

# EU anti-fraud programme 2021–2027

2018/0211(COD) - 30/05/2018 - Legislative proposal

**PURPOSE:** to establish the EU anti-fraud programme affecting the EU budget (2021-2027).

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

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

**BACKGROUND:** fraud affecting the EU's financial interests is a **cross-border phenomenon affecting all EU Member States**. Experience shows that the Union's financial interests are impacted by both fraud and irregularities.

The implementation of the past Union multi-annual budgets has been accompanied by a set of measures to support the Member States and the Union as a whole in preventing and fighting fraud affecting the Union's financial interests, and supporting mutual administrative assistance and cooperation in customs and agriculture matters.

These measures include:

- the [Hercule III](#) spending programme which supports activities against fraud, corruption and any other illegal activities affecting the financial interests of the Union;
- the **Anti-Fraud Information System** (AFIS) which is an operational activity consisting essentially in a set of customs IT applications operated under a common information system managed by the Commission;
- the **Irregularity Management System** (IMS) which is a secure electronic communications tool which facilitates the Member States' obligation to report detected irregularities, including fraud, and which supports the management and analysis of these.

Although it is difficult to quantify their financial impact, **these measures have contributed to bringing back large amounts of money into the EU budget**. For example, Hercule funded the development of the Automated Monitoring Tool (AMT), an IT tool that identifies anomalies in trade flows and was instrumental in identifying large undervaluation fraud schemes in the import of textile and footwear from third countries in 2017.

This proposal aims at **streamlining the financial support for these tools**, for the duration of the next multi-annual financial framework 2021-2027.

The Commission stressed that the next multiannual financial framework shall be implemented against the background of significant changes in the legislative and institutional framework for the protection of the Union's financial interests, in particular with the establishment of the [European Public Prosecutor's Office](#) and the implementation of [Directive \(EU\) 2017/1371](#) of the European Parliament and the Council on the fight against fraud to the Union's financial interests by means of criminal law.

**CONTENT:** the proposed Regulation - presented for a Union of 27 Member States - seeks to establish **the EU anti-fraud programme**. It lays down the objectives of the programme, the budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding.

The new programme is intended to replace the Hercule III programme and shall have a budget of **EUR 181 million for the period 2021-2027**. Its general objectives shall be to protect the financial interests of the Union and to support mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters.

The **specific objectives** of the programme shall be threefold:

- assist Member States and the European Union to **prevent and combat fraud**, corruption and any other illegal activities affecting the EU's financial interests, by financing activities (technical assistance and training) which otherwise might not be available at national level (**EUR 114.2 million**);
- support the **reporting of irregularities**, including fraud, with regard to the shared management and pre-accession assistance funds of the Union budget (**EUR 7 million**);
- provide tools for **information exchange** and support for operational activities in the field of mutual administrative assistance in customs and agricultural matters (**EUR 60 million**).

**Implementation:** the proposal specifies how the programme shall be implemented through **grants**, including the possible beneficiaries of the grants. The latter include public authorities which are likely to contribute to the achievement of one of the objectives of the programme, from any of the following countries: a Member State or an overseas country or territory linked to it, a third country associated with the programme or a third country listed in a work programme.

The programme shall be implemented by **OLAF**, the European Anti-Fraud Office.