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PURPOSE: to establish a European Travel Information and Authorisation System (ETIAS) in order to improve external border management.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with Council.

BACKGROUND: in its in its Communication of September 2016 entitled 'Enhancing security in a world of mobility, the Commission confirmed the need to strike the right balance between ensuring mobility and enhancing security, while facilitating legal entry into the Schengen area without the need for a visa.

Today, around 1.4 billion people from around 60 countries worldwide can benefit from visa-free travel to the European Union. The number of visa-exempt third country nationals to the Schengen countries will continue to grow, with an expected increase of over 30% in the number of visa exempt third country nationals crossing the Schengen borders by 2020, from 30 million in 2014 to 39 million in 2020. These figures demonstrate the need to put in place a system that is able to achieve objectives similar to the visa regime, namely to assess and manage the potential irregular migration and security risks represented by third country nationals visiting the EU, yet in a lighter and more visitor-friendly way, in line with the objectives of the EU's visa liberalisation policy.

IMPACT ASSESSMENT: the ETIAS legal proposal is based on the results of the feasibility study conducted from June till October 2016.

CONTENT: the draft regulation proposes the establishment of the European Travel Information and Authorisation System (ETIAS), which will be an EU system for visa-exempt third country nationals when crossing the external borders, and allow determination of whether the presence of such persons on the territory of the Member States would pose an irregular migration, security or public health risk.

For this purpose a travel authorisation would be introduced as a new condition for entering the Schengen area and the absence of a valid ETIAS travel authorisation would result in a refusal of entry into the Schengen area. Moreover, where applicable, carriers would have to check that their passengers have a valid ETIAS travel authorisation before allowing them to board their transportation means bound to a Schengen country.

Prior to the intended travel, the applicant will create an on-line application, via a dedicated website or the mobile application.

Functions: the key functions of ETIAS will be to:

- verify the information submitted by visa-exempt third country nationals (such as information related to identity, travel document, residence information, contact details etc.), via an online application ahead of their travel to the EU's external borders, to assess if they pose a risk for irregular migration, security or public health;
- automatically process each application submitted via the website or mobile application against other EU information systems (such as SIS, VIS, Europol's database, Interpol's database, the EES, Eurodac, ECRIS), a dedicated ETIAS watch list (established by Europol) and targeted, proportionate and clearly defined screening rules to determine if there are factual indications or reasonable grounds to issue or refuse a travel authorisation;
- issue travel authorisations. In cases where no hits or elements requiring further analysis are identified, the travel authorisation is issued automatically within minutes after the application has been submitted. The authorisation will be valid for a period of five years and for multiple entry. An application fee of EUR 5 will apply to all applicants above the age of 18.

Scope: ETIAS will apply to visa-exempt third country nationals. The following shall be excluded from the scope: holders of long-stay visas, holders of a local border traffic permits, citizens of the micro-states in the Schengen area, holders of diplomatic passports and crew members of ships or aircraft while on duty.

Management of the system: the ETIAS will be managed by the European Border and Coast Guard in close cooperation with the competent authorities of the Member States and Europol. The Agency eu-LISA will develop and provide technical management of this information system. The final decision on allowing entry into the Schengen Area will still rest with the border guards at the external border in line with the Schengen Border Code.

Participation: the proposed Regulation constitutes a development of the Schengen acquis; therefore, the United Kingdom and Ireland do not participate in the adoption of the Regulation and are not bound by it or subject to its application.

Denmark shall decide within six months of the Councils decision on this Regulation whether to transpose it into national law or not.

BUDGETARY IMPLICATIONS: the amount needed has been assessed as EUR 212.1 million. During the development phase (2018-2020), the Commission will spend a total amount of EUR 4.2 million (via shared management) for the expenses related to operations in Member States.

From 2020, when the new system will be operational, future operational costs in Member States could be supported by their national programmes in the framework of shared management.

From the same year, the ETIAS System will generate fee revenue, which will be treated as external assigned revenue. Based on the current estimates of the number of applications, the fee revenue will more than cover the direct development and running cost of the ETIAS. In turn, this will allow the financing of related expenditure in the field of Smart Borders.

DELEGATED ACTS: in order to establish the technical measures needed for the application of the Regulation, the Commission will have the power to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the EU.