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Electronic Customs Multi-Annual Strategic Plan

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1. PURPOSE OF THIS DOCUMENT

This document, the electronic customs Multi-Annual Strategic Plan (MASP), is a **management and planning tool**[1] drawn up by the Commission in partnership with Member States in accordance with Article 8(2) of the e-Customs decision[2]. It sets down the strategic framework and the milestones to implement the electronic customs initiative in order to ensure the management of the IT projects in an effective and coherent way. The MASP is to be endorsed by the Member States in the Customs Policy Group (Deputies) based upon the expert advice provided by the Electronic Customs Group (ECG) and the consultations with trade at the Trade Contact Group (TCG). The MASP has been referred to as the necessary instrument to justify budgetary request by the national customs administrations and to ensure overall governance of legal, business and IT technical aspects for the smooth and coordinated implementation of new IT projects in the area of customs. To this end, the aim of the MASP is also to ensure agreement is reached for the projects identified in annex 2 (and reflected in annex 1 project plan) and that the necessary measures and commitments are taken by all stakeholders to deliver accordingly.

Member States have requested in 2012 at the Electronic Customs Group (ECG) and at the ad hoc High Level Steering Group **a revision of the MASP** (And this was done in 2012 through MASP Rev11). This revision 12 is an update of revision 11 which should provide an update and complete overview and planning of **all future customs projects with envisaged IT requirements**. This MASP evolution reflects further progress in diverse policy domains such as the Union Customs Code (MCC Recast), Authorised Economic Operators Mutual Recognition, Safety and Security and Single Window. In this respect, this new version takes into account the new UCC adoption and application schedule.

As a continuation, the **Business Process Management and the embedded Business Process Modelling (BPM) approach**[3] which has been identified as a powerful instrument to support and improve the functioning of the Customs Union, including the use of electronic systems, have been updated. BPM were initially requested by Member States to understand and agree on the customs processes and procedures to be inscribed in the implementing provisions for the Modernised Customs Code[4]. As a result, BPM development has continued in year 2012 covering all of the key customs processes. Closely associated to that, Member States also requested that for a number of key areas, BPM are prepared to provide a sufficient level of detail in order to guide Member States in the 'IT scope' decision making process. Meanwhile, the BPM approach has demonstrated its usefulness and is being expanded to other customs policy areas. The

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[1] "The MASP is based on the current budget proposal to be considered under the future customs 2020 program, however, if the approved budget is lower than expected, then the MASP will need be updated accordingly.

[2] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, Nº L23, p 21.

[3] Business Process Modelling is the activity of representing processes of an enterprise, so that the current process may be analysed and improved. BPM is typically performed by business analysts and managers who are seeking to improve process efficiency and quality.

[4] Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code), OJ 2008, N° L145, p1.

general BPM approach has been integrated in the MASP body text and reflected in the MASP annexes.

2. BACKGROUND

The Union and Member States have committed themselves to action within the framework of e-Europe and, in particular, e-Government[5]. Moreover, the Council Resolution of 5 December 2003[6], which endorsed the Communication by the Commission on a simple and paperless environment for customs and trade[7], invites the Commission to "*draw up, in close co-operation with Member States, a multi-annual strategic plan, aiming at creating a European electronic environment, which is consistent with the operational and legislative projects and developments scheduled or underway in the areas of customs and indirect taxation*". The e-Customs decision requires the Commission to draw up and keep updated a Multi-Annual Strategic Plan (MASP) allocating tasks to the Commission and to the Member States in respect of the electronic customs systems.

In this respect, the previous version of the MASP (MASP Rev. 11) covered the planning and management of the IT systems as known at that point in time (dated 12 December 2012).

The (trans-European and central) IT systems which are in operation to date have been removed from the MASP annexes 1 and 2 in order to focus fully on the new developments (the systems entering operation in 2013 are maintained in this version of MASP). These systems already in operation can be summarised as follows:

Customs Business Areas	**IT systems in operation**
Import, Transit, Export (including Safety & Security)	Trans-European systems: ICS, ECS, NCTS, NCTS-TIR-RU
Guarantee & Debt Risk Management	Trans-European system: NCTS-GMS Central systems: CRMS, SURV2, COPIS
Economic Operator's Management	Central systems: EOS-EORI, EOS-AEO, RSS, AEO-MR
Goods Classification	Central systems: EBTI3, TARIC3, QUOTA2, ECICS2, CN, SUSP
Other	SMS, DDS2, SPEED, SPEED2 Supporting tools: CS/RD, CS/MIS, (TTA, STTA) Info

[5] Communication from the Commission to the Council, the E.P, the EESC and the CoR on "the role of e-Government for Europe's future' 26.09.2003, COM (2003) 567.

[6] OJ No C 305, p. 1.

[7] COM (2003) 452, 24.07.2003.

The next phase of evolution of IT systems, referred to as "EIS", is reflected in this new version of the MASP and in particular in the annexes 1 and 2. The future EIS are linked to new developments in several customs policy areas but mainly in view of the implementation of the Union Customs Code (MCC Recast)[8] which further promotes the global shift to a paperless environment for customs and trade.

In this area, the following key activities have been undertaken which contributed to the production of the MASP rev 12.0.

Firstly, the Commission services prepared BPM that would allow them to understand and agree on the legal provisions in the context of the Union Customs Code (MCC Recast).

Secondly, an IT scoping document was prepared by COM services in order to provide an overview of the requirements to use data processing techniques for exchange and storage of information for customs purposes (as introduced by the MCC), as well as a practical vision of the possible IT implementation with annexed a detailed suggestion of the IT priorities.

This version of the MASP contains as before a list of implementation actions covered by the MASP project fiches (see annex 2) and a timetable to be agreed and respected by all of the parties involved as regards those projects (see annex 1).

Important dates that need to be borne in mind in terms of planning for eCustoms are:

(i) end Q3 of 2013 for final adoption of the UCC;

(ii) Q2 2016 as date for adoption of Implementing and Delegated Acts and

(iii) end 2020 for implementation of all systems envisaged in the UCC.

2.1. LEGAL OBLIGATION TO USE DATA-PROCESSING TECHNIQUES FOR THE PROVISION OF INFORMATION AS REQUIRED BY CUSTOMS

LEGAL BASES

'e-Customs Decision' No 70/2008/EC and Article 10 MCC: obligations for the Commission and the Member States (IT common and national domain)

Art. 1 'e-Customs Decision'[9]:

"The Commission and the Member States shall set up secure, integrated, interoperable and accessible electronic customs systems for the exchange of data contained in customs declarations, documents accompanying customs declarations and certificates and the exchange of other relevant information.

The Commission and the Member States shall provide the structure and means for the operation of those electronic customs systems."

Art. 5(1), sub-par. 1 and 2 'MCC' Regulation (EC) No 450/2008: obligations for customs authorities and economic operators (IT national and external domain)

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[8] Draft Regulation of the European Parliament and the Council laying down the Union Customs Code (COM(2012) 64 final)

[9] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, Nº L23, p 21.

Principle (in MCC)[10]:

"All exchanges of data, accompanying documents, decisions and notifications between customs authorities and between economic operators and customs authorities required under the customs legislation, and the storage of such data as required under the customs legislation, shall be made using data-processing techniques."

Art. 10(1) 'MCC'[11], introductory sentence:

"Member States shall cooperate with the Commission with a view to developing, maintaining and employing electronic systems for the exchange of information between customs offices and for the common registration and maintenance of records relating, in particular, to the following: ..."

When comparing the articles of the MCC with the related ones stipulated in the proposal of the Union Customs Code (MCC Recast), the amendments to the article allow the Commission to grant Member States the possibility to use, by way of derogation[12], means of exchange and storage of data other than electronic data-processing techniques.

The articles of the MCC referred to above will be replaced by references to Union Customs Code (MCC Recast) corresponding provisions once it will be in force.

SCOPE OF THE OBLIGATION

Information to be exchanged between economic operators and customs authorities include for example:

- Data: particulars of a customs declaration;
- Accompanying documents: documents supporting an application for a decision;
- Decisions: exchanges in the context of decision-making process;
- Notifications: of the customs debt, arrival, 'do not load', …
- Certificates: CVED, etc.

Information to be exchanged between customs authorities (examples):

- Data: transmission of results of risk analysis to a subsequent port;
- Decisions: consultation process between MS on applications for AEO or Centralised Clearance;
- Notifications: e.g. 'anticipated export record', 'exit result',… messages.

Information to be stored (examples):

- Keeping of documents and other information by persons;

Registration of data in national or common databases.

[10] Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code), OJ 2008, N° L145, p10.

[11] Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code), OJ 2008, N° L145, p11.

[12] Art. 6 of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code provides for a number of derogations in respect to electronic exchange and storage of data. Exceptions are permitted in the following cases: whenever justified by the type of traffic, required by international agreements, or where electronic data processing techniques are not appropriate for the procedure concerned; in case of failure of computerised systems or in case the electronic systems are not yet operational. National derogations are also permitted under the conditions of para. 4.

3. VISION AND OBJECTIVES OF ELECTRONIC CUSTOMS

When defining the specific objectives of a paperless or electronic customs, the overall mission of customs should be the driving force.

> *"Customs authorities shall be primarily responsible for the supervision of the Union's international trade, thereby contributing to fair and open trade, to the implementation of the external aspects of the internal market, of the common trade policy and of the other common Union policies having a bearing on trade, and to overall supply chain security. Customs authorities shall put in place measures aimed, in particular, at the following:*
>
> *(a) protecting the financial interests of the Union and its Member States;*
>
> *(b) protecting the Union from unfair and illegal trade while supporting legitimate business activity;*
>
> *(c) ensuring the security and safety of the Union and its residents, and the protection of the environment, where appropriate in close cooperation with other authorities;*
>
> *(d) maintaining a proper balance between customs controls and facilitation of legitimate trade."*[13]

In order to support the mission of customs authorities in the EU, the Commission and the Member States set up and operate secure, integrated, interoperable and accessible customs computerised systems (also referred to as EIS). Their goal is mainly to facilitate customs processes for the movement of goods into and out of the European Union, and to reduce the risks of threats to the safety and security of citizens by minimising the remaining differences between Member States' customs processes. The EIS will in general be built according to international standards[14], thus allowing future interaction with 3rd countries' systems.

The Commission and the Member States are also committed to delivering European e-Government services, providing for efficient, effective and interoperable information and communication systems between public administrations, including between their front and back offices, in order to exchange and process public sector information across Europe in a secure manner.

As stated in article 2§1 of the e-Customs decision[15], the Commission and the Member States will aim to provide the structure and means by which the Commission, customs

[13] Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code), OJ 2008, N° L145, p7.

[14] The international standards used are for instance the WCO data model, ISO and UN norms where applicable, and other standards like International Maritime Organization (IMO), number or European Vessel Identification (ENI), IATA/ICAO flight numbers, IATA structure of numbers of ULD containers.

[15] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, Nº L23, p 21.

administrations and other border agencies in the EU can exchange electronic information in order to:

- control and facilitate the movement of goods into and out of the internal market through efficient import and export procedures;
- increase the competitiveness of European trade through a reduction of compliance and administrative costs and an improvement in clearance times;
- facilitate legitimate trade through a co-ordinated approach relating to the control of goods;
- improve the safety and security of citizens with regard to dangerous and illicit goods;
- offer improved protection of the financial interests of the European Union and its Member States;
- contribute to the fight against international crime and terrorism by providing rapid and relevant information with regard to the international supply chain;
- allow for a seamless flow of data between the authorities of exporting and importing countries on the basis of Reg. (EC) 648/2005 and new legislation to be implemented.

In order to achieve these objectives, the Commission and the Member States will aim to ensure that:

- electronic data exchange between customs offices is possible throughout the Union where required for any customs procedure or any other purpose related to the movement of goods across Union borders;
- economic operators can lodge their summary and/or customs declarations in electronic format from their premises, irrespective of the Member State in which the goods are entering into or leaving the Union;
- the collection and the repayment/remission of customs duties will, in principle, be handled by the customs authority responsible for the place where the importer/exporter is established and keeps his customs records;
- the selection of goods for customs controls at border and inland customs offices is based on automated risk analysis using international, Union and national criteria, the Union criteria being electronically exchanged between the Member States;
- traders will have to register only in one Member State for customs purposes, even if they perform customs transactions in other Member States;
- traders have access to information portals and single electronic access points for import and export transactions and for security related customs procedures , irrespective of the Member State in which the transaction starts or ends;
- whenever required, these computerised customs systems are interfaced with existing and future systems in areas other than customs (e.g. the EMCS or Excise Movement and Control System for monitoring intra-Community movements of excise goods);
- all authorities and agencies involved in import and export transactions are enabled to exchange electronic information, including with third countries if an international agreement provides for this. Customs will take a leading role in establishing a single window for these authorities and agencies;
- all physical controls are ideally carried out at the same time and at the same place (one-stop shop).

The objectives set out in this Section will be achieved by at least the following means (first 3 bullet point are defined in article 2§2 of the e-Customs decision[16]):

- the harmonised exchange of information on the basis of internationally accepted data models and message formats;
- the re-engineering of customs and customs-related processes with a view to optimising their efficiency and effectiveness, to their simplification and to reducing the costs of customs compliance;
- the offering to economic operators of a wide range of electronic customs services enabling those operators to interact in the same way with the customs authorities of any Member State;
- the appropriate legal framework to enable the achievement of these objectives.

Furthermore, the Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code)[17] aimed at the **adaptation of customs legislation in order to**

- to fit, but also to govern, the electronic environment for customs and trade; and
- to carry out a major overhaul of the customs rules in order to make them simpler and better structured.

Following technical and procedural considerations, the Commission found it appropriate to proceed to a recast of this Regulation whilst retaining the main policy objectives of the MCC.

The present proposal on the UCC (MCC Recast) must be seen in the context of:

a) the modernisation of customs legislation and procedures and the use of IT systems for customs clearance and procedures in view of facilitating the way of doing business with customs and ensuring safe and secure trade of goods in the European Union;

b) the requirements of the Treaty of Lisbon;

c) the evolution of policies and legislation in other fields that might impact customs legislation such as safety and security in the transport field;

d) the evolution of business processes that require clarity and coherence in the customs rules.

Besides, in order to allow administrations and economic operators adequate time to undertake the necessary investments and ensure a phased, binding but realistic implementation of electronic processes, the Commission will continue to work with all stakeholders with a view to ensuring that the new electronic processing environment will be operational at the latest by 31 December 2020.

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[16] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, Nº L23, p 21.

[17] OJ L 145, 4.6.2008, p.1.

4. GOVERNANCE OF THE IMPLEMENTATION OF ELECTRONIC CUSTOMS

The Commission services, assisted by the Customs Policy Group (CPG), which will act as steering group for the implementation of electronic customs, shall ensure the implementation of the e-Customs decision and the MASP.

The e-Customs decision[18] stipulates in article 8 that the CPG shall assist the Commission:

- to define strategies, resources and development phases;
- to ensure the coherence of all activities related to electronic customs as outlined in the MASP;
- to ensure resources are used in the best and most efficient manner, including the use of resources already allocated at national and Union level;
- to coordinate legal and operational aspects, as well as training and IT development and ensure the provision of information to customs authorities and economic operators in this respect;
- to steer the implementation activities of all stakeholders;
- to ensure respect for agreed deadlines.

To enable the CPG to take on this active role in this specific (and rather technical) domain, the group will meet in the **constellation of the CPG – Deputies**. In view of the complex work related to the MCCIP and the Union Customs Code (MCC Recast), a temporary mandate has been provided by the CPG to the ad hoc High Level Steering Group for the governance of the implementation of the Union Customs Code (MCC Recast).

For the implementation of the electronic customs projects, the Commission services and CPG will work in close cooperation and/or consultation with the following bodies:

- the Electronic Customs Group (ECG), created under the Customs 2013 Programme, with regard to the updating of the MASP and the overall planning and coordination of the upcoming projects. The group is supported by technical subgroups;
- the Customs Code Committee (CCC)(General and specific sections) and possibly other committees involved in the legal work such as on the implementation of the Union Customs Code (MCC Recast) and providing formal opinions (voting) in line with the appropriate comitology procedure;
- expert groups involved in the consultation process on the Union Customs Code (MCC Recast);
- the Customs 2013 Committee concerning the Programme's organisational and financial framework;
- the Trade Contact Group (TCG), consisting of key trade associations and being the Commission's main consultation body for all aspects related to trade

[18] Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, Nº L23, p 21.

The layered approach and other governance aspects are described in more detail in Annex **3**.

Member States are responsible to ensure the highest level of coordination when representing their country in all the different bodies (CPG, CCC, ECG, etc.) and to ensure consultation with their traders in the preparation and implementation of electronic customs at national level.

5. STAGED APPROACH TOWARDS IMPLEMENTATION

5.1. IMPLEMENTATION PHASES AT INDIVIDUAL PROJECT LEVEL

This staged approach will be valid for the management and implementation of all single customs projects and EIS identified in the MASP and will be as follows:

- **The <u>first stage</u> for EIS** is proposed to do business analytical work in parallel with the policy and legal work. The purpose of the modelling activity is to ensure the proposed business process as supported by the legal provisions make sense in a real business environment and that the effects that they will produce can be understood and evaluated by the decision makers.

  Therefore, it is proposed that in parallel with the creation of legislation and other related documents also level 3 Business Requirement BPM are developed.

- **Furthermore,** in order to guarantee that the envisaged operational EIS will function according to the business requirements and supporting legal provisions, Level 4 Functional Requirement BPMs are developed. These Level 4 BPMs are the equivalent and have the same role as the 'Functional System Specifications (FSS)' and are also relatively similar to 'System Process Models and Requirements' previously produced for some centralised IT systems.

- The **<u>second stage</u>** is the first part of the IT project work for the above systems. This concerns the creation of technical system specifications either at Commission level or through collaboration initiative between the Commission, national customs administrations and where appropriate trade representatives. The ECG will be kept informed of the status and progress.

- In **the <u>third stage</u>**, both national and trade specifications will be developed, which will enable software development and acceptance testing.

- In the **<u>fourth stage</u>**, the EIS will be deployed and operations will be started in accordance with the phases and architecture as defined in the related MASP fiches.

On the basis of the Electronic Customs decision, the Union Customs Code (MCC Recast) and its IT work programme, and any other customs legislation, containing legal deadlines for implementation towards all the actors involved, Member States need to establish their own implementation strategy which sets out the conditions for the migration path towards electronic customs. Member States will implement each of the systems within a time-frame that will allow for conformance testing, deployment and entry into operation for the systems within the timeframe as defined in the legal basis for the system concerned. In other words, by the final date set in the legislation and inscribed in the MASP, the identified systems must be operational in all Member States.

It is essential to commit to clear and binding milestones as defined for the agreed projects (see Annex 1 and 2 – MASP fiches Group 1) to avoid an extended period during which computerised and paper-based solutions are used alongside as a result of individual Member States not having met target dates.

In order to facilitate this process, the MASP will be maintained, reviewed, and updated to provide precise and updated information regarding the individual steps, tasks and responsibilities, their co-ordination, and their timeframe.

5.2. STAGED APPROACH TO REACH AN OVERALL AGREED IT IMPLEMENTATION PLAN (MASP)

In order to achieve a co-ordinated implementation of the plan, it is essential that the Commission and Member States agree upon and accept milestones, driven by the legally binding deadlines inscribed in EU customs legislation and international agreements.

The proposal for a Union Customs Code (MCC Recast) currently discussed at Council and EP level, proposes an implementation of all UCC related EIS by end 2020. During the same period also EIS resulting from international agreements (e.g. AEO Mutual Recognition) and other legal basis such as the e-Customs Decision, Counterfeit and origin legislation need to be implemented. This is a very challenging task both for Member States and the Commission and can only be achieved in a staged approach.

In order to be able to plan correctly the implementation of all electronic projects over almost a decade, it would be necessary to have a clear view on the content of the business plans, to agree on the business needs to implement them, to have an agreed IT architecture and implementation strategy, to have agreed priorities and finally to agree on the governance to achieve this and keep it up-to-date.

As the goal to achieve agreement on an overall IT Implementation plan may be a too ambitious goal at this stage, when discussions on legislation and BPM are still ongoing, it is proposed to have a breakdown of the implementation plan in several parts or groups, based upon the degree of legal, business and technical clarification and agreement achieved. As such, the project fiches are divided into the following four groups:

-A first group **'Customs European information Systems'** lists the project fiches procedures and projects on which common agreement exists on the scope and time plan and progress can be made.

- A second group **'Customs European initiatives needing further study and agreement'** contains projects, as, the title indicates, where further discussion will be required before it can find its final concrete place in the IT plan.

- A third group **'Customs International Information Systems'** concerns the projects managed by international organisations, where the EU and its Member States play an active role, but are not the project organisers or owners.

- A fourth group **'Customs Cooperation initiatives and technological developments'** concerns efforts to strengthen cooperation between Member States and to make progress in the field of technology in order to create new functions in the planned EIS.

You will be able to find these parts under Annex 2 'Consolidated MASP Project Fiches'. In next versions of the MASP, fiches might shift from one group to another. For instance, if an initiative which is currently categorised under group 2 achieves a

sufficient level of clarification in 6 months' time, it might be shifted to group 1 during the next revision of the MASP.

6. BPM POLICY AND APPROACH

6.1. INTRODUCTION

Business Process Management, embedding Business Process Modelling, has been considered as a powerful instrument to support the Customs Union in reaching a higher level of uniformity, effectiveness and efficiency. The first steps have been taken in 2009 with the endorsement of a vision statement at CPG level.

BPM is an approach being used to support the ever increasing need for process efficiency, harmonisation and automation. The BPM policy serves several purposes:

- to identify possible economic gains and possible quality improvements in the business case;
- to depict and render understandable the business processes foreseen in legal drafts and other policy documents;
- to check the business logic provided in the legal draft and to provide comments on the proposed business processes;
- to check the soundness of the business process and identify opportunities for streamlining;
- to perform a quality control on the legal text and provide comments on the legal draft;
- to define what processes should be automated and how;
- to guarantee the envisaged automated systems will function as described in the legislation.

In the context of EU customs, the purpose of business process modelling (BPM) is to increase the common understanding of the customs process flows and of the practical implications of their implementation. The full BPM policy statement as developed in the context of the MCCIP may be found at Annex 4.

6.2. GOVERNANCE OF BPM

The BPM activities belong to the process or functional analysis work depending on the levelling used (Level 1-2-3: business/legal process analysis vs. Level 4: functional analysis).

The Commission is responsible for drafting and maintaining BPMs and related business analysis documents or artefacts and will associate Member States and trade representatives as experts during this activity. The BPMs will be analysed, reviewed and approved at ECG.

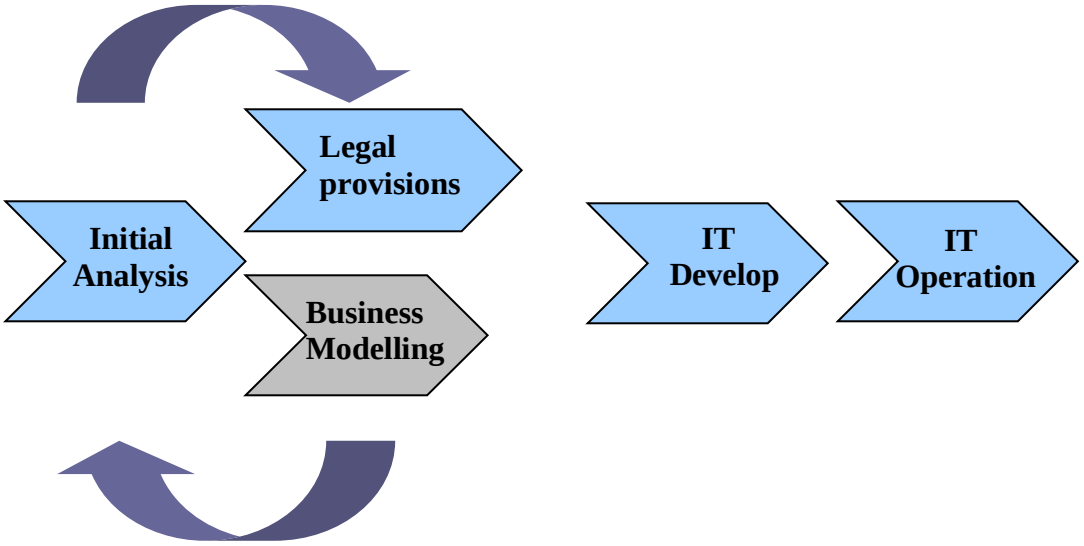
For the L1-2-3 BPMs the Customs Code or other Committees will be involved as the aim of those BPMs is to analyse specific business processes and the translation into draft legal texts. Feedback loops between the bodies involved is of major importance and the change management procedure is to be used for further updates of the BPM.

The ECG and CCC will be the main reviewers of the BPM, whilst ECG will be responsible for their acceptance. Following the outcome of the BPM review and acceptance cycle, CCC will need to decide whether comments lead to an update of the legal text.

The CPG – Deputies (and ad hoc high level steering group) will be informed of progress and may take policy decisions on issues referred to them.

6.3. IMPACT ON PROJECT LIFECYCLE

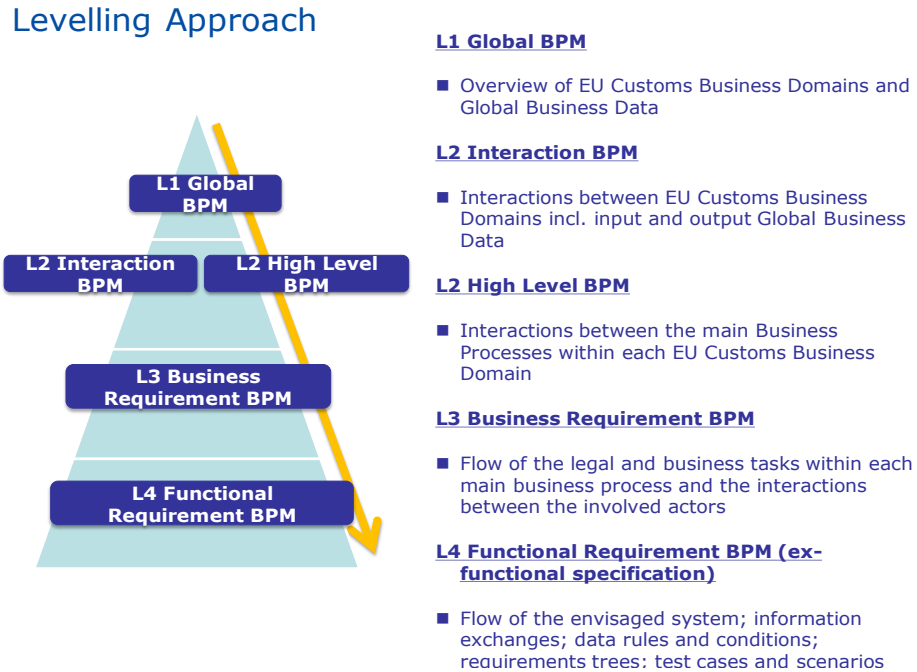
As laid down in the BPM policy statement, business analysis and modelling is an essential ingredient of the project life cycle and the following flowchart illustrates where the business analysis and modelling activity fits in the overall end to end process:



6.4. BPM LEVELLING DEFINITIONS

Levelling refers to different levels / layers of abstraction where business processes are provided in a hierarchical format. Hierarchical modelling will enable the development of a holistic view of the Customs organisation that can be presented to and understood by a wider audience.

It is necessary to define the level of detail for this hierarchy, regarding what to model and from whose perspective in order to assist the modeller in providing the right level of detail, and to ensure that the levels are linked. It is also essential to adapt the level of detail in a model depending on who the intended audience is, and based on the purpose of the model. Each level should be linked and have a common thread running through the hierarchy.



A full description of each level of the BPM[19] may be found in Annex 4.

[19] For those who have access to ARIS Business Publisher, the global BPM may be found at the following location: https://itsmtaxud.europa.eu/businesspublisher.

7. IT STRATEGIC FRAMEWORK

7.1. CONTEXT

The new IT strategy has been developed within the overall framework of European Interoperability Strategy (EIS) and the European Interoperability Framework (EIF) which have been elaborated as part of the digital agenda 2020 to foster interoperability in European public service across Europe. [20]

The modernisation of customs, taxation and excise is itself part of the modernisation of public services throughout Europe foreseen in the Digital agenda for Europe and the European eGovernment action plan 2011-2015.

EU Customs has reached already a very high degree of automation, with, for example, over 93% of customs declarations being processed electronically. Bearing in mind this high degree of automation, it is obvious that any change of the legislation has to be examined carefully as most of these changes imply profound changes in the related IT systems.

The planned IT activities for the Union Customs Code (MCC Recast) and e-Customs legislations, extended with the safety and security policy, affect more than 1000 operational systems in the Member States to various degrees, sometimes triggering the need for a total reconstruction. Therefore, other activities related to the way that IT is applied in the Customs Union has been performed, as part of the CCN2 study[21] and as part of the definition of the future business architecture for the Customs Union study[22]. In essence, the Member States pointed out the need to reduce cost and redundancy of effort involved in the application of IT in Customs. They queried the current way that work is shared amongst the Member States and the Commission, which involves repetition of the same duties throughout the Union for the implementation of common systems, such as the Import Control System.

7.2. DO MORE FOR LESS STRATEGY

The detailed articulation of this “Do more with less” strategy has been elaborated with Member States during a seminar in June 2011, the conclusion of which has been presented and endorsed by the ECG of July 2011.

In this framework, the IT strategy is to implement the customs Union business objectives whilst reducing to the minimum extent the overall IT investment necessary in the Union, cutting down costs necessary for trade and for the Member States. In parallel, the aim of

[20] Commission communication on interoperability - European Interoperability Framework (EIF) [COM(2010) 744

[21] CCN 2 Study, Iteration 2, Member State Interview Report, Deloitte, 2011.

[22] Deloitte study - Future business architecture for the Customs Union and cooperative model in the taxation area in Europe; Final Report on Task 2.2 Strengths and weaknesses of the current organisation model.

the IT strategy is to achieve gradually convergence in Customs IT at the EU level by adopting certain practices so as to streamline Customs IT operation and improve the quality of services. This "Do more with less" strategy is dictated by the general economic downturn's effect on public budgets in many Member States and leads to a change of the way IT systems that are developed and operated in the European Union.

7.3. CORNERSTONES OF THE STRATEGY

The cornerstones of the IT strategy are the following:

- The future IT systems shall be designed and implemented using a service oriented architecture, so as to favour the emergence of flexible, modular, easy to change, IT systems that benefit from the reuse of existing functionality in another Member State or in the Commission. By adopting a service oriented approach in the design of new systems, as advocated in the European Interoperability Framework, we aim at producing modular IT systems that can reuse some pieces of software developed in collaboration.
- A new generation of CCN, called "CCN2", shall be implemented as the interoperability infrastructure which enables the new architecture. By adopting the renovation of CCN, we create in CCN2 an interoperability infrastructure which offers access to services independently of their location and backwards compatible with existing customs systems.
- Where appropriate EIS could be implemented centrally, in view of total cost reduction and subject to a positive business case. Per example, in the case of the customs decisions project, the Commission could develop the national domain functionality and the single access point for trade and make them accessible at the appropriate level of availability and performance. Such approach could provide for the Customs Decisions project, savings in the range of 40 to 50 Million € in the EU. In this case the Member States would capture the benefits whilst doubling or tripling the cost and effort necessary at the Commission. In order to achieve this objective, DG TAXUD has embarked in the creation of high availability IT infrastructure offering appropriate service levels. However, practice showed in the customs decision project that such central implementation is not welcome by all MS, for various reasons. Per example, MS argued that they have also other national decisions to manage and they wish to so by a single system. This drives the need for the design of modular systems, which allow to plug in national systems the related functionality using the service oriented architecture capability, whilst at the same time foreseeing specific interfaces for the MS that wish to develop their IT system in full. This hybrid architecture is of course more complex to design and implement by the Commission than in the case of a single central functionality and is less agile to change.
- Collaboration between willing customs administrations in the design and (if possible) implementation of future systems shall be favoured, so as to avoid repetition and reduce redundancy of effort and total cost in the European Union: collaboration does not necessarily create identical systems nor it is considered possible to create a single customs system.
- A reference architecture (enterprise architecture) for Customs IT shall be developed so as to build a common language and planning basis for future systems.

- Future systems should offer a single access point for trade, hence, reducing the number of connections of trade to the customs Union from 28 to 1: by addressing future trader access systems related to declarations using the above practices and techniques, we could reduce the trade cost significantly. Moreover, such interface could also be hosted at the Commission, hence, reducing de-facto the interfaces to trade to one. It is well understood that this delicate matter will be subject to further discussions based on the result of specific feasibility studies and business case analysis generating the necessary level of trust and detailed understanding on a case by case basis.
- If there would be a shift of responsibilities from MS to the COM following agreements reached at strategic level and reflected in the appropriate legal frameworks, then adequate resources will need to be available to guarantee a correct implementation (also additional human resources would be provided from the Member States using virtual teams and internet collaboration, to employ these resources from their usual assignment and living place, in order to ensure that national requirements are implemented effectively). The Commission has included provisions to support the above strategy in its proposal establishing an action programme for customs in the European Union for the period 2014-2020 (CUSTOMS 2020). This proposal is currently under discussion at Council and Parliament**.**

The full text of the IT strategy is contained within Annex 5 to the MASP.

8. MANAGEMENT OF THE MASP AND ITS PROJECTS

8.1. CHANGE MANAGEMENT

It is the task and responsibility of the Commission to ensure that the MASP remains up-to-date. A new version of the MASP is prepared in close cooperation between the Commission, the Member States and in consultation with Trade as represented in the Trade Contact Group. In principle an agreed version of MASP will remain valid for one year.

The goal of the Change Management process[23] is to ensure that standardised methods and procedures are used for efficient handling of all changes to MASP. When something needs to be changed in the MASP (main body or annexes), the Commission services, Member States and Trade representatives are authorised to submit in writing a 'Request for Change'. They act then as a 'Change Initiator'. The Change Initiator addresses the corresponding Change Request to the 'Change Manager'.

The Change Manager in the Commission is DG TAXUD A3, Customs Processes and Project Management Unit. The Change Manager:

1. organises consultations with other TAXUD units involved and sets up Change Advisory Board (CAB) meetings;
2. lists and sends the requests for change to be discussed;
3. chairs the meeting and minutes the meetings; and
4. keeps an inventory of Requests for Changes as well as Approved Changes.

The Change Initiator is kept informed of the progress of the change (rejection, approval and acceptance).

The ECG is the MASP Change Advisory Board (CAB) which takes a decision on proposed changes.

The Changes agreed are implemented at the next revision of the MASP. The CPG – Deputies (and ad hoc High Level Steering Group) is kept informed of approved changes and provides the final approval of the updated version of MASP on a yearly basis.

8.2. PROJECT MANAGEMENT

In order to maintain transparency and to establish confidence in the progress and evolution of projects by Member States and the Commission, it is important to have a clear methodology for achieving results. The staged approach referred to in Section 5 above sets broad guidelines for the implementation of EIS. However, these will only be realised if there is an agreed approach for a coordinated EIS development.

[23] The change management procedure is based upon the Tempo[23] 'Change Management Reference Manual'.

Each project will need to operate within an overall timeframe as set out in the projects planning (see Annex 1 of MASP). In order to enable a project to respect the scheduled date to start of operations in all EU Member States, there must be strict adherence to agreed deadlines for each step of the project (e.g. Level 3 Business Requirement BPM, Level 4 Functional Requirement BPM, Technical Specifications (System Process Model, software development, testing, etc.). The Commission proposes to use the above approach and to also integrate in the planning the dates concerning the external stakeholders.

For each major deliverable (e.g. BPM, system specification) in a project, there will be a "review and acceptance cycle" with Member States. Trade will also be consulted during the review cycle. Each document to be approved will be submitted for review, with a pre announced and adequate period given for providing comments. At the end of the review period, a consolidated list of all the comments received will be prepared and a meeting will be convened to discuss the actions to be taken for each comment. Based on the review decision taken, a revised updated document is created and submitted for decision at the ECG. For issues of principle or policy, the CPG – Deputies (and ad hoc High Level Steering Group) will be involved.

Once agreement on the document has been reached at ECG level, the agreement is considered as definitive and the CPG - Deputies (and ad hoc High Level Steering Group) is informed about this agreement. If agreement cannot be reached at the ECG level, then the matter is referred to the CPG – Deputies (and ad hoc High Level Steering Group). The CPG (Full Members) may be used exceptionally, as the final escalation route to resolve important matters if no agreement can be reached at ECG or CPG - Deputies level. From the date of agreement on a document, this document will be available to all concerned and must be respected by all parties.

The **same principles will be applied to the MASP**, so that, at the end the approved version will contain deadlines which all parties will need to respect. In the event of unexpected and major delays to projects, the agreed deadlines may be amended by following the same change management procedures as described above and in accordance with the Governance Scheme (in Annex 3 of MASP). This may also entail steps to adapt the deadlines inscribed in the legal basis.

It is essential for the good management of the whole package of EIS as defined in the MASP that this methodology is respected. All parties, whether national administrations, the Commission or economic operators must be able to plan and commit resources in the confidence that everyone is working to the same deadline on the basis of the same agreed documentation. Furthermore, the complexity of the inter-dependence of the various projects means that careful coordination is necessary to ensure that delays do not occur because other projects are not running to schedule.

9. IT PROJECT LIFECYCLE AND GOVERNANCE OF THE MASP REVISION

DG TAXUD designs, implements and operates large-scale trans-European systems for Customs, Excise and Taxation. DG TAXUD applies the RUP@EC methodology for IT Projects aiming at the provision of IT systems that meet effectively business objectives while assuring high quality, and in time and budget implementations.

In the RUP@EC methodology, the IT Project Lifecycle is divided into a sequence of phases for which a set of milestones, tasks and deliverables have been defined to address the unique needs of the project at each phase. The project lifecycle provides stakeholders with oversight, transparency, and steering mechanisms to control project funding, scope, risk exposure, value provided, and other aspects of the process.24 The IT Project lifecycle phases, as defined in the RUP@EC, are the following:

- **Inception Phase**: Output : project is defined

  The aim of the inception phase is to define the project scope and objectives, identify the key functionality, examine implementation alternatives, define cost and schedule and decide to implement the defined project

  Key outputs are the Business process model and high-level requirements (L2&L3 analysis completed and start of L4 definition activity), high level system architecture allowing share of duties between the COM and MS, high-level estimate for cost and schedule, as well as potential technical solutions. These are documented in Business Case and Vision Documents that have to be submitted for IT Project approval to the IT governance bodies, both internal in the Commission and with MS.

- **Elaboration Phase:** Output : System is specified

  The aim of the elaboration phase is to refine the business processes (L4 BPM analysis completed); define the functional and non-functional requirements of the overall system; the technical IT system specifications, including the requirements of the working IT applications composing it and their interfaces; the design and test (possibly in a prototype) of the IT system architecture and interfaces; plan the system construction phase and organise the system test plans. The technical system specifications comprise the IT system architecture, the requirements of the IT applications composing the system, the related Use Cases, the Data Modelling, System interoperability model and related interfaces). The project groups responsible for the implementation of the defined IT applications (in the COM and/or the MS) also define the detailed functional specifications of the applications

[24] The standard RUP@EC (v 5.0) Software Development methodology

they are responsible for and the related test plans and interact with their users for the usability of the applications as well as test the IT architecture in prototypes. In that phase the high-level project plan and budget is also refined and detailed. This can be an iterative process. The specifications produced in this phase may need to receive minor revisions in the construction phase in the light of implementation reality.

- **Construction Phase:** Output : System is constructed

  The aim is to complete the development of the system based upon the outputs of the previous phases. The construction phase engages possibly parallel construction activities in the Commission and the MS. Tasks such as application design, application build, integration and test activities are included.

- **Transition Phase:** Output : System is operating

  The aim is to ensure that the software is ready for delivery to users. Tasks such as Deployment and Rollout, Conformance testing, data migration, training of users and adjustment of existing business processes are part of the related duties.

10. TRAINING

The implementation application and adoption of electronic customs by Member States and businesses require the systematic support through training and competency building measures.

In line with the European training and education concept in the field of customs and taxation, common training support is planned to complement and reinforce the training efforts of Member States and business in areas where purely national action is insufficient[25]. Such approach is consistent with the educational and learning aspects of the Community's Europe 2020 strategy.

Any common training measure in this field should be designed to help translate e-Government into practice and thus enable businesses and governments to reap the full benefits of electronic customs.

To achieve this goal, common training measures are best developed in partnership with all stakeholders concerned and should comply with a few key principles: be user-needs driven, multi-channel, cross-government and cross-national.

The Commission proposes in particular to pursue the following methodology:

- Mapping of new knowledge, skills and competency requirements related to the centralised part of electronic customs services;
- Identification of common training needs at European level, compared to purely national training needs;
- Alignment of common training support planning with overall project development timeline per electronic customs project;
- Selection of most appropriate training tools and delivery methods depending on the target audience and circumstances;
- Development of tailor-made training answers on common training requirements for identified target audiences;
- Provision of an online collaborative space for additional coordination of national training measures between the Member States and with business, where appropriate.

By pursuing the approach outlined above, training and new competency building will contribute to the success of electronic customs services; it will be instrumental in the actual adoption of services and enable governments and the business sector to turn this adoption into value.

[25] Common training support can be provided as far as supported by the customs cooperation programme Customs 2013 and its successor programme FISCUS.

11. COMMUNICATION

The implementation, application and adoption of electronic customs by Member States and trade will require information and communication actions to raise awareness of e-Customs both in terms of the benefits it brings and the eventual take-up of proposed measures. Specific communication actions will be proposed and introduced as the electronic customs project develops. The Commission will be responsible for activities at EU level. The EU Communication Network for Taxation and Customs will be the forum for coordinating communication actions by the Commission and Member States.

12. MONITORING AND MEASUREMENT OF RESULTS

The achievement of the vision of a paperless customs environment demands that the timetable set out in this plan and the e-Customs decision be adhered to. It is also important to assess whether the objectives of the electronic customs initiative are being met. To this end, the Commission, together with Member States, will undertake monitoring activities to ensure the EIS are being achieved, including annual reporting on the allocated tasks under the e-Customs decision. In addition, in order to measure results, the Commission and Member States will ensure that the development of EIS will take account of the need to collect data for the purposes of the measurement of results. The monitoring and measurement will be continuous and the information shared with Member States in order to assist in the timely and efficient achievement of the objectives and computerised systems.

13. CONCLUSION

Simplifying customs procedures and processes, as well as providing for interoperable customs systems, accessible to economic operators throughout the Union, are the principal objectives of the electronic customs initiative. This initiative is based upon and in line with the Commission Communication on e-Government and the Council Resolution on a paperless environment for customs and trade. Member States have further committed themselves to the objectives of the electronic customs initiative when adopting the e-Customs decision and the Modernised Customs Code (followed by the recent proposal from the Commission on the Union Customs Code (MCC Recast)), which both provide a firm legal framework for this initiative. Within this framework the MASP, a "rolling plan" maintained under tight management, sets out more detailed guidelines for the development of electronic customs systems (or EIS). The commitment of Member States to the timetable set out in the e-Customs decision and further detailed in the MASP is a key element for the success of electronic customs projects.