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## **COMMISSION STAFF WORKING DOCUMENT**

**Measures adopted by the Member States to protect the EU's financial interests -  
Implementation of article 325 TFUE**

*Accompanying the document*

**Report from the Commission to the Council and the European Parliament**

**35th Annual Report on the protection of the European Union's financial interests and  
the fight against fraud - 2023**

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## List of abbreviations

AFCOS	Anti-Fraud Coordination Service
AFS	Anti-Fraud Strategy
CAP	Common agricultural policy
CDM	Centralised direct management
EPPO	European Public Prosecutors’ Office
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
NAFS	National anti-fraud strategy
NRRP	National Recovery and Resilience Plan
OLAF	European Anti-Fraud Office
PIF	Protection of the EU’s financial interests
RRF	Recovery and Resilience Facility
RRP	Recovery and Resilience Plan
VAT	Value Added Tax

Introduction

Article 325(2) of the Treaty on the Functioning of the European Union obliges Member States to take the same measures to counter fraud affecting the EU’s financial interests as those used to protect their own financial interests.

Paragraph 5 adds that the Commission, in cooperation with Member States, should submit a report to the European Parliament and the Council each year on the measures taken to implement this Article.

To compile this document, the Commission asked the Member States to report on up to three measures adopted in 2023 they considered most important for the protection of the EU’s financial interests. Their responses were collected through a survey (also known as the PIF Questionnaire). Section 1 of this document presents an overview of the measures, while Section 2 includes the detailed information provided by Member States.

The survey collected both structured and unstructured (free text) information. The table below shows the format used for presenting structured information on the measures from the PIF Questionnaire 2023.

1 <sup>st</sup> 2 <sup>nd</sup> 3 <sup>rd</sup> anti-fraud measure taken by MS in 2023						
Single/ package	Type of measure	New or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result of the measure
	Legislative					
	Administrative					
	Operational					
	Organisational					

Reading guide:

In the policy cycle shown in the table above, green denotes that this particular phase has been addressed in the measure reported. The phases that are not included in the measure are taken out of the figure.

The various measures reported by Member States are denoted as MS-1, MS-2 and MS-3, i.e. the Member State and its first, second or third reported measure.

Member States also had the opportunity where they felt it necessary to describe briefly additional measures and report case studies, which are presented, respectively, in Sections 3 and 4.

## 1. Overview of measures taken by Member States

Using a questionnaire distributed by OLAF, all Member States reported a maximum of three national anti-fraud measures adopted in 2023. Based on these findings, this document provides a comprehensive, yet non-exhaustive, overview of all the reported measures, highlighting new developments in light of the anti-fraud actions taken by Member States aimed at improving the protection of the EU's financial interests.

Based on the answers provided, Member States reported a total of 72 single and package measures. Package measures encompass a number of instruments adopted at the same time that pursue the same objective. The table below reveals that, among these adopted measures, 52 were single measures and other 20 measures were packages of various individual measures. These packages consist of 39 individual actions. This means that a total of 91 individual measures were reported by Member States, of which 42 were new measures and 45 updates/amendments. In addition, four package measures contained both new and updated measures.

### 1.1. Single and package measures

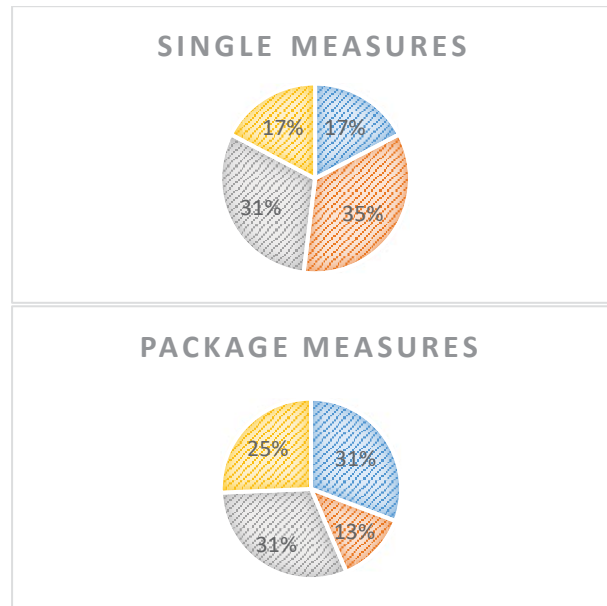
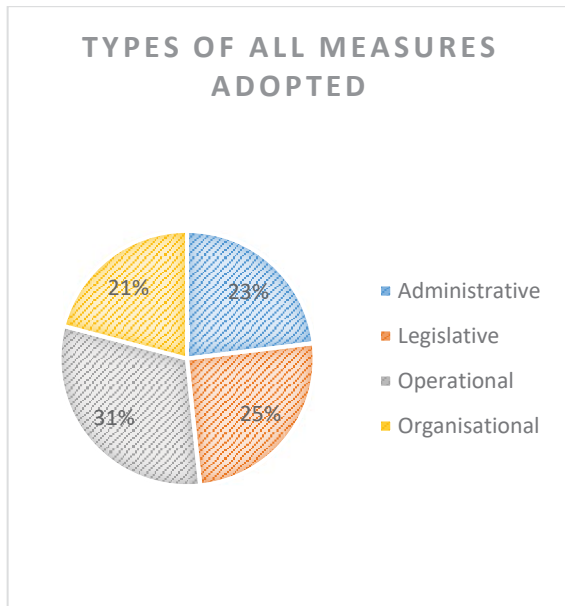
The overview below shows the number of single and package anti-fraud measures adopted by Member States in 2023 according to type of measure.

Frequency	Amount	Type				
		Administrative	Legislative	Operational	Organisational	Total
	Single	9	18	16	9	52
	Package	12	5	12	10	39
	Total	21	23	28	19	91

### 1.2. Types of measure

All reported measures are categorised as either administrative, legislative, operational, or organisational. An administrative measure concerns a legal Act adopted by an administrative body that implements actions provided by legislative Acts. A legislative measure refers to an Act adopted by a legislative body to enforce legal obligations. An organisational measure is a decision or any other non-legislative action taken to change the organisational framework of an administration or body whose tasks and activities relate to the protection of the EU's financial interests. Lastly, an operational measure is any action undertaken by an administration or body whose tasks and activities relate to the protection of the EU's financial interests, with a direct impact on its operations.

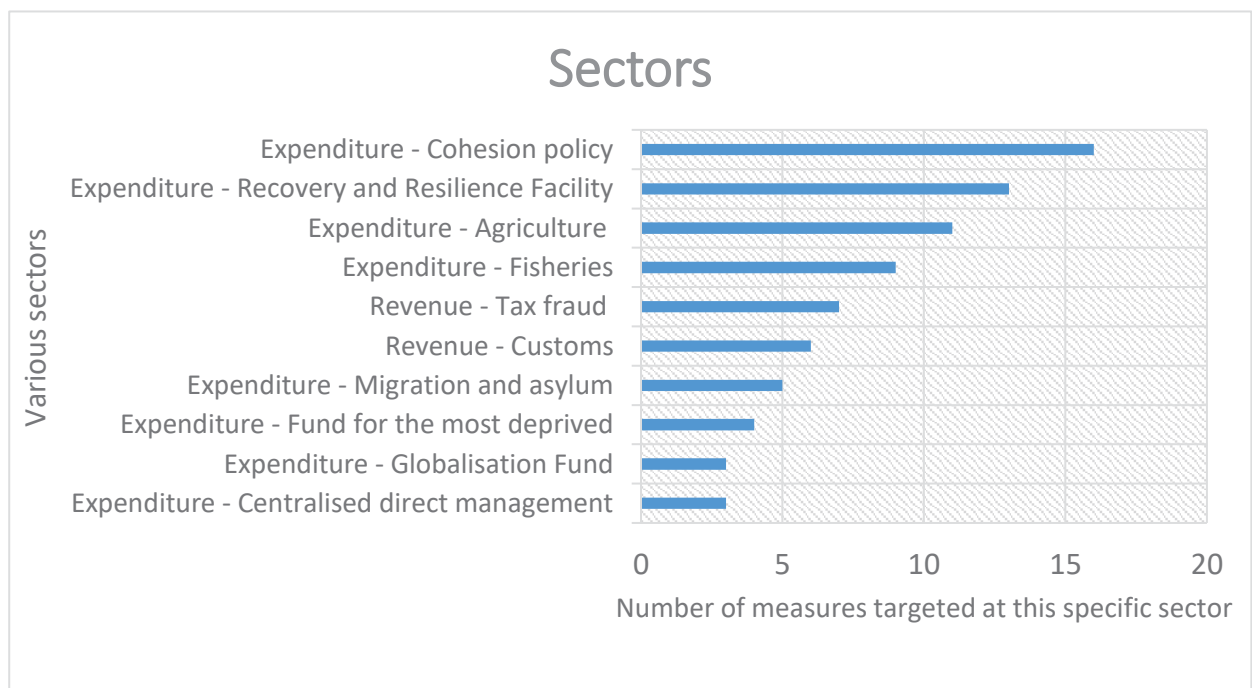
In 2023, most measures concerned operational measures (31% of the total reported). The remaining types of reported measures are fairly evenly distributed between administrative (23%), legislative (25%) and organisational (21%). However, as the table below shows, package measures often contain more administrative (31%), operational (31%), and organisational (25%) measures. Only 13% of the reported measures refer to a legislative measure. Single measures rely mostly on legislative (35%) and operational measures (31%). Most legislative measures consist of laws/acts, followed by decrees. Administrative measures mostly refer to Circulaires/Circulars, Instructions, Guidelines or Manuals. For a more detailed description of the breakdown of measures, see Annex 1.



### 1.3. Nature of measures

All anti-fraud actions are either horizontal or targeted at specific revenue or expenditure sectors. Out of 72 individual measures, 27 were horizontal, as opposed to 44 sectoral actions. The table below shows an overview of the sectors targeted by individual anti-fraud measures adopted by Member States in 2023. It reveals that sectoral measures most often target expenditure; particularly on agriculture, cohesion policy and the RRF. For a more detailed description of these sectors, see Annex 2.

Measure	Horizontal	Sectoral	Total
Single	19	33	52
Package	9	11	20
Total	27	44	72

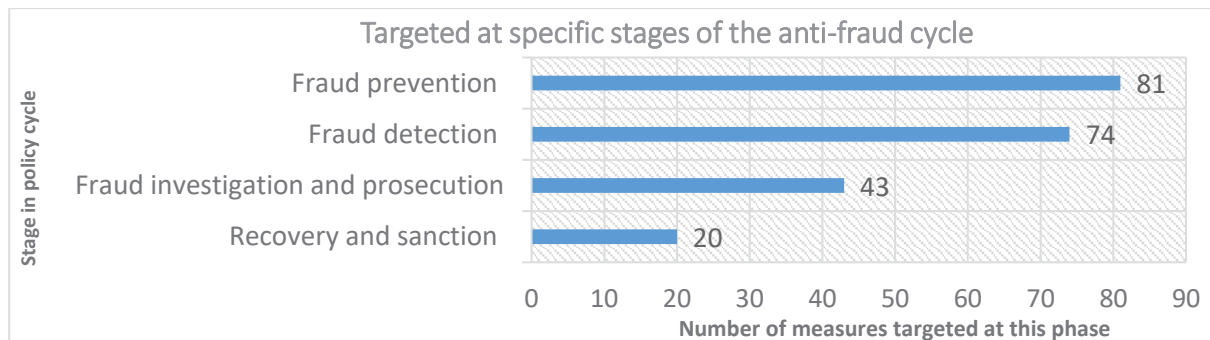




#### 1.4. Anti-fraud cycle

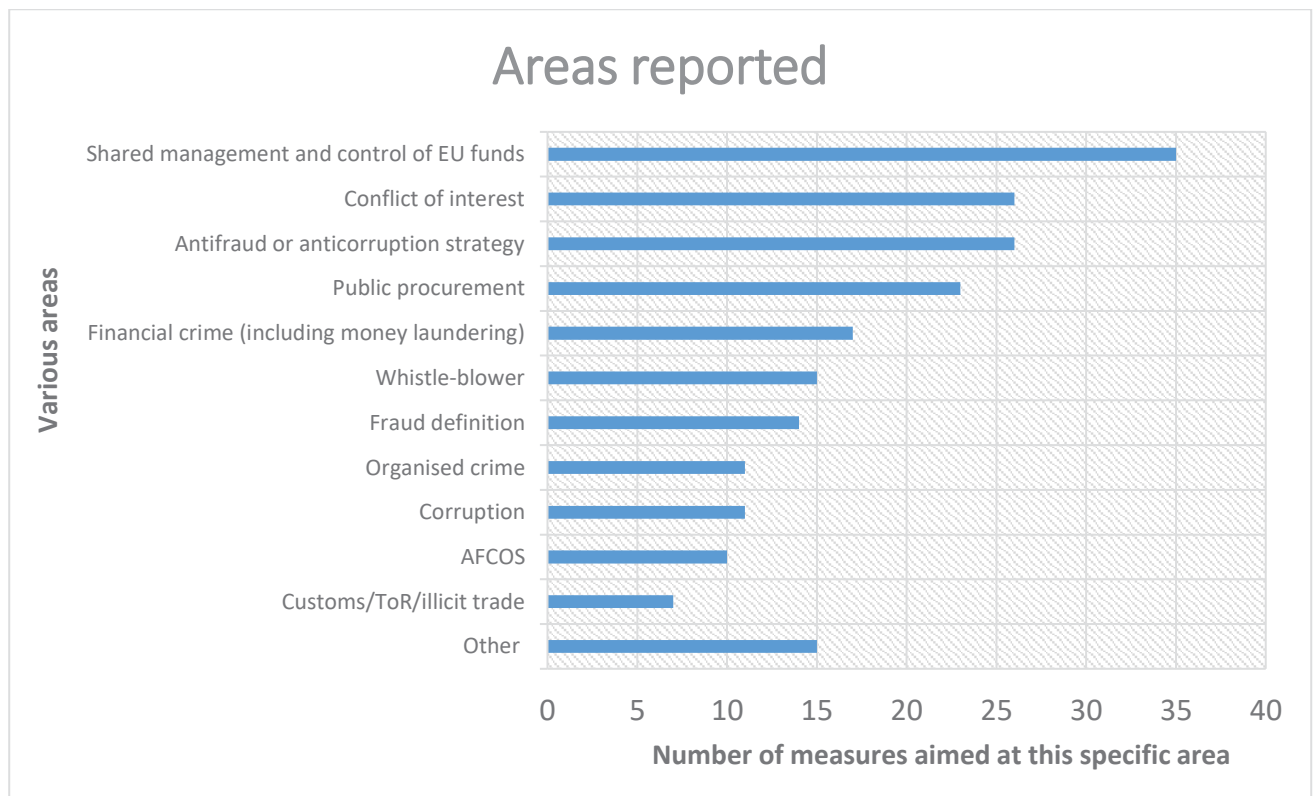
The fight against fraud requires a holistic and comprehensive approach covering all stages of the anti-fraud cycle, as the EU's financial interests are protected by multiple actors and processes, which are deeply interconnected and influenced by one another. The anti-fraud cycle is divided into four stages: (1) prevention through risk analysis and self-assessment to quantify the likelihood and impact of fraud (2) detection of fraud through reporting processes (e.g. IT tools), aimed at increasing comparability and interoperability, (3) investigation and prosecution through audit controls, and (4) imposing recovery and sanctions, often implemented by Member States.

As in previous years, most measures, both single and package, focused on the first two stages of the anti-fraud cycle in 2023, i.e. fraud prevention and fraud detection. See Annex 3 for a detailed overview of the various measures reported for each stage of the policy cycle.



#### 1.5. Areas reported

The table below shows the areas to which the adopted measure relates. It demonstrates that shared management and control of EU funds, conflict of interest and anti-fraud or anti-corruption strategies are the most prominent areas among the reported measures. Annex 4 provides a detailed overview of the measures reported per area.



## 1.6. Overlapping themes

In general, two overlapping themes stand out: the protection of whistle-blowers and the role of digitalisation, both of which are becoming prominent areas of focus for various Member States.

### 1.6.1. Whistle-blowers

As can be seen in the various areas reported (see above table), a relatively large number of measures are aimed at the protection of whistle-blowers. Additionally, various Member States reported single or package measures that focus on this issue. These measures often involve legislative measures.

Belgium reported a single legislative measure in this regard, by reporting that a royal decree was adopted in October 2023 with the purpose of defining the components of internal reporting procedures and follow-up within federal public sector bodies on the protection of whistle-blowers.

Bulgaria also reported legislative measure to protect whistle-blowers. The measure is designed primarily to protect individuals in the public and private sectors who report or publicly disclose information on breaches of Bulgarian or EU law that come to their attention during or in connection with their work or while performing their duties. The obliged entities under this measure are all employers in the public sector and designated employers in the private sector.

In addition, Czechia reported a new measure designed to protect whistle-blowers and amend certain other provisions in connection with the measure's adoption. The purpose of this legislation is to provide means for employees in both the private and public sectors to report wrongdoing which whistle-blowers become aware of within their employment or service. Reporting also covers infringements in the case of protection of the EU's financial interests.

Poland reported an administrative measure addressing the whistle-blower policy under its National Recovery and Resilience Plan (NRRP). This procedure handles reports from members of the public concerning potential irregularities or fraud and the protection of individuals who report irregularities or fraud (part of the procedure for carrying out controls). The main aim of the procedure is to set up a system for reporting potential irregularities or fraud in projects implemented under the NRRP, which at the same time guarantees protection for those who report such incidents ('whistle-blowers') by creating secure channels. The procedure also applies to anonymous reporting.

Spain also reported legislative measures to address the role of whistle-blowers and ensure adequate protection for them in the fight against fraud and corruption. One of the aims of this legislative measure is to strengthen the information culture and the integrity infrastructures of organisations and promote an information or communication culture as a mechanism to prevent and detect threats to the public interest. More specifically, this measure establishes the obligation to set up internal reporting systems throughout the Spanish public administration, and steps to protect whistle-blowers who report through internal or external channels as well as the rules to govern these channels and the creation of an independent authority to protect whistle-blowers. The measure also establishes the sanctions necessary to effectively combat actions involving reprisals against whistle-blowers as well as breaches of the rules governing communication channels.

Lastly, Slovenia reported on a measure to protect whistle-blowers through both internal and external whistle-blowing channels, adopting instructions for the protection of external and internal whistle-blowers.

### 1.6.2. Digitalisation

Various other measures were reported in relation to the role of digitalisation in the fight against fraud. In light of the second recommendation in the 2022 PIF report on the role of digitalisation in this regard,

digitalisation is a relevant topic that warrants attention going forward <sup>(1)</sup>. The recommendation states that the Member State should ensure that the digitalisation of the fight against fraud is part of their National Anti-Fraud Strategy (NAFS). The relevant approach should define strategies to (1) identify existing and future threats arising from new technologies, (2) develop the necessary IT architecture (inventories of existing tools, developing new ones, ensuring appropriate interoperability between tools); and (3) identify and address existing gaps, including in terms of skills requirements.

In line with building a solid IT architecture, Belgium reported in 2023 that the Arachne tool had been introduced for use by the managing authorities of EU funds: the Brussels Capital Region, Wallonia and Flanders use Arachne as part of their ERDF, RRF and ESF programmes. Belgium's assessment was that the use of Arachne would help to avert the risk of double financing between different European funds and mitigate the risk of conflicts of interest and, therefore, fraud.

In addition, Denmark reported on the use of digitalisation for the management of EU funds. It referred to automatic checks in 'e-indkomst', an automated process that records if payments were made to the persons registered/included in the project reporting used to seek reimbursement. The system is expected to be fully incorporated in the course of 2024, making it easier to detect if a payment has taken place or not.

Ireland also turned to legislation to address the role of digitalisation in the fight against e-commerce VAT fraud. The EU Central Electronic System of Payment Information (CESOP) is used to detect possible e-commerce VAT fraud by sellers established in another Member State or in a non-EU country. The information reported to CESOP can help tax authorities in EU Member States detect fraudulent business activity and control VAT liabilities.

Italy reported on the digitalisation of RRF management. In 2023, the special appendix adopted by RGS Circular No 27 of 15 September 2023, entitled 'Collecting data on beneficial ownership pursuant to Article 22(2)(d) of Regulation (EU) 2021/241 and notifying the Financial Intelligence Unit (FIU) of suspicious transactions made by the public administration pursuant to Article 10 of Legislative Decree No 231/2007', was issued. It supplements the reporting and control guidelines and defines the procedural steps that the bodies/departments implementing NRRP measures must put in place using the functionalities available through the ReGiS IT system. This operational measure aims to improve coordination and cooperation between the various actors involved in the implementation of NRRP measures by improving *ex ante* controls (beneficial owners with potential conflicts of interest) and encouraging the flow of information, including notifications of suspicious transactions.

Lastly, Slovenia reported on addressing the role of digitalisation in the fight against fraud through 'Qlik Sense' (QS). This new IT platform allows new and enhanced applications to be created and developed for specific customs, tax and excise areas. These applications help with performing better risk analyses, implementing risk management, and targeting suspicious patterns, transactions and economic operators. Predictive analyses, machine learning and artificial intelligence can then be carried out.

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<sup>(1)</sup> Additional information related to the implementation of the recommendation can be found in the Staff Working Document 'Follow-up by the Member States to the recommendations of the PIF Report 2022' accompanying the 2023 PIF Report.

## 2. Measures taken by the Member States

### 2.1. Austria

Austria reported the adoption of two measures in 2023, both related to cohesion policy.

#### Social benefit fraud

General, comprehensive and proactive actions to combat the unlawful receipt of social benefits (social benefit fraud) through the linear structure developed across Austria within the police (BK, LKA, BPK) and its recurring priority actions on social benefit fraud in the course of airport checks and GVS checks in Austria's provinces ('Länder').

Reason for reporting: to launch and conduct inquiries and international investigative measures in more than 80 countries around the world, through Europol, Interpol, Austrian embassies and liaison officers.

The aim of this legislative measure was to facilitate information exchanges between the money laundering reporting unit and competent national and foreign authorities, as well as with Europol.

1 <sup>st</sup> anti-fraud measure taken by AT in 2023						
Single/ package	Type of measure	New or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result of the measure
Single	Legislative – Law/Act 01/08/2021*	New	Sectoral; Expenditure – Cohesion policy	Financial crime (including money laundering)	Powers	To enforce the rules in line with developments in EU law



\* Legislative Act: reference BGBl. (Federal Law Gazette) I No 123/2021

## High-density verifications

Pursuant to Article 125(4) of Regulation 1303/2013 for the 2014-2020 programming period, Member States must prevent irregularities. The verification procedure should allow the administrative bodies to check 100% of the expenditure submitted by the beneficiary.

2 <sup>nd</sup> anti-fraud measure taken by AT in 2023						
Single/ package	Type of measure	New or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative - Circulaire/ Circular, Instructions, Guidelines, Manuals	Update	Sectoral: Expenditure – Cohesion policy	Public procurement; Conflict of interest; Whistle- blower; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Eligibility criteria; Management of funds; On- the-spot checks; Audit checklist; Irregularities reporting; Recovery	Cross-cutting measure*; Multi-agency measure / Measure with impact on various bodies; Other**
	Organisational – 01/01/2024	Update			Reorganisatio n of existing bodies; Inter- agency cooperation; General training; Fraud awareness training; Simplification of procedures	Neutral on resources
	Operational – 08/10/2015	Update			IT tools ('IT data feeding', 'Other IT'); Other***	Enhanced information flow; Targeting of checks



\* Formal requirements in the national rules on eligibility and in the management and control system should increase efficiency. Standardised forms (checklists) improve the quality of the accounts submitted.

\*\* Monitoring and ensuring the proper use of funds as well as notifying irregularities identified.

\*\*\* Presentation of the entire funding operation, including the accounting process, in a central database. In addition, the Arachne data-mining tool, provided by the Commission, is used for risk evaluation and risk analysis.

## 2.2. Belgium

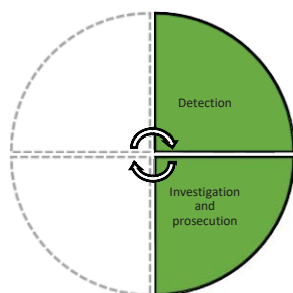
Belgium reported on three measures adopted in 2023, two of them horizontal and one relating to cohesion policy.

### Protection of whistle-blowers

Royal Decree of 20 October 2023 laying down the components of internal reporting procedures and follow-up, the purposes and content of keeping records of reports and arrangements for public consultation pursuant to the fourth subparagraph of Article 10(1), the third subparagraph of Article 11, the third subparagraph of Article 27(5) and the third subparagraph of Article 76 of the Law of 8 December 2022 on reporting channels and the protection of persons who report breaches of integrity in federal public sector bodies and the integrated federal and local police force.

The main purpose of this Royal Decree is to define the components of internal reporting procedures and follow-up within federal public sector bodies, as defined in Article 6(1) of the abovementioned Law of 8 December 2022. Most of the provisions of the Royal Decree, namely Articles 2 to 13, concern said procedures and follow-up.

1 <sup>st</sup> anti-fraud measure taken by BE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Decree 20/10/2023*	New legislation	Horizontal	Whistle- blower	Definition of a specific topic; Other**	Legislative measure to clarify or consolidate existing rules



\* Royal Decree laying down the components of internal reporting procedures and follow-up, the purposes and content of the keeping of records of reports and arrangements for public consultation, pursuant to the fourth subparagraph of Article 10(1), the third subparagraph of Article 11, the third subparagraph of Article 27(5) and the third subparagraph of Article 76 of the Law of 8 December 2022 on reporting channels and the protection of persons who report breaches of integrity in federal public sector bodies and the integrated federal and local police force.

Link: <http://www.ejustice.just.fgov.be/eli/arrete/2023/10/20/2023046353/justel>

\*\* The Walloon Government also adopted a decree laying down various rules on reporting a suspected irregularity in a Walloon Government department or public service provider (Decree of 13 October 2022), which ensures that all reports of fraud within the Walloon public administration are treated in the strictest confidence. Internal and external reporting channels were also established.

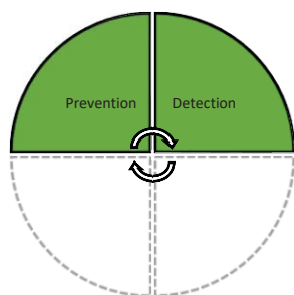
Description of legislative measure: the main purpose of this Royal Decree is to define the components of the procedures and follow-up for internal reporting channels within federal public sector bodies, as defined in Article 6(1) of the abovementioned Law of 8 December 2022. This also constitutes the subject-matter of most of the provisions of the Royal Decree, namely Articles 2 to 13.

## Combating cross-cutting fraud

The Strategy Committee of the Walloon public administration (Service Public de Wallonie, SPW) adopted a policy to combat cross-cutting fraud, comprising a number of specific measures: commitment on the part of the Strategy Committee to an effective anti-fraud policy; adoption of a code of ethics for all staff; programme of cross-cutting and targeted training; risk analyses; measures to prevent and manage conflicts of interest; reporting mechanisms, etc. The Flemish Agriculture and Fisheries Agency also finalised its anti-fraud strategy in 2023.

The measure goes beyond the EU funds alone and concerns all SPW departments and staff. It is designed to raise awareness, provide training and information inside and outside the administration, encourage the taking of responsibility, and introduce clear procedures about which everyone is informed (reporting, penalties, etc.). The Flemish Agriculture and Fisheries Agency put forward a clear vision and approach in its strategy. This vision provides a basis for tackling fraud as best possible. The strategy describes how Wallonia will deal with fraud reporting, which will reduce fraud in the future.

2 <sup>nd</sup> anti-fraud measure taken by BE in 2023						
Single/ package	Type	New measure or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative – Circulaire/ Circular, Instructions, Guidelines, Manuals	New measure	Horizontal	Conflict of interest; Fraud definition; Whistle- blower; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Irregularities reporting	Cross-cutting measure; Multi-agency measure / Measure with impact on various bodies***
	Organisational – 14/12/2023	New measure			Competence; Inter-agency cooperation; Fraud awareness training; Other*	Increased resources
	Operational - 27/06/2023	New measure			IT tools ('IT data feeding', 'Other IT'); Flagging practice; Risk indicators; Other**	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Targeting of investigations



\* On 27 June 2023, the AFS of the Flemish Agriculture and Fisheries Agency was finalised. It provides a basis for the anti-fraud work that was already being done and that will continue. It gives an overview and analysis of the applicable measures, and provides clarification on the planned approach for the coming years. It puts forward a clear vision and approach strategy. This vision provides a basis for tackling fraud as best possible. The AFS describes how to address fraud reporting, which will reduce fraud in the future.

\*\* In 2023 the AFS of the Flemish Agriculture and Fisheries Agency was finalised. It provides a basis for anti-fraud efforts now and in the future. It gives an overview and analysis of the applicable measures, and clarifies the planned approach for the coming years. It puts forward a clear vision and strategy. This vision provides a basis for tackling fraud as best possible. The AFS describes how to address fraud reporting, which will reduce fraud in the future.

\*\*\* Anti-fraud policy adopted and implemented throughout the Walloon public administration, applicable to all departments: SPW General Secretariat, SPW Mobility and Infrastructure, SPW Agriculture, Natural Resources and Environment, SPW Land, Housing, Heritage and Energy, SPW Interior and Social Action, SPW Economy, Employment and Research, and SPW Tax.

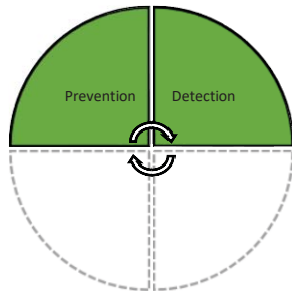
### Digitalisation of the fight against fraud: using the Arachne tool

In 2023 Arachne was introduced for use by the authorities managing European funds: the Brussels Capital Region, Wallonia and Flanders use Arachne as part of their ERDF, RRF and ESF programmes.

Using Arachne will allow the risk to be averted of double financing between different European funds and also mitigate the risk of conflicts of interest, and therefore fraud. For example, at ESF Flanders, an evaluation of a project proposal can only begin subject to a sworn declaration. Sworn declarations will be sampled. A possible conflict of interest within the sample population will be checked using Arachne.

3 <sup>rd</sup> anti-fraud measure taken by BE in 2023						
Single/ package	Type	New measure or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative - Recommendation	New measure	Sectoral: Expenditure – Cohesion policy	Conflict of Interest; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Monitoring/ desk checks; On the spot checks	Other*
	Operational 02/01/2023	New measure			Risk indicators	Targeting of checks; Enhanced ex post controls





*\*ESF Flanders: in accordance with Article 74(1)(c) of Regulation 1060/2021, the Managing Authority shall ensure effective and proportionate anti-fraud measures and procedures based on the risks identified. Ex-ante use of Arachne to detect a conflict of interest through data analysis is seen as a measure to detect fraud.*

## 2.3. Bulgaria

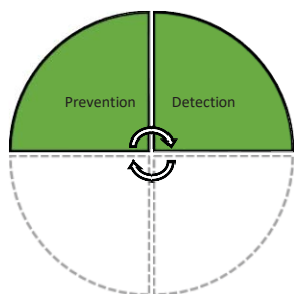
Bulgaria reported the adoption of three legislative measures on the management of irregularities, the protection of whistle-blowers, and the creation of a new anti-corruption commission.

### Management of irregularities under shared management

Adoption of a regulation on the administration of irregularities involving EU funds under shared management.

Reason for reporting: the regulation governs how irregularities are administered. It sets out what to enter in the register of reports and identified irregularities that affect EU funds under shared management and funds allocated under the Strategic Plan for Agriculture and Rural Development, the procedure for carrying out checks to identify irregularities, and how to report these. The procedures for the administration of irregularities include registering reports of irregularities, carrying out checks to identify or confirm the absence of irregularities, etc.

1 <sup>st</sup> anti-fraud measure taken by BG in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Decree 10/08/2023 *	New Legislation	Horizontal	Fraud definition; AFCOS; Whistle- blower; Shared management and control of EU funds	Competences; Powers	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law



\* Legislative Act – reference: Council of Ministers Decree No 111 of 10 August 2023.

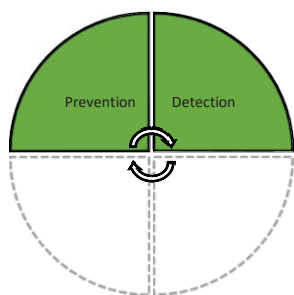
About the legislative measure: the regulation is an important part of the legal framework for combating offences affecting the EU's financial interests.

## Protection of whistle-blowers

Adoption of a measure to protect individuals who report or publicly disclose information on infringements in order to regulate the conditions, procedure and measures to protect individuals in the public and private sectors who report or publicly disclose information on breaches of Bulgarian or EU law and to transpose Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of EU law.

Reason for reporting: the Act transposes into Bulgarian law Directive (EU) 2019/1937 on the protection of persons who report breaches of EU law. It provides protection for individuals who report irregularities in both the public and private sectors. Reporting is a constitutional possibility provided for in a number of legislative acts at national and European level

2nd anti-fraud measure taken by BG in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 02/02/2023*	New Legislation	Horizontal	Public procurement; Financial crime (including money laundering); Fraud definition; Whistle- blower; Shared management and control of EU funds	Competences; Powers; Definition of a specific topic	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law



\* Legislative Act – reference: Act on the protection of individuals who report or publicly disclose information on infringements, published in State Gazette (SG) No 11 of 2.2.2023, in force as of 4.5.2023.

About this legislative measure: the main objective of the Act is to ensure protection for individuals in the public and private sectors who report or publicly disclose information on breaches of Bulgarian or EU law that have come to their attention during or in connection with their work or in the performance of their duties. The obliged entities under this Act are all employers in the public sector and employers in the private sector designated in the Act.

### Creation of a new Anti-Corruption Commission

The Anti-Corruption Act provides for the creation of a brand new anti-corruption commission to deal with the detection and investigation of a range of corruption offences by persons in senior public positions, the identification of conflicts of interest, the verification of incompatibilities, the identification of inconsistencies in the declared assets of persons in senior public positions, and the prevention of corruption.

Entirely new categories of persons in public positions or entrusted with public spending have been added. Certain categories of persons in systems with a high risk of corruption have also been included. A new unitary and independent anti-corruption commission has been established. Relations between the new commission and the other competent institutions have been clearly regulated. The range of declared circumstances has been widened and the rules on declarations have been changed. Asset verification has been introduced for persons in senior public positions. The framework has been improved with regard to conflicts of interest.

3rd anti-fraud measure taken by BG in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 06/10/2023*	New Legislation	Horizontal	Conflict of interest; Fraud definition; Other**	Competences; Powers	To clarify or consolidate existing rules; To remedy flaws; To enforce the rules in line with developments in EU law



\*Legislative Act – reference: Anti-Corruption Act, published in SG No 84 of 6/10/2023.

\*\* Verification of declarations of assets and interests of persons in public positions.

About the legislative measure: the Act regulates four key strands of Bulgaria's anti-corruption activities to be implemented by the new central administrative body – the Anti-Corruption Commission – and its agencies. In order of priority, these are: investigative functions within the meaning of the Code of Criminal Procedure in pre-trial proceedings initiated by the prosecutor's office for serious corruption offences; proceedings for the identification of conflicts of interest; the declaration and verification of incompatibilities, assets and interests; and the prevention of corruption.

## 2.4. Croatia

Croatia reported three measures implemented in 2023: two addressing shared management; the other involving the Recovery and Resilience Facility.

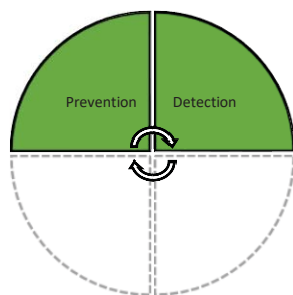
### IT tool for submitting applications and control of EU projects

The introduction of an IT tool for submitting applications and control of EU projects financed by the European Maritime, Fisheries and Aquaculture Fund (the FISHNET system).

The IT tool was introduced with the aim of digitalising the overall implementation of the European Maritime, Fisheries and Aquaculture Fund in Croatia (submission of applications by beneficiaries, checking of applications, monitoring and reporting) and improving the effectiveness of the monitoring system in terms of using the tool.

Reason for reporting: the introduction of the tool also improves the monitoring system and reduces the risk of fraud, as the tool will be automatically linked to national databases.

1 <sup>st</sup> anti-fraud measure taken by HR in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 01/01/2023	New measure	Sectoral: Expenditure – Fisheries	Shared management and control of EU funds	IT tools ('IT data feeding', 'Other IT'); Web reporting/ Hotline; Structured cooperation with law enforcement	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



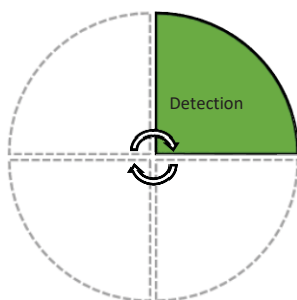
## Work guidelines for monitoring the implementation of the National Recovery and Resilience Plan (NRRP)

With the aim of improving the procedures to check for potential conflicts of interest and uniform action by bodies in the system for managing and monitoring the implementation of activities under the National Recovery and Resilience Plan (NRRP) 2021-2026, the body responsible for coordinating the monitoring of NRRP implementation devised working guidelines, which it distributed to all administration bodies in Croatia responsible for the NRRP component/sub-component as well as to NRRP implementing bodies.

The guidelines include an overview of the actions to be taken systematically when checking procurement procedures carried out within projects funded under the NRRP 2021-2026.

Croatia's administration bodies responsible for the NRRP component/sub-component and the NRRP implementing bodies are required to forward the guidelines to project beneficiaries in order to ensure that all beneficiaries act harmoniously, reducing the risk of subsequently identifying irregularities and financial corrections.

2nd anti-fraud measure taken by HR in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 09/11/2023	Update – Sectoral: Expenditure - Recovery and Resilience Facility	Public procurement; Conflict of interest	Other*	Targeting of checks; Enhanced <i>ex ante</i> controls	



\* Checks and controls related to the eligibility of expenditure.

### OLAF training in preventing and detecting irregularities and fraud

Croatia's AFCOS unit is in charge of areas such as organising training in protecting the EU's financial interests for the bodies forming part of the Anti-Fraud Coordination System (AFCOS).

Croatia's management and control system bodies expressed a strong desire for specific training in preventing and detecting irregularities and fraud, with the emphasis on experiences in other Member States and cooperation with OLAF. Croatia's AFCOS unit duly asked OLAF to organise online training in order to present its experiences of administrative investigations.

OLAF welcomed the Croatian request and, on 4 October 2023, representatives of OLAF held an online training session attended by 311 representatives of Croatia's Anti-Fraud Coordination System.

Reason for reporting: the online training session covered topics such as general information about OLAF, the selection process and the role within it of the national authorities, the life cycle of the investigation process, the issue of conflict of interest and double funding (including case studies), and best practices for fraud prevention within the EU funds.

Croatia's AFCOS bodies were grateful to have an opportunity to hear about OLAF and its investigative experiences from OLAF experts, and they rated the online training session as excellent.

3rd anti-fraud measure taken by HR in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 04/10/2023	New measure	Horizontal	Conflict of interest; Shared management and control of EU funds	Risk indicators	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



## 2.5. Cyprus

Of the three measures reported by Cyprus for 2023, two were legislative and one was administrative. They covered the establishment of a national coordinating body for combating fraud affecting the EU's financial interests, monitoring the implementation of the National Recovery and Resilience Plan, and implementing legislation known as the 'Lobbying Law'.

### Establishment of the national coordinating body for combating fraud against the EU's financial interests

Draft law entitled 'National Coordinating Body for combating fraud against the financial interests of the European Union'. The draft law was drawn up for the purposes of implementing Regulations (EC) 2185/96, (EU) 883/2013, (EU) 2018/1046 and (EU) 2021/1060. The draft law contains provisions on the functions of the coordinating body (and its appointed members and observers) and its responsibilities and powers. The Council of Ministers approved the draft law on 18 May 2023 and submitted it to the House of Representatives for adoption.

The draft law establishes the already established national coordinating body on the basis of Decisions of the Council of Ministers No 56.370 of 12 September 2002 and No 61.895 of 21 April 2005, with a view to protecting the EU's financial interests against fraud and other irregularities.

1 <sup>st</sup> anti-fraud measure taken by CY in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 13/02/2024*	New legislation	Horizontal	Public procurement; Conflict of interest; Fraud definition; AFCOS; Whistle- blower; Shared management and control of EU funds	Competences; Powers; Definition of a specific topic; Financial penalties; Criminal sanctions**	To validate or consolidate existing rules; To remedy flaws; To enforce the rules in line with developments in EU law



\* Legislative Act – reference: the draft law is awaiting adoption in the House of Representatives. The date of entry into force and reference number will be attributed by the vote.

\*\*

	(a) new	(b) less	(c) more
* Criminal sanctions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

About the legislative measure: it is designed to regulate cooperation between the Cyprus AFCOS and OLAF and provide office staff with the support they need to perform their tasks effectively: preventive measures in cooperation with other competent



*authorities to preserve evidence; access to information held by the Central Bank of Cyprus; the power to carry out on-the-spot checks on premises, together with OLAF; the establishment of a criminal offence in the event of failure to supply or destroying or falsifying data; and steps for reporting irregularities.*

## Guidelines on protection of the EU's financial interests in the context of implementation of the National Recovery and Resilience Plan

The Council of Ministers approved the guidelines on protecting the EU's financial interests in the context of implementing Cyprus's Recovery and Resilience Plan (RRP), developing a policy and methodology for assessing the risk of fraud, and developing and implementing action plans to combat fraud in line with the relevant EU guidelines.

A new relevant chapter and specific milestone was agreed with the EU, which had to be achieved in order to be able to submit the second payment request for the RRP. The new chapter and milestone aimed to ensure that the control framework of the Cyprus RRP prevents, detects and corrects corruption, fraud and conflicts of interest when using the facility's resources, as well as the existence of arrangements to effectively address double funding under the RRF Regulation and other EU funding instruments.

The RA decision will designate the competent authorities.

Reason for reporting: further strengthening of the SEA was deemed necessary following a system audit carried out by the EU, where weaknesses were identified. The guidelines concern the specification and analytical mapping of the verification procedures carried out under the LPIS monitoring and control system, and aim to ensure the protection of the EU's financial interests, focusing on preventing, detecting and correcting risks of fraud, corruption and conflicts of interest, as well as avoiding double funding from the RRF and other implemented EU programmes.

2nd anti-fraud measure taken by CY in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative – Circulaire/ Circular, Instructions, Guidelines, Manual– 07/12/2023	New measure	Sectoral: Expenditure – Recovery and Resilience	Public procurement; Conflict of interest; Fraud definition; AFCOS; Whistle- blower; Shared management and control of EU funds	Management of funds; Monitoring/ desk checks; On the spot checks; Audit checklist; Irregularities reporting; Recovery	To validate or consolidate existing rules; The improvement existing measure; Cross-cutting measure, multi-agency measure/ Measure with impact on various bodies*
	Organisational	New measure			Competence; Inter- agency cooperation	Created resources



*\* The decision of the Council of Ministers approving the guidelines and the revision of the fraud risk assessment procedure denotes the authorities that will apply the new procedures as well as the obligations of the bodies involved in the implementation of the National Recovery and Resilience Plan.*

## Implementation of the Law on Transparency in Public Decisions and Related Matters ('Lobbying Law')

In 2023, the 2022 Law on Transparency in Public Decisions and Related Matters (Law 20 (I)/2022) ('Lobbying Law') was gradually implemented; regulations regarding RAA 118/2023 on Transparency in Public Decisions and Related Matters were also adopted in 2023. The competent authority for the purposes of this Law, based on Article 4, is the Independent Anti-Corruption Authority. The Law provides for the entry in a register of persons who are involved in public decision-making processes known by the international term 'lobbyists-billers', as well as when a person is removed from the register (Articles 7-14), provides for the rights and obligations of such persons (Articles 15-19), and for offences and penalties and the imposition of an administrative fine (Articles 20-25). The Independent Anti-Corruption Authority has issued a code of conduct for representatives of special interest groups who are entered in the register.

Reason for reporting: the provisions of the Law promote transparency and accountability, with an obligation to enter in the register every representative of a special interest group who intends to be involved in a public decision process before any such activity begins. The relevant provisions also regulate conflicts of interest and incompatibility. The purpose of the code is to formulate/regulate a framework of professional standards and good practices for the representatives of special interest groups who are listed in the register and to that end undertake to do so in writing.

3rd anti-fraud measure taken by CY in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Legislative – Law/Act* 13/04/2023	New legislation	Horizontal	Conflict of interest; Other**	Competences; Powers; Definition of a specific topic; Financial penalties	To validate or consolidate existing rules
	Administrative - Code of Conduct	New measure			Monitoring/ desk checks; Other***	To validate or consolidate existing rules; the improvement of existing measures



*\*Legislative Act type: RAA 118/2023*

*\*\*Regularity and transparency measure*

*\*\*\* The purpose of the code of conduct is to formulate a framework of professional standards and good practices for the representatives of special interest groups entered in the register. MACA issued an explanatory note on the application procedure for entries in the EGE register.*

*About the legislative measure: the purpose of the regulations is to determine (a) the type of register of entries and (b) the procedures for collecting, processing, using, publishing, accessing, maintaining and deleting information and personal data for the purposes of the Law. The purpose of the code of conduct is to formulate/regulate a framework of professional standards and good practices for the representatives of special interest groups entered in the register. MACA issued an explanatory note on the application procedure for entries in the EGE register.*

## 2.6. Czechia

The three measures reported by Czechia in 2023 concerned the protection of whistle-blowers and the fight against VAT fraud as well as corruption and fraud within EU funds.

### Whistle-blower Protection Act

On 1 August 2023, Act No 171/2023 Sb., on Whistle-blower Protection and the Act amending certain acts in connection with the adoption of the Whistle-blower Protection Act, came into force.

Reason for reporting: the purpose of this legislation is to provide a means for employees in the private and public sectors to report wrongdoing of which they become aware in connection with their employment or service. Reporting also covers infringements in the case of protection of the EU's financial interests.

1 <sup>st</sup> anti-fraud measure taken by CZ in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 20/06/2023	New legislation	Horizontal	Whistle- blower;	Competences; Powers; Definition of a specific topic; Recovery; Financial penalties; Other; Administrative penalties; Criminal sanctions**	To enforce the rules in line with developments in EU law



\*Legislative Act – reference: 171/2023 Sb., 172/2023 Sb.

\*\*

	a) new	b) less	c) more
* Criminal sanctions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

About the legislative measure: the Whistle-blower Protection Act and the related amending Act transpose into Czech law Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of EU law.

## Fight against VAT fraud

A unified interpretative practice for the financial, police and judicial authorities (EPPO) in sanctioning VAT fraud related to the concealment of actual purchasers of goods.

This operational measure significantly reduced MTIC fraud related to imports of goods released for free circulation in Czechia.:

2nd anti-fraud measure taken by CZ in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational - 28/02/2023	Update	Sectoral: Revenue - Tax fraud	Financial crime (including money laundering); Organised crime	Structured cooperation with judicial authorities	Enhanced cooperation; Enhanced information flow

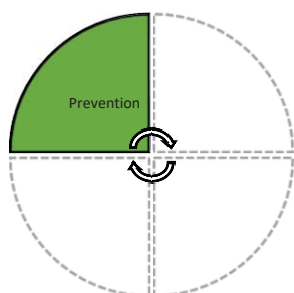


## Preventing corruption and fraud and increasing transparency in the implementation of EU funds

In the course of 2023, all methodological documents for the programming period 2021–2027 incorporating anti-fraud and anti-corruption elements were completed. This environment was also assessed and the system confirmed as functional and sufficiently robust.

The measure represents a pillar of the fight against anti-corruption resistance within the framework of the implementation of EU funds in Czechia. Methodological documents form the basic framework for the implementation of EU funds; the inclusion of elements preventing corruption and fraud and increasing the transparency of processes provides the basis of proper implementation.

3rd anti-fraud measure taken by CZ in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational - 26/07/2023	New measure	Sectoral: Expenditure – Fisheries & Cohesion policy	Public procurement; AFCOS; Shared management and control of EU funds	Other*	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks



\* Methodological documents within the methodological environment for the period 2021–2027.

## 2.7. Denmark

Two of the three measures reported by Denmark relate to anti-fraud strategies: one covering the National Recovery and Resilience Plan; the other, fisheries policy. The third measure concerns the introduction of a new IT tool for the management of cohesion policy payments.

### Anti-fraud and anti-corruption strategy for the National Recovery and Resilience Plan

Denmark adopted an anti-fraud and anti-corruption strategy for officials working with the Danish Recovery and Resilience Plan. The strategy contains policies to prevent and counteract serious irregularities in connection with the administration and receipt of funds from the Danish RRP. The policies were developed in accordance with a fraud risk assessment and effective and proportionate anti-fraud measures and Regulation (EU) 2021/241, with the aim of protecting the financial interests of the EU.

The measure is important for ensuring that possible fraud can be prevented/detected/corrected. The strategy sets out several measures and apportions responsibilities so that Danish officials working with the RRP know how to act in cases of fraud.

1st anti-fraud measure taken by DK in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative – Circulaire/ Circular, Instructions, Guidelines, Manuals	New measure	Horizontal	Anti-fraud or anti- corruption strategy	Eligibility criteria; Management of funds; Monitoring/ desk checks; Irregularities reporting	Cross-cutting measure, Multi-agency measure/ Measure with impact on various bodies*



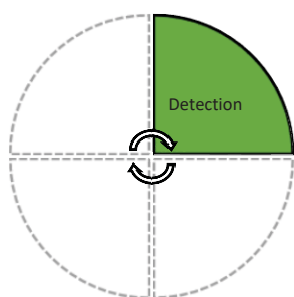
\* The measure is 'cross-cutting' in the sense that multiple bodies (all of them responsible for funds from the Danish RRP) are concerned by the anti-fraud and anti-corruption strategy.

## Digitalisation of the management of EU funds

Automatic checks in 'e-indkomst', an automatic process that records if payments have been made to the persons registered/included in the project reporting used to seek reimbursement. The system is expected to be fully incorporated during 2024.

This system makes it easier to detect if a payment has taken place or not.

2 <sup>nd</sup> anti-fraud measure taken by DK in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational – 01/05/2024	New measure	Sectoral: Expenditure – Cohesion policy	Other*	IT tools ('IT data feeding', 'Other IT')	Targeting of checks; Targeting of investigations; Enhanced <i>ex post</i> controls



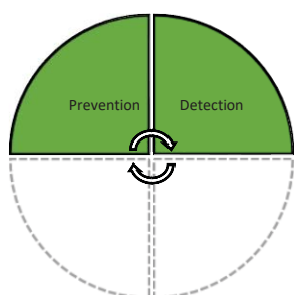
\* Integrity and transparency measures, anti-fraud strategy.

## Strategy and guidelines for fraud detection in the area of fisheries

In 2023, the Danish Fisheries Agency updated its administrative guidelines and strategy for the detection of fraud. The relevant staff were duly notified.

Reason for reporting: the Danish Fisheries Agency found it relevant to update its guidelines and strategy for detecting fraud.

3 <sup>rd</sup> anti-fraud measure taken by DK in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Organisational – 02/10/2023	Update	Sectoral: Expenditure – Fisheries		Competence	Other*





\* Strengthened competences within existing resources.

## 2.8. Estonia

The three measures reported by Estonia concern the strengthening of the Estonian Police and Border Force's capacity to investigate corruption and economic crimes, the launch of a new information system in the area of Customs, and improvements to the national e-procurement platform.

### Strengthening the investigative capacity into corruption and economic crimes of the Estonian Police and Border Guard

Since March 2023, the Estonian Police and Border Force has been allocated resources to recruit 10 police officers to investigate corruption and economic crimes.

The Estonian Police and Border Force now has an enhanced capability to investigate criminal cases against EU funds and corruption.

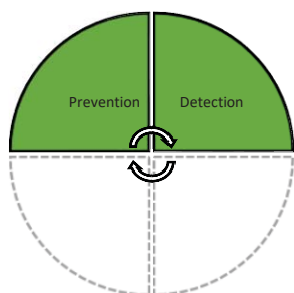
1 <sup>st</sup> anti-fraud measure taken by EE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational 01/03/2023	Update	Horizontal	Financial crime (including money laundering); Organised crime; Conflict of interest	Reorganisation of existing bodies; Competence; General training; Fraud awareness training	Increased resources



### New information systems for Customs clearance

The systems are designed to bring export and transit Customs formalities into line with the requirements of the EU Customs Code, exercise more effective supervision over the movement of goods, and protect safety and security.

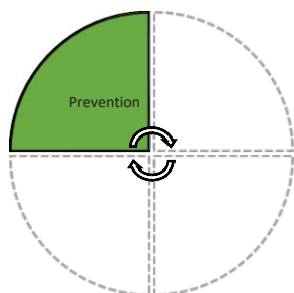
2 <sup>nd</sup> anti-fraud measure taken by EE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 02/10/2023	New measure	Sectoral: Revenue – Customs	Customs/TOR /illicit trade	IT tools ('IT data feeding', 'Other IT')	Enhanced information flow



### Additions to the national e-procurement platform

The following additions were launched in the national e-procurement platform (Public Procurement Register: <https://riigihanked.riik.ee>) to increase transparency and integrity: 1) financing organisation data can be published in contractual details, and 2) it is now mandatory to justify the non-disclosure of contractual details.

3 <sup>rd</sup> anti-fraud measure taken by EE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 12/05/2023	Update	Horizontal	Public procurement; Shared management and control of EU funds	IT tools ('IT data feeding', 'Other IT')	Enhanced information flow





## 2.9. Finland

Finland reported two measures: one concerning a customs project focused on food fraud; and another relating to anti-fraud training in the area of cohesion policy.

### Customs food fraud project to fight the shadow economy and food fraud

The fight against the shadow economy and food fraud, part of Customs' fight against fraud, brings together a wide range of measures. The food fraud project concerned, inter alia, possible counterfeit and unsafe food, legislative measures, any related financial crimes, and preventing, detecting and combating crime. The project's aims included detecting imports of food from non-EU countries that circumvented, for example, import taxes and levies, such as customs duties.

For its part, Finnish Customs communicated about food fraud and was involved in raising awareness of the shadow economy and the fight against fraud, including through expert blogs and on social media. Finnish Customs also presented the food fraud project at the EU Customs Chemists seminar held in Berlin in 2023.

The project relates to the EU's traditional own resources, i.e. the fight against customs fraud. The project examined fraud in the food sector. Among other things, it defined fraud in terms of the workings and legislation of Finnish Customs and the Finnish Food Authority. Alongside food safety, another essential project component was the illegal trade in food and the control of levies and taxes on imports from non-EU countries. The project also took account of the involvement of organised crime in international food fraud.

1 <sup>st</sup> anti-fraud measure taken by FI in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative – recommendati on	New measure	Sectoral: Revenue – Customs	Organised crime; Fraud definition; Customs/ToR/ illicit trade; Shared management and control of EU funds	Monitoring/ desk checks; On-the-spot checks; Other*	Cross-cutting measure, Multi-agency measure/ Measure with impact on various bodies**
	Organisational 31/12/2023	New measure			Inter- agency cooperation; Fraud awareness trainings; Other***	Increased resources
	Operational – 31/12/2023	New measure			Web reporting/ Hotline; Increased number of checks; Structured cooperation with law enforcement	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Targeting of investigations; Enhanced ex post controls



\* Together with the Finnish Food Authority and the municipal food control authorities, Finnish Customs carried out a pilot project for intensive food checks. The project included documentary checks by Customs and the Finnish Food Authority, as well as physical checks of foodstuffs and investigations conducted by the Customs Laboratory. The project described and examined the processes for detecting and investigating food fraud and the need for these processes to be developed and enhanced by Customs and the Finnish Food Authority.

\*\* The project was a pilot project carried out jointly by Customs and the Finnish Food Authority. The project was implemented as part of the strategy for 2020-2023 to combat the shadow economy and financial crime.

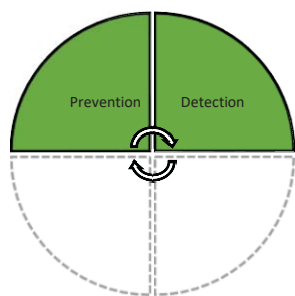
\*\*\* The project also made provision for additional international cooperation to detect and combat food fraud. The project developed the necessary cooperation models between the Finnish Food Authority and Customs. It also implemented official training programmes to identify, monitor and combat food fraud in different parts of Finland. A total of around 800 participants from Customs, the police, the public prosecutor's office and other key cooperation authorities participated in the training sessions.

### Anti-fraud training for the EU's regional and structural policy programme

In its capacity as the managing authority for the regional and structural policy programme in Finland, in 2023 the Ministry of Employment and the Economy organised two anti-fraud training sessions in fraud and corruption from different perspectives. These were specifically targeted at the intermediate bodies responsible for granting and controlling aid. The training sessions were organised remotely to achieve the widest possible coverage. The training activities were prepared in cooperation with the AFCOS national contact point and featured presentations by investigators and experts from different authorities, including the EU institutions (namely OLAF and the EPPU). The training sessions will continue in 2024.

The aim of the training sessions is to make the authorities managing EU funds more aware of fraud and thus improve the quality of controls.

2 <sup>nd</sup> anti-fraud measure taken by FI in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational – 06/11/2023	New measure	Sectoral: Expenditure – Cohesion policy	Shared management and control of EU funds	General training; Fraud awareness training	Neutral on resources



## 2.10. France

France reported the setting-up of an inter-ministerial monitoring unit to combat public aid fraud, a working group to analyse emerging fraud in relation to the RRF, and the establishment of a system of financial liability for public administrators and the development of relations between the judicial authority and the financial courts

### Establishment of an inter-ministerial monitoring unit to combat public aid fraud

The task of this monitoring unit is to detect fraud affecting public finances by cross-checking and mobilising all the administrative and judicial actors concerned, and to prosecute such fraud by defining joint action strategies mobilising all the tools for administrative and judicial measures and penalties. It was created by Decree 2023-663 of 26 July 2023.

1 <sup>st</sup> anti-fraud measure taken by FR in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Organisational – 05/12/2023	New measure	Horizontal	Financial crime (including money laundering); Organised crime; Fraud definition; Other*	Reorganisation of existing bodies; Competence; Inter-agency cooperation; Other**	Neutral on resources
	Operational 05/12/2023	New measure			Other***	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Targeting of investigations; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



*\*The monitoring unit will bring together all the responsible administrative departments of the Ministry of Economic Affairs and Finance, as well as the directorates of the Ministry of the Interior and the overseas departments concerned, and specialised judicial investigation services. It will also involve paying agencies and judicial bodies. Its focus will be on initial efforts on energy renovation, which is part of the National Recovery and Resilience Plan.*

*\*\* By Decree No 2023-663 of 26 July 2023 the monitoring unit was attached to MICAF.*

*\*\*\* The monitoring unit is tasked with mapping public aid schemes, helping to assess their vulnerability, sharing best practices, supporting the deployment of filters and blocking mechanisms before undue aid is paid, alerting all the government services concerned about identified fraud risks and patterns, enabling government services concerned to assess them, and encouraging inter-departmental support in relation to fraud.*

### Working group on emerging fraud under RRF funds

Under action 3.2.1 of the French National Anti-Fraud Strategy, a working group was set up to address emerging fraud under the Recovery and Resilience Facility.

France's Inter-ministerial Anti-Fraud Coordination Office (MICAF) runs this working group, which brings together the national actors responsible for the funds made available by the EU under the Recovery and Resilience Facility (RRF). Its aim is to allow regular exchanges between participants for the purpose of identifying fraud risks specifically linked to the allocation of these funds.

2 <sup>nd</sup> anti-fraud measure taken by FR in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Organisational – 21/03/2023	Update	Horizontal	Organised Crime; Fraud definition; AFCOS; Anti- fraud or anti- corruption strategy; Other*	Inter-agency cooperation; Other**	Neutral on resources
	Operational	New measure			Flagging practice; Structured cooperation with judicial authorities	Enhanced coordination; Enhanced cooperation; Enhanced information flow;





*\*This working group brings together all the actors involved in the management of the funds made available to the EU under the RRF and used by France under its National Recovery and Resilience Plan (NRRP).*

*\*\* European Delegated Prosecutors in France, laying down the practical arrangements for transmitting these alerts (conditions of funds, form, method of transmission) and the ways of responding to alerts regarding action taken by the European Public Prosecutor's Office.*

## Establishment of a system of financial liability for public administrators and development of relations between the judicial authority and the financial courts

Order No 2022-408 of 23 March 2022 introduced a unified system of financial liability for public administrators before France's Cour des Comptes (Court of Auditors). It replaces the previous regime of liability for public accountants and authorising officers. To this end, the Cour des Comptes has set up a specific chamber known as the chamber for disputes and established a double level of jurisdiction, with the creation of a financial court of appeal, whose decisions may be appealed on a point of law before the Conseil d'État (Council of State).

3 <sup>rd</sup> anti-fraud measure taken by FR in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Legislative - Regional law/ decree/ order - 23/03/2023*	Amendment	Horizontal	Public procurement; Financial crime (including money laundering); Corruption**; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Financial penalties	To clarify or consolidate existing rules
	Administrative -Circulaire/ Circular, Instructions, Guidelines, Manuals	Update			Irregularities reporting	To clarify or consolidate existing rules



*\*About the legislative measure: a referral of this kind appears to be a promising alternative in proceedings where the characterisation of the intentional element is difficult to establish or where criminal proceedings appear inappropriate. In cases of fraud or impairment of probity, such referrals to the Court of Justice may also seek to establish the liability of administrators who, without being criminally liable directly for the fraud or impairment of the probity concerned, facilitated the commissioning of the fraud, in particular through culpable failings.*

*Legislative Act – reference: Ordinance No°2022-408 of 23 March 2022, entry into force on 1 January 2023*

*\*\* Corruption within public procurement: in the public sector (including the political sphere); measures taken to prevent corruption among staff, including management.*

## 2.11. Germany

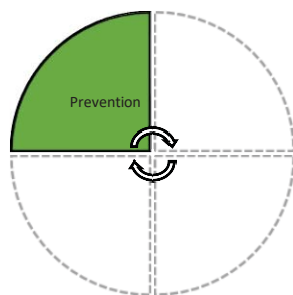
As Germany is a federal state, anti-fraud measures are often taken at regional level. Three such measures were reported, involving Berlin, Saxony and Schleswig-Holstein.

### Regional fraud risk assessment tool: Berlin

For the Berlin ERDF programme over the funding period 2021-2027, the ERDF managing authority assessed the risk of fraud for all programme actions in cooperation with the intermediate bodies. The fraud risk assessment tool for the ESI funds, developed and recommended by the Commission, was used and adapted to Berlin's circumstances.

The legal basis for the deployment of this tool is Article 74(1)(c) of Regulation (EU) 2021/1060 – Implementation of effective and proportionate anti-fraud measures.

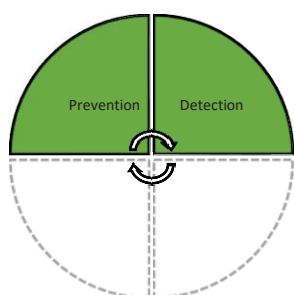
1 <sup>st</sup> anti-fraud measure taken by DE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 06/10/2023	Update	Sectoral: Expenditure - Cohesion policy	Shared management and control of EU funds	Risk indicators	Targeting of checks



## Regional fraud risk assessment tool: Saxony

Implementation by the MA ERDF/JTF – Saxony of the fraud risk self-assessment recommended in the Commission's guidelines at the level of OP operations and specifically focusing on the fight against fraud and corruption.

2 <sup>nd</sup> anti-fraud measure taken by DE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 31/03/2023	Update	Sectoral: Expenditure – Cohesion policy	Public procurement; Corruption*; Conflict of interest; Other**	Other***	Other****



\*Within the public sector (including the political sphere) – Measures to improve control and audit effectiveness, e.g. smart IT tools, database, risk assessment, red flags, warning, audit and other mechanisms.

\*\* see 1.a

Application and authorisation;  
Implementation and audit of operations/clearing of expenditure, payments and certificates;  
Procurement via the MA/intermediate body.

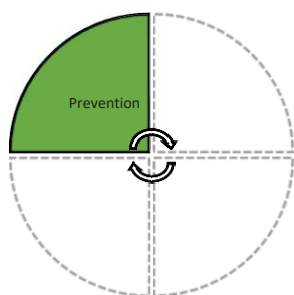
\*\*\* Implementation by the MA ERDF/JTF of the fraud risk self-assessment recommended in the Commission's guidelines at the level of OP operations.

\*\*\*\* The fraud risk self-assessment is designed to assess the impact of widespread fraud risks and the likelihood of them occurring and, where appropriate, define risk mitigation measures.

## Regional anti-fraud measures: Schleswig-Holstein

Since June 2023, guidelines on anti-corruption and anti-fraud measures in the ERDF programme in Schleswig-Holstein for 2021-2027.

3 <sup>rd</sup> anti-fraud measure taken by DE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative – Circulaire/ Circular, Instructions, Guidelines, Manuals	Update	Sectoral: Expenditure – Cohesion policy	Anti-fraud or anti- corruption strategy	Monitoring/ desk checks; Irregularities reporting	To enhance existing measure



## 2.12. Greece

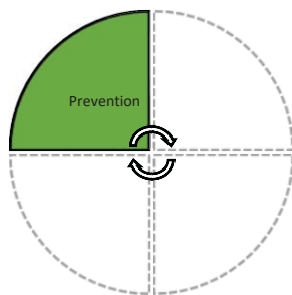
Greece reported three measures. The first integrated procedures to prevent and combat fraud within the management and control system for cohesion policy; the second concerned the introduction of the Arachne IT tool in relation to the common agricultural policy; and the third described the launch of an IT platform to gather complaints from the public in the area of customs and tax fraud.

### Integration of fraud prevention and detection within the Greek management and control system

The management and control system (MCS) for the programming period 2021-2027 relating to the programmes of the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund (CF), the Just Transition Fund (JTF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF), was submitted on 30 June 2023.

Preventing and combating fraud has been fully integrated into the MCS. It will be implemented via clear procedures, the operation of an internal cooperation network involving the managing authorities (MAs) and the Special Service for Institutional Support and Information Systems (EYTHYPS), cooperation with the Financial Audit Committee (EDEL), the Anti-Fraud Coordination Service (AFCOS), as well as national bodies and the European Commission, the use of information systems, training of the entities involved, and continuous improvements.

1 <sup>st</sup> anti-fraud measure taken by EL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative -Circulaire/ Circular, Instructions, Guidelines, Manuals	Update	Sectoral: Expenditure – Cohesion policy and Fisheries	Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Management of funds; Monitoring/ desk checks; On the spot checks; Irregularities reporting; Recovery; Other*	Other**



\* The measure covers a large number of procedures contained in the MCS 2021-2027 manual for the ERDF, ESF+, CF, JTF and EMFAF programmes. In addition to the above areas, it therefore also concerns the following: fraud risk assessment; ex ante checks on public procurement; all verifications carried out by the programmes' managing authorities; the imposition of financial corrections and recoveries; the examination of indications of fraud; the reporting of suspected fraud; and the examination of complaints relating to co-financed projects.

\*\* The introduction and implementation of procedures for preventing and combating fraud in the MCS 2021-2027 results from both the European institutional framework, which establishes the issue of fraud as an obligation for Member States and the managing authorities, and the National Anti-Fraud Strategy Action Plan to combat fraud in structural actions. The MCS is aimed at the managing authorities and the certifying authority and constitutes the regulatory framework governing the implementation of the programmes for 2021-2027.

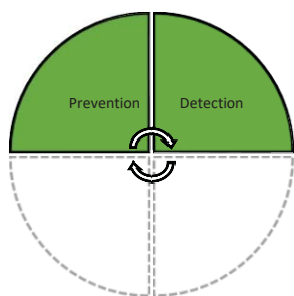
## Introduction of Arachne in relation to the common agricultural policy

Use of the Arachne tool by the Financial Audit Committee (EDEL) and the managing authority of the Rural Development Programme (RDP) 2014-2022 and the CAP Strategic Plan (SP) 2023-2027. The use of Arachne in the management of the RDP 2014-2022 and the CAP SP 2023-2027 is expected to strengthen the management and control system and the procedures for detecting and preventing fraud and irregularities in rural development, contributing to the protection of the EU's financial interests.

Reason for reporting: update in 2023 of the methodology for systematically using the Arachne data mining and risk scoring tool in the context of EDEL audits of projects funded by the Recovery and Resilience Facility, to detect indications of fraud/corruption/conflict of interest.

In addition, the managing authority of the RDP 2014-2022 and the CAP SP 2023-2027 obtained access to the Arachne tool database and the staff of the managing authority received Arachne technical training.

2 <sup>nd</sup> anti-fraud measure taken by EL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Operational 14/02/2023	New measure	Sectoral: Expenditure – Agriculture; Recovery and Resilience Facility	Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	IT tools ('IT data feeding', 'Other IT'); Risk indicators; Increased number of checks	Enhanced information flow; Targeting of checks; Targeting of investigations; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



## Launch of the 'Complaints from citizens' platform of the Independent Authority for Public Revenue

Reason for reporting: the Independent Authority for Public Revenue (IAPR) deployed its 'Complaints from citizens' platform in 2023. The platform can be used by members of the public to submit complaints, anonymous or signed, to help expose tax evasion, smuggling or corruption involving IAPR officials or services.

3 <sup>rd</sup> anti-fraud measure taken by EL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 30/10/2023	New measure	Sectoral: Revenue – Customs and Tax fraud	Whistle- blowers; Customs/TOR/ illicit trade	Web reporting/ Hotline; Flagging practice; Increased number of checks	Enhanced information flow; Targeting of checks; Targeting of investigations





### 2.13. Hungary

Hungary reported three measures. The first defines the tasks of the Directorate for Internal Audit and Integrity (DIAI) in relation to the prevention of conflicts of interest; the second develops cooperation between the National Tax and Customs Administration and the DIAI; and the third consists of a plan for European Agricultural Guarantee Fund ex post controls and an audit plan.

#### Preventing, detecting and correcting cases of conflicts of interest in the management of EU funds

The main tasks of the Directorate for Internal Audit and Integrity (DIAI) include investigating conflicts of interest within the area of development policy (government officials, staff), identifying and mitigating systemic risks to development policy, and raising integrity awareness through training to prevent conflicts of interest and corruption.

DIAI strengthens the effectiveness of the fraud control and prevention mechanism designed to better prevent, detect and correct cases of conflict of interest among staff involved in the management of EU funds. It ensures that the integrity awareness of the institutions managing EU funds is reinforced and that cooperation with law enforcement agencies is coordinated and streamlined. DIAI activities contribute effectively to the protection of the EU's financial interests.

1 <sup>st</sup> anti-fraud measure taken by HU in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Legislative – Act/Law 28/09/2023	Amendment	Sectoral: Expenditure – Agriculture, Fisheries, Cohesion policy, Fund for the most deprived, Migration and asylum, and Recovery and Resilience Facility	Financial crime (including money laundering); Conflict of interest; AFCOS; Whistle- blower; Anti- fraud or anti- corruption strategy	Other**	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law
	Organisational 01/01/2023	New measure			Inter-agency cooperation; General training; Fraud awareness training; Other***	Neutral on resources
	Operational 13/10/2022	New measure and update			Web reporting/ Hotline; Risk indicators; Increased number of checks; Structured cooperation with law enforcement; Structured cooperation with judicial authorities	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Targeting of investigations; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



*\*About the legislative measure: extension of the authorisation to process data in order to allow DIAI to carry out conflict-of-interest investigations.*

*Legislative Act – reference: Act CXLI of 1997 on the Land Register (in force from 28 September 2023); Act CXXV of the 2018 Government Administration (in force from 12 May 2023); Act LXVI of 1992 on the Registration of Citizens' Personal Data and Addresses (in force from 1 July 2023); Government Decree No 146/1993 of 26 October 1993 implementing Act LXVI of 1992 on the Registration of Citizens' Personal Data and Addresses (in force from 27 June 2023); Government Decrees on development policy.*

*\*\* Changes to data processing necessary for effective conflict-of-interest investigations.*

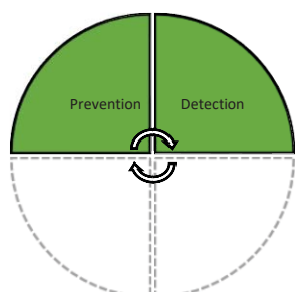
*\*\*\* Single-channel coordination of tasks related to anti-fraud measures by DIAI.*

### Risk-based *ex post* and post-release controls in relation to the European Agricultural Guarantee Fund

The Customs division of the National Tax and Customs Administration acted to issue and implement the plan for EAGF *ex post* controls in 2023-2024 and the post-release checks and audit plan for 2024.

The preventive effects of organised, centrally coordinated, risk-based EAGF *ex post* and post-release controls make a significant contribution to protecting the EU's financial interests and to the fight against fraud.

2 <sup>nd</sup> anti-fraud measure taken by HU in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative *	New measure	Sectoral: Revenue – Customs; Expenditure – Agriculture	Customs/TOR/ illicit trade; Shared management and control of EU funds	Investigation	Other**
	Operational 15/04/2023	Update			Risk indicators	Targeting of checks; Enhanced <i>ex post</i> controls



*\*Type of Act for the administrative measure: order*

*\*\* Effectively managing ex post risks for basic Customs procedures and ensuring an adequate level of control.*

## Cooperation agreement between the National Tax and Customs Administration and the Directorate of Internal Audit and Integrity

In 2003, the National Tax and Customs Administration (NTCA) and the Directorate of Internal Audit and Integrity at the Prime Minister's Office signed a cooperation agreement.

Harnessing the potential of the agreement will enhance and accelerate cooperation. A significant proportion of the offences detected under the investigative powers of the NTCA fall within the scope of budget fraud (including offences affecting budgets or funds managed by or on behalf of the EU), making the establishment of a cooperation channel a priority.

3 <sup>rd</sup> anti-fraud measure taken by HU in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 09/03/2023	New measure	Sectoral: Revenue – Tax fraud	Financial crime (including money laundering); Organised crime	Structured cooperation with law enforcement	Enhanced coordination; Enhanced cooperation; Enhanced information flow



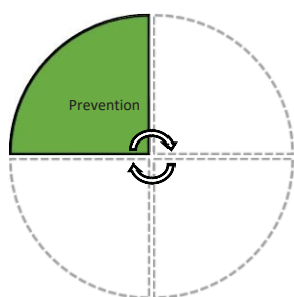
## 2.14. Ireland

Ireland reported two measures concerning the ESF+ programme and the fight against e-commerce VAT fraud.

### Department of Justice anti-fraud and corruption policy

The Department of Justice is an intermediate body for the administration of ESF+ funding in 2021-2027

1 <sup>st</sup> anti-fraud measure taken by IE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational 04/12/2023	Update	Sectoral: Expenditure – Cohesion policy	Anti-fraud or anti- corruption strategy	Simplification of procedures	Neutral on resources

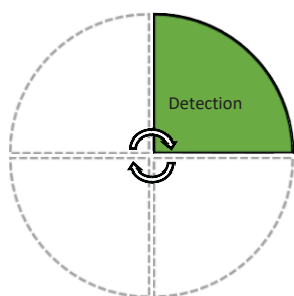


## Digitalisation of the fight against e-commerce VAT fraud

EU Central Electronic System of Payment Information ('CESOP') used to detect possible e-commerce VAT fraud carried out by sellers established in another Member State or in a non-EU country.

Reason for reporting: information reported to CESOP can facilitate tax authorities in EU Member States in their efforts to detect fraudulent business activity and control VAT liabilities.

2 <sup>nd</sup> anti-fraud measure taken by IE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 01/01/2024*	New legislation	Sectoral: Revenue – Tax fraud	Anti-fraud or anti- corruption strategy	Other**	To enforce the rules in line with developments in EU law



*\*About the legislative measure: the legislation imposes record-keeping and reporting obligations on certain payment service providers (PSPs) established in the EU.*

*Legislation – type of Act: Part 9A of the VAT Consolidation Act 2010, 'Reporting Obligations of Certain Payment Providers', introduced as of 1 January 2024.*

*\*\* Regulation (EU) 2020/283 amending Council Regulation (EU) 904/2010 on administrative cooperation and combatting fraud in the field of VAT. The legislation introduces new record-keeping and reporting requirements for EU-established PSPs in respect of certain cross-border payments facilitated by the PSP.*

## 2.15. Italy

The three measures reported by Italy concern its Recovery and Resilience Plan.

### General anti-fraud strategy for the implementation of the National Recovery and Resilience Plan (NRRP)

The Anti-Fraud Strategy for the NRRP was prepared and implemented in 2023, and describes the basic principles and general measures of the anti-fraud strategy that have been adopted by the NRRP Inspectorate General to ensure that the provisions of Regulation (EU) 2021/241 regarding the protection of the financial interests of the EU are met in a manner consistent with Article 11 of the financing agreement between the European Commission and Italy, in line with the principle of sound financial management, which includes the prevention and effective prosecution of fraud.

1 <sup>st</sup> anti-fraud measure taken by IT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative Circulaire/ Circular, Instructions, Guidelines, Manuals	Update	Sectoral: Expenditure – Recovery and Resilience Facility	Public procurement; Corruption*; Conflict of interest; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy; Other**	Management of funds; Investigation; Irregularities reporting; Recovery; Other***	To clarify or consolidate existing rules; To enhance existing measures; Other****



\*Corruption in the public sector

\*\* With the adoption of the NRRP strategy, the departments responsible for NRRP measures were asked to transpose promptly the contents of the new document into their sectoral anti-fraud strategies for the NRRP measures within their respective remits. The contents of the document will also be incorporated into the relevant operational manuals for the NRRP measures.

\*\*\* The NRRP strategy aims to guide the actions and measures adopted by each administration involved in the implementation of the NRRP measures, so as to ensure standardised and effective anti-fraud solutions and practices; in particular, these concern the identification and management of abnormal or unlawful activities or behaviour that might occur during the implementation of the plan or the various processes/activities throughout the life cycle of a project.

\*\*\*\* The strategy adopted in RGS Circular No 290465 of 22 December 2023 consolidates the content of the previous version of the document, taking account of various factors, including the main legislative developments in this area, experiences gained during the first year of implementing the strategy, and the fruitful ongoing cooperation with the competent national and EU inspection bodies.

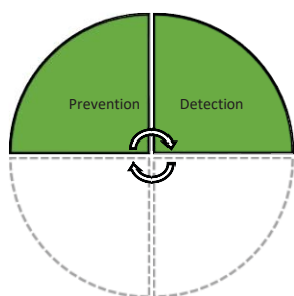




## Digitalisation of the management of the RRF

2023 saw the issuing of the special appendix adopted by RGS Circular No 27 of 15 September 2023, entitled 'Collecting data on beneficial ownership pursuant to Article 22(2)(d) of Regulation (EU) 2021/241 and notifying the FIU of suspicious transactions made by the public administration pursuant to Article 10 of Legislative Decree No 231/2007'. It supplements the reporting and control guidelines and defines the procedural steps that the bodies/departments implementing NRRP measures must put in place using the functionalities available through the ReGiS IT system.

2 <sup>nd</sup> anti-fraud measure taken by IT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational – 15/09/2023	New measure	Sectoral: Expenditure – Recovery and Resilience Facility	Public procurement; Financial crime (including money laundering); Conflict of interest; Shared management and control of EU funds; Other*	IT tools ('IT data feeding', 'Other IT'); Structured cooperation with law enforcement	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Enhanced <i>ex ante</i> controls

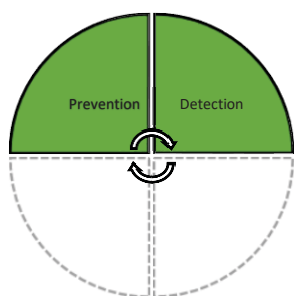


*\* This operational measure aims to improve coordination and cooperation between the various actors involved in the implementation of NRRP measures by improving ex ante controls (beneficial owners with potential conflicts of interest) and encouraging the flow of information, including notifications of suspicious transactions.*

### Safeguarding the NRRP legislative measures. Prevention and suppression of fraud.

From a regulatory standpoint, the Guardia di Finanza's role in safeguarding the NRRP has been further enhanced by the changes introduced under Article 1(4)(f)(3) of Decree-Law No 13 of 24 February 2023; the possibility of concluding specific agreements with the Guardia di Finanza, which was already provided to the central government departments managing activities under the plan, has been extended to the regions, the Autonomous Provinces of Trento and Bolzano, local authorities, and other public entities implementing measures laid down in the NRRP.

3 <sup>rd</sup> anti-fraud measure taken by IT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Decree 24/02/2023	Amendment	Sectoral: Expenditure – Recovery and Resilience Facility	Public procurement; Conflict of interest; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy; Other*	Competences	To clarify or consolidate existing rules



*\* The measure extends the synergies achieved by the Guardia di Finanza at central government level in monitoring NRRP funds down to local level, introducing the possibility of concluding memoranda of understanding with the regions, local authorities, and other public entities implementing the NRRP. The aim is to strengthen monitoring activities, including those to prevent and combat corruption and fraud, and to avoid conflicts of interest and the risk of duplicate public funding of activities.*

## 2.16. Latvia

Latvia reported three measures. The first, a cross-cutting measure, addresses anti-corruption; the second focuses on VAT fraud in vehicle trade; the third focuses on public procurement.

### Adoption of the Action Plan to Prevent and Combat Corruption 2023-2025 and the Operational Strategy of the Bureau for Preventing and Combating Corruption 2023–2026

Adoption of the Corruption Prevention and Combating Action Plan 2023-2025. The action plan is a continuation of the Guidelines for Preventing and Combating Corruption 2015-2020. The action plan continues on the path for preventing and combating corruption previously defined in the guidelines, i.e. its main objectives and lines of action, but at the same time it includes a new set of tasks for public institutions to respond flexibly and adapt to current developments and problematic situations in society and the problems of applying legal provisions.

Adoption of the Operational Strategy of the Bureau for Combating and Preventing Corruption 2023–2026 (Approved by the Director of the Bureau for Combating and Preventing Corruption).

The Bureau for Combating and Preventing Corruption is the national anti-corruption agency that also investigates cases of corruption within EU financial interests. Together, the two adopted documents can be seen as Latvia's national anti-corruption strategy.

1 <sup>st</sup> anti-fraud measure taken by LV in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative *	Update	Horizontal	Public procurement; Financial crime (including money laundering); Corruption**; Conflict of interest; Whistle- blower; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy; Other***	Management of funds; Monitoring/ desk checks; Investigation; Irregularities reporting	Other*****
	Organisational 11/04/2023	Update			Inter-agency cooperation; General training; Fraud awareness training; Other****	Neutral on resources
	Operational 11/04/2023	Update			IT tools ('IT data feeding', 'Other IT'); Web reporting/ Hotline; Risk indicators; Structured cooperation with law enforcement	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Targeting of investigations; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



\* Action plan and strategy

\*\*Corruption in the public sector (including the political sphere) and also the private sector. Measures taken include

- Measures addressing transparency in public procurement.
- Measures to improve the effectiveness of management of the public procurement.
- Measures to prevent corruption amongst personnel, including management.
- Measures addressing transparency of companies participating in public procurement.
- Measures to improve the effectiveness of control and audit.

\*\*\* Integrity and transparency measures.

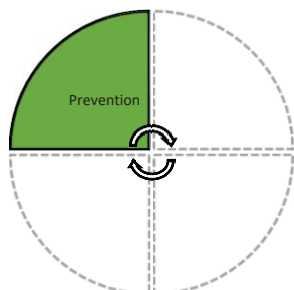
\*\*\*\* Trainings in the investigation of financial crimes, financial analysis and confiscation.

\*\*\*\*\* The action plan is a continuation of the guidelines for preventing and combating corruption in the previous period. The strategy continues on from the previous strategy covering 2020-2022.

### Fight against VAT fraud in the vehicle trade

Since 22 March 2023, Latvia's revenue service, in order to combat VAT fraud, when legal entities involve natural persons as intermediaries in the registration of vehicles, can apply a vehicle prohibition order ('prohibition on alienation of vehicle') for up to 30 days (the term can be extended if an inspection is initiated) for an M1 or N1 category vehicle (not older than 5 years and acquired in another EU MS and registered for the first time in Latvia) that is registered as owned by a natural person. During the registration procedure, the applicant must indicate the country, the date of acquisition, the type of payment, the amount of the transaction, and the seller, and attach a document certifying the change of ownership rights and a confirmation of payment. The measure is designed to combat fraud involving VAT (part of the EU's financial interests).

2 <sup>nd</sup> anti-fraud measure taken by LV in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 08/03/2023*	Amendment	Sectoral: Expenditure – Tax Fraud	Fraud definition	Competences; Powers	To remedy flaws



*\* In order to combat VAT fraud, when legal entities involve natural persons as intermediaries in the registration of vehicles, Latvia's revenue service can apply a vehicle prohibition order ('prohibition on alienation of vehicle') for up to 30 days (the term can be extended if an inspection is initiated).*

*Legislative Act – reference: amendments to the Road Traffic Law, 08.03.2023. likums/LV, 57A, 21.03.2023./entry into force 22 March 2023.*

## Educational activities for public procurement organisers in the risks of competition in procurement

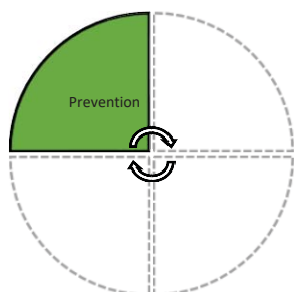
In 2023, the Competition Council actively trained public procurement organisers on the risks of competition in procurement, including procurement related to EU funding.

For example, in 2023 the Competition Council, together with the Procurement Monitoring Bureau, organised six seminars. In total, more than 1 000 procurement specialists from public bodies, e.g. Ministry of Agriculture, Ministry of Interior Affairs, Ministry of Transport, received training in the possible risks of violations within procurement, so that they can detect and prevent potential infringements.

Moreover, on 28 November 2023, the Competition Council participated in an international conference on fraud within EU funds in order to learn about violations of competition law and their correlation with fraud as it affects EU funds.

Reasons for reporting: several cartel cases investigated recently by the Competition Council had also impacted on projects financed by EU funds, hence the importance of training contracting authorities in the risks of competition within procurement.

3 <sup>rd</sup> anti-fraud measure taken by LV in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational 03/04/2023	New measure	Horizontal	Public procurement	General training	Other*



*\* Within the framework of limited resources, extensive educational training activities were carried out for a wide range of public buyers.*

*Resources of the Competition Council (CC) and the Procurement Monitoring Bureau (PMB) involved in the training: the chair of the CC, the head of the PMB, a representative of the Department of Prohibited Cartel Agreements of the CC, and a representative of the Department of Application of Legislation of the PMB, with support from the Communications Department, took part in preparing and organising the training programme.*

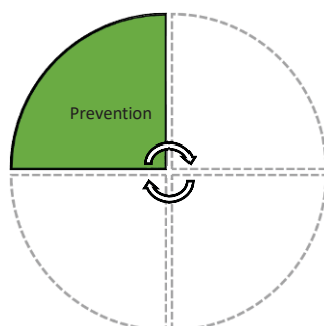
## 2.17. Lithuania

Lithuania reported three measures in total. Two related to strengthening the identification of corruption through a legislative measure aimed at effective management of procurement processes and via training aimed at strengthening suppliers' competences. The third measure involved an order issued by Lithuania's Minister of Agriculture.

### Regulatory measures

Effective management of procurement processes, reducing the likelihood of corruption occurring in procurement.

1 <sup>st</sup> anti-fraud measure taken by LT in 2023						
Single/ package	Type of measure	New or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result of the measure
Single	Legislative – Law/Act – 30/09/2021*	Amendment	Sectoral; Expenditure – Centralised direct management	Public procurement; Corruption**; Conflict of interest	Other***	To clarify or consolidate existing rules



\*Amendment of the Law on Public Procurement of the Republic of Lithuania of 30 September 2021 No. XIV545, amending the Law on Procurement by Contracting Entities in the field of Water Management, Energy, Transport and Postal Services of the Republic of Lithuania of 30 September 2021 No. XIV-546.

About the legislative measure: on 1 January 2023, the amendments to the laws of the Republic of Lithuania on public procurement and procurement by contracting entities in the field of water management, energy, transport and postal services, adopted on 30 September 2021, came into force, obliging municipal councils to ensure that purchases made by contracting authorities controlled (managed) by the municipality, the contract value of which exceeds EUR 15 000 excluding VAT, are carried out centrally.

\*\*Corruption in the public sector (including the political sphere). Measures taken in the fight against corruption within public procurement:

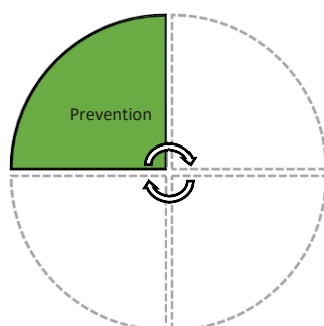
- Measures addressing transparency in public procurement
- Measures to improve the effectiveness of management of the public procurement.
- Measures to prevent corruption amongst personnel, including management.
- Measures to improve the effectiveness of control and audit.

\*\*\*Additional obligation for contracting authorities

## Increasing the number of suppliers within public procurement

During the project, the public procurement office provided training for suppliers. These training sessions strengthened suppliers' competences, not only in terms of their ability to identify corruption, but also through increased competition to reduce the risk of corruption.

2 <sup>nd</sup> anti-fraud measure taken by LT in 2023						
Single/ package	Type of measure	New or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result of the measure
Single	Organisational – 05/10/2023	New measure	Horizontal	Public procurement; Corruption*	Competence; General training	Neutral on resources



\*Corruption within public procurement in the public sector (including the political sphere) and private sector. Measures taken in the fight against corruption within public procurement:

- Measures addressing the transparency of companies participating in public procurement.

## Approval of the methodology for the application of sanctions for infringements of the provisions of legal Acts and the approval of the rules for the administration of infringements of legal provisions

Order of the Minister of Agriculture of the Republic of Lithuania No 3D-80 of 14 February 2023 'On the approval of the methodology for the application of sanctions for infringements of the provisions of legal Acts in the implementation of the intervention measures of the strategic plan for agricultural and rural development of Lithuania 2023-2027.'

Order of the Minister of Agriculture of the Republic of Lithuania No 3D-80 of 5 February 2010 'On the approval of the rules for the administration of infringements of legal provisions in connection with the implementation of measures of the European Agricultural Guarantee Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund' (last amended on 29 August 2023).

3 <sup>rd</sup> anti-fraud measure taken by LT in 2023						
Single/ package	Type of measure	New or update	Nature of the measure and sector concerned	Area	Scope	Reason / expected result of the measure
Single	Legislative – Regional law/ decree/ order – 14/02/2023*	New legislation; amendment	Sectoral; Expenditure – Agriculture, Fisheries	Shared management and control of EU funds	Definition of a specific topic; Recovery	To enforce the rules in line with developments in EU law



*\*Order of the Minister of Agriculture of the Republic of Lithuania No 3D-80 of 5 February 2010 'On the approval of the rules for the administration of infringements of legal provisions in connection with the implementation of measures of the European Agricultural Guarantee Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund.'*

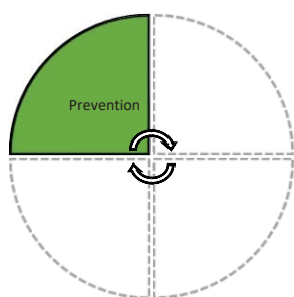


## 2.18. Luxembourg

Luxembourg reported about a single ongoing activity, concerning preparatory work for the adoption of their national anti-fraud strategy.

### Ongoing activities for the adoption of a national anti-fraud strategy

1 <sup>st</sup> anti-fraud measure taken by LU in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational 02/05/2024	Update	Horizontal	Anti-fraud or anti- corruption strategy	Other	Neutral on resources



## 2.19. Malta

Malta reported a measure focused on training, in line with Action Point 6 of the updated National Anti-Fraud and Corruption Strategy (NAFCS) and Malta's Recovery and Resilience Plan commitments.

### Training in line with the NAFCS and Malta's RRP commitments

During 2023, in line with Action Point 6 of the updated NAFCS and Malta's Recovery and Resilience Plan (RRP) commitments, the Internal Audit and Investigations Department (IAID), in agreement with the Chartered Institute of Public Finance and Accountancy (CIPFA), organised two training programmes for appointed officials from the national authorities forming part of the coordinating committee, namely:

- International Certificate in Corruption Investigation (ICCI); and
- International Certificate in Corruption Risk Management (ICCRM).

Both training programmes ran for over a number of months and comprised e-learning modules studied at the participant's own pace, supplemented by a detailed technical reference manual. The ICCI training programme also included five days of face-to-face training in order to embed the technical and theoretical content of the e-learning in a practical context. Malta's EU membership entails an obligation to protect the financial interests of the EU to the same degree as its own public funds.

The ICCI and ICCRM training programmes provided participants with relevant knowledge and skills in the area of fraud and corruption, e.g. analytical and investigative techniques, intelligence, risk assessments, and prevention exercises. Training, moreover, is key to developing anti-fraud and anti-corruption awareness.

1 <sup>st</sup> anti-fraud measure taken by MT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative – action plan	New measure	Horizontal	Anti-fraud or anti- corruption strategy	Other*	Other**



\* To provide appointed officials from the national authorities forming part of the coordinating committee with relevant knowledge and skills in the area of fraud and corruption.

\*\* Training to enhance the fight against fraud and corruption.

## 2.20. Netherlands

Two measures were reported by the Netherlands, focusing on the reporting of suspected fraud to the European Public Prosecutor's Office (EPPO) and on checks involving actual land use.

### Reporting of fraud to the EPPO

The reporting of cases of suspected fraud to the EPPO has been improved. The new measures aim to achieve qualitative and quantitative improvements in the notices provided by the Dutch customs authority to the EPPO. The improvement procedure formally began in 2023 and will also cover part of 2024.

1 <sup>st</sup> anti-fraud measure taken by NL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Organisational – 01/06/2023	New measure	Horizontal	Financial crime (including money laundering); Organised crime; Customs/ToR/ illicit trade; Shared management and control of EU funds	Reorganisatio n of existing bodies; Competence; Inter-agency cooperation; Simplification of procedures	Increased resources

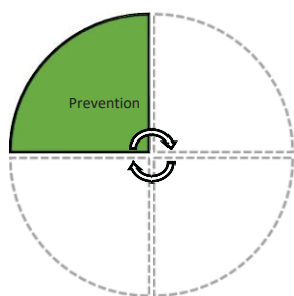


### Administrative checks on actual land use

In the short term (2023 and 2024), there were four pilots on the basis of which additional administrative checks on actual land use were carried out to determine the most feasible method of data exchange and control. These pilots involved three bodies active nationally with extensive plots of land as well as a local organisation.

Improved checks on actual land use, which is a variable of the expenses in the EU budget, are expected to increase the prevention of potential fraud in this area.

2 <sup>nd</sup> anti-fraud measure taken by NL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Operational – 17/10/2023	New measure	Sectoral: Expenditure - Agriculture	Shared management and control of EU funds	IT tools ('IT data feeding', 'Other IT'); Flagging practice; Increased number of checks	Enhanced cooperation; Targeting of checks; Enhanced <i>ex ante</i> controls



## 2.21. Poland

Two of the three measures reported by Poland concerned its Recovery and Resilience Plan. The third focused on agricultural policy.

### Guidelines for the controls under the development plan co-financed by the Recovery and Resilience Facility

Reasons for reporting: guidelines for the controls under the development plan co-financed by the Recovery and Resilience Facility. The guidelines create a common framework for the system of controls to be carried out by the institutions of the system for implementing the national recovery plan – a plan co-financed by EU funds, i.e. the Recovery and Resilience Facility (including controls to detect and correct serious irregularities, i.e. fraud, corruption and conflicts of interest, as well as double funding) and identify the IT tools used in those processes.

1 <sup>st</sup> Anti-fraud measure taken by PL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 16/11/2023	Update	Sectoral: Expenditure – Recovery and Resilience Facility	Conflict of interest; Other*	IT tools ('IT data feeding', 'Other IT'); Flagging practice; Risk indicators; Increased number of checks	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks



\* Controls of EU funds implemented under the National Recovery Plan financed by the Recovery and Resilience Facility.

## Whistle-blower policy for the National Recovery and Resilience Plan

Procedure for handling reports from members of the public on potential irregularities or fraud and the protection of persons reporting irregularities or fraud (part of the procedure for carrying out controls).

The main aim of the procedure is to set up a system for reporting potential irregularities or fraud in projects implemented under Poland's Recovery and Resilience Plan, which at the same time guarantees protection for those who report such incidents ('whistle-blowers') by creating secure channels. The procedure also applies to anonymous reporting.

2 <sup>nd</sup> anti-fraud measure taken by PL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative – Decision, Resolution	Update	Sectoral: Expenditure – Recovery and Resilience Facility	Whistle- blower; Other*	Irregularities reporting	To clarify or consolidate existing rules; To enhance existing measure



\* Controls of EU funds implemented under the National Recovery Plan financed by the Recovery and Resilience Facility.

## Managing authority guidelines regarding the strategic plan for the common agricultural policy (SP CAP) 2023-2027

The managing authority's guidelines include matters involving procedures for granting and disbursing financial aid. They also specify the conditions for granting, disbursing and repaying that aid for SP CAP 2023-2027 interventions where the aid is granted on the basis of an aid agreement.

3 <sup>rd</sup> anti-fraud measure taken by PL in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative – Circulaire/ Circular, Instructions, Guidelines, Manuals	New measure	Sectoral: Expenditure – Agriculture	Shared management and control of EU funds	Eligibility criteria; Management of funds; Recovery	To clarify or consolidate existing rules; To enhance existing measures; Cross-cutting measure, Multi-agency measure/ Measure with impact on various bodies*



*\*Cross-cutting measure: guidelines for the implementation of the SP CAP, issued by the minister responsible for rural development acting as the managing authority, addressed to the paying agency, implementing bodies, the body implementing financial instruments, intermediate bodies, local action groups and other relevant bodies and beneficiaries.*

## 2.22. Portugal

Portugal reported three measures. The first involved updating its national anti-fraud strategy (NAFS); the second concerned a training activity for managing authorities in fraud risk assessment; and the third was aimed at strengthening systematic risk analysis within Customs.

### Update of the National Anti-Fraud Strategy

The National Anti-Fraud Strategy was updated by Order No 7833/2023 of the Minister for the Presidency and the Minister for Finance in the context of preventing and combating fraud in the use of funds from the EU budget for the period 2023-2027.

The National Anti-Fraud Strategy in the context of EU funds aims to define a framework and guidelines for the development of individual action plans for effective and proportionate anti-fraud measures in the management and control of funds from the general EU budget, including in funding instruments directly managed by the European Commission that involve audits and checks to be carried out by the national authorities.

1 <sup>st</sup> anti-fraud measure taken by PT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Decision 31/07/2023*	New legislation	Sectoral: Expenditure – Agriculture Fisheries, Cohesion policy, Centralised direct management, Fund for the most deprived, Globalisation Fund, Migration and asylum, Recovery and Resilience Facility	Public procurement; Conflict of interest; AFCOS; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Definition of a specific topic; Other**	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law



*\*About the measure: approval of the revision of the National Anti-Fraud Strategy and the corresponding action plan in the management and control of funds from the general EU budget, including funding instruments directly managed by the European Commission that involve audits and checks to be carried out by the national authorities.*

*Legislative Act – reference: Order No 7833/2023*

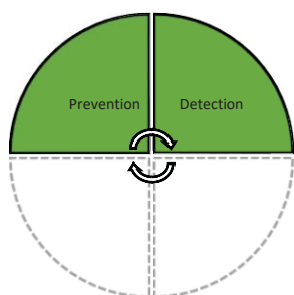
*\*\* Anti-Fraud Strategy*



## Training of managing authorities in fraud risk assessment

Training the managing authorities in fraud risk assessment, specifically through the development and dissemination of cross-cutting methodologies and guidelines, including tools enabling the managing authorities to implement fraud risk assessments, is considered highly relevant for preventing and detecting fraud within the use of EU funds.

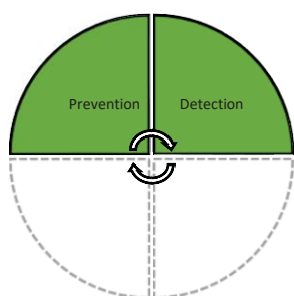
2 <sup>nd</sup> anti-fraud measure taken by PT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative – Circulaire/ Circular, Instructions, Guidelines, Manuals	Update	Sectoral: Expenditure – Agriculture, Fisheries, Cohesion policy, Fund for the most deprived, Globalisation Fund, Migration and asylum, Recovery and Resilience Facility	Public procurement; Conflict of interest; Anti- fraud or anti- corruption strategy; double funding	Eligibility criteria; Management of funds; Monitoring/ desk checks; On the spot checks; Audit checklist; Irregularities reporting	Cross-cutting measure, Multi-agency measure/ Measure with impact on various bodies



### Systematic risk analysis within Customs

The development and implementation of specific risk measures in the risk engine for the systematic risk analysis of declarations for release for free circulation, in areas such as the fight against fraud – anti-dumping and end-use – from a Customs policy perspective, aimed at strengthening the implementation of Customs policy.

3 <sup>rd</sup> anti-fraud measure taken by PT in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational - 01/01/2023	Update	Sectoral: Revenue – Customs	Customs/TOR/ illicit trade	IT tools ('IT data feeding', 'Other IT'); Risk indicators; Increased number of checks	Targeting of checks; Targeting of investigations



## 2.23. Romania

The three measures adopted by Romania focused on VAT fraud, the reporting of suspicions of fraud to the EPPO and the adoption of the NAFS for the period 2023-2027.

### Combating tax evasion

A new criminal offence has been introduced into the legislation on fighting tax evasion (in Article 9<sup>1</sup> of Law No 241/2005), criminalising any act or omission committed in cross-border fraudulent schemes with the effect of reducing the resources of the European Union budget by the equivalent in national currency of at least EUR 10 million.

1 <sup>st</sup> anti-fraud measure taken by RO in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act	Amendment	Sectoral: Revenue – Tax fraud	Financial crime (including money laundering)	Definition of a specific topic; Criminal sanctions**	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law



*\*About the legislative measure: in order to correctly transpose Directive (EU) 2017/1371 (in particular, Article 3 thereof), a new criminal offence was enacted to combat tax evasion (in Article 9<sup>1</sup> of Law No 241/2005), criminalising any act or omission committed in cross-border fraudulent schemes with the effect of reducing the resources of the European Union budget by the equivalent in national currency of at least EUR 10 000 000.*

*Legislative Act – reference: Law No 125/2023 supplementing Law No 241/2005 on preventing and combating tax evasion*

\*\*

	a) new	b) less	c) more
* Criminal sanctions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Legislative measures regulating the obligation to refer a matter to the competent criminal authorities

The adopted legislative measures regulate the obligation to refer a matter to the competent criminal authorities (the EPPO or national authorities, as the case may be) if there are indications of fraud in obtaining and/or using European funds. They establish the possibility for the national AFCOS to carry out additional administrative checks if these cannot be carried out by the authorities in charge of managing European funds.

The obligation of the authorities in charge of managing European funds has been clarified as regards to whom they should promptly refer matters: the EPPO in the event of signs of fraud over which it has jurisdiction; or the Anti-Fraud Department (DLAF) and national prosecution bodies in cases where the EPPO is not competent to act.

2 <sup>nd</sup> anti-fraud measure taken by RO in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 4 October 202 3	Amendment	Sectoral: Revenue – Expenditure – Agriculture, Fisheries, Cohesion policy, Centralised direct management, Fund for the most deprived, Globalisation Fund, Migration and asylum	Financial crime (including money laundering)	Competences; Powers	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law



*\*About the legislative measure: it regulates the possibility for the national AFCOS to carry out additional administrative checks if these cannot be carried out by the authorities in charge of managing European funds.*

*The obligation of the authorities in charge of managing European funds has been clarified as regards to whom they should promptly refer matters: the EPPO in the event of signs of fraud over which it has jurisdiction; or the Anti-Fraud Department (DLAF) and national prosecution bodies in cases where the EPPO is not competent to act.*

*Legislative Act – reference: Law No 265/2023 approving Government Emergency Order No 97/2022 amending and supplementing Government Emergency Order No 66/2011 on preventing, detecting and sanctioning irregularities in obtaining and using European funds and/or related national public funds*

## Adoption of the National Anti-Fraud Strategy 2023-2027 for the protection of the European Union's financial interests in Romania

The need to set up a National Anti-Fraud Strategy (NAFS) stems from Romania's primary obligation to protect the European Union's financial interests in Romania, in accordance with Article 325 of the Treaty on the Functioning of the European Union (TFEU).

3 <sup>rd</sup> anti-fraud measure taken by RO in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Decision 19/12/2023*	New legislation	Horizontal	Anti-fraud or anti- corruption strategy	Other**	Other***



*\*About the legislative measure: the NAFS, a document covering several fields and institutions, aims to strengthen the protection of the European Union's financial interests in Romania by means of effective and efficient measures, carried out in a coordinated and transparent manner, in line with European guidelines.*

*The NAFS aims to coordinate fraud prevention efforts undertaken by all national partners, so that European funds, including those allocated to Romania through the Recovery and Resilience Facility, can be absorbed as fully, and as well, as possible, so that Romania can fully contribute to the EU budget.*

*Legislative Act – reference: Government Order No 1259/2023 approving the National Anti-Fraud Strategy 2023-2027 for the protection of the European Union's financial interests in Romania*

**\*\* Field of the protection of the European Union's financial interests**

**\*\*\* The need to set up a National Anti-Fraud Strategy (NAFS) stems from Romania's primary obligation to protect the European Union's financial interests in Romania, in accordance with Article 325 of the Treaty on the Functioning of the European Union (TFEU).**

## 2.24. Slovakia

Slovakia reported three measures. The first concerns guidance to the bodies implementing its national RRP, the second aims at fostering cooperation among national bodies in the fight against corruption and the third focuses on conflicts of interest in the agricultural field.

### Inventory of measures on the protection of the EU's financial interests for prevention of the most serious irregularities in the context of RRF

The Slovak AFCOS, in cooperation with the National Implementation and Coordination Authority (NICA), produced a document that contains a list of existing measures on protecting the EU's financial interests in Slovakia aimed at preventing, detecting and correcting the most serious irregularities (fraud, corruption, conflicts of interest, double funding). The individual measures are grouped into the following thematic categories: integrity, cooperation with relevant partners at national and European level, transparency, the public procurement process, fraud risk assessment, IT tools, audits and controls, detection and correction of irregularities (including their reporting), recovery, and other measures. Each measure carries a short description that includes its legal basis and recommendations for its effective operation.

This document was created to offer guidance to the bodies responsible for implementing Slovakia's Recovery and Resilience Plan. Its aim is to provide the relevant implementing bodies with an overview of existing measures on protecting the EU's financial interests in Slovakia and thus achieve a uniform level of protection for the EU's financial interests across all implementing bodies. As so many of these measures can be applied universally, these bodies can also benefit from this information when implementing other forms of EU support.

1 <sup>st</sup> anti-fraud measure taken by SK in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative *	New measure	Sectoral – Expenditure – Recovery and Resilience Facility	Public procurement; Corruption**; Conflict of interest; Fraud definition; AFCOS; Whistle- blower; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Management of funds; Monitoring/ desk checks; On the spot checks; Investigation; Irregularities reporting; Recovery	To enhance existing measure



*\*Type of administrative measure: guideline on preventing, detecting and correcting the most serious irregularities*

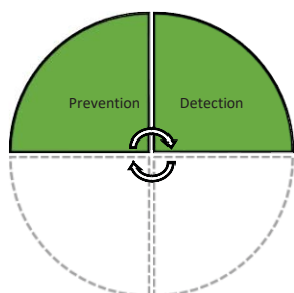
*\*\* CORRUPTION WITHIN PUBLIC PROCUREMENT in the public sector (including the political sphere). Measures taken in the fight against corruption within public procurement:*

- Measures addressing transparency in public procurement.
- Measures to improve the effectiveness of management of the public procurement.
- Measures to prevent corruption amongst personnel, including management.
- Measures addressing transparency of companies participating in public procurement.
- Measures to improve the effectiveness of control and audit.

### Establishment of the Board of Anti-Corruption Coordinators and updates to the anti-corruption programmes of individual ministries and other central authorities

This platform was created to foster cooperation between the Government Office of the Slovak Republic (as coordinating authority in the area of corruption prevention) and other central authorities in the fight against corruption. Board members are expected to cooperate on developing a national anti-corruption strategy, harmonising individual anti-corruption programmes, and designing and implementing measures to eliminate risks relating to corruption and corrupt behaviour.

2 <sup>nd</sup> anti-fraud measure taken by SK in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational – 02/05/2023	New measure	Horizontal	Corruption*	Inter-agency cooperation	Neutral on resources



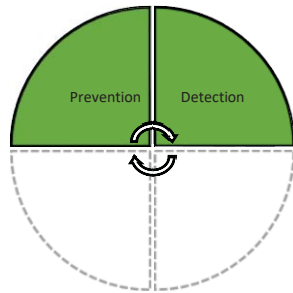
*\* CORRUPTION WITHIN PUBLIC PROCUREMENT in the public sector (including the political sphere). Measures taken in the fight against corruption within public procurement:*

- Measures to improve how effectively public procurement is managed.
- Measures to prevent corruption among staff, including management.

### Directive 2/2023 on conflict of interest in the Agricultural Paying Agency

Prevention and detection of conflicts of interest of persons involved in the management of EU funds in the Agricultural Payment Agency.

3 <sup>rd</sup> anti-fraud measure taken by SK in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational 24/04/2023	New measure	Sectoral – Expenditure – Agriculture	Conflict of interest	Competence	Neutral on resources





## 2.25. Slovenia

Two sets of measures were reported by Slovenia. The first aimed at strengthening controls within the CAP, and the second involving the deployment of an IT platform within Customs, plus a third measure amending the transposition into national law of the PIF Directive.

### Sets of measures for enhancing the protection of the EU's financial interests

Replies from the Ministry for Cohesion and Regional Development, the Agency for Agricultural Markets and Rural Development, and the Ministry of the Interior:

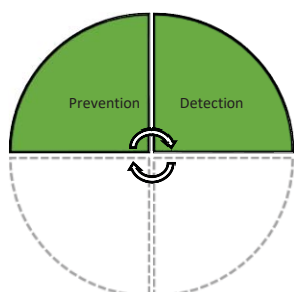
Ministry for Cohesion and Regional Development: protection of whistle-blowers (external and internal).

Agency for Agricultural Markets and Rural Development: start of implementation of a new intervention under the CAP Strategic Plan 2023-2027, namely IRP24 installation support for young farmers and establishment of control procedures to detect fraud and artificial conditions.

Ministry of the Interior: as managing authority, the ministry's European Funds Service operates primarily in the field of fraud prevention, with an emphasis on raising staff awareness and training them in fraud detection, focusing on fraud indicators ('red flags'), detecting conflicts of interest, and risks in public procurement procedures and contract implementation.

Reasons for reporting: these measures all enhance the protection of the EU's financial interests.

1 <sup>st</sup> anti-fraud measure taken by SI in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Operational 19/06/2023	New measure	Sectoral – Expenditure – Agriculture, Cohesion policy  Migration and asylum	Public procurement; Conflict of interest; Fraud definition; Whistle- blower; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy; Other*	Web reporting/ Hotline	Enhanced coordination; Targeting of checks; Enhanced <i>ex ante</i> controls



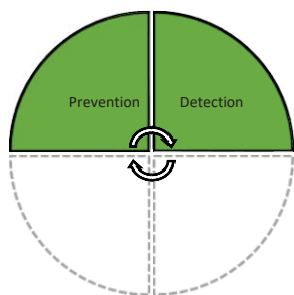
\* Whistle-blower protection system (internal and external whistle-blowing channels). Guidelines for protecting external and internal whistle-blowers have been adopted, including the following: <https://www.gov.si/zbirke/storitve/prijava-zascitenega-prijavitelja-glede-krsitve-predpisov-v-delovnem-okolju-ministrstvu-za-kohezijo-in-regionalni-razvoj/>

## Digitalisation of the fight against fraud: the Qlik Sense platform

A new IT platform, Qlik Sense (QS), was implemented. It allows new and enhanced 'in house' applications to be devised for specific customs, tax and excise fields.

These applications help with performing better risk analyses, implementing risk management and targeting suspicious patterns, transactions and economic operators. Predictive analyses, machine learning and artificial intelligence can then be carried out.

2 <sup>nd</sup> anti-fraud measure taken by SI in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Administrative - Circulaire/ Circular, Instructions, Guidelines, Manuals	Update	Sectoral: revenue Customs, Tax Fraud	Shared management and control of EU funds; Other*	Monitoring/ desk checks; On-the-spot checks; Irregularities reporting	To clarify or consolidate existing rules; To enhance existing measures; Other**
	Operational 01/03/2023	New measure			IT tools ('IT data feeding', 'Other IT'); Risk indicators; Increased number of checks; Other***	Enhanced coordination; Enhanced cooperation; Enhanced information flow; Targeting of checks; Enhanced <i>ex ante</i> controls; Enhanced <i>ex post</i> controls



\* Implementation of the new Qlik Sense (QS) platform, which allows new and enhanced 'in house' applications to be created for specific customs, tax and excise fields. These applications allow risk management to be implemented more effectively by targeting suspicious patterns, transactions and economic operators.

\*\* Enhanced fraud management, reporting and better knowledge of possible irregularities. With predictive analyses it is possible to better manage mutual assistance requests, audits, post-audit controls and optimum usage of human resources.

\*\*\* Training for advanced developers, advanced analysts and other end users and preparation of sources of information and the re-writing of program codes (script). New focuses for results visualisation and reports also need to be devised.

### Amending the transposition into Slovenian law of the PIF Directive

In reply to the 2022 questionnaire, Slovenia reported that the European Commission had sent a letter of formal notice on 9 February 2022 due to partial non-compliance with Directive (EU) 2017/1371, and that the Slovenian Government had submitted a legislative proposal to amend the Criminal Code (KZ-1J) to the National Assembly for adoption in November 2022. The proposal included amendments to bring the Criminal Code into line with Directive (EU) 2017/1371. The amended Criminal Code KZ-1J was adopted by the National Assembly in January 2023, published in the Uradni List RS (UL RS; Official Gazette of the Republic of Slovenia) No 16/23 on 7 February 2023, and came into force on 22 February 2023.

This is a change to the definition of 'official of the European Union' as an official in point 7 of Article 99(1) of the Criminal Code (hereinafter: KZ-1). Prior to the amendment of the KZ-1J, the latter provided that an official under the KZ-1 may (also) be a person to whom an international public organisation confers the status of official and which meets the conditions laid down in points 1, 2 or 3 of the first paragraph of Article 99 KZ-1 (points 1, 2 and 3) of KZ-1 may designate officials in the Slovenian system for the purposes of KZ-1. Given that Article 4(4)(a)(i) of Directive (EU) 2017/1371 defines an official of the European Union only within the meaning of the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 – i.e. without any further link to the internal systems of the Member States, the provision of the Slovenian KZ-1 was too restrictive as regards the scope of Directive (EU) 2017/1371.

Following the entry into force of the KZ-1J, point 7 of the first paragraph of Article 99 KZ-1 is amended to define as officials of an international organisation all those to which the international organisation confers official status, i.e. without the additional condition that they must also fulfil the conditions laid down in the definition of official in the Republic of Slovenia.

3 <sup>rd</sup> anti-fraud measure taken by SI in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 07/02/2023*	Amendment	Sectoral: Expenditure – Recovery and Resilience Facility	Public procurement; Financial crime (including money laundering); Organised crime; Corruption*; Conflict of interest; Fraud definition; AFCOS; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy; Other***	Other****	To remedy flaws



*\*About the legislative measure: an amendment to the definition of 'official of the European Union' as an official under Article 99(1)(7) of the Criminal Code (KZ-1). Before the Criminal Code was amended (as KZ-1J), it stated that an official under KZ-1 may (also) be a person on whom an international public organisation has conferred the status of official and who, in substantive terms, meets the conditions laid down in points 1, 2 or 3 of Article 99(1) KZ-1 (points 1, 2 and 3 define an official in the Slovenian system for the purposes of KZ-1). In view of this, please see the full text – which should have been included here – under ADDITIONAL MEASURES.*

*Legislative Act – reference: Act amending the Criminal Code; EPA: 440-IX; UL RS No 16/23*

*\*\* CORRUPTION WITHIN PUBLIC PROCUREMENT in the public sector (including the political sphere) and private sector. Measures taken in the fight against corruption in public procurement:*

- *Measures addressing transparency in public procurement*
- *Measures to improve the effectiveness of management of the public procurement.*
- *Measures to prevent corruption amongst personnel, including management.*
- *Measures addressing transparency of companies participating in public procurement.*
- *Measures to improve the effectiveness of control and audit*
- *Other: Ministry of Justice: the specific and general preventive effects of the amendment to the definition of 'official of the European Union' as an official under Article 99(1)(7) of the Criminal Code. The current text states that an official under KZ-1 may (also) be a person on whom an international public organisation has conferred the status of official and who, in substantive terms, meets the conditions laid down in points 1, 2 or 3 of Article 99(1) KZ-1 (points 1, 2, and 3 define an official in the Slovenian system for the purposes of KZ-1). Given that Article 4(a)(i) of Directive (EU) 2017/1371 defines an official of the European Union [continued under 'Comment']*

*\*\*\* Comment by the Ministry of Justice: the measure applies to any offence where an official is specifically identified as the perpetrator.*

*\*\*\*\* The measure applies to any offence where an official is specifically identified as the perpetrator.*

*Comment: [continued] solely within the meaning of the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 – in other words, without any additional link to Member States' national systems – the Slovenian KZ-1 provision is too restrictive compared to the scope of Directive (EU) 2017/1371.*

*Under the amended Criminal Code KZ-1J, Article 99(1)(7) has been amended so that anyone conferred with the status of official by an international organisation is defined as an official of an international organisation, without any further condition that they must also meet, in substantive terms, the conditions for the definition of an official in Slovenia.*

## 2.26. Spain

The measures reported by Spain focused on protecting whistle-blowers and the resources allocated to Spain from the RRF.

### Adoption of Law 2/2023 of 20 February on the protection of persons who report breaches of the law and on the fight against corruption

Given the important role of whistle-blowers in the fight against fraud and corruption, adequately protecting them is seen as fundamental. In addition, one of the aims of the law is to strengthen the information culture, the integrity infrastructures of organisations and the promotion of information or communication culture as a mechanism to prevent and detect threats to the public interest.

1 <sup>st</sup> anti-fraud measure taken by ES in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Legislative – Law/Act 20/02/2023*	New legislation	Horizontal	Public procurement; Financial crime (including money laundering); Organised crime; Corruption**; Conflict of interest; Fraud definition; AFCOS; Whistle- blower; Customs/ ToR/illicit trade; Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Competences; Powers; Definition of a specific topic; Financial penalties; Other administrative penalties; Other***	To enforce the rules in line with developments in EU law



*\*About the legislative measure: the law establishes the obligation to set up internal reporting systems throughout the Spanish public administration, without exception, and measures to protect whistle-blowers who report through internal or external channels as well as the rules designed to govern these channels and the creation of the Independent Authority for Whistle-blower Protection. The law also establishes the sanctioning regime, which is necessary to effectively combat actions*

involving reprisals against whistle-blowers, as well as breaches of the rules of communication channels.  
Legislative Act – reference: Law 2/2023

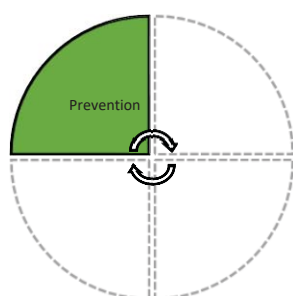
**\*\* CORRUPTION WITHIN PUBLIC PROCUREMENT** in the public sector (including the political sphere) and private sector.  
Measures taken: measures to prevent corruption amongst personnel, including management.

**\*\*\*EU rules included within the scope of Directive 2019/1937**, as well as acts or omissions that may constitute a serious or very serious criminal or administrative offence. In any case, this will include all serious or very serious criminal or administrative offences that entail financial damage to the public finances and social security.

## Systematic analysis of the risk of conflict of interest in the procedures implementing the Recovery, Transformation and Resilience Plan.

Reason for reporting: this ministerial order issued by the Ministry of Finance and Public Administration, Order HFP/55/2023, of 24 January, regulates how the *ex-ante* systematic analysis of the risk of conflict of interest in the procedures implementing the Recovery, Transformation and Resilience Plan will be carried out. Conflict of interest is one of the main risks against which measures need to be taken in the RRF.

2 <sup>nd</sup> anti-fraud measure taken by ES in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Legislative – Decree 24/01/2023*	New legislation	Horizontal	Conflict of interest	Powers; Definition of a specific topic; Other**	To clarify or consolidate existing rules; To enforce the rules in line with developments in EU law
	Operational 24/01/2023	New measure			IT tools ('IT data feeding', 'Other IT'); Flagging practice; Risk indicators	Enhanced information flow; Targeting of checks; Enhanced ex- ante controls



*\*About the legislative measure: the order regulates the minimum content of the declaration of absence of conflicts of interest, the description of the procedure for uploading information into the online tool of the State Tax Administration Agency (AEAT) for it to analyse the risk of conflict of interest, feedback from the results of the analysis, the procedure in cases of entities without real ownership information in the AEAT, and the specification of the effects of identifying the existence of a potential conflict of interest, marked with a red flag.*

Legislation – type of act: Order HFP/55/2023

**\*\* Prevention of conflict of interest**

## Implementation of the Central Register of Beneficial Ownership

Reason for reporting: the creation of a centralised register containing information on beneficial ownership is essential for the protection of the EU's financial interests as well as national financial interests. Regulation 2021/241 governing the RRF requires certain standardised categories of data to be collected and access to them ensured, such as first name(s), last name(s) and date of birth of beneficial owner(s) of the recipient of funds or contractor.

3 <sup>rd</sup> anti-fraud measure taken by ES in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Package	Legislative – Decree 11/07/2023*	New legislation	Horizontal	Public procurement; Financial crime (including money laundering); Organised crime; Corruption*** ; Conflict of interest; Shared management and control of EU funds	Competences; Powers          Monitoring/ desk checks; Audit checklist; Investigation	To clarify or consolidate existing rules; To remedy flaws; To enforce the rules in line with developments in EU law          To enhance existing measures; Cross-cutting measure, Multi-agency measure/ Measure with impact on various bodies****
	Administrative **	New measure				



*\*About the legislative measures: creation of a centralised register that will obtain its information in relation to Spanish legal persons from official sources, such as the Spanish Association of Property, Mercantile and Movable Property Registrars (through the Mercantile Registries) or the General Council of Notaries, and will also include the registration of trusts and other trust-like legal instruments operating in Spain through direct declaration by the trustee, allowing the beneficial ownership of all of them to be consulted.*

*Legislative type of act: Royal Decree 609/2023 of 11 July creating the Central Registry of Beneficial Ownership and approving its regulations*

*\*\* Type of action for the administrative measure: electronic register/ database*

*\*\*\* CORRUPTION WITHIN PUBLIC PROCUREMENT in the public sector (including the political sphere) and private sector. Measures taken:*

*Measures addressing transparency within public procurement.*

- *Measures addressing the transparency of companies participating in public procurement*

*\*\*\*\* Cross-cutting measure: the information collected in this register will be accessible – free of charge and without restriction – to the authorities responsible for the prevention, detection, investigation and prosecution of terrorist financing, money laundering and will predicate offences, both national and from other Member States of the European Union. For instance, it will also be accessible to national authorities and bodies managing, verifying, paying or auditing European funds.*



## 2.27. Sweden

Sweden reported two measures, both aimed at exploring ways to enhance exchanges of information and cooperation between national administrations.

### Study on improving the possibilities for exchanges of information between authorities

In October 2023, the Swedish Government mandated a special investigator to consider and propose improved possibilities for exchanging information on individuals within and between authorities. The purpose of the enhanced exchange of information is to allow information to be exchanged to the extent necessary to enable the authorities, *inter alia*, to prevent, detect, investigate and deal with fraud, undue payments, irregularities and crime as effectively as possible, but without disproportionately impinging on privacy.

1 <sup>st</sup> anti-fraud measure taken by SE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Administrative *	New measure	Horizontal	Financial crime (including money laundering); Organised crime; Shared management and control of EU funds	Other**	To enhance existing measures; Other***



\*Type of administrative measure: adoption of investigation directives

<https://www.regeringen.se/contentassets/df46f5a2185a45e99b332b74d72c696c/forbattrade-mojer-to-information-exchange-intergovernment/>

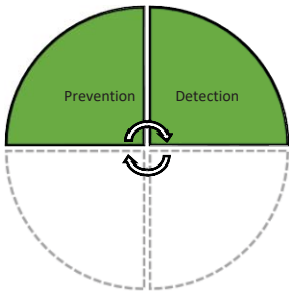
\*\*A special investigator was tasked with considering and proposing improved possibilities for exchanging information on individuals within and between authorities and other bodies which, in accordance with the Public Access to Information and Secrecy Act (2009: 400), or OSL for short, are treated as public authorities. The assignment will be presented in August 2024 and finalised in February 2025. There are currently no concrete legislative proposals.

\*\*\* One of the inquiry's aims is to put forward provisions making it possible to exchange information between authorities to a greater extent. The purpose of the enhanced exchange of information is so that information can be exchanged to the extent necessary to allow the authorities, *inter alia*, to prevent, detect, investigate and deal with fraud, undue payments, irregularities and crime as effectively as possible, but without disproportionately impinging on privacy. There are currently no concrete legislative proposals.

Increased cooperation on double funding and control methods

The Swedish Council for the Protection of the European Union’s Financial Interests (SEFI Council) is responsible for coordinating initiatives in Sweden against fraud and other abuses. In December 2023, it decided to establish two working groups of experts: one on ‘How managing authorities can promote awareness of double funding and establish efficient measures to detect double funding and reduce the risks of such occurrences’, and another on ‘How managing authorities can enhance their ex ante and ex post control methods’. Both working groups are expected to report their findings in late 2024.

2 <sup>nd</sup> anti-fraud measure taken by SE in 2023						
Single/ package	Type	New or amendment	Nature of the measure and sector concerned	Area	Scope	Reason / expected result
Single	Organisational 01/12/2023	New measure	Horizontal	Shared management and control of EU funds; Anti-fraud or anti- corruption strategy	Inter-agency cooperation	Neutral on resources



### 3. Additional measures reported by the Member States

Through the survey, Member States could report, in summary, additional measures beyond the three requested. This section collects these contributions.

#### 3.1. Belgium

- SPF STRATÉGIE ET APPUI (BOSA) - Royal Decree of 18/04/2023 on integrity policy and integrity management within certain organisations of the federal executive – On 15/05/2022, Royal Decree adopted on organisational control within some departments of the federal executive. On 07/09 2022, a Ministerial Decree on the use of management domains and their respective evaluation grid by some departments of the federal executive power with reporting every year on 15 March.
- FPS FINANCE: — [Article 76 (1) of the VAT Code] Measure to improve the compliance of the taxable person with regard to his VAT returns. In order to do so, where the taxable person wishes to obtain a refund of excess VAT, a condition of compliance with his reporting obligations during the 6 months preceding the return which gave rise to the excess. The declaration showing the surplus must also be lodged within the prescribed time limit.
- ERDF BRUSSELS: — Training on the prevention and detection of irregularities, corruption, conflict of interest and fraud. Other training specifically regarding IT-security has also been given. Acces to the national UBO register. Verification of the data of the ultimate beneficiary of the final beneficiaries and contractors of the RRF.
- ERDF FLANDERS: — In the RRF additional measures were taken or are taken with regard to double financing, conflict of interest, fraud prevention strategy.
- WALLONIAN PAYING BODY: – Adoption and communication to staff of a procedure for the prevention/management of conflicts of interest. — Develop an anti-fraud policy to improve the identification of potentially fraudulent irregularities and strengthen collaboration with the competent judicial authorities.
- WALLONIA: – Signature of declarations of absence of conflict of interest by staff involved in activities which are by nature more sensitive to the subject matter and keeping a register of links of interest within each SPW – Measures for (in) training for staff and beneficiaries on fraud and conflicts of interest – Additional measures on double financing, conflict of interest, etc. (specifically at RRF level) – Wallonia interfaced the IT programme for monitoring and managing RRF and ERDF funds with the Belgian UBO register – Exchange of best practices in risk analysis and fight against fraud, with the coordinator of the recovery plan (FWB).

#### 3.2. Denmark

The Danish Business Authority updated their guidelines regarding eligibility for aid. It sets out the guidelines to follow in an easy understandable language and therefore minimises the risk of unintentionally violating the rules. The sector concerned is cohesion policy.

#### 3.3. Estonia

- The EU financial interest network ELFIK continued its activities and held two training courses ("EPPO presentation" for about 100 and "Conflict of Interest and analysis" for 40 officials).
- In the area of public procurement training courses for buyers on “national security risks in public procurement” and “overview of foreign subsidies regulation” were organised.
- Various measures to avoid conflict of interest were launched at managing authority’s level:
  - o requirement that implementing bodies describe the verification of the content of confirmations of the absence of conflict of interest in work procedures and store the results of the verification in a way that enables written reproduction.
  - o risk-based control: the aim is to make sure that there are no transactions between related parties in the costs considered eligible.
- New control guidelines for the 2021-2028 programming period in the Agricultural and Fishery area.

### 3.4. Germany <sup>(2)</sup>

#### Conflicts of interest:

- By amending Section 23(1)(1) of the Money Laundering Act (GWG), authorities such as the audit and administrative authorities now have the possibility to consult the Transparency Register (see previous year) in order to check conflicts of interest.
- The Federal Ministry of Finance organised on 30-31/03/2023 a workshop with Audit Authorities with a view to raising awareness about conflicts of interest in the Ministry.
- The Federal Ministry of Food and Agriculture implemented the policy document on prevention and detection of conflicts of interest by the competent authorities in the agricultural/fisheries sector. The aim of this strategy paper is to achieve a uniform procedure in the German federal system in the area of conflicts of interest in the German competent authorities in the agricultural/fisheries sector.

#### Whistleblower protection:

Adoption of the Whistleblower Protection Act on 31.5.2023, entered into force on 2.7.2023: §. Point 1(2)(1) of the HinSchG covers the notification and disclosure of infringements of the protection of the EU's financial interests within the meaning of Article 325 TFEU (BGBl. 2023 I No 140).

#### Reporting of irregularities

An IMS workshop was organised in November 2023 at the Federal Ministry of Finance, Berlin, with the IMS managers to improve reporting quality for Germany.

#### Anti-fraud measures

- The ESF managing authority (MA) carried out the fraud risk assessment at the level of the ESF Federal Programme in the 2014-2020 funding period, as recommended in the Commission's guidelines on fraud risk assessment and on effective and proportionate anti-fraud measures. For the current funding period 2021-2027, the future procedure in the Federal Programme is in the final vote.
- In order to fulfil the obligation under Article 74(1)(c) of Regulation (EU) 2021/1060 to implement effective and proportionate anti-fraud measures and procedures with regard to the financial management and control of the programme, taking into account the risks identified, the Federal Ministry for Economic Affairs and Climate Action carries out fraud risk self-assessment at the level of the various policy areas of the cohesion policy, and improves it on a continuous basis.

### 3.5. Italy

In order to detect, prevent and punish customs fraud, the Guardia di Finanza has developed a specific strategy, contained in the operational plan entitled 'Customs Fraud' and participated in international cooperation initiatives promoted by the World Customs Organisation, OLAF, EUROPOL and the Law Enforcement Working Party (Customs). Guardia di Finanza also participated in the EMPACT project aimed at combating illicit tobacco products and the work of the Law Enforcement Working Party (Customs), joining the respective Joint Action Days and Joint Customs Operations.

### 3.6. Latvia

- The Latvian AFCOS has participated in the national expert group of project "Integrity Watch 3.0" implemented by Transparency International. AFCOS has given valuable input in evaluation of available open-data sets in Latvia and given consultations on available data for public sector that can be received by request. Within this cooperation with Transparency International the Latvian AFCOS has given 2 presentations on use of databases in work of AFCOS to students and employees of universities.

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<sup>(2)</sup> The managing authorities of the Länder in the area of cohesion also reported on various other measures. Three selected examples are detailed in [Section 2.11](#).

- The coordinating authority of the RRF has developed guidelines on detection, reporting and recovery of violations in the implementation of the RRF, which were updated in 2023 by including information on reporting to the EPPO based on procedure jointly developed by the AFCOS and the EPPO. The main aim of these guidelines is to inform the institutions involved in the implementation and supervision of the RRF and to develop a common understanding of the requirements for the necessary action in the case of identified breaches of the RRF.
- Legislative measures implemented by the Ministry of Agriculture and the Rural Support Service - the Cabinet of Ministers' regulations of 2023 No.113 "The general procedure for the allocation, administration and monitoring of state and European Union support for rural and fisheries development", which stipulates that an applicant or recipient of support applying for one of the EU funds for the development of agriculture, fisheries and rural areas funding must ensure that the bids received in its announced procurement are certified with an e-signature. Also Regulation No.113 stipulates that the project submitted by the aid applicant or aid recipient is rejected or the aid is not paid if a criminal proceeding has been initiated in connection with the implementation of the submitted project.
- In 2023 amendments to the Public Procurement Law have entered into force to improve competition, providing:
  - o the obligation to cancel the procurement procedure when only one tender has been submitted;
  - o stricter conditions for procurement commission thus minimizing conflict of interest and corruption risks;
  - o broader definition of conflict of interest;
  - o specific regulation for market research.
- In accordance with the General Prosecutor's Office orders cases of fraud and embezzlement, if they are related to the use of EU funds, were determined to be especially urgent criminal cases. A special order was also assigned for control of these criminal cases.

### 3.7. Romania

#### National Strategy for public procurement (SNAP) 2023-2027

Government Decision No 554/2023 approving the National Strategy for Public Procurement 2023-2027, published in Official Gazette Part I No 540 of 16 June 2023, was adopted in 2023, a public policy document including the Government's objectives for further reform of the national public procurement system between 2023 and 2027.

SNAP 2023-2027 is aligned with the priorities of the European Commission and was developed in the context of the implementation of the National Recovery and Resilience Plan. The adoption of the strategy is also justified by the need to fulfil the country recommendations made by the European Commission regarding the area of public procurement.

In order to implement the new public procurement strategy, the authorities and institutions nominated in the action plan should be involved, including central public authorities regulating areas such as those relating to the environment, work or research and innovation. The coordination of the activity is to be carried out by the National Public Procurement Agency (ANAP), the institution which ensures the design, promotion and implementation of public procurement policy, as part of the government's policy.

#### Institutional and financial framework for the management of RRF

2. Furthermore, Government Emergency Order No 76/2023 amending and supplementing Government Emergency Order No 124/2021 establishing the institutional and financial framework for the management of European funds allocated to Romania under the Recovery and Resilience Facility, and amending and supplementing Government Emergency Order No 155/2020 on certain measures for drawing up the National Recovery and Resilience Plan necessary for Romania to access

repayable and non-repayable external funds under the Recovery and Resilience Facility, published in Official Gazette, Part I, No 858 of 22 September 2023, was adopted.

In view of the aspects resulting from the implementation of the RRP up to the date of adoption of the legislative act, the need to amend and complete the legal framework on financial, monitoring, verification and control mechanisms and flows to enable the most efficient use to be made of non-repayable/repayable external funds allocated to Romania under the Recovery and Resilience Facility and to ensure that the financial interests of the European Union are protected.

## 4. Case studies

### 4.1. Revenue

Within the framework of the PIF questionnaire 2023, this section presents a series of case studies reported by Member States, classified under traditional own resources (TOR). The section is divided into the two areas most represented by the case studies: **smuggling** and **misclassification/description**.

With regard to **smuggling**, an initial overview shows that Member States reported a range of illicit activities, including trafficking in counterfeit medicines, illegal cigarette production and the smuggling of excisable products.

Networks active in the illicit trafficking of legitimate and counterfeit medicines were uncovered, revealing the intricate web of criminal operations involved in this illicit trade. Similarly, other cases have shown the sophisticated nature of clandestine production facilities and cross-border distribution networks facilitating the illicit trade in tobacco products.

With regard to cases involving **misclassification/misdescription**, cases of fraudulent practices aimed at circumventing customs duties and tariffs are reported.

### Smuggling

Member State	CASE STUDY
Greece	<p><b><i>Participation of the Hellenic Police in Operation SHIELD IV against the illicit trafficking of legitimate and counterfeit medicines</i></b></p> <p>Illicit trafficking of legitimate and counterfeit medicine, doping substances and food supplements involving six criminal networks. The revenue from their criminal activity amounted to at least EUR 8 500 000 million. The investigations involved the seizure of more than 61 500 units of anabolic steroids (vials, ampoules and tablets) and other illegal pharmaceutical preparations, packaging material and equipment, and packages for distribution.</p> <p>Law enforcement, national/ EU authorities involved: Financial Police Directorate assisted by OLAF, Europol, Interpol, Frontex, the World Customs Organization (WCO), the World Anti-Doping Agency (WADA) and other private entities.</p>
Bulgaria	<p><b><i>Exposure of an illegal cigarette factory</i></b></p> <p>An autonomous factory for the illegal production, storage and distribution across Bulgaria and the EU of cigarettes without excise bands was uncovered in the municipality of Pazardzhik. The raid revealed large quantities of consumables – dry cut tobacco, filters and foil, and packaging tools and materials. The whole operation was run by an organised crime network using a legal road freight transport business. Some of the members of the network were caught engaging in criminal activity in other European countries. Four operations were carried out by the authorities of the Ministry of the Interior and the Customs Agency in order to intercept and document the activities of the criminal network, which resulted in the following:</p> <ol style="list-style-type: none"> <li>1. A huge quantity of cigarettes was found in two warehouses in different localities;</li> <li>2. An assembly line for the manufacture of tobacco products was seized, along with around 4 000 kg of cut tobacco and 160 pallets of filters, papers, foil, and blank cigarette packets for the Marlboro, Richmond, L&amp;B and American Legend brands;</li> <li>3. 24 pallets containing Marlboro blank packets were found, as well as a DVR and a router;</li> <li>4. A lorry coupled to a semi-trailer was found loaded with Marlboro-branded cigarettes without excise bands.</li> </ol> <p>Law enforcement, national/ EU authorities involved: Ministry of the Interior, Customs Agency</p> <p>Presumed amount of damage: EUR 5 641 025</p>
Croatia	<p><b><i>Detection of cigarette smuggling on the EU external border</i></b></p> <p>An X-ray inspection at Customs revealed goods other than those declared (cosmetics). In particular, the presence of cigarettes in cardboard boxes with declared goods was highlighted.</p>

	Law enforcement, national/ EU authorities involved: National Customs Administration
Estonia	<p><b><i>Illegal Belarusian cigarette smuggling from Russia</i></b></p> <p>Smuggling of 969 900 'NZ Gold' cigarettes with Belarusian tax stamps entering from the Russian Federation. A truck driven by a Latvian citizen entered from the Russian Federation to Estonia through the Narva border crossing point. The vehicle was directed to a radiological inspection. As result of the inspection, a false floor was discovered beneath which the cigarettes were hidden.</p> <p>Law enforcement, national/ EU authorities involved: National Customs Police</p>
	<p><b><i>Multi excise goods smuggling</i></b></p> <p>An x-ray at Customs discovered that goods did not correspond to the presented documents. Cigarettes and bottles of strong alcohol without excise stamps were discovered. A total of 50 000 Winston White cigarettes without excise stamps, 440 000 Winston Blue cigarettes with Belarusian excise stamps, 160 000 Marlboro Red cigarettes without excise stamps, and 100 000 NZ Gold cigarettes with Belarusian excise stamps were found.</p> <p>Law enforcement, national/ EU authorities involved: National Customs Police</p>

#### Incorrect classification / misdescription / illegal cigarette production

Member State	CASE STUDY
Italy	<p><b><i>Custom tax fraud – Third Country Duty Evasion – Preferential Tariff Treatment</i></b></p> <p>The results of chemical laboratory analyses confirmed that various consignments of goods declared as Basmati rice classified under TARIC heading 1006209813, originating in Pakistan, differed from what was declared.</p> <p>Law enforcement, national/ EU authorities involved: national financial and economic police, Guardia di Finanza</p>
Estonia	<p><b><i>First discovery of illegal cigarette factory equipment in Estonia</i></b></p> <p>An illegal cigarette factory was discovered in a production building. Tobacco drying equipment, cigarette production, packaging equipment, and a large amount of raw materials such as filters, cigarette paper rolls, and Marlboro Gold cigarette pack cardboard layouts were found in the building. The Estonian Tax and Customs Board (ETCB) had not issued an excise licence to produce excise goods for the address of the building nor for the individuals detained in it. Based on the evidence collected by the ETCB, there were sufficient grounds to suspect that the individuals intended to start producing a very large quantity of illegal cigarettes. The production capacity of the discovered equipment would have been approximately one million cigarettes daily, which would have cost the Estonian budget approximately EUR 163 000 per day.</p> <p>Law enforcement, national/ EU authorities involved: ETCB, Police.</p>



## 4.2. Expenditure

This section presents a collection of case studies reported by Member States regarding the budgetary area of expenditure, particularly within the framework of **cohesion policy**.

These case studies provide a thorough overview of the various instances where financial irregularities and fraudulent activities have been detected in projects financed by EU funds.

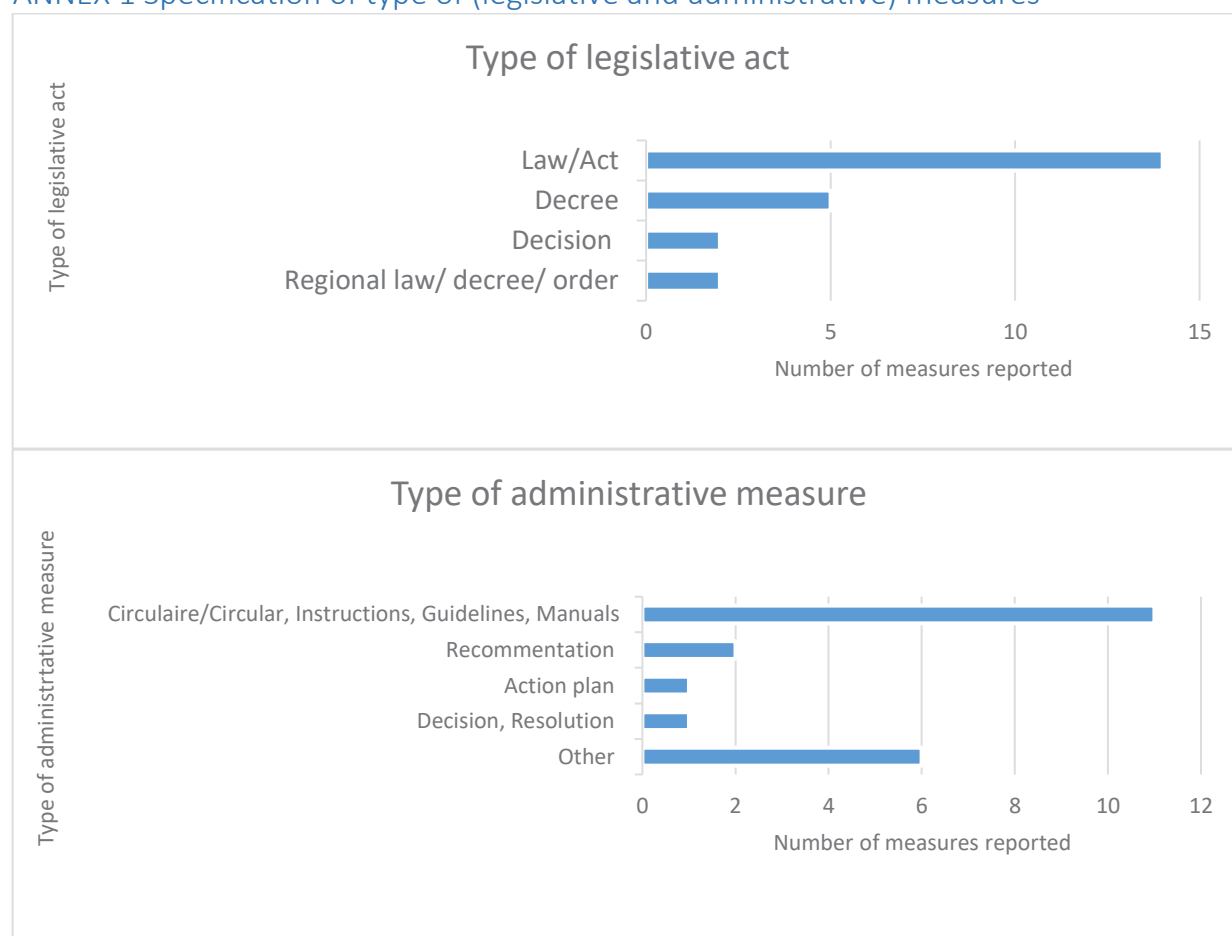
From Romania's fraudulent submission of false supporting documents to Italy's investigation into mismanagement of investment programmes, each case study reveals irregularities in the field of expenditure.

Similarly, Czechia's prosecution for the unlawful use of EU funds and Latvia's findings of prohibited cartel agreements in public tenders demonstrate the need for robust enforcement measures to address financial misconduct.

Member State	CASE STUDY
Czechia	<p><b><i>Unlawful use of EU funds in relation to purchases of new CNC production machines</i></b></p> <p>Unjustified use of subsidies provided from the European Regional Development Fund for the amount of EUR 3.6 million. The perpetrators fictitiously reported purchases of new CNC production machines, but the purchase of production machines either did not take place at all or old 'second-hand' machines were purchased.</p> <p>Law enforcement, national/ EU authorities involved: Police of the Czech Republic, National Organised Crime Agency</p>
Denmark	<p><b><i>Investment in fishing vessel</i></b></p> <p>The Danish Fisheries Agency has reported to the police in December 2022 a case according to the scheme "Investments in fishing vessels". This happened as a result of screening cases. The Agency has established, that the contractor has sold its vessel to a buyer outside the EU during the maintenance period without informing the Agency. The Agency has requested the police to investigate the matter. On July 27 2023, the police filed charges in the case for violation of the Criminal Code.</p> <p>Law enforcement, national/ EU authorities involved: Danish police, Danish Fisheries Agency</p>
Estonia	<p><b><i>Distribution of subsidies (establishment of solar farms)</i></b></p> <p>Six applicants submitted a separate application for support for the construction of solar parks. All the solar parks were designed as if with 6 separate connections, but structurally and visually the solar parks formed one whole. It was proved that, despite the fact that each separate applicant has its own electricity connection, in reality the investment objects are not used independently, and participation in one project is the common economic interest of the applicants, and thus it is not six, but one investment object. And the purpose of such distribution was to receive 6 times larger support instead of the support provided for one investment object.</p>
	<p><b><i>The change of a project promoter.</i></b></p> <p>On the operational level, the Managing Authority (MA) has set a condition to be consulted if the Intermediate Body (IB) has a need to change the project promoter/ final beneficiary. Although such cases are extremely rare and no written procedure has been established, MA is carrying out its inquiry. All the conditions for the initial selection procedure, state aid requirements, etc. must be strictly followed. Moreover, the risks of the potential new organization are assessed by MA, including fraud, conflict of interest, and corruptive situations. MA uses the assessment information from Arachne as well as co-operates closely with law enforcement agencies if in-depth information is needed.</p>
	<p><b><i>Lack of financial capacity of the applicant.</i></b></p> <p>The applicant applied for investment support, but during the processing of the application for the support, there was a suspicion that the applicant would not be able to fulfil the obligation to include self-financing. The measure decree did not contain sufficiently detailed requirements regarding the applicant's financial capacity. The applicant claimed that he could raise sources of self-financing, but the financial projections obtained from him showed</p>

	<p>indications that even if the applicant could find the means of self-financing, he would face financial problems in the future in fulfilling his obligations. Since the measure regulation did not provide sufficient grounds for excluding the grant of support in this situation, the given grounds were derived by interpreting the EU and other legal regulations contained in the measure regulation. Such grounds were the impossibility of implementing the investment and using it purposefully in the future due to the applicant's probable payment difficulties</p>
Italy	<p><b><i>Unduly received public funding in the field of drinking water production and wastewater treatment</i></b></p> <p>The case concerned an investigation into the investment programme managed by an in-house company of the Municipality of Palermo in the field of drinking water production and wastewater treatment. Through this programme, the investee company received EUR 20 million in 2020 with a guarantee provided by the EU under the European Fund for Strategic Investments. The investigations not only revealed that various urban wastewater purifiers in some plants were not functioning properly and were systematically releasing significant amounts of sludge into the surrounding environment, but also that maintenance work included in the company's multiannual business plan for 2018 and 2019 had not been carried out, without any valid economic justification.</p> <p>Law enforcement, national/ EU authorities involved: Guardia di Finanza, EPPO</p>
Latvia	<p><b><i>Prohibited agreement in three procurements with EU co-financing</i></b></p> <p>Latvia's Competition Council issued an official decision regarding the discovery of a prohibited cartel agreement involving three road companies in public tenders organised by the state entity VSIA 'Latvijas Valsts ceļi' for the construction of national and other roads in Latvia. Three out of seven unlawfully negotiated procurement tenders included co-financing by EU funds. The companies were fined more than EUR 4 million for this breach of competition law.</p>
Romania	<p><b><i>False supporting documents in connection with the construction of a greenhouse</i></b></p> <p>A project financed by the European Agricultural Fund for Rural Development (EAFRD) under which non-repayable financial assistance was granted for the construction of a greenhouse for hydroponic lettuce production and the purchase of the equipment needed to carry out production and marketing activities. The financing contract, concluded in 2019, covered non-repayable funds worth approximately EUR 1 990 000 in eligible expenditure, payable which were to be paid in five instalments. The beneficiary published an invitation to tender on the Rural Investment Financing Agency's website to award the contract for construction works and for the purchase and installation of the machinery and equipment provided for under the project; the entire procedure was carried out online. Only one tender was submitted, by a company established in Bulgaria owned and managed by a Romanian national. The tender submitted by this economic operator was deemed to comply with the award criteria and a procurement contract of RON 10 122 778.65 (plus VAT) was concluded. It was found that the beneficiary's legal representative had submitted false supporting documents as payment claims to the Rural Investment Financing Agency, i.e. false bank statements containing financial operations which could not be found in the bank account statements sent to DLAF by the issuing bank, as well as false payment orders. By using documents whose content had been modified by adding false financial operations, the beneficiary wrongly obtained a total amount of EUR 1 925 000.</p> <p>Law enforcement, national/ EU authorities involved: DLAF, EPPO</p>

## ANNEX 1 Specification of type of (legislative and administrative) measures



Type of legislative Act	Member States	Total
<b>Law/Act</b>		
- Single	AT-1, BG-2, BG-3, CY-1, CZ-1, ES-1, IE-2, LT-1, LV-2, RO-1, RO-2, SI-3	12
- Package	CY-3, HU-1	2
- Total		14
<b>Decree</b>		
- Single	BE-1, BG-1, ES-2, ES-3, IT-3	5
- Package		
- Total		5
<b>Decision</b>		
- Single	PT-1, RO-3	2
- Package		
- Total		2
<b>Regional law/ decree/ order</b>		
- Single	LT-3	1
- Package	FR-3	1
- Total		2
<b>Type of Act for the administrative measure:</b>	<b>Member States</b>	<b>Total</b>
<b>Decision, Resolution</b>		
- Single	PL-2	1
- Package		
- Total		1
<b>Recommendation</b>		

- Single		
- Package	BE-3, FI-1	2
- Total		2
Circulaire/Circular, Instructions, Guidelines, Manuals		
- Single	DE-3, DK-1, EL-1, IT-1, PT-2	5
- Package	AT-2, BE-2, CY-2, FR-3, PL-3, SI-2	6
- Total		11
Action plan		
- Single	MT-1	1
- Package		
- Total		1
Other		
- Single	ES-3*, SK-1**, SE-1***	3
- Package	CY-3****, HU-2*****, LV-1*****	3
- Total		6

\* *Electronic register/ database*

\*\* *Advice with respect to the prevention, detection and correction of the most serious irregularities*

\*\*\* *Adoption of investigation directives*

\*\*\*\* *Code of conduct*

\*\*\*\*\* *Order*

\*\*\*\*\* *Action plan and strategy*

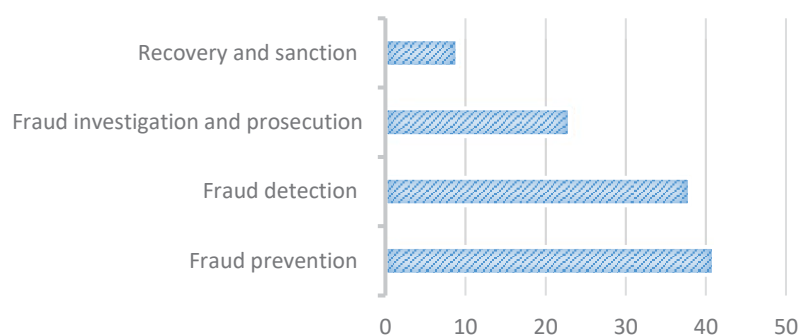
## ANNEX 2 Nature of measures – various sectors

Sector	Measures	Total
Revenue - Customs	EE-2, EL-3, FI-1, HU-2, PT-3, SI-2	6
Revenue - Tax fraud	CZ-2, EL-3, HU-3, IE-2, LV-2, RO-1, SI-2	7
Expenditure - Agriculture	EL-2, HU-1, HU-2, LT-3, NL-2, PL-3, PT-1, PT-2, RO-2, SK-3, SI-1	11
Expenditure - Fisheries	HR-1, CZ-3, DK-3, EL-1, HU-1, LT-3, PT-1, PT-2, RO-2	9
Expenditure - Cohesion policy	AT-1, AT-2, BE-3, CZ-3, DE-1, DE-2, DE-3, DK-2, EL-1, FI-2, HU-1, IE-1, PT-1, PT-2, RO-2, SI-1	16
Expenditure - Centralised direct management	LT-1, PT-1, RO-2	3
Expenditure - Fund for the most deprived	HU-1, PT-1, PT-2, RO-2	4
Expenditure - Globalisation Fund	PT-1, PT-2, RO-2,	3
Expenditure - Migration and asylum	HU-1, PT-1 PT-2, RO-2, SI-1,	5
Expenditure - Recovery and Resilience Facility	CY-2, EL-2, HR-2, HU-1, IT-1, IT-2, IT-3, PL-1, PL-2, PT-1, PT-2, SK-1, SI-3	13

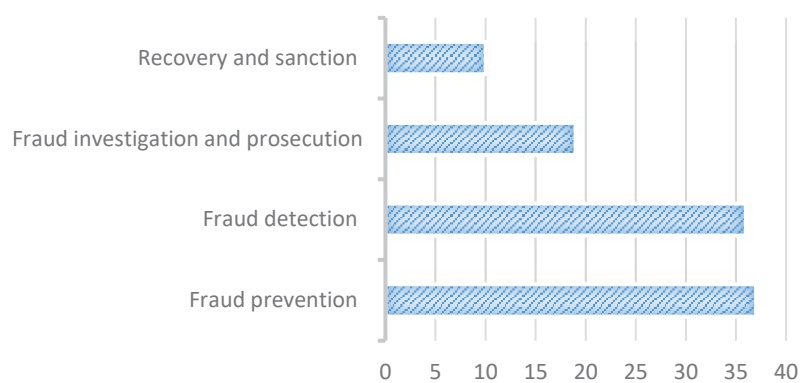
### ANNEX 3 Anti-fraud cycle

Policy cycle	Administrative		Legislative		Operational		Organisational		Total
<b>Fraud prevention</b>									
Single	DE-3, DK-1, EL-1, IT-1, MT-1, PL-2, PT-2, SK-1	8	AT-1, BG-1, BG-2, CZ-1, ES-1, IT-3, LT-1, LT-3, LV-2, PT-1, RO-1, RO-3, SI-3	13	DE-1, DE-2, EL-3, HR-2, HR-3, CZ-2, CZ-3, EE-2, EE-3, HR-1, IT-2, PL-1, PT-3, SI-1	14	EE-1, FI-2, IE-1, LT-2, LV-3, LU-1, SK-2, SK-3, SE-2	9	44
Package	AT-2, BE-2, BE-3, CY-2, CY-3, ES-3, FI-1, HU-2, LV-1, PL-3, SI-2	11	CY-3, ES-2, ES-3, HU-1	4	AT-2, BE-2, BE-3, EL-2, ES-2, FI-1, FR-1, FR-2, HU-1, HU-2, LV-1, NL-2, SI-2	13	AT-2, BE-2, CY-2, DK-3, FI-1, FR-1, FR-2, HU-1, LV-1	9	37
<b>Total</b>		<b>19</b>		<b>17</b>		<b>27</b>		<b>18</b>	<b>81</b>
<b>Fraud detection</b>									
Single	DK-1, IT-1, MT-1, PL-2, PT-2, SK-1, SE-1,	7	AT-1, BE-1, BG-1, BG-2, CY-1, CZ-1, ES-1, IE-2, IT-3, PT-1, RO-1, RO-2, RO-3, SI-3,	14	DE-2, HR-3, CZ-2, DK-2, EE-2, EL-3, HR-1, HU-3, IT-2, PL-1, PT-3, SI-1	12	EE-1, FI-2, SK-2, SK-3, SE-2	5	38
Package	AT-2, BE-2, BE-3, CY-2, CY-3, ES-3, FI-1, FR-3, HU-2, LV-1, SI-2	11	CY-3, ES-3, FR-3, HU-1	4	AT-2, BE-2, BE-3, EL-2, FI-1, FR-1, FR-2, HU-1, HU-2, LV-1, SI-2	11	AT-2, BE-2, CY-2, DK-3, FI-1, FR-1, FR-2, HU-1, LV-1, NL-1,	10	36
<b>Total</b>		<b>18</b>		<b>18</b>		<b>23</b>		<b>15</b>	<b>74</b>
<b>Fraud investigation and prosecution</b>									
Single	DK-1, IT-1, MT-1, PL-2, SK-1, SE-1	6	AT-1, BE-1, BG-3, CY-1, CZ-1, ES-1, LT-3, RO-1, RO-2, RO-3, SI-3	11	HR-3, CZ-2, EL-3, FI-1, HU-3, PL-1	6	EE-1	1	24
Package	CY-2, ES-3, FI-1, FR-3, LV-1	5	ES-3, FR-3, HU-1	3	FR-1, FR-2, HU-1, LV-1	4	CY-2, FI-1, FR-1, FR-2, HU-1, LV-1, NL-1	7	19
<b>Total</b>		<b>11</b>		<b>14</b>		<b>10</b>		<b>8</b>	<b>43</b>
<b>Recovery and sanction</b>									
Single	IT-1, PL-2, SK-1	3	AT-1, CY-1, ES-1, LT-3, PT-1, RO-1, RO-3	7		0		0	10
Package	AT-2, CY-2, CY-3, ES-3, PL-3	5	CY-3, ES-3	2	AT-2	1	AT-2, CY-2	2	10
<b>Total</b>		<b>8</b>		<b>9</b>		<b>1</b>		<b>2</b>	<b>20</b>

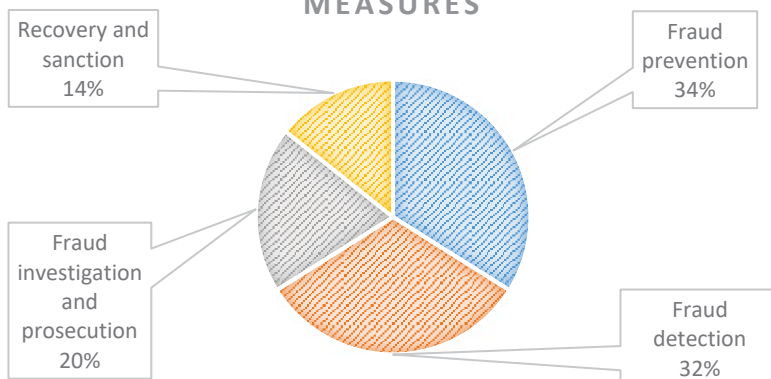
### ANTI-FRAUD CYCLE - SINGLE MEASURES



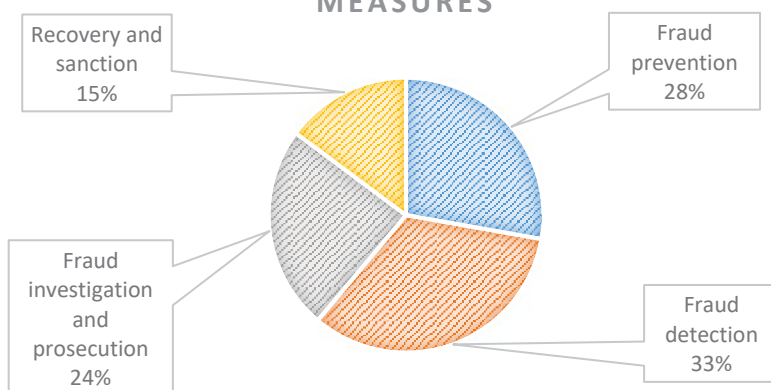
### ANTI-FRAUD CYCLE - PACKAGE



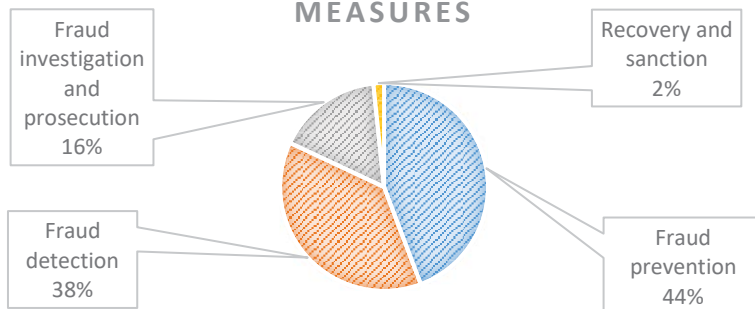
### ANTI-FRAUD CYCLE - ADMINISTRATIVE MEASURES



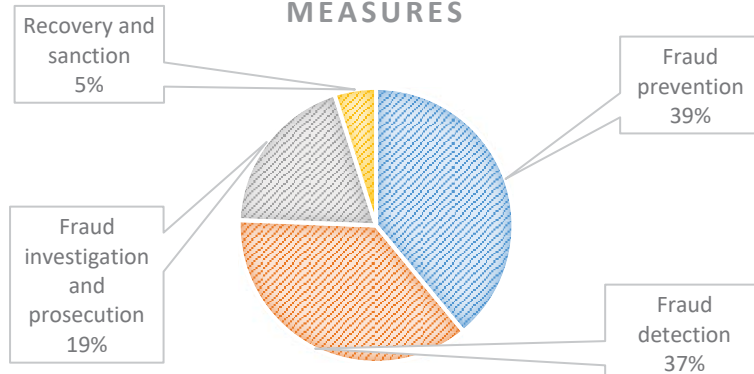
### ANTI-FRAUD CYCLE - LEGISLATIVE MEASURES



### ANTI-FRAUD CYCLE - OPERATIONAL MEASURES



### ANTI-FRAUD CYCLE - ORGANISATIONAL MEASURES





## ANNEX 4 Areas reported

Area	Member States	Total
Public procurement	AT-2, BG-2, DE-2, HR-2, CY-1, CY-2, CZ-3, EE-3, ES-1, ES-3, FR-3, IT-1, IT-2, IT-3, LT-1, LT-2, LV-1, LV-3, PT-1, PT-2, SK-1, SI-1, SI-3	23
Financial crime (including money laundering)	AT-1, BG-2, CZ-2, EE-1, ES-1, ES-3, FR-1, FR-3, HU-1, HU-3, IT-2, LV-1, NL-1, RO-1, RO-2, SI-3, SE-1	17
Organised crime	CZ-2, EE-1, ES-1, ES-3, FI-1, FR-1, FR-2, HU-3, NL-1, SI-3, SE-1	11
Corruption	DE-2, ES-1, ES-3, FR-3, IT-1, LT-1, LT-2, LV-1, SK-1, SK-2, SI-3 *	11
Conflict of interest	AT-2, BE-2, BE-3, BG-3, DE-2, ES-1, ES-2, ES-3, HR-2, HR-3, CY-1, CY-2, CY-3, EE-1, HU-1, IT-1, IT-2, IT-3, LT-1, LV-1, PL-1, PT-1, PT-2, SK-1, SK-3, SI-1, SI-3,	26
Fraud definition	BE-2, BG-1, BG-2, BG-3, CY-1, CY-2, ES-1, FI-1, FR-1, FR-2, LV-2, SK-1, SI-1, SI-3	14
AFCOS	BG-1, CY-1, CY-2, CZ-3, ES-1, FR-2, HU-1, PT-1, SK-1, SI-3,	10
Whistle-blower	AT-2, BE-1, BE-2, BG-1, BG-2, CY-1, CY-2, CZ-1, EL-3, ES-1, HU-1, LV-1, PL-2, SK-1, SI-1	15
Customs/ToR/illicit trade	EE-2, EL-3, ES-1, FI-1, HU-2, NL-1, PT-3	7
Shared management and control of EU funds	AT-2, BE-2, BE-3, BG-1, BG-2, DE-1, EL-1, EL-2, ES-1, HR-1, HR-3, CY-1, CY-2, CZ-3, EE-3, EL-2, ES-3, FI-1, FI-2, FR-3, HU-2, IT-1, IT-2, IT-3, LT-3, LV-1, NL-1, NL-2, PL-3, PT-1, SK-1, SI-1, SI-2, SI-3, SE-2	35
Anti-fraud or anti-corruption strategy	AT-2, BE-2, BE-3, DE-3, DK-1, EL-1, EL-2, ES-1, FR-2, FR-3, HU-1, IE-1, IE-2, IT-1, IT-3, LV-1, LU-1, MT-1, PT-1, PT-2**, RO-3, SK-1, SI-1, SI-3, SE-1, SE-2	26
Other***	BG-3, CY-3, DE-2, DK-2, FR-1, FR-2, IT-1, IT-2, IT-3, LV-1, PL-1, PL-2, SI-1, SI-2, SI-3	15

\*Corruption

DE-2: in the public sector (including the political sphere). Measures taken:

- Measures to improve the effectiveness of control and audit. For example: smart IT tools, database, risk assessment, red flags, mechanisms of warning, audit and other.

ES-1: Corruption in the public procurement in the public sector (including the political sphere) and private sector. Measures taken:

- Measures to prevent corruption among personnel, including management.

ES-3: measures addressing transparency within public procurement.

- Measures addressing the transparency of companies participating in public procurement

FR-3: corruption within public procurement in the public sector (including the political sphere). Measures taken:

- Measures to prevent corruption among staff, including management.

IT: Corruption in the public sector

LT-1: \*\*corruption in the public sector (including the political sphere). Measures taken in the fight against corruption within public procurement:

- Measures addressing transparency within public procurement
- Measures to improve how effectively public procurement is managed.
- Measures to prevent corruption among staff, including management.
- Measures to improve the effectiveness of control and audit.

LT-2: \*corruption within public procurement in the public sector (including the political sphere) and private sector. Measures taken in the fight against corruption within public procurement:

- Measures addressing the transparency of companies participating in public procurement.

LV-1: **\*\*Corruption in the public sector (including the political sphere) and private sector. Measures taken include:**

- Measures addressing transparency within public procurement
- Measures to improve how effectively public procurement is managed
- Measures to prevent corruption among staff, including management
- Measures addressing the transparency of companies participating in public procurement
- Measures to improve control and audit effectiveness

SI-3: **CORRUPTION WITHIN PUBLIC PROCUREMENT: in the public sector (including the political sphere) and private sector. Measures taken in the fight against corruption within public procurement:**

- Measures addressing transparency within public procurement
- Measures to improve how effectively public procurement is managed
- Measures to prevent corruption among staff, including management
- Measures addressing the transparency of companies participating in public procurement
- Measures to improve control and audit effectiveness
- Other: Ministry of Justice – Specific and general preventive effects of the amendment to the definition of ‘official of the European Union’ as an official under Article 99(1)(7) of the Criminal Code. The current text states that an official under KZ-1 may (also) be a person on whom an international public organisation has conferred the status of official and who, in substantive terms, meets the conditions laid down in points 1, 2 or 3 of Article 99(1) KZ-1 (points 1, 2, and 3 define an official in the Slovenian system for the purposes of KZ-1). Given that Article 4(a)(i) of Directive (EU) 2017/1371 defines an official of the European Union [continued under ‘Comment’]

SK-1: **CORRUPTION WITHIN PUBLIC PROCUREMENT in the public sector (including the political sphere). Measures taken in the fight against corruption within public procurement:**

- Measures addressing transparency within public procurement
- Measures to improve how effectively public procurement is managed
- Measures to prevent corruption among staff, including management
- Measures addressing the transparency of companies participating in public procurement
- Measures to improve control and audit effectiveness

SK-2: **Corruption within public procurement in the public sector (including the political sphere). Measures taken in the fight against corruption within public procurement:**

- Measures to improve how effectively public procurement is managed
- Measures to prevent corruption among staff, including management

**\*\* PT-2: On double funding**

**\*\*\* Other**

- BG-3: Verification of declarations of assets and interests of persons in public positions.
- CY-3: Regularity and transparency measure.
- DE-2: Application and authorisation.  
Implementation and audit of operations/clearing of expenditure, payments and certificates.  
Procurement via the MA/intermediate body.
- DK-2: Integrity and transparency measures, anti-fraud strategy.
- FR-1: The monitoring unit will bring together all the responsible administrative departments of the Ministry of Economic Affairs and Finance, as well as the directorates of the Ministry of the Interior and the overseas departments concerned, and specialised judicial investigation services. It will also involve paying agencies and judicial bodies. Its initial efforts will focus on energy renovation, which is part of the National Recovery and Resilience Plan.
- FR-2: This working group brings together all the actors involved in the management of the funds made available to the EU under the RRF and employed by France under the National Recovery and Resilience Plan (NRRP).
- IT-1: With the adoption of the NRRP strategy, the departments responsible for NRRP measures were asked to transpose promptly the contents of the new document into their sectoral anti-fraud strategies for the NRRP measures within their respective remits. The contents of the document will also be incorporated into the relevant operational manuals for the NRRP measures.

- *IT-2: \* This operational measure aims to improve coordination and cooperation between the various actors involved in the implementation of NRRP measures by improving ex ante controls (beneficial owners with potential conflicts of interest) and encouraging the flow of information, including notifications of suspicious transactions.*
- *IT-3: \* The measure extends the synergies achieved by the Guardia di Finanza at central government level in monitoring NRRP funds down to local level, introducing the possibility of concluding memoranda of understanding with the regions, local authorities and other public entities implementing the NRRP. The aim is to strengthen monitoring activities, including those to prevent and combat corruption and fraud, and to avoid conflicts of interest and the risk of duplicate public funding of activities.*
- *LV-1: Integrity and transparency measures.*
- *PL-1: Controls of EU funds implemented under the National Recovery Plan financed by the Recovery and Resilience Facility.*
- *SI-1: \* Whistle-blower protection system (internal and external whistle-blowing channels). Instructions for the protection of external and internal whistle-blowers have been adopted, including the following:  
<https://www.gov.si/zbirke/storitve/prijava-zascitenega-prijavitelja-glede-krsitve-predpisov-v-delovnem-okolju-ministrstvu-za-kohezijo-in-regionalni-razvoj/>*
- *SI-2: Training for advanced developers, advanced analysts and other end users and also preparation of sources of information and the re-writing of program codes (script). New focuses for results visualisation and reports also need to be devised.*
- *SI-3: Ministry of Justice comment: the measure applies to any offence where an official is specifically identified as the perpetrator.*

## ANNEX 5 Overview

MS	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	
Single	1	1	3	1	3	3	2	3	2	1	1	x	3	1	2	3	3	1	2	1	x	2	3	3	2	2	3	52
Type - 1 <sup>st</sup> measure	Leg	Leg	Leg	Leg	Leg	Oper	Admi n	Org	Admi n	Leg	Org	X	Oper	Oper	Org	Admi n	Leg	Org	Leg	Admi n	X	Oper	Leg	Leg	Admi n	Oper	Admi n	
New/old	New	New	New	New	New	Upd	New	Upd	Upd	New	New	X	New	New	Upd	Upd	upd	Upd	Upd	New	X	Upd	New	Upd	New	New	New	
Horiz./sect	Sec	Hor	Hor	Hor	Hor	Sec	Hor	Hor	Sec	Hor	Sec	X	Sec	Sec	Sec	Sec	Sec	Hor	Sec	Hor	X	Sec	Sec	Sec	Hor	Sec	Sec	
Type - 2 <sup>nd</sup> measure	X	X	Leg	X	Oper	Oper	Oper	Oper	Oper	X	X	X	Oper	X	Leg	Oper	Org	X	Org	X	X	Admi n	Admi n	Leg	Org	Leg	Org	
New/old	X	X	New	X	Upd	Upd	New	New	New	X	X	X	Upd	X	New	New	New	X	New	X	X	Upd	Upd	Upd	New	Upd	New	
Horiz./sect			Hor		Sec	Sec	Sec	Sec	Sec			X	Sec		Sec	Sec	Hor	X	Hor		X	Sec	Sec	Sec	Hor	Sec	Hor	
Type - 3 <sup>rd</sup> measure	X	X	Leg	X	Oper	Admi n	X	Oper	X	X	X	X	Oper	X	X	Leg	Leg	X	X	X	X	X	Oper	Leg	X	X	Org	
New/old	X	X	New	X	New	Upd	X	Upd	X	X	X	X	New	X	X	Upd	Upd/new	X	X	X	X	X	Upd	New	X	X	New	
Horiz./sect	X	X	Hor	X	Sec	Sec	X	Hor	X	X	X	X	Hor	X	X	Sec	Sec	X	X	X	X	X	Sec	Hor	X	X	Sec	
Legislative : 18 / Operational: 16 / Administrative: 9 / Organisational: 9 New: 30 / Update or amendment: 21 / both: 1 Horizontal: 19 / Sectoral: 33																												
Package	1	2	x	2	x	x	1	x	1	2	1	3	x	2	x	x	X	X	1	x	2	1	x	x	x	1	x	20
Type – 1 <sup>st</sup> measure	Admi n/ Org	Admi n/ Org/ Oper	X	Admi n/ Org	X	X	Org	X	Oper	Leg/ Oper	Admi n/ Org/ Oper	Org/ Oper	X	Leg/ Org/ Oper	X	X	X	X	Admi n/ Org/ Oper	X	Org	Admi n	X	X	X	Admi n/ Oper	X	
New/old	Upd	New	X	New	X	X	Upd	X	New	New	New	New	X	Upd/ New	X	X	X	X	Upd	X	New	New	X	X	X	Upd	X	
Horiz./sect	Sec	Hor	X	Sec	X	X	Sec	X	Sec	Hor	Sec	Hor	X	Sec	X	X	X	X	Hor	X	Hor	Sec	X	X	X	Sec	X	
Type – 2 <sup>nd</sup> measure	X	Admi n/ Oper	X	Leg/Admi n	X	X	X	X	X	Leg/Admi n	X	Org/ Oper	X	Admi n/ Oper	X	X	X	X	X	X	Oper	X	X	X	X	X	X	
New/old	X	New	X	New	X	X	X	X	X	New	X	Upd/ New		Upd/ New	X	X	X	X	X	X	New	X	X	X	X	X	X	
Horiz./sect	X	Sec	X	Hor	X	X	X	X	X	Hor	X	Hor	X	Sec	X	X	X	X	X	X	Sec	X	X	X	X	X	X	
Type – 3 <sup>rd</sup> measure	X	X	X	X	X	X	X	X	X	X	X	Leg/Admi n	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
New/old	X	X	X	X	X	X	X	X	X	X	X	Upd	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Horiz./sect	X	X	X	X	X	X	X	X	X	X	X	Hor	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Legislative: 5 / Operational: 12 / Administrative: 12 / Organisational: 10 New: 12 / Update or amendment: 5 / both: 3 Horizontal: 9 / Sectoral: 11																												
Total measures	2	3	3	3	3	3	3	3	3	3	2	3	2	3	2	3	3	X	3	1	2	3	3	3	2	3	3	72

Individual actions: 39