 – paragraph 2 – subparagraph 1 a (new)

*Text proposed by the Commission*

The interim evaluation shall present findings necessary to make a decision about a follow-up to the Programme beyond 2027, and its objectives.

**Amendment 43**

Proposal for a regulation
Article 13 – paragraph 3

*Text proposed by the Commission*

3. At the end of the implementation of the Instrument, but no later than *four* years after the end of the period specified in Article 1, a final evaluation of the Instrument shall be carried out by the Commission.

3. At the end of the implementation of the Instrument, but no later than *three* years after the end of the period specified in Article 1, a final evaluation of the Instrument shall be carried out by the Commission.

**Amendment 44**

Proposal for a regulation
Article 13 – paragraph 4

*Text proposed by the Commission*

4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations and lessons learned, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.
Amendment 45

Proposal for a regulation
Article 13 – paragraph 4 a (new)

Text proposed by the Commission

4 a. Annual partial evaluations will be included in the Commission's report "Protection of the European Union's financial interests - Fight against fraud".

Amendment

Amendment 46

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment

1. The recipients of Union funding shall acknowledge within reason the origin and ensure maximum visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public, though the spend on this funding acknowledgement should be in proportion to the overall cost.

Amendment 47

Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission

2. The Commission shall implement information and communication actions relating to the Instrument, and its actions and results. Financial resources allocated to the Instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Amendment

2. The Commission shall regularly implement information and communication actions relating to the Instrument, and its actions and results as part of the work programmes as referred to in Article 11. Financial resources allocated to the Instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are
related to the objectives referred to in Article 3.

Amendment 48
Proposal for a regulation
Annex II – point 1 a (new)

Text proposed by the Commission

Amendment

1 a. Security and Safety
(a) Degree of compliance with security standards of customs control equipment at all Border Crossing Points, including cybersecurity
(b) Degree of compliance with safety standards of customs control equipment at all Border Crossing Points

Amendment 49
Proposal for a regulation
Annex II – point 1 b (new)

Text proposed by the Commission

Amendment

1 b. Health and Environment
(a) Degree of compliance with health standards of customs control equipment at all Border Crossing Points
(b) Degree of compliance with environmental standards of customs control equipment at all Border Crossing Points

Amendment 50
Proposal for a regulation
Annex II a (new)

Text proposed by the Commission

Annex II a
Exceptional circumstances for excess
funding
## PROCEDURE – COMMITTEE ASKED FOR OPINION

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Committee responsible</strong></td>
<td>IMCO</td>
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<tr>
<td>Date announced in plenary</td>
<td>2.7.2018</td>
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<tr>
<td><strong>Opinion by</strong></td>
<td>CONT</td>
</tr>
<tr>
<td>Date announced in plenary</td>
<td>2.7.2018</td>
</tr>
<tr>
<td><strong>Rapporteur</strong></td>
<td>Nedzhmi Ali</td>
</tr>
<tr>
<td>Date appointed</td>
<td>17.9.2018</td>
</tr>
<tr>
<td><strong>Discussed in committee</strong></td>
<td>18.10.2018</td>
</tr>
<tr>
<td><strong>Date adopted</strong></td>
<td>20.11.2018</td>
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<tr>
<td><strong>Result of final vote</strong></td>
<td>+: 18 &lt;br&gt; -: 0 &lt;br&gt; 0: 1</td>
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<tr>
<td><strong>Members present for the final vote</strong></td>
<td>Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Tamás Deutsch, Luke Ming Flanagan, Ingeborg Gräßle, Wolf Klinz, Boguslaw Liberadzki, José Ignacio Salafranca Sánchez-Neyra, Bart Staes, Indrek Tarand, Tomáš Zdechovský</td>
</tr>
<tr>
<td><strong>Substitutes present for the final vote</strong></td>
<td>Richard Ashworth, Caterina Chinnici, Karin Kadenbach, Andrey Novakov, Julia Pitera, Miroslav Poche</td>
</tr>
<tr>
<td><strong>Substitutes under Rule 200(2) present for the final vote</strong></td>
<td>John Howarth</td>
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</table>
### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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<table>
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<td>17</td>
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<td>ALDE</td>
<td>Nedzhmi Ali, Wolf Klinz</td>
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<td>S&amp;D</td>
<td>Inés Ayala Sender, Zigmantas Balčytis, Caterina Chinnici, John Howarth, Karin Kadenbach, Boguslaw Liberadzki, Miroslav Poche</td>
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<td>1</td>
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</tr>
<tr>
<td>PPE</td>
<td>Tamás Deutsch</td>
</tr>
</tbody>
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**Key to symbols:**
+ : in favour
- : against
0 : abstention
OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on the Internal Market and Consumer Protection


Rapporteur for opinion: Jeroen Lenaers

AMENDMENTS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability of modern and reliable customs control equipment. The provision of

Amendment

(2) There is currently an imbalance in the performance of customs control by Member States. This imbalance is due both to geographic differences between Member States and in their respective capacities and resources. The ability of Member States to react to challenges generated by the constantly evolving global business models and supply chains depend not only on the human component but also on the availability of modern and reliable customs control equipment, that can assure the
equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points.

digitalisation of the controls and inspections. The provision of equivalent customs control equipment is therefore an important element in addressing the existing imbalance. It will improve equivalence in the performance of customs controls throughout Member States and thereby avoid the diversion of the flows of goods towards the weakest points.

Amendment 2
Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) As customs authorities of the Member States have been taking up an increasing number of responsibilities, which often extend to the field of security and take place at the external border, ensuring equivalence in carrying out border control and customs control at the external borders needs to be addressed by providing adequate Union financial support to the Member States. It is equally important to promote inter-agency cooperation at Union borders as regards controls of goods and controls of persons among the national authorities in each Member State that are responsible for border control or for other tasks carried out at the border.

Amendment

(7) As customs authorities of the Member States have been taking up an increasing number of responsibilities, which often extend to the field of security and take place at the external border, ensuring equivalence in carrying out border control and customs control at the external borders needs to be addressed by providing adequate Union financial support to the Member States. It is equally important to promote inter-agency cooperation at Union borders as regards controls of goods among the national authorities in each Member State.

Justification

The purpose of this instrument is customs control. The more general instrument on Integrated Border Management has been proposed to deal with issues of border control on persons. The appropriate safeguards will be laid down in that instrument for the purchase and use of border control equipment using the Fund. The purposes of the two instruments should not be conflated in this way.

Amendment 3
Proposal for a regulation
Recital 13
(13) Regulation (EU) [2018/XXX] of the European Parliament and of the Council establishes the "Customs" programme for cooperation in the field of customs to support the customs union and customs authorities. In order to preserve the coherence and horizontal coordination of cooperation actions, it is appropriate to implement all of them under one single legal act and set of rules. Therefore, only the purchase, maintenance and upgrade of the eligible customs control equipment should be supported under this Instrument while the Customs programme for cooperation in the field of customs should support related actions, such as cooperation actions for the assessment of needs or training relating to the equipment concerned.

_________________

Amendment

Proposal for a regulation
Recital 15

(15) Most customs control equipment may be equally or incidentally fit for controls of compliance with other legislation, such as provisions on border management, visa or police cooperation. The Integrated Border Management Fund has therefore been conceived as two complementary instruments with distinct but coherent scopes for the purchase of equipment. On the one hand, the instrument for border management and visa established by Regulation [2018/XXX] will exclude equipment that can be used for both border management and customs control. On the other hand, the instrument

_________________

(15) Most customs control equipment may be equally or incidentally fit for controls of compliance with other legislation, such as provisions on border management, visa or police cooperation. The Integrated Border Management Fund has therefore been conceived as two complementary instruments with coherent general objectives but distinct and separate specific objectives for the purchase of equipment. On the one hand, the instrument for border management and visa established by Regulation [2018/XXX] will exclude equipment that can be used for both border management
for financial support for customs control equipment established by this Regulation will not only support financially equipment with customs controls as the main purpose but will also allow its use as well for additional purposes such as border controls and security. This distribution of roles will foster inter-agency cooperation as a component of the European integrated border management approach, as referred to in Article 4(e) of Regulation (EU) 2016/1624\(^{26}\), thereby enabling customs and border authorities to work together and maximising the impact of the Union budget through co-sharing and inter-operability of control equipment.


Amendment 5

Proposal for a regulation
Article 3 – paragraph 1

*Text proposed by the Commission*

1. As part of the Integrated Border Management Fund, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from unfair and illegal

*Amendment*

1. As part of the Integrated Border Management Fund, the Instrument has the general objective to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States to promote inter-agency cooperation at Union borders as regards controls of goods and
trade while facilitating legitimate business activity. **persons**, and to protect the Union from unfair and illegal trade while facilitating legitimate business activity.

**Amendment 6**

Proposal for a regulation
Article 3 – paragraph 2 a (new)

*Text proposed by the Commission*

Amendment

2a. **The Instrument shall contribute to the implementation of the European Integrated Border Management by supporting interagency cooperation, co-sharing and interoperability of new equipment acquired through the instrument.**

**Amendment 7**

Proposal for a regulation
Article 4 – paragraph 2

*Text proposed by the Commission*

Amendment

2. **The amount referred to in paragraph 1 may also cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Instrument and evaluating the achievement of its objectives. It may moreover cover expenses relating to the studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Instrument, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Instrument.**
Amendment 8
Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

3. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up a coordination mechanism ensuring efficiency and interoperability between all the equipment purchased with the support of Union programmes and instruments.

Amendment

3. When the action supported involves the purchase or upgrade of equipment, the Commission shall set up a coordination mechanism ensuring efficiency and interoperability between all the equipment purchased with the support of Union programmes and instruments, which shall allow for the consultation and participation of relevant Union agencies, in particular the European Border and Coast Guard Agency. The coordination mechanism shall include the participation and consultation of the European Border and Coast Guard Agency to maximise the Union added value in the field of border management.

Amendment 9
Proposal for a regulation
Article 6 – paragraph 4

Text proposed by the Commission

4. Customs control equipment financed under this Instrument may be used for purposes additional to customs controls, including for control of persons in support of the national border management authorities and investigation.

Amendment

deleted

Justification

The purpose of this instrument would be greatly expanded if customs control equipment were actually to become border control equipment. The more general instrument on Integrated Border Management has been proposed for that purpose. The appropriate safeguards will be laid down in that instrument for the purchase and use of border control equipment using the Fund. The purposes of the two instruments should not be conflated in this way.
Amendment 10
Proposal for a regulation
Article 8 – paragraph 2 a (new)

_text proposed by the Commission_

**Amendment**

2a.  The exceptional circumstances referred to in paragraph 2 may include purchasing of new customs control equipment and submitting it to the technical equipment pool of the European Border and Coast Guard. Admissibility of the customs control equipment to the technical equipment pool shall be ascertained in accordance with Article 5(3).

Amendment 11
Proposal for a regulation
Article 16 – paragraph 2

_text proposed by the Commission_

**Amendment**

2.  The Commission shall implement information and communication actions relating to the Instrument, and its actions and results. Financial resources allocated to the Instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

2.  The Commission shall implement information and communication actions relating to the Instrument, and its actions and results **in order to insure the transparency**. Financial resources allocated to the Instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.
**PROCEDURE – COMMITTEE ASKED FOR OPINION**

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment</th>
</tr>
</thead>
</table>
| **Committee responsible** | IMCO
Date announced in plenary | 2.7.2018 |
| **Opinion by** | LIBE
Date announced in plenary | 2.7.2018 |
| **Rapporteur** | Jeroen Lenaers
Date appointed | 9.7.2018 |
| **Discussed in committee** | 6.9.2018  18.10.2018  20.11.2018 |
| **Date adopted** | 20.11.2018 |
| **Result of final vote** | +: 37
=: 1
0: 4 |
| **Members present for the final vote** | Asim Ademov, Martina Anderson, Monika Beňová, Malin Björk, Michał Boni, Caterina Chinnici, Daniel Dalton, Agustín Díaz de Mera García Consuegra, Cornelia Ernst, Romeo Franz, Kinga Gál, Ana Gomes, Nathalie Griesbeck, Monika Hohlmeier, Sophia in ’t Veld, Dietmar Köster, Cécile Kashetu Kyenge, Juan Fernando López Aguilar, Roberta Metsola, Claude Moraes, József Nagy, Ivari Padar, Birgit Sippel, Csaba Sógor, Sergei Stanishev, Bodil Valero, Marie-Christine Vergiat, Josep Weidenholzer, Cecilia Wikström, Kristina Winberg, Tomáš Zdechovský, Auke Zijlstra |
| **Substitutes present for the final vote** | Carlos Coelho, Anna Maria Corazza Bildt, Lívia Járóka, Innocenzo Leontini, Andrejs Mamikins, Maite Pagazaurtundúa Ruiz, Geoffrey Van Orden |
| **Substitutes under Rule 200(2) present for the final vote** | Rupert Matthews, Demetris Papadakis, Josep-Maria Terricabras |
## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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<td><strong>ENF</strong></td>
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**Key to symbols:**
+ : in favour
- : against
0 : abstention
### PROCEDURE – COMMITTEE RESPONSIBLE

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<td>13.6.2018</td>
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<td>IMCO</td>
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<td>INTA 9.7.2018</td>
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## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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