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COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	27 November 2013
To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union

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Subject:	Annexes to Report from the Commission to the European Parliament and the Council - Seventh report from the Commission on the operation of the inspection arrangements for traditional own resources (2010-2012) (Article 18(5) of Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000)

Delegations will find attached Commission's document COM(2013) 829 final Annexes 1 to 2.

Encl.: COM(2013) 829 final Annexes 1 to 2



Brussels, 27.11.2013
COM(2013) 829 final

ANNEXES 1 to 2

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to the

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

**Seventh report from the Commission on the operation of the inspection arrangements
for traditional own resources (2010-2012) (Article 18(5) of Council Regulation (EC,
Euratom) No 1150/2000 of 22 May 2000)**

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ANNEX 1

1. OBJECTIVES OF INSPECTIONS

Inspections on the collection of TOR have three specific objectives:

- To maintain a level playing field between economic operators, regardless of where the goods are cleared through customs in the EU. The Commission must ensure that EU rules are applied uniformly so that any malfunctioning does not lead to a 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 TOR. The objective is to ensure that not only the Member States assume their responsibilities with regard to the EU budget but also that the financial burden is shared out correctly among them;
- 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 TOR collection, to take measures necessary to remedy the situation and ultimately to report to the budgetary authority.

2. OPERATION OF THE INSPECTION SYSTEM AT EU LEVEL

The responsibility for collecting TOR is delegated to the Member States. They assume responsibility for implementing the system and are allowed to retain, by way of collection costs, 25% of all amounts of TOR made available to the Commission¹. 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 power in this field. To supervise the system for the collection of TOR several types of checks are possible within the Commission: checks on regulations, checks on documents and on-the-spot inspections. The Commission is also required to respond to the observations made by the Court of Auditors contained in its Annual Report, special reports or preliminary findings letters and also to 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 EU rules correctly and it reports to the budgetary authority.

Type of checks:

Checks on Regulations:
Checks on Member States' provisions concerning the system for collecting TOR.

Checks on documents:
Analysis of accounting statements and all kind of accounting documents and files from Member States, including requests to be released from the obligation to make available irrecoverable entitlements.

On-the-spot inspections:
check on the conformity with EU legislation of national systems and underlying documents from both the accounting and customs aspects. These inspections are carried out jointly with the Member States concerned or autonomously.

¹ At the European Council of 8 February 2013, it was agreed that, from 1 January 2014, Member States will retain, by way of collection costs, 20% of the amounts collected.

ANNEX 2

Inspection topic	Member States visited (period 2010-2012)
Customs Control Strategy	BE, BG, DK, AT, RO
Examination of repayments and of individual cases entered in the separate account	1 inspection to DK, CY, LU, MT, AT 2 inspections to EE, NL 3 inspections to BG, CZ, IE, LV, LT, HU, PL, PT, RO, SI, SK, FI, SE 4 inspections to EL, ES 5 inspections to BE, DE, IT 6 inspections to FR, UK
Management of irrecoverable debts	BE, DE, IE, EL, ES, FR, IT, PT, FI, SE, UK
Management of normal and separate accounts	BE, DE(2 inspections), IE, FR, IT, NL, UK
Inspection of goods subject to antidumping and countervailing duties, and collection of these duties	All MS except LU, NL, RO
Inward processing	NL
Local clearance procedure	All Member States except BG, EE, EL, CY, MT, PT
Binding tariff Information	BE, DE, FR, UK
The internal audit function	EL
Repayment/remission and non-recovery of duties	DK, NL, AT
EU transit	All Member States except DK, IE, CY, LU, MT, AT