

System of the Communities' own resources: implementing Decision 94/728/EC, Euratom

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The Commission has presented its report on the follow-up of traditional own resources in cases of fraud and irregularities. This report together with its annexes presents the state of play in the recovery process for unpaid customs duties (also known as Traditional Own Resources/TOR) in 17 cases of fraud or irregularity. All these cases have been the subject of previous Mutual assistance (MA) communications which concerned several Member States and each had a potential impact on the Community budget of over EUR 1 million.

The report outlines the conclusions from the research in a very condensed form - more detail being included in the accompanying six annexes. The report also takes stock of the usefulness and reliability of the current method and proposes an alternative strategy for keeping the Budgetary Authority informed.

Under Council Regulation 1150/2000 Member States are not only obliged to keep A- and B-accounts, but they are also required to inform the Commission of cases of fraud or irregularity (detected or established) with a potential financial impact on the Community's Budget of over EUR 10,000. Member States transmit this information to the Commission via the OWNRES system.

The underlying information in this report has been gathered from OWNRES and reflects the situation on 31 December 2003. The debts in the chosen sample total over EUR 160 million. Of this amount almost 41% has been settled - by recovery, withdrawal or write-off - while the remaining 59% is still subject to administrative appeals or judicial procedures. On the basis of this information it can be concluded that although the outstanding amounts appear in absolute terms relatively high, that in relation to the overall amounts at stake, they are rather low. It also follows that recovery procedures are progressing. In many cases, actual recovery may be just a matter of time. Whereas the comparable reports in 1994 and 1998 showed effective recovery rates of 2% and 12% respectively, the recovery rate for the cases discussed in this report has further improved to 15%.