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*Accompanying the*

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**pursuant to Article 278(a) of the Union Customs Code, on progress in developing the  
electronic systems provided for under the Code during 2023**

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**TABLE OF CONTENTS**

- 1. Introduction ..... 4
- 2. Projects Completed before 2023 ..... 7
  - 2.1. UCC REGISTERED EXPORTER SYSTEM (REX) ..... 7
  - 2.2. UCC CUSTOMS DECISIONS ..... 8
  - 2.3. UCC DIRECT TRADER ACCESS TO THE EUROPEAN INFORMATION SYSTEMS (UUM&DS)..... 9
  - 2.4. UCC ECONOMIC OPERATOR REGISTRATION AND IDENTIFICATION SYSTEM UPGRADE (EORI2) ..... 10
  - 2.5. UCC SURVEILLANCE 3 (SURV3) ..... 11
  - 2.6. UCC BINDING TARIFF INFORMATION (BTI) ..... 12
  - 2.7. UCC AUTHORISED EOS (AEO) UPGRADE ..... 13
  - 2.8. UCC INFORMATION SHEETS (INF) FOR SPECIAL PROCEDURES ..... 14
  - 2.9. UCC IMPORT CONTROL SYSTEM 2 (ICS2) – RELEASE 1 ..... 15
- 3. Projects to be completed by the end of 2023..... 16
  - 3.1. UCC NOTIFICATION OF ARRIVAL (AN), PRESENTATION NOTIFICATION (PN) AND TEMPORARY STORAGE (TS) ..... 16
  - 3.2. UCC NATIONAL IMPORT SYSTEMS (NIS) UPGRADE ..... 39
  - 3.3. UCC SPECIAL PROCEDURES – COMPONENT 1 (SP EXP) ..... 47
  - 3.4. UCC SPECIAL PROCEDURES – COMPONENT 2 (SP IMP)..... 54
  - 3.5. UCC IMPORT CONTROL SYSTEM 2 (ICS2) – RELEASE 2..... 61
  - 3.6. UCC CENTRALISED CLEARANCE FOR IMPORT (CCI) – PHASE 1..... 69
  - 3.7. UCC NEW COMPUTERISED TRANSIT SYSTEM (NCTS) UPGRADE – COMPONENT 1 ..... 78
  - 3.8. UCC AUTOMATED EXPORT SYSTEM (AES) ..... 94
- 4. Ongoing Projects: Detailed Planning and progress Information ..... 114
  - 4.1. UCC GUARANTEE MANAGEMENT (GUM)..... 114
  - 4.2. UCC IMPORT CONTROL SYSTEM 2 (ICS2) – RELEASE 3..... 121
  - 4.3. UCC PROOF OF UNION STATUS (POUS) ..... 128
  - 4.4. UCC CENTRALISED CLEARANCE FOR IMPORT (CCI) – PHASE 2..... 137
  - 4.5. UCC NEW COMPUTERISED TRANSIT SYSTEM (NCTS) UPGRADE – COMPONENT 2 ..... 144
- Annex 1 – Planning Overview – UCC Work Programme Projects..... 147
- Annex 2 – Acronyms, Abbreviations & Key Terms ..... 148

# Table of Figures

- Figure 1: Project Status as per Survey – AN..... 21
- Figure 2: Project Status as per Survey – PN..... 27
- Figure 3: Project Status as per Survey – TS..... 32
- Figure 4: Percentage of Completion per Phase – AN..... 36
- Figure 5: Percentage of Completion per Phase – PN ..... 37
- Figure 6: Percentage of Completion per Phase – TS..... 38
- Figure 7: Summary of Survey Responses – NIS ..... 44
- Figure 8: Percentage of Completion per Phase – NIS ..... 46
- Figure 9: Project Status as per Survey – SP EXP..... 51
- Figure 10: Percentage of Completion per Phase – SP EXP ..... 53
- Figure 11: Project Status as per Survey – SP IMP ..... 58
- Figure 12: Percentage of Completion per Phase – SP IMP..... 60
- Figure 13: Summary of Survey Responses – ICS2-R2 ..... 66
- Figure 14: Percentage of Completion per Phase – ICS2-R2 ..... 68
- Figure 15: Summary of Survey Responses – CCI-P1 ..... 75
- Figure 16: Percentage of Completion per Phase – CCI-P1 ..... 77
- Figure 17: NCTS-P5 timeline..... 79
- Figure 18: NCTS-P5 National Administrations entry into Operation as of 17 September 2023 ..... 81
- Figure 19: Conformance tests: Planned value versus earned value – KPI1 – NCTS-P5..... 91
- Figure 20: Conformance tests: Planned value versus earned value – KPI2 – NCTS-P5..... 92
- Figure 21: Percentage of Completion per Phase – NCTS-P5..... 93
- Figure 22: NCTS-P5 Transitional Period..... 94
- Figure 23: AES-C1 timeline..... 96
- Figure 24: AES-C1 Member States entry into Operations as of 17 September 2023 ..... 99
- Figure 25: Key milestones: Planned value versus earned value – KPI1 – AES-C1..... 109
- Figure 26: Conformance Tests: Planned value versus earned value – KPI2 – AES-C1 ..... 110
- Figure 27: Percentage of Completion per Phase – AES-C1..... 112
- Figure 28: AES-C1 Transitional Period ..... 113
- Figure 29: Percentage of Completion per Phase – AES-C2..... 114
- Figure 30: Summary of Survey Responses – GUM-C2 ..... 119
- Figure 31: Percentage of Completion per Phase – GUM-C2..... 121
- Figure 32: Summary of Survey Responses – ICS2-R3 ..... 126
- Figure 33: Percentage of Completion per Phase – ICS2-R3 ..... 128
- Figure 34: Percentage of Completion per Phase – PoUS-P1..... 136
- Figure 35: Percentage of Completion per Phase – PoUS-P2..... 137
- Figure 36: Summary of Survey Responses – CCI-P2 ..... 142
- Figure 37: Percentage of Completion per Phase – CCI-P2 ..... 144
- Figure 38: NCTS-P6 timeline..... 145
- Figure 39: Planning Overview: UCC WP Projects ..... 148

# Table of Tables

- Table 1: Comparison of Planned and Actual Dates – REX-R1 ..... 7
- Table 2: Comparison of Planned and Actual Dates – CDS ..... 8
- Table 3: Comparison of Planned and Actual Dates – UUM&DS ..... 9
- Table 4: Comparison of Planned and Actual Dates – EOR12 ..... 10
- Table 5: Comparison of Planned and Actual Dates – SURV3 ..... 11
- Table 6: Comparison of Planned and Actual Dates – BTI ..... 12
- Table 7: Comparison of Planned and Actual Dates – AEO upgrade..... 13
- Table 8: Comparison of Planned and Actual Dates – INF ..... 14
- Table 9: Comparison of Planned and Actual Dates – ICS2-R1 ..... 15
- Table 10: Detailed responses from Member States – AN ..... 21
- Table 11: Detailed responses from Member States – PN ..... 27
- Table 12: Detailed responses from Member States – TS ..... 31
- Table 13: Comparison of Planned and Actual Dates – AN ..... 33
- Table 14: Comparison of Planned and Actual Dates – PN ..... 34
- Table 15: Comparison of Planned and Actual Dates – TS ..... 35
- Table 16: Detailed responses from Member States – NIS ..... 44
- Table 17: Comparison of Planned and Actual Dates – NIS ..... 45
- Table 18: Detailed responses from Member States – SP EXP ..... 50
- Table 19: Comparison of Planned and Actual Dates – SP EXP ..... 52
- Table 20: Detailed responses from Member States – SP IMP ..... 57
- Table 21: Comparison of Planned and Actual Dates – SP IMP ..... 59
- Table 22: Detailed responses from Member States – ICS2-R2 ..... 66
- Table 23: Comparison of Planned and Actual Dates – ICS2-R2 ..... 67
- Table 24: Detailed responses from Member States – CCI-P1 ..... 75
- Table 25: Comparison of Planned and Actual Dates – CCI-P1 ..... 76
- Table 26: Detailed responses from Member States – NCTS-P5 ..... 87
- Table 27: Risk Assessment by the Commission: NCTS-P5 ..... 89
- Table 28: Comparison of Planned and Actual Dates – NCTS-P5 ..... 90
- Table 29: Detailed responses from Member States – AES-C1 ..... 104
- Table 30: Risk Assessment by the Commission: AES-C1 ..... 105
- Table 31: Detailed responses from Member States – AES-C2 ..... 107
- Table 32: Comparison of Planned and Actual Dates – AES-C1 ..... 108
- Table 33: Comparison of Planned and Actual Dates – AES-C2 ..... 111
- Table 34: Detailed responses from Member States – GUM-C2 ..... 119
- Table 35: Comparison of Planned and Actual Dates – GUM-C1 ..... 120
- Table 36: Comparison of Planned and Actual Dates – GUM-C2 ..... 120
- Table 37: Detailed responses from Member States – ICS2-R3 ..... 125
- Table 38: Comparison of Planned and Actual Dates – ICS2-R3 ..... 127
- Table 39: Detailed responses from Member States – PoUS-P1 ..... 132
- Table 40: Detailed responses from Member States – PoUS-P2 ..... 134
- Table 41: Comparison of Planned and Actual Dates – PoUS-P1 ..... 135
- Table 42: Comparison of Planned and Actual Dates – PoUS-P2 ..... 135
- Table 43: Detailed responses from Member States – CCI-P2 ..... 142
- Table 44: Comparison of Planned and Actual Dates – CCI-P2 ..... 143
- Table 45: Comparison of Planned and Actual Dates – NCTS-P6 ..... 147
- Table 46: Abbreviations and Acronyms ..... 150

## 1. INTRODUCTION

The Union Customs Code (UCC) requires the European Commission and the Member States to upgrade some existing electronic systems and introduce a number of new systems for the completion of a modern and digital environment of customs formalities. In total, the UCC requires the upgrading or creation of fourteen trans-European systems and three national systems.

The UCC entered into force on 1 May 2016. Different completion deadlines were scheduled for the end of 2020, 2022, or 2025, depending on the system.

In view of the reporting requirement established by Article 278(a) of the Regulation (EU) 2019/632 amending Regulation (EU) 2013/952, the Commission<sup>1</sup> is committed to provide an annual report to the European Parliament and the Council on the progress in developing the electronic systems of the UCC. The report assesses the progress of the Commission and the Member States in developing each of the electronic systems, taking particular note of the following milestones:

- (a) The date of publication of the Technical Specifications for the external communication<sup>2</sup> of the electronic systems;
- (b) The period of Conformance Testing with Economic Operators (EOs);
- (c) The expected and actual dates of Deployment of the electronic systems.

The legal deadlines for finalising the Technical Specifications and for deploying the electronic systems are laid down in the UCC Work Programme (UCC WP)<sup>3</sup>. The detailed planning per project, containing additional milestones such as the business case, business process modelling, Vision Document (VIS) and Conformance Testing are defined in the Multi-Annual Strategic Plan for Customs (MASP-C).

The first, second, third and fourth UCC Annual Progress Report<sup>4</sup> were published on 13/12/2019, 14/12/2020, 14/12/2021 and 10/02/2023, respectively. Details of the completed projects are limited in this report; however, additional information can be found in the previous year's reports.

In preparation for this year's **UCC Annual Progress Report 2023**, the Commission continued with the approach taken the previous years and made use of the bi-annual National Planning information provided by the Member States' customs authorities and the projects' state of play provided by the project managers in Directorate General for Taxation and Customs Union (DG TAXUD).

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This annual report covers a reflection of the **progress status achieved on 30 June 2023** with more recent updates in several cases including a view on the **expected progress by 31 December 2023** in order to have a full picture of the progress made in 2023.

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The progress information was provided against the baseline milestones indicated in the UCC WP and MASP-C 2019 (unless otherwise specified). In addition, the Commission oversaw the collection of additional progress reporting information by means of an EU survey launched in March 2023<sup>5</sup>, and the bilateral high-level meetings between DG TAXUD and the Member States Customs IT Directorates on the state of play of the UCC IT Implementation. The information gathered from the survey to which both the Member States and key stakeholders/project managers in the Commission responded, consists of progress information, qualitative comments and quantitative measurements of the assessment of complexity and risk in relation to the projects listed in the UCC WP. Finally, specific information was

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<sup>1</sup> In the context of this report, 'The Commission' refers to the European Commission.

<sup>2</sup> External communication with the EOs.

<sup>3</sup> Commission Implementing Decision (EU) 2019/2151 of 13 December 2019 establishing the Work Programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code, OJ L 325, 16.12.2019, p. 168-182, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019D2151>.

<sup>4</sup> Report from the Commission to the European Parliament and the Council:  
2019: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0629>;

2020: <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:52020DC0806>;

2021: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52021DC0791>;

2022: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52020DC0806>.

<sup>5</sup> The information was collected between March 2023 and June 2023.

gathered from the more detailed project reporting and monitoring programmes in place since 2020 for the core decentralised trans-European systems in the area of transit and export.

At the same time, DG TAXUD conducted bilateral high-level meetings with Member States Customs IT Directorates, focusing on having a conversation with each Member State in order to gain the full picture of their status and to see what can be done to support them in their work, especially in light of the upcoming deadlines for several projects. From this perspective, UCC Notification of Arrival (AN), UCC Presentation Notification (PN), UCC Temporary Storage (TS), UCC National Import Systems (NIS) Upgrade, UCC Special Procedures – Component 1 (SP EXP), UCC Special Procedures – Component 2 (SP IMP), UCC Import Control System 2 – Release 2 (ICS2-R2), UCC Centralised Clearance for Import – Phase 1 (CCI-P1), UCC New Computerised Transit System upgrade – Component 1 (NCTS-P5) and UCC Automated Export System (AES) are planned to be in Operation by the end of 2023.

In view of all this, it can be seen that constant communication has been maintained with the Member States in order to monitor regularly the progress of the UCC projects and to provide the necessary support in order to meet the deadlines.

As background information, it is important to consider that the seventeen electronic systems listed in the UCC WP are divided into three categories:

- i) **eleven central trans-European systems** to be developed or upgraded by the Commission (often also requiring developments or upgrades by the Member States of their corresponding national systems);
- ii) **three decentralised trans-European systems** that have to be developed or upgraded by the Commission, but have a major national component to be implemented by the Member States and;
- iii) **three national systems** that have to be developed or upgraded exclusively by the Member States.

The progress information has been collected, analysed and reported in this accompanying Commission Staff Working Document, which presents the detailed overview of the progress of the various individual projects as follows:

- For the trans-European systems, the analysis and reporting refers to the Commission's activities only when they are central, while for the systems that involve national input, and even in some cases national components, the analysis refers to both the Commission's and Member States' activities. For the national systems, only Member States' activities are reported;
- For projects that have already been initiated or are entirely completed, an overview of the project progress, a summary of the survey responses and;
- For projects that have not yet been initiated, an overview of the planned project progress is provided, along with a summary of the responses from the survey.

By means of the survey, the Member States were also requested to give an indication of:

- The degree of complexity from their perspective of each project on a scale from 1 to 6, where: 1 and 2 refer to low complexity, 3 and 4 to medium complexity and 5 and 6 to high complexity;
- The risk of not deploying the IT systems by the dates set in the baselines of the UCC WP and MASP-C 2019 according to three levels: low, medium and high;
- For those projects for which a derogation was granted (AN, PN, TS, NIS, SP IMP and ICS2-R2) details regarding the progress towards meeting the new legal deadline provided for in the derogation and;
- Lessons learnt during the development of the project on what worked well and what did not with regards to the progress and potential delays to the project and what additional assistance or support would the Member States like to receive from the Commission for the period 2023-2025.

In the EU's survey section devoted to lessons learnt and support and assistance from the Commission, Member States provided the Commission with findings in relation to the development of the project.

These remarks provide useful guidance for improving the future performance of the systems for the period 2023-2025 and facilitating the development of the projects. This information has been collected and will be presented to the Member States and the EOs for more in-depth discussion.

**As lessons learnt and best practices**, the following was reported by the Member States. Good teamwork and trustful cooperation both at the EU and national level and with all the stakeholders involved (EOs, IT team, contractors, etc.) has been essential to ensure completion of the projects. The Member States pointed out the importance of the scoping phase, in the context of close collaboration among several of them. In regard to the involvement of the EOs, communication needs to be clear to get the message across and ensure that the information is effectively disseminated. With respect to tendering and procurement procedures, relationships with contractors have proven fundamental, to ensure the smooth development of the system. Consequently, documentation has to be well-suited to facilitate good quality work and procedures should start to be implemented sufficiently in advance to avoid delays. Automation of processes is another key area in which Member States highlighted the need to have access to information, analyse the topic in-depth and carry out testing to establish the most accurate functional requirements. In this line, the automation of regression tests has been valuable. With respect to planning, Member States emphasised the importance of planning phases ahead and setting out realistic deadlines taking into account, not only the national capacity (i.e., resources available), but also that of other stakeholders involved (developers, EOs, etc.). Member States would appreciate longer Conformance Testing and transitional phases. Finally, Member States indicated the importance of financial planning to ensure the availability of resources throughout the development of the systems.

Regarding the support and assistance received from the Commission, Member States indicated that the continued technical dialogue with DG TAXUD is useful and appreciated the support and information provided for by the Commission. Member States assessed webinars and information sharing activities as valuable and indicated that they would benefit from further support and timely information from the Commission, such as guidelines and extensive trainings covering all aspects related to the systems. In this line, Member States would welcome further bilateral meetings, timely updates of operational guidelines and IT and business assistance for EOs, customs administrations and other stakeholders from the Commission. As a closing remark, Member States indicated that a centralised initiative from the Commission to gather and disseminate lessons learnt, best practices and common errors of EOs and National Administrations would facilitate the development of the projects.

The consolidation of the survey results, including the abovementioned indicators of complexity and risk, as well as information regarding risks for delays and mitigating measures and any changes in planning in comparison with the planning provided in 2022, are the main outcomes of the progress reporting exercise for 2023 and are included in this **Commission Staff Working Document**. Reporting information that summarises the current project status, key risks and mitigating actions is found in the **Report from the Commission to the European Parliament and the Council** pursuant to Article 278a of the UCC, on progress in developing the electronic systems provided for under the Code.

The report is structured as follows:

- Section 1: Introduction;
- Section 2: Projects completed before 2023;
- Section 3: Projects to be completed by the end of 2023;
- Section 4: Projects ongoing during 2023.

## 2. PROJECTS COMPLETED BEFORE 2023

### 2.1. UCC REGISTERED EXPORTER SYSTEM (REX)

The UCC Registered Exporter System (REX) is a trans-European system that contains information both on Registered Exporters established in Generalised Scheme of Preferences (GSP) countries<sup>6</sup> and on EU EOs in partner countries Switzerland (CH), Norway (NO) and Türkiye (TR) exporting to GSP countries and certain other countries. The main purpose of the system is to replace the paper-based certification process by an IT-supported self-certification process. The system includes a central database that contains the registered exporters and provides the Member States with the opportunity to enhance their national systems with an automated verification of REX members.

There were three releases planned. REX – Release 1 (REX-R1) was the only release covered in the scope of the UCC WP. No risks were identified during the implementation of REX-R1<sup>7</sup> and the project was successfully completed on 1 January 2017.

Some statistical information on the use of the REX system since Operations – situation as of May 2023:

- The REX Trader Portal (TP), as part of the EU Customs Trader Portal (EU CTP) was launched on 25 January 2021;
- The REX Partner Country release to add a user-interface for Norway, San Marino and Andorra to use REX was launched on 2 February 2023;
- Development of the REX 4.0 technical major release is ongoing, aiming to migrate all the REX modules to the eUI technology;
- 73,191 active REX registrations for Beneficiary countries of the EU, Overseas Countries and Territories as well as CH GSPs, NO GSPs, TR GSPs (REX BC) module;
- 98,931 active REX registrations for Member States (REX MS) module (including 782 registrations from Partner Countries CH, NO and TR as well as Andorra and San Marino);
- 7,797 applications submitted by the EU Traders in the REX Specific TP;
- 759 T-REX Local Users are configured in T-REX module and able to use REX BC;
- 415 T-REX Local Administrators are configured in T-REX module and can manage Local Users.

#### 2.1.1. Overview of Project Progress

Table 1 compares the actual dates to those set in the UCC WP. Despite there being a slight delay in the finalisation of the Technical Specifications, REX-R1 was deployed on time.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
31/03/2015	30/06/2015	100%	31/12/2016	100%	01/01/2017	01/01/2017	100%

Table 1: Comparison of Planned and Actual Dates – REX-R1

<sup>6</sup> Countries benefiting from the EU GSP that provides preferential access to the EU market.

<sup>7</sup> For the scope of EU GSP, in parallel with the GSP scheme for of Switzerland, and Norway as partner countries.



## 2.2. UCC CUSTOMS DECISIONS

The UCC Customs Decisions System (CDS) is designed to achieve harmonisation of the processes relating to the application for a customs decision, the decision taking and the decision management. This harmonisation is put into practice via the standardisation and electronic management of the application and decision/authorisation data across the Union. The system covers all applications and decisions that may have an impact/are valid in more than one Member State. Member States also have the right to use CDS to manage their national customs decisions, if they wish to do so.

The project was fully deployed on 2 October 2017.

Some statistical information on the use of CDS – situation as of May 2023:

- Since the start of deployment on 2 October 2017, the number of applications increased from 1,300 in the last three months of 2017 to 14,655 per year in 2018. With an average of 26 applications in 2019, the number of requests dropped significantly in Q2 2020, most likely due to the pandemic situation. The situation stabilised after the summer break to an increase of 28 applications per working day;
- On 29 June 2020, a second major release of CDS was deployed, to fully align the system with the current legislation;
- During 2022, 7,649 new applications were submitted, an average of 29 applications per working day, and 5,042 decisions were taken;
- From January to May 2023<sup>8</sup>, 3,529 applications were submitted, an average of 37 applications per working day, and 2,580 decisions were taken.

### 2.2.1. Overview of Project Progress

Table 2 highlights that there were no divergences in the planning compared to the dates set in the UCC WP.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
31/12/2015	31/12/2015	100%	30/09/2017	100%	02/10/2017	02/10/2017	100%

Table 2: Comparison of Planned and Actual Dates – CDS

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<sup>8</sup> Both months included

## 2.3. UCC DIRECT TRADER ACCESS TO THE EUROPEAN INFORMATION SYSTEMS (UUM&DS)

The Direct Trader Access to the European Information Systems system comprises Uniform User Management and Digital Signature (UUM&DS) components. The system aims to provide a service for user-to-system interfaces targeted to the electronic customs systems provided for in the UCC. In essence, the UUM&DS system facilitates a direct and EU harmonised trader access to the customs systems as stipulated in the UCC.

The first deployment of the project was completed and implemented together with CDS on 2 October 2017, as agreed in the context of the UCC WP. The system was also incorporated into other electronic projects, such as the UCC Binding Tariff Information (BTI), the UCC Authorised Economic Operators (AEO) and the Information Sheets (INF) system for Special Procedures (SP). The project further evolved to include system-to-system interfaces in view of the ICS2 deployment and it will also be used for future UCC and non-UCC projects, such as for the Proof of Union Status (PoUS) and for the projects on the Carbon Border Adjustment Mechanism (CBAM) and the Central Electronic System of Payment information (CESOP).

The UUM&DS component is available for all Member States and the system-to-system connectivity has been almost reached by almost all of them, targeting to be completed by the remaining Member States by the end of 2023.

### 2.3.1. Overview of Project Progress

Table 3 highlights that there are no divergences in the planning compared to the dates set in the UCC WP.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
31/12/2015	30/09/2015	100%	30/09/2017	100%	02/10/2017	02/10/2017	100%

Table 3: Comparison of Planned and Actual Dates – UUM&DS

## 2.4. UCC ECONOMIC OPERATOR REGISTRATION AND IDENTIFICATION SYSTEM UPGRADE (EORI2)

This system upgrade provided minor changes to the existing trans-European Economic Operator Registration and Identification (EORI) system. These changes enabled the registration and identification of EOs of the Union as well as third-country operators and persons apart from EOs. The Economic Operator Registration and Identification upgrade (EORI2) system has been in Operation since 5 March 2018.

Some statistical information on the use of the EORI2 system – situation until April 2023:

- The total number of EOs registered with a valid EORI is 8,487,237;
- 230,830 EORI numbers were created during the period of 1 January 2023 to 30 April 2023.

### 2.4.1. Overview of Project Progress

Table 4 compares the actual dates to those set in the UCC WP. Despite there being a slight delay in the finalisation of the Technical Specifications, EORI2 was deployed on time.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
30/06/2016	31/07/2016	100%	28/02/2018	100%	05/03/2018	05/03/2018	100%

*Table 4: Comparison of Planned and Actual Dates – EORI2*

## 2.5. UCC SURVEILLANCE 3 (SURV3)

The Surveillance 3 (SURV3) system introduces an upgrade to the standard exchange of information in the earlier Surveillance 2 (SURV2) system to align the system with UCC requirements. This database records and centralises all EU trade data (imports and exports) that national customs authorities provide on a daily basis. The upgrade implements electronic data-processing techniques and establishes adequate functionalities needed for processing and analysing the full surveillance dataset obtained from Member States. The new system will improve the customs risk analysis, the fight against fraud, market analysis, post-clearance controls and statistical analysis.

The system was successfully deployed on 1 October 2018, with all the data being gathered in different formats via Surveillance Recap. Additionally, all national systems needed to be fully aligned to the UCC by 31/12/2022 (legal deadline for all Member States), though extended until 31/12/2023 for those Member States having been granted a derogation, thereby enabling the system to operate at its full potential.

An emphasis should be made on the need to extend the use of the system, given that for those Member States who are going to be delayed or partially delayed for the NIS even beyond the derogation date, it will have a direct consequence on the collection of the data via Surveillance Recap and on the functioning of the reports of the SURV3 system. Therefore, the system will have to be prolonged in use until all Member States are on board. The collection of all the required data from all Member States is essential not only for SURV3 but also for other projects such as for CBAM.

### 2.5.1. Overview of Project Progress

Table 5 highlights that there were no divergences in the planning compared to the dates set in the UCC WP.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
30/09/2016	30/09/2016	100%	30/09/2018	100%	01/10/2018	01/10/2018	100%

Table 5: Comparison of Planned and Actual Dates – SURV3

## 2.6. UCC BINDING TARIFF INFORMATION (BTI)

The project for a UCC Binding Tariff Information (BTI) system aims to upgrade the existing trans-European Binding Tariff Information (EBTI-3) database containing all BTI issued by customs authorities of Member States. The customs authorities concerned are responsible for recording their decisions in the BTI database. EOs apply for binding tariff decisions to ensure legal certainty when classifying goods they import or export from the EU.

Concerning the status of the project, the first phase was completed by October 2017. The second phase started Operations on 1 October 2019. The construction of the access for this system to the EU CTP was also completed on 1 October 2019.

Some statistical information on the use of the EBTI system since the ‘go live’ of the TP on 1 October 2019:

- The TP (central EU or national) is used by all traders in all Member States;
- All BTI applications and decisions are sent electronically;
- Eight BTI core processes consisting of more than 20 sub-processes have been digitalised (related to the BTI application, the issuing and invalidation of the BTI decision and the Right To Be Heard procedure);
- More than 151,000 BTI applications (27,000 via the EU TP and 124,000 via the national TP) have been accepted and more than 149,000 BTI decisions were issued to the traders;
- Other BTI related communications such as notifications and BTI decision invalidations between traders and Decision Taking Customs Authorities (DTCA) were sent electronically via the EU TP.

### 2.6.1. Overview of Project Progress

Table 6 compares the actual dates to those set in the UCC WP. Despite there being a slight delay of the Technical Specifications for Step 2, all phases were deployed on time.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
30/06/2016	10/06/2016	100%	21/02/2017	100%	01/03/2017	01/03/2017	100%
30/06/2016	02/09/2016	100%	25/02/2017	100%	02/10/2017	02/10/2017	100%
30/06/2018	30/06/2018	100%	01/07/2019	100%	01/10/2019	01/10/2019	100%

Table 6: Comparison of Planned and Actual Dates – BTI

## 2.7. UCC AUTHORISED EOS (AEO) UPGRADE

Following the legal changes adopted in the UCC, the Authorised Economic Operators (AEO) upgrade aims to enhance the process of applications and authorisations for AEO status. The project consisted of two phases. In Phase 1, significant improvements were made to the existing AEO system, in light of the harmonisation of the decision-taking procedure for customs. Phase 2 focused on implementing an electronic form to provide a harmonised interface for EOs to submit their AEO applications and receive their AEO decisions electronically.

The upgraded system was deployed in two releases. Part 1 encompassed the submission of AEO applications and the decision-making process (Phase 2, Part 1). Part 2 encompassed the remaining processes (Phase 2, Part 2).

Some statistical information on the use of the AEO system – situation until April 2023:

Since the EU eAEO TP was deployed in October 2019:

- 1,766 AEO applications were submitted via the EU eAEO TP;
- 25 Member States are leveraging the EU eAEO TP and the remaining Member States are using their own National TP.

On 30 April 2023, 18,241 valid AEO authorisations were granted to EOs in the Economic Operator System.

### 2.7.1. Overview of Project Progress

Table 7 highlights that there are no divergences in the planning compared to the dates set in the UCC WP.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
31/03/2016	31/03/2016	100%	28/02/2018	100%	05/03/2018	05/03/2018	100%
31/12/2018	31/12/2018	100%	29/07/2019	100%	01/10/2019	01/10/2019	100%
31/12/2018	31/12/2018	100%	06/11/2019	100%	16/12/2019	16/12/2019	100%

Table 7: Comparison of Planned and Actual Dates – AEO upgrade

## 2.8. UCC INFORMATION SHEETS (INF) FOR SPECIAL PROCEDURES

The aim of the Information Sheets (INF) for Special Procedures (SP) project is to develop a new trans-European system to support and streamline the data management processes and the electronic handling of data in the domain of SP. This harmonised the approach for the efficient management of inward and outward processing procedures and improve the monitoring and control amongst customs offices.

The INF central system was successfully deployed on 1 June 2020.

The INF Specific Trader Portal component was also successfully integrated into the EU CTP and deployed on 1 June 2020. The EU CTP is the single portal at Union level to provide traders unique access to a number of centralised trans-European systems (EBTI, AEO and INF).

The Commission maintains close communication with the Member States, ensuring the provision of necessary support, assistance and supervision. A Project Group (PG) with Member States and trade associations is holding regular meetings to address any remaining business issues.

Some statistical information on the use of the INF system – situation until June 2023:

- As from October 2020, all Member States are using the INF system;
- From the start of Operations on 1 June 2020 until June 2023, around 58,918 requests were created by EOs, and approximately 53,873 INFs were treated and processed;
- The average number of processed INFs per working day increased from 48 in 2020, to 86 in 2021 and 2022, and 97 in Q1 2023.

### 2.8.1. Overview of Project Progress

Table 8 highlights that there were no divergences in the planning compared to the dates set in the UCC WP.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	% of Completion	Actual End Date	% of Completion	Target date from WP	Actual Date	% of Completion
30/06/2018	30/06/2018	100%	29/05/2020	100%	01/06/2020	01/06/2020	100%

Table 8: Comparison of Planned and Actual Dates – INF

## 2.9. UCC IMPORT CONTROL SYSTEM 2 (ICS2) – RELEASE 1

The goal of the UCC Import Control System 2 (ICS2) programme is to strengthen the Safety and Security of the supply chain for goods moved via all modes of transport. The aim is to do so through better targeted risk-based controls of EU customs authorities on improved Entry Summary Declaration (ENS) data quality, data filing, data availability and data sharing and through real-time collaborative risk analysis and co-ordinated Safety and Security controls at the EU entry points. The main purpose of the system is to implement the new requirements resulting from the UCC and strategic objectives endorsed by the Member States in the risk management strategy and action plan of 2014.

In terms of planning, the programme will be implemented in three releases. Release 1 covers the obligation on the relevant EOs (postal operators and express carriers in air transport) to provide the minimum data (i.e., ENS pre-loading dataset). Release 2 will cover the implementation of new ENS obligations and related business and risk management processes for all the goods in Full Air (postal, express, cargo) traffic. At the same time, Release 2 will include Safety and Security analytics capabilities delivering Offline Analytics capabilities (i.e., Data Lab, Risk List, Risk Indication Enrichment Catalogue) and Online/Real Time Enrichment capabilities. Following a positive endorsement ('Go decision') by the Commission and the Member States in December 2020 the project activities started. Release 3 will cover the very similar business process as Release 2, but for all goods in maritime and inland waterways, road and rail traffic (this also includes goods in postal consignments transported in these means of transport). Please refer to Section 3.5 for a detailed update on the status of Release 2 and Section 4.2 for Release 3.

The first ICS2 release, ICS2 – Release 1 (ICS2-R1) started Operations on 15 of March 2021 with majority of National Entry Systems (NES) connected. Most of the EOs had connected to the ICS2-R1 system before the end of the deployment window on 1 October 2021. All remaining NES and EO systems were connected by December 2021, with exception of UK (Northern Ireland). All national customs authorities implemented customs risk management processes on the basis of the applicable common risk criteria and standards and in accordance with harmonised operational guidance. During the 6-months EO deployment window, it was observed that the quality and completeness of ENS data, as well as its coverage and the implementation of air cargo security referrals, posed challenges for the affected EOs, especially in the postal sector. These critical compliance issues had and will have to be continuously addressed to ensure compliance with the new UCC requirements.

Since the end of December 2021, ICS2-R1 is operational in 30 National Customs Administrations: all EU Member States, CH, NO and UK<sup>9</sup>. All Postal operators, including the postal operators of CH and NO, are connected to ICS2, apart from the UK postal operator, that is not operational<sup>10</sup>.

### 2.9.1. Overview of Project Progress

Table 9 compares the actual dates to those set in the UCC WP.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual End Date	2021 % of Completion	Actual End Date	2021 % of Completion	Target date from WP	Actual Date	2021 % of Completion
30/06/2018	01/09/2021	100%	05/09/2021	100%	15/03/2021	15/03/2021	100%

Table 9: Comparison of Planned and Actual Dates – ICS2-R1

<sup>9</sup> As part of implementation of the Protocol on Ireland and Northern Ireland.

<sup>10</sup> UK is currently not in Operations due to the standstill arrangement during the ongoing discussions about the application of the Northern Ireland Protocol.



### 3. PROJECTS TO BE COMPLETED BY THE END OF 2023

#### 3.1. UCC NOTIFICATION OF ARRIVAL (AN), PRESENTATION NOTIFICATION (PN) AND TEMPORARY STORAGE (TS)

The goal of this project is to define the processes at the national level in respect of the AN, PN and TS notifications, as described in the UCC. The project aims to ensure that Safety and Security-related customs formalities for goods entering and exiting are properly conducted, and customs supervision begins at the appropriate time and is duly performed. It also aims to support harmonisation across the Member States regarding the data exchange between trade and customs. Furthermore, the project covers the automation of processes at the national level.

The development activities related to this project are a national matter, with processes and data requirements for the external domain to be defined and agreed at the EU level. In this light, the systems were planned to be in operation by 31 December 2022, as defined in the UCC basic Regulation. However, several Member States requested a derogation as stated in Article 6(4) of the UCC, addressing a formal request, of a temporary nature, stating a scope and clear justification. On 1 February 2023, the Commission adopted Implementing Decisions, granting derogations to certain Member States for AN, PN and TS, extending the previously stated deadlines to 31 December 2023.

##### 3.1.1. Summary of Responses

#### *Notification of Arrival (AN)*

##### **Summary from the Member States:**

The project is closely interlinked with other projects such as NIS and ICS2. This is often reported by the Member States as the reason for assessing the project as medium to highly complex.

Recurrently identified causes of delay related to the project are the interdependencies between core and supporting systems, delays in public procurement procedure, dependencies from other stakeholders, the contractor's capacity and unexpected delays caused by the intrinsic development of the system.

Besides the complexity of the project per se, other reasons for potential delay were provided, such as resource constraints, both workforce and financially related, further adaptations to the UCC Annex B<sup>11</sup> and the specific working circumstances caused by the COVID-19 pandemic. At the same time, many Member States attributed the increased complexity level to the parallel development of the systems and to the many dependencies and stakeholders involved.

Some Member States reported that measures are taken to keep the deployment within the deadline. Some examples include allocating additional resources to the project and/or implementing an Agile development methodology to reduce the implementation timeframe.

The above summary also applies to PN and TS.

The following Member States reported to implement AN as part of ICS2-R2, in particular through the EU Shared Trader Interface: BG, CY, EE, ES, FI, FR, HR, HU, LT, LU, NL, SE, and SI. The following Member States developed or are developing a national solution (often in conjunction with NIS): CZ, IT, MT, PL, PT, and SK. Some Member States did not provide any information in this regard.

AT<sup>12</sup>, BG, CZ<sup>13</sup>, EE, FI, FR<sup>14</sup>, IT, LT, LU<sup>15</sup>, LV<sup>16</sup>, NL<sup>17</sup>, SI, and SK<sup>18</sup> indicated the project as completed. Other Member States reported to envisage AN implementation by the end of 2023: CY, ES, HU, PL,

<sup>11</sup> Annex B of the Commission Delegated Regulation (EU) 2015/2446 regarding common data requirements, as amended by Delegated Regulation (EU) 2021/234.

<sup>12</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.

<sup>13</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

<sup>14</sup> Information provided from FR on 18/10/2023 regarding the progress of the UCC project on AN/PN/TS. The AN system was Deployed for air transport on 01/07/2023. For maritime transport FR plans to deploy on 01/06/2024.

<sup>15</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>16</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>17</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>18</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

RO<sup>19</sup>, and SE (see Table 10 below and adjusted to the latest information available). DK and MT<sup>20</sup> indicated that the project will be delayed beyond the foreseen Deployment deadline.

DE and IE marked the project as not applicable.

**Important remark:**

Several Member States submitted a written notification to DG TAXUD, asking for derogation under Article 6(4) of the UCC, concerning the delay for AN, beyond the deadline of 31 December 2022, regardless of the option given to implement the system with ICS2-R2. The derogation requests from the Member States were assessed by the Commission services in terms of the justifications provided for the specific situations of the respective Member States requesting it and in view of a set of common assessment criteria.

In this light, the Commission adopted an Implementing Decision (EU) 2023/235<sup>21</sup> on 1 February 2023, granting a derogation to AT, BE, BG, CY, CZ, DK, EE, ES, FR, GR, HU, HR, LU, MT, NL, PL, PT, RO, SE, SI, and SK for AN provided for in Article 133 of the UCC. The derogation applies from 1 January 2023 until the deployment of the AN system, but not later than 31 December 2023, in respect of goods entering the customs territory of the Union by air, and 1 March 2024, in respect of goods entering the customs territory of the Union by maritime transport or inland waterways, whichever date is sooner. This differentiation by transport mode aligns with ICS2-R2 and ICS2-R3, respectively, as the projects are closely linked.

**Detailed Responses<sup>22</sup>:**

Table 10 provides the individual Member States’ responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	5	Low	In the case of BG, AN will be implemented as part of the ICS2-R2 system and updated according to its planning for air transport. Regarding ICS2-R2 national components’ development, the Bulgarian Customs Administration is using an Agile and iterative approach. BG applies an integrated implementation of two technological frameworks – Adaptive Development Methodology (ADM) and Rational Unified Process (RUP).
CY	6	High	In relation to the NA, PN and TS projects, CY indicated that these projects are within the new legal deadline provided for in the derogation that was granted. In 2022, CY progressed with the preparation of specifications and the implementation of the system, which is almost completed. However, the interconnections between core and supporting systems, the high percentage of system availability required, limitations in human resources and the COVID-19 pandemic contributed to the complexity of the AN, PN and TS projects. CY faces a high level of risk on the AN project, as all milestones were impacted. The system is expected to ‘go live’ on 07/11/2023, within the deadline provided for in the derogation. CY indicated two main

<sup>19</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>20</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>21</sup> Commission Implementing Decision (EU) 2023/235 of 1 February 2023 granting a derogation requested by certain Member States pursuant to Regulation (EU) No 952/2013 of the European Parliament and of the Council to use means other than electronic data-processing techniques for the exchange and storage of information for the notification of arrival of a sea-going vessel or of an aircraft (OJ L 32, 3.2.2023, p. 220-222).

<sup>22</sup> Fields marked in grey mean no information was provided on that specific topic.

MS	Complexity Rating	Risk Level	Additional Comments
			causes for the delay. The first is related to delays in the public procurement procedure. The Contracting Authority (Department of Information Technology Services) launched a two-phase public procurement procedure in full alignment with the national legislation for the development, operation and maintenance of all systems required for the full implementation of the UCC. The second phase, launched in October 2020, led to the signing of a contract with the successful EO in December 2021. The second reason for the delay is the policy-related decision of the Department of Customs and Excise to develop and operate the Import Declarations System and its interfaces using the latest version of Annex D of 2446/2015 (European Union Customs Data Model [EUCDM] v6.1 instead of EUCDM v5.2), which is planned to become mandatory on 01/12/2023. This decision was made to avoid additional administrative costs for both the Department of Customs and Excise and the EOs, who would have to make changes to their systems twice (three times for express couriers) within a very short period of time. By using v6.1 and moving the production date from 01/01/2023 to April/May 2023, the EOs will gain a few more months to adapt their systems, as the Technical Specifications are scheduled to be published by the end of July 2023. Furthermore, proceeding with the latest data model v6.1 will allow CY to start working on the Single Window project and be able to apply quantity management for the main Common Health Entry Document for consignments of food and feed of non-animal origin certificates (CHED-D) in due time. Mitigation measures, such as the allocation of extra human and other resources, are planned.
CZ	1	Low	CZ indicated that the AN system was deployed on 01/03/2023, with a transition period until 01/10/2023 <sup>23</sup> .
DE	3	Low	DE communicated that AN will be implemented as part of the ICS2 system and it will be updated according to its planning. External milestones related to the Technical Specifications, Conformance Testing and Deployment that affect the EOs will be considered in line with the ICS2 planning for ICS2-R2 and R3, especially in relation to Shared Trader Interface.
DK	3	Medium	As the Danish implementation of AN for air follows the Danish implementation of ICS2-R2, DK aims to 'go live' with AN for air on 31/10/2023 and with AN for shipping on 01/03/2024. AN will be received via ICS2 Shared Trader Interface and stored in ICS2 Common Repository. DK is using an Agile and iterative approach for the development of the system.
EE	4	Low	AN will be deployed on 01/10/2023 for air transport in line with ICS2-R2 planning. For other transport modes, AN will be deployed in 2024 in line with the ICS2-R3 planning <sup>24</sup> . EE advised that due to the COVID-19 related financial challenges, the project deadline for ICS2-R2 and AN had to be postponed. EE is progressing towards the use of an Agile approach for the system development.

<sup>23</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

<sup>24</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
ES	1	Low	ES informed that AN will be developed in the ICS2-R2 system, using an Agile development approach.
FI	3	Medium	FI indicated the overall status of the project as completed.
FR	5	Medium	FR will use the application developed by BE and will deploy AN concomitantly with ICS2-R2 (this applies to PN and TS as well). Considering that the AN project was delayed and ICS2-R2 is linked with it, FR asked for a derogation for ICS2. FR shared that the system was Deployed for air transport on 01/07/2023, while for maritime transport it is envisaged to be Deployed on 01/06/2024, with a migration window for EOs until 04/12/2024 <sup>25</sup> .
GR			
HR	3	Medium	HR indicated that AN will be deployed according to the ICS2 deadlines for different modes of transport. In accordance with the national agreement, the economic side of economic entities will submit AN through Shared Trader Interface. There will be a big challenge in supporting the testing of the EOs in ICS-R2. Testing activities for air transport will be carried out in accordance with the timelines for ICS2-R2. For maritime traffic, AN will be submitted through Shared Trader Interface by including it in ICS2-R3. The registered arrival notification will be submitted to the Common Repository via the IE4N07 message.
HU	5	Medium	HU shared that the project development is progressing well and that the derogation deadline will be met <sup>26</sup> .
IE	3	Low	IE explained that in accordance with Article 133 of the UCC, where the information on arrival is available to the customs authorities, it may waive this notification. IE has already been providing this information from its port and airport authorities and will not, therefore, require the operators to submit notifications of arrival. However, for ICS-R2, the notifications of arrival will be submitted directly to Shared Trader Interface.
IT	4	Low	IT completed this project in 2022. The Technical Specifications were published on 01/06/2022, Conformance Testing with traders took place between 05/09/2022 and 12/12/2022, followed by Deployment on 13/12/2022.
LT	5	Low	LT shared that AN will be aligned with the ICS2 functionality (for which deadline for production is 01/03/2023). The EOs requested to postpone the start of Operations until 01/10/2023. LT indicated that an Agile approach is being used for the system development.
LU	5	Low	LU indicated that the system is deployed <sup>27</sup> .
LV			LV reported that AN is received from port and airport authorities <sup>28</sup> .
MT	3	Low	MT informed that the AN project is being delayed until June 2024 <sup>29</sup> .

<sup>25</sup> Information provided from FR on 18/10/2023 regarding the progress of the UCC project on AN/PN/TS.

<sup>26</sup> Information provided from a bilateral meeting between HU and DG TAXUD held on 07/09/2023.

<sup>27</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>28</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>29</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

MS	Complexity Rating	Risk Level	Additional Comments
NL	1	Low	NL decided to use Shared Trader Interface (instead of National Trader Interface) for EOs to submit AN. Shared Trader Interface was developed and tested centrally by DG TAXUD. NL shared that the AN system for air transport was Deployed on 01/07/2023 <sup>30</sup> . Delays were caused due to COVID-19, Brexit and the amount of functionalities to be developed for ICS2, while at the same time many functionalities being developed by the same team for other UCC and national projects. NL is using an Agile approach.
PL	3	Low	PL plans to update the AN system with the new NIS/CCI systems by 01/07/2024 <sup>31</sup> . The implementation of NIS based on the new Annex B of the Commission Delegated Regulation (EU) 2021/234 is scheduled for June 2024. PL indicated that both an Agile and an iterative approach are going to be used for the system development.
PT	6	High	The implementation of the national AN system in PT is being delayed beyond the expected Deployment deadline. Operations are planned in the second half of 2024 <sup>32</sup> . The cause of the delay is the complexity of integrating various national systems, including ICS2, NIS, the Risk Management System, TS Facilities systems, Ports Authorities, and Airport Authorities. To mitigate the delay, PT has adopted an Agile development approach to reduce the implementation timeframe and improved its planning to meet the required timeframe. However, PT is currently facing procurement and tendering difficulties, particularly with the renewal of contracts with the companies developing the systems, which may lead to an implementation of the national AN system beyond the Deployment deadline established in the granted derogation. A partial deployment approach is not feasible due to a high level of risk associated with implementing a completely new national AN system. PT explained that AN of the means of transport is waived for an EO, under the provisions of Article 133 of the UCC. The administration receives the information regarding AN from the airport managing authorities and the maritime authorities. Therefore, the new system has to be interconnected with the operational systems of ports and airports, adding complexity to the developments. At the same time, the integration with ICS2-R2 and ICS2-R3 is also complex. To facilitate the implementation, a test environment will be made available to the EOs. Ongoing activities are being carried out with ports and airports' authorities to ensure smooth integration. Development is ongoing, but the milestones most impacted are Conformance Testing and Deployment, which were postponed to 2023 due to the complexity of the developments with ports and airports and the need for a longer time period for Conformance Testing activities. In July 2022, the Technical Specifications for the EOs were published.

<sup>30</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>31</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>32</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

MS	Complexity Rating	Risk Level	Additional Comments
RO			RO shared its plans to deploy the AN system by 01/10/2023, within the derogation deadline <sup>33</sup> .
SE	3	Low	SE confirmed that it will use the ICS2 functionality for AN and deploy the system within the time schedule provided for in the derogation decision. SE is using Shared Trader Interface within the central ICS2 system, therefore, developing any Technical Specifications regarding the external domain is not necessary. The Deployment for the traders to the Shared Trader Interface was on 01/03/2023. Nonetheless, due to late changes in December 2022, the Deployment planned for the national integration on 01/03/2023 was delayed until 20/06/2023, within the time limit set out in the derogation decision. Some air traders have not yet submitted ENS, but it is envisaged that the majority will be submitted by 02/10/2023 <sup>34</sup> .
SI	3	Low	SI explained that AN and PN are already implemented along with ICS2 for air cargo. For maritime, AN is expected to be in use in 2024.
SK	1	High	SK confirmed that the system is Deployed with the common repository domain <sup>35</sup> .

Table 10: Detailed responses from Member States – AN

Figure 1 provides the percentage of Member States in each development phase for AN.

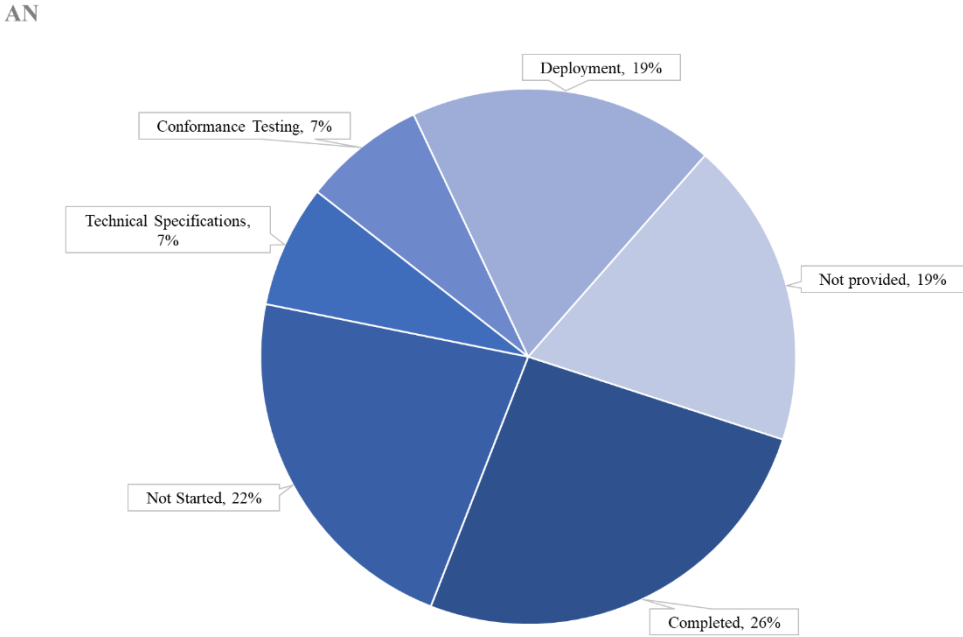


Figure 1: Project Status as per Survey – AN

<sup>33</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.  
<sup>34</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.  
<sup>35</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.



## **Presentation Notification (PN)**

### **Summary from the Member States:**

Please see also the summary from AN.

Regarding the alignment of the system development with the data requirements the new Annex B of the Commission Delegated Regulation (EU) 2021/234, BG, ES, and IE indicated that they have not yet adapted to the new requirements. BG plans to conform with them as of 24/06/2024. All the other Member States that provided additional comments in Table 11 below, complied with the requirements of the new Annex B of the Commission Delegated Regulation (EU) 2021/234 to the common data requirements for declarations, notifications and proof of the customs status of union goods provided for in Article 2(2) of the Commission Delegated Regulation (EU) 2021/234.

At the moment of writing, AT<sup>36</sup>, BG, DE, EE, IT, LT, LU<sup>37</sup>, LV<sup>38</sup>, and SI indicated the project as complete, with the caveat that in the case of BG, which implemented PN as part of TS and their import declaration system, based on requirements from Annex D to the Delegated Regulation (EU) 2015/2446, the system will have to be updated by 31 October 2023.

BE, CY, CZ, HR<sup>39</sup>, HU, IE, MT, NL, PL, RO<sup>40</sup>, SE, and SK<sup>41</sup> reported that they envisage the PN implementation by the end of 2023 (see Table 11 below, as adjusted to the latest information available). ES, FR<sup>42</sup>, MT<sup>43</sup>, and PT indicated that the project implementation will be delayed beyond the foreseen Deployment deadline.

### **Important remark:**

Several Member States submitted a written notification to DG TAXUD, asking for derogation under Article 6(4) of the UCC, considering the delay of PN beyond the deadline of 31 December 2022, regardless of the option given to implement the system with ICS2-R2. The derogation requests from the Member States were assessed by the Commission services in terms of the justifications provided for the specific situations of the respective Member States requesting it and in view of a set of common assessment criteria.

In this light, the Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/234<sup>44</sup> granting a derogation to AT, BE, CY, CZ, DK, EE, ES, FR, GR, HU, HR, LU, MT, NL, PL, PT, RO, SE, SI, and SK for the PN system provided for in Article 133 of the UCC. The derogation applies from 1 January 2023 until the deployment of the PN system, but not later than 31 December 2023, in respect of goods entering the customs territory of the Union by air and 1 March 2024, in respect of goods entering the customs territory of the Union by maritime transport, inland waterways, road and rail transport, whichever date is sooner.

### **Detailed Responses:**

Table 11 provides the individual Member States' responses to the survey:

<b>MS</b>	<b>Complexity Rating</b>	<b>Risk Level</b>	<b>Additional Comments</b>
AT			

<sup>36</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.

<sup>37</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>38</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>39</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.

<sup>40</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>41</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

<sup>42</sup> Information provided from FR on 18/10/2023 regarding the progress of the UCC project on AN/PN/TS.

<sup>43</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>44</sup> Commission Implementing Decision (EU) 2023/234 of 1 February 2023 granting a derogation requested by certain Member States pursuant to Regulation (EU) No 952/2013 of the European Parliament and of the Council to use means other than electronic data-processing techniques for the exchange and storage of information for the Presentation Notification related to goods brought into the customs territory of the Union (OJ L 32, 3.2.2023, p. 217-219).

MS	Complexity Rating	Risk Level	Additional Comments
BE	3	Low	BE indicated that the project is experiencing delays due to dependencies on other projects, each with different deadlines. PN is closely linked to ICS2 and inter-trader agreements still need to be worked out for traders for the air sector <sup>45</sup> . This situation complicates the process of conducting thorough analysis and implementing necessary changes, especially when the deadlines for these projects shift. However, the project is still expected to be completed within the designated deployment deadline. Technical Specifications for the project were completed on 20/04/2023 and the Conformance Testing and Deployment activities are currently underway. BE informed that an Agile approach is being employed for system development.
BG	5	Low	A plan to update NIS according to the new Annex B of the Commission Delegated Regulation (EU) 2021/234 is ongoing, with a deadline set for 31/10/2023. The Open Group Architecture Framework (TOGAF)/ADM and RUP methodologies are being used for the implementation of IT projects.
CY	6	High	Same response as for AN. Additionally, CY shared that it is analysing the development with an IT contractor, while using an Agile approach for its development. Functional and Technical Specifications were completed on 22/05/2023 with both System to System (S2S) and Graphical User Interface (GUI) connections provided. However, CY informed that some traders will not be ready for S2S connection. The system itself is on course but, while the GUI will be available, it will not suit all users <sup>46</sup> .
CZ	4	Low	CZ indicated that following the derogation, the Deployment is planned for the end of 2023. Functional and Technical Specifications were completed and the communication with the Common Repository is in production. CZ explained that a significant reduction in the financial budget for the Customs Administration of the Czech Republic has triggered a negative impact at the level of personal relationships and contractual relationships with external software providers. Therefore, the ability to maintain a high level of digitisation and volume of modernised systems has been reduced.
DE	4	Low	DE indicated that the PN project was completed in 31/10/2022. PN was updated as part of the NES of the national IT-System Automated Customs Tariff and Local Processing Application System (ATLAS) Release 9.1 for which the EOs were allowed to carry out migration from 01/05/2021 until 14/10/2022.
DK	4	Medium	As the Danish implementation of PN for air follows the Danish implementation of ICS2-R2, DK indicated that aims to 'go live' with PN for air on 31/10/2023. The Danish implementation of PN for shipping, rail and road transport follow the Danish implementation of ICS2-R3 and is planned to 'go live' on 01/03/2024.

<sup>45</sup> Information provided from a bilateral meeting between BE and DG TAXUD held on 14/06/2023.

<sup>46</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.



MS	Complexity Rating	Risk Level	Additional Comments
EE	4	Low	PN will be deployed in line with the ICS2-R2 planning on 01/10/2023 for air transport. For other transport modes, PN will be deployed in 2024 in line with the ICS2-R3 planning <sup>47</sup> . EE informed that due to the COVID-19 related financial challenges, the ICS2-R2 and AN projects deadlines had to be postponed. EE draws attention to the fact that PN is closely linked to ICS2, therefore, the project deadlines should be amended accordingly, meaning that the end date of the deployment window of PN for EOs should be 01/03/2024. EE is progressing towards the use of an Agile approach for the system development.
ES	6	High	ES reported that the PN system is already in place and integrated with ICS2, but it is not yet adapted to the requirements of the new Annex B of the Commission Delegated Regulation (EU) 2021/234. ES indicated that the deployment of the update of the system might be delayed by a quarter, preventing ES from meeting the legal deadline, due to dependencies with other subsystems that also require updates by the Deployment deadline. Migration is planned until the end of 2025, but ES will try to end before, on 01/09/2025 <sup>48</sup> . Notwithstanding, ES is collaborating with the other subsystems to meet the Deployment deadline and a Scrum methodology is being used for its development. ES noted that the TS system will not be impacted by the delay.
FI			
FR	5	Medium	FR will use the application developed by BE and will deploy PN concomitantly with ICS2-R2. FR informed of a medium risk level due to an ambitious timeline for the compliance testing and Deployment. The Conformance Testing for the central system (Base Common Repository) is included in the ICS2 project. Regarding the Deployment, FR shared its plans to Deploy the PN system for air transport on 06/03/2024 and on 01/06/2024 for maritime transport. The migration window for EOs is planned until 01/06/2024 for air and 04/12/2024 for maritime <sup>49</sup> .
GR			
HR			HR shared that PN is on track and will be deployed for air transport together with ICS2-R2 by end June 2023 <sup>50</sup> .
HU	5	Medium	Same response as for AN.
IE	3	Low	Annex B to the UCC for PN was implemented in November 2022. IE is now upgrading PN according to the new Annex B of the Commission Delegated Regulation (EU) 2021/234 and stated that this upgrade does not seem to be as complex as the original implementation. IE intends to issue the Technical Specifications in June 2023 and deploy the system on 24/06/2024. Even though IE's original intention was to deploy in October 2023, the date was re-evaluated in line with the CCI Deployment and upgrade to all NES and import messages to the new Annex B of the Commission Delegated Regulation (EU)

<sup>47</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

<sup>48</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.

<sup>49</sup> Information provided from FR on 18/10/2023 regarding the progress of the UCC project on AN/PN/TS.

<sup>50</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			2021/234 at the same time. IE expects to have the test environment for trade available in January 2024.
IT	4	Low	Same response as for AN.
LT	6	Low	The implementation of the PN for all EOs will follow a 'big bang' approach. Conformance Testing was finished in 2022 and Deployment took place in February 2023. The EOs requested to postpone the start of Operations until 01/10/2023. LT indicated that an Agile approach is being used for the system development.
LU			Same response as for AN.
LV			LV informed that the PN system is updated to the latest data requirements <sup>51</sup> .
MT	3	Low	Same response as for AN.
NL	2	Medium	NL indicated a medium risk due to the relatively complex relationship between the PN and TS systems. It was found that TS functionalities needed to be developed before PN functionalities, which is why PN functionalities are expected to be delivered later, latest by 01/12/2023. This is necessary to meet the derogation deadline for ICS2-R2, which is on 30/06/2023. To complete the ENS lifecycle, PN has to be shared with the Common Repository, which will be tested as part of the ICS2-R2 Conformance Testing between June and November 2023. NL informed that the Deployment for air transport is planned for 01/12/2023, while the Deployment for maritime transport is envisaged on 01/06/2024 <sup>52</sup> . The causes of the delay are Brexit, the effects of the COVID-19 pandemic, and the amount of functionalities required to be developed for ICS2 using the same human resources as for the other UCC and national projects. Therefore, NL implemented a package of mitigating measures to address this delay and is using an Agile approach for the development of this system.
PL	3	Low	Same response as for AN.
PT	6	High	The implementation of the national PN system in PT has been delayed beyond the foreseen Deployment deadline. Operations are planned in the second half of 2024 <sup>53</sup> . The cause of the delay is due to the complexity of integrating various national systems, including ICS2, NIS, the Risk Management System and TS Facilities systems. To mitigate the delay, PT has adopted an Agile development approach to reduce the implementation timeframe and improved its planning to meet the required timeframe. However, PT is currently facing procurement and tendering difficulties, particularly in the renewal of contracts with the companies developing the systems, which may lead to an implementation of the national PN system beyond the Deployment deadline established in the granted derogation. A partial deployment approach is not feasible due to a high level of risk associated with implementing a completely new national PN system.

<sup>51</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>52</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>53</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			To facilitate the implementation, a test environment will be made available to the EOs. Ongoing activities with ports and airports' authorities are being carried out to ensure a smooth integration. Development is ongoing, but the most impacted milestones are Conformance Testing and Deployment, which were postponed to 2023 due to the complexity of the developments with ports and airports and the need for a longer time period for the Conformance Testing activities. In July 2022, Technical Specifications for the EOs were published.
RO			Same response as for AN <sup>54</sup> .
SE	4	Medium	<p>SE explained that there is a medium risk of delay in testing activities due to ongoing development activities. The development of the PN system is progressing and the target is to meet the deadline in the derogation decision regarding air transport, which requires all the EOs to complete Conformance Testing and be in Operation by the end of 2023. For other modes of transport, the end of the Conformance Testing and Operation periods is set on 01/03/2024, in line with ICS2-R3. However, SE draws attention to the fact that if the interface with Maritime Single Window (MSW)/European Maritime Single Window (EMSW) is implemented for maritime traffic, the Operation date may be impacted. Currently, SE is assessing the possibility of integrating the application developed by BE in the Expert Team on new approaches to develop and operate Customs IT systems (ETCIT) cooperation into their existing IT infrastructure and investigating the feasibility of using a national application to a certain extent as an alternative.</p> <p>SE shared that a derogation for sea freight has been requested due to the link with EMSWe. The data for the national MSW currently used is not in line with UCC, which will require the national MSW to be updated. SE will try to avoid that traders needing to submit twice (to customs and to national MSW) by adding 2-3 elements to the MSW and passing them on to close ICS2<sup>55</sup>. During the first half of 2021, the plan for the UCC projects to be implemented was reviewed and realistic dates were set. Based on that, SE has been able to reprioritise and increase the resources for this project in terms of allocated human and economic resources.</p> <p>SE informed that it is going to use the application developed by BE in the ETCIT cooperation. At the moment of writing, SE is analysing and considering the most efficient way to integrate the application into the existing IT infrastructure, considering the alternative of investigating the possibility of using a national application at least to a certain extent.</p>
SI	3	Low	Same response as for AN.
SK	1	High	SK shared that the PN system is system is already in place and integrated with ICS2 <sup>56</sup> .

<sup>54</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>55</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

<sup>56</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

Table 11: Detailed responses from Member States – PN

Figure 2 provides the percentage of Member States in each development phase for PN.

PN

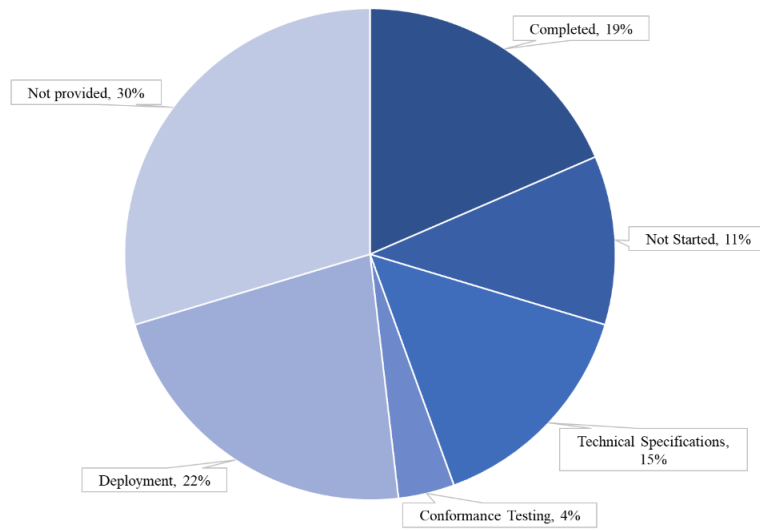


Figure 2: Project Status as per Survey – PN

## Temporary Storage (TS)

### Summary from the Member States:

Please see also the summary from PN.

BG implemented PN and TS as part of its national import declaration system. As it was implemented based on requirements from Annex D to the Commission Delegated Regulation (EU) 2015/2446, it will be updated by 31 October 2023. All the other Member States that provided additional comments in Table 12 below, complied with the requirements of the new Annex B of the Commission Delegated Regulation (EU) 2021/234.

At the moment of writing, DE, EE, FI, IT, LT, LU<sup>57</sup>, NL<sup>58</sup>, and LV<sup>59</sup> indicated the project as complete. Other Member States that envisaged the implementation of the TS system by the end of 2023 are BE, BG, CY, CZ, HR, HU, IE, RO<sup>60</sup>, and SI (see Table 12 below, as adjusted to the latest information available). AT<sup>61</sup>, DK, ES, FR<sup>62</sup>, MT<sup>63</sup>, PT<sup>64</sup>, SE, and SK informed that the project implementation will be delayed beyond the foreseen Deployment deadline.

### Important remark:

Several Member States submitted a written notification to DG TAXUD, asking for derogation under Article 6(4) of the UCC, considering the delay for TS beyond the deadline of 31 December 2022, regardless of the option given to implement the system with ICS2-R2. The derogation requests from the Member States were assessed by the Commission services in terms of the justifications provided for the specific situations of the respective Member States requesting it and in view of a set of common assessment criteria.

In this light, the Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/236<sup>65</sup> granting a derogation to AT, BE, CY, CZ, DK, EE, ES, FR, GR, HU, HR, LT, LU, MT, NL, PL, PT, RO, SE, SI, and SK for the TS system referred to in Article 145 of the UCC. The derogation applies from 1 January 2023 until the deployment of the TS system, but not later than 31 December 2023, in respect of goods entering the customs territory of the Union by air, and 1 March 2024, in respect of goods entering the customs territory of the Union by maritime transport or inland waterways, road or rail transport, whichever date is sooner.

### Detailed Responses:

Table 12 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE	6	Medium	BE reported a delay in the TS project. However, despite this delay, the overall delivery is still expected to meet the Deployment deadline. The delay is primarily due to the complexity of the Conformance Testing activities and the need to coordinate with other systems that have different deadlines. BE anticipates a delay of two quarters for the Conformance

<sup>57</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>58</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>59</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>60</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>61</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.

<sup>62</sup> Information provided from FR on 18/10/2023 regarding the progress of the UCC project on AN/PN/TS.

<sup>63</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>64</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

<sup>65</sup> Commission Implementing Decision (EU) 2023/236 of 1 February 2023 granting a derogation requested by certain Member States pursuant to Regulation (EU) No 952/2013 of the European Parliament and of the Council to use means other than electronic data-processing techniques for the exchange and storage of information for the Temporary Storage declaration related to non-Union goods presented to customs (OJ L 32, 3.2.2023, p. 223-225).

MS	Complexity Rating	Risk Level	Additional Comments
			Testing phase and four quarters for the Deployment phase. An Agile approach is being employed for the system development.
BG	5	Low	Same response as for PN.
CY	6	High	Same response as for PN.
CZ	2	Low	CZ indicated that following the derogation, the Deployment is planned for the end of 2023. Functional and Technical Specifications were completed and the communication with the Common Repository is in production. CZ explained that a significant reduction in the financial budget for the Customs Administration of the Czech Republic has triggered a negative impact at the level of personal relationships and contractual relationships with external software providers. Therefore, the ability to maintain a high level of digitisation and volume of modernised systems has been reduced.
DE	4	Low	DE indicated that the TS project was completed on 31/10/2022. TS was updated as part of the NES of the national IT-System ATLAS (Release 9.1) for which the EOs were allowed to carry out migration from 01/05/2021 until 14/10/2022. DE drew attention to the fact that the data model is not in line with the EUCDM and will be updated following the approach of CCI and NIS, which will be the basis for the new and modernised import application. The project conforms to the data requirements of the new Annex B of the Commission Delegated Regulation (EU) 2021/234. However, it does not currently comply with the formats and codes set out in the Implementing Act (IA).
DK	4	Medium	DK reported that the TS system development is on schedule, but the release has been postponed due to the fact that DK focused on 'going live' with AES, NCTS and ICS2. Therefore, DK expects to 'go live' on 15/10/2024 and thus, indicates that it will not reach the derogation deadline. DK is using an Agile and iterative approach for the development of the system.
EE	4	Low	Same response as for PN.
ES	6	High	Same response as for PN.
FI	6	High	Same response as for PN.
FR	5	Medium	Same response as for PN.
GR			
HR	3	Low	HR explained that the Deployment for TS is set for 17/04/2023 and the overall status of the project is on target. Technical Specifications are already completed and the Conformance Testing activities took place in January 2023.
HU	5	Medium	Same response as for PN.
IE	3	Low	Same response as for PN.
IT	4	Low	Same response as for PN.
LT	4	Medium	The implementation of TS for all EOs by LT will follow a 'big bang' approach and the legacy system will be kept accessible, but no processing of new declarations will occur <sup>66</sup> . Conformance Testing will be conducted until November 2023, with Deployment scheduled for the end of December 2023.
LU			Same response as for PN.

<sup>66</sup> Information provided from a bilateral meeting between LT and DG TAXUD held on 01/06/2023.



MS	Complexity Rating	Risk Level	Additional Comments
LV			LV shared that the TS system is updated to the latest requirements and is used also for postal consignments <sup>67</sup> .
MT	3	Low	Same response as for PN.
NL	5	Medium	NL is uncertain whether the EOs and their IT service providers will be prepared in time, between 01/12/2023 and 29/02/2024, to submit the TS declaration in line with the new Technical Specifications. NL will provide the software developers of the EOs with a self-service testing facility that they can use to test whether their system meets the nationally-developed Functional and Technical System Specifications (TSS) regarding the TS declaration. NES NL's functionalities to process the TS declaration will 'go live' at the latest on 01/12/2023. Regarding the functionalities of the TS system, NL mentioned that (1) the TS declaration may be submitted, changed and invalidated by the declarant, (2) the TS declaration may be invalidated by Customs if goods are not presented, and (3) it will be possible to take over data from a previously lodged ENS declaration into the TS declaration. Overall, NL indicated that delivery, while delayed, is still foreseen within the Deployment deadline. NL plans to Deploy the TS system for air transport on 01/12/2023 and for maritime transport on 01/06/2024 <sup>68</sup> . The causes of the delay are Brexit, COVID-19 and the number of functionalities required to be developed for ICS2 using the same human resources as for other UCC and national projects. Therefore, NL has implemented a package of mitigating measures to address this delay. NL is using an Agile approach for the development of this system.
PL	3	Low	Same response as for PN.
PT	6	High	The implementation of the national TS system in PT has been delayed beyond the expected deadline due to the complexity of integrating various national systems, such as ICS2, NIS, the Risk Management System, TS Facilities systems, Ports Authorities, and Airport Authorities. Operations are planned in the second half of 2024 <sup>69</sup> . In order to mitigate the delay, PT has adopted an Agile development approach, to reduce the implementation timeframe and has improved its planning to meet the required deadline. However, PT is currently facing procurement and tendering difficulties, particularly in renewing contracts with companies developing the systems, which may lead to an implementation of the national TS system beyond the Deployment deadline established in the granted derogation. Implementing a partial deployment approach is not feasible due to the high risk associated with implementing a completely new national TS system. The national system that will cover AN, PN, and TS projects integrates all the information regarding the entry and exit of means of transport (air and sea) as well as the entry and exit of goods (import/export manifest). This national system will also include the control of Electronic Transport Document, Regular Shipping Service, and African, Caribbean

<sup>67</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>68</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>69</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			<p>and Pacific Countries (ACP) authorisations in the import/export manifest. Upon the entry of goods, the system will be integrated with ICS2, the Risk Management System and NIS. At the exit of goods, the system will be integrated with AES-C1 and AES-C2 and the Risk Management System to control the exit of goods with automatic exit certification for export.</p> <p>In maritime traffic, the customs system is interconnected with the system of the port authorities in a single-window environment similar to EMSW. This requires the port system to be completely redesigned to follow the developments of the UCC WP. To facilitate implementation, a test environment will be made available to the EOs. Ongoing activities with ports and airports authorities are being carried out to ensure a smooth integration. Development is ongoing, but the most impacted milestones are Conformance Testing and Deployment, which were postponed to 2023, due to the complexity of developments with ports and airports and the need for a longer time period for Conformance Testing activities. In July 2022, Technical Specifications for the EOs were published.</p>
RO			Same response as for PN <sup>70</sup> .
SE	4	Medium	<p>SE indicated that it will not meet the deadline set in the derogation Implementing Decision. SE plans to have the system developed by end 2024 and ready for sea freight by 2025<sup>71</sup>. SE draws attention to the fact that if the interface with MSW/EMSW is implemented for maritime traffic, the Operations date may be impacted (scheduled on 15/08/2025). During the first half of 2021, the plan for the UCC projects to be implemented was reviewed and new dates were set. Based on that, SE has been able to reprioritise and increase the resources for this project in terms of allocated human and economic resources. Currently, SE is assessing the possibility of integrating the application developed by BE in the ETCIT cooperation into its existing IT infrastructure and investigating the feasibility of using a national application to some extent as an alternative.</p>
SI	3	Low	<p>SI mentioned that the overall status of the project is on target and will be completed by the end of 2023. TS is part of the Slovenian Automated Import System (SIAIS2) declaration. The declaration for TS will be harmonised with column G4 of the new Annex B of the Commission Delegated Regulation (EU) 2021/234.</p>
SK	1	High	<p>SK shared that the Deployment of the TS system is planned by the end of 2024, mainly due to a lack of human resources<sup>72</sup>.</p>

Table 12: Detailed responses from Member States – TS

<sup>70</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>71</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

<sup>72</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.



Figure 3 provides the percentage of Member States in each development phase for TS.

TS

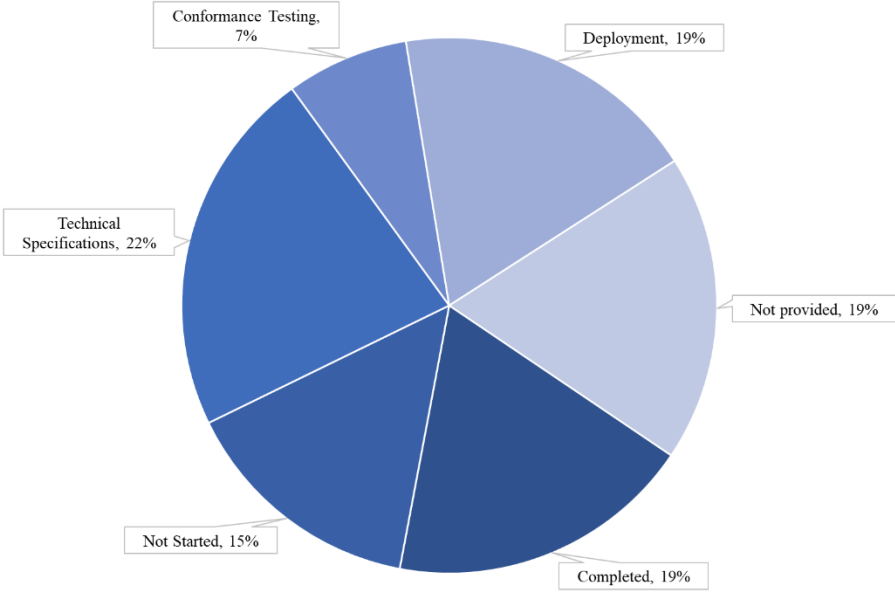


Figure 3: Project Status as per Survey – TS

### 3.1.2. Overview of Project Progress

Table 13, Table 14 and Table 15<sup>73</sup> highlight any known divergences in the planning compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

In regards to the implementation of Arrival Notification (AN), the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP and/or the granted derogation deadline<sup>74</sup>: DE, FI, FR, GR, LT, MT, and SE. HR did not provide information on the Operations date, while IE indicated the project as not applicable. Please note that the dates of Operations reflected in the table below indicate the full implementation of the project. Some Member States decided to deliver the project in several iterations or releases, linked to the ICS2 Releases.

The specific dates can be found in Table 13.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>74</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>74</sup>	2023 Planned/ Actual Date
AT		01/11/2021	Not Provided	N/A	N/A		N/A	N/A		01/07/2023
BE		Not Provided	Not Provided	30/06/2023	Not Provided		30/06/2023	Not Provided		01/03/2023
BG		28/03/2022	100%	15/12/2022	100%		01/03/2023	Not Provided		01/03/2023
CY		22/05/2023	100%	Not Provided	100%		07/11/2023	100%		07/11/2023
CZ		N/A	N/A	N/A	N/A		01/03/2023	N/A		01/10/2023
DE		N/A	N/A	N/A	N/A		01/03/2023	N/A		02/10/2023
DK		01/09/2021	100%	30/06/2023	100%		31/10/2023	100%		31/10/2023
EE		02/10/2023	100%	31/08/2023	100%		01/10/2023	Not Provided		03/10/2023
ES		N/A	N/A	N/A	N/A		N/A	N/A		02/10/2023
FI		30/06/2022	100%	Not Provided	Not Provided		31/03/2023	Not Provided		31/03/2023
FR		N/A	100%	N/A	100%		01/07/2023	100%		01/06/2024
GR		31/12/2023	N/A	Not Provided	Not Provided		31/12/2024	Not Provided		31/12/2024
HR	To be defined by MS and for Notification of Arrival in line with ICS2 planning	Not Provided	Not Provided	Not Provided	100%	To be defined by MS as part of the national plan	01/07/2023	Not Provided	31/12/2022	Not Provided
HU		30/06/2023	100%	15/12/2023	100%		31/12/2023	100%		31/12/2023
IE		N/A	N/A	N/A	N/A		N/A	N/A		N/A
IT		01/06/2022	100%	12/12/2022	100%		13/12/2022	100%		13/12/2022
LT		01/06/2020	100%	01/03/2023	Not Provided		01/03/2023	100%		01/10/2023
LU		01/06/2022	Not Provided	28/02/2023	Not Provided		01/03/2023	100%		01/03/2023
LV		N/A	100%	N/A	100%		24/09/2017	100%		25/09/2017
MT		30/11/2023	100%	01/05/2024	Not Provided		01/06/2024	100%		01/06/2024
NL		16/03/2023	100%	14/06/2023	100%		01/07/2023	Not Provided		01/10/2023
PL		01/01/2023	N/A	30/09/2023	N/A		01/12/2023	N/A		30/09/2023
PT	31/12/2022	100%	30/09/2024	100%	28/10/2024	100%	29/10/2024			
RO	30/11/2021	Not provided	31/01/2023	Not Provided	01/10/2023	Not Provided	30/09/2023			
SE	N/A	N/A	N/A	100%	01/03/2023	100%	31/03/2025			
SI	01/10/2022	100%	01/02/2023	100%	01/03/2023	100%	01/03/2023			
SK	01/10/2022	0%	14/02/2023	0%	01/03/2023	0%	01/03/2023			

Table 13: Comparison of Planned and Actual Dates – AN

<sup>73</sup> The 2023 % of Completion is updated based on the survey replies. The Actual/Planned dates are updated based on the updates on the Project National Plans provided by the Member States and the information shared in bilateral meetings between the Member States and DG TAXUD. Some of the Deployment dates indicated refer to air traffic. For maritime traffic, other dates could be applicable. For more details, please refer to the ‘Detailed Responses’ section of each project.

<sup>74</sup> The Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/235, granting a derogation to AT, BE, BG, CY, CZ, DK, EE, ES, FR, GR, HU, HR, LU, MT, NL, PL, PT, RO, SE, SI, and SK from 01/01/2023 until the deployment of the AN system, but not later than 31/12/2023, for air transport and 01/03/2024 for maritime transport or inland waterways, whichever date is sooner.

In regards to the implementation of Presentation Notification (PN), the following Member States indicated a planned/actual Operations date for PN, which is later than the deadline set in the UCC WP and/or the granted derogation deadline<sup>75</sup>: BG, ES, GR, LT, MT, PT, and NL. FR, HR, and RO did not provide information on the Operations date. Please note that the dates of Operations reflected in the table below indicate the full implementation of the project. Some Member States decided to deliver the project in several iterations or releases, linked to the ICS2 Releases.

The specific dates can be found in Table 14.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/Actual End Date	2023 % of Completion	2023 Planned/Actual End Date	2023 % of Completion	Target date from WP <sup>75</sup>	2023 Planned/Actual Date	2023 % of Completion	Target date from WP <sup>75</sup>	2023 Planned/Actual Date
AT		01/11/2021	Not Provided	N/A	N/A		21/06/2023	Not Provided		01/07/2023
BE		12/10/2021	Not Provided	30/06/2023	Not Provided		05/07/2023	Not Provided		01/10/2023
BG		04/08/2023	100%	16/10/2023	100%		23/10/2023	100%		23/10/2023
CY		22/05/2023	100%	Not Provided	100%		07/11/2023	100%		07/11/2023
CZ		01/03/2023	100%	30/09/2023	100%		01/03/2023	100%		01/10/2023
DE		09/10/2020	100%	14/10/2022	100%		06/03/2021	100%		31/10/2022
DK		01/09/2021	100%	30/06/2023	100%		31/10/2023	100%		31/10/2023
EE		02/10/2023	100%	31/08/2023	100%		01/10/2023	100%		03/10/2023
ES		30/06/2022	100%	15/09/2024	20%		01/03/2024	80%		02/10/2024
FI		31/03/2020	100%	Not Provided	100%		31/03/2021	100%		31/03/2021
FR		31/03/2023	100%	N/A	N/A		06/03/2024	100%		Not Provided
GR		31/12/2023	Not Provided	Not Provided	Not Provided		31/12/2024	Not Provided		31/12/2024
HR		01/04/2022	100%	31/12/2022	Not Provided		01/03/2023	Not Provided		Not Provided
HU		30/06/2023	100%	15/12/2023	100%		31/12/2023	100%	31/12/2022	31/12/2023
IE		04/10/2019	Not Provided	04/10/2021	Not Provided		23/11/2020	Not Provided		05/10/2021
IT		01/06/2022	100%	12/12/2022	100%		13/12/2022	100%		13/12/2022
LT		01/07/2022	100%	01/03/2023	100%		28/02/2023	100%		01/10/2023
LU		14/12/2021	Not Provided	01/07/2023	Not Provided		10/01/2023	Not Provided		10/01/2023
LV		05/06/2017	100%	22/09/2017	100%		24/09/2017	100%		25/09/2017
MT		30/11/2023	100%	01/05/2024	N/A		01/06/2024	100%		01/06/2024
NL		01/04/2022	100%	01/12/2023	100%		01/12/2023	100%		01/03/2024
PL		01/01/2023	N/A	31/12/2023	N/A		31/12/2023	N/A		31/12/2023
PT		31/12/2022	100%	30/09/2024	100%		28/10/2024	100%		29/10/2024
RO		31/03/2023	Not Provided	31/12/2023	Not Provided		01/10/2023	Not Provided		Not Provided
SE		01/12/2022	100%	31/12/2023	75%		27/09/2023	75%		31/12/2023
SI		01/10/2022	100%	01/02/2023	100%		01/03/2023	100%		01/03/2023
SK		01/02/2023	0%	31/08/2023	0%		01/10/2023	0%		01/10/2023

Table 14: Comparison of Planned and Actual Dates – PN

<sup>75</sup> The Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/234, granting a derogation to AT, BE, CY, CZ, DK, EE, ES, FR, GR, HU, HR, LU, MT, NL, PL, PT, RO, SE, SI, and SK from 01/01/2023 until the deployment of the PN system, but not later than 31/12/2023, for air transport and 01/03/2024 for maritime transport, inland waterways, road or rail transport, whichever date is sooner.

In regards the implementation of Temporary Storage (TS), the following Member States indicated a planned/actual Operations date for TS, which is later than the deadline in the UCC WP and/or the granted derogation deadline<sup>76</sup>: BG, CZ, DK, ES, GR, MT, NL, PT, SE, SI, and SK. AT, FR, HR, and RO did not provide information on the Operations date. Some Member States decided to deliver the project in several iterations or releases, linked to the ICS2 Releases.

The specific dates can be found in Table 15.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>76</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>76</sup>	2023 Planned/ Actual Date
AT	To be defined by MS and for Notification of Arrival in line with ICS2 planning	Not Provided	Not Provided	Not Provided	Not Provided	To be defined by MS as part of the national plan	Not Provided	Not Provided	31/12/2022	Not Provided
BE		12/10/2021	100%	30/10/2023	Not Provided		29/11/2023	Not Provided		01/12/2023
BG		04/08/2023	Not Provided	16/10/2023	100%		23/10/2023	100%		23/10/2023
CY		02/05/2023	100%	Not Provided	100%		07/11/2023	100%		07/11/2023
CZ		01/09/2023	100%	31/12/2023	100%		31/12/2023	100%		01/01/2024
DE		09/10/2020	100%	14/10/2022	100%		06/03/2021	100%		31/10/2022
DK		01/11/2023	100%	15/10/2024	0%		15/10/2024	0%		15/10/2024
EE		02/10/2023	100%	31/08/2023	100%		01/10/2023	100%		01/07/2021
ES		30/06/2022	20%	15/09/2023	80%		01/03/2024	Not Provided		02/10/2024
FI		31/12/2020	100%	Not Provided	100%		31/12/2022	100%		31/12/2022
FR		31/03/2023	100%	N/A	100%		06/03/2024	100%		Not Provided
GR		31/12/2023	Not Provided	N/A	N/A		31/12/2024	Not Provided		31/12/2024
HR		25/02/2022	100%	28/02/2023	100%		01/12/2022	100%		Not provided
HU		30/06/2023	100%	15/12/2023	100%		31/12/2023	100%		31/12/2023
IE		04/10/2019	100%	04/10/2021	0%		23/11/2020	0%		05/10/2021
IT		01/06/2022	100%	12/12/2022	100%		13/12/2022	100%		13/12/2022
LT		04/05/2023	100%	31/10/2023	100%		31/10/2023	100%		31/10/2023
LU		14/12/2021	Not Provided	01/07/2023	Not Provided		10/01/2023	Not Provided		10/01/2023
LV		05/06/2017	100%	22/09/2017	100%		24/09/2017	100%		25/09/2017
MT		30/11/2023	100%	01/05/2024	Not Provided		01/06/2024	100%		01/06/2024
NL	01/09/2022	Not Provided	01/12/2023	100%	01/12/2023	100%	01/03/2024			
PL	29/07/2022	Not Provided	31/12/2023	Not Provided	31/12/2023	Not Provided	31/12/2023			
PT	31/07/2022	Not Provided	30/09/2024	100%	28/10/2024	100%	29/10/2024			
RO	31/03/2023	Not Provided	31/12/2023	Not Provided	01/10/2023	Not Provided	Not provided			
SE	Not Provided	0%	Not Provided	0%	01/10/2024	0%	31/12/2024			
SI	28/04/2023	Not Provided	02/10/2023	100%	30/11/2023	100%	01/01/2024			
SK	01/06/2024	0%	31/05/2025	0%	02/06/2025	0%	02/06/2025			

Table 15: Comparison of Planned and Actual Dates – TS

<sup>76</sup> The Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/236, granting a derogation to AT, BE, CY, CZ, DK, EE, ES, FR, GR, HU, HR, LT, LU, MT, NL, PL, PT, RO, SE, SI, and SK from 01/01/2023 until the deployment of the TS system, but not later than 31/12/2023, for air transport and 01/03/2024 for maritime transport, inland waterways, road or rail transport, whichever date is sooner.

Regarding AN, additional details on the specific percentage of completion per milestone can be seen in Figure 4<sup>77</sup>.

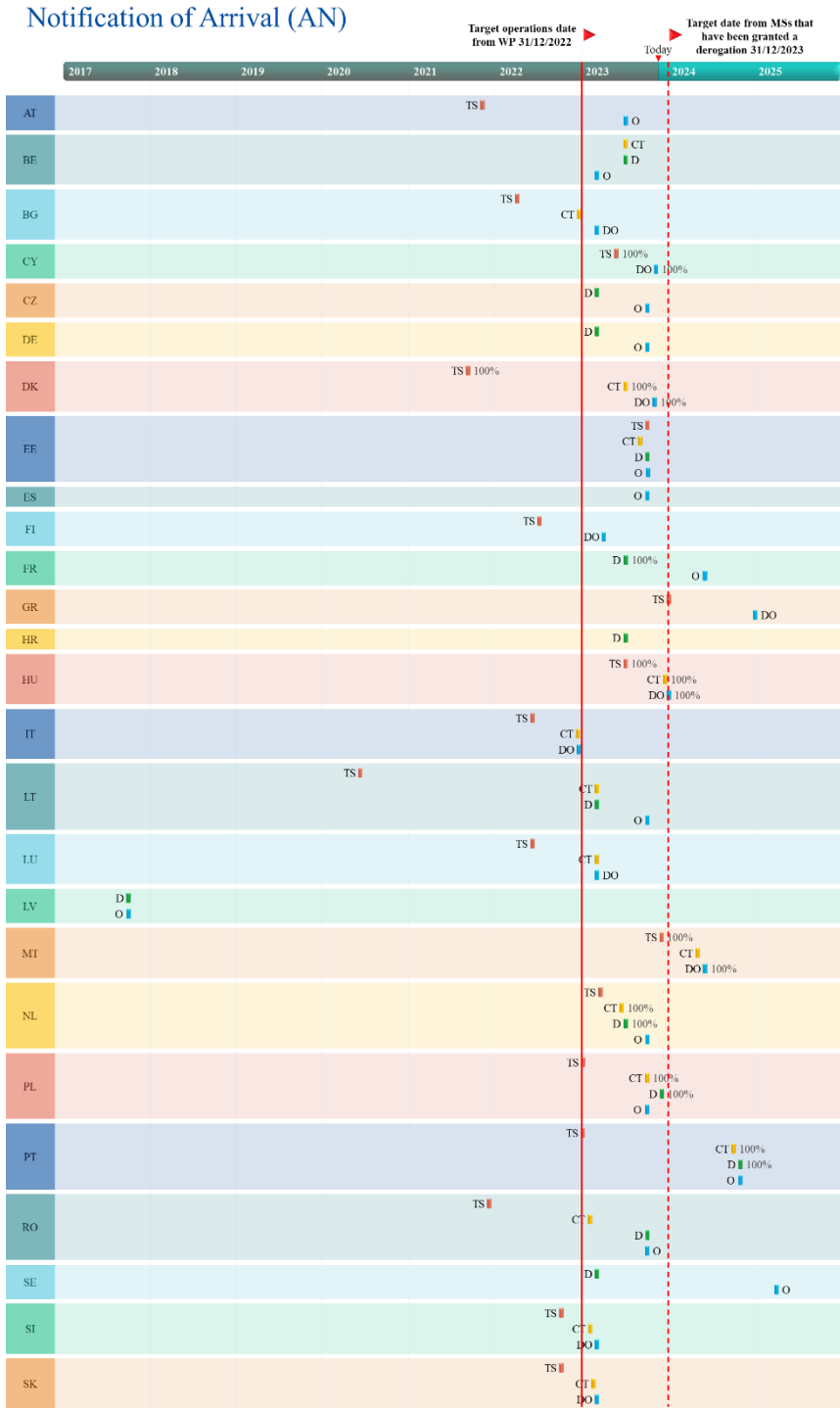


Figure 4: Percentage of Completion per Phase – AN<sup>78</sup>

<sup>77</sup> The target operations date from Member States that have been granted a derogation refers to air transport. For other transport modes, Member States have until 01/03/2024.

<sup>78</sup> Technical Specifications (TS) are indicated in red, Conformance Testing (CT) in yellow, Deployment (D) in green and Operations (O) in blue. In the case where the Deployment and Operations dates are the same, both phases are merged (DO) and shown together in blue. The red line indicates the target dates from the UCC WP, while the red broken line represents the deadline provided in the derogation granted to the Member States mentioned in the 'Important Remark' section of the corresponding project.

Regarding **PN**, additional details on the specific percentage of completion per milestone can be seen in Figure 5<sup>79</sup>.

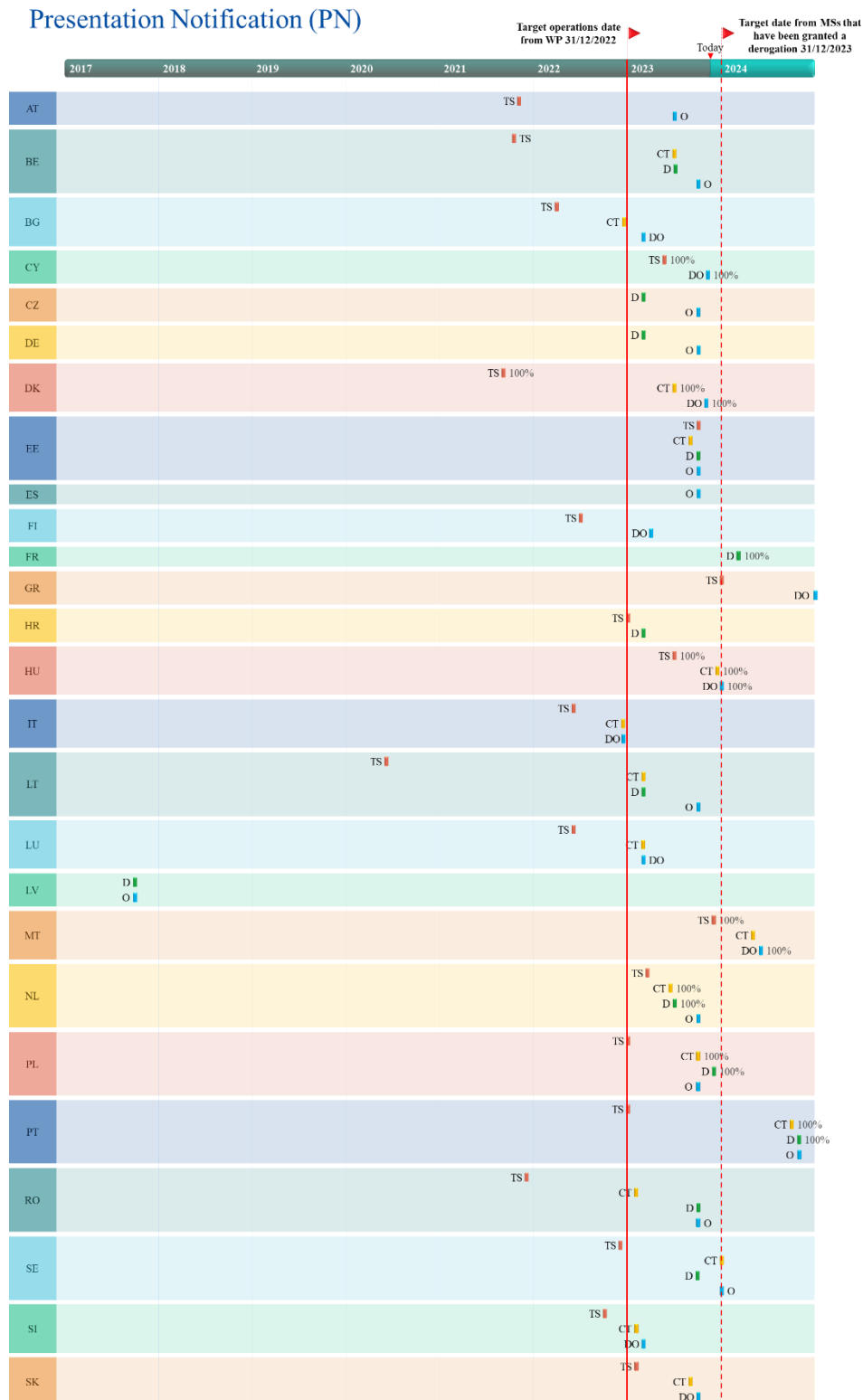


Figure 5: Percentage of Completion per Phase – PN

<sup>79</sup> The target operations date from Member States that have been granted a derogation refers to air transport. For other transport modes, Member States have until 01/03/2024.

Regarding **TS**, additional details on the specific percentage of completion per milestone can be seen in Figure 6<sup>80</sup>.

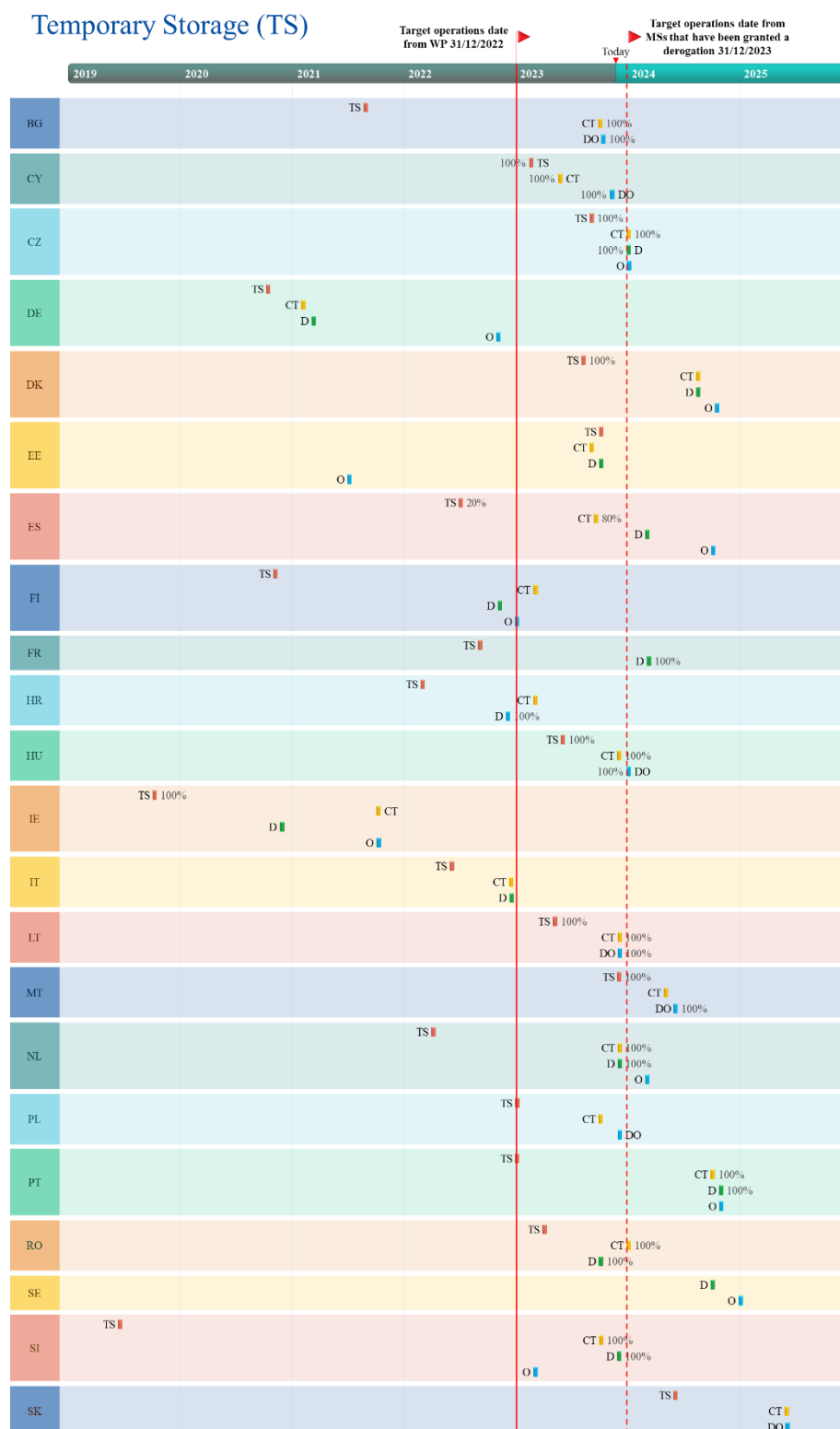


Figure 6: Percentage of Completion per Phase – TS

<sup>80</sup> The target operations date from Member States that have been granted a derogation refers to air transport. For other transport modes, Member States have until 01/03/2024.

### 3.2. UCC NATIONAL IMPORT SYSTEMS (NIS) UPGRADE

The project will implement all processes and data requirements deriving from the UCC, which relate to the import of goods into the Union. The existing NIS has to be upgraded in line with these new UCC requirements. The development activities related to this project are a national matter, with processes and data requirements for the external domain to be defined and agreed at the EU level.

The upgrade mainly relates to:

- a) Changes to support the different possibilities for lodging a customs declaration (e.g., standard, simplified declaration, including pre-lodged one, made through entry in the declarant's records, supplementary declaration) and its processing in the customs systems;
- b) Changes for Centralised Clearance at the national level;
- c) Changes to the exchange of information;
- d) Adjustments of the respective messages with the datasets in Annex B to the UCC Delegated Act (DA) and UCC IA;
- e) Impact of changes in other electronic systems at national level.

#### 3.2.1. Summary of Responses

##### Summary from the Member States:

Most Member States indicated that the system development is following the new data requirements in Annex B of the Commission Delegated Regulation (EU) 2015/2446, as amended by Delegated Regulation (EU) 2021/234.

BG, IT, and LV upgraded their NIS in line with the UCC and the requirements of the Annex B of the Commission Delegated Regulation (EU) 2015/2446 that was in force at that moment. They implemented NIS within the legal deadline of 31 December 2022. However, due to this early deployment, these Member States will need to make an additional effort for a second upgrade, in view of the new Annex B of the Commission Delegated Regulation (EU) 2021/234, by the date they deploy the Centralised Clearance at Import (CCI) Phase 1 system<sup>81</sup>.

Other Member States decided to concentrate first on the development of other systems and wait for further progress on the specifications for the trans-European system related to import, being the CCI system. These are those Member States that decided not to upgrade their existing NIS, but to build a completely new one.

If not already done, updates to align their systems with the provisions of the new Annex B of the Commission Delegated Regulation (EU) 2021/234 will happen by the end of 2023.

Most Member States indicated a high level of complexity of the project, mainly associated with the many interdependencies with other systems at the national level. Member States that are currently developing NIS using an Agile development approach to reduce the implementation timeframe and to minimise the impact on milestones.

Several Member States progressed well, with Technical Specifications either completed or in progress for almost 78% of the Member States. The Member States that already completed the project are DE, EE, ES<sup>82</sup>, FI, HR, IE, IT, LU<sup>83</sup>, PL, and SI. The Member States that envisage the NIS implementation by the end of 2023 are BE<sup>84</sup>, BG, CY, ES, FR, HU, LT, NL, RO<sup>85</sup>, and SE (see Table 16 below, as adjusted to the latest developments). Some other Member States (AT<sup>86</sup>, CZ, DK, GR, MT, PT, and SK<sup>87</sup>) do not expect to reach implementation by the end of 2023.

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<sup>81</sup> Article 2(4a) of Commission Delegated Regulation (EU) 2015/2446.

<sup>82</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.

<sup>83</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>84</sup> Information provided from a bilateral meeting between BE and DG TAXUD held on 14/06/2023.

<sup>85</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>86</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.

<sup>87</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.



**Important remark:**

Several Member States submitted a written notification to DG TAXUD, asking for derogation under Article 6(4) of the UCC, considering the delay for NIS beyond the deadline of 31 December 2022. The derogation requests from the Member States were assessed by the Commission services in terms of the justifications provided for the specific situations of the respective Member States requesting it and in view of a set of common assessment criteria.

In this light the Commission adopted an Implementing Decision (EU) 2023/237<sup>88</sup> on 1 February 2023, granting a derogation to AT, BE, CY, CZ, DK, ES, FR, GR, HU, LT, LU, MT, NL, PT, RO, and SE for the NIS system to use means other than electronic data-processing techniques for the exchange and storage of information. The derogation applies from 1 January 2023 until the deployment of NIS, but not later than 31 December 2023.

**Detailed Responses:**

Table 16 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	5	Low	BG is planning an update of NIS in accordance with the requirements set out in the Commission Delegated Regulation (EU) 2021/234. According to internal plans, a test version of the updated import system is expected in the middle of 2023 and full Deployment is planned for 31/10/2023. The IT projects are implemented using the TOGAF/ADM and RUP methodologies. BG indicated that an Agile approach is being used.
CY	6	High	Same response as for TS. In addition, CY explained that all milestones were impacted due to delays in the public procurement procedure and given the decision to develop and operate the Import Declarations System and its interfaces by using the EUCDM v6.1. Mitigating measures such as the allocation of extra human and other resources, are planned. The specifications and the implementation of the system took place in 2022. Throughout 2023, informational and promotional campaigns and meetings with the EOs and other stakeholders will be organised.
CZ	1	High	CZ indicated that the Technical Specifications are expected to be published in April 2024 and the system is planned to be operational in December 2024. Delays in the system's development occurred during the contractor's work on the functional specifications, prompting intensive communication between CZ and the contractor to address the situation. Despite the allocation of additional resources, the situation has not shown significant improvement. While assurances have been given regarding the operational date, there are lingering doubts due to the contractor's slow progress resulting from insufficient resources <sup>89</sup> .

<sup>88</sup> Commission Implementing Decision (EU) 2023/237 of 1 February 2023 granting a derogation requested by certain Member States to use means other than electronic data-processing techniques for the exchange and storage of information related to the customs declaration for goods brought into the customs territory of the Union laid down in Articles 158, 162, 163, 167, 170 to 174, 201, 240, 250, 254 and 256 of the Regulation (EU) No 952/2013 of the European Parliament and the Council laying down the Union Customs Code (OJ L 32, 3.2.2023, p. 226-228).

<sup>89</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			CZ is using an Agile approach for its development. CZ clarifies that a significant reduction in the financial budget for the Customs Administration of the Czech Republic has triggered a negative impact at the level of personal and contractual relationships. Therefore, the ability to maintain a high level of digitisation and volume of modernised systems has been reduced.
DE	4	Low	Same response as for TS.
DK	5	High	DK indicated a high complexity of activities for this project due to the high number of national requirements for import, which require new developments to the standard system. After a replanning and a new prioritisation of the MASP projects in the Danish UCC Programme, DK decided to prioritise the implementation of the trans-European releases ICS2, AES and NCTS-P5, in order not to compromise the work in other Member States. Due to the need to prioritise the implementation of those UCC projects, DK will not be able to implement NIS on 31/12/2023. DK reported a good progression in the development of the Danish NIS and has implemented an Agile setup (Scaled Agile Framework [SAFe]). DK expects to implement NIS on 15/10/2024 and, thus, does not expect to meet the derogation deadline.
EE	6	Low	New NIS was implemented by the Estonian Tax and Customs Board and has been in operation since 01/07/2021.
ES	4	Low	While ES has had an old legacy system in production since September 2022, a new NIS system ensuring full compatibility on ES's external domain with Annex B was Deployed in September 2023. This system allows SURV3 requirements to be fulfilled. In parallel, ES shared that there is a fully new system, including CCI, undergoing Conformance Testing and Deployment is scheduled for May 2024, with a migration window until March 2025. This transition is supported by a national converter established for EOs that are still in the old system, translating the new messages into the current system. This internal converter will be updated in April 2024 <sup>90</sup> . ES has implemented an iterative development methodology.
FI	6	High	FI explained that the system has been in operation with customs warehousing since 2019 and has been in free circulation since 2020, with several additional deployments since then. Significant changes resulting from VAT also impacted the infrastructure. FI shared that its dealing with is a heavy workload and limited resources, including the management of outsourcing. Some functions were prioritised over others and, as a result, some manual processes are still to be automated. The migration to the new system was completed in April 2023 and traders have been using it ever since <sup>91</sup> .
FR	6	Medium	FR informed of a high complexity level of activities for NIS due to the need to implement new procedures, like the recapitulative supplementary declaration as well as the evolving nature of Annex A (application for authorisation on declaration). FR has

<sup>90</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.

<sup>91</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			implemented mitigating measures, such as adding more human resources and working alongside connected projects. A new planification of NIS will be available by September 2023. This delay is necessary in light of the complexity of the above-mentioned features and to have a better change management for the customs offices. FR is working on a tight schedule and unexpected events could further delay the planning.
GR	6	High	GR indicated delays to the start call for tender procedures, with internal discussions under way to assess the situation and the impact on all milestones and estimates the signature of the contract to be in Q4 2023. GR plans to update the NIS system to accommodate the new data requirements necessary for sending the full Surveillance dataset. A derogation extension request has been submitted <sup>92</sup> .
HR	6	Low	NIS was implemented on 01/01/2023 and has been in Operations ever since.
HU	6	High	HU is currently undergoing a redesign of the NIS system. The necessary IT programmes were completed to overcome previously identified barriers and professional tests are in progress. In parallel, development work is underway. The system upgrade is expected to be Deployed by 10/09/2023 and the old and new systems will run in parallel until the end of 2023 to allow for a gradual and smooth transition of the EOs <sup>93</sup> .
IE	4	Medium	NIS was implemented in November 2020 with the dataset applicable at the time before changes were implemented to the dataset of the new Annex B of the Commission Delegated Regulation (EU) 2021/234. IE's NIS will be aligned with the new Annex B. IE indicated that it is carrying out many parallel developments under way.
IT	5	Low	IT shared that the new NIS was implemented by the Italian Customs and has been in operation as planned according to the deadlines of Annex B.
LT	4	Medium	Same response as for TS.
LU			Same response as for TS.
LV			
MT			MT shared that while the development of the system is progressing, system and conformance testing still needs to be done. A one-year delay is expected for the Deployment of the system due to testing requirements, integration with other systems and ongoing tendering processes <sup>94</sup> .
NL	6	Low	The overall status for the system deployment is assessed as being on target. Deployment took place incrementally between April 2022 and March 2023. NL shared that the system will be ready in 2023, but there is still uncertainty about traders' readiness <sup>95</sup> . NL indicated that an Agile approach is being used for the system development.
PL	3	Medium	The overall status for the system Deployment is assessed as being on target, as Deployment took place in 01/04/2023. The

<sup>92</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>93</sup> Information provided from a bilateral meeting between HU and DG TAXUD held on 07/09/2023.

<sup>94</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>95</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			Conformance Testing phase for the EOs ended on 04/11/2022, while tests with the central systems ended on 02/01/2023. PL shared that the system is already fully aligned to Annex B but will be further updated to the new version <sup>96</sup> . The main risks identified related to the organisational changes and fluctuation of the human resources. Additional risks may come from funding shortages. For the system development, PL used an Agile and an iterative approach.
PT	6	High	The implementation of NIS has been delayed beyond the expected Deployment deadline. Operations are planned in the second half of 2024 <sup>97</sup> . The cause of the delay is due to the complexity of integrating various national systems. The new NIS not only relates with the existing system, but also to the development of all national, central systems/modules, national and EU entities connections, which increases the interdependencies and the complexity of the 'global system'. To mitigate the delay, PT has adopted an Agile development approach to reduce the implementation timeframe and has improved its planning to meet the required timeframe. However, PT is currently facing procurement and tendering difficulties, particularly in the renewal of contracts with the companies developing the systems, which may lead to an implementation of NIS beyond the Deployment deadline established in the granted derogation. According to PT, a partial deployment approach cannot be envisaged for the system, given the high probability of disrupting NIS. The test environment is available to the EOs even though they have not started testing yet. Development is ongoing on Webforms and Webservices.
RO	6	Low	Same response as for TS <sup>98</sup> .
SE	3	Low	SE is progressing to meet the deadline for the completion of NIS on 31/12/2023 and reiterated its intention of performing a phased implementation. The information provided by SE regarding NIS is applicable for the standard customs declaration. The standard customs declaration (excluding SP) was deployed on 15/03/2022, with a migration period for traders until the end of 2023 <sup>99</sup> . The customs declaration for special fiscal territories (H5) will follow the same plan as SP IMP. The simplified declaration will be implemented during 2024 and Entry in the Declarant's Records during 2025. The low value declaration H7 was deployed in April 2023 and its Technical Specifications are available since October 2022. The test environment for the traders took place in December 2022. Concerning the declaration for Customs warehousing procedure, SE will perform an update to include requirements set out in the new Annex B of the Commission Delegated Regulation (EU) 2021/234. The system will be Deployed during 2025.

<sup>96</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>97</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

<sup>98</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>99</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
SI	6	Low	SI explained that an increased level of complexity was allocated to the system development, considering the team had to harmonise the data of the import declaration with the new Annex B of the Commission Delegated Regulation (EU) 2021/234. This required the reprogramming of about 1,000 national Rules and Conditions, and approximately 2,000 risk analysis instructions. At the same time, there was a significant impact on the system due to the changes in data from EUCDM v3.1 to EUCDM v6.1. This caused a delay in the development of NIS, as the external environment was not prepared and it was challenging to work with. Furthermore, communication was highly affected due to the situation created by the COVID-19 pandemic, adding to the complexity of the system development. SI shared that plans to update to EUCDM v6.0 by 31/12/2023 <sup>100</sup> .
SK			SK shared that the new Annex B is planned to be implemented in the system by 01/07/2024 with CCI-P1. A big bang approach will be followed for traders. Since the Deployment of the system is being delayed beyond the deployment deadline, SK has sent a derogation request. SK explained that the capacity of resources is stretched since the same team work on all the system <sup>101</sup> .

Table 16: Detailed responses from Member States – NIS

Figure 7 provides the percentage of Member States in each development phase.

NIS

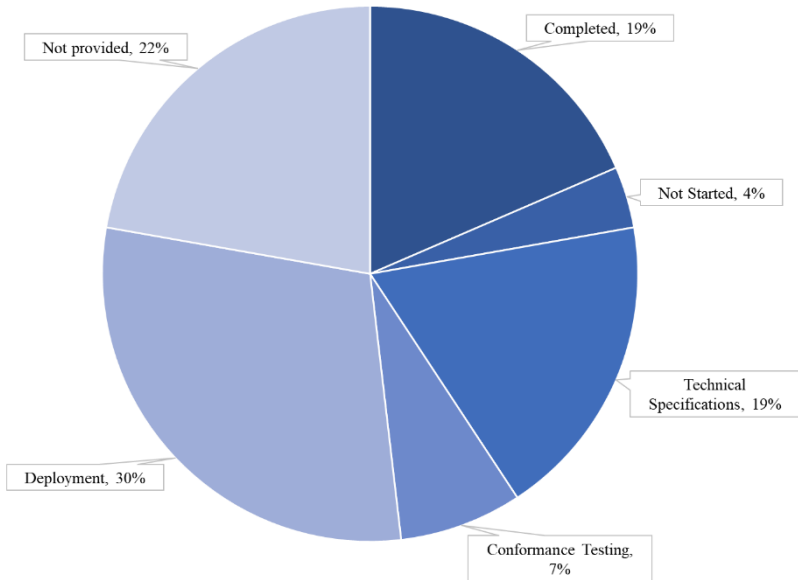


Figure 7: Summary of Survey Responses – NIS

<sup>100</sup> Information provided from a bilateral meeting between SI and DG TAXUD held on 13/06/2023.

<sup>101</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

### 3.2.2. Overview of Project Progress

Table 17 highlights any divergences in the planning compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding the implementation of **NIS upgrade**, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP and/or the granted derogation deadline<sup>102</sup>: BE, BG, CZ, DK, ES, GR, HR, IE, MT, PL, PT, and SK. AT, FR, and RO did not provide information on the Operations date. The specific dates can be found in Table 17 below.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>102</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>102</sup>	2023 Planned/ Actual Date
AT		Not provided	80%	Not provided	0%		Not Provided	0%		Not Provided
BE		01/11/2021	Not provided	01/10/2023	Not provided		06/12/2023	Not provided		31/03/2024
BG		04/08/2023	100%	16/10/2023	100%		23/10/2023	100%		23/10/2023
CY		22/05/2023	100%	Not Provided	100%		07/11/2023	100%		07/11/2023
CZ		01/04/2024	25%	30/11/2024	0%		01/12/2024	0%		01/12/2024
DE		09/10/2020	100%	14/10/2022	100%		06/03/2021	100%		31/10/2022
DK		01/11/2023	100%	15/10/2024	Not provided		15/10/2024	30%		15/10/2024
EE		31/12/2020	100%	30/06/2021	100%		01/07/2021	100%		01/07/2021
ES		14/03/2022	100%	30/06/2024	100%		30/09/2023	100%		30/06/2024
FI		30/06/2019	100%	Not provided	100%		31/12/2019	100%		31/12/2022
FR		31/03/2023	90%	N/A	100%		31/12/2024	90%		Not Provided
GR		31/12/2023	100%	Not Provided	Not Provided		31/12/2022	0%		01/01/2025
HR		31/12/2021	100%	31/12/2022	100%		01/01/2023	100%		01/01/2023
HU	To be defined by MS	31/07/2022	100%	17/09/2023	100%	To be defined by MS as part of the national plan	12/10/2023	100%	31/12/2022	01/11/2023
IE		23/06/2023	100%	23/06/2024	100%		24/06/2024	100%		24/06/2024
IT		02/12/2019	100%	30/06/2021	100%		01/07/2021	100%		08/06/2022
LT		15/07/2023	100%	01/12/2023	100%		31/12/2023	100%		31/12/2023
LU		03/01/2022	Not Provided	29/04/2023	Not Provided		02/05/2023	Not Provided		02/05/2023
LV		30/10/2017	100%	01/06/2018	Not Provided		03/06/2018	Not Provided		04/06/2018
MT		N/A	100%	N/A	Not provided		01/02/2025	60%		01/02/2025
NL		01/01/2022	100%	01/01/2023	100%		01/04/2022	100%		29/09/2023
PL		29/07/2022	100%	31/12/2023	100%		31/12/2023	100%		31/12/2023
PT		01/07/2022	100%	30/09/2024	40%		28/10/2024	Not Provided		29/10/2024
RO		31/03/2022	0%	31/12/2022	0%	01/10/2023	0%	Not Provided		
SE		15/09/2021	100%	31/12/2022	100%	15/03/2022	100%	31/12/2023		
SI		01/07/2019	100%	01/10/2021	100%	01/01/2022	100%	01/01/2022		
SK		17/02/2023	100%	31/12/2024	Not Provided	01/01/2025	100%	01/01/2025		

Table 17: Comparison of Planned and Actual Dates – NIS

<sup>102</sup> The Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/237, granting a derogation to AT, BE, CY, CZ, DK, ES, FR, GR, HU, LT, LU, MT, NL, PT, RO, and SE from 01/01/2023 until the deployment of the NIS system, but not later than 31/12/2023. Additionally, where Article 2(4a) of Commission Delegated Regulation (EU) 2015/2446 applies, Member States will have until 01/07/2024 to deploy the system.

Additional details regarding the specific percentage of completion per milestone can be seen in Figure 8.

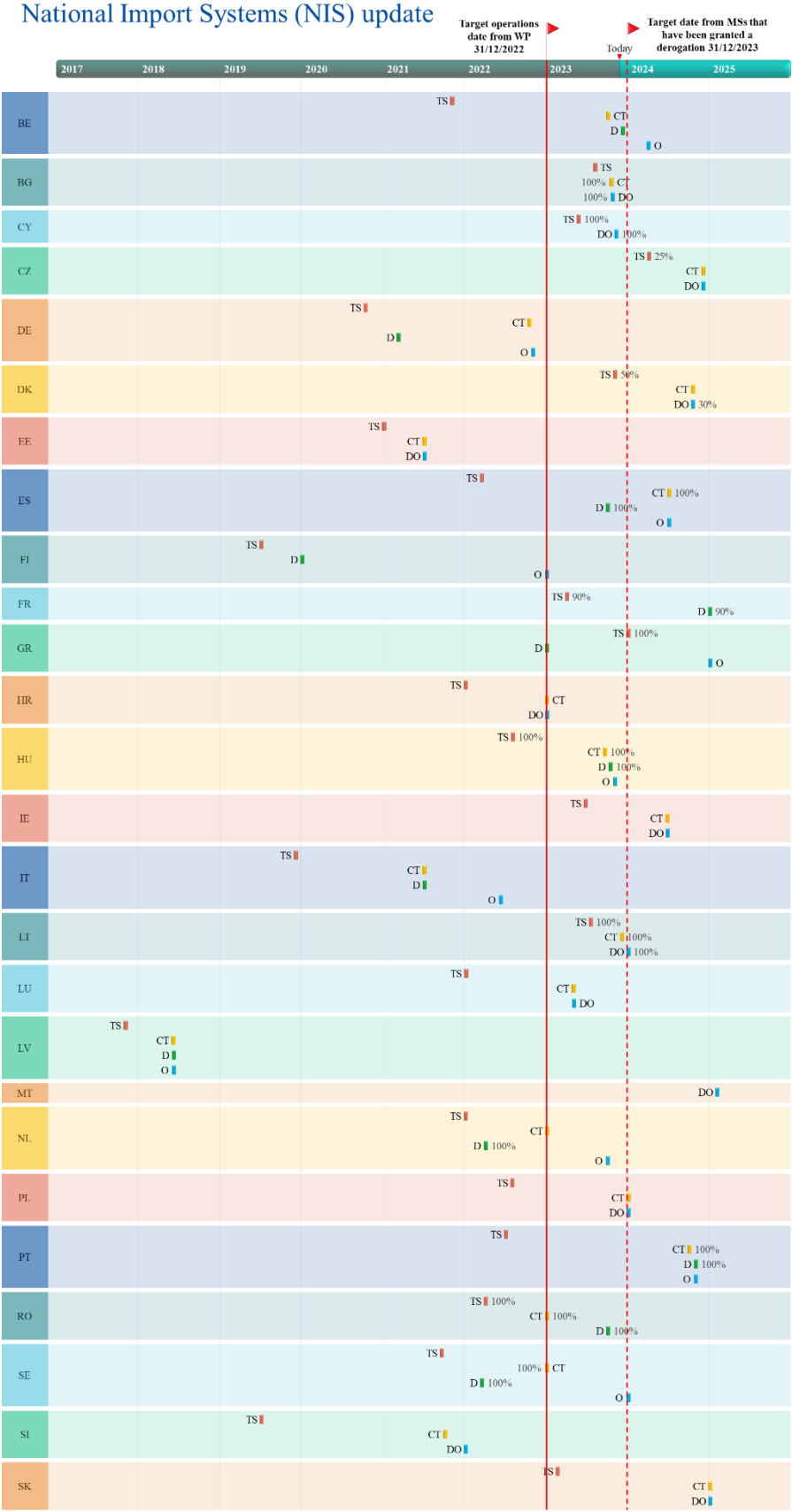


Figure 8: Percentage of Completion per Phase – NIS



### 3.3. UCC SPECIAL PROCEDURES – COMPONENT 1 (SP EXP)

This project aims to accelerate, facilitate and harmonise SP across the Union, by means of providing common Business Process Models (BPMs). The national systems will implement all the UCC changes required for all the SP (customs warehousing, end-use, temporary admission and inward/outward processing). It should be noted that, in many Member States, the implementation of this project occurs within the context of the upgrades of AES.

In terms of planning, this project will be implemented in two stages/phases. The first component is the national SP EXP with the view to providing the required national electronic solutions for the export-related special procedure activities.

The implementation of SP EXP will occur through the AES upgrade project. Therefore, the information provided for under this project also applies in this context.

#### 3.3.1. Summary of Responses

##### Summary from the Member States:

The Member States mainly indicated a low to medium risk level on the on-time delivery of the project, while assessing the complexity as being medium to high.

The causes for delays identified are the following: dependencies with other systems, especially AES, lack of resources and procurement delays along with specific working circumstances caused by the COVID-19 pandemic. Many Member States also implemented Agile development methodologies to reduce the implementation timeframe.

According to the data analysed, the following Member States indicated the project as complete: BG, DE, LT, and SI.

In terms of assessing the level of completeness of the system, approximately 60% of the Member States that provided updated information reported that the system is on target. ES, FI, FR, SE, and SK<sup>103</sup> indicated that currently the development of the system is delayed beyond the Deployment deadline.

##### Detailed Responses:

Table 18 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	4	Low	BG indicated that since the National SP EXP is part of the AES the activities are included in the AES project.
CY	6	Low	CY explained that the analysis, preparation of specifications and implementation of the SP EXP took place in 2022 and the process is now almost completed. SP EXP is marked as highly complex, due to the interdependencies between core and supporting systems, need for high percentage of availability of the systems, limitations in human resources and the COVID-19 pandemic. The system is planned to 'go live' on 24/10/2023.
CZ			
DE	4	Low	DE shared that SP EXP is implemented in line with AES-C1. The IT Service Providers and the EOs have to ensure that the Conformance Test is planned in time to be connected to the new system by the end date of the soft migration from Export Control System – Phase 2 (ECS-P2) to AES, on 29/10/2023 at the latest. DE is making use of an Agile development approach

<sup>103</sup> Information provided from the updated SK National Project Plan on 07/11/2023.



MS	Complexity Rating	Risk Level	Additional Comments
			in defined software release-cycles. The ongoing activities concern the finalisation and fine-tuning of AES, monitoring of Operations, preparation of remaining conformance tests for new functionalities of AES (e.g., centralised clearance) and ongoing Conformance Tests (certification) of the EOs. The end date of the transition window for traders has been shifted from June 2023 to 2029.
DK	6	Low	SF EXP is assessed as being on target. DK explained that a partial Deployment took place on 29/04/2023 for the N1 certificate and on 29/07/2023 for N2 and N3 certificates. DK implemented a customised SAFe Agile approach for SP EXP, which is marked as highly complex because of the many stakeholders and the integrations to other national systems.
EE	6	Medium	SP EXP is being developed alongside AES-C1. EE indicated a delay in the delivery of the Technical Specifications, development and Conformance Testing (Mode 1 and Mode 2). EE implemented an Agile approach, separating the analysis, development, delivery and testing activities into different phases.
ES	5	Medium	ES assessed the project as being delayed beyond the foreseen deadline because SP IMP has to be aligned with the new import and export systems, which are not yet ready.
FI	6	High	FI explained that SP EXP is being developed together with the national AES-C1. AES will be built from scratch, which will have a significant impact on the on-time delivery of the project, given its many integrations with several parallel projects. FI prioritised NCTS over AES, which will be activated again in Q2 2023. The final version of the Technical Specifications for traders will be published on 25/05/2023. FI requested a derogation, as SP EXP is delayed beyond the foreseen deadline, due to the existence of many parallel projects, the impact of COVID-19 and limited resources, especially on the side of the suppliers.
FR	6	High	FR allocated a high risk and complexity level to SP EXP. The project is delayed beyond the foreseen Deployment deadline, due to the need to launch a complete overhaul of FR's export and import systems, a process which is complex and requires many of resources. As a mitigation measure, FR has divided AES into several parts. The first delivery (accounting for 80% of SP EXP) will be made alongside the AES delivery, in Q4 2024. The other features will be delivered in a later batch with another version of SP EXP during 2025.
GR			
HR	3	Low	HR stated that SP EXP is being developed together with AES.
HU	3	Low	HU indicated that the project is on target. In addition, it informed that in parallel to the professional design tasks, the tasks related to the IT physical and logical planning phase are currently being carried out. Developments in SP EXP will be implemented within the context of AES.

MS	Complexity Rating	Risk Level	Additional Comments
IE	6	Medium	IE indicated that the status of the project is on target and that SP EXP is deployed as part of AES. EE reported that the project became more complex due to the Transition Period and the requirements for a transition handler, as well as the implementation of the information exchange Conversion Application (ieCA) and TP rules. The end of the trader migration window on 22/05/2023 is set as an important milestone. Business continuity processes were implemented, which will be followed by Centralised Clearance for Export (CCE), integration with NCTS-P5 and then Excise Movement and Control System (EMCS). Conformance Testing activities for Mode 2 were completed for the existing business continuity and new features of AES, such as CCE, are now under testing. The initial 'go live' of the project was due on 30/01/23, but due to the complexities outlined above it was pushed back to 21/03/23.
IT	3	Low	IT shared that SP EXP is being developed together with AES.
LT	4	Medium	LT indicated that the Deployment deadline is 01/12/2023 and it will be Deployed in a 'big bang' mode for all the EOs. LT pointed out that the Export followed by Transit functionality could be excluded.
LU			
LV			
MT			
NL	3	Low	NL indicated that the status of the project is on target. Conformance Testing is done for the transition phase and the post transition phase will be carried out in the coming months. An Agile system has been developed, so the transition of traders is going to be phased out.
PL	5	Medium	PL informed that the status of the project is on target. The implementation of the SP IMP and SP EXP systems has been gradually carried out in stages. The system was made available to customs officers from 01/07/2021, to monitor the use of SP by the EO. The system was then made available on a voluntary basis to the interested EOs from 29/11/2021, to submit the Bill of Discharge and Inventory. However, from 31/01/2022, all the EOs using SP were required to use some of the indicated functions of the system. The Regulatory Procedure with Scrutiny (RPS) system was implemented for all currently available business functions and became mandatory for the EOs as of 28/03/2022. The RPS system is fully operational in the production version as of one year. One of the important changes is an adjustment to the RPS system to collect and process a new dataset from customs declarations provided from the national IMP system and NCTS system. Moreover, relevant business functions concerning the SP were implemented into the national IMP and EXP systems. PL indicated that it supplemented the SP IMP and SP EXP systems deployed in 2021 with additional required UCC SP functions (in the planned dates of 2022 for IMP and 2023 for EXP). PL also started working under a new IT contract for the second phase of the SP IMP and SP EXP

MS	Complexity Rating	Risk Level	Additional Comments
			<p>implementation projects – functional development of the AES, Automated Import System (AIS) and RPS systems.</p> <p>Additionally, developments based on the data requirements of the new Annex B of the Commission Delegated Regulation (EU) 2021/234, are in progress. The identified risk for delay is due to the creation of a new IT national RPS system, with new functionalities and integration with other IT national customs. PL shared that this new system is needed in order to achieve the complex business goal. SP depends on the RPS system for managing and settling SP and it is integrated with other IT national customs systems, which are currently being expanded. The complexity of SP EXP is particularly high, due to the integration with the national IMP and EXP systems in the field of online transfer of data from customs declarations regarding SP to the RPS system, so the milestones might be impacted depending on the progress of other projects.</p> <p>The given dates of project stages concern the contracts currently being implemented and the selected key functionalities of UCC SP are entered into the SP IMP and SP EXP systems.</p>
PT	6	High	<p>PT indicated that it is developing the SP EXP system as an integrated part of AES, which poses a high risk associated with the on-time delivery of the project, due to a brand-new implementation of the AES system and the integration with different national and EU systems.</p> <p>PT reported that national, external and common domain tests with central systems and traders are being carried out and that an Agile development approach will be used to reduce implementation timeframe. However, PT is currently facing procurement and tendering difficulties, particularly with the renewal of contracts with the companies developing the systems.</p>
RO	6	Medium	<p>RO assessed the project as being on target and implemented an iterative approach for its development. RO updated the National Planning and provided a 15-day delay for Conformance Testing Mode 1.</p>
SE	4	Low	<p>SE informed that the deployment of SP EXP is experiencing a delay beyond the originally anticipated deadline. This delay occurred because in the first half of 2021, SE revised its plan for all projects and subsequently adjusted the dates accordingly. SE will deploy all parts in 01/10/2024 except for entry in the declarants' records, Exit Summary Declaration (EXS) and re-export notification, which will be deployed during 2025. SE pointed out that there will be no communications over the common domain in the old format after the end of 2024.</p>
SI	4	Low	<p>SP EXP is reported to be completed as of 08/05/2023.</p>
SK	3	Medium	<p>SK reported that SP EXP is being developed as part of AES and assessed the project as being delayed. Planned Conformance Testing will be carried out alongside AES. SK plans to have the system in operations by 31/03/2024<sup>104</sup>.</p>

Table 18: Detailed responses from Member States – SP EXP

<sup>104</sup> Information provided from the updated SK National Project Plan on 07/11/2023.

Figure 9 provides the percentage of Member States in each development phase.

SP EXP

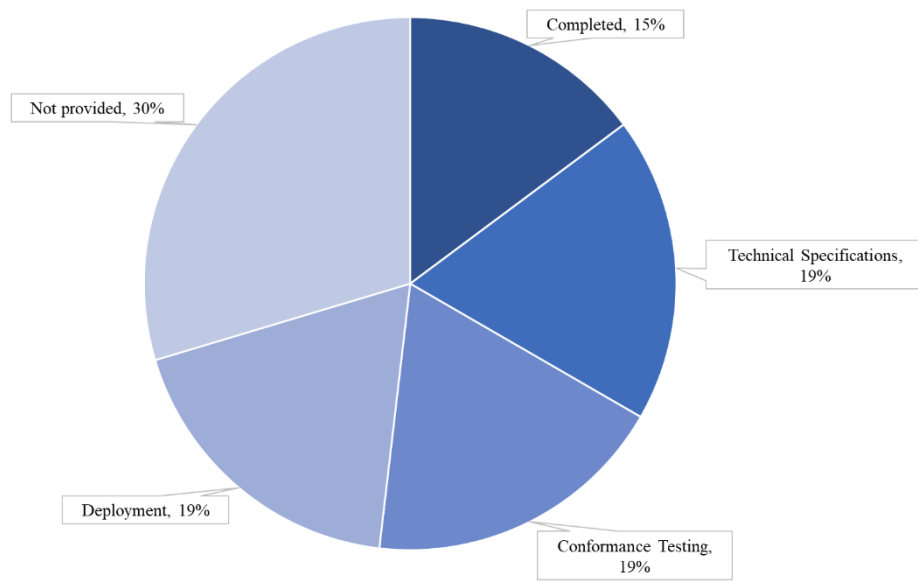


Figure 9: Project Status as per Survey – SP EXP

### 3.3.2. Overview of Project Progress

Table 19 highlights any known divergences in the planning of the **SP EXP** compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding the implementation of the SP EXP, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP: FI, FR, GR, HU, LU, MT, PT, SE, and SK. AT and HR did not provide information on the Operations date. The specific dates can be found in Table 19 below.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date
AT		Not Provided	Not Provided	Not Provided	Not Provided		Not Provided	Not Provided		Not Provided
BE		01/09/2021	Not Provided	01/09/2023	Not Provided		30/09/2023	Not Provided		30/09/2023
BG		31/08/2022	100%	15/08/2023	100%		28/08/2023	100%		28/08/2023
CY		30/06/2023	100%	Not Provided	100%		24/10/2023	100%		24/10/2023
CZ		21/10/2021	Not Provided	01/10/2023	Not Provided		02/10/2023	Not Provided		02/10/2023
DE		09/10/2020	100%	29/10/2023	100%		06/03/2021	100%		29/10/2023
DK		01/08/2022	100%	14/07/2023	100%		29/07/2023	100%		01/11/2023
EE		31/03/2022	100%	01/09/2023	100%		30/09/2023	100%		01/10/2023
ES		05/11/2021	80%	01/11/2022	80%		15/12/2022	50%		15/12/2022
FI		30/06/2023	100%	31/12/2024	30%		31/12/2024	45%		31/12/2024
FR		31/03/2023	100%	N/A	N/A		30/09/2024	0%		31/12/2024
GR		31/12/2023	Not Provided	Not Provided	Not Provided		31/12/2024	Not Provided		31/12/2024
HR		31/12/2021	100%	14/03/2023	100%		02/05/2023	100%		Not Provided
HU	To be defined by MS	31/01/2023	100%	30/08/2024	100%	01/03/2021	30/08/2024	100%	01/12/2023	30/08/2024
IE		28/01/2022	100%	30/03/2023	100%		21/03/2023	Not Provided		21/05/2023
IT		15/02/2021	100%	07/05/2023	Not Provided		01/03/2023	Not Provided		08/05/2023
LT		04/05/2023	100%	01/12/2023	100%		01/12/2023	100%		01/12/2023
LU		01/07/2023	Not Provided	30/03/2024	Not Provided		01/12/2023	Not Provided		30/03/2024
LV		N/A	N/A	30/09/2023	Not Provided		02/10/2023	Not Provided		02/10/2023
MT		N/A	100%	N/A	Not Provided		01/12/2024	Not Provided		01/12/2024
NL		01/01/2022	100%	31/12/2022	100%		01/04/2022	100%		29/09/2023
PL		23/10/2020	100%	04/05/2021	100%		01/07/2021	100%		28/03/2022
PT		22/02/2023	100%	31/10/2024	100%		30/11/2024	100%		02/12/2024
RO		06/01/2023	100%	30/11/2023	100%		15/05/2023	100%		01/12/2023
SE		15/12/2022	70%	20/12/2024	30%		01/10/2024	0%		20/12/2024
SI		18/12/2020	100%	23/05/2023	100%		24/05/2023	100%		24/05/2023
SK		03/02/2023	100%	31/03/2024	0%		01/04/2024	0%		31/03/2024

Table 19: Comparison of Planned and Actual Dates – SP EXP

Additional details regarding the specific percentage of completion per milestone can be seen in the following Figure 10.

### Special Procedures – Component 1 (SP EXP)

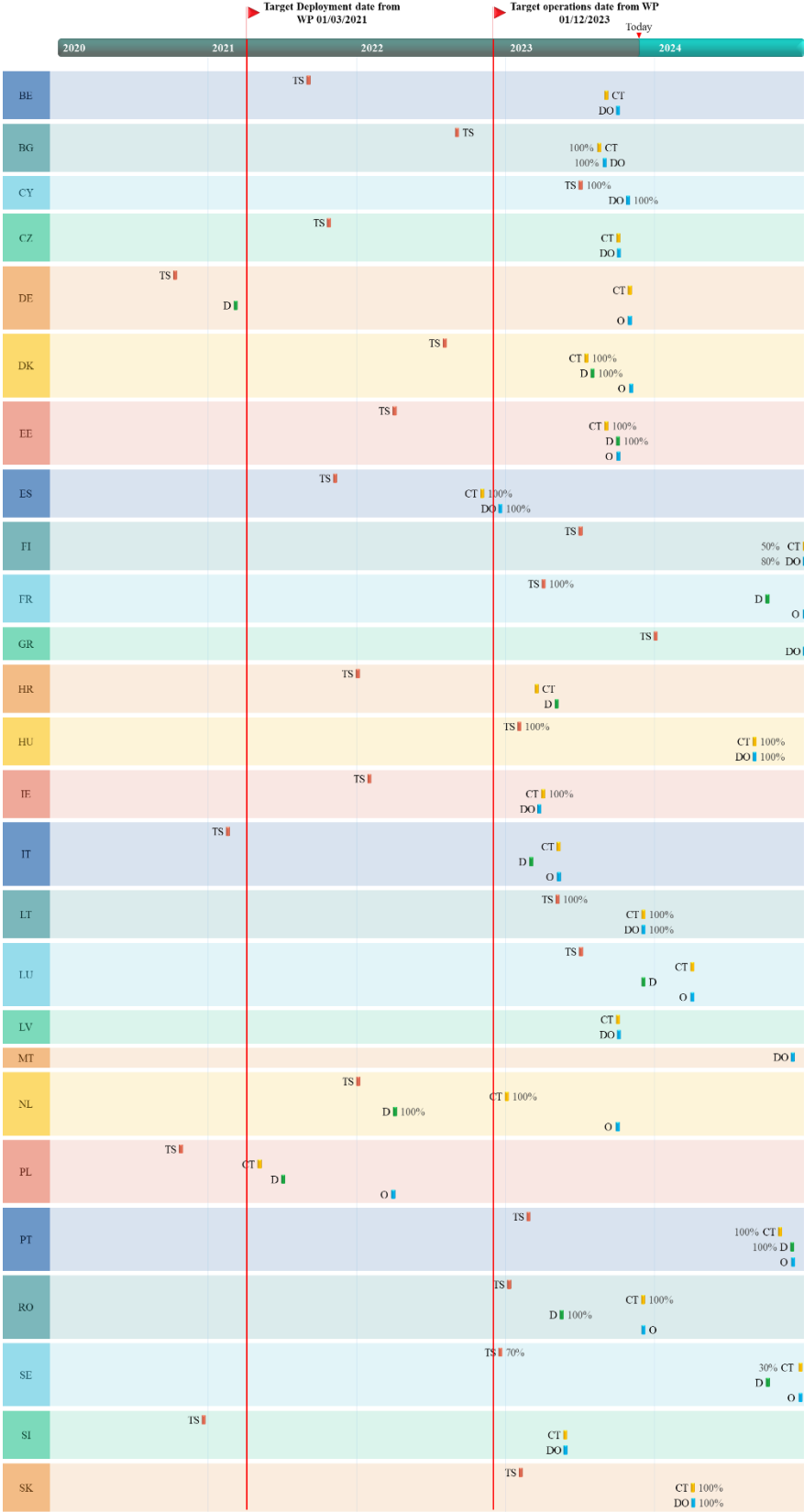


Figure 10: Percentage of Completion per Phase – SP EXP

### **3.4. UCC SPECIAL PROCEDURES – COMPONENT 2 (SP IMP)**

This national project aims to accelerate, facilitate and harmonise SP across the Union, by means of providing common BPMs. The national systems will implement all the UCC changes required for all the SP (customs warehousing, end-use, temporary admission and inward/outward processing). It should be noted that, in many Member States, the implementation of this project occurs within the context of the upgrades of NIS.

In terms of planning, this project will be implemented in two stages/phases. The second component is the national SP IMP with the view to providing the required national electronic solutions for the import-related SP activities.

The implementation of SP IMP will occur through the NIS upgrade project. Therefore, the information provided for under this project also applies in this context.

#### **3.4.1. Summary of Responses**

##### **Summary from the Member States:**

The majority of the Member States assessed the complexity as being medium or high, mentioning as the primary cause the many interdependences with the systems at the national level.

The potential causes for delay indicated by the Member States are the following: implementation of a new import system and/or dependencies with other systems, alignment with the new Annex B of the Commission Delegated Regulation (EU) 2021/234, lack of resources and procurement delays. Many Member States informed that an Agile development methodology has been adopted in order to reduce the implementation timeframe.

According to the analysed data the following Member States indicated the project as completed: DE, EE, FI, HR, IT, LT, SI, and SK.

CZ, ES, GR, MT, PT, and RO reported that currently the development of the system is being delayed beyond the Deployment deadline.

##### **Important remark:**

Several Member States submitted a written notification to DG TAXUD, asking for derogation under Article 6(4) of the UCC, considering the delay for NIS beyond the deadline of 31 December 2022. The derogation requests from the Member States were assessed by the Commission services in terms of the justifications provided for the specific situations of the respective Member States requesting it and in view of a set of common assessment criteria.

In this light the Commission adopted an Implementing Decision (EU) 2023/237<sup>105</sup>, granting a derogation to AT, BG, CY, CZ, DK, ES, FR, GR, HU, LT, LU, MT, NL, PT, RO, and SE for the SP IMP system to use means other than electronic data-processing techniques for the exchange and storage of information. The derogation applies from 1 January 2023 until the deployment of the SP IMP system, but not later than 31 December 2023.

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<sup>105</sup> Commission Implementing Decision (EU) 2023/237 of 1 February 2023 granting a derogation requested by certain Member States to use means other than electronic data-processing techniques for the exchange and storage of information related to the customs declaration for goods brought into the customs territory of the Union laid down in Articles 158, 162, 163, 167, 170 to 174, 201, 240, 250, 254 and 256 of the Regulation (EU) No 952/2013 of the European Parliament and the Council laying down the Union Customs Code (OJ L 32, 3.2.2023, p. 226-228).

## Detailed Responses:

Table 20 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	4	Low	BG indicated that the National SP IMP is part of NIS. Thus, the activities are included in the project adjustments of the existing import applications under the UCC.
CY	6	High	Same response as for NIS.
CZ	1	High	Same response as for NIS.
DE	4	Low	Same response as for NIS.
DK	6	Medium	The National SP IMP project builds upon the same standard solution as the National SP EXP. DK has prioritised the implementation of export and transit since they are of a Trans-European nature. The organisation and approach are partly based on the SAFe with Agile team structures and Agile events such as iteration planning and programme increments planning. DK indicated its commitment to making the system operational by October 2024. However, DK identified risks and complexities related to the many dependencies to other systems, parallel developments and the interaction of many stakeholders. To face these difficulties, DK has implemented the following mitigation measures: (1) improved the organisational project structure in cooperation with the supplier delivering the solution, (2) improved the process for handling clarifications, to avoid bottlenecks and enable faster decision-making and (3) added resources to ensure legal compliance.
EE	6	Low	Same response as for NIS.
ES	6	Medium	ES assessed the project as being delayed beyond the foreseen deadline because SP IMP has to be aligned with the new import and export systems, which are not yet ready. ES implemented a Scrum methodology for the development of the project.
FI	6	High	Same response as for NIS.
FR	5	Medium	The delay for NIS has impacted the planning of SP IMP, as SP IMP is backed by the NIS application. FR informed of a high complexity level in the SP IMP activities due to the implementation of new procedures, such as the recapitulative supplementary declaration, as well as the evolving nature of Annex A (application for authorisation on declaration). FR will deliver the functionalities in iterations, and SP IMP is part of the 5th iteration. A first (partial) version of SP IMP will be deployed in September 2023, to allow the operators to get used to the application before the release of the final version, expected in 2024. Conformance Testing will be done on the national system. This delay is necessary in light of the complexity of the above-mentioned features and to have a better change management for the customs offices. FR is working on a tight schedule and unexpected events could further delay the planning. FR has implemented mitigating measures, such as adding more human resources and working alongside connected projects.
GR	6	Medium	Same response as for NIS.



MS	Complexity Rating	Risk Level	Additional Comments
HR	6	Low	SP IMP was implemented alongside NIS on 01/01/2023 and is in Operations ever since.
HU	4	Low	According to HU the developments of SP IMP will be implemented within the framework of NIS. The necessary IT programs were completed and professional tests are in progress.
IE	4	Medium	IE indicated that the Deployment date for the SP IMP project has shift to June 2024, similarly to the CCI deployment in light of the alignment of its NIS with the new Annex B of the Commission Delegated Regulation (EU) 2021/234. IE is still pending the agreement with the external contractor on the approach to be used for the system development.
IT	4	Medium	IT reported that SP IMP was implemented and the necessary technical tests with EOs are in progress.
LT	4	Medium	The implementation of SP IMP for all the EOs will follow a 'big bang' approach. Conformance Testing will be conducted until December 2023 and Deployment is scheduled for the end of December 2023 as well.
LU			
LV			
MT			
NL	3	Low	NL shared that the overall status for the system deployment is assessed as being on target. An Agile development approach is being used in the system development.
PL	5	Medium	<p>PL indicated that the implementation of SP IMP and SP EXP has been gradually carried out in stages. The system was made available to customs officers from 01/07/2021, to monitor the use of SP by the EOs. The system was then made available voluntarily to the interested EOs from 29/11/2021 to submit the Bill of Discharge and Inventory. However, from 31/01/2022, all the EOs using the SP are required to use some of the indicated functions of the system. The RPS system was implemented for all currently available business functions and is mandatory for the EOs as of 28/03/2022. The RPS System is fully operational in the production version for one year. One of the important changes is an adjustment to the RPS System to collect and process a new dataset from customs declarations provided from the national IMP system and NCTS system. Moreover, relevant business functions concerning the SP were implemented into national IMP and EXP systems. PL indicated that it supplemented the Components 1 and 2 deployed in 2021 with additional required UCC SP functions (in the planned dates of 2022 for IMP and 2023 for EXP). PL also started working under a new IT contract for the second phase of the Components 1 and 2 implementation projects (functional development of the AES, AIS and RPS systems).</p> <p>Additionally, developments based on the data requirements of the new Annex B of the Commission Delegated Regulation (EU) 2021/234.</p> <p>The identified risk for delay is due to the creation of a new IT national system RPS, with new functionalities and the integration with other IT national customs. PL shared that this new system is needed in order to achieve the complex business</p>

MS	Complexity Rating	Risk Level	Additional Comments
			goal. SP depends on the RPS System for managing and settling SP and it is integrated with other IT national customs systems, which are currently being expanded. The complexity of SP IMP is particularly high due to the integration with national IMP and EXP systems in the field of online transfer of data from customs declarations regarding SP to the RPS System, so milestones might be impacted depending on the progress of other projects. The given dates of project stages concern the contracts currently being implemented, and the selected key functionalities of UCC SP are entered into SP IMP and SP EXP.
PT	6	High	PT informed that the implementation of the SP IMP system has been delayed beyond the expected Deployment deadline. The cause of the delay is the complexity of integrating various national systems. The new NIS not only relates with the existing system, but also to the development of all national, central systems/modules, national and EU entities connections, which increases the interdependencies and the complexity of the 'global system'. To mitigate the delay, PT has adopted an Agile development approach to reduce the implementation timeframe and has improved its planning to meet the required timeframe. However, PT is currently facing procurement and tendering difficulties, particularly with the renewal of contracts with the companies developing the systems, which may lead to an implementation of the SP IMP System beyond the Deployment deadline established in the granted derogation. According to PT, a partial deployment approach cannot be envisaged for the system, given the high probability of causing the disruption of the SP IMP system.
RO	6	Low	Same response as for NIS.
SE	3	Low	SE reported delays compared to the deadlines indicated in the UCC WP. The indicated Operations date for SP IMP is 30/06/2023. Regarding Customs Warehousing, the system is developed but has to be upgraded to the new Annex B of the Commission Delegated Regulation (EU) 2021/234. Preliminary operational stage is planned for 2024. For more detailed information please refer to the NIS section.
SI	6	High	SI shared that SPs are part of the SIAIS2, which has been in use since 01/01/2022. SI shared that a high risk of delay was inevitable due to the need to harmonise the import declaration data with Annex B in the IA / DA H2 (Storage – Declaration for customs warehousing), H3 (Specific Use – Declaration for Temporary Admission) and H4 (Processing – Declaration for inward processing).
SK	4	Low	SP IMP, as a part of NIS, was deployed but not in line with the new requirements introduced in the new Annex B of the Commission Delegated Regulation (EU) 2021/234. SP IMP will be aligned with the new Annex B together with NIS by the end date of the deployment window for CCI-P1. SK indicated that Conformance Testing was carried out at the national level with the EOs only.

Table 20: Detailed responses from Member States – SP IMP

Figure 11 provides the percentage of Member States in each development phase.

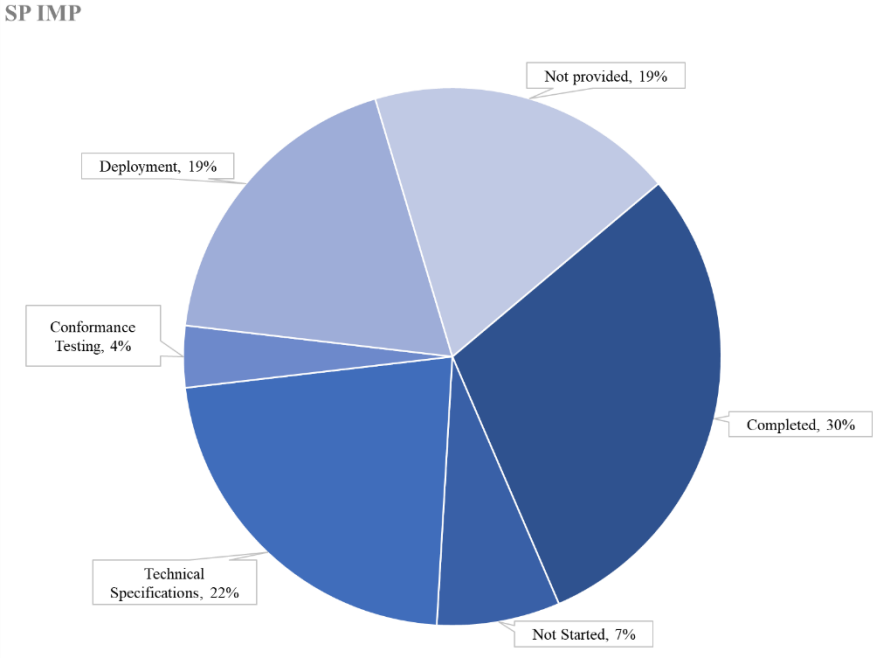


Figure 11: Project Status as per Survey – SP IMP

### 3.4.2. Overview of Project Progress

Table 21 highlights any known divergences in the planning of the **SP IMP** compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding the implementation of the SP IMP, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP and/or the granted derogation deadline<sup>106</sup>: AT, BE, CZ, DK, ES, GR, HR, MT, and PT. RO did not provide information on the Operations date. The specific dates can be found in Table 21 below.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>106</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>106</sup>	2023 Planned/ Actual Date
AT		Not Provided	Not Provided	Not Provided	Not Provided		03/02/2025	Not Provided		01/04/2025
BE		01/11/2021	Not Provided	01/10/2023	Not Provided		06/12/2023	Not Provided		31/03/2024
BG		04/08/2023	100%	16/10/2023	100%		23/10/2023	100%		23/10/2023
CY		22/05/2023	100%	Not Provided	100%		07/11/2023	100%		07/11/2023
CZ		01/04/2024	25%	30/11/2024	0%		01/12/2024	0%		01/12/2024
DE		09/10/2020	100%	14/10/2022	100%		06/03/2021	100%		31/10/2022
DK		01/11/2023	100%	15/10/2024	10%		15/10/2024	75%		15/10/2024
EE		30/09/2020	100%	30/06/2021	100%		01/07/2021	100%		01/07/2021
ES		01/04/2022	90%	30/06/2024	50%		30/09/2022	50%		30/06/2024
FI		01/09/2021	100%	Not Provided	100%		30/12/2022	100%		31/12/2022
FR		31/03/2022	80%	N/A	N/A		30/09/2023	80%		15/12/2023
GR		31/12/2023	100%	N/A	N/A		31/12/2024	0%		31/12/2024
HR		31/12/2021	100%	31/12/2022	100%		01/01/2023	100%		01/01/2023
HU	To be defined by MS	31/07/2022	100%	17/09/2023	100%	To be defined by MS as part of the national plan	12/10/2023	100%	31/12/2022	01/11/2023
IE		04/10/2019	100%	04/10/2021	100%		23/11/2020	100%		05/10/2021
IT		02/12/2019	100%	30/06/2021	100%		01/07/2021	100%		08/06/2022
LT		15/07/2023	100%	01/12/2023	100%		31/12/2023	100%		31/12/2023
LU		22/02/2022	Not Provided	29/04/2023	Not Provided		02/05/2023	Not Provided		02/05/2023
LV		30/10/2017	100%	01/06/2018	100%		03/06/2018	100%		04/06/2018
MT		N/A	100%	N/A	N/A		01/02/2025	60%		01/02/2025
NL		01/01/2022	100%	01/01/2023	100%		01/04/2022	100%		29/09/2023
PL		16/11/2020	100%	04/05/2021	100%		01/07/2021	100%		28/03/2022
PT		31/12/2022	100%	30/09/2024	100%		28/10/2024	100%		29/10/2024
RO	31/03/2023	100%	31/12/2023	100%	31/12/2023	100%	Not Provided			
SE	01/06/2022	100%	31/12/2023	100%	20/06/2023	100%	31/12/2023			
SI	01/07/2019	100%	01/10/2021	100%	01/01/2022	100%	01/01/2022			
SK	27/01/2016	100%	10/06/2016	100%	11/06/2016	100%	11/06/2016			

Table 21: Comparison of Planned and Actual Dates – SP IMP

<sup>106</sup> The Commission adopted on 1 February 2023 an Implementing Decision (EU) 2023/237, granting a derogation to AT, BG, CY, CZ, DK, ES, FR, GR, HU, LT, LU, MT, NL, PT, RO, and SE from 01/01/2023 until the deployment of the SP IMP system, but not later than 31/12/2023. Additionally, where Article 2(4a) of Commission Delegated Regulation (EU) 2015/2446 applies, Member States will have until 01/07/2024 to deploy the system.

Regarding **SP IMP**, additional details on the specific percentage of completion per milestone can be seen in the Figure 12 below.

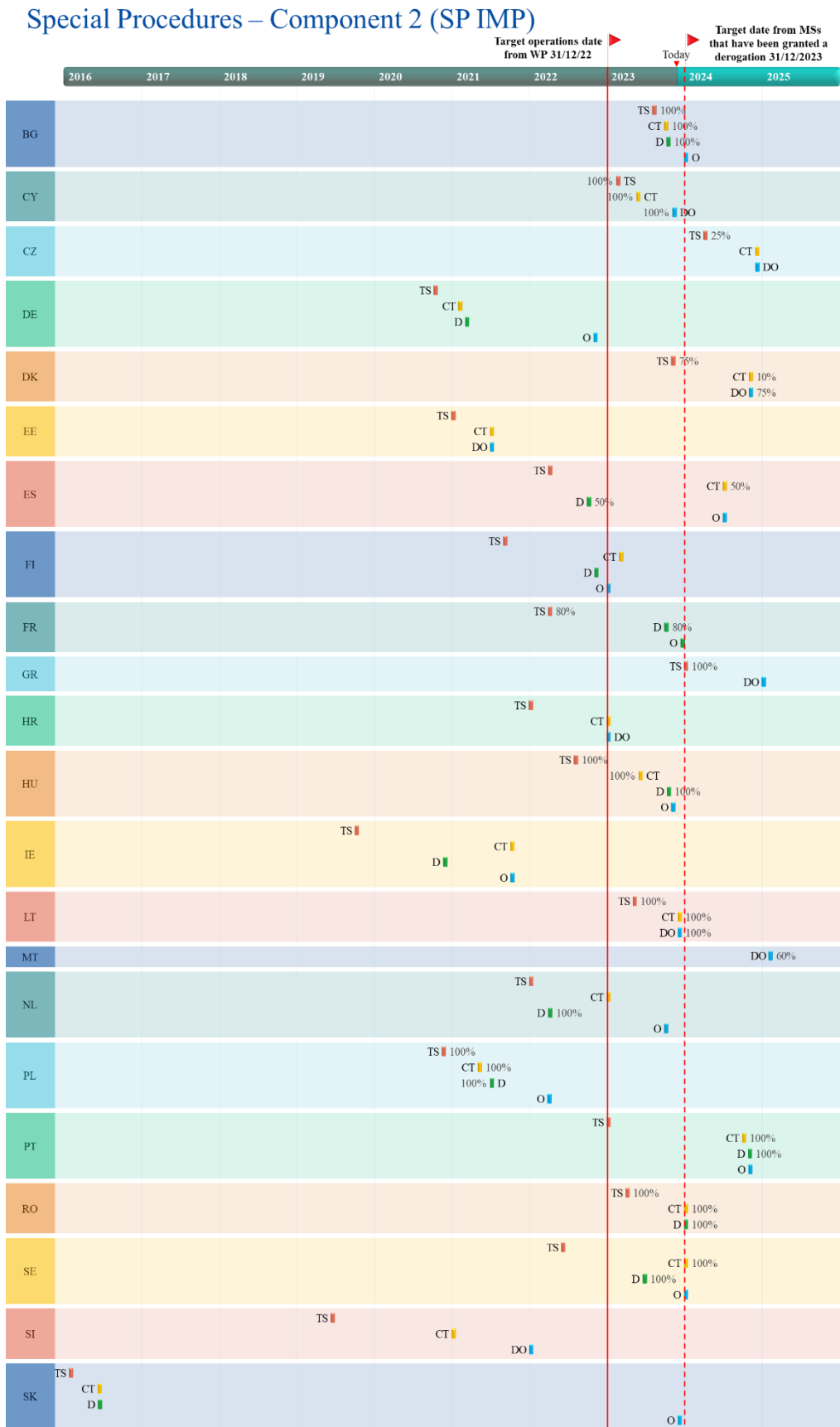


Figure 12: Percentage of Completion per Phase – SP IMP

## **3.5. UCC IMPORT CONTROL SYSTEM 2 (ICS2) – RELEASE 2**

### **3.5.1. Summary of Responses**

#### **Summary from the Commission:**

ICS2-R2 covers the implementation of new ENS obligations and related business as well as risk management processes for all the goods entering the EU by air traffic. From this release onwards, and following a positive policy decision of the Commission and Member States in December 2020, the ICS2 system implemented a Safety and Security Analytics (SSA) capability. As part of ICS2-R2, the Safety and Security Analytics capability is integrated within the ICS2 Common Repository component and implements the analytics platform accessible by Member States via Common Communication Network 2 (CCN2), integrated by a dedicated portal, and a data factory for real-time analytics (enrichment of ENS data) connected to a Common Repository.

In addition to the ICS2 Safety and Security Analytics capabilities project, ICS2-R2 poses new challenges compared to ICS2-R1. These challenges include the addition of three new types of EOs involved in air transportation supply chains and thirteen different types of ENS filings. The aim is to bring into the system more and better-quality trade data for goods moving towards the EU. ICS2-R2 includes new business models that reflect the needs of the industry as well as new rules and user interfaces, adding an increasing complexity of timers, data quality, data consistency rules and linking for multiple filings and arrival notifications. Furthermore, a larger volume of messages and a complex Conformance Testing, with numerous stakeholders is expected. Lastly, the migration strategy from ICS2-R1 to ICS2-R2 presents a challenge due to the different transition windows. In 2022 DG TAXUD initiated ICS2-R2 TES (Trans-European system) coordination meetings to ensure the smooth development of the system.

The conformance environment is ready for Member States testing since 1 July 2022 and for EOs testing since 1 September 2022. Most of the Member States completed the Conformance Testing activities as planned, while some of them have not completed their Conformance Testing yet. The EO deployment window concludes on 1 October 2023 and development is ongoing as planned.

The ICS2-R2 system was deployed and became operational on 1 March 2023, as planned. Updates were made to the Common Repository, Shared Trader Interface and Monitoring components. The Shared Trade Portal and Safety and Security Analytics started Operations, and the onboarding of end users is ongoing. By 22 June 2023, no ICS2-R2 messages were sent by Economic Operators and 19 National Administrations passed the ICS2-R2 Conformance Testing.

#### **Summary from the Member States:**

Most of the Member States indicated that the ICS2-R2 project is highly complex due to interconnections between core and supporting systems, high percentage of system availability required, limitations in human resources, impact of the COVID-19 pandemic and Conformance Testing issues. These complexities led to delays in Deployment, resulting in the Commission granting derogations to some Member States. To mitigate these delays, some Member States are allocating additional resources and using Agile system development increasing manual control and use of the Customs Risk Management System 2 (CRMS2).

Overall, a low/medium risk level was identified for the on-time delivery of the project, as most Member States will be able to deploy the system within the Deployment deadline.

The national functional and Technical Specifications based on the Common Technical System Specifications (CTSS) provided by DG TAXUD were already completed by more than 60% of Member States and currently in progress by 14% of Member States. However, GR and RO reported delays in delivering Technical Specifications due to delays in the tendering process. DE, SE, and SK will use the Central System, so they will not develop Technical Specifications for the external domain.

MT, PL, RO, and SE also indicated delays in Conformance Testing mainly due to delays from the contractors.

The UCC WP allows Member States to gradually connect with EOs until the deployment window ends. Nevertheless, concerns raised by DE suggest challenges in reaching all affected traders, especially those

outside the EU, making recording and monitoring of their plans and the required Transition Period difficult.

AT<sup>107</sup>, BG, CY, DE, FI, FR<sup>108</sup>, HU, IT, LT, LU<sup>109</sup>, LV<sup>110</sup>, NL<sup>111</sup>, PL<sup>112</sup>, PT, SI, and SK indicated that the project is completed. CZ, ES, MT, and SE are targeting to deploy within the deadline, while DK, EE, GR, HR, IE, and RO reported that the project is being delayed beyond the foreseen deployment deadline.

**Important remark:**

Several Member States submitted a written notification to DG TAXUD, asking for derogation under Article 6(4) of the UCC, concerning the delay for ICS2-R2, beyond the deadline of 1 March 2023. The derogation requests from the Member States were assessed by the Commission services in terms of the justifications provided for the specific situations of the respective Member States requesting it and in view of a set of common assessment criteria.

In this light, the Commission adopted on 24 February 2023 an Implementing Decision (EU) 2023/438<sup>113</sup> granting a derogation to AT, BE, DK, EE, FR, GR, HR, LU, NL, PL, RO, and SE for the ICS2-R2 system provided for in Article 133 of the UCC, to use means for the exchange and storage of information other than electronic data-processing techniques, in relation to goods transported by air. The derogation applies from 1 March 2023 until 30 June 2023.

**Detailed Responses:**

Table 22 provides the individual Member States’ responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	6	High	BG indicated that the ICS2-R2 project is completed. As stated in its National Planning, the system was deployed and has been in Operations since 01/03/2023. The Bulgarian customs administration used an Agile and iterative approach, combined with an adapted and integrated implementation of the ADM and RUP frameworks, each designed for a specific purpose. ADM was aimed at implementing and maintaining the overall BCA architecture, while RUP was used to manage the software lifecycle of the solution.
CY	5	Low	CY reported that the preparation of specifications and implementation of the ICS2-R2 system occurred in 2022. However, the project experienced delays beyond the intended Deployment deadline due to Conformance Testing scenario issues on the ITSM side that currently remain unresolved. As a result, not only Conformance Testing was impacted, but Deployment also. To mitigate this delay, CY allocated additional resources to the project. Nonetheless, the project was highly complex due to interconnections between core and supporting systems, the high percentage of system availability required, limitations in human resources and the impact of the

<sup>107</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.

<sup>108</sup> Information provided from a bilateral meeting between FR and DG TAXUD held on 05/09/2023.

<sup>109</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>110</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>111</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>112</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>113</sup> Commission Implementing Decision (EU) 2023/438 of 24 February 2023 granting a derogation requested by certain Member States pursuant to Regulation (EU) No 952/2013 of the European Parliament and of the Council to use means other than electronic data-processing techniques for the exchange and storage of information for Release 2 of the Import Control System 2 (OJ L 63, 28.2.2023, p. 56-58).

MS	Complexity Rating	Risk Level	Additional Comments
			COVID-19 pandemic. CY shared that the system was Deployed on 21/06/2023 <sup>114</sup> .
CZ	5	Low	CZ shared that the Technical Specifications, Conformance Testing and Deployment for ICS2-R2 were completed on 15/02/2023, 24/02/2023 and 16/03/2023 respectively. Traders are now transitioning to the system <sup>115</sup> .
DE	4	Low	According to DE, ICS2-R2 is in Operations since 01/03/2023 and was implemented as part of the national IT-System ATLAS Release 10.1. Shared Trader Interface was implemented to facilitate message exchange between the EOs and customs authority, in accordance with the requirements of the Commission. However, DE indicated that connection from Trade (Air Carrier) was suspended due to a change in the transition strategy decided by DG TAXUD on 28/02/2023. Under the UCC WP, Member States can allow EOs to connect gradually until the end of the deployment window for each release. Despite this provision, DE expressed concerns about reaching all affected traders, particularly those with headquarters outside the EU. As a result, recording and monitoring of the traders' plans in the National Planning for customs and the necessary Transition Period required under the UCC WP may not be feasible.
DK	5	Medium	According to DK, the Deployment of ICS2-R2 is being delayed due to technical complexities in the development of the system and lack of human resources, but still expects to meet the Deployment date set on 31/10/2023. To mitigate this delay, DK increased manual control and the use of CRMS2 and is re-evaluating and reprioritising its MASP-C releases.
EE	5	Low	EE noted that, due to COVID-19 related financial challenges, it had to postpone the ICS2-R2 project deadline to 01/10/2023. The consequences of the initial delay, caused by funding issues and the COVID-19 outbreak, are still affecting its development process. EE indicated that the grace period granted will not provide enough to implement the various systems properly, ensuring full compliance and business continuity as well as including proper testing and necessary training activities. EE informed that it is now moving to use Agile system development.
ES	6	Low	ES reported that the ICS2-R2 project is becoming increasingly technically and functionally complex. Significant time was invested in performing regression testing to ensure that previous functionality remains intact. The automation of these tests enabled the project to be delivered on time and, therefore, the project is on track to be in Operations by 02/10/2023. ES also shared that Scrum is being used to develop the system.
FI	6	High	Regarding ICS2-R2, FI indicated that the project was completed as planned and has been in Operations since 31/03/2023. ICS2-R2 includes a complete air mode Safety and Security risk analysis process (Safety and Security risk analysis).

<sup>114</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.

<sup>115</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.



MS	Complexity Rating	Risk Level	Additional Comments
FR			FR reported that the ICS2-R2 system was deployed on 30/06/2023, in line with the granted derogation <sup>116</sup> .
GR	6	High	GR reported that the development of the ICS2-R2 system was still in progress and had exceeded the Deployment deadline granted by the derogation. GR indicated that a further derogation will be requested and a delayed agreement with the contractor was achieved. Due to Conformance Testing taking longer than expected, the system is planned to be operational around 20/10/2023 <sup>117</sup> .
HR	5	High	HR reported that a derogation was granted on 24/02/2023 for ICS2-R2, extending the Deployment deadline until 30/06/2023. The system was partially Deployed on 23/03/2023 and the goal is to complete functional testing by mid-April with the aim of being in Operations by 15/05/2023. HR also informed that an activity plan has been shared with the EOs.
HU	4	Low	HU indicated that the ICS2-R2 project is in Operations since 01/03/2023.
IE	6	Low	IE reported that there were delays and the full Deployment is expected to take place by end of June 2023 <sup>118</sup> . The connectivity for the EOs for Conformance Testing has been problematic since the scenarios need to be manually initiated and verified on the EU side and this requires that testing can only be performed during the EU workday hours. Moreover, Conformance Testing was late because the vendor provided the package late. Therefore, IE indicated that additional resources were put in place to manage Conformance Testing and connectivity. The EOs requested the Deployment Window to mitigate the impact of the slight delay in entering Operations.
IT	6	Low	IT shared that the ICS2-R2 project was completed and has been Deployed in production as planned.
LT	6	Low	LT indicated that the ICS2-R2 project was partially Deployed on 01/03/2023, with eleven NES functionalities implemented in line with the common specifications. The implementation of the e-screening timers on the responsible Member State side was Deployed on 06/03/2023. According to LT, the delay in receiving comments from the testing team resulted in the need to repeat some tests. An Agile approach is being used for system development, with the 'go live' date set for 01/10/2023.
LU			Same response as for AN.
LV			LV shared that ICS2-R2 is in production for postal consignments since 01/07/2021 and for air cargos since 01/03/2023. The other modes of transport are planned to be in production by 01/03/2024 <sup>119</sup> .
MT	6	Medium	MT indicated that the Deployment of ICS2-R2 is scheduled within the derogation deadline. While Technical Specifications were completed on 31/03/2023, Conformance Testing activities are currently underway and Deployment has been delayed due to delays from the software provider. MT also shared that it is

<sup>116</sup> Information provided from a bilateral meeting between FR and DG TAXUD held on 05/09/2023.

<sup>117</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>118</sup> Information provided from a bilateral meeting between IE and DG TAXUD held on 17/05/2023.

<sup>119</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			facing complexity with the EOs implementation, particularly with regards to Air Freight Forwarders.
NL	6	Medium	NL reported that despite delays caused by COVID-19, Brexit, and the significant amount of functionalities required for ICS2-R2, it still anticipates to meet the Deployment deadline. However, due to the high complexity of the project and the limited resources, NL's planning is more incremental than last year. The PN and TS-related functionalities that are part of the AN/PN/TS project will be delivered in a second increment. This enabled NL to 'go live' earlier (on 01/07/2023) with the first increment and meet the derogation deadline for ICS2-R2. Currently, traders have the connection to the system available <sup>120</sup> . The remaining functionalities related to PN and TS will be delivered no later than 01/12/2023. Additionally, NL indicated that the development of the national UUM&DS component is a risk due to the significant amount of functionality that needs to be developed. Despite the component's development, the UUM&DS Conformance Testing has made little progress since December 2022.
PL	6	Low	PL informed that ICS2-R2 was deployed on 01/07/2023 and the system is expected to be fully operational by end October 2023 <sup>121</sup> .
PT	6	High	PT indicated that the ICS2-R2 project has been in operation since 01/03/2023. Several modes of Conformance Testing were executed during the system's development and Agile was used to reduce the implementation timeframe. According to PT, updating ICS2-R2 and connecting it to the central system was highly complex.
RO	5	Low	RO shared that the development of the ICS2-R2 system has been delayed beyond the anticipated Deployment deadline due to delays in the tendering process. The contract, including ICS2-R2 and ICS2-R3, was published on 28/04/2023. RO indicated a need for an extended derogation even outside the deployment window for traders running until 01/10/2023 <sup>122</sup> .
SE	3	Low	According to SE, the Deployment of the system will meet the derogation deadline of 08/06/2023. However, SE acknowledged that contacting all EOs involved in the project has been a challenge. Therefore, the Deployment date refers to when SE will be ready, but not necessarily when all traders will be able to fully use the system. Some air traders have not yet submitted ENS, but it is envisaged that the majority will be submitted by 02/10/2023 <sup>123</sup> . SE is using the Shared Trader Interface within the central ICS2 system and, therefore, there is no need to develop Technical Specifications for the external domain.
SI	6	Low	SI informed that the ICS2-R2 system was Deployed on 01/03/2023 and it is anticipated to 'go live' on 01/10/2023.

<sup>120</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>121</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>122</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>123</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
SK	3	Low	SK indicated that for the development of the ICS2-R2 system the CTSS provided by the Commission were used and the system was deployed on 01/03/2023.

Table 22: Detailed responses from Member States – ICS2-R2

Figure 13 provides the percentage of respondents (Member States plus the Commission) in each development phase<sup>124</sup>.

ICS2-R2

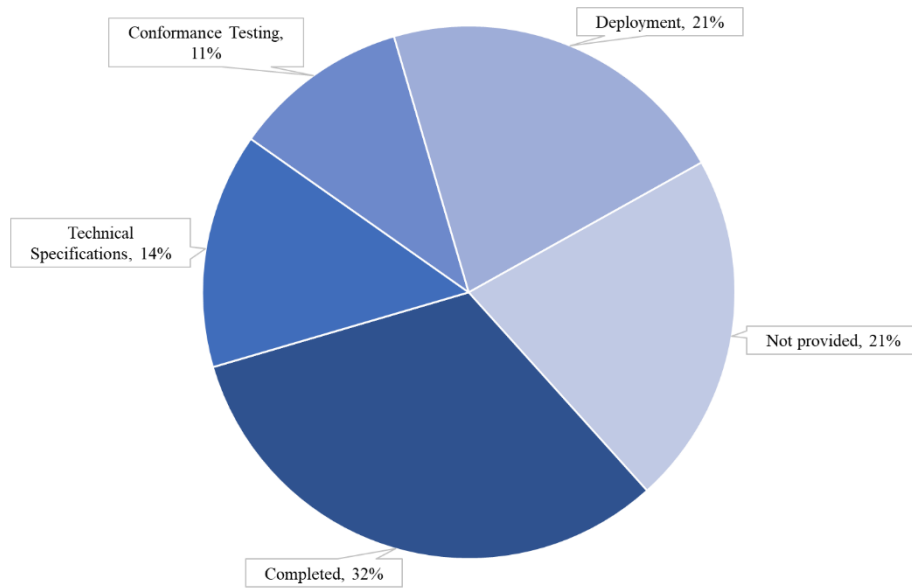


Figure 13: Summary of Survey Responses – ICS2-R2

<sup>124</sup> The figure related to Conformance Testing includes the work from the Commission in regards to the preparation of the Conformance Testing environment and coordination for Member States.

### 3.5.2. Overview of Project Progress

Table 23 indicates the percentage of completion as of the end of 2022 in comparison to the target dates set forth in the UCC WP.

The target date set for the Technical Specifications is in reference to the common Technical Specifications. Member States reported the percentage of completion regarding their own national Technical Specifications, which are to be prepared incrementally for the three releases. The Commission will perform adjustments to the specifications for ICS2-R2 and ICS2-R3 as per the MASP-C.

In regards to the implementation of **ICS2-R2**, the following Member States have a planned/actual Deployment date that is later than the deadline in the UCC WP and/or the granted derogation deadline<sup>125</sup>: CY, DK, EE, FI, GR, IE, MT, PL, and RO.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)		
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>125</sup>	2023 Planned/ Actual Date	2023 % of Completion
European Commission	30/06/2018	12/11/2019	100%	N/A	N/A	01/03/2023	01/03/2023	100%
AT		01/03/2022	Not Provided	24/02/2023	Not Provided		21/06/2023	100%
BE		Not Provided	Not Provided	30/06/2023	Not Provided		30/06/2023	100%
BG		28/03/2022	100%	15/12/2022	100%		01/03/2023	100%
CY		Not Provided	100%	Not Provided	100%		21/06/2023	100%
CZ		N/A	100%	N/A	100%		01/03/2023	100%
DE		N/A	N/A	Not Provided	100%		01/03/2023	100%
DK		01/09/2021	100%	30/06/2023	100%		31/10/2023	100%
EE		31/12/2022	100%	30/08/2023	100%		01/10/2023	100%
ES		01/09/2022	100%	20/01/2023	100%		01/03/2023	100%
FI		31/03/2022	N/A	30/09/2022	100%		31/03/2023	100%
FR		31/03/2022	100%	31/03/2023	100%		30/06/2023	100%
GR		30/04/2023	100%	15/09/2023	100%		01/10/2023	100%
HR		01/04/2022	100%	14/06/2023	100%		29/06/2023	100%
HU		25/11/2020	100%	10/02/2023	100%		01/03/2023	100%
IE		28/01/2022	100%	30/06/2023	100%		11/04/2023	100%
IT		N/A	N/A	14/02/2023	100%		01/03/2023	100%
LT		30/07/2022	100%	15/02/2023	100%		01/03/2023	100%
LU		04/11/2021	Not Provided	28/02/2023	Not Provided		01/03/2023	100%
LV		10/01/2022	100%	29/09/2023	Not Provided		01/03/2023	100%
MT	N/A	100%	N/A	100%	01/10/2023	100%		
NL	31/12/2021	100%	26/06/2023	100%	30/06/2023	100%		
PL	30/06/2022	100%	Not Provided	100%	01/07/2023	100%		
PT	01/09/2022	100%	01/02/2023	100%	01/03/2023	100%		
RO	30/11/2021	100%	31/01/2023	100%	15/03/2024	Not Provided		
SE	N/A	N/A	23/05/2023	100%	08/06/2023	100%		
SI	01/04/2022	100%	18/02/2023	100%	01/03/2023	100%		
SK	01/10/2022	N/A	14/02/2023	100%	01/03/2023	100%		

Table 23: Comparison of Planned and Actual Dates – ICS2-R2

<sup>125</sup> The Commission adopted on 24 February 2023 an Implementing Decision (EU) 2023/438, granting a derogation to AT, BE, DK, EE, FR, GR, HR, LU, NL, PL, RO, and SE from 01/03/2023 until the deployment of the ICS2-R2 system, but not later than 30/06/2023.

Regarding **ICS2-R2**, additional details on the specific percentage of completion per milestone can be seen in the following Figure 14.

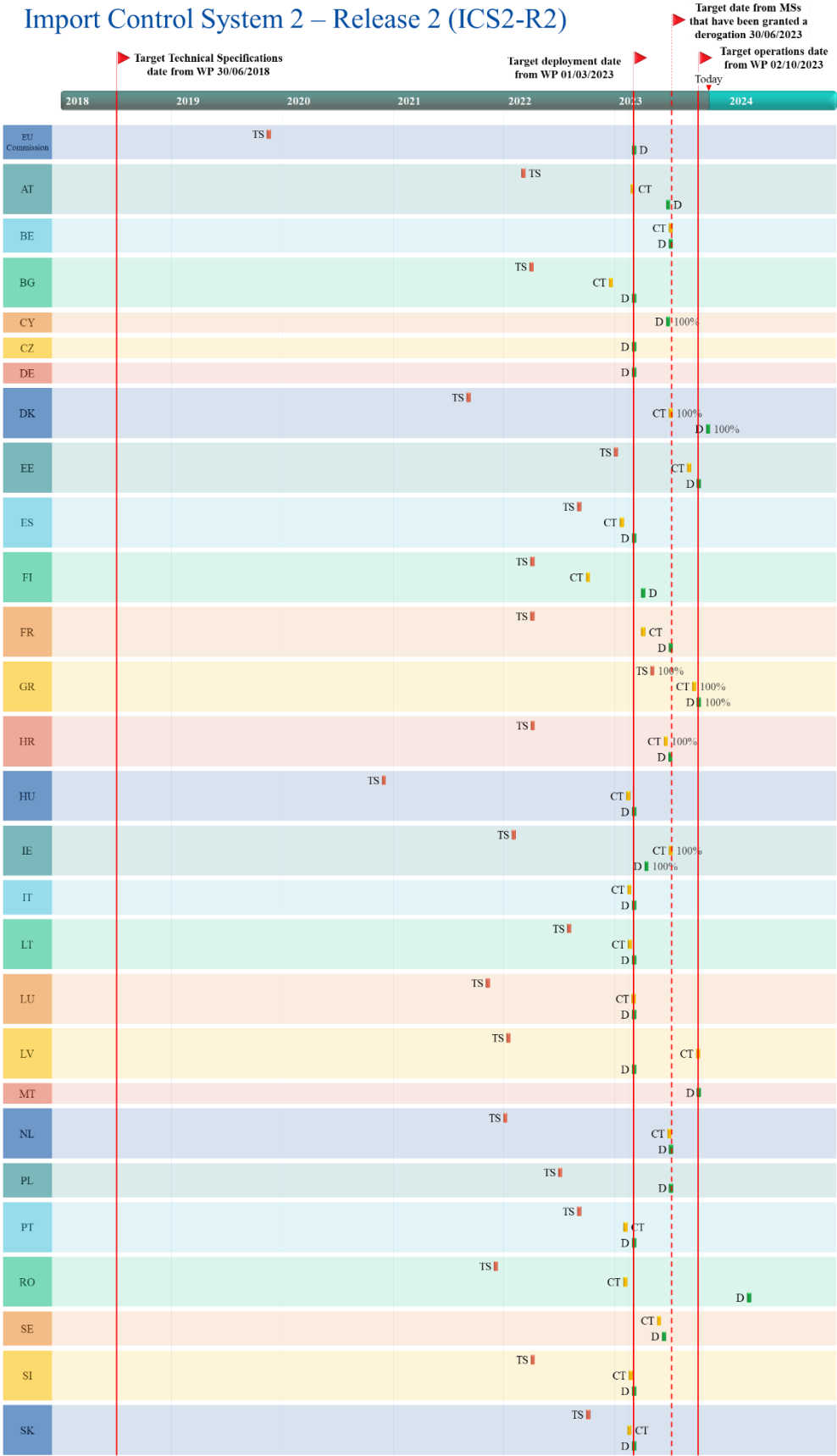


Figure 14: Percentage of Completion per Phase – ICS2-R2

### 3.6. UCC CENTRALISED CLEARANCE FOR IMPORT (CCI) – PHASE 1

The UCC CCI project aims to allow for goods to be placed under a customs procedure using centralised clearance, enabling the EOs to centralise their business from a customs point of view. The processing of the customs declaration and the physical release of the goods will be coordinated between the related customs offices.

The implementation of CCI through a new trans-European system will strengthen trade facilitation. It will enable EOs to centralise their import activities and reduce interactions with customs by only using the customs office of supervision as the main contact partner. In addition, the new CCI system will introduce harmonisation and standardisation of processes and electronic exchange of information across the Union for centralised clearance at import. It is also expected to reduce the administrative burden for the Customs Administration with automated processes and to allow tax authorities to have better supervision and control on the collection of import Value Added Tax.

In terms of the planning approach, as a trans-European system, the project contains components developed centrally and nationally. The project will be implemented in two phases<sup>126</sup>.

**Phase 1** (CCI-P1) will cover the combination of centralised clearance with standard customs declarations and with simplified customs declarations and related supplementary declarations (which regularise simplified customs declarations). In addition, this phase will cover the placing of goods under the following customs procedures: release for free circulation, customs warehousing, inward processing and end-use. Regarding the types of goods involved, this phase will cover all types of goods except for excise goods and goods subject to Common Agricultural Policy (CAP) measures.

**Phase 2** (CCI-P2) will cover the components that are not part of Phase 1, namely:

- The combination of centralised clearance with customs declarations through an Entry in the Declarant's Records and related supplementary declarations, including the recapitulative declaration;
- Supplementary declarations regularising more than one simplified customs declaration;
- The placing of goods under the temporary admission procedure;
- Goods subject to CAP measures and excise goods;
- Goods in the context of trade with special fiscal territories;
- The communication of supporting/additional documents between the related customs offices.

#### 3.6.1. Summary of Responses

##### Summary from the Commission:

The introduction of CCI, the first Trans-European System for import formalities, required a fresh approach by adopting the new network architecture Common Communications Network 2nd Generation (CCN2ng) and Common Reference Architecture (CoRA). This involved the redefinition of specifications and effective communication with the Member States. The Commission is diligently monitoring the progress of other key projects to ensure alignment with the new infrastructure. The coordination of multiple project teams has proven crucial for synchronising all activities.

A medium risk level has been noted due to the dependency of Conformance Testing and Deployment on the actions of the Member States. To mitigate risks efficiently, the Commission is closely monitoring and coordinating activities with a dedicated team managing the Conformance Testing environment. As per the current plan, the Conformance Test Application (CTA) system is accessible in the conformance environment, facilitating CCI-P2 Conformance Testing activities through the CCN2ng exchange platform.

Furthermore, the Commission is implementing a new iterative approach (presented in 2023 within the UCC WP and MASP-C revision), considering the difficulties on the side of Member States and the transition between CCI-P1 and CCI-P2. This approach allows for the prioritisation of CCI-P1 with

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<sup>126</sup> The original plan for CCI-P1 and CCI-P2 can change depending on the acceptance of the proposal being made in the 2023 revision of the UCC WP.

standard declarations and the freedom to choose the message type (CCI-P1 or CCI-P2), providing flexibility for other combinations of CCI-P1, such as CCI-P1 with simplified declaration and includes an extended deadline for CCI-P1. In view of this, several Member States will be able to meet the CCI-P1 deployment milestone of 1 July 2024 and there is more reassurance that all Member States will meet the final deployment milestone of the overall CCI project by 2 June 2025.

Overall, the CCI-P1 project is progressing on schedule, with Technical Specifications completed in 2020 and Conformance Testing activities with Member States currently underway.

**Summary from the Member States:**

Regarding the associated risk level of the on-time delivery of the project, the majority of the Member States indicated a medium to high level of risk and also assessed the complexity as being medium to high.

Several Member States are currently reviewing the Technical and Functional Specifications, and certain concerns were raised regarding the feasibility of meeting the milestones for Technical Specifications, Conformance Testing and Deployment. Various Member States specifically highlighted the tightness of the import systems' planning. In addition to the inherent complexity of the project, potential delays may arise due to limitations in human and financial resources, as well as the need to adapt and re-plan in response to the unique working conditions resulting from the COVID-19 pandemic. Furthermore, the impact and complexities stemming from Brexit and the current state of the e-commerce market contribute further to the potential for delays.

In terms of assessing the level of completeness of the system, more than two thirds of the Member States that provided information reported that the progress of the system is on target. However, there are several Member States that indicated that at the current stage, the system is delayed. GR, NL<sup>127</sup>, SE<sup>128</sup>, and SK<sup>129</sup> submitted a written notification asking DG TAXUD for a derogation under Article 6(4) of the UCC for the delay of CCI-P1 beyond the deadline and LT and PL<sup>130</sup> plan the need to request a derogation.

BG, ES, HR, MT, PL, and SK shared that Technical Specifications were completed. ES completed the Conformance Testing, whereas BG, EE, HR, LU<sup>131</sup>, and PL initiated the Conformance Testing activities and are currently in progress. EE, HR, and PL reported the Deployment status as in progress for CCI-P1.

**Detailed Responses:**

Table 24 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	5	Low	BG reported the status of the project as on target, based on the planned dates for the milestones. Deployment and start of Operations are planned for end November and Conformance Testing activities started in April 2023. BG indicated the use of messages from CCI-P1 and upgrade later to P2 messages, but it is not clear whether this transition to P2 messages will occur before the release of Phase 2 system functionality <sup>132</sup> . Additionally, BG shared that the contractor is implementing a development approach based on different iterations.

<sup>127</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.  
<sup>128</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.  
<sup>129</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.  
<sup>130</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.  
<sup>131</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.  
<sup>132</sup> Information provided from a bilateral meeting between BG and DG TAXUD held on 27/07/2023.

MS	Complexity Rating	Risk Level	Additional Comments
CY	6	Low	CY indicated that the analysis and preparation of specifications for CCI are in progress. Additionally, information activities and campaigns to promote the aims and benefits of the Centralised Clearance for EOs are being organised. The full scope of CCI-P1 will be included with P2 messages. The Technical Specifications were published on 22/05/2023, while Deployment is planned for 28/06/2024 <sup>133</sup> .
CZ	1	High	CZ informed that the Deployment of CCI-P1 and CCI-P2 will take place simultaneously. Furthermore, as CCI is being developed as part of the NIS system, which has been delayed until 01/12/2024, CZ will not be able to deploy CCI-P1 before this date.
DE	5	High	DE indicated that an internal analysis has begun with the aim of starting Operations in Q4 2025. The project has been delayed beyond the foreseen Deployment deadline as it will be implemented as part of the major release of the national IT system ATLAS Release 10.2 as a new trans-European system. CCI-P1 and CCI-P2 will be included in one development and DE will develop one message for the declaration which will be adapted depending on normal or simplified procedure in use. Once the new import system is in place, traders will be migrated gradually to the new system <sup>134</sup> . To mitigate the impact of this delay, DE plans to create a new national PG for CCI with the necessary resources and the implementation of Agile methodologies.
DK	4	High	DK informed that the delay in NIS is impacting the Deployment deadline planned for 30/06/2025. DK continues to analyse CCI-P1 due to its dependency on NIS.
EE	5	Low	EE indicated that the project is being postponed to provide more capacity for AES, NCTS-P5 and ICS2-R2 to be completed. The CCI-P1 system will deliver functionalities through iterations and will be developed with the P1 message formats. EE shared that the envisaged Deployment date is set for May 2024 <sup>135</sup> . EE is implementing an iterative approach for the development of CCI, with three iterations planned during the project.
ES	4	Low	ES informed that the overall status of the project is on target and it is partially Deployed in operation with a temporary solution. Conformance Testing is ongoing <sup>136</sup> . The Deployment is linked to business needs, such as a National Centralised Clearance (CCL) authorisation that may require the system to be Deployed. ES informed that it is using iterative methodologies to develop CCI-P1.
FI	6	High	FI shared that the entire import system will be built from scratch and noted that, given the many parallel projects, the effects of the COVID-19 pandemic and the limited resources, especially on the suppliers' side, Deployment is expected to be delayed beyond the deadline, until Q2 2025. In light of the situation, FI assumed a more significant role in preparing the specifications

<sup>133</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.

<sup>134</sup> Information provided from a bilateral meeting between DE and DG TAXUD held on 14/06/2023.

<sup>135</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

<sup>136</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.



MS	Complexity Rating	Risk Level	Additional Comments
			and is also working on preparing any applications for CCI authorisation from traders <sup>137</sup> . FI prioritised the development of other systems such as NCTS and AES over CCI. At the same time, FI indicated that the respective contractor uses an Agile methodology for the system development to minimise the impact on milestones. However, deliveries are to be tested in the Finnish Customs and further sent to bigger entities.
FR	6	High	FR indicated that the strong interdependencies of the various national systems increased complexity and caused delays in the development of NIS as a whole. In this regard, additional resources on the business and IT sides were mobilised as a mitigation measure. Brexit and e-commerce have had a strong impact on human and financial resources, causing delays in the involvement of the technical teams. The COVID-19 pandemic has equally had an impact on these areas. As a mitigating measure, FR outsourced some activities to a contractor and, in parallel, secured the import system to have a better base for CCI. At the same time, AES developments have to be ensured, given FR's position as an 'exit' Member State for other Member States. Therefore, many choices requiring an increased level of resources are to be made for several projects that need to be carried out simultaneously. In this light, FR chose to prioritise AES (core functions) over CCI, given the importance of the export volumes. The deadlines for this project shifted to secure other projects. CCI-P1 will deliver functionalities through iterations, with an envisaged Deployment date set for Q4 2024.
GR	6	High	GR informed that all milestones in the National Planning are affected and delays are foreseen beyond the Deployment deadline, as the call for the tender procedure has not yet been finalised. The contract is expected to be signed in Q4 2023. The Deployment date is planned for June 2025 <sup>138</sup> and a derogation request was submitted.
HR	6	Low	HR informed that the system is expected to be highly complex and that the functionalities that were defined are being developed. Deployment is in progress and the end date is planned for 30/06/2024. HR indicated the status of the project as on target.
HU	5	Medium	HU reported that the connectivity to the data link developments will be completed on 30/04/2023. Full functionality will be available on 01/07/2024 <sup>139</sup> . The project is assessed as being on target, with Technical Specifications in progress.
IE	6	Medium	IE indicated that communication with other Member States is new for imports. Additionally, implementing the requirements of the revised new Annex B of the Commission Delegated Regulation (EU) 2021/234 and the data changes to EUCDM v6.1 represent challenges for the EOs and customs authorities.

<sup>137</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

<sup>138</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>139</sup> Information provided from a bilateral meeting between HU and DG TAXUD held on 07/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			Consequently, the effective delivery of the project could be impacted. IE reported that CCI-P1 and CCI-P2 are intended to be deployed together since P1 will use P2 message formats <sup>140</sup> and the project is expected to 'go live' in June 2024.
IT			IT plans to implement CCI-P1 by 01/07/2024, integrating messages from CCI-P2. IT indicated that it will need to switch its public accounting system completely to ensure compatibility with CCI-P1 <sup>141</sup> .
LT	6	Low	For CCI-P1, LT plans the need for a legal derogation request. Deployment and start of Operations are planned for December 2023.
LU			LU shared that Conformance Testing Mode 1 is about to begin, as well as testing with a major LU-based company <sup>142</sup> .
LV			LV plans to deploy CCI-P1 in June 2024. The full scope of CCI-P1 will be included with P2 messages and the delivery is expected in full by January 2024. At the time of writing, no traders are interested yet. However, LV indicated that the onboarding for traders is different from other Member States as most traders do not use the S2S interface but rather a GUI and upload a file in a specific format <sup>143</sup> .
MT	5	Low	MT indicated that CCI-P1 is being delayed beyond the foreseen Deployment deadline. Both CCI-P1 and CCI-P2 will be developed together. Conformance Testing is expected to be completed by November 2024. MT shared that some tenders were awarded and awaiting contracts to be signed out, while others are still being assessed <sup>144</sup> .
NL	5	High	NL is considering merging CCI-P1 and CCI-P2 and combining them with CCE, setting the deadline for the current CCI-P2 deadline. NL reported that the project is highly complex and poses a high risk of not being delivered on time. Furthermore, NL identified Brexit, e-commerce, labour market, COVID-19 pandemic and the prioritisation of other parallel projects as the potential causes of delays <sup>145</sup> . NL also indicated that it is considering reducing the scope of the project to minimise the impact of these events on the delivery of milestones. As of now, all milestones (Construction phase, Conformance Testing, and Deployment) are delayed.
PL	5	Medium	PL shared that the CCI-P1 system will be developed and implemented under NIS, planned for 01/07/2024. The deployment of the system is being delayed beyond the derogation deadline. CCI-P2 message specifications are intended to be used for CCI-P1 <sup>146</sup> . PL advised that risks related to the COVID-19 pandemic and its impact on financial and human resources could have an impact on the system delivery.

<sup>140</sup> Information provided from a bilateral meeting between IE and DG TAXUD held on 17/05/2023.

<sup>141</sup> Information provided from a bilateral meeting between IT and DG TAXUD held on 07/11/2023.

<sup>142</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>143</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>144</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>145</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

<sup>146</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

MS	Complexity Rating	Risk Level	Additional Comments
PT	6	Low	PT informed that the Conformance Testing's purpose is for the EOs to be able to realise if their systems comply with the specifications and for PT to realise if the external domain was correctly developed. Conformance Testing with the Member States will be done to assess if all the connections/validations necessary are correctly executed and is envisaged to take place in 2024. The project will be developed and implemented as part of the completely new NIS, which explains the complexity of CCI. Therefore, the plan is for the system to be Deployed before June 2025 and beyond the foreseen Deployment deadline <sup>147</sup> . PT indicated that an Agile development approach will be used to reduce the implementation timeframe. However, PT is currently facing procurement and tendering difficulties, particularly with the renewal of contracts with the companies developing the systems, which may lead to an implementation of the CCI system in PT beyond the expected Deployment deadline. PT will need assistance and support concerning Conformance Testing on CCI.
RO	6	Medium	RO noted that the interdependencies among the NIS systems are becoming a risk that might impact all the CCI-P1 milestones. The project is on target with the Technical Specifications phase currently in progress and implementation scheduled by the end of 2023, including CCI-P2 messages <sup>148</sup> .
SE	4	High	SE informed of a high risk due to the complexity of developing several projects simultaneously. Moreover, SE reported that it is changing its IT platform, which can have an impact on the implementation of the systems under development. SE noted that the project is delayed beyond the Deployment deadline and has requested a derogation for CCI-P1. The plan is to implement CCI-P1 and CCI-P2 at the same time by 02/06/2025 <sup>149</sup> . Potential mitigation measures are under analysis.
SI	6	Medium	SI indicated that, currently, there are no anticipated delays. The potential risks identified by SI relate to the high complexity of the system, which includes several new electronic messages and BPMs, the exchange of electronic messages between Supervising Customs Office for CCI and Presentation Customs Office for CCI, specific Rules and Conditions for CCI, specific code lists for CCI, demanding Conformance Testing and complex Design Document for National Applications (DDNCA) documentation, which specifies the design requirements to which any Customs Movement Application needs to conform. Previously, SI completed NIS according to the new Annex B of the Commission Delegated Regulation (EU) 2021/234 requirements, which needed to be postponed several times due to the lack of preparedness of the external environment as a consequence of COVID-19. The Deployment date is planned for 30/06/2024 <sup>150</sup> .

<sup>147</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

<sup>148</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>149</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

<sup>150</sup> Information provided from a bilateral meeting between SI and DG TAXUD held on 13/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
SK	3	Low	SK reported the status of the project as being delayed beyond the Deployment Deadline. Technical Specifications are completed and preparation for Conformance Testing is ongoing. In earlier stages, a shortage of financial and human resources, along with changes in government, affected all milestones related to system development and delayed contractual commitments. SK shared that a derogation request has been sent and the system is envisaged to be in Operations on 01/01/2025 <sup>151</sup> .

Table 24: Detailed responses from Member States – CCI-P1

Figure 15 provides the percentage of respondents (Member States plus the Commission) in each development phase<sup>152</sup>.

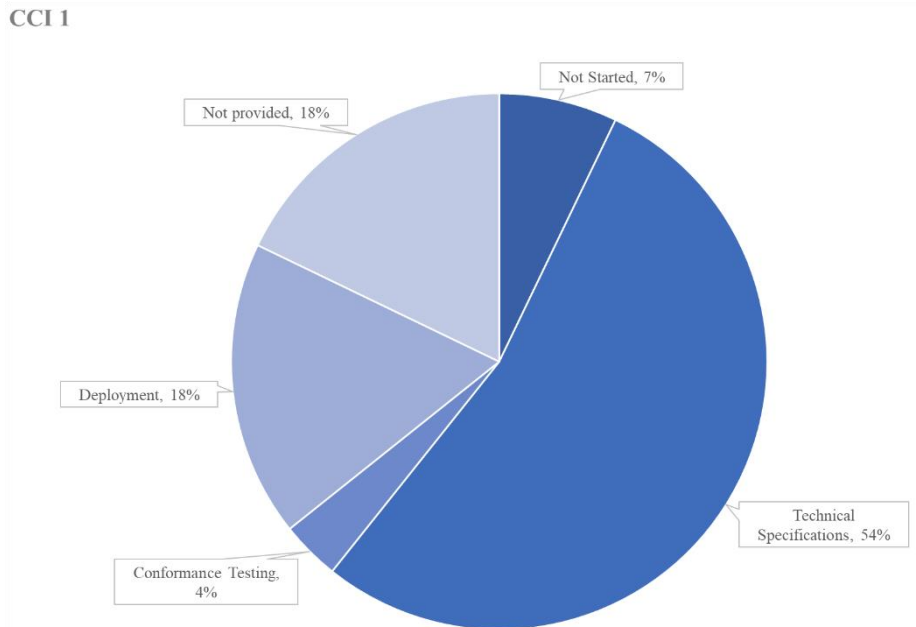


Figure 15: Summary of Survey Responses – CCI-P1

<sup>151</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

<sup>152</sup> The figure related to Conformance Testing includes the work from the Commission in regards to the preparation of the Conformance Testing environment and coordination for Member States.

### 3.6.2. Overview of Project Progress

Table 25 highlights any known divergences in the planning compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding **CCI-P1**, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP<sup>153</sup>: BE, CZ, DE, DK, ES, FI, HR, HU, IE, LT, LU, LV, MT, NL, PT, SI and SK. AT, FR, GR, IT, PL, RO, and SE did not provide data regarding the Operations date.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>153</sup>	2023 Planned/ Actual Date
European Commission		09/10/2020	100%	Not Provided	5%		Not Provided	5%		Not Provided
AT		Not Provided	Not provided	Not Provided	Not Provided		Not Provided	Not Provided		Not Provided
BE		01/12/2021	Not provided	31/12/2023	Not Provided		30/06/2024	0%		30/06/2024
BG		26/06/2023	100%	16/10/2023	100%		23/10/2023	100%		23/10/2023
CY		22/05/2023	80%	Not Provided	0%		28/06/2023	0%		28/06/2023
CZ		01/04/2024	25%	30/11/2024	0%		01/12/2024	0%		01/12/2024
DE		30/06/2024	30%	30/10/2026	0%		15/11/2025	0%		15/11/2025
DK		01/03/2023	Not provided	31/03/2024	0%		02/05/2024	0%		02/05/2024
EE		01/03/2023	100%	30/10/2023	75%		01/10/2023	0%		29/11/2023
ES		14/03/2022	100%	19/12/2022	100%		30/09/2022	100%		31/12/2024
FI		31/12/2024	60%	Not Provided	0%		30/06/2025	10%		30/06/2025
FR		31/12/2023	50%	30/09/2024	0%		02/06/2025	0%		Not Provided
GR		31/12/2023	100%	30/09/2024	0%		30/06/2025	0%		Not Provided
HR		31/12/2023	100%	20/06/2024	10%		30/06/2024	100%		30/06/2024
HU	30/09/2020	15/09/2023	100%	01/06/2024	30%	01/03/2022	30/06/2024	100%	01/12/2023	30/06/2024
IE		23/06/2023	100%	23/06/2024	25%		24/06/2024	0%		24/06/2024
IT		31/01/2023	100%	03/11/2023	20%		01/07/2024	15%		Not Provided
LT		15/07/2023	100%	31/12/2023	100%		01/02/2024	50%		01/02/2024
LU		01/10/2023	Not Provided	30/06/2024	Not provided		30/06/2024	Not Provided		30/06/2024
LV		N/A	N/A	30/06/2024	Not Provided		30/06/2024	Not Provided		01/07/2024
MT		N/A	80%	N/A	25%		02/06/2025	0%		02/06/2025
NL		Not Provided	50%	Not Provided	0%		Not Provided	0%		01/11/2025
PL		30/07/2022	100%	30/09/2023	100%		01/07/2024	100%		Not Provided
PT		01/07/2022	100%	30/09/2024	0%		28/10/2024	0%		29/10/2024
RO		30/05/2023	100%	N/A	N/A		01/12/2023	100%		Not Provided
SE		Not Provided	0%	Not Provided	0%		N/A	0%		Not Provided
SI		01/03/2021	30%	30/04/2024	0%		30/04/2024	0%		30/04/2024
SK		17/02/2023	Not Provided	31/12/2024	100%		01/01/2025	70%		01/01/2025

Table 25: Comparison of Planned and Actual Dates – CCI-P1

<sup>153</sup> In the 2023 UCC WP Revision the end of the deployment window is envisaged for 01/07/2024.

Additional details regarding the specific percentage of completion per milestone can be seen in Figure 16.

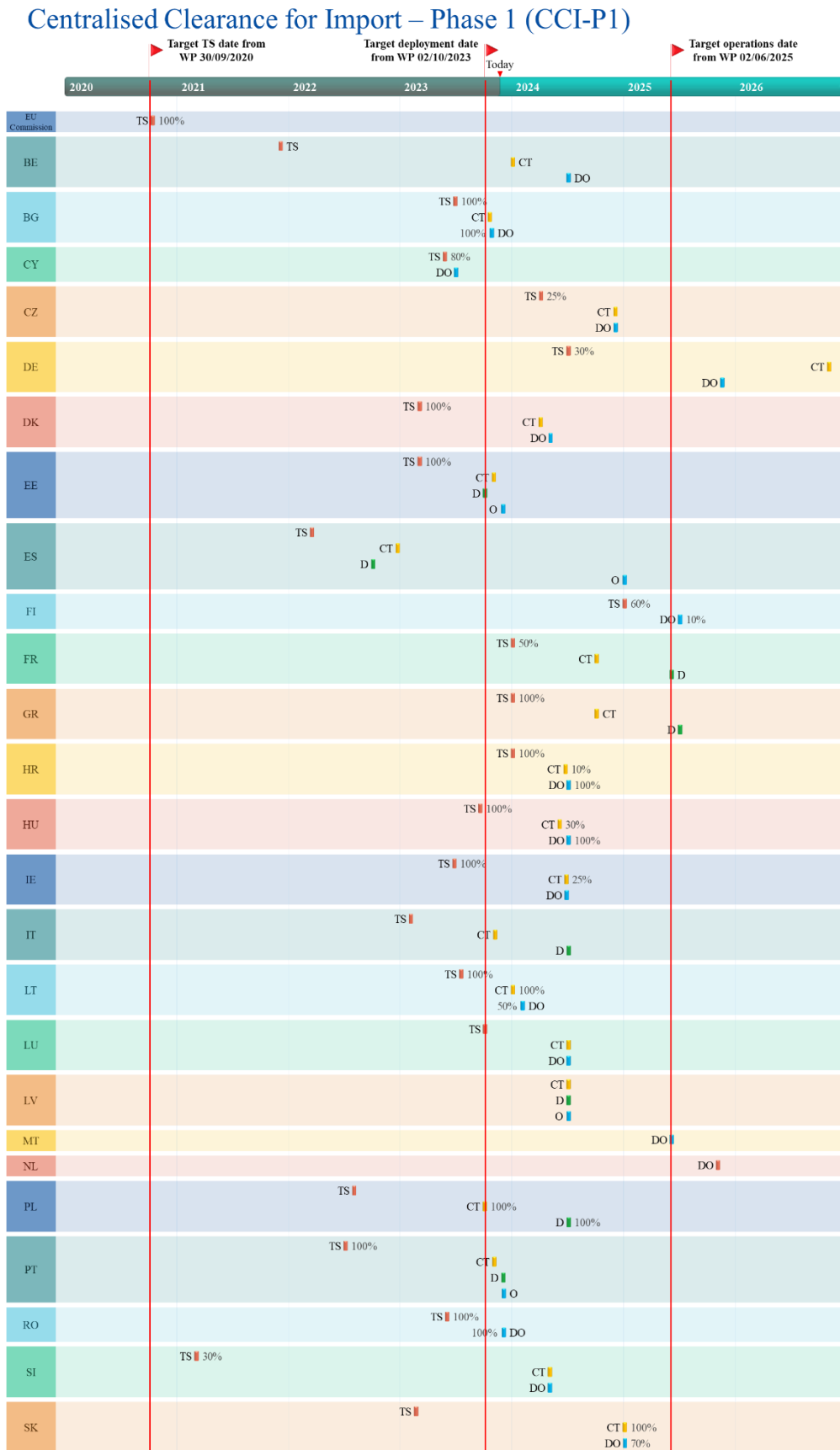


Figure 16: Percentage of Completion per Phase – CCI-P1

### 3.7. UCC NEW COMPUTERISED TRANSIT SYSTEM (NCTS) UPGRADE – COMPONENT 1

This project aims to align the existing NCTS to the UCC legal provisions. The scope of the project includes the alignment of Information Exchanges to UCC data requirements, the upgrade and development of interfaces with other systems such as AES, in addition to new Safety and Security requirements.

The transit system offers significant benefits and simplifies processes while ensuring continuity with existing systems. This achievement is the result of close collaboration between the Commission, national customs authorities and trade associations.

In terms of the planning approach, the project is divided into two components<sup>154</sup>.

**Component 1, NCTS – Phase 5 (NCTS-P5)**, includes steps to upgrade and extend the current NCTS processes in alignment with the UCC legal provisions, to introduce new processes such as the pre-lodgement of Customs declarations, to provide for the registration of ‘en-route’ events, align Information Exchange to UCC data requirements and to upgrade and update the development of interfaces with other systems. The system includes some components to be developed centrally, but the main components are to be developed at the national level.

NCTS-P5 will meet the following objectives<sup>155</sup>:

- Data harmonisation across customs domains (import, export and transit) – New Customs EU Data Model;
- Harmonisation of the external domain resulting in trade facilitation;
- Interoperability across customs and taxation/excise;
- Alignment to operational practices for export and transit;
- Business continuity and facilitation of the transition for National Administrations and trade;
- New IT architecture for customs trans-European systems for Member States and Common Transit Convention (CTC) countries.

Additionally, NCTS-P5 will improve the following processes:

- Transit guarantees monitoring;
- Enquiry process;
- Business statistics for transit: The current collection of business statistics will be optimised to ensure support of measurements of the Customs Union Performance system;
- Strengthening of the Safety and Security of entry/exit.

Lastly, several new functionalities are being incorporated:

- Transit declaration pre-lodgement;
- Lodgement of transit declaration with reduced data set;
- Management of ‘en route’ incidents;
- Export process followed up by the transit TES and better monitoring of trade flows.

The new transit system will bring about substantial benefits and simplifications while ensuring continuity with the existing operational systems.

According to the revision of the UCC WP<sup>156</sup>, NCTS-P5 will be deployed in two steps: the first related to core functionalities (Business Continuity aligned with UCC) and the second to non-core functionalities (Pre-Lodgment, Incident "en route" Management, Office of Exit and Export followed by Transit). The National Administrations have the possibility to deploy both steps in one or deploy in sequence.

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<sup>154</sup> Information regarding Component 1 is provided within this section, whereas details concerning Component 2 can be found in section 4.5.

<sup>155</sup> The same objectives will also be met by AES-C1.

<sup>156</sup> The revised UCC WP will be adopted in December 2023.

NCTS-P5 will be deployed in line with the following calendar:

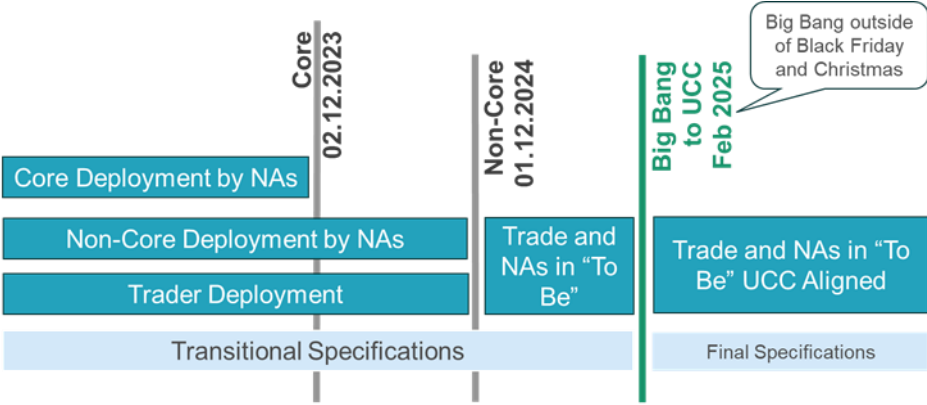


Figure 17: NCTS-P5 timeline

For this section on NCTS, the entries in operation of the National Administrations are focusing on the core functionalities, as they represent the main scope of NCTS-P5 and ensure business continuity. Despite, most National Administrations will deploy both their core and non-core functionalities simultaneously.

It is important to highlight that the NCTS system specifications developed by the Commission (Functional System Specifications [FSS] and TSS) cover the Information Exchange in the common, national, and external domains:

- The common domain communication refers to the Information Exchange between customs offices located in different Member States;
- The national domain includes the interface between national NCTS and other systems at the national level (e.g., AES-NCTS);
- Finally, the external domain includes the communications between the customs offices and the declarant/trader at exit, at the national level.

Regarding the message exchanges on the common domain, the NCTS specifications prepared by DG TAXUD are mandatory for all the Member States. In the case of external or national domains, the common NCTS specifications are strongly recommended, aiming to harmonise the export and exit formalities as much as possible among the EU Member States. The UCC Data Annex B is the binding legal framework for Transit Declarations.

There are 36 National Administrations currently in operation for NCTS: the 27 Member States, Northern Ireland under the terms of the Northern Ireland Protocol (NIP), Andorra, San Marino and the CTC Countries (Switzerland, Republic of Serbia, Republic of North Macedonia, Norway, Türkiye, Ukraine [since 1 October 2022], and the United Kingdom). Montenegro, Georgia and Moldova are acceding countries to the CTC Convention at various stages of preparation, targeting entry into operation in 2024.

**3.7.1. Summary of Responses**

**Summary from the Commission:**

The challenge for NCTS-P5 is to ensure operation continuity and a smooth transition for National Administrations and trade, while implementing significant changes in the applicable data and process models. The Functional and Technical Specifications<sup>157</sup> approved by the National Administrations govern the quality, technical support, operation continuity, security and capacity of the transition to full NCTS-P5 Operations.

The NCTS-P5 project has pioneered a collaborative, iterative and Agile working method that has received praise by all the National Administrations and traders involved. The adoption of an Agile approach since the project's inception has yielded functional and technical quality as well as actual

<sup>157</sup> The Functional and Technical Specifications include Service Management, Service Level Agreements, Terms of Reference, Crisis Management, Capacity Plans and Security Plans.



progress among the National Administrations. The collective intelligence of the National Administrations is crucial for the successful transition at hand. The Coordination Programme is also essential in enabling collaboration between the National Administrations and the Commission and providing transparency on the status of the project.

#### UCC Work Programme and Technical Specifications to address the shift of the National Administrations and the traders

Considering the delays reported by the National Administrations and by the trade community for their transition to NCTS-P5 (see below), the Central Project Team, in close cooperation with the National Administrations issued a proposal for the UCC WP and the TSS aiming at ensuring the operation continuity of NCTS until January 2025 while bringing them in alignment with the UCC Annex B.

In the same package, the Central Project Team adjusted the planning for the Deployment of NCTS-P6 to avoid any overlap between the transition from NCTS-P4 to NCTS-P5 and the one from NCTS-P5 to NCTS-P6. The analysis showed that it was the only to ensure operation continuity, considering technical and resource perspective of both the National Administrations and the Commission, as well as alignment with the roll-out of ICS2-R3<sup>158</sup>.

The TSS have been improved based on past experiences and of anticipated legal arrangements that will frame the NCTS-P5 operations, as set in Article 278 of the UCC.

#### Progress of the Central Project Team

Overall, the activities of the Central Project Team are on track according to the planned schedule for the development of the central system and the quality of the central services according to the agreed Service Level Agreement. The Central Converter demonstrated its fitness for purpose and its resilience with the growing volume of conversion. Other central systems have been continuously improved and the preparation for NCTS-P6 is ongoing with the development of the interface between NCTS-P6 and the ICS2-R3 Common Repository, a key component offering the interoperability between the NCTS and ICS2 systems.

The Business Continuity Plan for NCTS was decided to be maintained as described in the Transit Manual, including any necessary updates.

#### Start of NCTS-P5

The Commission and the National Administrations are actively involved in transitioning the trans-European customs systems for export and transit. This started with the successful Deployment of the new UCC NCTS-P5 system by DE on 6 March 2021 and the entry into international operation by ES and DE on 13 February 2023. These achievements paved the way for the next generation of interconnected trans-European systems for the trade community and national customs authorities, showcasing the quality of the specifications and legal provisions supporting these systems and, most importantly, their business continuity.

Since February 2023, SI, LU, CH, HR, DK, and BG have joined Operation as of mid-September 2023, bringing up to eight the number of National Administrations operational in the NCTS-P5 system.

#### Increasing progress of the National Administrations in 2023 (as of mid-September 2023)

The National Administrations reported significant progress in the deployment of their National Transit Application in 2023. 89% of the National Administrations are actively engaged in implementing their applications, while 11% are in the procurement or inception stage and are almost ready to start.

Moreover, 79% of the National Administrations already completed or currently are on their Conformance Testing activities, while 16% are in Deployment and 21% are already in Operation.

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<sup>158</sup> As regards to the UCC WP Revision, NCTS-P5 will be Deployed by February 2025. The transition period from NCTS-P5 to NCTS-P6 is envisaged between 01/03/2025 and 01/09/2025, during the same period that ICS2-R2 will transition to ICS2-R3, allowing for a synchronisation between both systems.

The completion percentage of the transition phase of the National Administrations collectively stands at 73% in Q3 2023, which is an increase of 34% since Q3 2022.

The central converter, ieCA, developed and operated by the Commission along with other central systems, has performed as expected. This significant achievement is the outcome of over three years of intensive collaboration between the Member States and the Commission, marking the beginning of the transition in the Common Domain.

Entry into Operation

Figure 18 below presents the updated planning of the National Administrations entry in Operation. The figure is based on the date at which a National Administration joins the ‘To Be’ operation on the Common Domain with their core functionalities.

All National Administrations but 13 re-confirm their timely readiness for entry into Operation with the core functionalities by 1 December 2023, which is a substantial achievement. Several National Administrations confirmed that they will be in Operation for both core and non-core functionalities by 1 December 2024. However, five National Administrations (FR, MT, PL, AD, PT, indicated in orange in Figure 18 below) are reviewing their plans and have not yet committed on a date to enter into Operation.

DE, ES, and SI started international Operation in February 2023 and were joined by five National Administrations (CH, HR, LU, BG, DK) during Q2 and Q3 2023. Currently, 16 National Administrations are implementing their deployment plans to ensure their timely entry into Operation during Q4 2023. Thus far, all entries in Operation have occurred without causing any disruption to the continuity and quality of the operation, reflecting the effective efforts of the National Project Teams.

**NCTS-P5 Start of Core Operation (17.09.2023)**

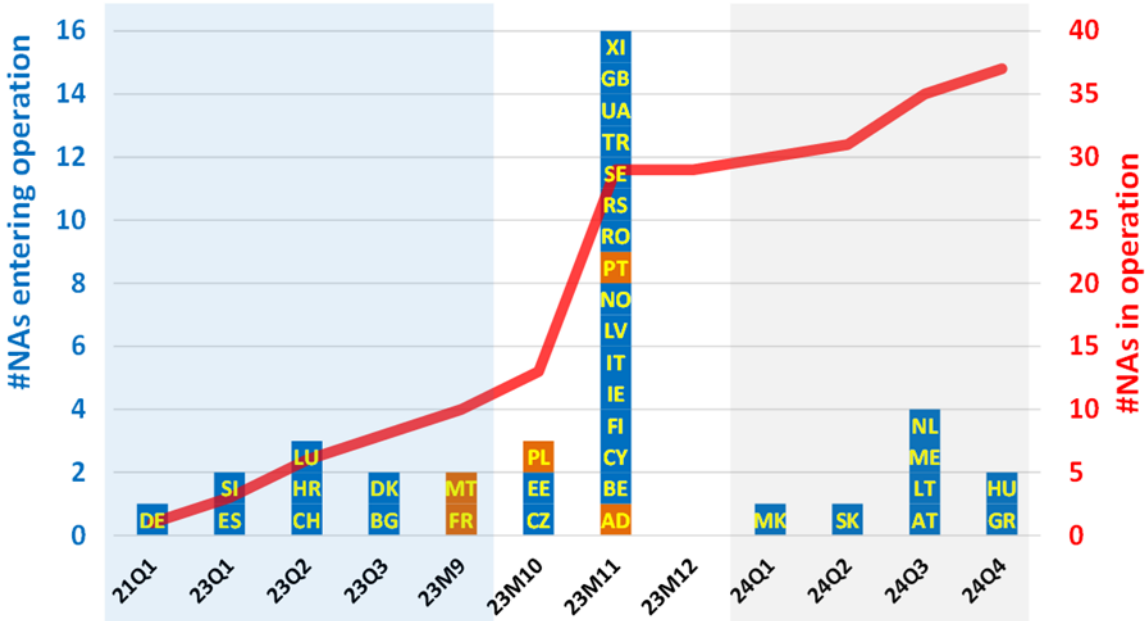


Figure 18: NCTS-P5 National Administrations entry into Operation as of 17 September 2023

At the moment of writing, IT secured its plan to enter into Operation in November 2023, which will boost the transition of NCTS-P5, considering the importance of the DE-CH-IT axis in NCTS volumetrics. NL also secured its plan to enter into Operation in July 2023, which is welcomed, considering its top position in NCTS volumetrics. Nevertheless, FR and PL are currently reviewing its plans. PL’s plan to enter into Operation will probably shift to 2024 due to delays on the traders’ side. PT is also experiencing difficulties in delivering on time.

Overall, the National Administrations have collectively achieved significant progress. However, at least eight of them will enter into Operation in 2024, with some possibly joining in Q4 2024, if not on the last day. For more information, see Table 27 below.

#### Recommendations to the Member States

The Commission invited the Member States, particularly those that announced running over the 1 December 2023 milestone for the core functionalities, to maintain a high level of compliance with all their national projects so that NCTS-P5 can be deployed in time or with the shortest delay possible.

The National Administrations at risk of missing the deadline for the core functionalities or already indicating an entry in Operation after 1 December 2023 should use the remaining time before the deadline to take all the required steps to minimise delays as much as possible.

The National Administrations are also reminded to implement all requirements of the Design Document for National Transit Application (DDNTA), including transitional Rules and Conditions, to ensure business continuity. The National Administrations are invited to adjust their NCTS-P5 set-up to the compatibility measures required to ensure the operation continuity beyond 1 December 2023.

Additionally, the Commission invited the National Administrations that have not yet done so to publish their trade specifications in accordance with the latest DDNTA 5.15 and RfCs promptly.

National Administrations that do not offer a transition window to their trade should communicate their transition strategy well in advance to the EOs, allowing adequate time for the development and testing of the trade system. Additionally, all National Administrations should launch their outreach and support programs for the EOs.

#### The Coordination Programme

Under the umbrella of the ‘National Administration Coordination Programme’, the Commission assists and monitors the development and deployment of the national components for NCTS-P5 by the National Administrations. The programme is being extended to monitor the transition of the National Administrations and traders during their transition to NCTS-P5, to collect the National Project Plans of the National Administrations for their transition to NCTS-P6 and to monitor operation continuity during the transition from NCTS-P5 to NCTS-P6 as well as to foster closer collaboration with the National Administrations.

The trade community is regularly updated on the progress achieved and the National Planning.

Considering that most of the National Administrations are currently engaged in the implementation phase of NCTS-P5, the Coordination Programme will provide support in the deployment in Operation of the National Administrations to coordinate the entry of trade into Operation.

In addition, bilateral communication between the National Administrations and the Commission will be enhanced to provide support throughout the implementation of the NCTS system. This includes support in various stages of the development, such as Conformance Testing activities, National Planning and addressing any business or technical issues raised.

#### **Summary from the Member States:**

NCTS-P5 is regarded as a project with a medium to high complexity due to the dependencies with other systems, high availability requirements the limitation of resources by the Member States to develop the system and the constraints created by the COVID-19 pandemic. Despite this, the majority of the Member States reported to remain on track to meet the Deployment deadline for the project.

Most Member States reported a low to medium risk level on the on-time delivery of the project, with only a few of them rating it as high.

The main risks reported are related to the delay in call for tender procedures, procurement and service providers, the competing priorities and interdependencies within and outside the UCC WP, i.e., eCommerce and ICS2, lack of resources (human and financial), the Russian invasion of Ukraine, delay from the traders and changes in the specifications of the system.

Many Member States also adopted an Agile development methodology or an iterative approach to shorten the implementation time frame.

In terms of assessing the level of completeness of the system, four Member States completed the development of the system, DE, EE, and SI, and half of the Member States that provided information reported that the system is on target<sup>159</sup>. BE, FI, HR<sup>160</sup>, IE, and MT indicated delays in the development of the activities of the project but are still on target to meet the legal deadline, whereas AT<sup>161</sup>, HU<sup>162</sup>, MT<sup>163</sup>, LT, NL<sup>164</sup>, PL<sup>165</sup>, and PT<sup>166</sup> reported delays beyond the Deployment deadline. The percentage of Completion of each of the Member States' projects according to their respective National Planning is provided in Table 28 below.

Most Member States completed the Technical Specifications phase and are now either working on the Conformance Testing activities or plan to start them soon.

### Detailed Responses:

Table 26 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE	6	Medium	BE assessed the project as complex and challenging due to its interdependencies with other projects and the tight deadline. BE's development team changed during the course of the project, which caused a delay. The project, however, is still foreseen within the Deployment deadline. To mitigate this delay, BE has implemented an Agile approach and informed it will 'go live' with a Minimal Viable Product (MVP) with all existing functionalities of the current NCTS. New functionalities (customs office of exit, customs office of incident registration and the connection with AES) will be available after the MVP.
BG	5	Low	BG indicated that the status of the project is on target, with Technical Specifications completed. Conformance Testing Mode 2 activities are ongoing and planned to be completed by 15/08/2023. The system is planned to be Deployed on 28/08/2023. BG is working closely with the software companies that provide services to the traders <sup>167</sup> .
CY	6	Low	CY informed that the status of the project is on target with Technical Specifications currently in progress. CY indicated a high complexity caused by the interdependencies between core and supporting systems, need for a high percentage of availability of the systems, limitations in human resources and effects of the COVID-19 pandemic. The analysis, the preparation of specifications and part of the implementation of the system are set to finish soon. The Deployment is planned for 21/11/2023 <sup>168</sup> .

<sup>159</sup> BG, CY, DK, ES, FR, HR, IT, LV, PT, RO, SE, and SK.

<sup>160</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.

<sup>161</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.

<sup>162</sup> Information provided from a bilateral meeting between HU and DG TAXUD held on 07/09/2023.

<sup>163</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>164</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 28/09/2023.

<sup>165</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>166</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

<sup>167</sup> Information provided from a bilateral meeting between BG and DG TAXUD held on 27/07/2023.

<sup>168</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.

MS	Complexity Rating	Risk Level	Additional Comments
CZ			CZ confirmed the planned Deployment date of the system in October <sup>169</sup> .
DE	6	Low	DE indicated that NCTS-P5 was completed with the update of the national interface Export followed by Transit scheduled for 2023. An Agile development approach is being used to define the software release cycles. The ongoing activities involve the finalisation and fine-tuning of NCTS-P5, monitoring of Operations, preparation of remaining Conformance Testing for new functionalities (Export followed by Transit) and the continuation of the Conformance Testing certification of the EOs. Once the implementation of the UCC is completed, DE will resume work on the technical modernisation of the system, such as GUI modernisation and change of communication protocols. To allow for maximum flexibility in migrating from ECS-P2 to AES, the end date of the transition window for traders has been shifted from June 2023 to 29/10/2023. DE emphasised that the IT Service Providers and the EOs need to ensure that the Conformance Testing is planned in time to be connected to the new system by the end date of the soft migration on 29/10/2023.
DK	6	Low	DK completed Technical Specifications activities and finalised Conformance Testing for the N1, N2 and N3 certificates. According to DK, the main cause for the high complexity of the project is the large number of stakeholders and the integration with other national systems. DK is planning to implement RfC.37. The Export followed by Transit functionality will not be implemented in DK by the scheduled date of 29/07/2023. However, it is expected to be implemented before 01/12/2023.
EE	6	Low	EE indicated that all milestones of the project were completed, although some delays occurred throughout the completion of Technical Specifications, Conformance Testing Mode 1 and 2 and Deployment. At the time of writing, traders are testing the system and a 'big bang' implementation is planned <sup>170</sup> .
ES	4	Low	ES reported that the Technical Specifications and Conformance Testing phases were completed and Deployment activities are in progress. The NCTS system is currently open in the Common Domain (TES). The EOs conformance environment opened in December 2022, while the migration of the external domain is planned by March 2024 <sup>171</sup> . ES implemented an iterative approach for the development of the NCTS system.
FI	6	High	FI informed that Conformance Testing and Deployment are the phases that experienced the most delays. The effects of the COVID-19 pandemic, limited resources, especially on the supplier's side and having to develop multiple systems in parallel are indicated as the main causes of delays. Building the

<sup>169</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

<sup>170</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

<sup>171</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			NCTS system from scratch also adds complexity and has affected the overall progress of the project. FI indicated that replanning and rescoping has been done and some resources have been reallocated from AES to NCTS work to prioritise it. Core functionalities are expected to be deployed on 18/11/2023 and the inclusion of some non-core functionalities will depend on the progress of testing. The testing environment is currently open for traders. The deployment of non-core functionalities is envisaged for October 2024 <sup>172</sup> .
FR	4	Low	FR informed that the overall status of the project is on target, with no major delays or risks expected. An iterative approach is being followed by FR with nine instalments defined for the development of the system.
GR			GR shared that the migration of all the traders is expected to follow a big bang approach. GR has experience with this approach from previous years and is adept at managing it <sup>173</sup> .
HR	6	High	HR indicated that the Deployment phase was impacted due to a restriction of time for the implementation of the RfC List before production, which disrupted the testing process. Despite the delay, HR shared its intentions for NCTS-P5 to be in Operation on 01/06/2023 following a big bang approach with the traders <sup>174</sup> .
HU	4	Low	HU reported that there were some contractual issues with the external contractor that are now solved and is confident with the planning provided by the contractor. However, it will not be possible to allow a step implementation for the system within the contract and, therefore, NCTS-P5 will not be implemented by the initial deadline defined in the UCC WP but is envisaged to stay within the end dates defined in the new UCC WP <sup>175</sup> .
IE	6	Medium	IE reported that delays occurred due to the testing of AES, which required a significant amount of resources and caused Conformance Testing activities to start later than planned. IE identified other causes of delays, such as the need for the implementation of RfCs and alignment to the latest DDNTA, which required an update to published trader specifications. Deployment planning has been delayed for one month until 25/09/2023. The GMS functionality is expected to be delivered in a later iteration.
IT	6	High	IT informed of the high risk of the project since it mainly depends on the development and Conformance Testing activities performed by the EOs. At the moment of writing, EOs did not progress sufficiently. Overall, IT assessed the status of the project as on target, with Conformance Testing and Deployment activities currently in progress. IT implemented a waterfall approach for the development of the NCTS-P5 system.

<sup>172</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

<sup>173</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>174</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.

<sup>175</sup> Information provided from a bilateral meeting between HU and DG TAXUD held on 07/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
LT	2	High	LT reported that the project was delayed by 5 months due to contractual difficulties related to an unsuccessful procurement. The delays impacted the project's progress and LT acknowledged that the initial Deployment deadline will not be met. LT shared that the contract with the provider was signed in February 2023 and are currently in an early stage of planning with the contractor. The new Deployment date is planned for September 2024. Moreover, LT confirmed its plan to go with all functionalities in one release <sup>176</sup> .
LU			LU will need to continue using NCTS-P4 messages with some traders until mid-2024, as the largest trader will not be ready sooner. LU shared that for NCTS there is a significant risk given the need to have all Member States in NCTS-P5 before NCTS-P6 can be Deployed <sup>177</sup> .
LV			LV indicated to be in progress with the development and testing of the system and Deployment is planned for 27/11/2023. However, connection to AES and declaration prior to arrival will be later, probably in Q1 2024 <sup>178</sup> .
MT	6	Medium	MT assessed that the overall delivery of the project is delayed beyond the foreseen Deployment deadline due to the tendering process. MT will send a derogation and plans to deploy the system in Q4 2024 <sup>179</sup> .
NL			NL shared that the project development has been prioritised and separate timelines have been established for NCTS-P5 and AES-C1 projects. NL plans to enter in Operation on 01/07/2024, with a trade transition until 01/10/2024 and is confident of achieving those milestones. NL is actively working with the Central Project Team in the delivery of the system and indicates a low risk for further delays because (1) NL will benefit from the experience of other NAs that will have Deployed the package and (2) a 2-months contingency time has been planned between the end of the trade deployment and 01/12/2024. Considering the actual plan, NL indicated that a derogation until December 2024 has been requested <sup>180</sup> .
PL	5	Medium	PL identified the following risks that are causing delays in the overall development of the NCTS-P5 project: delays in software deliveries, effects of COVID-19, Russian invasion of Ukraine and the complexity of the new Technical Specifications. Initially, the dates for the Conformance Testing and the Deployment phases were postponed by one year due to the additional DDNTA specifications. The tendering process was extended beyond the planned date. PL is engaged in implementation changes for RfC 37 which have an impact on testing with traders. Further adjustments are anticipated from RfC 38. PL's exporting traders are not ready and they have a policy refraining from making substantial system changes in December due to the busy trading period and

<sup>176</sup> Information provided from a bilateral meeting between LT and DG TAXUD held on 01/06/2023.

<sup>177</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>178</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>179</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>180</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.



MS	Complexity Rating	Risk Level	Additional Comments
			the associated risks. PL identified May 2024 as the most suitable time for the implementation of the system. The NCTS-P5 full scope is planned for December 2024 and PL will need to request a derogation <sup>181</sup> .
PT	6	High	PT informed that the high complexity of implementing a new NCTS system and integrating it with the different national and EU systems makes this a high-risk project. Conformance Testing activities are planned to take place until 31/10/2023 and Deployment is set for December 2023. PT clarified that the project is progressing according to the planning with no major delays expected and it is using Agile methodologies to minimise the implementation timeframe. However, PT is currently facing procurement and tendering difficulties, particularly with the renewal of contracts with the companies developing the systems, which may lead to an implementation of the NCTS/AES Systems in PT beyond the expected Deployment deadline. Operations are planned in the second half of 2024 <sup>182</sup> .
RO	6	Medium	RO assessed the project as being on target with no major risks impacting the progress. The Technical Specifications have been released and the completion of Conformance Testing stands at over 70%. RO shared its intentions to Deploy the system from 01/09/2023 to 01/12/2023, following a big bang approach for traders <sup>183</sup> . An iterative approach is being followed for the development of the system.
SE	5	Medium	SE reported that the progress of the project is on target. However, a potential delay was identified due to some difficulties to start Conformance Testing activities in the common domain. SE informed that the Deployment of the system will occur following a big bang approach on 15/11/2023 <sup>184</sup> .
SI	5	High	SI informed that all development activities for the NCTS-P5 application were completed by 2022. The Mode 3 testing scenarios as well as the Mode 4 Conformance test campaign were considered highly complex. SI encountered several challenges when testing with traders due to the changes in the transitional period between systems.
SK	4	Low	SK indicated that Technical Specifications were completed and Conformance Testing activities are being delayed due to a lack of human resources and some bugs in the system that are being fixed by the contractor. The plan is to Deploy the system on 01/04/2024, following a big bang approach to move all traders. SK shared that there is active communication with traders for the preparation and testing purposes <sup>185</sup> .

Table 26: Detailed responses from Member States – NCTS-P5

<sup>181</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>182</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

<sup>183</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>184</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

<sup>185</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.



The risk assessment of National Planning of the National Administrations by the Commission Services is shown and substantiated in the Table 27 Risk Assessment by the Commission: NCTS-P5 below:

NCTS-P5 (17.09.2023)								Comments
	in procurement or inception	NPP in review	In To Be Operation	Start of Depl in Last 2 Qtr	Start of Depl in Last Qtr	Start of Depl on 01.12.23	Start of To Be Oper Dec 23 - Feb 24	
AD					✓			Plan under review
AT							✓	Running Over
BE					✓			Little Contingency
BG		✓						In operation
CH		✓						In operation
CY	✓			✓				Tight NPP
CZ				✓				
DE		✓						In operation
DK		✓						
EE				✓				
ES		✓						In operation
FI				✓				
FR		✓		✓				Plan under review
GR	✓	✓					✓	Running Over
HR		✓						In operation
HU	✓	✓					✓	Running Over
IE				✓				
IT				✓				
LT							✓	Running Over
LU		✓						In operation
LV				✓				Little contingency
ME							✓	No date Start of Int'l Ops
MK	✓						✓	Running Over
MT		✓						Plan under review
NL	✓						✓	Running Over
NO				✓				
PL				✓				Plan under review
PT	✓			✓	✓			Plan under review
RO				✓	✓			Little contingency
RS				✓				
SE				✓				Little contingency
SI		✓						In operation
SK							✓	Last day big bang
SM							✓	No Plan
TR				✓				Delay, Little contingency
UA				✓				
GB				✓				Little contingency
XI				✓				Little contingency

Risk level of the NA	NCTS-P5 # NA
Light blue: in operation	8
Green: little risks to reach Dec 23	2
Orange: medium risk to reach Dec 23	8
Red: serious to reach Dec 23	9
NA Ready 01.12.23 Total	27
Cherry Red: start in Dec 23 - Feb 24	1
Dark Red: start after Feb 24	10
NA running over Total	11
NA Total	38

Table 27: Risk Assessment by the Commission: NCTS-P5

### 3.7.2. Overview of Project Progress

Table 28 highlights any known divergences in the planning compared to the dates set in the UCC WP<sup>186</sup>. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding NCTS-P5, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP<sup>187</sup>: AT, ES, FI, GR, HU, IE, LT, LV, MT, NL, PT, SE, and SK. FR did not provide information on the Operations date.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>187</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>187</sup>	2023 Planned/ Actual Date
European Commission		Not Provided	Not Provided	Not Provided	Not Provided		01/03/2021	85%		Not Provided
AT		01/10/2023	Not Provided	N/A	Not Provided		01/07/2024	Not Provided		31/08/2024
BE		01/02/2020	100%	30/10/2023	Not Provided		29/11/2023	Not Provided		29/11/2023
BG		31/08/2022	100%	11/08/2023	Not Provided		28/08/2023	100%		28/08/2023
CY		14/02/2023	100%	Not Provided	100%		21/11/2023	100%		21/11/2023
CZ		21/10/2021	100%	01/10/2023	100%		02/10/2023	100%		02/10/2023
DE		26/10/2020	100%	29/10/2023	100%		01/10/2021	100%		16/06/2023
DK		01/08/2022	100%	22/05/2023	100%		29/07/2023	100%		01/11/2023
EE		31/05/2022	100%	27/06/2023	100%		01/10/2023	100%		01/10/2023
ES		30/06/2022	100%	17/02/2023	100%		03/10/2023	100%		12/03/2024
FI		07/12/2021	100%	30/09/2023	Not Provided		18/11/2023	100%		18/12/2023
FR		30/11/2021	100%	31/07/2023	Not Provided		01/12/2024	Not Provided		Not Provided
GR		31/10/2023	Not Provided	31/12/2024	Not Provided		01/12/2024	Not Provided		01/12/2024
HR		31/12/2021	100%	31/05/2023	100%		01/06/2023	100%		01/06/2023
HU	31/12/2019	01/01/2024	100%	30/11/2024	Not Provided	01/03/2021	01/12/2024	100%	01/12/2023	01/12/2024
IE		19/08/2022	100%	11/07/2023	Not Provided		06/11/2023	100%		05/02/2024
IT		15/02/2021	100%	07/05/2023	100%		08/06/2023	75%		06/11/2023
LT		01/12/2023	40%	31/08/2024	40%		01/09/2024	30%		01/09/2024
LU		01/06/2021	Not Provided	14/02/2022	Not Provided		23/05/2023	Not Provided		30/09/2023
LV		01/03/2021	Not Provided	10/11/2023	Not Provided		27/11/2023	Not Provided		30/06/2024
MT		N/A	100%	N/A	Not Provided		01/12/2024	100%		01/12/2024
NL		01/10/2023	Not Provided	01/04/2024	Not Provided		31/05/2023	Not Provided		02/12/2024
PL		31/05/2023	100%	15/09/2023	100%		02/10/2023	100%		30/11/2023
PT		10/01/2023	100%	31/10/2024	Not Provided		30/11/2024	100%		02/12/2024
RO		05/01/2023	100%	30/11/2023	Not Provided		01/12/2023	100%		01/12/2023
SE		01/12/2021	100%	28/01/2024	100%		28/01/2024	100%		28/01/2024
SI		15/02/2020	100%	20/01/2023	100%		22/02/2023	100%		22/02/2023
SK		19/12/2022	100%	31/03/2024	Not Provided		01/04/2024	100%		31/03/2024

Table 28: Comparison of Planned and Actual Dates – NCTS-P5

<sup>186</sup> The percentage of deployment refers to DG TAXUD preparation and the aggregated progress of National Administrations based on their National Plannings.

<sup>187</sup> In the 2023 UCC WP Revision, the end of the deployment window for the core functionalities of the system is envisaged for 01/12/2023 and the remaining functionalities for 02/12/2024. By 02/12/2024, all Member States and traders should use the NCTS-P5 system. The end of the transition is envisaged for 21/01/2025.

Figure 19 below illustrates the percentage of completion of the transition for all National Administrations as a group. The light blue curve represents the Planned Value, which is the baseline endorsed by the Electronic Customs Coordination Group (ECCG) in October 2020. The dark blue curve represents the Earned Value, also known as the Actual Value, compiled from the latest National Planning submitted before 15 September 2023 and other information collected from the National Administrations during the technical meetings<sup>188</sup>.

At the end of Q3 2023, the deployment of NCTS-P5 stands at 73% (Earned Value), while it should be at 98% (Planned Value). The National Administrations are working to accelerate their projects and mitigate risks to meet the deployment milestones for the core functionalities by 1 December 2023 and for the non-core functionalities by 1 December 2024<sup>189</sup>.

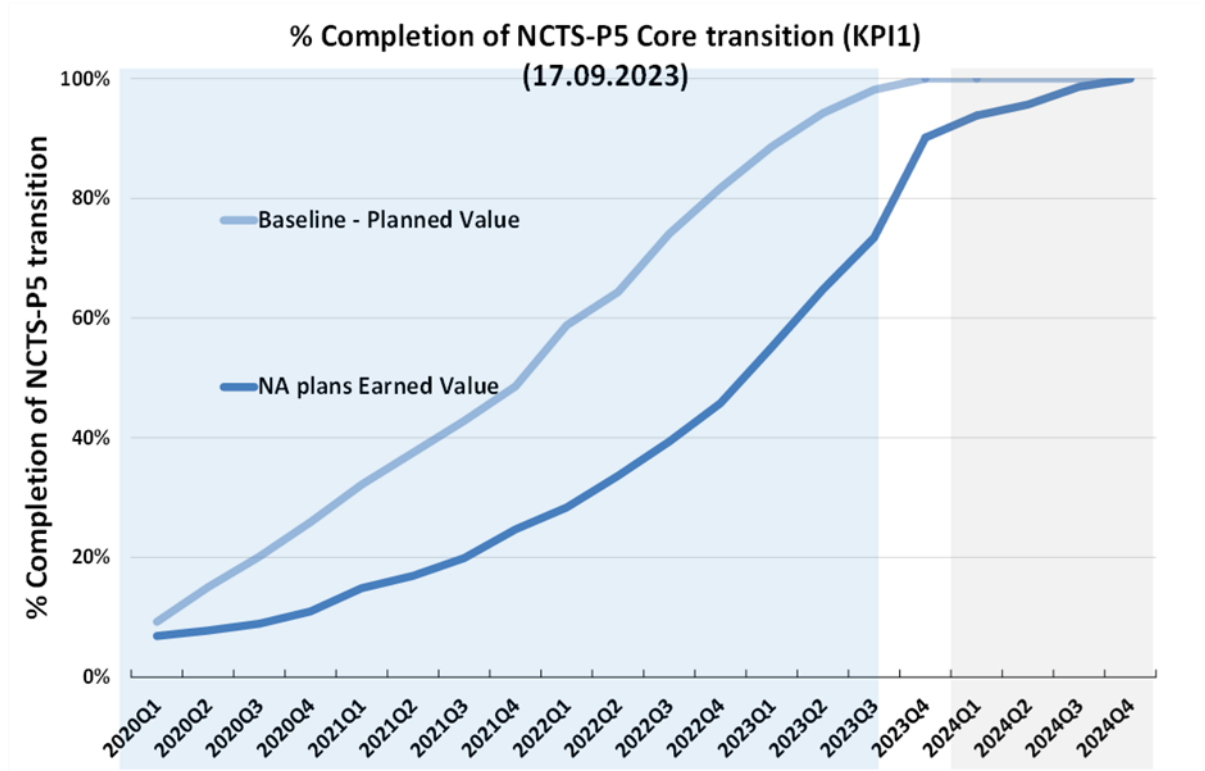


Figure 19: Conformance tests: Planned value versus earned value – KPI1 – NCTS-P5

<sup>188</sup> The Planned and Earned Values are built on a basket of 12 key milestones across all the National Administrations involved in the transition to NCTS-P5.

<sup>189</sup> According to the revised UCC WP that will be adopted in December 2023.

Figure 20 below displays the percentage of National Administrations in the Conformance Testing phase. The light purple curve represents the Planned Value, which was established based on the National Administrations' plans at the end of 2020. The dark purple curve represents the Earned Value, also known as the Actual Value, compiled from the latest National Planning submitted before 15 September 2023.

The peak of Conformance Testing has shifted by 3 quarters from the baseline set at the end of 2020 and has increased in volume. The distribution of the Conformance Testing bells now skews to the right in comparison to the baseline, as National Administrations that are running late will complete their Conformance Testing campaigns during 2023 and 2024.

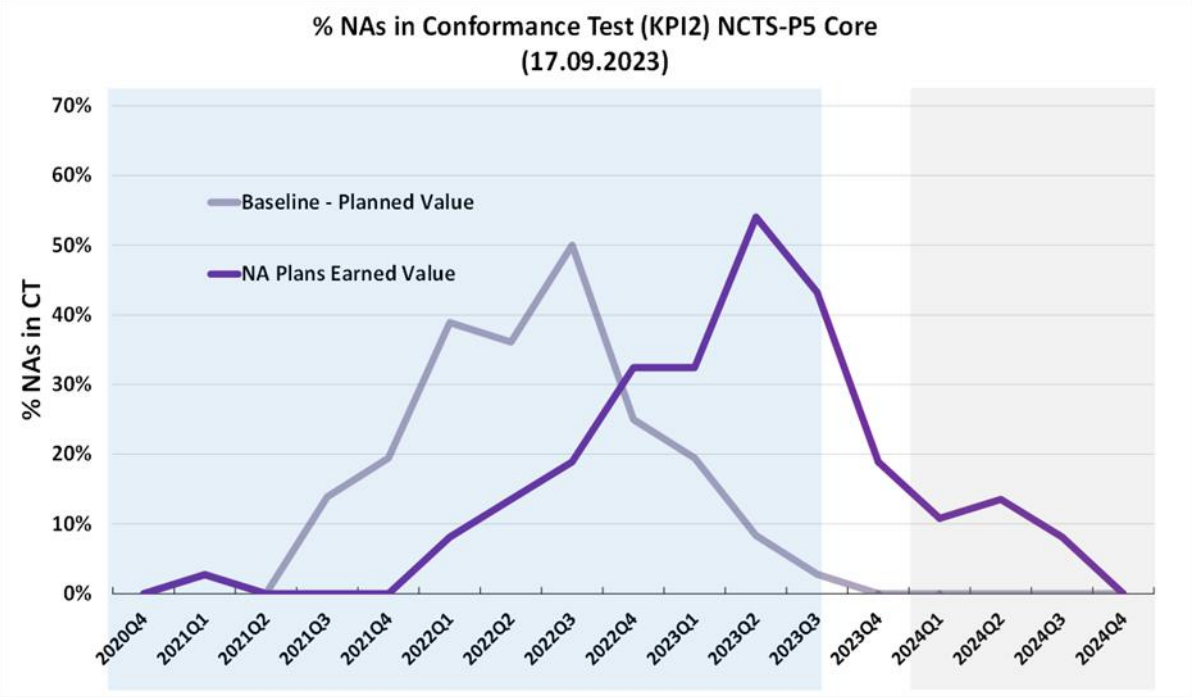


Figure 20: Conformance tests: Planned value versus earned value – KPI2 – NCTS-P5

Additional details regarding the specific percentage of completion per milestone can be seen in Figure 21.

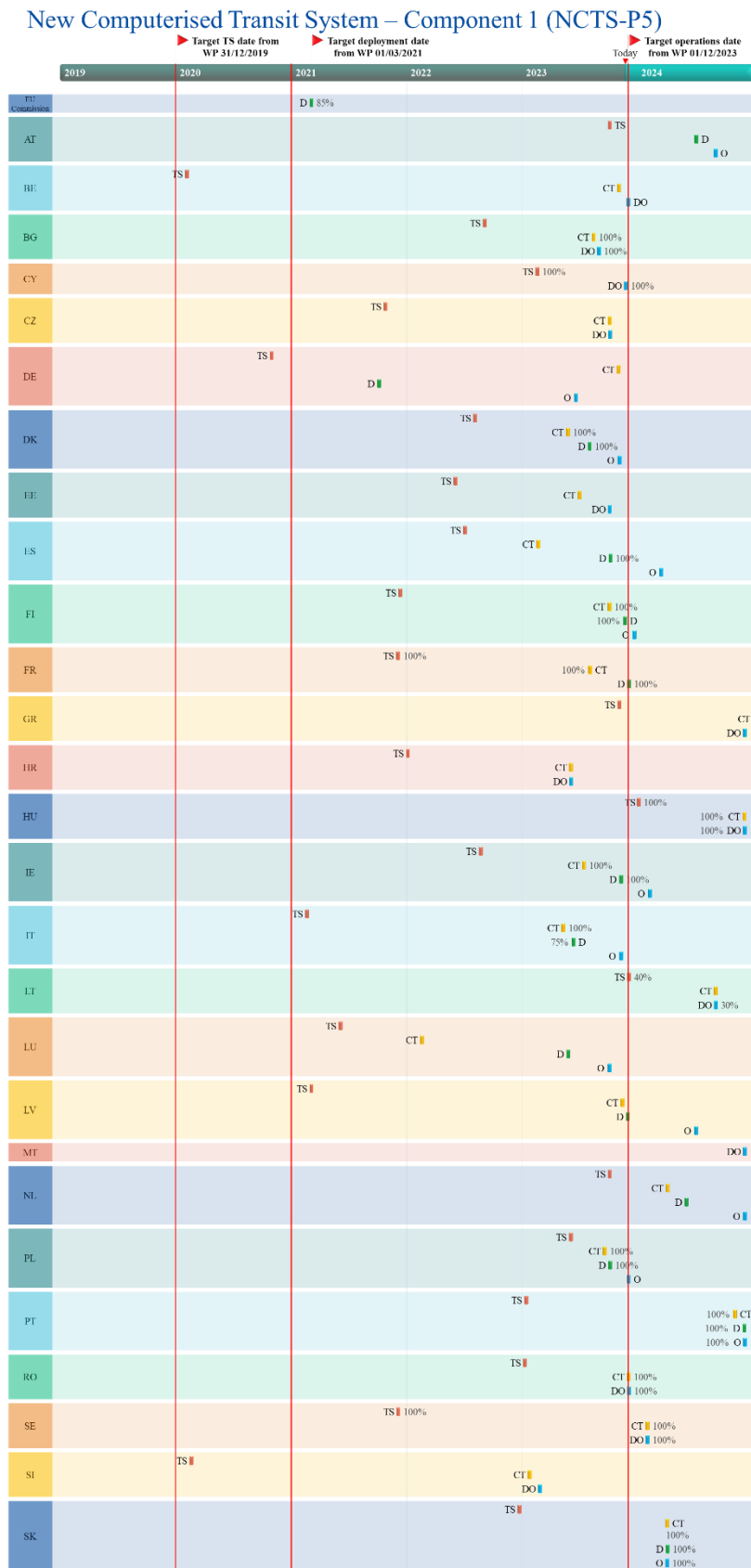


Figure 21: Percentage of Completion per Phase – NCTS-P5

Figure 22 below illustrates the four milestones set in Article 278(a) of the Regulation (EU) 2019/632 amending Regulation (EU) 2013/952 as reported by each National Administration in their National Planning, ranked by their entry in deployment window for the traders. It illustrates how the deployment window for the trader shortens with its later start, the entry into force of the final provisions of the UCC being a legally set milestone by the UCC WP.

### NCTS-P5 Core Operation Continuity Period External Domain (17.09.2023)

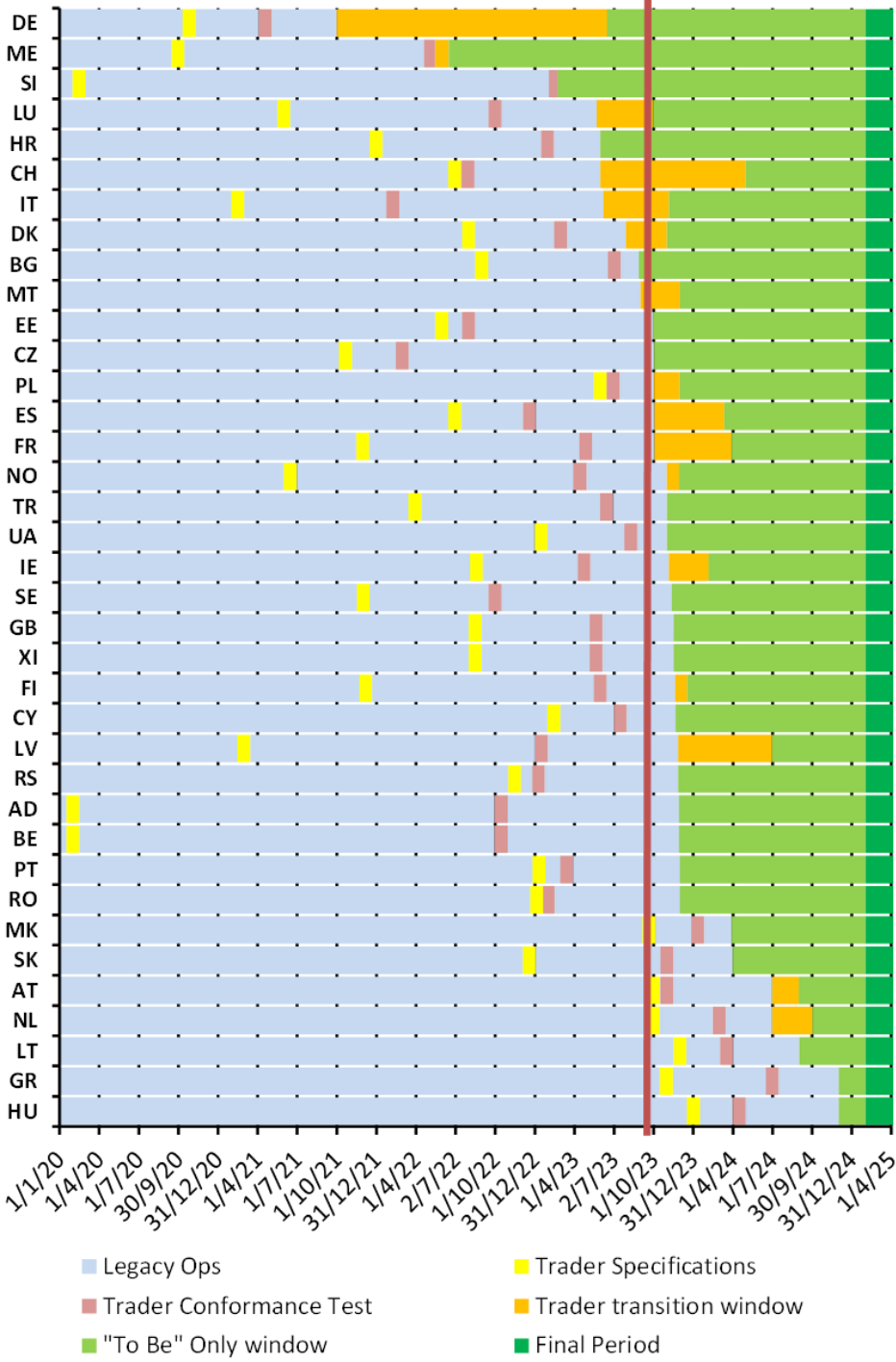


Figure 22: NCTS-P5 Transitional Period

### 3.8. UCC AUTOMATED EXPORT SYSTEM (AES)

The AES project consists of an upgrade of both the existing trans-European ECS and the existing NES. It aims to implement the UCC requirements for the export and exit of goods, including export and re-export declarations; EXS and CCE, re-export notifications and an interface with EMCS and NCTS. The project entails implementing the UCC simplifications offered to trade to facilitate the export of goods for European companies, such as CCE, and the UCC obligations to better monitor what exits the customs territory of the Union to prevent fraud. The export declaration and all linked message exchanges the Arrival at Exit Notification and EXS are subject to considerable rework. The proposed message structures are fully convertible from/to 'Legacy'/'To Be' ones, guaranteeing a smooth transition and fostering business continuity from Q1 2021 until the latest trader is migrated to AES-C1.

The following processes will be implemented:

- Export declaration pre-lodgement;
- Handling of simplified/supplementary declarations;
- CCE;
- Re-export notification;
- Export process followed up by the transit TES and better monitoring of trade flows;
- Export handling of goods under excise duties suspension interoperability with EMCS;
- Facilitate legitimate trade & combat fraud;
- Strengthen the Safety and Security for exit.

The new export system brings about substantial benefits and simplifications while ensuring continuity with the existing operational systems.

In terms of planning, the system is comprised of two components.

The first component, **AES – Component 1** relates to the trans-European AES. The project aims to further develop the existing ECS to implement a full AES that would cover the business requirements for processes and data brought about by the UCC. These processes and data will include the coverage of simplified procedures and CCE. It will also cover the development of harmonised interfaces with EMCS and NCTS. As such, AES will enable the full automation of export procedures and exit formalities. The system includes some parts to be developed centrally, but the main components are to be developed at the national level.

According to the revision of the UCC WP<sup>190</sup>, AES-C1 will be deployed in three steps: the first related to core functionalities (Business Continuity aligned to UCC), the second to interface with Excise (planned for February 2024) and the third to non-core functionalities (Central Clearance, Export followed by Transit Pre-Lodgement, Simplified/Supplementary Declarations). The Member States have the possibility to deploy both steps in one or deploy in sequence.

AES-C1 will be deployed in line with the following calendar:

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<sup>190</sup> The revised UCC WP will be adopted in December 2023.

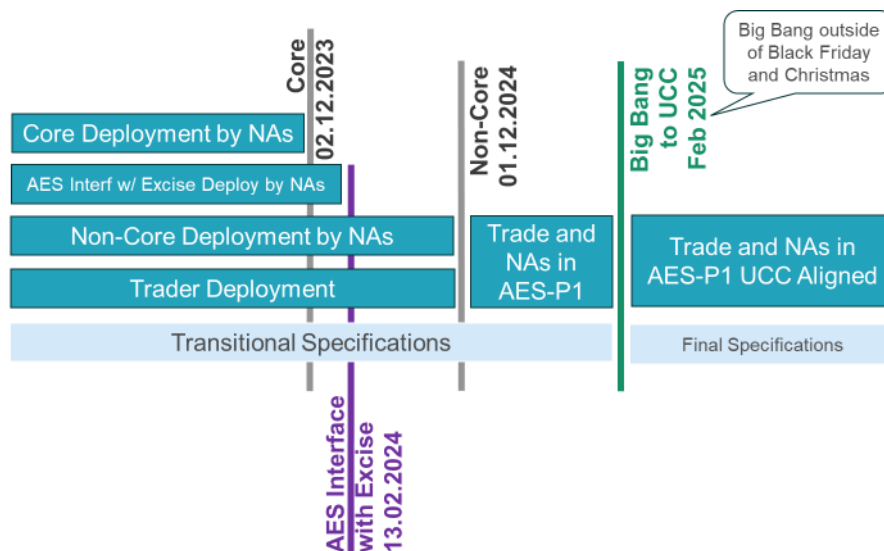


Figure 23: AES-C1 timeline

For this section on AES-C1, the entries in Operation of the Member States focus on the core functionalities, as they represent the main scope of AES-C1 and ensure business continuity. Despite this, most Member States will deploy both their core and non-core functionalities and their interface with Excise simultaneously. As of 1 December 2024, all Member States and economic operators should be using AES, but there will be still some restrictions applied till the end of the transition period or “Big Bang to UCC”. At the moment of the Big Bang all restrictive business and technical rules will be removed and all MS and Traders will be submitting in AES the data 100% aligned to the UCC.

The second component, **AES – Component 2** relates to the NES upgrade and aims to upgrade the national systems used for the completion of certain formalities not impacting the common domain of the AES.

It is important to highlight that the AES system specifications developed at the central level (FSS and TSS) cover the Information Exchange in the common, national, and external domains:

- The common domain communication refers to the Information Exchange between customs offices located in different Member States;
- The national domain includes the interface between national AES and other systems at national level (e.g., AES-EMCS and AES-NCTS);
- The external domain includes the communications between the customs offices and the declarant/trader at exit, at national level.

Regarding the message exchanges on the common domain, the AES specifications prepared by DG TAXUD are mandatory for all the Member States. In the case of external or national domains, the common AES specifications are strongly recommended, aiming to harmonise the export and exit formalities as much as possible among the Member States.

The 27 Member States (and Northern Ireland under the NIP) are the parties in Operation for the ECS. They all need to transition to the AES-C1 system by 1 December 2023 for the core functionalities, 13 February 2024 for the interface with Excise and 1 December 2024 for the non-core functionalities.



### 3.8.1. Summary of Responses

#### *AES – Component 1 (AES-C1)*

##### **Summary from the Commission:**

For AES, the challenge lies in ensuring business continuity and a seamless transition for Member States and trade, while implementing substantial changes in the applicable Data and Process models. The Functional and Technical Specifications<sup>191</sup> approved by the Member States govern the quality, technical support, operation continuity, security and capacity of the transition to full AES-C1 Operations.

The AES project pioneered a collaborative, iterative and Agile working method that has been praised by all the Member States and traders involved. The Agile approach adopted since the start of the project pays off in terms of functional and technical quality and the actual progress of the Member States. The collective intelligence of the Member States is a critical asset for the success of the transition at stake. The Coordination Programme is also essential in enabling collaboration between the Member States and the Commission and providing transparency on the status of the project.

##### UCC Work Programme and Technical Specifications to address the shift of the National Administrations and the traders

Considering the delays reported by the Member States and by the trade community for their transition to AES-C1 (see below), the Central Project Team, in close cooperation with the Member States issued a proposal for the UCC WP and the TSS aiming at ensuring the operation continuity of AES until January 2025 while bringing then in alignment with the UCC Annex B.

The Technical System Specifications (TSS) have been improved in the light of the experience and of the expected legal arrangements which will frame the AES-C1 operation, as set in Article 278 of the UCC.

##### Progress of the Central Project Team

Overall, the activities of the Central Project Team are on track according to the planned schedule for the development of the central system and the quality of the central services according to the agreed Service Level Agreement. The Central Converter demonstrated its fitness for purpose and its resilience with the growing volume of conversion. Other central systems have been continuously improved.

A new business scenario for the recapitulative declarations will be incorporated in the AES system specifications and the first update of the AES Business Guidance which is scheduled to be published by the end of 2023.

A draft of the Business Continuity Plan for AES containing the Commission proposal is currently under preparation, following the information gathered from the Member States. The proposal is expected to be agreed between the Member States and the Commission by the end of 2023.

##### Start of AES-C1

The Commission and the Member States are actively involved in transitioning the trans-European customs systems for export. This started with the successful Deployment of the new UCC AES system in DE in March 2021 and the entry into international operation by ES and DE on 26 April 2023. These achievements paved the way for the next generation of interconnected trans-European systems for the trade community and the national customs authorities, showcasing the quality of the specifications and legal provisions supporting these systems and, most importantly, their business continuity.

Since, IE, NL, HR, SI, DK, and BG joined the AES operation as of mid-September 2023, bringing the number of Member States in AES-C1 to eight at this date.

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<sup>191</sup> The Functional and Technical Specifications include Service Management, Service Level Agreements, Terms of Reference, Crisis Management, Capacity Plans and Security Plans.

### Increasing progress of the Member States in 2023 (as of mid-September 2023)

The Member States reported significant progress in deploying their national export applications in 2023. Currently, 96% of the Member States are actively engaged in their implementation, while one Member State is in the procurement or inception stage and almost ready to start.

Moreover, 82% of the Member States are already in or have already completed their Conformance Testing activities, 11% are in deployment and 28% are already in Operation.

The completion percentage of the transition phase for the Member States as a group stands at 74% in Q3 2023, exhibiting a 31% increase since Q3 2022.

The central converter, ieCA, developed and operated by the Commission along with other central systems, has performed as expected. This significant achievement is the outcome of over three years of intensive collaboration between the Member States and the Commission, marking the beginning of the transition in the Common Domain.

### Entry into Operation

Figure 24 below presents the updated planning of the Member States' entry in Operation. This figure is based on the date at which a Member State joins the 'To Be' operation on the Common Domain with their core functionalities.

All Member States but 12 reaffirmed their intention to be in Operation with the Core functionalities by 1 December 2023. Several Member States confirmed their intention to be in Operation for both Core and Non-Core functionalities as well as for their Excise interface by 1 December 2024. Two Member States (PL and PT, indicated in orange in Figure 24 below) are reviewing their plans and have not yet committed to their date of entry in Operation. XI plans to enter into Operation at the end of 2025, however, efforts are being made to expedite this date before 1 December 2024.

As of mid-September 2023, HR, IE, NL, SI, DK, and BG joined DE and ES in AES-C1 Operation. Currently, eight Member States, along with the Commission, are implementing their deployment plans to ensure their timely entry into Operation of AES-C1. Thus far, all entries in Operations have occurred without causing any disruption to the continuity and quality of the operation, reflecting the effective efforts of the National Project Teams.

## AES-P1 Start of Core Operation (17.09.2023)



Figure 24: AES-C1 Member States entry into Operations as of 17 September 2023

At the moment of writing, IT secured its plan to enter into Operation in November 2023, which will boost the transition of AES-C1, considering its weight in NCTS volumetrics. BE and FR, two major actors in the AES-C1 system, will enter into Operation during 2024 and it is essential to secure the deployment of FR before December 2024. PL's plan to enter into Operation will probably shift to 2024 due to delays on the traders' side. PT is also experiencing difficulties in delivering on time.

Overall, the Member States have collectively achieved significant progress. However, at least ten of them will enter into Operation during 2024, with some possibly joining in Q4 2024, if not on the last day. For further details, please refer to Table 30 below.

### Recommendations to the Member States

The Commission invited the Member States, particularly those that announced running over the 1 December 2023 milestone for the core functionalities, to maintain a high level of compliance with all their national projects so that NCTS-P5 can be deployed in time or with the shortest delay possible.

For Member States that are at risk of missing the deadline for the core functionalities or already indicated an entry in Operation after 1 December 2023 are advised to take advantage of the remaining time before the deadline to undertake all necessary steps to minimise delays as much as possible.

Furthermore, the Member States are reminded that they have to implement all requirements of the Design Document for National Export Application (DDNXA), including the transitional Rules and Conditions, to ensure business continuity. The Member States are invited to adjust their AES-C1 set-up to the compatibility measures required to ensure the operation continuity beyond 1 December 2023.

Additionally, the Commission invited the Member States that have not yet done so to publish their trade specifications in accordance with the latest DDNA 5 and RfCs promptly.

It is essential for Member States that do not offer a transition window to their trade to communicate their transition strategy well in advance to the EOs. This will allow sufficient time for the development and testing of the trade system. Moreover, all Member States should initiate their outreach and support program for the EOs.

### The Coordination Programme

Under the umbrella of the ‘National Administration Coordination Programme’ the Commission assists and monitors the development and deployment of the national components for AES-C1 by the Member States. The programme is being extended to monitor the transition of the Member States and traders during their transition to AES-C1.

The trade community is regularly updated on the progress achieved and the National Planning.

Considering that the majority of the Member States are currently engaged in the implementation phase of AES-C1, the Coordination Programme has to provide support in the deployment in Operation of the Member States to coordinate the entry of trade into Operation.

In addition, the bilateral communication between the Member States and the Commission will be strengthened to support the Member States during their implementation of the AES system, through the various stages such as the development of the Conformance Testing activities, the National Planning and to address any business or technical issues raised by Member States.

**Summary from the Member States:**

Most Member States reported a low or medium-risk level regarding the on-time delivery of the AES-C1 project, with only a few of them rating it as high.

The delay in call for tender procedures, procurement and service providers; the competing priorities and interdependencies within and outside the UCC WP (i.e., eCommerce and ICS2); the lack of resources (staff & budget); the COVID-19 pandemic; the delays from the traders and the changes in the specifications are indicated as the main risk-causing events impacting the progress of the project.

The overall complexity of the system is being assessed as medium/high, mainly due to the many interdependences among systems, the large number of stakeholders and the intrinsic complexity of the processes that AES incorporates.

Most Member States also reported adopting an Agile development methodology or an iterative approach with the objective of reducing the implementation time frame.

The above summary also applies to AES-C2.

In terms of assessing the level of completeness of the system, some of the Member States reported that the system is on target<sup>192</sup>. AT<sup>193</sup>, FI, FR, HU, LU, MT<sup>194</sup>, PL<sup>195</sup>, PT<sup>196</sup>, and SE stated that currently the development is being delayed beyond the Deployment deadline. FI, HU, and LU<sup>197</sup> submitted a written notification asking for derogation under Article 6(4) UCC to DG TAXUD concerning the delay for AES-C1 beyond the deadline 01/12/2023.

The Member States that reported the completion of the AES project are DE, ES, HR<sup>198</sup>, IE, NL<sup>199</sup>, and SI. DE clarified that two functionalities are being developed until December 2023: (1) CCE; (2) the update of the existing national interface Export followed by Transit.

The percentage of Completion of each of the Member States’ projects according to their respective National Planning is provided in Table 32 below.

**Detailed Responses:**

Table 29 provides the individual Member States’ responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			

<sup>192</sup> BG, CY, DK, EE, HR, IE, IT, MT, NL, PL, PT, RO, and SK.  
<sup>193</sup> Information provided from a bilateral meeting between AT and DG TAXUD held on 06/06/2023.  
<sup>194</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.  
<sup>195</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.  
<sup>196</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.  
<sup>197</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.  
<sup>198</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.  
<sup>199</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
BE			
BG	4	Low	Same response as for NCTS-P5.
CY	6	Low	CY informed that the status of the project is on target with Technical Specifications currently in progress. CY indicated a high complexity caused by the interdependencies between core and supporting systems, the need for a high percentage of availability of the systems, the limitations in human resources and the effects of the COVID-19 pandemic. CY clarified that the analysis for AES took place in 2022 and the other activities will finish in 2023. Conformance Testing will be completed by 15/08/2023 and Deployment is planned for 24/10/2023 <sup>200</sup> .
CZ			CZ confirmed the planned Deployment date of the system in October <sup>201</sup> .
DE	6	Low	DE indicated that all activities for AES-C1 were completed. CCE and the update of the existing national interface Export followed by Transit functionalities will be Deployed by December 2023. DE implemented an Agile development methodology in defined software release cycles. Ongoing activities involve the finalisation and fine-tuning of AES, the monitoring of Operations and the preparation of remaining Conformance Testing for new functionalities of AES (e.g., centralised clearance) as well as the ongoing Conformance Testing certification with the EOs. The end date of the transition window for traders shifted from June 2023 to 29/10/2023 to allow maximum flexibility to migrate from ECS-P2 to AES.
DK	6	Low	DK assessed the project as being on target and informed that Conformance Testing activities for Mode 2 are finished. DK expects to finalise Conformance Testing activities for Mode 3 on 14/07/2023. The transition window for traders is allowed until 01/11/2023. The project is highly complex due to the high number of stakeholders involved and system integrations.
EE	6	Medium	EE assessed the project as being on target with the Technical Specifications phase completed and Conformance Testing currently ongoing. Traders are testing the system and a 'big bang' implementation is planned <sup>202</sup> . EE reported that the phases of the project were divided into analysis, development, delivery and testing to reduce the implementation timeframe.
ES	4	Low	ES completed all activities relating to AES-C1. An iterative approach was used for the development of the system.
FI	6	High	FI assessed the project as delayed beyond the Deployment deadline. The causes indicated for delay are the COVID-19 pandemic, the limited resources, especially on the supplier's side, and having to develop multiple systems in parallel. FI prioritised the development of NCTS which stalled progress for

<sup>200</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.

<sup>201</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

<sup>202</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			AES. Given the situation, FI sent a derogation request for AES-C1. Core functionalities are scheduled for October 2024. Half of the test scenarios have already been completed in the pre-Conformance Testing phase. The test environment is expected to be available well in advance, with a one-month migration period envisaged. FI also shared that the current exit system will remain connected to AES until AES's exit functionality is introduced in Q2 2025. The existing EMCS connection in the current export system and will transition to the new system in October 2024 <sup>203</sup> .
FR	6	High	FR informed of delays caused by the lack of resources available to complete all the ongoing projects for the import-export system. To mitigate the impact of the delays, FR will deliver AES following 3 releases (V1, V2 and V3). V1 will include core flow, diversion, enquiry procedure, manifest and invalidation. This is defined as the MVP. V2 and V3 will include re-export notification, NCTS link, EMCS link, EXS, amendment of the declaration, partial release and CCE. Overall, the expected delay is of one year for the MVP.
GR			GR shared that the migration of all the traders is expected to follow a big bang approach. GR has experience with this approach from previous years and is adept at managing it <sup>204</sup> .
HR	6	Medium	HR shared that the RfCs being introduced late in the stage of development disrupted the testing process, ultimately impacting Conformance Testing activities. Furthermore, HR indicated that it has limited human resources that can perform such test scenarios. Although that, HR indicated that the system is in Operation (except for CCE) since 03/05/2023 and a big bang approach was followed with traders <sup>205</sup> .
HU	6	High	HU reported delays for the project beyond the Deployment deadline due to a lack of resources that can be allocated to the project. As a result, HU requested a one-year derogation. HU is currently working on developing the TS, while the rest of the activities did not start. Resources were reallocated to this project after the completion of EMCS P4.
IE	6	Medium	IE assessed the project as being completed <sup>206</sup> . The initial 'go live' took place on 21/03/2023, almost two months after the original expected date, due to the complexities already indicated as well as having to implement a last-minute RfC.37. IE informed that the Transition Period and the related requirement for a Transition Handler, ieCA and TP rules increased the complexity of the project. IE is currently working on testing activities with Conformance Testing for Mode 2 completed for exiting business continuity. Some of the newer AES features, such as CCE are still pending testing.

<sup>203</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

<sup>204</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>205</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.

<sup>206</sup> Information provided from a bilateral meeting between IE and DG TAXUD held on 17/05/2023.

MS	Complexity Rating	Risk Level	Additional Comments
IT	6	High	IT shared that AES-C1 is scheduled for 15 November with a phased approach <sup>207</sup> .
LT	4	Medium	LT indicated that the Conformance Testing activities were completed with the Tax Inspectorate and with the National Paying Agency. Conformance Testing for Mode 1 is completed and Conformance testing for Mode 2 started on 02/06/2023 and is underway.
LU			LU reported that the full AES system deployment is planned for 30/06/2024. While LU will be using the EMCS system developed by AT, there is a delay with establishing the connection with AES and it remains uncertain whether it will be ready by May/June 2024 <sup>208</sup> .
LV			LV shared that a new technology and architecture will be implemented. The plan is to deploy the system on 02/10/2023, covering core functionalities but not including the connection to NCTS or EMCS. LV indicated that it probably will not be able to connect to NCTS by December 2023. Integration with EMCS, and probably with NCTS, is planned for Q1 2024 <sup>209</sup> .
MT	4	Low	MT reported that Technical Specifications for AES-C1 were completed and is currently performing Conformance Testing. The development of the system is being done internally in the Malta Information Technology Agency (MITA). The project is being delayed beyond the foreseen Deployment deadline due to other integration needs. The system is planned to be Deployed in Q4 2024. MT indicated that a derogation will be requested <sup>210</sup> .
NL	6	Low	NL informed that the AES-C1 system entered in Operation on 22/04/2023. NL shared that an agile and iterative approach for the implementation is being used. EMCS connection is planned on 13/02/2024 and CCE will be implemented together with CCI-P2 in 2025 <sup>211</sup> .
PL	5	Medium	<p>PL assessed the project as being on target with the Technical Specifications and the Conformance Testing phases completed. PL identified the following risks: (1) the IT provider's quality of service, (2) the delay in software deliverables on the contractor's side, (3) the limited training of the team on the development of AES and NCTS and (4) the lack of human resources. The integration of AES with NCTS and other national systems being developed simultaneously in customs administration poses an additional risk. In this light, not all software providers are expected to develop new client applications on time.</p> <p>At the same time, the COVID-19 pandemic has created an unstable environment, that has impacted work progress across all systems.</p> <p>The initial dates established for the Conformance Testing and the development phases suffered a delay of one year, due to the</p>

<sup>207</sup> Information provided from a bilateral meeting between IT and DG TAXUD held on 07/11/2023.

<sup>208</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>209</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>210</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>211</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.



MS	Complexity Rating	Risk Level	Additional Comments
			additional releases of Design Document for National Export Application (DDNEA) specifications. PL indicated that its exporting traders are not ready and they have a policy refraining from making substantial system changes in December due to the busy trading period and the associated risks. PL identified May 2024 as the most suitable time for the implementation of the system. Full functionality is planned for AES and PL will need to request a derogation <sup>212</sup> . PL shared that is using an iterative approach for the system development.
PT	6	High	Same response as for NCTS-P5. However, PT is currently facing procurement and tendering difficulties, particularly with the renewal of contracts with the companies developing the systems, which may lead to an implementation of the NCTS/AES systems in PT beyond the expected Deployment deadline. AES full scope is planned to be deployed in one step in the second half of 2024. EMCS connection will be done with the existing export system in February 2024 <sup>213</sup> .
RO	6	Medium	Same response as for NCTS-P5 <sup>214</sup> .
SE	4	Low	SE reported a delay in the project, impacting its progress beyond the Deployment deadline. The date for Deployment is scheduled for October 2024, with the first deployment including all components, except (1) entry in the declarant's records, (2) EXS, and (3) re-export notification, which are expected to be deployed by the end of 2025 <sup>215</sup> . From 2025 onwards, communication over the common domain in the old format will no longer be available. The Technical Specifications phase is currently in progress, and SE indicated that a phased approach will be implemented for the development of the system.
SI	5	Low	SI informed that the AES-C1 project is complete, with Technical Specifications, Conformance Testing and Deployment activities fulfilled. The system entered in Operations on 24/05/2023.
SK	4	Low	Same response as for NCTS-P5.

Table 29: Detailed responses from Member States – AES-C1

<sup>212</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

<sup>213</sup> Information provided from a bilateral meeting between PT and DG TAXUD held on 27/10/2023.

<sup>214</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>215</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.



The risk assessment of National Planning of the Member States by the Commission Services is shown and substantiated in the Table 30 below:

AES-P1 (17.09.2023)												
	in procurement or inception	NPP in review	Shift from transRep23Q1	Conformance Test too short	In To Be Operation	Start of To Be Oper in Last 2 Qtr	Start of To Be Oper in Last Qtr	Start of To Be Oper on 01.12.23	Start of To Be Oper Dec 23 - Feb 24	Start of To Be Oper Mar 24 - Nov 24	Trade window too short	Comments
AT				✓						✓		Running Over
BE			✓						✓		✓	Running Over
BG				✓	✓						✓	In operation
CY			✓	✓			✓				✓	
CZ							✓				✓	
DE				✓	✓							In operation
DK			✓		✓							
EE			✓				✓					
ES				✓	✓							In operation
FI										✓		Running Over
FR		✓								✓		Running Over
GR	✓	✓		✓						✓		Running Over
HR					✓						✓	In operation
HU		✓		✓						✓		Running Over
IE				✓	✓							In operation
IT			✓				✓					
LT							✓	✓			✓	Last day big bang
LU			✓							✓		Running Over
LV							✓				✓	Little contingency
MT							✓					Little contingency
NL					✓							In operation
PL		✓	✓			✓						Plan under review
PT		✓	✓			✓	✓				✓	Plan under review
RO			✓			✓	✓				✓	Little contingency
SE										✓		Running Over
SI			✓		✓						✓	In operation
SK			✓	✓						✓		Running Over
XI			✓							✓	✓	Running Over

Risk level of the NA	AES-P1 #MS
Light blue: in operation	2
Green: little risks to reach Dec 23	8
Orange: medium risk to reach Dec 23	3
Red: serious to reach Dec 23	3
NA Ready 01.12.23 Total	16
Cherry Red: start in Dec 23 - Feb 24	2
Dark Red: start after Feb 24	10
NA running over Total	12
NA Total	28

Table 30: Risk Assessment by the Commission: AES-CI

## AES – Component 2 (AES-C2)

### Summary from the Member States:

Please see also the summary from AES-C1.

In terms of assessing the level of completeness of the system, some Member States reported that the system is on target<sup>216</sup>. FI, FR, HU, MT, and SE stated that currently the development is being delayed. Out of those, MT will be requesting a derogation<sup>217</sup>, due to the limitation in the resources to complete the project and FI and HU already submitted a written notification asking for derogation under Article 6(4) UCC to DG TAXUD concerning the delay for AES-C1 beyond the deadline 01/12/2023.

The percentage of Completion of each of the Member States' projects according to their respective National Planning is provided in Table 33 below.

### Detailed Responses:

Table 31 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	4	Low	Same response as for AES-C1.
CY	6	Low	Same response as for AES-C1.
CZ			Same response as for AES-C1.
DE	6	Low	According to DE, the trans-European AES project is developed together with the national export component and corresponds to the national release AES 3.0.1 DE indicated that the acceptance test AES 3.0.1 started on 18/01/2021 and was carried out without interruption until 05/03/2021. The information shared for AES-C1 is relevant for this section as well.
DK	6	Low	DK assessed the project as being on target and informed that Conformance Testing activities for Mode 2 are finished. DK expects to finalise Conformance Testing activities for Mode 3 on 14/07/2023. The transition window for traders is allowed until 01/11/2023.
EE	6	Medium	Same response as for AES-C1.
ES	4	Low	ES informed that the end of the Conformance Testing will be marked by the start of the migration window for traders. The information shared for AES-C1 is relevant for this section as well.
FI	6	High	Same response as for AES-C1.
FR	6	High	According to FR, AES-C2 is highly linked to AES-C1. The information shared for AES-C1 is relevant for this section as well.
GR			
HR	6	Low	Although HR indicated that the project is on target, the Deployment date was postponed to 02/05/2023. HR informed that the national component was developed on a smaller scale in the first phase due to the complexity of the mandatory scope of the scenario.
HU	6	High	Same response as for AES-C1.
IE	6	Medium	Same response as for AES-C1.

<sup>216</sup> BG, CY, DK, EE, HR, IE, IT, MT, NL, PL, PT, RO, and SK.

<sup>217</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

MS	Complexity Rating	Risk Level	Additional Comments
IT	6	High	Same response as for AES-C1.
LT	4	Medium	Same response as for AES-C1.
LU			
LV			
MT	5	Medium	Same response as for AES-C1 <sup>218</sup> .
NL	6	Low	Same response as for AES-C1.
PL	5	Medium	Same response as for AES-C1.
PT	6	High	Same response as for AES-C1.
RO	6	Medium	Same response as for AES-C1.
SE	4	Low	Same response as for AES-C1.
SI	5	Low	Same response as for AES-C1.
SK	4	Low	Same response as for AES-C1.

Table 31: Detailed responses from Member States – AES-C2

<sup>218</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

### 3.8.2. Overview of Project Progress

Table 32 highlights any known divergences in the planning compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding **AES-C1**, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP<sup>219</sup>: AT, BE, FI, FR, GR, HU, LU, MT, PT, SE and SK.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>219</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>219</sup>	2023 Planned/ Actual Date
European Commission		Not provided	Not Provided	Not provided	85%		Not Provided	80%		Not Provided
AT		31/12/2020	Not Provided	Not provided	Not Provided		01/07/2024	Not Provided		30/09/2024
BE		30/06/2022	Not Provided	05/02/2024	Not Provided		13/02/2024	Not Provided		13/02/2024
BG		31/08/2022	100%	11/08/2023	100%		28/08/2023	100%		28/08/2023
CY		01/08/2023	100%	Not provided	100%		24/10/2023	100%		24/10/2023
CZ		21/10/2021	100%	01/10/2023	Not Provided		02/10/2023	Not Provided		02/10/2023
DE		26/10/2020	100%	29/10/2023	100%		01/10/2021	100%		16/06/2023
DK		01/08/2022	100%	17/07/2023	100%		29/07/2023	100%		01/11/2023
EE		31/05/2022	100%	01/06/2023	100%		01/10/2023	100%		01/10/2023
ES		15/04/2021	100%	08/04/2022	100%		18/10/2022	100%		09/05/2023
FI		07/12/2021	100%	31/12/2024	50%		25/05/2024	80%		21/06/2024
FR		01/03/2023	100%	30/09/2024	25%		31/12/2025	0%		01/04/2026
GR		31/10/2023	Not Provided	31/12/2024	Not Provided		01/12/2024	Not Provided		01/12/2024
HR		31/12/2021	100%	10/03/2023	100%		03/05/2023	100%		03/05/2023
HU	31/12/2019	31/03/2023	100%	30/08/2024	5%	01/03/2021	30/08/2024	0%	01/12/2023	01/12/2024
IE		28/01/2022	100%	30/03/2023	100%		21/03/2023	100%		21/05/2023
IT		15/02/2021	100%	07/05/2023	100%		08/06/2023	85%		15/11/2023
LT		04/05/2023	100%	01/12/2023	100%		01/12/2023	100%		01/12/2023
LU		01/07/2023	Not Provided	30/03/2024	Not Provided		30/06/2024	Not Provided		30/06/2024
LV		N/A	Not Provided	30/09/2023	Not Provided		02/10/2023	Not Provided		02/10/2023
MT		N/A	100%	N/A	100%		01/12/2024	100%		01/12/2024
NL		01/12/2021	100%	29/09/2023	100%		01/05/2023	100%		22/04/2023
PL		15/05/2023	100%	02/10/2023	100%		02/10/2023	100%		30/11/2023
PT		22/02/2023	100%	31/10/2024	100%		30/11/2024	100%		02/12/2024
RO		05/01/2023	Not Provided	30/11/2023	100%		01/12/2023	100%		01/12/2023
SE		15/12/2022	70%	20/12/2024	30%		01/10/2024	0%		20/12/2024
SI		06/04/2021	100%	23/05/2023	100%		24/05/2023	100%		24/05/2023
SK		02/02/2023	100%	31/03/2024	100%		01/04/2024	100%		31/03/2024

Table 32: Comparison of Planned and Actual Dates – AES-C1

<sup>219</sup> In the 2023 UCC WP Revision, the end of the deployment window for the core functionalities of the system is envisaged for 01/12/2023, the development of a harmonised interface with the EMCS for 13/02/2024, and the remaining functionalities for 02/12/2024. By 02/12/2024, all Member States and traders should use the AES system. The end of the transition is envisaged for 11/02/2025.

Figure 25 below illustrates the percentage of completion of the transition for the Member States as a group. The light blue curve represents the Planned Value, which is the baseline endorsed by the ECCG in October 2020. The dark blue curve represents the Earned Value, also known as the Actual Value, compiled from the latest National Planning submitted before 15 September 2023<sup>220</sup>.

At the end of Q3 2023, the deployment of AES-C1 stands at 74% (Earned Value), while it should be at 96% (Planned Value). The Member States are working to accelerate their projects and mitigate risks to meet the deployment milestones for the Core functionalities by 1 December 2023 for the interface with Excise on 13 February 2024 and for the non-core functionalities by 1 December 2024<sup>221</sup>.

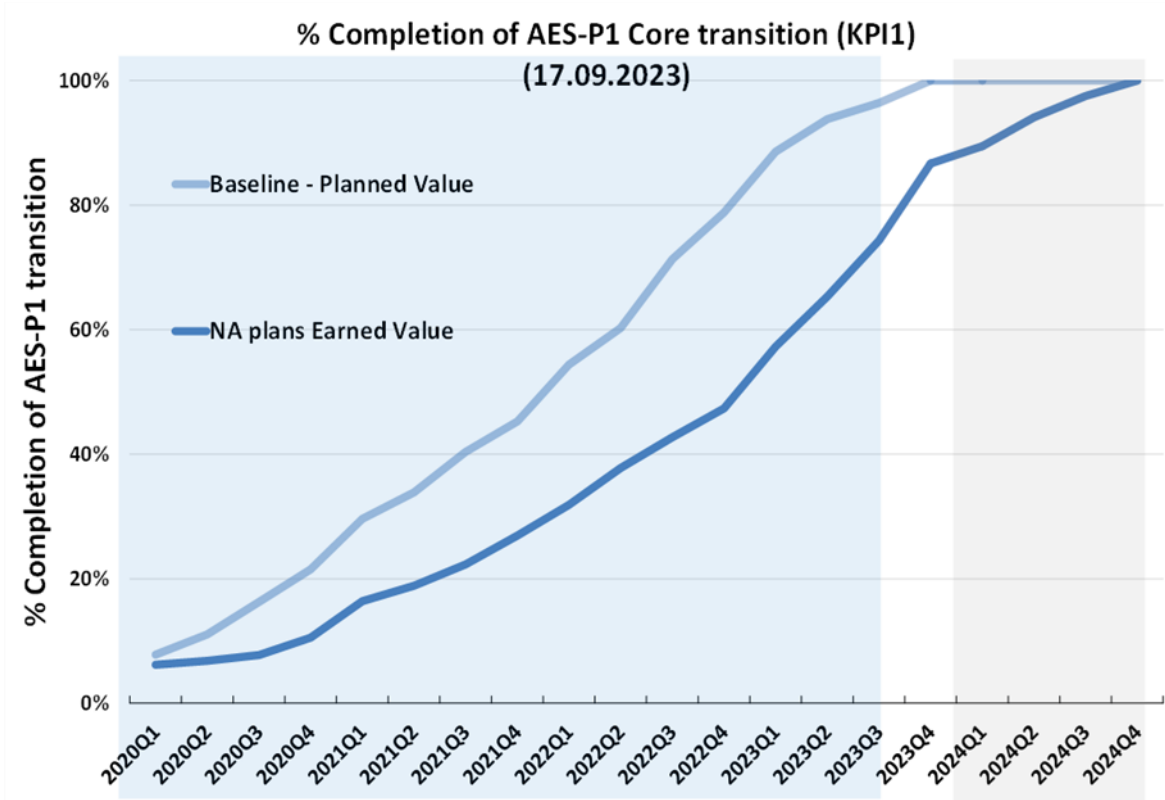


Figure 25: Key milestones: Planned value versus earned value – KPI1 – AES-C1

<sup>220</sup> The Planned and Earned Values are built on a basket of 12 key milestones across all the Member States involved in the transition to AES-C1.

<sup>221</sup> According to the revised UCC WP that will be adopted in December 2023.

Figure 26 below displays the percentage of the Member States in the Conformance Testing phase. The light purple curve represents the Planned Value, which was established based on each Member States' plans at the end of 2020. The dark purple curve represents the Earned Value, also known as the Actual Value, compiled from the latest National Planning submitted before 15 September 2023.

The peak of Conformance Testing has shifted by two quarters from the baseline set at the end of 2020 and has increased in volume. The distribution of the Conformance Testing bells now skews to the right in comparison to the baseline, as Member States that are running late will complete their Conformance Testing campaigns during 2023 and 2024.

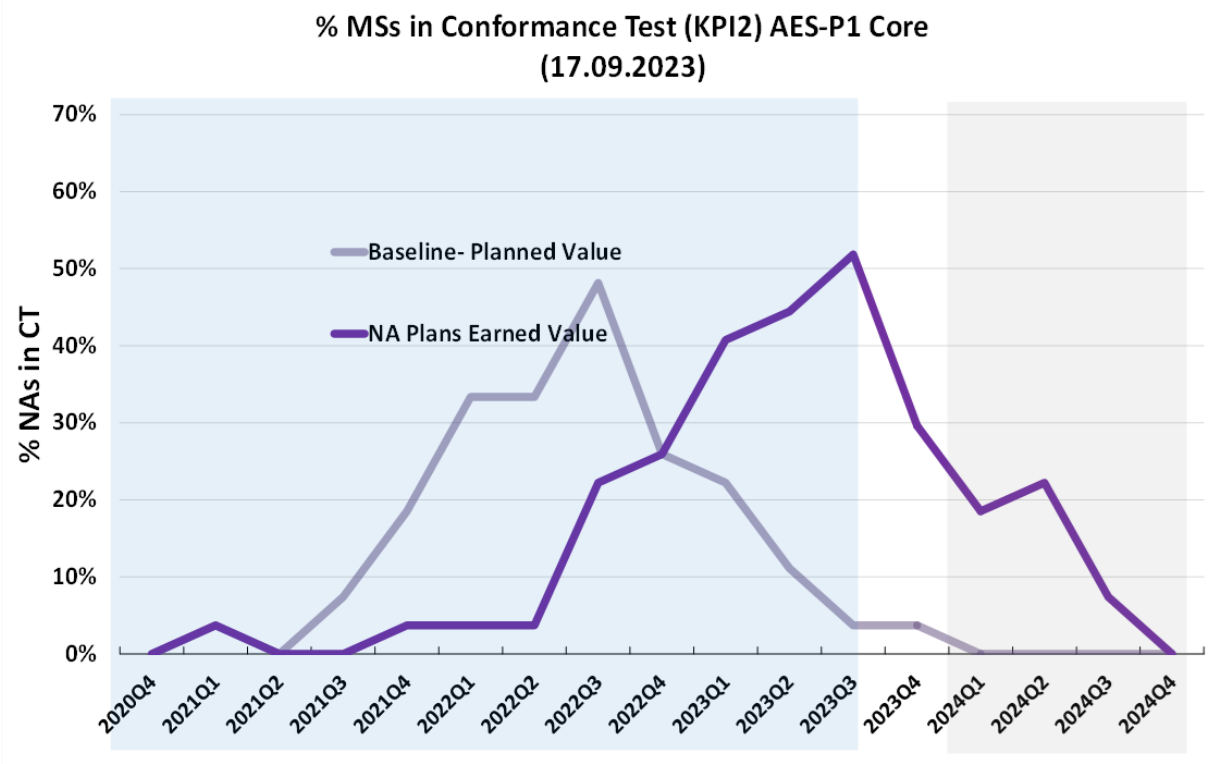


Figure 26: Conformance Tests: Planned value versus earned value – KPI2 – AES-C1

Regarding **AES-C2**, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP<sup>222</sup>: AT, BE, FI, FR, GR, HU, LU, MT, PT, SE, and SK.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP <sup>222</sup>	2023 Planned/ Actual Date
AT	To be defined by MS	Not Provided	Not Provided	15/06/2024	Not Provided	01/03/2021	01/07/2024	Not Provided	01/12/2023	01/10/2024
BE		01/09/2021	Not Provided	05/02/2024	Not Provided		13/02/2024	Not Provided		13/02/2024
BG		31/08/2022	100%	11/08/2023	100%		28/08/2023	100%		28/08/2023
CY		30/06/2023	100%	Not Provided	100%		24/10/2023	100%		24/10/2023
CZ		21/10/2021	Not Provided	01/10/2023	Not Provided		02/10/2023	Not Provided		02/10/2023
DE		09/10/2020	100%	29/10/2023	100%		06/03/2021	100%		29/10/2023
DK		01/08/2022	100%	14/07/2023	100%		29/07/2023	100%		01/11/2023
EE		31/03/2022	100%	01/06/2023	100%		01/10/2023	100%		01/07/2023
ES		15/04/2021	100%	18/10/2022	100%		18/10/2022	100%		09/05/2023
FI		30/06/2023	100%	30/12/2024	50%		30/12/2024	80%		31/12/2024
FR		31/03/2023	100%	N/A	25%		30/09/2024	0%		31/12/2024
GR		31/12/2023	Not Provided	Not Provided	Not Provided		31/12/2024	Not Provided		31/12/2024
HR		31/12/2021	100%	10/03/2023	100%		02/05/2023	100%		02/05/2023
HU		31/03/2023	100%	30/08/2024	5%		30/08/2024	0%		30/08/2024
IE		28/01/2022	100%	30/03/2023	100%		21/03/2023	Not Provided		21/05/2023
IT		15/02/2021	100%	07/05/2023	100%		07/09/2023	85%		02/10/2023
LT		04/05/2023	100%	01/12/2023	100%		01/12/2023	100%		01/12/2023
LU		01/07/2023	Not Provided	30/03/2024	Not Provided		01/12/2023	Not Provided		30/03/2024
LV		N/A	Not Provided	30/09/2023	Not Provided		02/10/2023	Not Provided		02/10/2023
MT		N/A	100%	N/A	25%		01/12/2024	0%		01/12/2024
NL	01/01/2020	100%	29/09/2023	100%	08/05/2023	100%	29/09/2023			
PL	15/05/2021	100%	02/10/2023	100%	02/10/2023	100%	30/11/2023			
PT	22/02/2023	100%	31/10/2024	100%	30/11/2024	100%	02/12/2024			
RO	06/01/2023	100%	30/11/2023	100%	15/05/2023	100%	01/12/2023			
SE	15/12/2022	70%	20/12/2024	30%	01/10/2024	0%	20/12/2024			
SI	18/12/2020	100%	23/05/2023	100%	23/05/2023	100%	23/05/2023			
SK	03/02/2023	100%	31/03/2024	100%	01/04/2024	100%	31/03/2024			

Table 33: Comparison of Planned and Actual Dates – AES-C2

<sup>222</sup> In the 2023 UCC WP Revision, the end date of the deployment window is envisaged for 02/12/2024.

Additional details regarding the specific percentage of completion per milestone can be seen in Figure 27.

### Automated Export System – Component 1 (AES-C1)

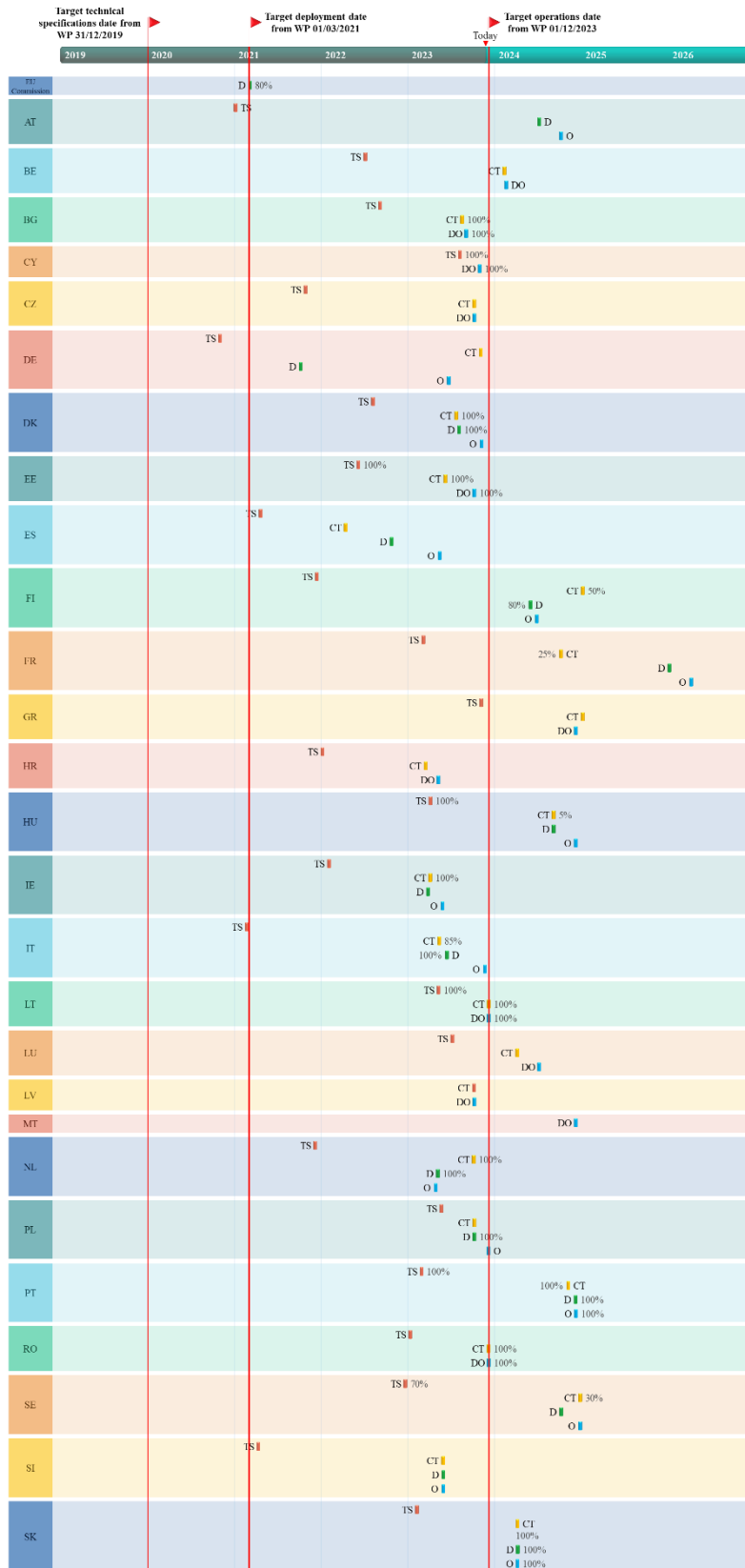


Figure 27: Percentage of Completion per Phase – AES-C1



Figure 28 below illustrates the four milestones set in Article 278(a) of the Regulation (EU) 2019/632 amending Regulation (EU) 2013/952 as reported by each Member State<sup>223</sup> in their National Planning, ranked by their entry in deployment window for the traders. It illustrates how the deployment window for the trader shortens with its later start, the entry into force of the final provisions of the UCC being a legally set milestone by the UCC WP.

### AES-P1 Core Operation Continuity Period External Domain (17.09.2023)

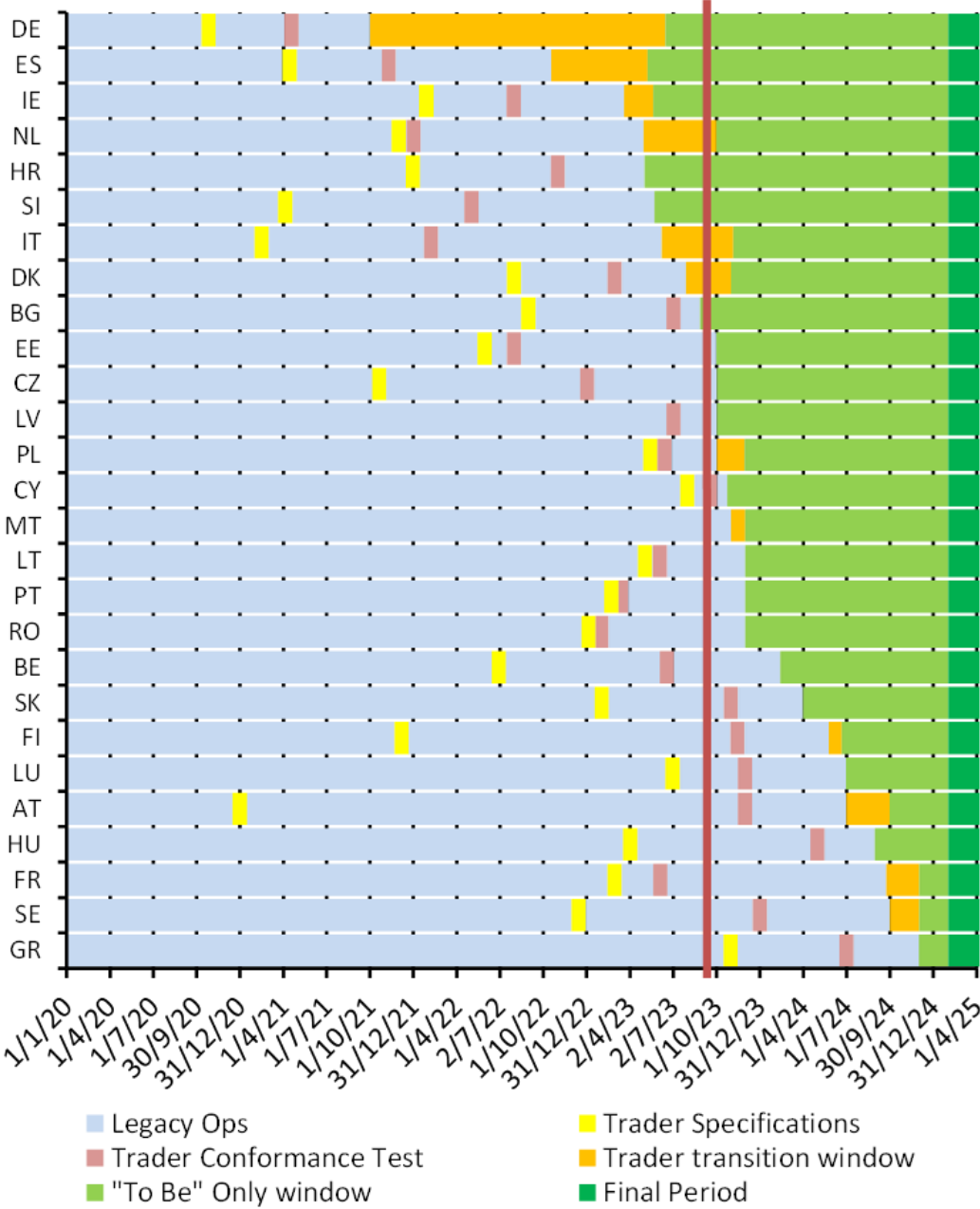


Figure 28: AES-CI Transitional Period

<sup>223</sup> The Member States that announce to be on time for the 01/12/2023 milestone, the running over Member States is not presented included in the chart.

Regarding **AES-C2**, additional details on the specific percentage of completion per milestone can be seen in Figure 29.

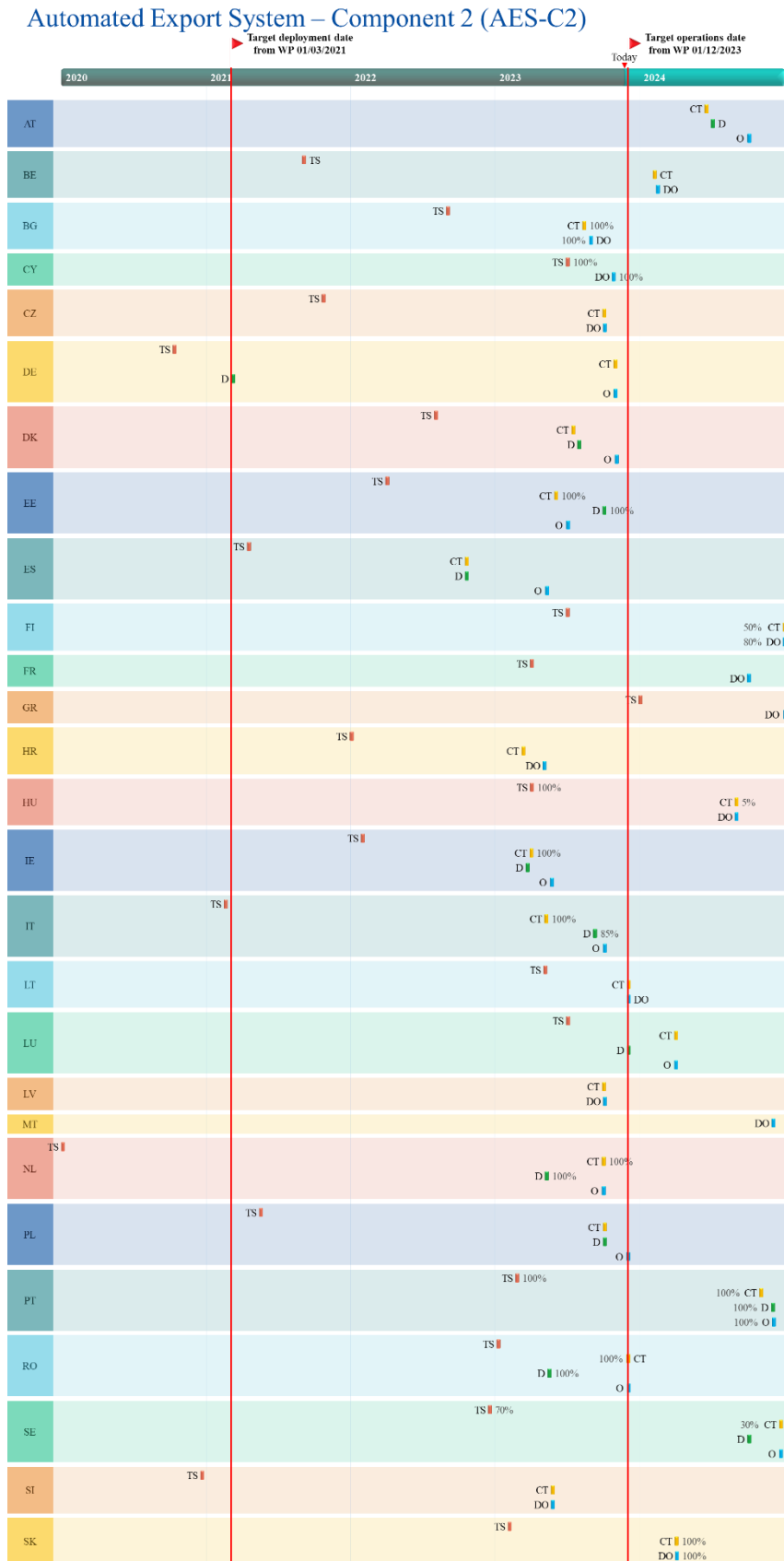


Figure 29: Percentage of Completion per Phase – AES-C2

## **4. ONGOING PROJECTS: DETAILED PLANNING AND PROGRESS INFORMATION**

### **4.1. UCC GUARANTEE MANAGEMENT (GUM)**

The UCC Guarantee Management (GUM) project aims to assure the effective and efficient management of the different types of guarantees. The main objective is to ensure that the data of guarantees, used in more than one Member State, are made electronically accessible to the Member States where a customs declaration is lodged and accepted when such guarantee is used. This will require new interfaces between GUM and national systems. One advantage of the solution is that the traders can provide one guarantee that can be used across the Union. Moreover, the improved processing speed, traceability and monitoring of guarantees electronically among customs offices is expected to lead to a faster identification of cases, where guarantees are deemed invalid or insufficient to cover the incurred or potential debt.

The system is comprised of two components.

**GUM – Component 1 (GUM-C1)** will cover the management of the comprehensive guarantees that may be used in more than one Member State. It will be implemented in the UCC CDS and interface with a national component (GUM-C2) for the monitoring of the reference amount. Transit guarantees monitoring is an exception to the above and it is handled as part of the NCTS project.

**GUM – Component 2 (GUM-C2)**, that relates to the ‘National Guarantee Management’, will be implemented through a national electronic system where comprehensive guarantees valid in more than one Member State will be registered and managed and its reference amount monitored. It will also be used for other guarantees.

#### **4.1.1. Summary of Responses**

##### ***GUM – Component 1 (GUM-C1)***

###### **Summary from the Commission:**

The UCC Customs Decisions system will be used to implement a decentralised system with minimal central IT support. Technical Specifications for GUM-C1 were completed on 19 September 2022 and the Conformance Testing activities have not yet begun. The system is expected to be in operations by March 2024.

Between October 2023 and June 2025, the Member States will need to carry out their Conformance Testing and, therefore, it is their responsibility to plan accordingly (see *National GUM – Component 2*)

An iterative process will be employed by the Commission to validate the project scope with the Member States.

GUM-C1 is a highly complex project due to the need to implement updated Business Processes and the required integration of the system with CDS as well as other Member States’ national GUM systems. Additionally, there is a moderate risk level associated with timely project delivery, given the requirement of Annex A data elements, changes in Business Processes and the deployment of the GUM-C2 systems in all Member States, to ensure full functionality of the GUM system.

##### ***National GUM – Component 2 (GUM-C2)***

###### **Summary from the Member States:**

GUM Component 2 refers to the development of the national GUM systems of the Member States, which can largely be conducted in parallel with GUM-C1 development. The Member States emphasised the fact that project interdependency exists regarding the NIS system of each Member State, particularly in cases where multiple Member States’ guarantees are involved.

CZ<sup>224</sup>, ES, GR<sup>225</sup>, IE, LT, LV<sup>226</sup>, and SE already implemented national GUM systems. Similarly, the GUM systems for BG and PL were also integrated into their NIS. EE, FI, and SE reported that the Technical Specifications will not be applicable in their case, as there is no interface in the external domain to the trader. The remaining Member States reported that activities associated with the Technical Specifications or Conformance Testing stages are either in progress or have not yet been initiated.

Most of the Member States assessed the project as medium/high complexity due to the inclusion of complex functionalities and interfaces with other customs systems, which are the main potential causes of delays, along with a lack of human resources. In this regard, EE indicated that the development process has been delayed beyond the foreseen Deployment deadline.

#### Detailed Responses:

Table 34 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	4	Low	BG indicated that GUM-C2 is a part of NIS and will be revised in line with the NIS planning, which will be updated according to the new Annex B of the Commission Delegated Regulation (EU) 2021/234. BG stated that during Conformance Testing activities, connectivity between GUM-C2 and the National Accounting System was tested. In Q4 2022, terms of reference were prepared, which envisions an upgrade of the national GUM system through the GUM-C2 project. BG is implementing IT projects using the TOGAF/ADM and RUP methodologies.
CY	6	Low	CY indicated that the national part of GUM-C2 is on target and intended to be in Operations on 02/06/2025 <sup>227</sup> . For GUM-C1, CY will be using the central system. Additionally, CY informed of the high complexity level of activities for the project, due to the interconnections between core and supporting systems, high percentage of system availability required, limitations in human resources and the COVID-19 pandemic.
CZ			CZ shared that a national system is already in place and ongoing efforts are underway to integrate it with the central component by June 2025 <sup>228</sup> .
DE	4	Low	DE indicated that GUM-C2 will be implemented in the major release of the national IT system ATLAS Release 10.3, however, preparatory activities have not yet started. As of the current planning, Conformance Testing activities have not yet been initiated or scheduled and there is no determined deployment approach.
DK	5	Medium	DK reported that the project is currently ongoing. Nonetheless, multiple interdependencies exist among the various project deployments within the UCC WP. Consequently, this situation may have an impact on the Conformance Testing activities as well as the Deployment of GUM-C2. DK further informed that the detailed plans for Conformance Testing have not yet been

<sup>224</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

<sup>225</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>226</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>227</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.

<sup>228</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			formalised and it is anticipated that they will be planned during 2023.
EE	4	Med	EE indicated that the development process for GUM-C2 started in 2022 but has been delayed beyond the foreseen Deployment deadline due to lack of financial resources. Additionally, the level of risk has been set as medium due to lack of human resources as well. As a mitigating measure, EE informed that a new deadline was set, envisaging the system to be deployed in line with CCI-P1 on May 2024 <sup>229</sup> . An Agile approach is being used for the development of the system.
ES	4	Low	ES reported that GUM-C2 was implemented on 01/05/2019.
FI	5	Medium	FI reported that a new national GUM-C2 is being developed and indicated that, given that there is no interface with customers from GUM, TS will not be needed. According to FI's National Planning, GUM-C2 will be developed iteratively in several phases, with the final phase expected to be in production in Q2 2025, by when integration to Customs Reference System (CRS) will start. However, a medium level of risk has been indicated for the on-time delivery of the project, considering the many integrations required for the project.
FR	5	Low	FR shared that the Technical Specifications were delayed by 6 months, but at the moment of writing, they are in progress. Overall, the project is on target against the initial date defined in the UCC WP. According to FR, the project has a high level of complexity, due to the connection to Customer Reference Services, which is a prerequisite, and it has to be initiated prior to implementing GUM-C2.
GR			GR indicated that a national system is already in place and will be upgraded <sup>230</sup> .
HR	5	Medium	HR reported that the implementation of the National GUM system is planned for Q2 2025 <sup>231</sup> . The development of GUM-C2 is reliant on the development of the national import customs clearance system and the budget. The project has been identified as having a high level of complexity, due to the need to expand the existing system's functionality. This expansion will require the definition of new processes and architecture, which renders the task particularly demanding.
HU	5	Medium	HU indicated that the overall status of the project is on target and expects to start the Technical Specifications phase during 2023.
IE	3	Low	IE reported that a national system for guarantees is already in place. In 2020, IE implemented an interface with its accounting system as part of the Deployment of NIS. This interface is used to check when the procedure for free circulation under deferred payment is released, ensuring that there is enough guarantee remaining to cover liabilities before the goods are released. Monitoring of guarantees for all other procedures (other than transit, which is outside the scope of GUM) is performed in a post-clearance environment by the IE control officers. IE

<sup>229</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

<sup>230</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>231</sup> Information provided from a bilateral meeting between HR and DG TAXUD held on 25/05/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			indicated that the national system in place will be reviewed to determine the necessary changes, but a detailed plan is not yet available <sup>232</sup> .
IT	4	Low	IT indicated that the project has started with the definition of the Technical Specifications. The planning analysis for GUM-C2 upgrades is scheduled for 2024 <sup>233</sup> . The system will be deployed using a waterfall approach. IE intends to deploy both Component 1 and Component 2 of GUM within the specified deadlines, with the national component to be updated by Q4 2024.
LT	6	Low	LT shared that, during the implementation phase, GUM-C2 will be adapted to work with GUM-C1. This adaptation will ensure the management of import guarantees used in LT and at least one other Member State, as well as with NCTS-P5 and the national import and export declaration processing system. This will enable the automatic management of guarantees in the declaration process. Although the Deployment deadline was delayed, LT reported that the system was deployed on 16/11/2022. LT further indicated that for all EOs will follow the ‘big bang’ approach and the system is expected to be in Operations by 14/02/2023. However, the project is highly complex due to the system's complex functionalities and interfaces with other customs systems as well as a lack of human resources.
LU			LU is starting to work on the national GUM system <sup>234</sup> .
LV			LV reported that the national GUM system is in operations since 2018 and has been updated recently. LV will be ready to connect to the central system <sup>235</sup> .
MT	5	Low	MT indicated that the development of GUM-C2 will start in 2024. As EOs have a small volume of movements, it is not practical for most of them to create a system-to-system mechanism. However, MT will offer such a facility later for the EOs interested in creating a system-to-system mechanism.
NL			
PL	4	Low	According to PL, the national system has already been implemented. PL anticipates the need for an update once the common specifications for the trans-European aspects are published but does not envisage any delay risks.
PT	6	High	PT shared that there will be no Technical Specifications for external communication. Conformance Testing activities will be conducted for national, external, and common domain tests, along with central systems and traders. A high level of risk is anticipated due to the implementation of a completely new national GUM system and the integration with other national and EU systems. However, PT has indicated that an Agile development approach will be used to reduce the implementation timeframe.

<sup>232</sup> Information provided from a bilateral meeting between IE and DG TAXUD held on 17/05/2023.

<sup>233</sup> Information provided from a bilateral meeting between IT and DG TAXUD held on 07/11/2023.

<sup>234</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>235</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
RO	4	Medium	RO reported that GUM already exists at the national level, but some updates are needed, and a tender procedure will start for those updates <sup>236</sup> .
SE	1	Low	SE indicated that GUM-C2 was deployed on 17/04/2021. Technical Specifications and Conformance Testing are not applicable for SE, since there will be no external domain for the EOs to access the system. Instead, a web service will be enabled for the EOs to check the reference amount of the guarantees.
SI	4	Low	SI has already implemented a national system to manage guarantees. After the Deployment of GUM-C1, SI will update its national GMS accordingly. SI further indicated that the deadline for the Technical Specifications of GUM-C2 has shifted from 31/12/2022 to 31/12/2023.
SK	1	Low	SK shared that the national CRS system needs to be adjusted to integrate it with the central GUM component. At the moment of writing, an impact assessment is underway for the national component and a contract will soon be established to make the necessary adjustments to the national guarantee system. SK advised that any delays in the NIS project could potentially affect national GUM development work since the same contractor will be involved <sup>237</sup> .

Table 34: Detailed responses from Member States – GUM-C2

Figure 30 provides the percentage of Member States in each development phase.

GUM 2

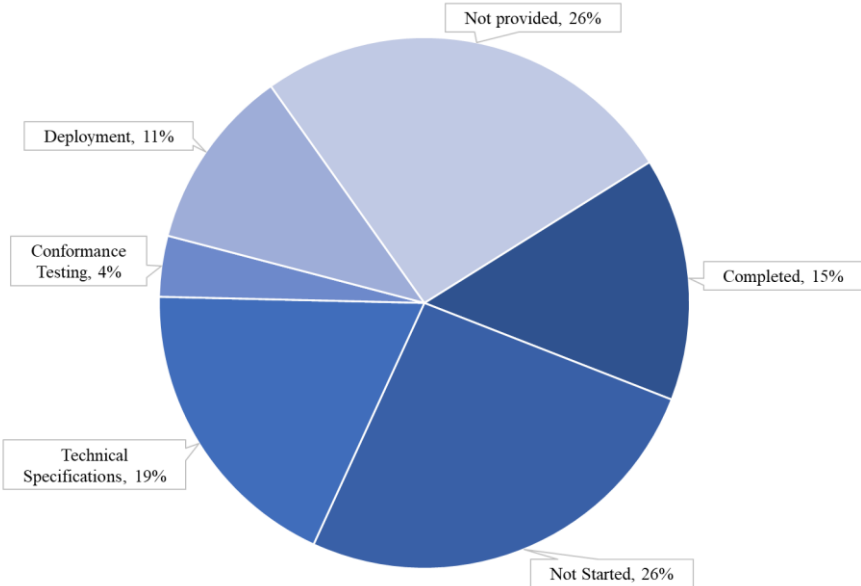


Figure 30: Summary of Survey Responses – GUM-C2

<sup>236</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

<sup>237</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

#### 4.1.2. Overview of Project Progress

Table 35 and Table 36 highlight any known divergences in the planning compared to the dates set in the UCC WP<sup>238</sup>.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual/Planned End Date	2023 % of Completion	Actual/Planned End Date	2023 % of Completion	Target date from WP <sup>238</sup>	Actual/Planned Date	2023 % of Completion
30/09/2022	19/09/2022	100%	Not Provided	0%	02/06/2025	11/03/2024	80%

Table 35: Comparison of Planned and Actual Dates – GUM-C1

As GUM-C2 has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

With regards to the implementation, FI and FR indicated a planned/actual Operations date that is later than the deadline in the UCC WP<sup>238</sup>. BE, DE, DK, GR and HR did not provide information on the Operations date.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>238</sup>	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date
AT	To be defined by MS	N/A	N/A	31/12/2024	Not Provided	To be defined by MS as part of the national plan	01/03/2025	Not Provided	02/06/2025	01/03/2025
BE		N/A	N/A	N/A	Not Provided		N/A	Not Provided		Not Provided
BG		04/08/2023	100%	16/10/2023	100%		23/10/2023	100%		23/10/2023
CY		N/A	0%	N/A	0%		02/06/2025	0%		02/06/2025
CZ		01/01/2024	Not Provided	31/05/2025	Not Provided		01/06/2025	Not Provided		01/06/2025
DE		Not Provided	0%	Not Provided	0%		15/11/2025	0%		Not Provided
DK		Not Provided	70%	Not Provided	0%		Not Provided	0%		Not Provided
EE		N/A	70%	N/A	0%		02/05/2023	0%		29/11/2023
ES		30/06/2016	100%	31/08/2016	100%		01/09/2016	100%		01/05/2019
FI		N/A	N/A	Not Provided	0%		30/06/2025	90%		30/06/2025
FR		Not Provided	50%	Not provided	0%		30/06/2025	0%		30/06/2025
GR		Not Provided	Not Provided	30/06/2025	Not Provided		31/03/2025	Not Provided		Not Provided
HR		31/12/2023	0%	Not Provided	0%		Not Provided	0%		Not Provided
HU		30/11/2024	20%	01/05/2025	0%		01/06/2025	0%		01/06/2025
IE		04/10/2019	100%	04/10/2021	100%		23/11/2020	100%		05/10/2021
IT		11/07/2023	90%	30/09/2024	10%		05/11/2024	0%		05/11/2024
LT		01/11/2021	100%	31/08/2022	100%		16/11/2022	100%		20/03/2023
LU		Not Provided	Not Provided	Not Provided	Not Provided		01/06/2025	Not Provided		01/06/2025
LV		N/A	N/A	N/A	N/A		03/06/2018	100%		04/06/2018
MT		N/A	0%	N/A	0%		01/06/2025	0%		01/06/2025
NL	30/09/2024	Not Provided	Not Provided	Not Provided	01/06/2025	Not Provided	01/06/2025			
PL	31/12/2021	100%	02/06/2025	100%	01/01/2024	100%	02/06/2025			
PT	31/12/2022	100%	Not Provided	100%	28/10/2024	100%	29/10/2024			
RO	Not Provided	100%	Not Provided	Not Provided	30/11/2023	100%	01/12/2023			
SE	N/A	N/A	N/A	N/A	17/04/2021	100%	17/04/2021			
SI	31/12/2023	0%	20/05/2025	0%	01/06/2025	0%	01/06/2025			
SK	01/09/2023	100%	01/05/2025	0%	02/06/2025	0%	02/06/2025			

Table 36: Comparison of Planned and Actual Dates – GUM-C2

<sup>238</sup> In the 2023 UCC WP Revision, for GUM-C1, the deployment date is envisaged for 11/03/2024 and for GUM-C2, the start of the deployment window is to be defined by Member States, with the earliest possible deployment date being 11/03/2024.



Regarding National GUM-C2, additional details on the specific percentage of completion per milestone can be seen in Figure 31.

### National GUM – Component 2 (GUM-C2)

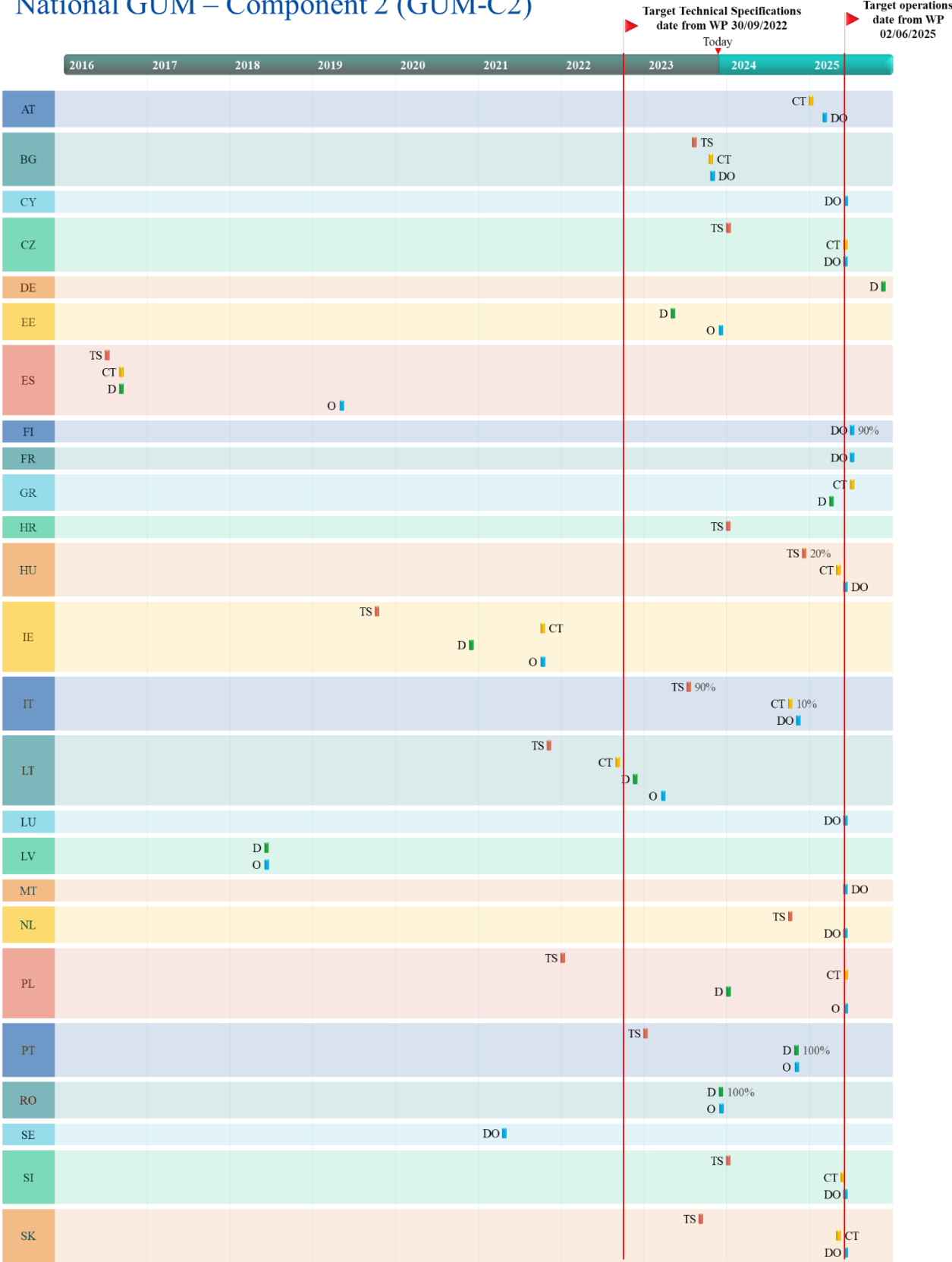


Figure 31: Percentage of Completion per Phase – GUM-C2

## 4.2. UCC IMPORT CONTROL SYSTEM 2 (ICS2) – RELEASE 3

### 4.2.1. Summary of Responses

#### Summary from the Commission:

The aim of the trans-European project on UCC ICS2-R3 is to enhance the functional scope of ICS2 with support for further modes of transport and implement the complete UCC requirements for all ‘entry of goods’ use cases building on ICS2-R1 and ICS2-R2. This release will cover the implementation of new ENS obligations and related business and risk management processes for all goods entering the EU by maritime, inland waterways, road and rail traffic (including goods in postal consignments transported by these means of transport). ICS2-R3 will also include further extension for Safety and Security Analytics.

The ICS2-R3 Common Technical System Specifications (CTSS) were delivered by February 2022 and updated in September 2022. The Conformance Testing activities for ICS2-R3 will be exclusively carried out by EOs. The connectivity Conformance Testing activities are in progress since 1 of July 2023 and the Conformance Testing itself is planned to start on 11 December 2023 for functional testing. For ICS2-R3, no R3 Conformance Testing campaign is foreseen for the National Administrations. National Administrations should have completed the implementation of all functionalities of ICS2-R2 and done the mandatory Conformance Testing.

According to the revision of the UCC WP<sup>239</sup>, ICS2-R3 will be deployed in three steps: first maritime and inland waterways carriers will be phasing in (step 1), then the house level filers in the maritime and inland waterways traffic (step 2), and then the road and rail carriers (step 3).

The development of the Common Repository and Shared Trader Interface central components started and is progressing as planned. However, any new business challenges affecting these components may impact the delivery planning. The ICS2-R3 functional scope will be delivered in two CR/Shared Trader Interface releases.

The development of the ICS2-R3 Shared TP and Monitoring components also started and is ongoing according to the established plan.

A training delivery aimed at preparing Customs Administrations started in Q2 2023 and is planned to be completed end of 2024.

#### Summary from the Member States:

Most Member States reported a medium/high level of complexity in the ICS2-R3 project due to various factors such as the interdependence between core and supporting systems, the need for a high percentage of availability of the systems, limitations in human resources, the impact of the Covid-19 pandemic, testing and development of additional functionalities and the workload created by ICS2-R2. Therefore, some Member States indicated that they adopted Agile and Scrum methodologies to ensure efficient system development.

Considering the ICS2 specifications, the Member States are not required to implement new functionalities for ICS2-R3. Conformance Testing is, therefore, not mandatory for Member States and it will only apply to EOs.

Additionally, some Member States indicated that additional work will be needed to be done to support the EOs in the project implementation and testing of applications interfacing with ICS2-R3.

Most Member States indicated that the project is on target, except for DK, FR and IE. DK reported that the project is being delayed, however, it is still expected to be completed within the Deployment deadline. FR, IE, and RO<sup>240</sup> indicated that the project will be delayed beyond the foreseen Deployment deadline and a schedule for ICS2-R3.

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<sup>239</sup> The revised UCC WP will be adopted in December 2023.

<sup>240</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

## Detailed Responses:

Table 37 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	5	Low	BG indicated the status of the project as being on target and no delays are expected <sup>241</sup> . BG adopted an Agile methodology consisting of BCA applying an integrated implementation of ADM and RUP.
CY	6	Low	CY assessed the project as being on target. Activities for this project are set to start at the end of May 2023 and it is expected to 'go live' on 01/03/2024 <sup>242</sup> . The complexity of the project is due to: (1) interdependencies between core and supporting systems, (2) the need for a high percentage of availability of the systems (3) limitations in human resources and (4) the impact of the Covid-19 pandemic.
CZ	1	Low	According to CZ, the Technical Specifications will be completed by 01/12/2023, followed by Conformance Testing on 15/02/2024 and Operations on 01/03/2024.
DE	4	Low	DE informed that ICS2-R3 will be implemented as part of the national IT-System ATLAS Release 10.2, for which the preparation activities started and are progressing as planned. DE indicated that it is using the Shared Trader Interface to facilitate the exchange of messages between the EOs and the customs authority. The Shared Trader Interface has been implemented in compliance with the Commission's requirements. The Conformance Testing phase is scheduled to occur in early 2024, with Deployment planned for 01/03/2024.
DK	5	Medium	DK assessed the status of the project as delayed because of the delay in ICS2-R2, however, it is still foreseen to be completed within the Deployment deadline. As a proactive measure, DK reported to have either completed or initiated the tendering process for all systems and external providers as a means of mitigating potential issues. Conformance Testing will be carried out at a national level. The project is ranked as highly complex due to the intricate nature of the releases, which involve both business and technology aspects. Moreover, the sheer quantity of MASP-C releases in and of itself adds to the overall complexity. Moreover, the Danish national legacy systems, which previously posed challenges, remain part of ICS2-R3.
EE	4	Low	EE indicated the project is on target and the pre-analysis phase has started with the contractor <sup>243</sup> . An Agile methodology for the development of the system is being implemented.
ES	6	Low	According to ES, the project is progressing as planned, and a Scrum methodology has been adopted. The Technical Specifications were completed on 01/09/2022 and Conformance Testing is not applicable for ICS2-R3.

<sup>241</sup> Information provided from a bilateral meeting between BG and DG TAXUD held on 27/07/2023.

<sup>242</sup> Information provided from a bilateral meeting between CY and DG TAXUD held on 20/07/2023.

<sup>243</sup> Information provided from a bilateral meeting between EE and DG TAXUD held on 01/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
FI	6	High	FI indicated that ICS2 -R3 involves all other modes of transport except for air, which adds complexity to the system. The Commission will provide the Technical Specifications to the traders. Conformance Testing is not applicable. FI shared that the system is planned to be deployed in Q2 2024 and no risks are envisaged <sup>244</sup> .
FR	4	Medium	FR assessed the project as delayed beyond the originally planned Deployment deadline and indicated that a schedule for ICS2-R3 has not been defined yet.
GR	6	Medium	GR indicated that the project is currently on target, although there are some delays in the call for tender procedures. The project is considered of high complexity due to the need for testing support for several EOs and the large Greek maritime sector <sup>245</sup> .
HR	4	Low	HR assessed the status of the project as being on target. Technical Specifications were completed on 31/12/2022 and the Conformance Testing phase is currently ongoing and expected to end on 24/04/2023. HR informed that testing activities were carried out for the development of ICS2-R2, but no specific testing was conducted for ICS2-R3. The project's complexity stems from the need to support the testing of several EOs in maritime and road transport.
HU	3	Low	HU evaluated the project's status as on track and reported that the Technical Specifications are currently in progress.
IE	5	Medium	IE reported that a derogation is needed for ICS2-R3 due to business reasons. A significant amount of preparation will be required for Conformance Testing given the high volume of the EOs and carriers which adds complexity to the project. There is a significant capacity issue on the trader's side for testing connectivity, and it will be the first time for many of these traders to be involved in this type of testing with the Shared Trader Interface. IE indicated the importance to learn from the ICS2-R2 testing process <sup>246</sup> .
IT	5	Medium	IT indicated the project as being on target and Technical Specifications have already been analysed.
LT	6	Low	LT informed that the project is on target and an Agile methodology was implemented.
LU			LU assessed the project as being on target and plans the software delivery by the end of 2024. LU will not be significantly impacted as there is no land or sea border with non-EU countries <sup>247</sup> .
LV			
MT	6	Low	MT indicated the project as being on target. As of the time of writing, the Technical Specifications phase has not started yet.
NL	3	Medium	NL assessed the status of the project as being on target. The majority of functionalities required for ICS2-R3 are already being developed as part of ICS2-R2, leaving little time to develop additional functionalities needed for R3. NL

<sup>244</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

<sup>245</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>246</sup> Information provided from a bilateral meeting between IE and DG TAXUD held on 17/05/2023.

<sup>247</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

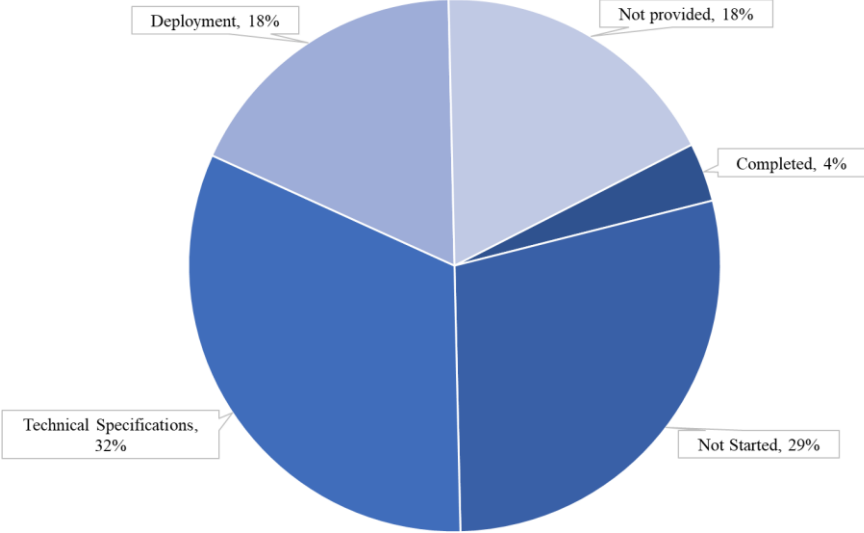
MS	Complexity Rating	Risk Level	Additional Comments
			implemented an Agile approach to ensure that all functionalities are completed by the end of 2023 and that the project will be in Operations in Q1 2024.
PL	4	Low	PL reported that the ICS2-R3 project is on target and Technical Specifications are in progress.
PT	6	Low	PT assessed the status of the project as being on target. The Technical Specifications are currently in progress, several modes of Conformance Testing will be implemented. PT indicated that the update of the national ICS2-R3 and the connection to the central system adds complexity to R3. An Agile approach has been adopted to reduce the implementation timeframe.
RO	5	Low	RO shared that the development of the ICS2-R3 system is being delayed beyond the foreseen deployment deadline due to delays in tender procedures and requested a derogation <sup>248</sup> .
SE	3	Medium	SE reported that the project is on target. The Shared Trader Interface within the central ICS2 system will be used and, thus, there is no need to develop Technical Specifications related to the external domain. SE also indicated that the team is still analysing and planning the project and its phases, so it is not yet possible to predict all potential risks. To ensure efficient system development, SE plans to adopt an Agile approach.
SI	6	Low	SI informed that the ICS2-R3 project is on target. Technical Specifications were completed on 01/08/2022 and the system's Deployment is underway. No further Conformance Testing is required for ICS2-R3.
SK	3	Low	SK evaluated the project's status as on target and informed that no national Technical Specifications are being developed. Instead, the Technical Specifications provided by the EC are being used and updated. SK informed that a waterfall method has been adopted to ensure that the fully developed ICS2-R2 is considered ready for ICS2-R3.

Table 37: Detailed responses from Member States – ICS2-R3

<sup>248</sup> Information provided from a bilateral meeting between RO and DG TAXUD held on 22/06/2023.

Figure 32 provides the percentage of respondents (Member States plus the Commission) in each development phase<sup>249</sup>.

**ICS2-R3**



*Figure 32: Summary of Survey Responses – ICS2-R3*

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<sup>249</sup> The figure related to Conformance Testing includes the work from the Commission regarding the preparation of the Conformance Testing environment and coordination for Member States.

#### 4.2.2. Overview of Project Progress

Table 38 indicate the percentage of completion as of the end of 2023 in comparison to the target dates set forth in the UCC WP.

The target date set for the Technical Specifications is in reference to the common Technical Specifications. Member States reported the percentage of completion regarding their own national Technical Specifications, which are to be prepared incrementally for the three releases. The Commission will perform adjustments to the specifications for ICS2-R2 and ICS2-R3 as per the MASP-C.

Regarding the implementation of **ICS2-R3**, FI, FR, HR, IE, MT, PT, and SK have a planned/actual Deployment date that is later than the deadline in the UCC WP<sup>250</sup>. AT, LU, and RO did not provide information on the Deployment date.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP <sup>250</sup>	2023 Planned/ Actual Date	2023 % of Completion	
European Commission	30/06/2018	30/03/2022	100%	N/A	N/A	01/03/2024	01/03/2024	100%	
AT		Not Provided	Not Provided	Not Provided	Not Provided		Not Provided	Not Provided	
BE		Not Provided	Not Provided	Not Provided	Not Provided		Not Provided	01/03/2024	Not Provided
BG		28/03/2022	100%	15/12/2023	N/A		15/12/2023	01/03/2024	0%
CY		15/09/2023	100%	28/02/2024	30%		28/02/2024	01/03/2024	0%
CZ		30/06/2023	100%	14/02/2024	0%		14/02/2024	01/03/2024	0%
DE		Not Provided	N/A	Not Provided	100%		Not Provided	01/03/2024	100%
DK		01/02/2022	25%	N/A	N/A		N/A	01/03/2024	0%
EE		01/10/2023	100%	20/02/2024	20%		20/02/2024	01/03/2024	80%
ES		01/09/2022	100%	N/A	N/A		N/A	01/03/2024	80%
FI		31/03/2022	N/A	N/A	N/A		N/A	31/03/2024	95%
FR		31/03/2023	60%	N/A	N/A		N/A	30/06/2024	50%
GR		30/04/2023	100%	31/03/2024	30%		31/03/2024	01/03/2024	0%
HR		31/12/2022	100%	24/04/2023	100%		24/04/2023	30/06/2024	100%
HU		25/11/2023	100%	10/02/2024	0%		10/02/2024	01/03/2024	90%
IE		28/01/2022	100%	28/02/2024	20%		28/02/2024	24/06/2024	0%
IT		01/03/2023	100%	14/02/2024	0%		14/02/2024	01/03/2024	40%
LT		30/07/2023	100%	15/12/2023	100%		15/12/2023	01/03/2024	70%
LU		01/02/2024	Not Provided	28/02/2024	Not Provided		28/02/2024	Not Provided	Not Provided
LV		10/01/2022	100%	28/02/2025	Not Provided		28/02/2025	01/03/2024	Not Provided
MT	N/A	0%	N/A	0%	N/A	01/09/2025	0%		
NL	01/09/2023	100%	01/03/2024	50%	01/03/2024	01/03/2024	90%		
PL	Not Provided	100%	Not Provided	100%	Not Provided	01/03/2024	0%		
PT	01/09/2023	100%	01/02/2024	50%	01/02/2024	02/06/2024	0%		
RO	Not Provided	Not Provided	Not Provided	0%	Not Provided	Not Provided	30%		
SE	N/A	N/A	Not Provided	Not Provided	Not Provided	01/03/2024	0%		
SI	01/10/2023	100%	17/02/2024	N/A	17/02/2024	01/03/2024	95%		
SK	01/01/2023	N/A	N/A	N/A	N/A	30/06/2024	100%		

Table 38: Comparison of Planned and Actual Dates – ICS2-R3

<sup>250</sup> In the 2023 UCC WP Revision, the deployment of the full ICS2-R3 by all Member States is envisaged for 03/06/2024. The rollout of the ICS2-R3 system is planned in three steps: Step 1 concerning maritime and inland waterways carriers (with a deployment window starting on 03/06/2024 and ending on 04/12/2024); Step 2 related to the house level filers in the maritime and inland waterways traffic (with a deployment window starting on 04/12/2024 and ending on 01/04/2025); and Step 3 regarding the road and rail carriers (with a deployment window starting on 01/04/2025 and ending on 01/09/2025).

Regarding **ICS2-R3**, additional details on the specific percentage of completion per milestone can be seen in Figure 33<sup>251</sup>.

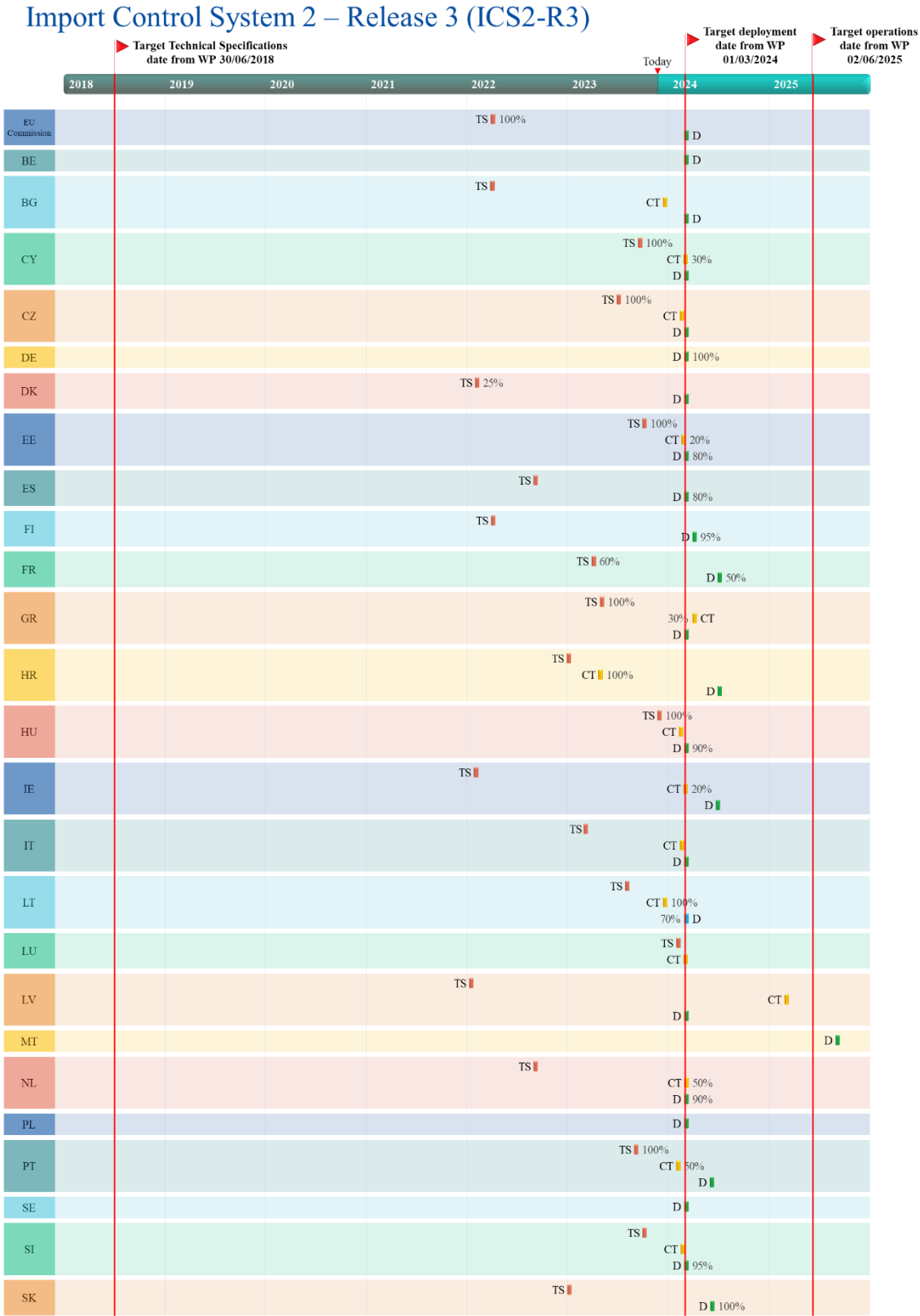


Figure 33: Percentage of Completion per Phase – ICS2-R3

<sup>251</sup> The “Target deployment date from WP” refers to the deployment readiness for all Member States. The “Target operations date from WP” refers to the final end date of all traders migrated.



### 4.3. UCC PROOF OF UNION STATUS (POUS)

The UCC PoUS is a trans-European system designed to allow storage, management and retrieval of certain types of documents (e.g., T2L, T2L/F, Customs Goods Manifest [CGM]) that traders provide to prove the Union Status of their goods. The system is meant to improve the uniformity of the procedures across the European Union and contribute to the establishment of a more consistent, harmonised and, thus, simplified process related to customs clearance for Union goods.

A system will be created that will include a central repository for the storage and exchange of data and documents dealing with PoUS between the customs authorities across all the Member States.

The project is divided into two phases:

- Implementing the electronic T2L (F) document with all the necessary functionalities (Deployment planned for 1 March 2024);
- Implementing the electronic CGM, including the information exchange with the European Maritime Single Window environment (EMSW<sup>e</sup>)<sup>252</sup>.

#### 4.3.1. Summary of Responses

##### *PoUS – Phase 1 (PoUS-P1)*

##### **Summary from the Commission:**

The Technical and System Specifications were completed in Q1 2022. Conformance Testing activities are expected to be completed by Q1 2024 and, according to the UCC WP, PoUS-P1 is scheduled to enter in Operations on 1 March 2024.

The Commission assessed a low risk regarding the on-time delivery of the project.

Currently, all Member States, except for ES and PL, who will use their own national systems, are engaging in testing the central PoUS system in collaboration with their EOs. Some of them are going to develop connection with their national Risk Analysis (RA) system<sup>253</sup> and/or with other non-PoUS systems<sup>254</sup>.

##### **Summary from the Member States:**

As it was agreed during the design phase of the project, the Commission would develop a central system and allow the Member States who are having already a system available to connect theirs to the central system. 25 Member States will use the system developed by the Commission, while ES and PL will use a national system.

##### **Detailed Responses:**

Table 39 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	1	Low	BG informed that actions were taken on the assignment and realisation of the project for the implementation of the connection between the PoUS central system and the national risk analysis component with a deadline for execution on 01/12/2023.

<sup>252</sup> The deployment is planned for 15/08/2025.

<sup>253</sup> Member States that will develop connection with their RA system: AT, BE, BG, CY, CZ, DE, EE, FI, HR, HU, MT, and SI.

<sup>254</sup> Member States that will develop connection with other non-PoUS systems: BE, DE, FI, IT, and MT.

MS	Complexity Rating	Risk Level	Additional Comments
CY	6	Low	CY assessed the project as being on target, with an implementation date set for 2023. CY informed of the high complexity of the project due to the following causes: (1) the interdependencies between core and supporting systems (2) the need for a high percentage of availability of the systems (3) the limitations in human resources and (4) the impact of the COVID-19 pandemic.
CZ			CZ indicated that the central system will be used and connected to the national risk analysis. CZ confirmed its readiness for the connection in March 2024 <sup>255</sup> .
DE	3	Low	DE informed that the central PoUS provided by the Commission will be used and, therefore, a national development with specific interfaces to the EO will not be needed. This project is linked to the PN project when the Proof is used at Presentation Customs Office. For that purpose, NES will be updated as part of the national IT-System ATLAS. Technical Specifications will be defined, to the necessary extent, for integrating the central PoUS web services.
DK	3	Low	DK will use the central PoUS system provided by the Commission and assessed the status of the project as being on target.
EE	2	Low	EE plans to use the central system but anticipates delays in connecting to the risk analysis. However, this is not expected to be a blocking issue. EE indicated that it intends to complete the connection by 01/03/2024, and no partial Deployment is envisaged. EE reported that the following preliminary dates were set: development starting on 01/11/2022 and ending on 30/09/2023 and national testing starting on 01/10/2023 and ending on 30/11/2023.
ES	4	Low	ES indicated that the reasoning behind the choice of developing a national solution for PoUS, rather than using the central one, stands behind the need to integrate it with the suite of national applications that ES has. ES shared that it is easier to develop a solution within its environment than to integrate an external product, given that it already has a national PoUS system. ES's PoUS system has a hybrid architecture that requires two different Conformance Testing stages: (1) Conformance Testing of the national systems vs, the central system, planned for October 2023 and (2) Conformance Testing of the national system for the EOs, which has been open since April 2023. ES shared that the hybrid system is ready and the migration is expected between January and March 2024 <sup>256</sup> . An Iterative approach is being used for the development of the system.
FI	3	Low	FI reported that the central PoUS system provided by the Commission will be used and FI implemented an Agile approach to start the project before Q3 2023. FI is still considering the risk analysis aspect <sup>257</sup> .

<sup>255</sup> Information provided from a bilateral meeting between CZ and DG TAXUD held on 29/08/2023.

<sup>256</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.

<sup>257</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
FR	2	Medium	FR will use the central PoUS system provided by the Commission. It assessed the project as delayed, but overall delivery is still foreseen within the Deployment deadline. The main risks for the delay relate to Conformance Testing and Deployment activities, as FR has prioritised the development of the import and export systems. FR informed that it still needs to adapt its risk analysis application, to perform an analysis of messages coming from the CNN2.
GR			GR indicated that the central system will be used <sup>258</sup> .
HR			
HU	2	Low	HU reported that the central PoUS system provided by the Commission will be used. HU informed that the target dates concerning the development and Conformance Testing were revised, due to the prioritisation of other development tasks and the lack of human resources at a national level.
IE	3	Low	IE shared that the central PoUS system provided by the Commission will be used.
IT	4	Low	The central PoUS system provided by the Commission will be used and, due to anti-fraud concerns, IT will opt for manual risk analysis <sup>259</sup> . IT plans to end the analysis and the implementation phase and start the Conformance Testing activities with the central system by 29/02/2024.
LT	3	Low	LT informed that the central PoUS system provided by the Commission and assessed the implementation of the project as being on target.
LU			LU reported that it will use the central PoUS system provided by the Commission. Since LU issues a very low number of documents, the PoUS system will not be connected to the risk analysis system and manual processing will be used instead <sup>260</sup> .
LV			LV shared that the central PoUS system will be used. At the moment of writing, no automated connection to risk analysis is planned as no business case exists. LV indicated that small number of cases will be handled manually <sup>261</sup> .
MT	3	Low	MT indicated that the central PoUS system provided by the Commission will be used and the implementation project is on target. Integration with the national risk system and PN will be required.
NL	2	Low	NL reported that it will use the central PoUS system provided by the Commission and the implementation project is reported as being on target.
PL	3	Medium	PL informed that a national system connected to the AES system will be developed. The status of the project is being delayed for 2 quarters at most <sup>262</sup> , due to (1) delays in the tendering process (2) staff problems related to COVID-19, and (3) additional changes in the development process. However, the status of the project is still foreseen within the Deployment deadline. Initially planned dates were updated according to the

<sup>258</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>259</sup> Information provided from a bilateral meeting between IT and DG TAXUD held on 07/11/2023.

<sup>260</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>261</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>262</sup> Information provided from a bilateral meeting between PL and DG TAXUD held on 03/10/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			following schedule: Technical Specifications to be finalised by 05/06/2023, Conformance Testing by 29/12/2023 and Deployment by 01/03/2024.
PT	6	Low	PT reported that the central PoUS system provided by the Commission will be used.
RO	2	Low	RO will use the central PoUS system provided by the Commission, as it has a low number of T2L documents. The project is assessed as being on target and activities related to the project application are ongoing.
SE	2	Low	SE indicated that the central PoUS system provided by the Commission will be used and informed that there is no need to develop any Technical Specifications concerning the external domain. SE will connect the system with its national risk analysis system <sup>263</sup> .
SI	5	Low	SI shared that the central PoUS system provided by the Commission will be used and has adopted an Agile methodology. SI informed that is developing interface with national risk analysis system and preparing for Conformance Testing <sup>264</sup> .
SK	3	Low	SK reported that it will use the central PoUS system provided by the Commission and it has adopted a waterfall development process. The system will not be connected to the national risk analysis and the work will be executed manually <sup>265</sup> .

Table 39: Detailed responses from Member States – PoUS-P1

<sup>263</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

<sup>264</sup> Information provided from a bilateral meeting between SI and DG TAXUD held on 13/06/2023.

<sup>265</sup> Information provided from a bilateral meeting between SK and DG TAXUD held on 20/10/2023.

## PoUS – Phase 2 (PoUS-P2)

### Summary from the Commission:

The TSS were completed by Q2 2023. The Conformance Testing activities are anticipated to be concluded by Q3 2025. Considering that the PoUS is intended to handle a significant volume of CGM through EMSW, it was acknowledged that the time gap between the dates could impose unnecessary burdens on Trade. As a result, discussions were held to align the Deployment dates in the UCC WP and MASP-C for PoUS-P2 CGM with the EMSW, leading to a rescheduling of the entry into Operations date to 15 August 2025.

The Commission assessed a medium risk regarding the on-time delivery of the project.

### Summary from the Member States:

Please see the summary from PoUS-P1.

### Detailed Responses:

Table 40 provides the individual Member States' responses to the survey:

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG			
CY	6	Low	According to CY, no additional activities for PoUS-P2 were planned during 2022. The public procurement process was concluded and the contract was signed with the contractor. The project initiation document was agreed and the relevant project plans and timelines for all the UCC systems were updated and agreed upon. No changes were made to the 2022 National Planning for PoUS-P2. The status of the project is reported as being on target. CY indicated that the high complexity of PoUS-P2 is due to the following causes: (1) the interdependencies between core and supporting systems (2) the need for a high percentage of availability of the systems (3) the limitations in human resources and (4) the impact of COVID-19.
CZ			
DE	4	Low	PoUS-P2 is linked to the implementation of the CGM of the EMSW initiative for which the business scope and the IT architecture still need to be elaborated. DE informed that planning details will be provided when the Business Case and the VIS are available. Considering that the PoUS-P1 activities are ongoing and that the expected date of Deployment for PoUS-P2 is August 2025, project activities have not yet started.
DK	3	Low	DK indicated the status of the project as being on target.
EE	3	Low	EE reported the status of the project as being on target. The end date for Deployment shifted from 02/06/2025 to 15/08/2025.
ES	4	Low	ES reported PoUS-P2 is currently under preparation and on target <sup>266</sup> . ES shared that an Agile approach is being used for the development of the system.
FI	4	Low	FI shared that it will use the Central PoUS provided by the Commission. PoUS-P2 has not started yet but it will be integrated with EMSW <sup>267</sup> .

<sup>266</sup> Information provided from a bilateral meeting between ES and DG TAXUD held on 23/11/2023.

<sup>267</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
FR	3	Low	FR indicated that the central PoUS system provided by the Commission will be used and that PoUS-P2 has not started yet.
GR			GR shared that for PoUS-P2 it will coordinate with the upgrade of TS since they are interconnected <sup>268</sup> .
HR			
HU	2	Low	HU noted that it will use the central PoUS system provided by the Commission. It informed that PoUS-P2 has not started yet.
IE	3	Low	IE reported that the central PoUS system provided by the Commission will be used and IE will assist with testing. However, the developments for PoUS-P2 have not started yet.
IT	3	Low	IT indicated that the central PoUS system provided by the Commission will be used and PoUS-P2 has not started yet. The date of Deployment shifted from 02/06/2025 to 15/08/2025 due to changes in the UCC WP.
LT	3	Low	LT reported that it plans to use the central PoUS system and noted that PoUS-P2 has yet to begin.
LU			
LV			LV shared that another authority will develop the MSW but it will have some impact on customs <sup>269</sup> .
MT	4	Low	MT indicated that the central PoUS system provided by the Commission will be used. However, as of now, the development of PoUS-P2 has not begun and MT informed that the planning for it will start only after the Deployment of PoUS-P1.
NL	1	Low	NL has indicated that as of now it is unclear how PoUS-P2 will work out.
PL	1	Low	PL reported that it will use a national system that is connected to the AES system. However, the planned end dates for Technical Specifications, Conformance Testing, and Deployment had to be changed initially due to incomplete P2 documentation from the Commission.
PT	6	Low	PT will use the central PoUS system provided by the Commission and PoUS-P2 developments have not started yet.
RO			
SE	4	Medium	SE shared that it will use the central PoUS system provided by the Commission. PoUS-P2 will be linked with the EMSWe, for which some development will be needed <sup>270</sup> .
SI	4	Low	SI adopted an Agile methodology and plans to use the central PoUS system provided by the Commission. SI will start working on this project once PoUS-P1 is completed.
SK	3	Low	SK indicated that it will use the central PoUS system provided by the Commission and it is currently dealing with a lack of human resources and time constraints. A waterfall development process has been adopted <sup>271</sup> .

Table 40: Detailed responses from Member States – PoUS-P2

<sup>268</sup> Information provided from a bilateral meeting between GR and DG TAXUD held on 04/10/2023.

<sup>269</sup> Information provided from a bilateral meeting between LV and DG TAXUD held on 15/06/2023.

<sup>270</sup> Information provided from a bilateral meeting between SE and DG TAXUD held on 12/09/2023.

<sup>271</sup> Information provided from a bilateral meeting between SI and DG TAXUD held on 13/06/2023.

### 4.3.2. Overview of Project Progress

Table 41 and Table 42 highlight any known divergences in the planning compared to the dates set in the UCC WP.

Regarding **PoUS-P1**, all Member States except ES and PL will use the central PoUS system. ES and PL indicated that they are on target to meet the Deployment date set in the UCC WP of 1 March 2024. The specific dates for the central system can be found in Table 41 below.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual/Planned End Date	2023 % of Completion	Actual/Planned End Date	2023 % of Completion	Target date from WP	Actual/Planned Date	2023 % of Completion
31/03/2022	31/03/2022	100%	01/03/2024	70%	01/03/2024	01/03/2024	0%

*Table 41: Comparison of Planned and Actual Dates – PoUS-P1*

Regarding **PoUS-P2**, the Commission and all the Member States (except ES) have a planned Deployment date that is later than the deadline in the UCC WP<sup>272</sup>. The specific dates for the central system can be found in Table 42 below.

Technical Specifications			Conformance Testing		Deployment		
Target date from WP	Actual/Planned End Date	2023 % of Completion	Actual/Planned End Date	2023 % of Completion	Target date from WP <sup>272</sup>	Actual/Planned Date	2023 % of Completion
31/03/2022	30/06/2023	100%	15/08/2025	0%	02/06/2025	15/08/2025	0%

*Table 42: Comparison of Planned and Actual Dates – PoUS-P2*

<sup>272</sup> In the 2023 UCC WP Revision, the deployment of PoUS-P2 is envisaged for 15/08/2025.

Regarding **PoUS-P1**, additional details on the specific percentage of completion per milestone can be seen in Figure 34.

### Proof of Union Status – Phase 1 (PoUS-P1)

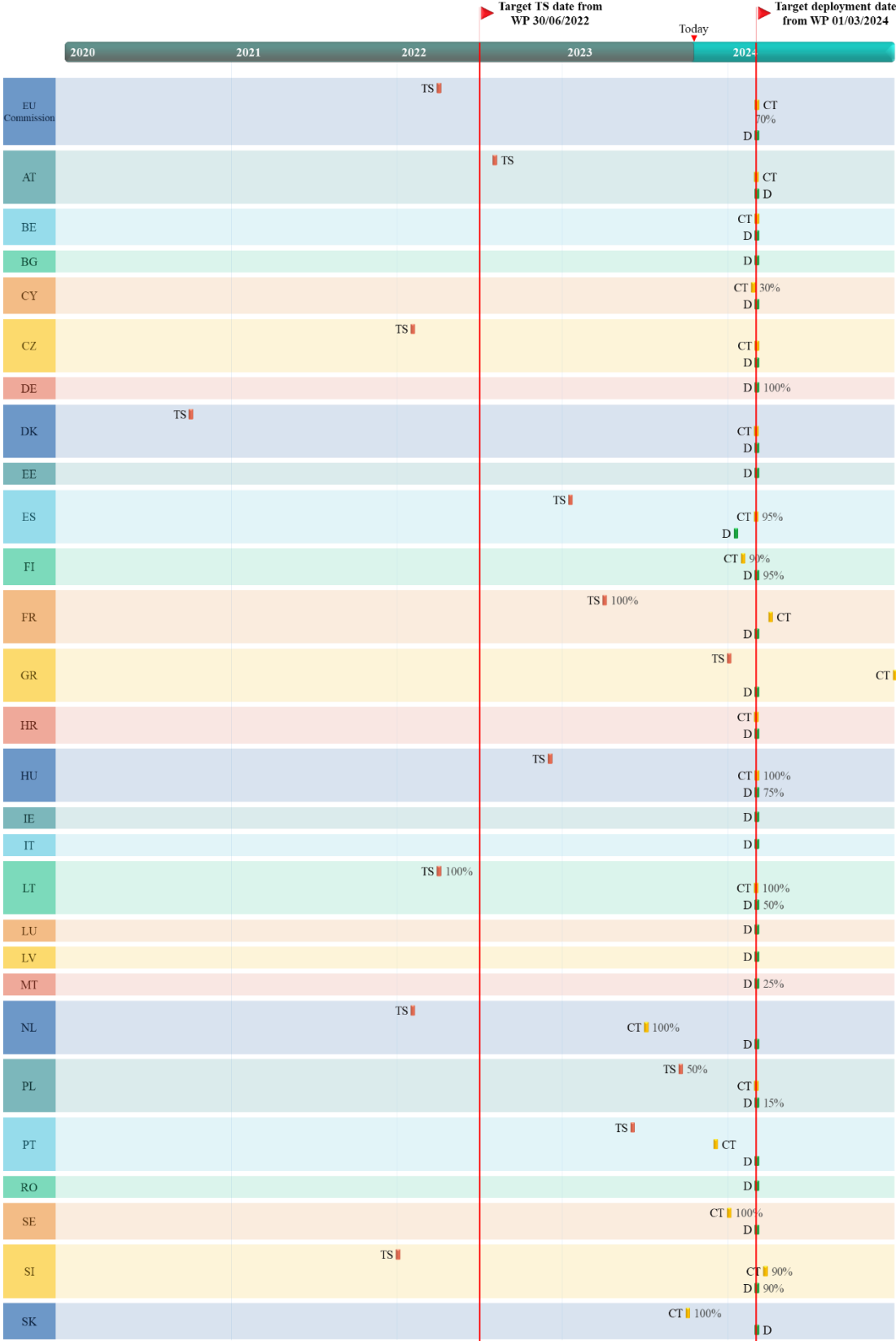


Figure 34: Percentage of Completion per Phase – PoUS-P1



Regarding **PoUS-P2**, additional details on the specific percentage of completion per milestone can be seen in Figure 35.

### Proof of Union Status – Phase 2 (PoUS-P2)

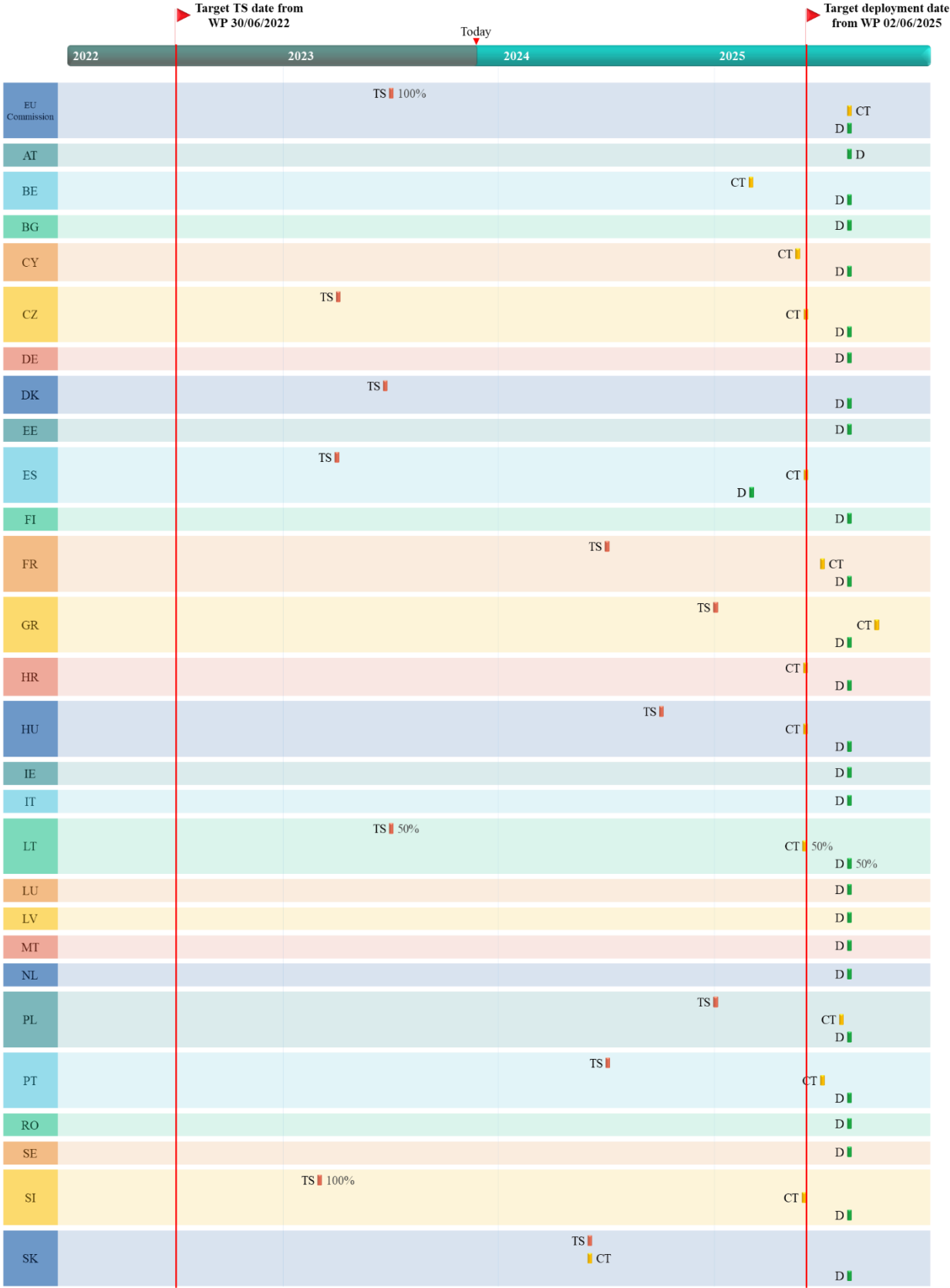


Figure 35: Percentage of Completion per Phase – PoUS-P2

## **4.4. UCC CENTRALISED CLEARANCE FOR IMPORT (CCI) – PHASE 2**

### **4.4.1. Summary of Responses**

#### **Summary from the Commission:**

Please see also the summary from CCI-P1.

CCI-P2 broadens the scope of the complex matters tackled in CCI-P1, leading to a heightened intricacy across multiple project areas. Currently, the project is on track, with the completion of the Technical Specifications on 17 June 2022, while Conformance Testing and Deployment activities have not started yet.

Member States have the flexibility to develop, implement, and deploy CCI-P2 functionalities in multiple iterations within the designated deployment window.

#### **Summary from the Member States:**

Many Member States indicated that the planning is tight in the context of import systems. The interdependencies of CCI-P2 with other projects that are part of the NIS system require that the Member States prepare the functional and Technical Specifications according to those of the broader system. This adds complexity to the overall development of CCI-P2, which results in potential delays by the Member States.

DG TAXUD carries out a close monitoring on the Member States' CCI (P1 and P2) national project planning, organisational, development, connectivity set-up, the conformance testing, deployment, and entry in operation of CCI-P2. Monitoring of Member States CCI activities, including integration with NIS and other national systems takes place, while assistance is provided where needed. Regular meetings for the synchronisation of the planned CCI-related activities, weekly and bi-weekly technical meetings for the status progress, feedback sessions for the execution of the conformance testing are held. DG TAXUD will continue their close technical support to the Member States, while monitoring the progress according to the deployment plan for CCI. In this context DG TAXUD initiates issuing a quarterly report for monitoring of the UCC CCI system deployment, starting with Q1 2024.

Regarding the associated risk level on the on-time delivery of the project, the majority of the Member States indicated a low/medium level of risk, while assessing the complexity as being medium/high.

Aside from the interdependencies between the core and supporting systems, the complexity of the development of the system is incremented by the human and financial resource constraints, the need for a high percentage of availability of the systems and the difficulties added by the supplementary recapitulative declaration and the extension for excise goods that are part of the system. Other aspects adding complexity to the project are the effects derived from the COVID-19 pandemic, Brexit and the current situation of the e-commerce market.

To lessen the impact of the delays some of the measures cited by the Member States are the creation of a new national PG for CCI with the necessary resources and the adoption of Agile methodologies and iterative approaches.

In terms of assessing the level of completeness of the system, over 85% of the Member States that responded to the survey reported that the system is on target. No Member State has achieved full completion of the system development. Some Member States indicated that the current progress has fallen behind the scheduled Deployment deadline: DE, MT<sup>273</sup>, NL, and SE.

Most Member States communicated Technical Specifications activities had not been initiated yet, except for DE, DK, IE, LT, and RO, in progress, and BG, which has already completed this phase.

#### **Detailed Responses:**

Table 43 provides the individual Member States' responses to the survey:

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<sup>273</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

MS	Complexity Rating	Risk Level	Additional Comments
AT			
BE			
BG	5	Low	BG informed that the overall status of the project is on target, with a medium level of risk on the on-time delivery of the project. These risks could have an imminent impact on the Technical Specifications and the Conformance Testing activities. BG will implement an iterative approach using TOGAF/ADM and RUP methodologies.
CY	6	Low	CY indicated the overall status of the project as on target, citing the interdependencies between the core and supportive systems, the need for a high percentage of availability of the systems, the limitation of human resources and the effects of the COVID-19 pandemic as some of the reasons for the increase in complexity of the project. No further CCI-P2 activities are planned until 2024.
CZ	1	Low	CZ reported that the project status is on target and its development and Deployment were planned in parallel with CCI-P1 activities. The system is being developed under NIS and the development is under analysis from the IT contractor.
DE	5	High	DE informed that the implementation of the CCI-P2 project has been delayed because it will be integrated into the major release of the national IT system ATLAS (Release 10.2) as a new trans-European system. CCI-P1 and CCI-P2 will be included in one development and DE will develop one message for the declaration which will be adapted depending on normal or simplified procedure in use. Once the new import system is in place, traders will be migrated gradually to the new system <sup>274</sup> . However, DE clarified that the national project has already started with Technical Specifications currently under development and Operations scheduled to begin in Q4 2024. To address the delays, DE indicated that a new national PG for CCI will be created with the necessary resources and Agile methodologies will be employed.
DK	4	Low	DK indicated that the project is currently on target and no major potential delays were identified. The Conformance Testing scope is currently undergoing further analysis.
EE	5	Medium	EE assessed the overall project status as on track and the first milestone, related to the completion of Technical Specifications is planned for 31/03/2024 according to its National Planning. EE noted that a lack of human resources could impact the outcome of the system.
ES	3	Low	ES reported that the overall status of the project is on target. Technical Specifications are currently in progress with the date for publication set for 02/06/2024. The National Planning has been updated according to the CCI-P1 and P2 specification strategy. ES is using iterative methodologies to develop the project.
FI	6	High	According to FI, the associated risk level for CCI-P2 relates to the fact that the import system is set to be built from scratch.

<sup>274</sup> Information provided from a bilateral meeting between DE and DG TAXUD held on 14/06/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			While there are some doubts about all CCI-P2 functions being ready by the planned date <sup>275</sup> , the status of the project is on target and an iterative approach is being considered for the system development.
FR			FR indicated that the strong interdependencies of the various national systems increased complexity and caused delays in the development of NIS as a whole. In this regard, additional resources on the business and IT sides were mobilised as a mitigation measure. Brexit and e-commerce have had a strong impact on human and financial resources, causing delays in the involvement of the technical teams. The COVID-19 pandemic has equally had an impact on these areas. As a mitigating measure, FR outsourced some activities to a contractor and, in parallel, secured the import system to have a better base for CCI. At the same time, AES developments have to be ensured, given FR's position as an exit Member State for other Member States. Therefore, many choices requiring an increased level of resources are to be made for several projects that have to be carried out simultaneously. In this light, FR chose to prioritise AES (core functions) over CCI, given the importance of the export volumes. The deadlines for this project shifted to secure other projects. CCI-P2 will deliver functionalities through iterations, with an envisaged Deployment date set for Q2 2025.
GR	6	Medium	GR indicated that the risk level affects all milestones. However, the overall status of the project has been determined as on target. GR shared that there is a delay in the tender procedure.
HR	6	Medium	HR assessed the CCI-P2 project as having a high risk due to the supplementary recapitulative declaration and the extension for excise goods that are included in the system. Additionally, the interconnectivity between the systems from different Member States adds complexity and increases the risk. Nevertheless, the status of the project is currently on track, with the completion date for the Technical Specifications phase planned for 30/09/2024.
HU	5	Medium	HU shared that the planning for CCI-P2 is on track, but there are potential risks that could affect the deployment of the system. To mitigate these risks, HU will be implementing iterative methodologies throughout the project development.
IE	5	Medium	IE identified that communicating with other Member States' systems is the main factor contributing to the complexity of the project. Furthermore, other UCC systems with earlier deployment deadlines were prioritised over CCI-P2, which poses a risk. Despite this, the overall status of the project is on track. IE implemented processes to ensure business continuity during the development of CCI-P2.
IT			IT reported the project as being on target. The development and Deployment were planned in parallel with CCI-P1 activities.
LT	6	Low	LT informed that the overall status of the project is on target and plans the use of an Agile approach for developing the system.

<sup>275</sup> Information provided from a bilateral meeting between FI and DG TAXUD held on 27/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
LU			LU shared that envisages deployment by early June 2025 <sup>276</sup> .
LV			
MT	5	Low	Same response as for CCI-P1 <sup>277</sup> .
NL	5	High	NL identified a high level of risk associated with the timely delivery of the project, with all milestones being affected by the implementation of new processes and software. The Brexit, eCommerce, tight labour markets, the COVID-19 pandemic and the prioritisation of other parallel projects negatively impacted the development of the CCI-P2 system. To mitigate these risks, reduction of the scope and the use of Agile approaches were identified as potential measures. NL plans to be ready to Deploy the system in Q4 2025 <sup>278</sup> .
PL	5	Medium	PL reported a medium level of risk affecting all milestones and assessed the overall status of the project as being on target. PL will pursue an iterative approach to develop and implement CCI-P2 within the NIS system.
PT	6	Medium	PT informed that the Conformance Testing's purpose is for the EOs to realise if their systems comply with the specifications and for PT to assess if the external domain was correctly developed. Conformance Testing with the Member States will be completed to evaluate if all the necessary connections/validations are correctly performed. CCI-P2 is intended to treat all the matters which were omitted in P1 due to their complexity. The project will be developed and implemented as part of the NIS system, which explains the complexity of CCI-P2. To this adds the fact that the development of this system is related to the development of all national, central and other Member States' systems/modules, national and UE entities' connections, which ultimately increases the interdependencies and the complexity of the 'global system'. PT indicated that an Agile development approach will be used to reduce the implementation timeframe.
RO	6	Medium	RO noted that the interdependencies among the NIS systems create a risk that might impact all milestones. The project is on target with the Technical Specifications phase currently in progress.
SE	4	Medium	SE identified delays in the development of the CCI-P2 project since other systems are also being developed simultaneously. Moreover, SE is in the process of changing its IT platform, which can affect implementation. Complexity is affected by the need for the development of the goods shipment level in the context of the recapitulative supplementary declaration. An analysis is taking place to find solutions to prevent delays.
SI	6	Medium	SI noted the high complexity of the CCI-P2 system, caused by the high amount of new electronic messages and BPMs, the exchanges of electronic messages between the Supervising Customs Office for CCI and the Presentation Customs Office for CCI, the specific Rules and Conditions for CCI, the specific code lists for CCI, demanding Conformance Testing and the

<sup>276</sup> Information provided from a bilateral meeting between LU and DG TAXUD held on 24/10/2023.

<sup>277</sup> Information provided from a bilateral meeting between MT and DG TAXUD held on 30/08/2023.

<sup>278</sup> Information provided from a bilateral meeting between NL and DG TAXUD held on 28/09/2023.

MS	Complexity Rating	Risk Level	Additional Comments
			complex DDNCA documentations, among others. Moreover, SI's existing import declaration system is harmonised with EUCDM3.2. This creates a risk since SI previously completed the national import declaration system per the new Annex B of the Commission Delegated Regulation (EU) 2021/234 and CCI-P1. Despite the high complexity and the potential risks, the project is on target to be Deployed on 01/06/2025 <sup>279</sup> .
SK	1	Low	SK categorised CCI-P2 as on target with no major risks identified.

Table 43: Detailed responses from Member States – CCI-P2

Figure 36 provides the percentage of respondents (Member States plus the Commission) in each development phase.

CCI 2

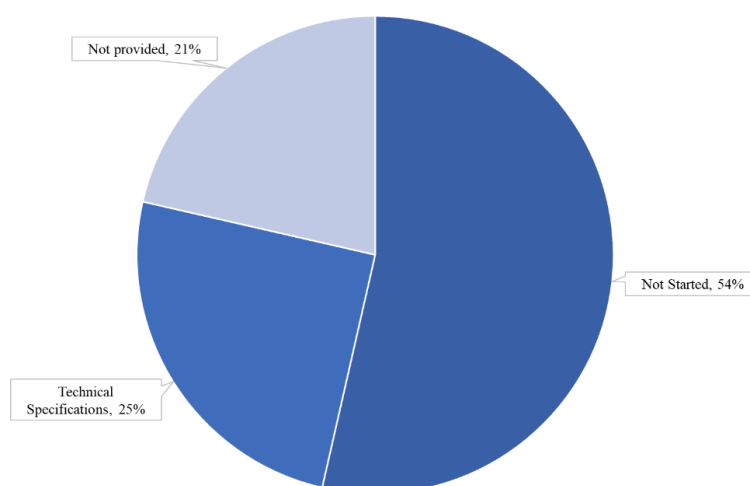


Figure 36: Summary of Survey Responses – CCI-P2

<sup>279</sup> Information provided from a bilateral meeting between SI and DG TAXUD held on 13/06/2023.

#### 4.4.2. Overview of Project Progress

Table 44 highlights any known divergences in the planning compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

For the implementation of CCI-P2, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP: BE, DE, EE, ES, FI, GR, and NL. AT, FR, and RO did not provide data regarding the Operations date, while SE indicated the Operations as not applicable.

Respondee	Technical Specifications			Conformance Testing		Deployment (Start of the deployment window)			Operations (End of the deployment window)		
	Target date from WP	2023 Planned/ Actual End Date	2023 % of Completion	2023 Planned/ Actual End Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date	2023 % of Completion	Target date from WP	2023 Planned/ Actual Date	
European Commission	30/06/2022	17/06/2022	100%	Not Provided	0%	02/10/2023	Not Provided	0%	02/06/2025	Not Provided	
AT		Not Provided	Not provided	17/10/2025	Not Provided		01/11/2025	Not Provided		Not Provided	
BE		N/A	Not provided	N/A	Not Provided		02/06/2025	Not Provided		Not Provided	30/06/2025
BG		04/11/2024	100%	28/03/2025	0%		31/03/2025	0%		0%	31/03/2025
CY		30/11/2024	0%	19/05/2025	0%		02/06/2025	0%		0%	02/06/2025
CZ		01/04/2024	0%	30/11/2024	0%		01/12/2024	0%		0%	01/12/2024
DE		31/06/2024	30%	30/10/2025	0%		15/11/2025	0%		0%	15/11/2025
DK		05/08/2023	Not provided	Not Provided	0%		31/12/2024	0%		0%	31/12/2024
EE		31/03/2024	0%	31/12/2024	0%		30/06/2025	0%		0%	30/06/2025
ES		02/06/2024	50%	30/06/2025	0%		30/06/2025	0%		0%	30/06/2025
FI		31/12/2024	0%	30/06/2025	0%		30/06/2025	0%		0%	30/06/2025
FR		31/03/2024	0%	30/09/2024	0%		31/12/2025	0%		0%	Not Provided
GR		31/12/2023	100%	30/06/2025	0%		30/06/2025	0%		0%	30/06/2025
HR		30/09/2024	50%	30/05/2025	0%		02/06/2025	0%		0%	02/06/2025
HU		15/10/2024	75%	01/05/2025	0%		02/06/2025	60%		0%	02/06/2025
IE		23/06/2023	100%	23/06/2024	25%		24/06/2024	0%		0%	24/06/2024
IT		Not Provided	100%	Not Provided	0%		02/06/2025	0%		0%	02/06/2025
LT		01/06/2024	Not Provided	01/12/2024	Not Provided		02/06/2025	Not Provided		Not Provided	02/06/2025
LU		01/04/2024	Not Provided	01/05/2025	Not Provided		01/06/2025	Not Provided		Not Provided	01/06/2025
LV		24/03/2024	0%	24/03/2025	0%		25/03/2025	0%		0%	25/03/2025
MT		N/A	0%	N/A	0%		02/06/2025	0%		0%	02/06/2025
NL		Not Provided	50%	Not Provided	0%		Not Provided	0%		0%	01/11/2025
PL		30/05/2024	0%	01/05/2025	0%		01/06/2025	0%		0%	01/06/2025
PT		01/06/2024	0%	15/04/2025	0%		31/05/2025	0%		0%	02/06/2025
RO		30/05/2023	100%	N/A	N/A		01/12/2023	100%		0%	Not Provided
SE		Not Provided	0%	Not Provided	0%		02/06/2025	0%		0%	N/A
SI		01/10/2023	0%	20/05/2025	0%		01/06/2025	0%		0%	01/06/2025
SK		01/06/2024	0%	31/05/2025	0%		02/06/2025	0%		0%	02/06/2025

Table 44: Comparison of Planned and Actual Dates – CCI-P2

Regarding **CCI-P2**, additional details on the specific percentage of completion per milestone can be seen in Figure 37.

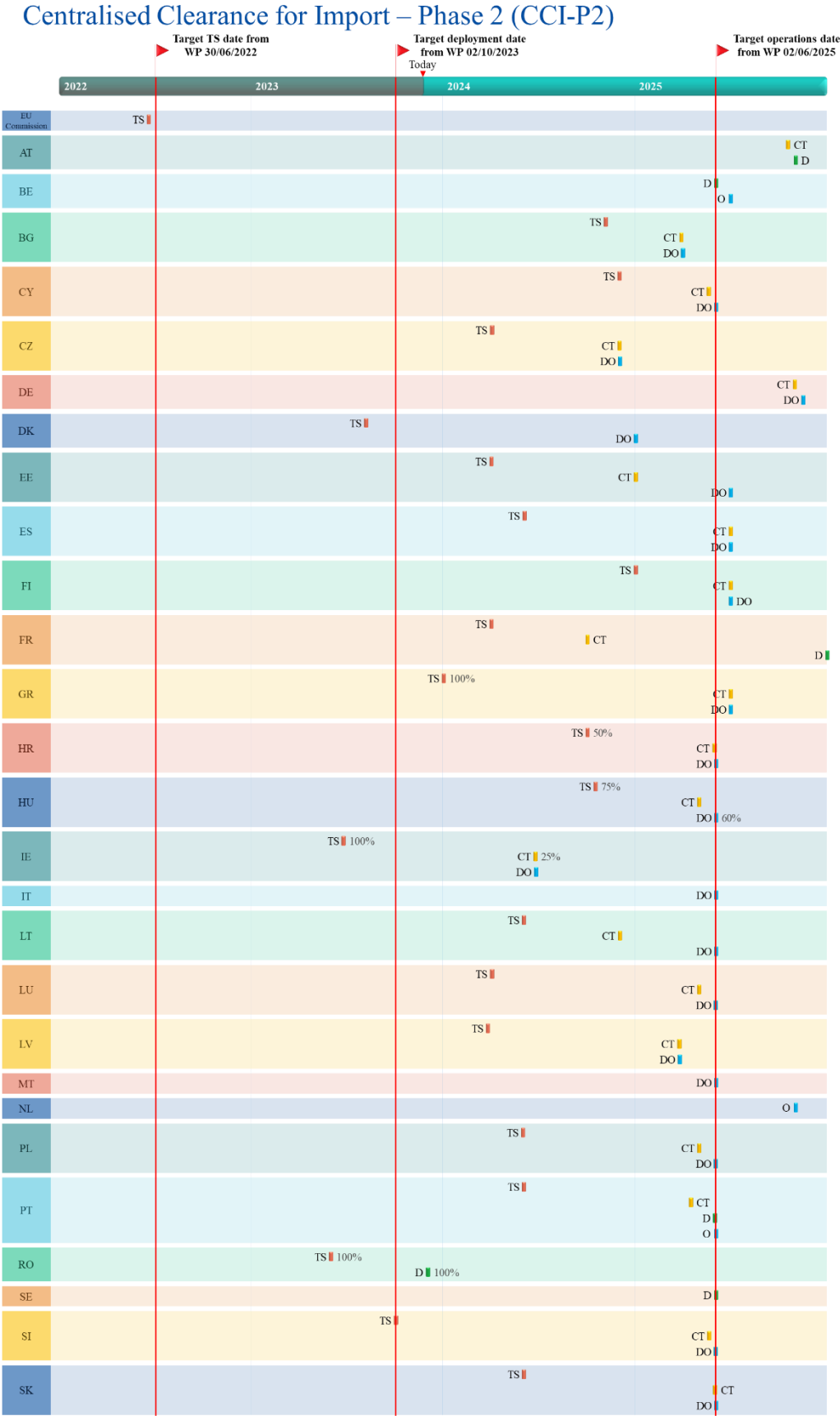


Figure 37: Percentage of Completion per Phase – CCI-P2



## 4.5. UCC NEW COMPUTERISED TRANSIT SYSTEM (NCTS) UPGRADE – COMPONENT 2

**Component 2, NCTS – Phase 6 (NCTS-P6)**, will align NCTS to the new provisions set by the UCC regarding Advanced Cargo Information for Safety and Security, while continuing the practice of Combined Declaration for the Member States opting to offer this facilitation to their trade. It requires the set-up of an automated interface between NCTS and ICS2 to ensure that trade can serve both the transit procedure and the Safety and Security formalities simultaneously with a single process for the benefit of all. The timeline of NCTS-P6 is synchronised with that of the ICS2-R3, having a transition window from 3 February 2025 until 1 September 2025 for the National Administrations to migrate from NCTS-P5 to NCTS-P6.

According to the revision of the UCC WP<sup>280</sup>, NCTS-P6 will be deployed in line with the following calendar:

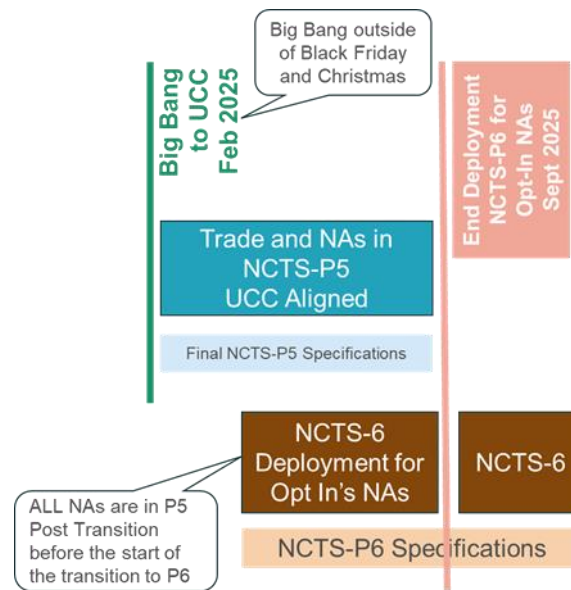


Figure 38: NCTS-P6 timeline

### Summary from the Commission:

The aim of NCTS-P6 is to complete the alignment of NCTS to the Safety and Security data specified in the latest releases of the UCC DA and UCC IA Annex B. NCTS-P6 will also implement specific requirements in transit customs declarations of goods brought into the customs territory of the Union. The primary goals are to ensure continuity of the long-established combined declaration practice and achieve fully integrated management of the Safety and Security provisions of the UCC in NCTS. This integration aims to avoid duplication of the processes and systems for the trade and the National Administrations. NCTS-P6 will interface with the ICS2 system, to minimise the IT burden on the National Administrations and trade. Another significant advancement is the harmonisation of the presentation process across all the Customs Offices of the National Administrations, which will serve as a steppingstone for future Smart Border initiatives between National Administrations and other neighbouring countries.

The integration of the system with ICS2-R3 requires the synchronisation of two significant and autonomous Trans-European Systems in terms of their process flow and information exchange. To achieve this synchronisation, a dedicated message converter will be deployed by the Commission to facilitate seamless communication and data transfer between the systems. Therefore, the level of complexity associated with the development of NCTS-P6 is significant.

In April 2020, an initiative was launched to conduct a feasibility study on the interconnection between ICS2 and NCTS, including an analysis of Safety and Security requirements and the possible

<sup>280</sup> The revised UCC WP will be adopted in December 2023.

implementation options. The outcome confirmed the feasibility of communication between ICS2 and NCTS-P6. By mid-2021, the feasibility study was translated into a Business Case.

At the request of the National Administrations, the Business Case was temporarily suspended, awaiting analysis of the technical implications of the proposed measures. National Administrations sought more clarity regarding the combined declaration facility option they could offer or not offer to their trade as well as the interface between NCTS and ICS2-R3.

In the second half of 2021, a Technical Study was conducted with the National Administrations to provide the expected clarifications and details. Based on this Technical Study, the VIS was produced by the end of 2021.

In December 2021, the Business Case and VIS were approved. The VIS for NCTS-P6 establishes a Transition Period from June 2024 to February 2025, aligning with the transition window of ICS2-R3. This assumes that NCTS-P5 will be completed on time, ensuring business continuity of the transit combined declaration as a trade facilitation instrument.

During 2022, the Functional and TSS for NCTS-P6 were elaborated in collaboration with the National Administrations and subsequently accepted by the ECCG in December 2022.

A significant risk of overlap has been identified between the delays of the ‘running-over’ National Administrations that will join the NCTS-P5 Operation in 2024 and the Transitional Period of NCTS-P6. The new proposal for the revision of the UCC WP is addressing this risk by establishing a clear cut-off for the transition to NCTS-P5 as well as by postponing the start and end dates of the deployment window for NCTS-P6. The proposal aims to ensure business continuity.

### 4.5.1. Overview of Project Progress

Table 45: Comparison of Planned and Actual Dates – NCTS-P highlights any known divergences in the planning compared to the dates set in the UCC WP. As this project has a deployment window, the ‘Deployment’ and ‘Operations’ columns are shown. If there is a difference in these two dates, this implies that a migration period is planned.

Regarding NCTS-P6, the following Member States have a planned/actual Operations date that is later than the deadline in the UCC WP<sup>281</sup>: FI, NL, PL, PT, SE, and SK. AT, BE, DE, DK, FR, and LU did not provide data regarding the Operations date.

Respondee	Technical Specifications		Conformance Testing	Deployment (Start of the deployment window)		Operations (End of the deployment window)	
	Target date from WP	2023 Planned/ Actual End Date	2023 Planned/ Actual Date	Target date from WP <sup>281</sup>	2023 Planned/ Actual Date	Target date from WP <sup>281</sup>	2023 Planned/ Actual Date
European Commission	30/06/2022	31/12/2022	31/03/2025	03/06/2024	03/03/2025	02/06/2025	01/09/2025
AT		Not Provided	Not Provided		Not Provided		Not Provided
BE		N/A	N/A		N/A		Not Provided
BG		03/06/2024	29/11/2024		16/12/2024		16/12/2024
CY		30/11/2023	23/05/2024		03/06/2024		03/06/2024
CZ		01/01/2024	30/09/2024		01/10/2024		01/10/2024
DE		Not Provided	Not Provided		Not Provided		Not Provided
DK		Not Provided	Not Provided		Not Provided		Not Provided
EE		30/06/2023	31/12/2024		31/12/2024		31/03/2025
ES		30/06/2022	11/03/2024		13/02/2023		12/03/2024
FI		31/12/2024	31/12/2025		31/12/2025		31/12/2025
FR		01/11/2023	Not Provided		01/09/2025		Not Provided
GR		30/06/2024	31/03/2025		31/03/2024		31/03/2025
HR		30/06/2024	28/02/2025		01/03/2025		01/03/2025
HU		30/09/2024	01/05/2025		01/06/2025		01/06/2025
IE		18/08/2023	20/08/2024		21/08/2024		20/10/2024
IT		31/12/2023	30/11/2024		01/09/2024		01/12/2024
LT		01/03/2024	02/05/2025		02/06/2025		02/06/2025
LU		01/02/2024	01/12/2024		01/12/2024		Not Provided
LV		01/03/2024	21/02/2025		24/02/2025		24/02/2025
MT		N/A	N/A		01/01/2025		01/02/2025
NL		Not Provided	Not Provided		Not Provided		01/09/2025
PL		01/08/2025	15/01/2026		01/03/2026		01/06/2026
PT		01/09/2024	01/05/2025		31/08/2025		01/09/2025
RO		31/12/2022	31/12/2024		31/12/2024		02/06/2025
SE		Not Provided	Not Provided		03/03/2025		01/09/2025
SI		01/10/2023	20/05/2025		01/06/2025		01/06/2025
SK		01/06/2024	31/05/2025		01/09/2025		01/09/2025

Table 45: Comparison of Planned and Actual Dates – NCTS-P6

<sup>281</sup> In the 2023 UCC WP Revision, the start of the deployment window is envisaged for 03/03/2025 and the end of the deployment window for 01/09/2025.

# ANNEX 1 – PLANNING OVERVIEW – UCC WORK PROGRAMME PROJECTS

Figure 39 provides a visual overview of the planning of the UCC WP projects. The overview provides the timeline of the development of the projects. The ‘N’ symbol identifies the national projects. The other projects are related to trans-European systems, which might have a central or decentralised architecture.

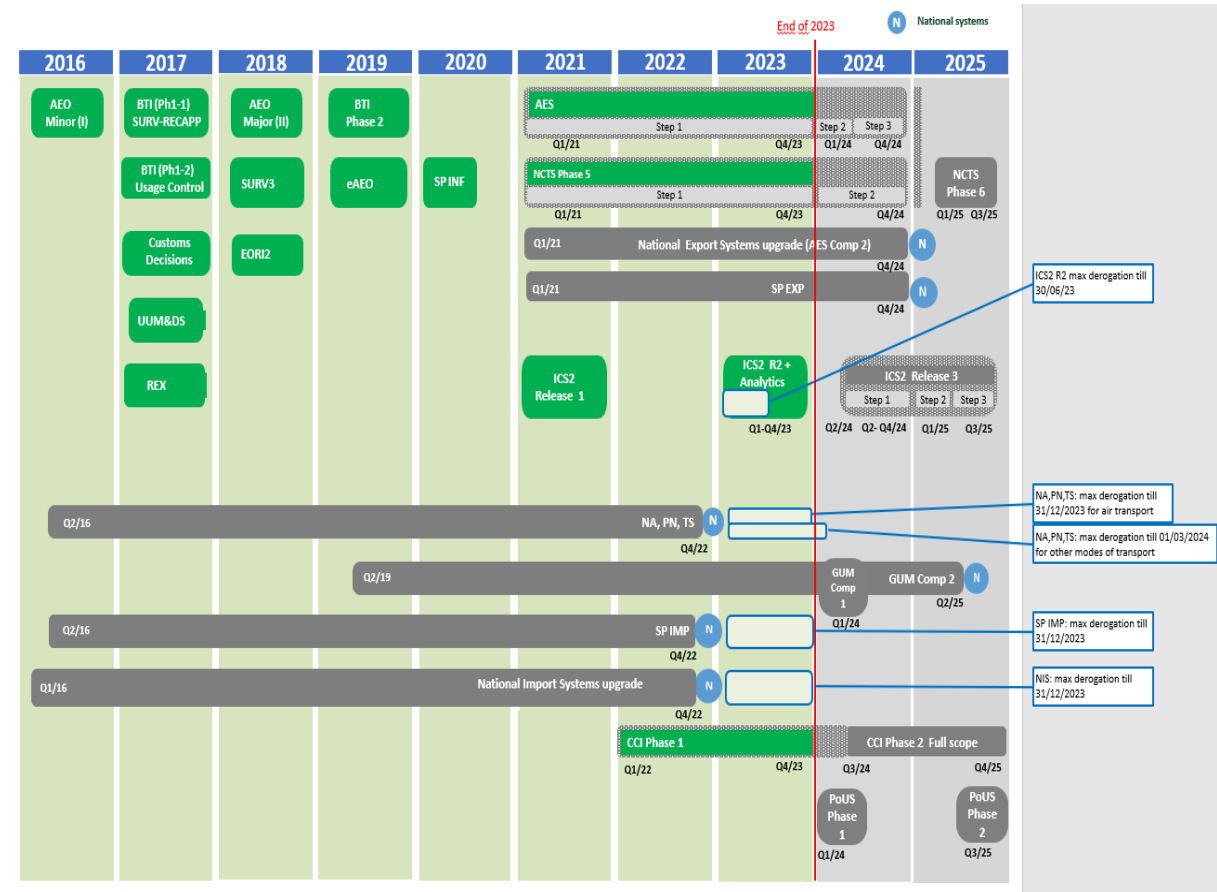


Figure 39: Planning Overview: UCC WP Projects

## ANNEX 2 – ACRONYMS, ABBREVIATIONS & KEY TERMS

Acronym	Description
ADM	Adaptive Development Methodology
AEO	Authorised Economic Operator
AES	Automated Export System
AIS	Automated Import System
AN	Notification of Arrival
ATLAS	Automated Customs Tariff and Local Processing Application System
BPM	Business Process Model
BTI	Binding Tariff Information
CAP	Common Agricultural Policy
CCE	Centralised Clearance for Export
CCI	Centralised Clearance for Import
CCN2	Common Communication Network 2
CCN2ng	Common Communications Network 2nd Generation
CDS	Customs Decisions System
CGM	Customs Goods Manifest
CoRA	Common Reference Architecture
CRMS2	Customs Risk Management System 2
CTC	Common Transit Convention
CTSS	Common Technical System Specifications
DA	Delegated Act
DDNCA	Design Document for National Applications
DDNTA	Design Document for National Transit Application
DDNXA	Design Document for National Export Application
DG TAXUD	Directorate General for Taxation and Customs Union
ECCG	Electronic Customs Coordination Group
ECS	Export Control System
ECS-P2	Export Control System – Phase 2
EMCS	Excise Movement and Control System
EMSW	European Maritime Single Window
EMSWe	European Maritime Single Window environment
ENS	Entry Summary Declaration
EO	Economic Operator
EORI	Economic Operator Registration and Identification
EORI2	Economic Operator Registration and Identification upgrade
EUCDM	European Union Customs Data Model
EU CTP	EU Customs Trader Portal
EXS	Exit Summary Declaration
FSS	Functional System Specifications
GSP	Generalised Scheme of Preferences
GUI	Graphical User Interface
GUM	Guarantee Management
IA	Implementing Act
ICS2	Import Control System 2
ieCA	Information Exchange Conversion Application
INF	Information Sheet
MASP-C	Multi-Annual Strategic Plan for Customs
MSW	Maritime Single Window
MVP	Minimal Viable Product
NCTS	New Computerised Transit System
NIP	Northern Ireland Protocol

<b>Acronym</b>	<b>Description</b>
NIS	National Import System
NES	National Export System
PG	Project Group
PN	Presentation Notification
PoUS	Proof of Union Status
Q1/2/3/4	Quarter 1/2/3/4
REX	Registered Exporter System
RfC	Request for Change
RPS	Regulatory Procedure with Scrutiny
RUP	Rational Unified Process
SAFe	Scaled Agile Framework
SIAIS2	Slovenian Automated Import System
SP	Special Procedures
SP EXP	Special Procedures – Component 1
SP IMP	Special Procedures – Component 2
SURV2	Surveillance 2
SURV3	Surveillance 3
TOGAF	The Open Group Architecture Framework
TP	Trader Portal
TSS	Technical System Specifications
UCC	Union Customs Code
UCC WP	Union Customs Code Work Programme
UUM&DS	Uniform User Management and Digital Signature
VIS	Vision Document

*Table 46: Abbreviations and Acronyms*