

**EUROPEAN COMMISSION**

DIRECTORATE-GENERAL

TAXATION AND CUSTOMS UNION

COORDINATION AND PROGRAMMES

**Information, Training, management of programmes**

Brussels, 05/12/2005

TAXUD/A2/BR D(2005)-125/2005

**Rev 16/04/2008**

## **Trade Information & Consultation Frame for Electronic Customs**

Contact details:

DG TAXUD/Unit A2

Mrs. Birgit Reiser

e-mail: [birgit.reiser@cec.eu.int](mailto:birgit.reiser@cec.eu.int)

tel: 02.295.4823

**PLEASE NOTE THAT THE TERMS OF REFERENCE OF TRADE CONTACT GROUP, ENLARGING THE SCOPE OF TCG TO ALL CUSTOMS MATTERS (ANNEX II) WERE FURTHER UPDATED IN SEPTEMBER 2008**

**I. Purpose of this document**

This document, the **Trade Information & Consultation Frame for the Electronic Customs Initiative**, aims at providing a realistic, effective and reliable frame for the indispensable involvement of trade in the realization process of the most important European Customs project of the coming years, the Electronic Customs Initiative.

The information and consultation processes as described in this document are not meant to be exhaustive and it goes without saying that they need to be further complemented by targeted consultation actions on European and - most importantly - on national level. However, the document sets out the main lines towards a successful incorporation of the European traders' requirements on one hand and making best use of existing trade expertise throughout the realization of Electronic Customs on the other hand.

The Trade Information and Consultation **Processes** – as visualized in the attached organigram (Annex 1) - aims at providing a structure for ensuring that the involvement of trade in the strategic as well as operational part of Electronic Customs takes place in a coordinated and appropriate way. As a general rule the role of trade representatives in the context of this collaboration scheme is of consultative nature.

To keep any interaction between trade consultation and the realization of Electronic Customs as simple, dynamic and transparent as possible, the Trade Information & Consultation Frame is aligned to a large extent with the governance scheme for the implementation of Electronic Customs, the "Electronic Customs Management Frame" (see TAXUD/Doc 124/2005).

Whilst the Management Frame focuses primarily on the cooperation and co-ordination aspects between Commission and the national Customs Administrations, the Trade Information & Consultation frame covers the additional dimension of trade involvement. The two documents should be considered as being complementary and as such of crucial importance to the successful realization of the Electronic Customs.

## **II. General Principles**

Some key principles for the implementation of the Trade Information & Consultation Processes with regard to funding, status, procedural necessities, general obligations etc, are set out at this stage and are valid for this document. Deviations are documented whenever necessary.

- The status of trade representatives within the E-Customs process is of “consultative” nature.
- Structured dialogue between Commission and trade occurs on a regular basis.
- Provisions for a tripartite<sup>1</sup> approach will be made at all relevant and appropriate levels of the consultation process.
- The participation costs of trade representatives and/or trade experts in any kind of meetings, project groups etc are to be born by the trade, unless mentioned otherwise.
- Enhanced use should be made of IPM: the Interactive Policy Making<sup>2</sup> system provides the means to access the opinions and experiences of EU business and interest groups and for them to actively participate to policy discussions.
- The Consultation & Information processes are based on the “principle of reciprocity”; all stakeholders (Commission, national Customs Administrations, trade representatives, others) will respect this principle.
- In parallel, Information & Consultations processes need to be established at national level between Customs and trade.
- The Information & Consultation processes between all stakeholders are at all relevant levels supported by use of efficient information exchange tools (CIRCA, user groups etc).
- In-time delivery and accuracy of information as well as timely publication of meetings and project launches to the trade are actively supported by all stakeholders.
- All stakeholders are expected to commit to actively support the implementation of the Communication Strategy for Electronic Customs.

---

<sup>1</sup> Tripartite = in the context of Electronic Customs, a structure that brings together the EU Commission, Trade and the national Customs Administrations

<sup>2</sup> COM(2001)1014

### **III. Trade Information & Consultation Process**

#### ***TRADE CONTACT GROUP (ELECTRONIC CUSTOMS)***

##### **1. New dimension of trade involvement**

The TCG is to be considered as the **main consultation platform of all Electronic Customs** related aspects between the Commission/DG TAXUD and trade. Discussions shall cover strategic, management and operational aspects of Electronic Customs in general and of specific components and projects in particular.

Trade needs, requirements as well as concerns and suggestions for improvement measures on Electronic Customs related matters will form an integral part of the TCG meeting agenda. To provide for an appropriate frame for such consultation, the following aspects need to be look at:

- *size of TCG and profile and mandate of TCG members*

Whilst the size of the TCG will need to be kept to a manageable level, the profile and the mandate (from traders to trade association) of its representatives - as specified in the terms of reference of the TCG in its current form (see Annex 2) - should be reconsidered and adapted to the new requirements of the Electronic Customs Initiative at one of the next TCG meetings.

- *Annual number and format of TCG meetings*

The currently 2 to 3 meetings per year shall be adjusted to real needs. Both, TCG members as well as Commission can express the wish for further meetings, if justified needs arise.

Whenever necessary, a TCG meeting may be organized in form of a tripartite meeting with additional participation of representatives from Member States at the required level and profile.

The TCG acts furthermore as the **trade steering body for Electronic Customs within the Trade Community**.

##### **In this function the TCG will:**

- coordinate and organize trade participation at all relevant management and implementation levels of e-customs;

## *Trade Information & Consultation Frame for Electronic Customs*

- exchange information with the Customs Code Committees and Customs Policy Group (through TAXUD);
- designate appropriate trade representatives to participate for justified reasons and for explicit Electronic Customs agenda items only in **Customs Code Committee**:
  - According to Art 9 of the rules of procedures of the Customs Code Committee, traders can be invited to attend and to talk as experts on particular matters at CCC meetings. For this reason – and due to organizational constraints (meeting facilities, time constraints, inefficiency caused by too large audience...) - **only a limited trade representation** is envisaged for the Customs Code Committee meetings.
  - If the discussion process on Electronic Customs duly justifies at a given time the need for tripartite meetings at the level of the CCC, separate meetings (1 day before or after the actual CCC meeting) could be organized in order to maintain on one hand consistency in the work of the CCC sections and allow on the other hand for coordinated consultation meetings between trade, the Commission and the Member States at this level. However, the distribution of separate reports to the Trade Contact Group as regards issues related to and important for the realization of the electronic customs initiative will ensure transparency and will keep the relevant parties fully informed.
- participate for justified reasons and for explicit Electronic Customs agenda items only in **CPG meetings**:
  - Although the Electronic Customs Initiative is placed under the umbrella of a single coordinating steering entity, the CPG, it is evident that in realistic terms it will be the Electronic Customs Group that will manage, coordinate and implement the electronic customs initiative on a day-to-day basis. This is why the core part of trade involvement will need to take place at the level of the Electronic Customs Group. Consequently, and as a principle rule, **no permanent participation of trade** is envisaged for CPG meetings. Trade representatives may participate for a specific agenda item at CPG (Deputy) meetings where the Commission considers that:
    - (1) further-reaching trade consultation is required (surpasses ECG level) or

## *Trade Information & Consultation Frame for Electronic Customs*

(2) trade expertise is required for a specific Electronic Customs subject matter

- enter in an intensive consultation and information exchange process with the Electronic Customs Group (ECG), through coordinated participation in tripartite meetings on operational and IT relevant aspects;
- co-ordinate the trade participation in specific Electronic Customs projects or the establishment of Trade Expert Groups, which accompany the work of the Commission/MS Project Groups on specific Electronic Customs subjects;
- take a pro-active information-dissemination role as representatives of trade associations to their members and beyond.

### **2. minimum requirements**

- Publication of TCG meeting agendas at least 4 weeks before the meeting takes place, following prior consultation within TAXUD (TAXUD);
- Publication of all relevant documents related to agenda shall be published at least 3 weeks before the meeting in order to allow for prior consultation with members of trade associations (TAXUD, followed by TCG action);
- TCG and/or members requests for particular additional agenda items shall be taken into account whenever duly justified and submitted at least 10 working days before the meeting (TAXUD);
- Minutes of the meetings to be published to all participants within 4 weeks following the meeting (TAXUD);
- 2-day meetings are to be set up, if so required (TAXUD/TCG);
- Permanent information dissemination to economic operators prior to and after the TCG meetings on most relevant subject (TCG).
- Regular publication of key information documents from CCC and CPG (agendas, draft documents, reports....) to TCG (TAXUD)

## ***ELECTRONIC CUSTOMS GROUP (ECG)***

### **1. New dimension of trade involvement**

## *Trade Information & Consultation Frame for Electronic Customs*

The core part of the Electronic Customs Initiative is managed and coordinated at the level of the ECG where the Commission, assisted by the ECG, provides for close coordination and follow-up of each action within the scope of Electronic Customs. The main role of the ECG is to ensure coordination and consistency as regards the overall planning, implementation and follow-up of all legal, procedural and operational aspects related to electronic customs. It establishes in particular user requirements, coordinates project groups with regard to the MASP and ensures respect of agreed deadlines. Its' responsibility for functional and technical specifications on the automated systems operational aspects of electronic customs and on the co-ordination of these activities between Member States and the Commission will also be addressed at level of the ECG.

A closer cooperation of the ECG and TCG is envisaged in order to further improve the dialogue between Customs and trade on complex customs issues, to identify barriers to trade facilitation and to find solutions for it.

The establishment of a permanent consultation and information exchange channel between the Trade Contact Group, trade subject experts and the Electronic Customs Group is at this level of major importance to a well-functioning and effective consultation process with the trade.

Consequently, Trade participation is envisaged in form of a strong cooperation and consultation between the TCG and/or selected trade representatives and the ECG for

1/ operational aspects (procedures, timing, MASP, project management for non-IT aspects, legal impact, etc)

and

2/ IT and related project management aspects

ensured through coordinated participation of TCG and/or equivalent trade representatives with specific subject expertise in ECG meetings, ie.:

- 1 day of 2-day ECG meeting or ½ day of 1-day meeting open for TCG/selected trade subject expert participation;

By opening the ECG meetings partly and in a coordinated manner for the participation of the TCG and selected further trade experts, trade consultation in the area of overall planning, coordination, implementation and follow-up of all legal, procedural, IT and operational aspects related to electronic customs could be ensured.

Furthermore, since the ECG meetings are considered as the platform to discuss with all participating countries the electronic customs related subjects and to reach

## *Trade Information & Consultation Frame for Electronic Customs*

a common understanding and agreement on the Multi-Annual Strategic Plan (MASP), the definition of user requirements, of functional specifications and of technical specifications, the trade request for a “tripartite” approach is fully met.

### 2. Minimum requirements:

- Timely distribution of documents to TCG (3 weeks prior to meeting)
- Distribution of all meeting reports to the CPG and the TCG (via DG TAXUD)
- Regular meetings of the ECG are planned to be organized each year; an opportunity for coordinated trade participation as described before should be provided for a maximum of the scheduled meetings.

## ***SPECIFIC ELECTRONIC CUSTOMS PROJECTS***

### **1. New dimension of trade involvement**

The approach for ensuring systematically an efficient consultation and information exchange process at this level is two-fold.

To bring in the relevant subject knowledge and experience of trade, the participation of selected trade subject experts can a) be envisaged as an integral part of a Commission/MS Project Group, where the nominated trade experts participate fully and comprehensively in the PG's work (similar to MS experts) or b) take the form of more independent collaboration through either the formation of a "Trade reference group" as part of a Electronic Customs project or of coordinated trade participation which is limited to trade-relevant aspects of a project.

However, a tight collaboration between the all contributors to the work of a project (ie. responsible chairpersons of the Commission/MS PG and the Trade reference groups) avoid the duplication or distortion of the work done and supports the parallel elaboration of same or differing aspects from different angles. This way, Customs as well as trade specific requirements are fully elaborated and consolidated reports of the Customs/Trade PG ensure high quality results.

The outcomes of these projects will be laid down in interim and final reports and brought forward as recommendations to be reconsidered by the Commission, assisted by the ECG. User requirements (+ progress) will be discussed in the general ECG meetings, and functional and technical specifications (+ progress) may also be addressed by the ECG in separate technically oriented meetings.

### **2. Minimum requirements**



## *Trade Information & Consultation Frame for Electronic Customs*

- Participation of trade experts (selection process) coordinated by TCG (TAXUD/TCG)
- Ensuring tight collaboration and coordination of MS and trade activities related to Electronic Customs projects (TCG/TAXUD/PG Chairs);
- Minutes are required for each meeting and shall be made available to the Commission (PG Chair).
- Interim progress reports and final reports shall be represented at the ECG (or other body) as requested by the Commission (PG Chair).

### ***GENERAL CUSTOMS 2013 ACTIONS – IN SUPPORT OF ELECTRONIC CUSTOMS***

#### **1. Dimension of trade involvement**

The number of general Joint actions, which provide indirect or targeted support to Electronic Customs, is permanently increasing, covering actions such as high level conferences to small scale benchmarking projects.

Although general Customs 2013 joint actions, such as Conferences and seminars, projects, studies, benchmarking, monitoring, training etc, are primarily organized for the benefit of officials from the national Customs administrations, the programme allows for participation of trade representatives in order to facilitate and enhance the cooperation process between EU Customs and trade. For practical reasons (meeting facilities in host countries....) the participation of both, MS officials and trade experts is limited.

Today and in particular in the field of Electronic Customs, action types such as conferences and seminars play a considerable role in the process of information exchange and consultation between Commission, national Administrations and trade (tripartite approach) and the programme will continue to provide such floor also in the coming years, with a constantly increasing number of joint actions with trade participation and/or higher trade participation than in the past.

Furthermore, the Programme supports trade participation in this kind of event by financing the participation costs of a limited number of trade participants.

#### **2. Minimum requirements**

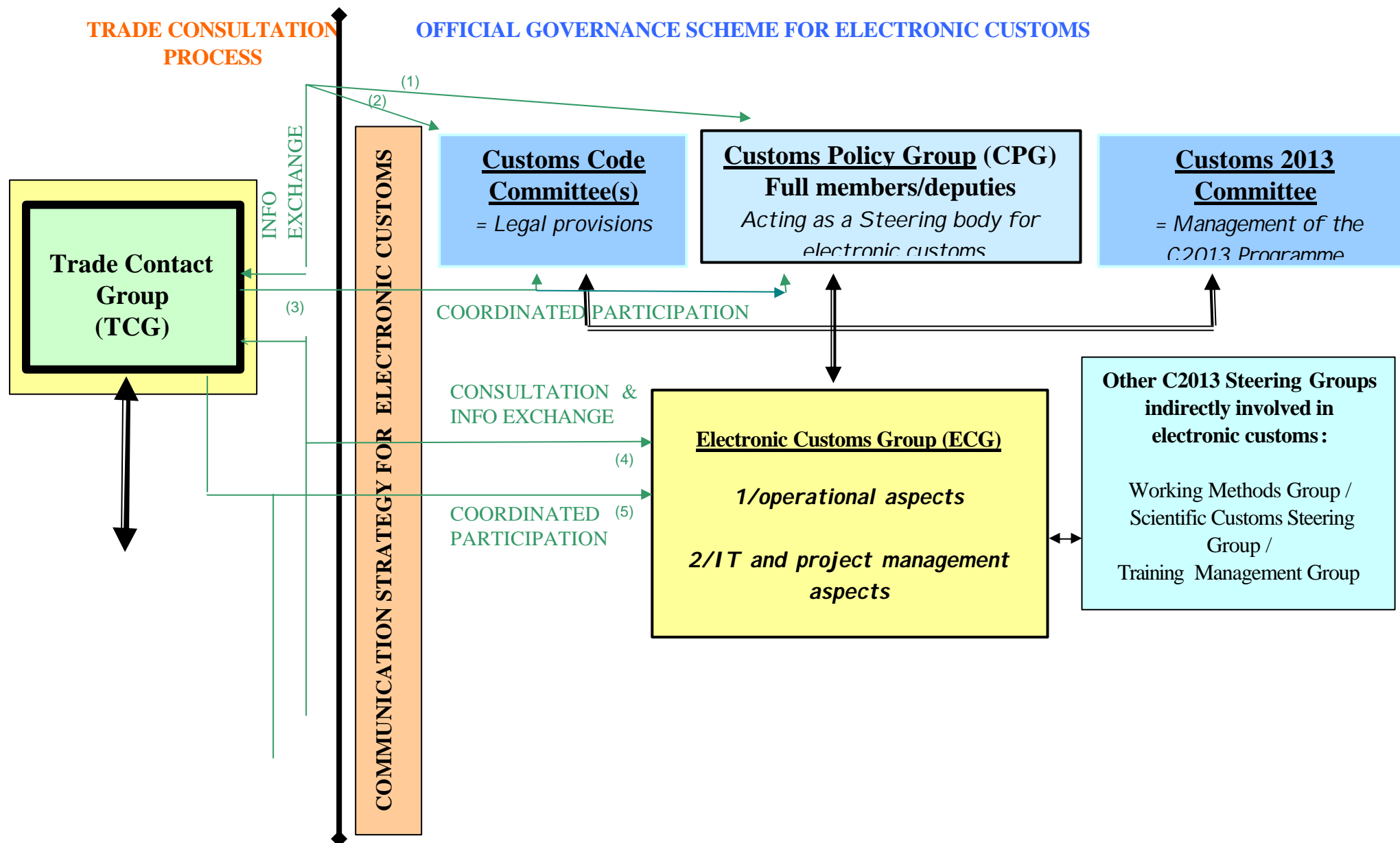
- Publication of mayor general C2013 events with trade participation on TAXUD Internet (TAXUD);
- Publication of a summary result on Internet (TAXUD)

## *Trade Information & Consultation Frame for Electronic Customs*

- Outcomes (action plans, consolidated views etc) of these actions are summarized in reports and are brought forward as recommendations to be reconsidered by the Commission, assisted by the ECG.
- Follow-up of resulting findings through relevant body of the Electronic Customs Management Frame

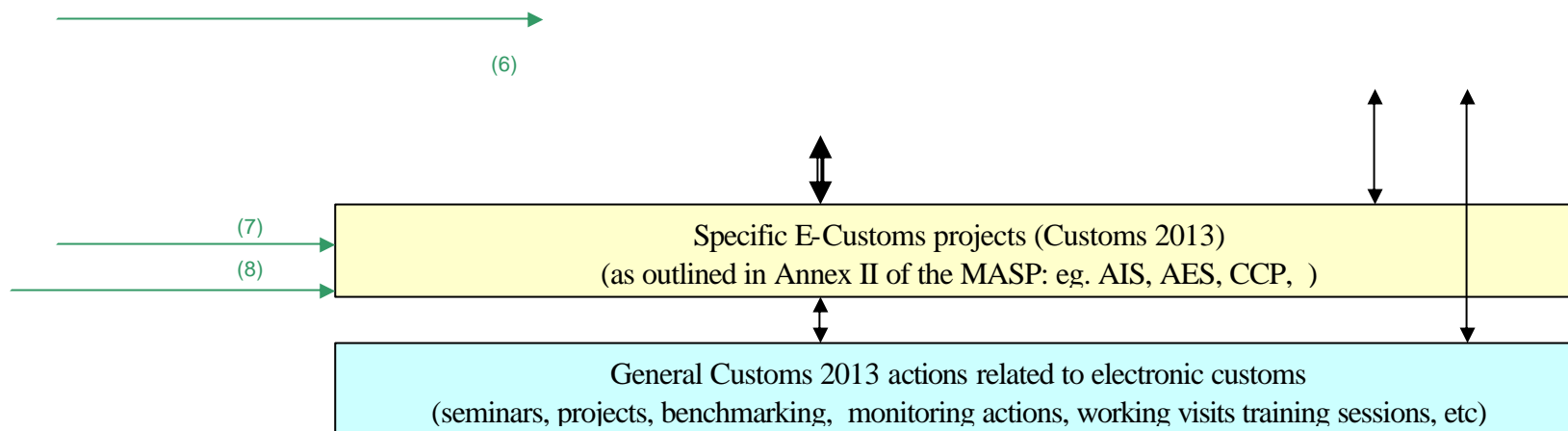
### **IV. National Trade Information & Consultation Processes**

As a final point it has to be reiterated that a pro-active Customs/trade consultation process on national level is vital to the success of the Electronic Customs Initiative. The national Customs Administrations are strongly advised to strengthen their existing consultation procedure with the national business world with the aim to commonly reach the challenging goal of the creation of an Electronic Customs environment throughout Europe.





**Trade experts**



**Legend:**                      Signification of the indicative arrows, describing the information, consultation and participation scheme for the trade consultation process

- (1)                      Information exchange between the Trade Contact Group (TCG) and Customs Policy Group (CPG)**
- (2)                      Information exchange between TCG and Customs Code Committee (CCC)**
- (3)                      Coordinated participation of TCG in meetings of the CPG and CCC**
- (4)                      Consultation and Information exchange between TCG and ECG (Electronic Customs Group)**
- (5)                      Coordinated participation of TCG in ECG meetings for coordination and operational matters**
- (6)                      Coordinated participation of TCG in ECG meetings for IT and project management matters**
- (7)                      Consultation and Information exchange between TCG and Specific Electronic Customs projects**
- (8)                      Coordinated participation of TCG in Specific Electronic Customs Projects**

**The arrow indications which form part of the official Governance Scheme for Electronic Customs (right part of the organigram) demonstrate the interaction and inter dependency between the official bodies which perform or contribute to the management of the Electronic Customs Initiative. For further information please consult the relevant document.**

**Terms of Reference of the Trade Contact Group**

**Doc TAXUD/1426/2007**