

Customs Union: improved anti-fraud measures

The Permanent Representatives Committee (Coreper) endorsed an agreement with the European Parliament aimed at improving the functioning of the antifraud system in the customs field.

The objective of updating the current rules is to strengthen cooperation between customs authorities in order to enhance the supply chain security at EU and national levels. This will better protect the financial interests of the EU and its member states against customs fraud and other breaches of customs and agriculture legislation.

Italian State Secretary for European Affairs, Sandro Gozi, made the following statement: "The Italian Presidency welcomes the political agreement reached today on the proposed regulation on customs mutual administrative assistance. The exchange of information is the most important tool for national customs authorities and for the Commission to accomplish their role in fighting against customs frauds, thus protecting the EU financial interests and enhancing the security and safety of the international supply chain. The new regulation will make more effective such exchange of information, notably through the creation of new databases constantly updated with data related to the movement of goods, which is extremely important for the detection of possible new patterns of frauds. Negotiations leading to today's agreement were complex but I am convinced that the result achieved deserved the efforts made by the Council and the Parliament".

Economic impact of customs frauds

The new law further promotes mutual assistance between the member states and the Commission to ensure the correct application of law on customs and agricultural matters and seeks to simplify and speed up procedures against frauds.

Hundreds of millions of euros per year could be saved up thanks to the improved rules.

The three most common types of breaching customs law are: mis-description or undervaluation of imported goods to take advantage of lower duties; mis-declaration of the origin of the goods to circumvent anti-dumping levies and/or to avoid quantitative import limitation quotas and misuse of the transit system, declaring imported goods as being in transit, thus evading applicable customs duties, as well as frauds at export, particularly related to sensitive excisable goods. The damage resulting from these forms of fraud alone is estimated at around 185 million euros per year.

New common databases

The exchange of information between customs authorities and the Commission will be increased and two common databases will be created with data on trade of goods in order to facilitate a more efficient analysis and detection of customs fraud. These databases will be operated by the Commission and accessible by the competent authorities of the member states.

Next steps

The Coreper decision confirms a provisional agreement reached between the Presidency of the Council and European Parliament representatives on 18 December 2014 for the amendment of regulation 515/97.

The Council and the Parliament will formalise the adoption of the new regulation in early 2015. The Parliament already voted its first reading position on 15 April 2014.

Background

Customs authorities are primarily responsible for the supervision of the Union's international trade, thereby contributing to fair and open trade, to the implementation of the external aspects of the internal market and of the other Union policies having a bearing on trade, and to overall supply chain security.

The mutual assistance between the member states and the Commission to combat customs-related fraud is mainly based on the exchange and sharing of information.
