Securities and guarantees provided for by the Community Customs Code. Special report 8 /1999, Court of Auditors

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PURPOSE : presentation of Special report n° 8/99 of the European Court of Auditors on securities and guarantees provided for in the Community customs code. CONTENT: The Community budget is partly financed (14 000 million ECU in 1998) by the "traditional own resources" (customs duties and agricultural levies). These resources are collected by the customs authorities of the Member States. A system of securities and guarantees has been incorporated into the Community's customs regulations in order to protect the Community's financial interests. Where the relevant procedures for securities and guarantees are not respected and this leads to the customs revenues due to the Community not being collected, the Member States must pay supplementary GNP contributions. The global sum of revenue remains the same, but it is distributed differently at the level of the taxpayers in the Member States. The current report raises questions about the responsibilities of the Member States, where the Community regulations on securities and guarantees are incorrectly applied to the detriment of the Community's financial interests. The Court examined the management of the securities and guarantees by the Member States, as well as the recoveries that customs authorities have at their disposal if the securities and guarantees prove to be insufficient or inadequate. The audit was carried out in eight Member States (Belgium, Germany, Spain, France, Italy, the Netherlands, Austria and the United Kingdom) which, together, collect some 84% of the total amount of traditional own resources. In some Member States, the customs authorities are not in a position to follow the carrying-over of payments by operators who can thus have the benefit of excessive, unguaranteed credit. In certain instances, the Community has also accepted the effect of delays in the collection of these customs revenues. The transit procedure (Community transit, common transit and TIR), which has long been considered as one of the high risk Community customs fields, still suffers from clear deficiencies, despite the real improvements made. The appeal provisions allow customs to grant dispensation from the requirement to lodge a guarantee in cases which present the greatest risk. These requirements also run contrary to the normal appeal provisions contained in the judicial systems of certain Member States. The Member States hardly comply with a provision in the regulation dealing with the method of accounting for own resources, which states that debts that are not recovered, but are guaranteed and unchallenged, should be made available to the Community. Some customs debts covered by the guarantees in the TIR procedure have been suspended for several years due to problems concerning the procedure's insurance system. In conclusion, the report underlines the need for the Commission and the Member States to reach an agreement on the drawing up and implementation of harmonised regulations. It calls on the Commission to take the initiative, where appropriate, to propose essential improvements.