

Expert Group Presents Reform Proposals for Customs Union



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News

On 31 March 2022, the “Wise Persons Group on Challenges Facing the Customs Union” (WPG) presented proposals for a reform of the EU Customs Union. The report identified the root causes of problems for customs administration, such as the major changes in trade and technology with an expansive increase in e-commerce, new expectations on customs increasingly involved in ensuring security, and lack of unity in applying customs rules and procedures.

The WPG made ten recommendations which address the main shortcomings and should be implemented by 2030:

- Initiating a package of reform proposals by the European Commission that relate to processes, responsibilities, liabilities, and governance of the European Customs Union;
- Introducing a new approach to data that diminishes reliance on customs declarations, focusses on obtaining better quality data from commercial sources, and provides businesses with a single data entry point for customs formalities;
- Setting up a comprehensive framework for cooperation, including data sharing between European Customs and market surveillance authorities, law enforcement bodies and tax authorities;
- Establishing a European Customs Agency to complement the role of the Commission and support the work of Member States;
- Reforming and expanding the Authorised Economic Operator scheme;
- Building a new framework of responsibility and trust on the basis of an “ABC model” (Authorised, Bonded or greater Control);
- Removing the customs duty exemption threshold of €150 for e-commerce and providing some simplification for the application of Customs duties rates for low value shipments;
- Implementing a package of measures to green EU Customs, which, *inter alia*, aim to digitalise procedures and remove incentives not in line with sustainability;
- Improving capacities by properly resourcing, upskilling and equipping customs;
- Introducing an annual Customs Revenue Gap Report based on an agreed methodology and data framework to better manage Customs revenue collection.

The WPG’s report also identified the lack of a common list of prohibitions and restrictions legislation as a major problem, because it results in divergent approaches and practices across Member States. To address this issue, the Commission published a [compilation of the existing prohibitions and restrictions](#) at EU level.

The WPG’s report will now be discussed with the European Parliament and with representatives of the Member States in the “Reflection Group”. Based on further inputs and on broader consultations with stakeholders, the Commission plans to table a customs reform package at the end of 2022.

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ISSN: 1862-6947



The WPG is an expert group which was set up in September 2021. Its mission is to reflect on the development of innovative ideas and concepts on the future of the EU Customs Union and deliver its ideas in the presented report.

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The project is co-financed by the Union Anti-Fraud Programme (UAFP), managed by the European Anti-Fraud Office (OLAF).



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