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## ANNEX 1

### 1. OBJECTIVES OF INSPECTIONS

The collection of traditional own resources may be checked in different ways: checks on documents, checks on regulations and on-the-spot checks. Inspections have three specific objectives:

- *to maintain a level playing field* between economic operators, regardless of where goods are cleared through customs in the European Union. The Commission must ensure that the Member States apply Community rules uniformly so that any malfunctioning does not lead to the distortion of competition;
- *to improve the situation as regards recovery*. The Commission must check that the Member States comply with their responsibilities when it comes to collecting own resources. This objective is concerned with ensuring not only that they assume their responsibilities with regard to the Community budget but also that the financial burden is shared out correctly among the Member States;
- to inform the budgetary authority. From the inspection findings the Commission is able to judge the effectiveness and diligence of the Member States with regard to collection, take the measures necessary to remedy the situation and ultimately to report to the budgetary authority on this basis on the implementation of the budget in terms of revenue.

To sum up, controls carried out by the Commission enable it, on the one hand, to ensure that the Member States comply with their community obligations and, on the other hand, to verify that the own resources paid to the Commission by the Member States are those legally due. In practice, community resources are controlled from their inception until their entry in the Commission account, via the various procedures of establishment, accounting and making them available.

### 2. OPERATION OF THE INSPECTION SYSTEM AT COMMUNITY LEVEL

The system for the collection of traditional own resources is subject to **several types of control** within the Commission: the audits carried out by the Budget Directorate-General in its capacity as authorising department for budget revenue and the inspections relating to recovery of Community entitlements. The Commission is also required to respond to the observations made by the Court of Auditors in connection with the inspections carried out under Article 287 of the Treaty on the functioning of the European Union, contained in its Annual Report, special reports or preliminary findings, and also the requests made by the European Parliament during the discharge procedure in respect of the implementation of the budget.

The Commission ensures that the Member States apply the Community regulations correctly and reports to the budgetary authority. This complementarity of the Member States' and the Commission's responsibilities results from the current division of inspection visits between

#### *Types of controls :*

*Checks on Regulations:* checks on Member States' provisions concerning the system for collecting traditional own resources.

*Checks on documents:* analysis of accounting statements and of all kinds of accounting documents and files from Member States, including applications for being waived from the obligation to make available irrecoverable debts.

*On-the-spot inspections:* control of the conformity of national systems and underlying documents from both the accounting and customs aspects. These inspections are carried out jointly with the Member State concerned or autonomously.

the institutions of the European Union. Responsibility for collecting traditional own resources is delegated to the Member States. They thus assume responsibility for implementing the system and, according to the rules laid down in Council Decision 2007/436/EC, Euratom of 7 June 2007, they are allowed to retain a collection fee of 25% of all amounts of own resources recovered and made available to the Commission. The Member States are required to carry out checks themselves and to report to the Commission. However, these checks carried out at national level do not mean that the Commission need not exercise its powers in this field.

**ANNEX 2**

<b>Control theme</b>	<b>Member States (MS) visited (period 2006-2009)</b>
Community transit	All MS, except CY, MT
Transit under TIR carnets	All MS, except DK, IE, CY, LU, MT, NL, AT
Customs warehousing	BG, AT, PL, RO, UK
Inward processing	CZ, EE, ES, LV, LT, HU, PL, PT, SI, SK, FI, SE
Import of bananas	BE, DE, EL, ES, FR, IT, PL, PT, SE, UK
Simplified procedures for release for free circulation	DE, IE, ES, FR, NL, AT, PT, FI, UK
Customs Control Strategy	All MS, except BE, BG, DK, AT, RO
Management of normal and separate accounts	1 inspection to DK, EL, ES, FR, IT, CY, MT, NL, UK 2 inspections to BG, RO 3 inspections to BE
Examination of individual cases entered in the separate account	1 inspection to DK, CY, LU, MT, NL, AT 2 inspections to BE 3 inspections to BG, IE, RO 4 inspections to CZ, EE, LV, LT, HU, PT, SI, SK, FI, SE 5 inspections to EL 7 inspections to DE, PL 8 inspections to ES, FR, IT, UK
Management of irrecoverable debts	BE, DE, EL, ES, FR, IT, NL, AT, UK
Follow-up of earlier points arising from Commission reports and European Court of Auditors' findings	DK, DE, ES, FR, IT, UK
Release for free circulation using the end-use procedure	DK
Preferential treatment of goods	DK
Imports of goods with destination San Marino	IT