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The European Union customs system in the 21st century – challenges and trends

Introduction

A customs system can be considered in a narrow sense and limited to a formal and economic aspect of all those matters which are directly related to customs duties, including also customs procedures. In the above perspective, a customs system encompasses thus a customs tariff and its components, such as, among other things, goods nomenclature, customs rates, calculation elements and normative acts in the form of the customs law.¹ In a broader sense, however, a customs system includes objectives and measures of a trade policy, which fall under the responsibility of the customs authorities. This notion includes therefore a customs policy, that is, the entire activities performed by a state or international organisation and their authorities, which are connected with safeguarding the national interest in international trade. Hence, a customs system can be perceived merely with respect to actions taken by a specific state, and in the case of the European Union – actions of the EU and individual Member States, which are aimed at governing trade with foreign countries and are taken according to the customs law, with customs administrations being involved.² When one considers the factors and various dimensions of customs and trade relations, it must be noted that contemporary customs systems transcend simply collecting customs duties and governing trade with foreign countries. The reason for that is because a customs system can be perceived in terms of a policy (a set of ideas, visions connected with a customs policy, that is to say, customs tariffs

¹ S. Waschko, *Systemy celne*, PWN, Warszawa 1971, p. 16 ff.

² S. Naruszewicz, M. Laszuk, *Wspólnotowe prawo celne*, Wydawnictwo Prawnicze LexisNexis, Warszawa 2004, p. 38; M. Czermińska, *Wspólnotowy system celny i miejsce Polski w jego strukturach po akcesji do Unii Europejskiej. Bezpieczeństwo granicznego ruchu towarowego w UE*, “Bezpieczeństwo. Teoria i Praktyka” 2012, No. 4 (IX), p. 54.

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and customs administrations), borders and organisations (structures of institutions, networks of public administration authorities, which separate a customs area from the environment, fulfil specific functions), or finally, laws (a set of legal rules regulating the functioning of entities involved in a customs policy).³ To satisfy text length requirements, the customs system will be discussed in this article merely with respect to activities related to cross-border trade in goods.

Apart from the challenges arising from the internal development of the EU's customs union (further expansions of the EEC/EU: from 6 to 28 Member States, and particularly the implementation of information technology), customs administrations of Member States have to face also external challenges. Throughout the past two decades, the threats to international trade in goods have increased in intensity, and they are not only related to terrorism, but also to an inflow of illicit goods, or those which are considered unfair competition. Those threats are also connected with trading goods that pose a threat to human health or life (e.g. drug precursors), or to the natural environment.

This article aims to present the functioning of the customs system of the European Union in respect of new challenges, both internal and external ones. For the purpose of an analysis, various sources were used, such as domestic and foreign literature, legal acts of the EU secondary legislation in the form of regulations, as well as statistical data of Eurostat.

1. The customs union as the foundation of the EU's customs system in the context of 21st century challenges

The formation of the customs union was of key importance for the functioning of the EU's customs system. The customs union means that:

- there is one customs territory,
- no import or export customs duties can be imposed on Member States, and the same applies to other levies that have similar effect as customs duties,

³ G. Mosiej, *System celny w Polsce po wejściu do Unii Europejskiej*, Wydawnictwo Adam Marszałek, Toruń 2010, pp. 18–19.

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- no other instruments of trade policy are allowed in mutual trade,
- uniform customs regulations are applied (among other things, the customs code),
- the common customs tariff is imposed for relations with third countries,
- uniform tariff and non-tariff instruments are used when trading with third countries.

The customs territory of the European Union according to Art. 4 UCC form the territories of 28 Member States, except only some islands or areas excluded from it, such as: the Faroe Islands and Greenland, the Island of Heligoland and the territory of Büsingen, Ceuta and Melilla, (two Spanish enclaves in North Africa), the French overseas countries and territories, the municipalities of Livigno and Campione d'Italia and the national waters of Lake Lugano which are between the bank and the political frontier of the area between Ponte Tresa and Porto Ceresio. Furthermore, the EU's customs territory encompasses the territory of Monaco and the territory of the United Kingdom Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus. Additionally, the EU forms, under agreements concluded, customs unions (limited to specific groups of goods) with Turkey, Andorra and San Marino.⁴

The Common Customs Tariff was introduced for the first time by virtue of the Regulation of the Council of Ministers as of 1 July 1968, and this date is considered to be the beginning of the customs union of the EEC. After the Common Customs Tariff had entered into force, the responsibility for the customs policy (changing customs rates, adopting trade policy measures), which originally had been within the capacity of Member States, was transferred to the Council and the European Commission. Administering the customs union falls within the competence of the Directorate-General for Taxation and Customs Union (TAXUD) of the European Commission. As a consequence of forming the customs union as part of the European Community, barriers in the intra-community trade in goods were lifted, however, border control at internal

⁴ Regulation (EU) No. 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, OJ L 269, 10.10.2013.

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customs borders was maintained. Only on the 1st of January 1993, upon establishing the common market, the control was removed.

The greatest challenges, which arise from the changing environment, to contemporary customs systems all over the world include above all:

- an increase in the volume of trade in goods, the growth of e-commerce, new and complex international supply chains,
- an increase in threats stemming from globalisation, manifested through organised crime, and in particular, customs and tax frauds, illicit trade (e.g. drug trafficking), the danger of terrorist attacks,
- an increase of interconnections and correlations among countries, market integration.

New challenges that the EU must face in the 21st century are driven by the changing environment, and they are connected mainly with:

- the EU further expansions: mainly in 2004, but also in 2007 and 2013;
- the extension of the external land customs border of the EU by nearly 26%: from 10,606 km (the EU with 15 countries) to 14,303 km (the EU with 28 countries), including the external eastern customs border by approx. 80%, more than 119 thousand officials of the customs authorities across the EU provide service;
- the necessity of handling more and more cross-border trade transactions, and particularly, more and more freight (above 2 billion tonnes yearly), 278 million customs declarations per year, 761 thousand per day, 516 customs declarations per minute (Table 1).

Internal challenges, on the other hand, result from the fact that actions taken do not exert apparent effects and fail to achieve expected goals (various IT systems, methods of work, a lack of suitable infrastructure at external borders, different levels of training), which is caused by the differences in introducing common regulations related to the functioning of the customs union. Hence the need for actions aimed at introducing uniform customs legislation and adopting a modern and harmonised approach to customs control.

Table 1

EU Customs Union (28 countries) – basic macro indicators in 2014

Summary of key EU figures	Total (Extra-EU trade in goods)	Import	Export
Value (EUR)	3.38 trillion	1.70 trillion	1.68 trillion
EU share in world trade (%)	14.8	15.5 (second-largest importer, after the US); US – 16.6, China – 13.5	15.9 (second-largest exporter, after China); China – 16.5, US – 11.4
Quantity of goods (tonnes)	2.2 billion	1.6 billion	0.6 billion
Revenues from customs duties in the overall EU budget	21.9 billion EUR, 16.5 billion EUR (12.4% of total revenue in the budget)	21.9 billion EUR 16.5 billion EUR	
Number of customs declarations	278 million in a year, 761 thousand per day, 516 declarations per minute or 9 declarations per second (18 articles)	145 million for import, 108 million for export and 18 million for transit	

Source: Eurostat, <http://appsso.eurostat.ec.europa.eu> and DG Taxation and Customs, http://ec.europa.eu/taxation_customs (accessed 2.06.2016).

The EU has a substantial share in the world trade (around 15%), excluding the intra-Union trade performance (Table 1). This shows how large the scale of the EU's customs operations is, as they generate an annual turnover of approx. EUR 3.4 trillion. On average, around 2.2 billion of goods is imported to and exported from the EU, for which approx. 278 million customs declarations are filed (Table 1). The most goods are imported to/exported from the EU by sea (54% in 2014), whereas cargoes shipped by air account for approx. 19%.⁵ Around 4.3 million of economic operators which are engaged in trade with third countries have been already registered in the European Union's EORI system.⁶

⁵ European Commission, http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/ucc/index_en.htm (accessed 6.06.2016).

⁶ Economic Operators' Registration and Identification – EORI is one of the components of the e-Customs – a paperless environment for customs authorities and trade in the EU. Economic operators, based both in the EU and in third countries, are obliged to obtain (free of charge) a unique identification number, a so-called EORI

2. A legal framework for the EU's customs system – the Common Customs Tariff, the Customs Code and their changes

All the EU countries comply with the uniform customs legislation, supplemented by national rules and regulations, which stems from the fact that Member States form one customs territory. As a result of removing customs duties and other barriers to mutual trade, as well as introducing the Common Customs Tariff, it was necessary to provide effective supervision over the cross-border movement of goods and adopt new, common regulations, which entailed, however, the necessity for the codification of customs procedures. In this context, one must mention, firstly, the fact of introducing the Combined Nomenclature⁷ in 1987, and second – the Community Customs Code. This was necessary along with creating the Single Market without internal customs borders and enabled Member States and their customs administrations to implement a common customs policy.

Therefore, regarding the greatest achievements in respect of the customs union's legislation after 1993 one must point out the following comprehensive legal instruments, which entered into force consecutively: the Customs Code, the Common Customs Tariff and their further amendments. The most important legal act, which governs the exchange of goods and is related to the functioning of the customs union, is the Community Customs Code (CCC) and rules for implementing the Code.⁸ The Community Customs Code was laid down in 1994 and has been amended several times since then. One of the most significant amendments was

number, and to use it in all further proceedings that involve customs authorities. Refer to: M. Czermińska, *Program e-Customs – nowa jakość usług celnych świadczonych przez administracje celne dla przedsiębiorstw europejskich*, "Współczesna Gospodarka" 2016, No. 3 for more information on the e-Customs programme.

⁷ The basic regulation is Regulation (EEC) 2568/87.

⁸ Council Regulation (EEC) No. 2913/92 of 12 October 1992 establishing the Community Customs Code, OJ L 302, 19.10.1992 and Commission Regulation (EEC) No. 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code, OJ L 253, 11.10.1993.

made in April 2005 and constituted a so-called *security amendment* to the CCC.⁹ It set a legal framework for measures implemented in order to ensure the security of the customs union and served as the basis for developing unified IT systems. The amendment combined three groups of measures aimed at strengthening the security in the form of: a summary declaration, the institution of authorised economic operator and the equal level of protection during customs control of goods moving across the customs border of the European Union. This control should be based on the commonly agreed risk standards in and risk criteria for selecting goods and economic operators in order to minimise risk to the EU and its citizens, as well as to trading partners. The amendment made in 2005 provided a legal basis for setting a common framework for the supply chain risk management.

At the end of the first decade of the 21st century, a new version of the CCC was introduced, that is to say, the Modernised Customs Code – the MCC, which entered into force on the 24th of June 2008, and it had to be followed in full at the latest after 5 years of the date of establishing it, i.e. until the 24th of June 2013.¹⁰ Due to the fact that regulations concerning the establishment of the MCC were not issued on time, the European Commission submitted a request to the European Council and the Parliament for amending the Modernised Customs Code, or rather superseding it by the Union Customs Code – the UCC. On the 30th of October 2013, the Regulation No. 952/2013 of the 9th of October 2013 of the European Parliament and the EU Council entered into force, which laid down the Union Customs Code.¹¹ After the 30th of October 2013, only some of the UCC rules were applied and the Code entered into force in full on the 1st of May 2016. However, all of its rules should become fully operative

⁹ Regulation (EC) No. 648/2005 of the European Parliament and of the Council of 13 April 2005 amending Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code, OJ L 117, 4.05.2005.

¹⁰ Regulation (EC) No. 450/2008 of the European Parliament and of the of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code), L 145, 4.06.2008.

¹¹ Regulation (EU) No. 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, OJ L 269, 10.10.2013.

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until the end of 2020. In the transitional period, new rules will apply in combination with existing IT systems, and in some cases, paper forms will be still used. The changes introduced to the UCC aimed mainly to:

- make the customs law clearer,
- simplify customs legislation, create more effective and modern customs operations, utilise modern tools and adopt new technologies,
- streamline customs procedures, reduce them to a minimum considered economically reasonable,
- facilitate legitimate trade – simple, fast and uniform customs procedures and proceedings,
- endorse actions orientated towards obeying uniform customs rules and adopting the same modern approach to customs control,
- create a paperless, interoperable customs environment.

The UCC focuses particularly upon employing information and communication technologies, and in particular, upon setting a legal framework for applying the principle according to which all customs and trade transactions must be carried out electronically, and information and communication systems should facilitate customs operations conducted in the EU to the same extent in all the Member States. On the other hand, this entails uniform customs control in Member States and allows their customs administrations to operate as if they were one entity; consequently, it is possible to avoid the distortion of competition in cross-border traffic.¹²

The principal instruments for protecting the internal market of the European Union, and at the same time, key elements for the EU's customs legislation, are customs duties and the Common Customs Tariff – the CCT), with the latter being introduced for the first time – as already mentioned – on the 1st of July 1968. In consecutive years, customs rates were changed many times (a new version of the customs tariff is imposed

¹² M. Czermińska, *Strategiczne działania usprawniające i zwiększające bezpieczeństwo w transgranicznym ruchu towarowym w Unii Europejskiej – elektroniczny system celny*, “Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania Uniwersytetu Szczecińskiego” 2015, No. 41, pp. 266–267.

every year), both autonomously and as a result of further GATT negotiations.

Currently, the Common Customs Tariff includes only one column of customs rates, and these are so-called conventional rates. They apply to import from third countries which receive special treatment under the most favoured nation (MFN) clause, being both members and non-members of the WTO, however, in the second case, the EU accords the MFN status to the states on a reciprocal basis. In practice, the European Union adopts a highly complex system of customs preferences, hence the conventional rates of customs duties apply mainly in the case of import from developed countries which have not been given any preferences thus far, i.e. the USA, Canada, Australia, New Zealand, Japan, Hong Kong, Singapore, Taiwan.

For more than a decade, an average level of MFN customs rates in the EU's customs tariff (conventional, bound rates, resulting from GATT/WTO negotiations, including a so-called the *ad valorem* equivalents [AVEs] of non-*ad valorem* tariff rates) has been revealing a downward trend: 6.9% in 2006, 6.7% in 2008, 6.4% in 2014 (7.3% in 1988; 9.6% in 1995; 6.9% in 1998 and 1999). In the case of agricultural products, the level of protection is greater, yet throughout the last couple of years customs rates in this group of goods have also declined: 14.4% in 2014 compared with 17.9% in 2008 and 18.6% in 2006 (in 1998, it was 17.3%). However, as for non-agricultural products, an average level of customs rates has remained almost unchanged in recent years and it is around 4% (Table 2), compared to 6% in 1995 and 4.5% in 1999. As regards the common customs tariff, zero duty rates were applied to nearly 25% of all tariff lines (about 2,300 goods from among 9,379 tariff items) in 2014, and when considering also nuisance rates (that is to say, amounting to no more than 2%), a one third of all tariff lines would be subject to the lowest customs duties (Table 2). And so-called international tariff peaks, that is to say, duty rates higher than 15%, concern around 9% of all tariff lines, with a slightly lower proportion of nuisance rates – 7%.

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Table 2
MFN tariff rates in the Common Customs Tariff
in 2002, 2004, 2006, 2008, 2011, 2014

Specification	Simple average MFN tariff rate (%) [*]					
	2002	2004	2006	2008	2011	2014
All products	6.6	6.5	6.9	6.7	6.4	6.4
Agricultural products (WTO definition) ^a	16.6	16.5	18.6	17.9	15.2	14.4
Non-agricultural products (WTO definition) ^b	4.3	4.1	4.0	4.1	4.1	4.3
Duty-free tariff lines (% of all tariff lines)	20.8	26.9	26.0	25.3	25.0	25.1
Domestic tariff peaks ^c (% of all tariff lines)	5.7	5.8	5.6	5.3	5.7	5.6
International tariff peaks ^d (% of all tariff lines)	8.6	8.6	9.0	8.4	8.7	8.5
Nuisance applied rates (% of all tariff lines) ^e	12.9	6.8	9.4	9.6	8.8	6.9

^{*} The simple average applied MFN tariff rate, including the ad valorem equivalents (AVEs) of non-ad valorem tariff rates.

^a In the annex of the WTO agreement on agriculture, agricultural products are defined as those that are found in Chapters 1–24 HS, do not include fish and fish products.

^b Non-agricultural goods do not include petroleum and petroleum products.

^c Domestic tariff peaks are defined as those exceed three times the overall simple average applied rate.

^d International tariff peaks are defined as those exceeding 15%.

^e Nuisance rates are those greater than zero, but less than or equal to 2%.

Source: own, based on: Trade Policy Review: European Communities 2004, Report by the Secretariat WTO, WT/TPR/S/136, p. 42; Trade Policy Review: European Communities 2007, Report by the Secretariat WTO, WT/TPR/S/177, p. 43; Trade Policy Review: European Communities 2009, Report by the Secretariat WTO, WT/TPR/S/214, p. 40; Trade Policy Review: European Communities 2015, Report by the Secretariat WTO, WT/TPR/S/317, p. 42.

As for tariff instruments other than customs duties, one must mention autonomous tariff suspensions and tariff quotas, which are introduced for economic purposes. They are mainly imposed (usually at zero duty rates) in order to enable economic operators to utilise raw materials, semi-finished goods, components (but never finished products) without the obligation to pay regular customs duty rates determined in the Common Customs Tariff. Through affording economic operators that are based in the European Union an opportunity for buying (at least for some time) cheaper semi-finished goods, raw materials abroad, it is possible to increase the competitive capacity of such companies, and this especially

allows them to maintain the same level of employment or create new jobs, as well as get parts necessary for manufacturing high value-added goods, even in the case of assembly businesses.¹³ The suspension of customs duties refers to an unlimited number of goods imported *erga omnes* within the duration of such suspension (as a rule, it is a five-year period) and can be imposed only with respect to products which are not available in the EU. On the other hand, autonomous tariff quotas (the exact quantity of goods to which reduced or – the most frequently – zero duty rates apply must be specified) can be opened for products manufactured in the European Union, but in insufficient quantity (and they are in effect for a one-year period).¹⁴ The extent of goods to which autonomous tariff instruments established in the EU apply is determined on the basis of proposals submitted by companies, their associations or chambers of commerce.

There are definitely more instances of suspensions imposed compared to quotas, with the latter accounting for barely a few per cent of all autonomous tariff measures implemented. In recent years, the number of duty suspensions has grown slightly. In 2011, around 1,500 autonomous tariff suspensions and quotas were in effect, including about 55 tariff quotas,¹⁵ compared to 140 in 2015 (with 1,940 autonomous tariff instruments employed in total). Products covered include fishery products, basic chemicals, components for the microelectronics industry, and components for heavy and industrial machinery.¹⁶

¹³ Refer to: Communication from the Commission concerning autonomous tariff suspensions and quotas, OJ C 363, 13.12.2011 for more information on the very rules for implementing autonomous tariff measures.

¹⁴ M. Czermińska, *Wspólna polityka handlowa w XXI wieku – implikacje dla liberalizacji handlu i integracji z krajami trzecimi*, in: *Trendy rozwojowe w gospodarce światowej*, eds. M. Bartosik-Purgat, J. Schroeder, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań 2013, p. 182.

¹⁵ See Communication from the Commission concerning autonomous tariff suspensions and quotas and Council Regulation (EU) No. 1231/2012 of 17 December 2012 amending Regulation (EU) No. 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products, OJ L 350, 20.12.2012.

¹⁶ Trade Policy Review: European Communities 2015, Report by the Secretariat WTO, WT/TPR/S/317, p. 44.

3. Institutional framework for the EU's customs system – tasks and challenges for customs administrations

Customs service forms an institutional framework for the customs system and occupies a fundamental role in safeguarding the EU's interests – understood in a broad sense. Due to greater and greater need for ensuring safety and security at external borders of the European Union, the tasks of customs authorities have been modified in the context of new challenges. Customs authorities participate in monitoring and governing the international trade, hence they must also contribute to enhancing the competitiveness of European companies through improving the work methods of customs service, removing the paper form of documents and creating a pan-European electronic environment, facilitating legitimate trade in goods. This new role of customs authorities – a leading role in supply chains and a catalyst for the competitiveness of companies and economies – translates into new tasks. Customs authorities are largely responsible for supervising the EU international trade, and their specific tasks include (Art. 3 of the UCC):

- protecting the financial interests of the Community and its Member States,
- protecting the Community from unfair and illegal trade while supporting legitimate business activity,
- ensuring the security and safety of the Community and its residents, and the protection of the environment, where appropriate in close cooperation with other authorities,
- maintaining a proper balance between customs controls and facilitation of legitimate trade, there are twin goals (safety and facilitate).

Considerable significance has been thus mainly attached to a security function of customs administrations. The rates of customs duties in the EU's customs tariff indicate – as already mentioned – a downward trend, consequently, an income from customs duties is also becoming lower; in 2014 for all the 28 EU countries it was EUR 21.9 billion, and that amount enabled Member States to allot EUR 16.5 billion to the general budget, accounting for approx. 12.4% of revenues, whereas the percentage of

TOR in the late 1980s was almost 30%.¹⁷ A traditional fiscal function, aimed at generating revenues for the budget, has declined in importance slightly.

The extent and range of services provided by customs administrations can be referred to as various services rendered to various customers, and this term may cover the whole European Union, Member States, society/consumers and economic operators (Table 3).

Table 3
The Scope of operations/services of customs administrations
in the EU Customs Union

Government (the UE and national)	Society/consumers	Economic operators
Collecting revenues from customs duties and import taxes	Ensuring protection (against terrorism, an inflow of illicit, restricted or prohibited goods, organised crime; providing supply chain security)	Enhancing border control, facilitating legitimate trade
Introducing and enforcing common customs rules and trade regulations	Ensuring protection against an inflow of goods that do not conform to EU standards, pose a threat to the health or life of citizens	Enhancing the competitiveness of EU companies (including but not limited to autonomous tariff measures)
Gathering information on entities involved in trade, in particular, keeping statistics on trade in goods	Protecting the environment, plant or animal species which are endangered or threatened with extinction	Providing protection against an inflow of goods considered unfair competition (dumped prices or subsidised goods), which infringe intellectual property rights

Source: own elaboration.

¹⁷ Since 1975, Member States have been contributing to the Community budget by transferring customs revenues, which constitute Traditional Own Resources, TOR. Since 2001, Member States had been obliged to allocate 75% of customs revenues to the EU budget, whereas the remaining 25% was retained for the purpose of state budgets and dedicated to cover operating costs connected, *inter alia*, with the functioning of national customs administrations. Pursuant to the Decision of the Council of 26 May 2014, the above proportions were changed in respect of a new financial perspective, i.e. as from 1 January 2014, and now they are: 80% and 20%, Council Decision No. 2014/335/UE, Euratom of 26 May 2014 on the system of own resources of the European Union, OJ L 168, 7.06.2014.

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The greatest challenge which customs authorities have to deal with is the proper analysis of risk, in particular, identifying risk and threats, and consequently, taking appropriate control actions. The aim of this analysis is to identify and assess risk and adopt necessary preventive measures in accordance with national, EU and international legal rules and regulations (Art. 46 of the UCC). Customs authorities manage risk in order to differentiate between levels of risk connected with goods that are subject to customs control or supervision and in order to determine the exact place of conducting tight customs control of goods. Depending on the assessment of risk and threats, it must be decided whether to reduce the extent of control, for example, only to check transport documents or carry out the customs examination of goods and inspection of a means of transport. Since the 1st of July 2009, to strengthen the cross-border security of trade in goods, entities involved in trading goods with third countries have been obliged to submit summary import declarations. They are submitted before goods enter (or exit from) the EU's customs territory, usually at border customs offices, so-called customs offices of first entry, and such declarations serve further as the basis for risk analysis and assessment by customs authorities in order to determine whether given freight should undergo a customs examination.¹⁸

Maintaining, developing and improving co-operation among customs authorities of Member States, among customs authorities and other national administration authorities, as well as among customs service and the enterprise sector is not only a guarantee of but also a necessary condition for fulfilling the functions of customs administrations.

The gradual development of information and communication technologies allowed for implementing new organisational solutions that enhanced the effectiveness of protective functions and improved the security of cross-border trade in goods, simultaneously leading to simpler and faster handling of cross-border trade operations. And this could

¹⁸ Commission Regulation (EC) No. 312/2009 of 16 April 2009 amending Regulation (EEC) No. 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code, OJ L 98, 17.04.2009.

be achieved through, among other things, an electronic customs system (e-Customs), which has been already running for a long time. The purpose of the European e-Customs initiative is a more efficient customs environment that will facilitate trade and enhance security. The programme supports, *inter alia*, trans-European computerised systems which enable communication and exchange of information, as they are necessary for the functioning of customs administrations throughout the European Union and essential for the exchange of information among them. Those electronic systems, which are used to exchange data contained in customs declarations and documents attached thereto, aim to allow for quick transfer of data among customs administrations and among customs authorities and economic operators, as well as they enable to streamline customs clearance, reduce clearance costs, combat frauds and organised crime, improve the security of goods and international trade.¹⁹

Conclusions

The changes of the EU customs system, which have been occurring since the beginning of the 21st century, aim to pursue twin goals, i.e. facilitating and boosting trade in goods as a result of reducing customs clearance formalities and introducing simpler ones, as well as ensuring the security of commercial transactions and trade at the same time. When having considered the multitude of formalities, even customs declarations alone, then from the perspective of all customs administrations operating throughout the entire customs territory of the European Union, which is comprised of 28 countries, and in respect of the challenges connected with globalisation, the course of those changes is thoroughly understood.

Every commodity which has crossed an EU customs border and has been permitted in trade can freely circulate on the common market. Therefore not only border control is of vital importance, but also implementing IT systems which are indispensable for Member States customs administrations' proper performance orientated towards pursuing

¹⁹ Refer to: M. Czermińska, *Strategiczne działania...*, pp. 263–279 for more information on this issue.

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the interests of countries, society and the European Union. The changes that have been taking place in the EU's customs system throughout the past years are completely in line with international trends, which is because actions taken in the conditions of the European Single Market and customs union are aimed to ensure the security of trade in goods, as well as facilitate and boost it, and that can be achieved as a result of simplifying and reducing formalities connected with customs clearance.

The gradual development of information and communication technologies, co-operation among customs administrations, but also co-operation with other services, such as the police, and the exchange of information among them, allowed for implementing new organisational solutions that enhanced the effectiveness of protective functions and improved the security of cross-border trade in goods, simultaneously leading to simpler and faster handling of cross-border trade operations. Pan-European electronic customs handling is aimed at enhancing the competitiveness of EU companies, reducing the costs of customs services and expediting them, as well as improving the security of cross-border movement of goods. This means ensuring the security of the entire supply chain: from the manufacturer, through the exporter, carrier, freight forwarder, to the final consignee, which can be attained in particular by carrying out control at an optimal point (at a border or within the EU territory) and exchanging information on potential threats.

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Commission Regulation (EC) No. 312/2009 of 16 April 2009 amending Regulation (EEC) No. 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code, OJ L 98, 17.04. 2009.

Commission Regulation (EEC) No. 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code, OJ L 253, 11.10.1993.

- Communication from the Commission concerning autonomous tariff suspensions and quotas, OJ C 363, 13.12.2011.
- Council Decision No. 2014/335/EU, Euratom: of 26 May 2014 on the system of own resources of the European Union, OJ L 168, 7.06.2014.
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