Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

By: TA Analysis

European customs will no longer begin at the border

The European Union has completed the political and legal elements of the biggest reform of its customs union since 1968.

The new Union Customs Code was signed on 16 September, published in the Official Journal of the European Union on 19 September and is now in force.

It has established the new European Customs Authority, the EU Customs Authority, based in Lille, which will start work in 2027, and set the framework for the EU Customs Data Hub, a common platform that will gradually replace the 111 customs IT systems currently operating in the Union.

The most important change, however, is not the creation of another European agency or a new import procedure.

National customs services will remain at the borders, and member states will continue to make and implement a large share of concrete decisions. What changes is the information on which these decisions are based.

The new system should ensure that data on goods, traders, transport and previous controls are available through a common infrastructure, while the European Customs Authority will conduct risk analyses, threat assessments and control recommendations at Union level.

For the first time, this significantly narrows the gap between a single customs policy on paper and the 27 different ways in which risk has been assessed in practice so far.

One customs union can no longer operate with 27 different risk profiles

That difference is not only administrative. The customs union has long had a common external tariff and rules that apply to all members, but implementation is carried out by national administrations with different capacities, systems and priorities.

As far back as 2021, the European Court of Auditors found that member states did not use common risk signals in the same way, that control rates varied significantly between them and that national rules for cancelling automatically selected controls were inconsistent.

The auditors warned that such a system leaves scope for risky goods to be directed to countries where the likelihood of control is lower.

This is a serious problem for the single market. Goods that lawfully enter the Union at one of its external borders then move through the internal market without further customs controls at national borders.

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Weakness at one entry point is therefore not only the problem of one country, but potentially the problem of all others.

The reform seeks to address this weakness by leaving enforcement to national services, while increasingly building joint risk assessments on data collected and analysed at EU level.

This institutional innovation is more important than digitalisation itself. Brussels is not trying to replace 27 customs administrations with a single European service.

Instead, it is creating the conditions for those administrations to work from the same broader picture of trade flows, the same European risk signals and recommendations, all derived from a single database.

If the system works as intended, differences between national tariffs will not disappear, but the scope for completely different interpretations of the same risk will gradually narrow.

E-commerce has revealed the limits of physical control

The pressure that made such a change inevitable is most evident in e-commerce.

Almost 5.9 billion low-value items bought online entered the EU in 2025, and more than 90 per cent of these shipments came from China.

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In the same year, national customs services carried out 387,588 controls, but, owing to the huge growth in the volume of trade, the rate fell to only 65 controlled items per million imported.

This relationship between trade volume and physical inspection capacity shows why the traditional model is no longer sufficient.

Customs authorities cannot solve the problem simply by opening more packages.

Even a large increase in the number of controls would leave almost the entire flow of goods unchecked.

The reform therefore changes the logic of inspection: the goal is no longer to inspect as many shipments as possible, but to determine with far greater precision which shipments should be inspected at all.

The Data Hub is designed for precisely that shift. For e-commerce, its mandatory use will begin on 1 July 2028, while from 1 March 2031 other importers, exporters and companies that transport goods through the EU as part of customs transit will be able to use it voluntarily.

From 1 March 2034, it will become the mandatory entry point for all traders importing or exporting goods through the EU customs system.

Instead of a series of separate declarations and national interfaces, traders will enter data through a common infrastructure, and customs authorities will draw on the same database for different procedures and regulatory needs.

Control is moved to before the physical arrival of the goods

The most important practical effect of such a system will be a change in the moment when customs assessment begins.

With e-commerce sales, the relevant data should be available before the goods reach the border.

This allows risk to be assessed while the shipment is still in transit, based on information about the seller, the goods, their origin, the transport and the history of previous controls.

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The final legal framework extends well beyond the common application form. The Data Hub should be linked to other European systems that already contain data on dangerous products, food and feed, market surveillance and intellectual property protection.

The Regulation also provides for advanced data analysis, including the use of artificial intelligence systems for risk analysis, economic analysis and predictive assessment of possible risks in shipments entering or leaving the Union.

Those functions are not yet operational and their quality will depend on how they are designed, but the direction is clear: European customs is moving from a system that predominantly processes declarations to one that aims to recognise risk patterns before problems reach the physical border.

Customs data is becoming part of European economic security

The importance of the reform extends far beyond the collection of customs duties.

National customs services already enforce a wide range of rules that are not directly related to customs rates, including product safety, import bans and restrictions, intellectual property protection, certain export controls, and measures arising from the sanctions regime.

The new system does not alter the competences of the institutions involved in these procedures, but it gives them the opportunity to work with a broader and more interconnected set of data.

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Under the new framework, the European Customs Authority will prepare risk analyses and threat assessments at Union level, issue recommendations to national services and coordinate joint controls.

The Commission sets common priority areas and criteria, while national customs authorities continue to conduct their own analyses and make decisions on specific controls.

For certain purposes and under established conditions, data access and information exchange are provided to institutions such as OLAF, the European Public Prosecutor's Office, Europol and Frontex.

This architecture provides the basis for far more rigorous oversight of trade flows than is possible with fragmented national databases.

It will not, on its own, detect every false origin of goods, every attempt to circumvent sanctions or every unsafe product. Its value lies in giving customs services a broader and more interconnected view of trade flows, so patterns that previously remained scattered across different national systems become easier to identify.

At a time when trade policy is increasingly intertwined with security, technology and the control of strategic goods, this gives customs data far greater political and security significance than it had under the traditional model of customs administration.

A central system removes one weakness but creates another

However, the centralisation of data will not on its own eliminate differences in how the customs services of the 27 member states operate.

Among them, the number and training of officers, technical equipment, capacity for goods control and the way assessed risk is translated into concrete checks at the border

all vary.

European companies and trade associations supported the idea of a single system but warned that its implementation must be gradual and technically reliable.

They called for sufficient time to adapt, clear rules for data exchange, backup solutions in case of system outages and robust protection against cyberattacks.

Centralisation, however, also introduces a new security problem. Today's system of 111 separate applications and databases is slow, expensive and unsuitable for joint analysis, but a failure or cyberattack in one part usually does not affect the entire Union.

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The Data Hub will consolidate much of that system in one place, so any serious outage or attack will have far broader ramifications.

The Regulation therefore requires backup systems, the ability to restore data quickly, and infrastructure distributed across multiple, physically separate locations.

The EU thus anticipates that the Data Hub will become a critical element of the entire customs system and that its security must be developed in parallel with the platform itself.

Another risk concerns the accuracy of the assessment. If the system too often classifies innocuous shipments as risky and misses those that genuinely require control, customs services will waste time on the wrong cases.

The problem will be even greater if such an assessment is applied simultaneously in several member states, because the same error is then no longer confined to one national administration but spreads through the common system.

The success of the Data Hub will therefore depend on the quality of the data it receives, clearly defined risk criteria, and the speed with which the models are updated when the results of actual controls show them to be wrong.

The first real test comes in 2028

The first serious test of the reform will come in 2028, when the Data Hub will begin to be used for e-commerce.

Only then will it become clear whether the joint analysis of data really helps customs to distinguish risky shipments more precisely using existing capacity.

E-commerce is the first major test because it is precisely there that the limits of the existing system are most evident.

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If, from 2028, the Data Hub helps national services detect unsafe goods, false declarations and other irregularities more often using existing personnel and equipment, the EU will have strong grounds to extend the same way of working to other customs procedures by 2034.

If the system is delayed, receives incomplete data or member states apply its assessments inconsistently, technological unification alone will not resolve the differences that exist among national customs services today.

The reform now adopted does not abolish national customs services or replace them with a single European administration.

It is far more likely that states will retain their officials, controls and most day-to-day work, while decisions at EU level will increasingly be made about which phenomena represent the greatest risk, which flows of goods should be subject to special monitoring and where limited control capacity should be directed.

By 2034, it will be clear whether the EU has managed to solve one of the oldest problems of its customs union: the limited value of common rules when risk is assessed differently at different external borders.

If the new system genuinely reduces those differences, the weakest point will no longer determine the safety of the entire market to the same extent.

The greatest achievement of the reform will then be that the treatment of goods entering the EU will depend less on the country through which they enter, and more on a common risk assessment applied across the entire Union.