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REPORT FROM THE COMMISSION

**Summary report on the communications by the Member States on their inspection
activities and findings and questions of principle
relating to traditional own resources
- 1998 -**

(Article 17(3) of Council Regulation (EEC, Euratom) No 1552/89)

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1. INTRODUCTION

1. Under Regulation No 1552/89¹ the Member States are responsible for collecting "*traditional*" own resources and are obliged to take all the necessary steps to ensure that debts due to the Community budget (chiefly import duties) are established, entered in the accounts, recovered and made available to the Commission.

The Commission is kept informed of these activities by various reports it receives from the Member States on the basis of Regulation No 1552/89. As regards *inspection work* in particular, Article 17(3) of the Regulation provided that Member States must keep the Commission informed of their activities by means of half-yearly reports.

With the adoption of Regulation (EC, Euratom) No 1355/96,² the reports became annual and the Commission was required to produce a summary of the reports for the budgetary authority.

2. These summary reports were intended to take stock of inspection activities and findings at national level and provide an overall view of the volume of fraud and irregularities involving the European Communities' traditional own resources. They should also enable the Commission to conduct an additional documentary check and make optimum use of risk analysis in drawing up its own inspection programme.

In view of the disappointing experience with the previous half-yearly reports, it was agreed when Regulation No 1552/89 was amended in 1996 that a solution should be found for the considerable discrepancies between the national reports and differences in the interpretation of various basic concepts. After extensive discussion within the Advisory Committee on Own Resources, a harmonised model annual report was sent to the Member States in March 1997.³ This set out the overall data to be provided on cases of fraud and irregularity and aimed at greater consistency in the accounting data supplied.

¹ Council Regulation (EEC, Euratom) No 1552/89 of 29 May 1989 implementing Decision 88/376/EEC on the system of the Communities' own resources (new version - Decision 94/728/EC).

² Council Regulation (EC, Euratom) No 1355/96 of 8 July 1996 amending Council Regulation No 1552/89 of 29 May 1989.

³ Commission Decision 97/245, 20.3.97 (C(97) 800 final).

As the Member States found it difficult to harmonise the data, there was a considerable delay before the Commission received the annual reports for 1996. When it examined the information it had received, the Commission concluded that it was better not to publish its summary report, as the Member States had failed to follow the model. However, a summary document was drawn up in May 1998⁴ and examined by the Advisory Committee on Own Resources on 8 July 1998.

Analysis of the reports for 1997⁵ has shown that the results largely failed to live up to expectations: the Commission considered that it could not yet reach any completely valid conclusions in view of the absence of comparable or, in some cases, reliable data.

3. From the 1997 report analysis the Commission did establish that there had been a net improvement in the presentation of information by Member States even if supplementary information had to be requested in some instances. It considered that publication of even an incomplete and non-standardised report could throw light on current difficulties in connection with traditional own resources and encourage the Member States to improve the quality of the information they supply.

It was also planned that there should be an analysis of questions of principle relating to the problems encountered in applying Regulation No 1552/89, including those raised in matters in dispute. However, from past experience, the Commission has concluded that any problems reported by the Member States will be better dealt with by being brought to the attention of the ACOR as they arise rather than analysed in the summary reports drawn up under Article 17(3).

This analysis tabulates the key elements of the model report which the Commission has sent to the Member States. Each table is accompanied by appropriate explanations and gives the reasons for the production of the indicator.

2. ANALYSIS OF NATIONAL REPORTS

The analysis of national reports is intended to reveal two main types of information: a general picture of the Member States' inspection operations and an assessment of measures to combat fraud and irregularities. For this purpose, data are first compiled concerning inspection activities in the form of the number of entries processed by each national administration at the time of importation and at the time of inspection (*ex post*) and the number of staff assigned to inspection work. This provides an indication of inspection activity in relation to the volume of traffic in each Member State.

⁴ XIX/24329/98, 27.5.1998.

⁵ COM(1999) 110 final 12.03.1999

The national reports then provide the information needed to quantify and categorise the results of activities to combat fraud and fraudulent practices. Given the cross-border nature of fraud, and with a view to illustrating the patterns of fraud on the Community's customs territory, the national figures (number of cases, amounts) are expressed in terms of the totals for all the Member States. In this analysis a distinction is made in the data between the different stages of fraud prevention: investigation and detection of cases, determination and entry of amounts, recovery of duties.

These data are also compared with other information supplied by the Member States on the entry in the accounts of own resources not collected and on the fraud forms. This comparison is intended to throw light on disputes involving own resources and reveal any discrepancies in the establishment and making available of these resources. Finally, the analysis categorises cases of fraud and irregularity by customs arrangement and by type of fraud.

To produce this analysis of national reports, the Commission used some of the data supplied in the national reports for previous years, with due allowance for the fact that some of them were incomplete and that the information supplied by the Member States was not readily comparable.

Although limited, this comparison between the years concerned nevertheless allows certain conclusions to be drawn on the development of the Member States' inspection activities and findings and the main trends affecting the collection of own resources.

2.1. Inspections by Member States

A general picture of inspection operations can be provided by comparing the entries accepted, the entries checked after customs clearance and staff specialising in inspections of this kind in each Member State.

This comparison is set out in **Annex 1**, which also shows the percentage of entries inspected and the ratio of entries inspected per person. At the same time this gives an idea of the volume of transactions on the Community's customs territory.

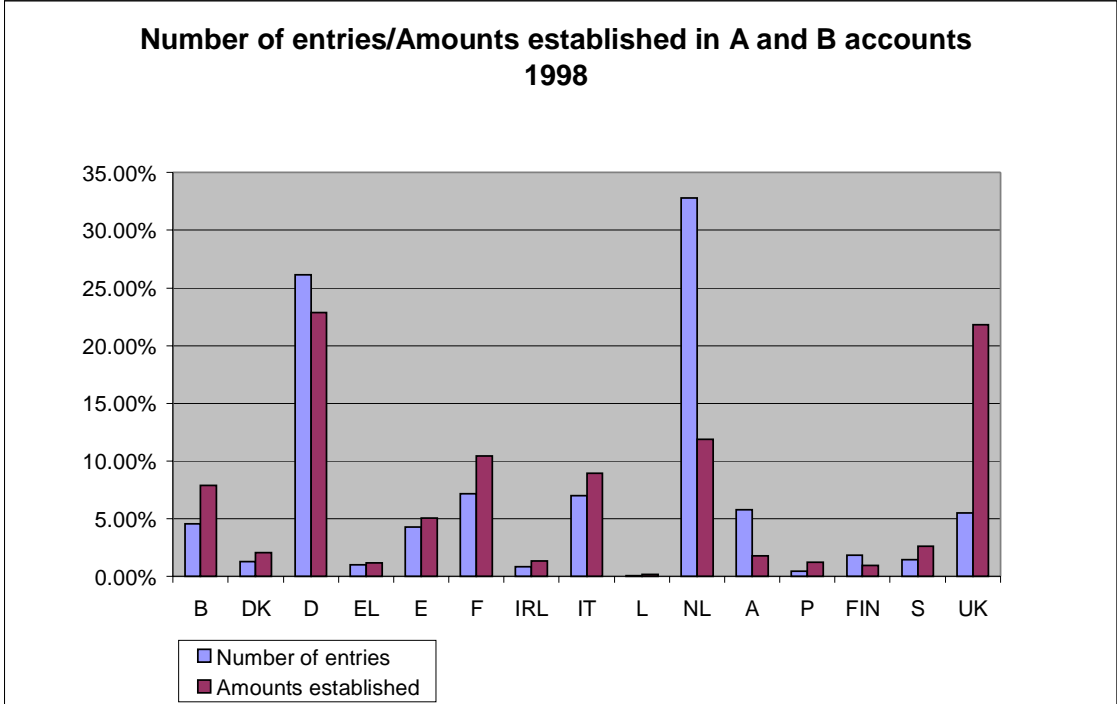
To place these indicators of inspection activity in perspective, Annex 2 compares overall inspection activity in the Member States in 1996 and 1998.

The following **comments** can be made on the two tables in Annexes 1 and 2:

(a) Number of entries accepted

A total of 95 302 846 entries were accepted in 1998. The number has increased in the great majority of Member States; in Greece the figure almost doubled. Over the last four years there has been a slight decline in transactions in Finland, while in 1998 France recorded a more surprising drop from nearly 10 million in 1997 to less than 7 million.

As in previous years, comparison between Member States reveals a wide discrepancy between the number of entries accepted by the Netherlands and Germany and those accepted by the United Kingdom, especially when compared with each Member State's share of established traditional own resources (amounts entered in the "A" and "B" accounts). The ratio between this figure and the number of entries is relatively stable (except for the Netherlands and the United Kingdom), as the following chart shows:



(b) *Post-clearance checks*

The data on the number of entries checked cannot be used to make an exhaustive comparison between the Member States (proportion of entries checked after customs clearance), since only nine Member States submitted the actual number of entries checked after customs clearance (see also the explanations in the notes to Table 1 in Annex 1). However, this represents an improvement on the previous year. Only Portugal and the United Kingdom had no figures available.

Subject to these constraints, it is worth pointing out that the number of entries checked after customs clearance increased sharply from 2.3 million in 1997 to 4.6 million in 1998, although there was a significant drop in Finland and Denmark. This enormous increase in the number of post-clearance checks in 1998 (+96%) cannot be explained by the increase in staff (+1.1%).

The Commission is currently examining instances where the scale of these changes is not justified by any variation in transactions. The figures might reflect a decline in inspection activity (Italy and Finland over the three-year period), a major re-targeting of inspections or the introduction of new accounting methods (Germany, Greece, Spain, France, Austria and Sweden).

As a result there has also been a general improvement in inspection rates, albeit with major variations between Member States, for example 25% in Greece, 1.73% in Italy and 1.22% in Ireland.

(c) *Staff assigned to post-clearance checks*

As for the relationship between **staff specialising in post-clearance checks** and the number of entries inspected, it is difficult to make comparisons between Member States because of differences in the internal organisation of national government departments. With the usual reservations, the total number of customs officers in the European Union comes to 84 116.

The figures set out in Annex 2 show that, apart from a very large increase in the United Kingdom, the total number of staff assigned to customs services rose slightly in 1998 (up 1.7% compared with a 13% increase between 1996 and 1998). The number of staff assigned to inspections has followed a similar trend (+15% from 1996 to 1998, +1.1% from 1997 to 1998).

2.2. Fraud and irregularities

2.2.1. Amounts established and already recovered in 1998

The annual reports contain two types of statistics on cases of fraud and irregularity: the volume of cases detected and accounting data. The **table in Annex 3** therefore sets out three series of figures: the number of cases detected, amounts established and amounts recovered. This gives a picture of the patterns of fraud on the Community's customs territory and the efforts deployed in combating fraud.

A "rate of recovery" is then calculated to give an initial indication, at the end of the first year, of the result of the efforts of each Member State to recover the amounts involved in these cases. The table also shows the amounts established and recovered in each Member State in relation to the totals for the Community.

It should first be pointed out that the number of cases of fraud and irregularity reported in column 2 are far from uniform. Sometimes a country's figures are at odds with its intensive trade in third-country goods (Germany). Numbers in the thousands may mean that the Member State has reported all infringements handled in the course of the year by its government departments. By contrast, the figures for other Member States seem to indicate that only some of the infringements have been reported.

In the case of amounts established, comparison of the data between Member States reveals major discrepancies which are difficult to interpret: it is striking, for example, that the amounts established in Belgium come to double the figure for Germany and the same as for the Netherlands (column 3) and that the amounts for the United Kingdom (in cases involving over €10 000 only) are around three times those for the Netherlands. The only explanation for these discrepancies would be that the concepts of fraud and irregularity have not been interpreted uniformly or that only amounts over €10 000 have been reported, i.e. those covered by the fraud forms provided for in Article 6(4) of Regulation (EEC) No 1552/89.

It is worth noting that **the recovery rate** indicated in column 7 is a “crude” rate (i.e. the amounts established still have to be adjusted, where appropriate, to take account of corrections and cancellations). The recovery figure for the year also covers amounts which have often been established several years earlier. This rate can therefore serve only as a statistical indicator, giving a fairly broad picture of the recovery situation before any corrections that have to be made.

Given this situation, it can be said that the average recovery rate for all the Member States combined has risen markedly since 1997 (up from 23.26% to 37.63%). It has been pushed up by the figures for a number of Member States (Denmark, Spain, Ireland, Luxembourg, Netherlands, Portugal, Finland and Sweden) which, together, account for almost 30% of established amounts and have an average recovery rate of 83%.

On the other hand, the rate of recovery is around 20% in a group of countries accounting for nearly 70% of established entitlements (Belgium, Germany, Greece, France, Italy and United Kingdom). At first sight, this variation in rate between Member States raises a problem as regards assessing the efforts made: the shortcomings may be in establishment or in the recovery of entitlements.

Finally, if the amounts established and recovered in each Member State in 1998 are compared with the total amounts for all the Member States (columns 4 and 6 of the table), a strange discrepancy is found between the relative share of some national administrations in the total amount established and in the overall recovery figures. *However, this discrepancy appears to be caused mainly by the differences observed in amounts established. The percentages recorded for two Member States in particular (Germany and Netherlands) require some explanation if they are to be interpreted correctly.*

2.2.2. *Changes in amounts established and the rate of recovery*

As treatment of cases of fraud and irregularity is necessarily cyclical, the **table in Annex 4** tries to identify significant trends by examining changes in the volume of fraud over a number of years. However, to a certain extent, this comparison of data on cases of fraud and irregularity reported for 1995 to 1998 may reveal changes caused by different factors such as an improvement in inspection activity, a temporary increase in fraudulent or irregular operations or the isolated discovery of cases of fraud or irregularity involving a particularly high amount.

a. Cases of fraud and irregularities

The number of fraud cases has increased in the majority of Member States (ten). However, it has been falling steadily in Germany and sharply in Portugal. The overall increase is 25% on 1997.

The analysis comes up against the problem of the comparability of data, which relate either exclusively to infringements reported in the fraud forms and thus to amounts exceeding €10 000 (United Kingdom and possibly Germany) or to all infringements (the other Member States). However, the following anomalies should be noted:

- In Germany the number of cases is constantly falling with the result that the figure for 1998 is half that for 1995.
- In Denmark the number of cases is six times higher than last year.
- In Austria the number of cases rose suddenly from 64 in 1997 to 15 474 in 1998 (compared with 47 783 in 1995). This sharp increase, similar to the one recorded in Sweden in 1997 could be a result of including cases involving less than €10 000.

Some discrepancies are not merely cyclical and require further explanation from the Member States (decline in Germany and Portugal, increases in Denmark and Austria).

b. Amounts established

In absolute terms, the amounts established in the Community as a whole tripled between 1995 and 1998, although there was a slight drop in 1998 (0.78% down on 1997). There are sharp contrasts, however, in individual trends, with large increases in the United Kingdom, Ireland and Luxembourg and smaller ones in Finland and Austria (a doubling of amounts established).

Nevertheless, some changes are difficult to explain: the 42% fall in amounts established in Belgium over the period 1995-1998 is at odds with the twofold increase in the number of cases, while the 27% fall in Denmark is hard to explain, as the number of cases increased by a factor of 21. The 58% drop in the Netherlands contrasts with a mere 7% reduction in the number of cases. In general, despite the large increase in the number of infringements detected by the Member States in 1998, the total amounts established as a result of these infringements have, paradoxically, declined.

The case of Germany deserves a special mention here. Amounts established have moved in parallel with the number of cases, but the Commission is intrigued by the 60% drop in both figures. For its part, the United Kingdom recorded a threefold increase in amounts established over the reference period, while there was a steady but slight rise in the number of cases.

The Commission does not have any data to explain these phenomena. The Member States will be asked to provide any further information required.

c. Rate of recovery

Between 1995 and 1998, the amounts recovered in the Community as a whole increased substantially (fourfold in Denmark, tenfold in Austria and by a factor of forty-eight in Sweden), although six countries recorded a fall (Ireland, Portugal, Finland and especially Belgium, Greece and the United Kingdom).

In three Member States (Italy, Finland and the United Kingdom, but not Luxembourg) the decline in the rate of recovery was accompanied by a drop in the amounts established. However, the falling rate in these Member States may be due to a number of reasons such as cyclical factors (types of fraud leading to establishment), changes in establishment procedure and the correction of establishments or, finally, a drop in recovery itself.

2.2.3. Amounts established and amounts entered in the accounts

All traditional own resources established must be entered in the accounts. Amounts recovered or guaranteed and not contested are entered in the "A" account (Article 6(2)(a) of Regulation No 1552/89) and amounts which have not been recovered and are contested, even though a security has been provided, are entered in the "B" account (Article 6(2)(b) of the Regulation). Many of the cases of fraud and irregularity detected are contested or are not covered by a security and are therefore entered in the "B" account.

It is therefore worthwhile comparing the amounts established and mentioned by the Member States in their annual reports for 1998 with the totals entered in the B account (**table in Annex 5**).

In 1998, the total established as a result of fraud and irregularities differed from the total entered in the B account (containing amounts established but not yet recovered) in eight Member States. The differences may be due to the fact that these countries reported only cases of fraud and irregularity involving more than €10 000, contrary to the instructions in the model annual report.⁶

The **following table** gives more precise details of the differences noted when comparing the amounts established and mentioned by certain Member States in their annual reports with the totals entered in the B account for 1995 to 1998.

Amounts established < Amounts in B account (EUR)

Member State	Differences			
	1995	1996	1997	1998
D	- 93.984.391	- 67.692.435	- 75.721.840	- 105.123.249
EL	- 17.520	- 353.094		
F	- 10.711.597	- 15.931.675		- 3.471.092
IRL	- 393.152			
I	- 37.253.440	- 13.320.715		- 32.439.052
L				- 193.880
NL			- 27.985.598	- 26.834.436
A		- 1.760.482	- 8.121.325	- 8.378.445
P	- 5.022.805	- 7.307.827	- 5.226.456	- 4.875.652
S	- 328.095			
UK	- 9.395.515	- 27.591.278	- 57.866.009	- 254.062.472
TOTAL	- 157.106.515	- 133.957.506	- 202.044.339	- 398.834.610

In the case of Germany, France, Italy, Austria, Portugal and the United Kingdom, this difference has consistently been negative. In 1998 it was negative for even more Member States.

⁶ Annex 6, endnote 2, of the Commission Decision of 20 March 1997 laying down the arrangements for the transmission of information by the Member States under the Communities' own resources system (C(97)800 final) states that all cases are to be reported, regardless of threshold value.

This situation is obviously abnormal since the total amount established in connection with cases of fraud and irregularity cannot be lower than the amount entered in the separate account as not all the amounts involved in these cases are contested or without a security.

The Commission considers that this anomaly is due to the incorrect interpretation given by some administrations to the concepts of "fraud and irregularity". In this connection it has repeatedly asked the Member States to apply the definitions of these two concepts set out in Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995⁷ on the protection of the Community's financial interests or in the Convention of 27 November 1995 on the protection of the Community's financial interests.⁸

2.2.4. Annual reports/fraud forms

Article 17(3) of Regulation No 1552/89 provides for a comparison between the number of cases of fraud and irregularity contained in the report on inspection activity and the fraud forms submitted under Article 6(4) of the Regulation (amounts exceeding €10 000 contained in the IRENE base for the year). This comparison is set out in the **table in Annex 6**.

The problem highlighted in last year's report no longer occurs, i.e. the amount to be recovered according to the fraud forms received by the Commission (cases involving over €10 000) is systematically lower than the total amount established as a result of fraud and irregularities.

The Commission feels that this pattern is in line with the regulations.

2.3. Breakdown of fraud and irregularities by customs procedure and type of fraud

Not all customs procedures are equally susceptible to fraud and irregularities; their vulnerability may change in the course of time as certain economic sectors are briefly targeted.

Transit operations have thus been a favourite target of fraud in recent years, particularly as regards certain sensitive agricultural products.

The table in Annex 7 presents a quantitative picture of how cases of fraud and irregularity break down by Member State and by customs procedure in order to determine how vulnerable each procedure was in 1998.

It shows that, as in 1997, **external transit** (10.6% of cases and 10% of the total amount at stake) and **release for free circulation** (80.8 % of cases of fraud/infringements accounting for 81.4% of the total amount at stake) are particularly affected. By comparison, the **following chart** shows that other customs procedures and end-uses are only marginally affected.

The figures unfortunately confirm what is already a well-known trend.

⁷ OJ L 312, 23.12.1995, p. 1.

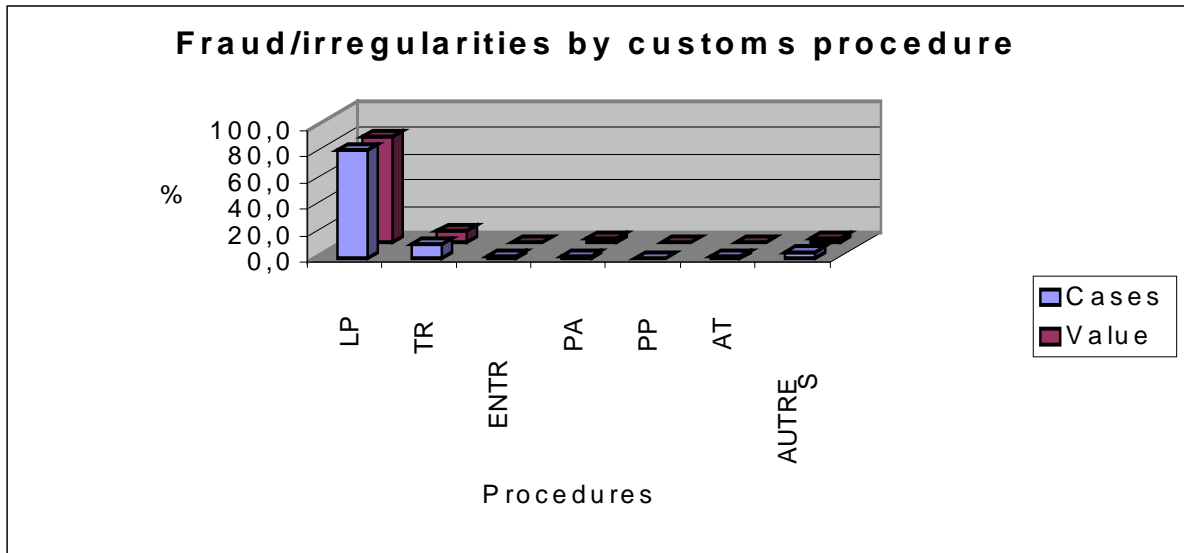
Irregularity: "Any infringement of a provision of Community law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Communities...".

⁸ OJ C 316, 27.11.1995, p. 49.

Fraud: "Any intentional act or omission relating to:

- the use or presentation of false, incorrect or incomplete statements or documents which has as its effect the illegal diminution of the resources of the general budget of the European Communities or budgets managed by or on behalf of, the European Communities,
- non-disclosure of information in violation of a specific obligation, with the same effect,
- misapplication of a legally obtained benefit, with the same effect".

As regards the breakdown of infringements by Member State, two findings require further explanation. The amounts established by the United Kingdom concerning release for free circulation came to nearly four times the figure for the Netherlands (and over ten times that for Austria), despite a comparable number of cases. In the transit field, Belgium established one and a half times the amounts established by the Netherlands (€11.145 million as against €7.25 million), again with a comparable number of cases.



Legend:

LP Free circulation

TR External transit

ENTR Warehousing

PA Inward processing

PP Outward processing

AT Temporary admission

Other Other customs procedures and end-uses

If a comparison is now made in this respect between 1997 and 1998, as is done in the **table in Annex 8**, it is found that the amounts established have decreased slightly for all procedures, but particularly in the case of the free circulation and external transit procedures, where there is a clear contrast between the trend in the number of infringements (which have risen sharply) and in the amounts established (which have fallen substantially). By contrast, the amounts established in connection with inward processing have doubled compared with 1997.

The number of cases of fraud and irregularity in connection with the transit and free circulation procedures have increased (by 42% and 1% respectively), while the amounts established have fallen (by 16% and 40%). For these two procedures the general trend seems to be towards an increase in infringements with a lower financial impact. By contrast, in the case of the inward processing procedure, both the number of infringements and the amounts involved have increased substantially.

The breakdown of cases of fraud and irregularity by Member State and by type of infringement shown in the **table in Annex 9** reveals that the most common cases are inaccuracies in the description or tariff classification of goods (26.2%), false declarations of value (23%) and irregular entry into the customs territory of the Community (13% of cases).

However, the infringements with the most impact in terms of amounts established are incorrect description of goods (21%) and false declarations of value (17.1%). These types of infringement, which are very frequent in Sweden, the Netherlands, the United Kingdom and Austria, sometimes involve large sums, for example in France, the Netherlands and Sweden in the case of the former and in the Netherlands and the United Kingdom in the case of the latter. Contraband has reached remarkable levels in Germany (in terms of amounts involved) and there are many problems with declarations of origin in Italy.

The comparison between 1997 and 1998 in the **table in Annex 10** reveals a decline in the financial impact (but not the frequency) of contraband, while the amounts established in cases of inaccurate declarations of weight or quantity are more or less back to 1996 levels. This comparison confirms the trend towards a higher number of infringements with a lower financial impact, apart from incorrect classification and "other" infringements.

3. APPLICATION OF ARTICLE 17(2) OF REGULATION (EEC, EURATOM) NO 1552/89

3.1. Use of the procedure

Article 17(1) states that the Member States must make available to the Commission all the entitlements they establish. When this is not possible for reasons of *force majeure* or in specific cases when recovery is impossible for reasons that cannot be attributed to the Member State, the entitlement is written off. If the amount of duty exceeds the threshold of €10 000, the case is referred to the Commission for examination in accordance with Article 17(2).

In 1998 two Member States notified the Commission of eleven cases in which amounts were written off. A further fifteen cases relating to 1998 were notified in 1999.

In addition, the twelve requests to write off own resources shown in the first table in Annex 11 (including cases notified in previous years but still pending) were examined in detail to check all the relevant data which the Member States have to report under Article 17(2) of Regulation (EEC, Euratom) No 1552/89. An interdepartmental working party, set up for this purpose in 1997, meets regularly to assess each case as effectively and as quickly as possible. The appropriate Commission departments thus reach a common position.

Of the twelve requests mentioned above, four (including one in part) were accepted by the Commission which, after a detailed analysis of all the information supplied, considered that the own resources could not be recovered for reasons which could not be attributed to the Member State concerned. However, eight requests (including one in part) were rejected as the Commission considered that the Member State concerned has not displayed due diligence and had not availed itself of all the powers offered by Community and national law to protect the Community's financial interests.

Finally, one case was considered inadmissible since the Community entitlements for which the write-off was requested had not been established even though the establishment of entitlements is a precondition for application of Article 17(2). The Member State has been held financially liable.

Of the fifteen cases in the second table in Annex 11, seven are still pending. The Commission has not yet expressed its final position, as the information supplied by the Member States concerned does not enable it to do so in full possession of the facts. It will complete its examination on receipt of the information requested from the Member States concerned. In the other eight cases the request to write-off was rejected following a detailed examination of all the pertinent facts and with the agreement of all the relevant departments, which were duly consulted.

Despite the Commission's inspections and the continuous dialogue with the Member States, there has been no notable change in the number of cases written off by the Member States. However, seven Member States make regular use of this procedure (Germany, Spain, France, Netherlands, United Kingdom and, since 1997, Belgium and Denmark).

This is the course advocated by the Commission which considers that this procedure allows a fair and open examination of the collection of own resources by the Member States and makes for efficient management of Community entitlements.

3.2. Comparison of amounts written off

The inspections carried out by the Commission included a comparison of the amounts written off and included in the report provided for in Article 17(3) of Regulation 1552/89 and the amounts removed from the separate accounts. Annex 12 sets out the results of this comparison, alongside the amounts written off in connection with the reports on fraud and irregularities.

By 1 October the Member States had notified for consideration by the Commission a total of fifteen write-offs for 1998 totalling €4 193 441. The total amounts entered in the separate account, of which the Commission receives a quarterly statement, and then written off came to €4 770 133 in 1998. Although the separate account records all amounts irrespective of thresholds, there appears to be a considerable discrepancy between the amounts notified (amounts over €10 000) and the accounting entries. Only the amounts for Ireland are comparable. By contrast, the amounts entered in the B account by Belgium and the Netherlands are very small compared with the amounts notified. This is inconsistent with accounting procedure.

The total corrections made to established amounts entered in the B account (€103.8 million) and those included in fraud forms sent in 1998 (€92.5 million) appear to be large when compared with total amounts written off. From an accounting point of view, it would make more sense if the real problem concerning fraud and irregularities were in recovery, and be reflected in amounts written off. Moreover, the corrected amounts in the separate account must necessarily be higher than those arising from the fraud forms, whereas the opposite appears to be the case here.

This suggests confusion between what is a revision mechanism for established own resources entitlements and cases where debts are written off because of recovery problems. The confusion evident in the amounts reported by Italy, the Netherlands and the United Kingdom.

The Commission will be asking for more information on these discrepancies, which are in apparent contradiction with Articles 8 and 17 of Regulation 1552/89.

4. CONCLUSIONS

The Commission concludes from the information supplied that progress has been made in the way in which the Member States report on their inspection activities and findings.

In particular, the Commission notes a clear improvement in producing and reporting data compared with the previous two years. However, the continuing differences in the information reported reflect the difficulties in harmonising the basic concepts between the Member States and, for the Member States themselves, in ensuring the internal consistency of the information supplied.

The comparability of data thus suffers from considerable differences in the interpretation of concepts of "fraud and irregularities" which are often incorrect. This gives a sometimes improbable picture of the volume of fraud detected and makes it difficult to judge the record of the national authorities.

Moreover, the information supplied by some Member States in their annual report cannot be reconciled with figures from other sources such as the separate accounts for own resources. Certain inconsistencies have been found this year.

As regards inspections, the information supplied shows a large overall increase in staff assigned to this activity together with a sustained increase in the number of entries accepted. However, these data do not allow precise assessment of the efforts actually made by administrations and the reliability of the analysis is undermined by differences in administrative organisation.

The quality of the information supplied by the Member States on *their inspection findings* is better than for the previous year. However, progress is patchy and divergences between Member States are difficult to explain, in particular as regards amounts established. Moreover, some Member States have seen their results plummet in terms of both establishment and recovery: further information is therefore required, particularly where there is a considerable discrepancy with the volume of traffic.

Analysis of the national reports since 1995 gives *a fairly clear picture of trends in connection with fraud*. For example, it reveals an increase in the number of infringements detected, which, however, has had no impact on the level of established entitlements, quite the contrary. The risk attached to the various procedures is also clearly established, the most vulnerable being release for free circulation and transit.

As for the *procedure for writing off* amounts which cannot be recovered, progress remains limited but seven Member States now use this procedure. At least part of this result can be attributed to inspections by the Commission and the Court of Auditors in connection with the separate account and clearance procedures, but it is also the outcome of the continuous dialogue between the Commission and the national administrations on these matters.

Finally, the Commission would point out that the only real point of this report is to give an idea of the efforts which the Member States are making to comply with their obligations under Article 17(3) of Regulation No 1552/89. The document will be put before the Advisory Committee on Own Resources. The Commission will endeavour to establish the best

conditions necessary to ensure that any difficulties arising in the Member States are quickly resolved.

ANNEXES

ANNEX 1

Inspections by Member States

Member States	Entries accepted	Entries checked after customs clearance	% of entries checked after customs clearance	Total number of staff in customs departments at national level	Total number of staff assigned to post-clearance checks at national level	Average number of entries checked per person
(1)	(2)	(3)	(4)=(3)/(2)	(5)	(6)	(7)=(3)/(6)
B	4.349.229	300.756	6,92	4.135	485	620
DK	1.211.011 ⁽¹⁾	79.980 ⁽¹⁾	6,60	743	45	1.777
D	24.900.000	615.315 ⁽²⁾	2,47	26.170	5.320 ⁽³⁾	116
EL	957.634	243.455	25,42	3.882	162	1.503
E	4.065.566 ⁽⁴⁾	388.609 ⁽⁵⁾	9,60	3.964 ⁽⁶⁾	284	1.368
F	9.731.275	698.365 ⁽⁷⁾	11,90	19.656 ⁽⁸⁾	666	1.221
IRL	811.748 ⁽⁹⁾	9.950	1,22	550	30	332
I	6.646.156	114.895	1,73	6.142	829	139
L	45.753	4.277 ⁽¹⁰⁾	9,35	125	15	285
NL	31.246.637 ⁽¹¹⁾	1.732.550 ⁽¹²⁾	5,54	5.481	4.603 ⁽¹³⁾	376
A	5.471.853	181.438 ⁽¹⁴⁾	3,32	4.567	182	997
P	428.310	⁽¹⁵⁾	1.101	355	.....
FIN	1.721.554 ⁽¹⁶⁾	93.930	5,46	2.327	142 ⁽¹⁷⁾	661
S	1.370.000	51.000	3,72	2.434 ⁽¹⁸⁾	82 ⁽¹⁸⁾	621
UK	5.248.367	.....	.....	2.839 ⁽¹⁹⁾	106 ⁽¹⁹⁾

Notes:

- (1) Number of tariff headings.
- (2) No figures available for the number of entries scrutinised in checks on firms.
- (3) Checks at firms only.
- (4) This figure includes 1 044 454 import entries.
- (5) This figure refers only to import entries checked by sampling methods.
- (6) Including 309 persons assigned to central departments and those assigned to surveillance departments.
- (7) Post-clearance documentary checks by the specialised regional services (CERDOC), not including general inspections.
- (8) Total staff numbers, including senior management and laboratory staff.
- (9) This figure includes 470 540 import entries.
- (10) Entries selected by the SADBEL computerised system, manual entries and entries checked by the Inspection d'Audit.
- (11) This figure includes 25 420 799 import entries and 3 593 821 transit entries.
- (12) This total includes computerised entries and entries in the agricultural sector.
- (13) The figure includes 23 persons in the Ministry of Agriculture, but not tax investigation staff (FIOD).
- (14) This figure includes 954 cases involving several entries.
- (15) There is no reliable inventory of this type of inspection.
- (16) This total includes imports and exports, in particular 418 189 transit operations.
- (17) Not all staff are assigned full-time to this type of activity.
- (18) Expressed in person/years.
- (19) Staff in employment at border and internal customs offices.

ANNEX 2

Inspections by Member States

	Entries accepted				Entries checked after customs clearance				Total number of staff in customs departments at national level				Total number of staff assigned to post-clearance checks at national level							
	1996	1997	1998	Change	1996	1997	1998	Change	1996	1997	1998	Change	1996	1997	1998	Change				
				+	-				+	-				+	-					
B	....	3.465.188	4.349.229	X		....	211.641	300.756	X		....	3.552	4.135	X		....	915	485		X
DK	1.137.522	1.186.024	1.211.011	X		838	143.858	79.980		X	815	816	743		X	66	65	45		X
D	21.200.000	20.600.000	24.900.000	X		32.537	32.430	615.315	X		27.500	26.700	26.170		X	5.180	5.400	5.320		X
EL	....	572.600	957.634	X		....	7.833	243.455	X		....	3.962	3.882		X	....	36	162	X	
E	3.189.410	3.800.064	4.065.566	X		10.759	12.636	388.609	X		4.073	4.056	3.964		X	240	240	284	X	
F	8.423.471	9.800.000	6.829.028		X	774.384	180.330	813.028	X		18.259	19.679	19.656		X	441	643	666	X	
IRL	617.485	740.501	811.748	X		....	....	9.950			1.240	1.347	550		X	....	31	30	=	=
I	4.852.713	5.940.066	6.646.156	X		1.262.397	85.096	114.895	X		6.135	6.491	6.142		X	754	852	829		X
L	27.041	43.629	45.753	X		2.976	3.180	4.277 ⁽¹⁾	X		129	129	125	=	=	15	15	15	=	=
NL	21.272.970	25.657.280	31.246.637	X		1.032.399	1.538.103	1.732.550	X		5.387	5.373	5.481	X		4.202	4.270	4.603	X	
A	4.845.731	4.536.545	5.471.853	X		45.091	27.988	181.438	X		4.769	4.584	4.567		X	175	177	182	X	
P	420.775	419.542	428.310	X		....	...	...			915	891	1.101	X		132	172	355	X	
FIN	1.762.404	1.736.762	1.721.554		X	144.309	106.727	93.930		X	2.223	2.282	2.327	X		157	148	142		X
S	1.194.659	1.287.000	1.370.000	X		...	1.360	51.000	X		2.285	2.400	2.434	X		91	90	82		X
UK	3.933.688	4.633.921	5.248.367	X		...	...	...		...	462	429	2.839	X		118	106	106	=	=

(1) In 1998, 5854 physical checks were made, equivalent to 12.8% of the total entries handled.

ANNEX 3

Fraud and irregularities: amounts established and already recovered

(Amounts in EUR)

	Number of cases	Amounts established	Establishments as % of EU 15 total	Amounts already recovered	Establishments as % of EU 15 total	"Crude" recovery rate
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)/(3)
B	12.701	43.340.242	11,59	8.299.009	5,9%	19,15%
DK	3.498	19.120.826	5,11	16.515.907	11,74%	86,38%
D	290	24.236.751	6,48	5.095.808	3,62%	21,03%
EL	1.781	5.242.674	1,40	295.671	0,21%	5,64%
E	12.828	21.412.278	5,73	14.582.067	10,36%	68,10%
F	12.243	42.198.908	11,28	8.760.277	6,22%	20,76%
IRL	1.159	5.405.318	1,45	3.610.475	2,57%	66,79%
I	4.414	26.599.948	7,11	5.065.210	3,6%	19,04%
L	8	85.120	0,02	73.383 ⁽¹⁾	0,05%	86,21%
NL	16.641	43.654.564	11,67	37.561.204	26,68%	86,04%
A	15.474	12.539.555	3,35	6.105.713	4,34%	48,69%
P	463	202.348	0,05	171.754	0,12%	84,48%
FIN ⁽²⁾	5.024	3.047.336	0,81	2.668.209	1,9%	87,56%
S	25.936	14.367.089	3,84	13.887.633	9,87%	96,66%
UK ⁽³⁾	13.194	112.511.528	30,09	18.047.642	12,82%	16,04%
EUR-15	125.654	373.964.485	100,00%	140.739.962	100,00%	37,63%

The euro exchange rate used in the tables is the average rate for 1998.

Notes:

- (1) This total includes around € 3 000 corresponding to the proceeds of public auctions following the confiscation of goods.
- (2) The computer system does not distinguish between the recovery of amounts evaded through fraud and of other recovered amounts. Amounts in cases involving less than € 10 000 are assumed to have been recovered.
- (3) Columns 3,5 and 6 relate only to debts of over € 10 000.

ANNEX 4

Fraud and irregularities: amounts established and recovery rate - Change

(Amounts in EUR)

	Number of cases					Amounts established					"Crude" recovery rate				
	1995	1996	1997	1998	Change	1995	1996	1997	1998	Change	1995	1996	1997	1998	Change
B	6.507	6.820	11.258	12.701	↑↑↑	74.151.928	40.532.767	65.710.653	43.340.242	↓↑↓	8,13%	18,35%	18,28%	19,15%	↑↓↑
DK	167	7.052	657	3.498	↑↓↑	26.103.970	17.946.990	7.309.440	19.120.826	↓↓↑	32,30%	83,40%	62,10%	86,38%	↑↓↑
D	726	593	384	290	↑↓↓	60.413.609	38.323.565	28.473.160	24.236.751	↓↓↓	...	3,23%	10,18%	21,03%	...↑↑
EL	1.042	1.257	1.792	1.781	↑↑↓	4.095.480	7.868.906	15.733.057	5.242.674	↑↑↓	8,03%	2,65%	3,68%	5,64%	↓↑↑
E	8.617	10.759	12.636	12.828	↑↑↑	21.147.076	21.971.279	24.354.357	21.412.278	↑↑↓	41,29%	49,42%	52,31%	68,10%	↑↑↑
F	9.932	10.870	12.752	12.243	↑↑↓	34.457.403	32.668.325	40.961.412	42.198.908	↓↑↑	...	21,56%	19,97%	20,76%	...↓↑
IRL	500	594	1.104	1.159	↑↑↑	1.424.848	3.204.644	5.887.044	5.405.318	↑↑↓	80%	84,05%	73%	66,79%	↑↓↓
I	1.300	4.232	4.264	4.414	↑↓↑	19.725.560	48.289.595	106.587.889	26.599.948	↑↑↓	1,53%	6,28%	3,89%	19,04%	↑↓↑
L	14	10	21	8	↓↑↓	17.866	3.526	37.853	85.120	↓↑↑	100%	100,00%	100%	86,21%	↔↓↓
NL	...	17.931	14.002	16.641	...↓↑	....	104.826.310	36.014.402	43.654.564	...↓↑	...	90,99%	84,96%	86,04%	...↓↑
A	47.783	28	64	15474	↓↑↑	5.937.332	1.344.518	6.036.675	12.539.555	↓↑↑	...	17,50%	10,64%	48,69%	...↓↑
P	415	398	1.002	463	↓↑↓	2.964.195	2.855.173	8.261.544	202.348	↓↑↑	8,54%	...	2,59%	84,48%	↓↑
FIN	1.811	4.513	3.835	5.024	↑↓↑	1.365.885	6.973.097	3.712.886	3.047.336	↑↓↓	...	76,77%	92,58%	87,56%	...↑↓
S	9.485	3.412	23.394	25.936	↓↑↑	3.975.905	5.572.753	-389.758	14.367.089	↑↑↑	...	...	...	96,66%	...
UK	12.137	12.115	13.093	13.194	↓↑↑	36.639.485	33.898.722	131.425.991	112.511.528	↓↑↓	100%	...	22,57%	16,04%	↓↓

ANNEX 5

Amounts established/Amounts entered in the accounts

(Amounts in EUR)

	Amounts established (Table 3) 1998	Amounts entered in B account 1998 (1)	Difference	Amounts established < amounts in B account
(1)	(2)	(3)	(4)=(2)-(3)	(5)
B	43.340.242	23.549.000	19.791.242	
DK	19.120.826	6.779.000	12.341.826	
D	24.236.751	129.360.000	- 105.123.249	X
EL	5.242.674	5.232.000	10.674	
E	21.412.278	10.760.000	10.652.278	
F	42.198.908	45.670.000	- 3.471.092	X
IRL	5.405.318	791.000	4.614.318	
I	26.599.948	59.039.000	- 32.439.052	X
L	85.120	279.000	- 193.880	X
NL	43.654.564	70.489.000	- 26.834.436	X
A	12.539.555	20.918.000	- 8.378.445	X
P	202.348	5.078.000	- 4.875.652	X
FIN	3.047.336	1.435.000	1.612.336	
S	14.367.089	284.000	14.083.089	
UK	112.511.528	366.574.000	- 254.062.472	X
TOTAL	373.964.485	746.237.000	- 372.272.515	

(1) Amounts corrected because of differences in rates and divergences in quarters.

ANNEX 6

Annual reports/Fraud forms

(Amounts in EUR)

	Annual reports - Article 17(3) of Regulation 1552/89		Fraud forms - Article 6(4) of Regulation 1552/89		Amounts given on fraud forms > Amounts given in annual report
	Fraud and irregularities - Cases/total amounts (irrespective of amount involved in individual cases)		Fraud and irregularities - Cases/total amounts ⁽¹⁾ (> ECU 10 000)		
	Number of cases	Amounts	Number of cases	Montants	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
B	12.701	43.340.242	345	12.663.823	-
DK	3.498	19.120.826	131	14.702.123	-
D	290	24.236.751	154	14.029.860	-
EL	1.781	5.242.674	2	312.760	-
E	12.828	21.412.278	73	3.338.526	-
F	12.243	42.198.908	212	14.327.051	-
IRL	1.159	5.405.318	24	862.568	-
I	4.414	26.599.948 (2)	173	22.986.641	-
L	8	85.120	0	0	-
NL	16.641	43.654.564	210	1.846.880	-
A	15.474	12.539.555	147	6.710.265	-
P	463	202.348	18	21.509	-
FIN	5.024	3.047.336	42	1.682.245	-
S	25.936	14.367.089	96	8.357.308	-
UK	13.194	112.511.528	499	99.068.587	-
Total	125.654	373.964.485	2.126	200.910.147	-

(1) Net amount to be recovered, adjusted after corrections, cancellations, etc.

(2) This figure includes five cases of fraudulent consumption involving over € 10 000, where the total amount at stake (€ 1 126 812) was not entered in the accounts until 1999 for procedural reasons.

ANNEX 7

Vulnerability of customs procedures to fraud and irregularities

(Amounts in EUR)

	Free circulation		External transit		Warehousing		Inward processing		Outward processing		Temporary admission		Other procedures		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	N° cas	Montant	N° cas	Montant	N° cas	Montant	N° cas	Montant
B	8.594	29.270.660	3.330	11.145.330	530	2.376.299	37	3.367.736	39	4.584	92	19.629	79	156.003	12.701	46.340.241
DK	2.806	15.612.673	?	233.965	16	4.510	464	748.848	28	153.987	2	39.923	182	2.326.920	3.498	19.120.826
D	216	20.749.756	58	1.912.978	3	253.468	4	320.508	5	730.187	4	269.854	0	0	290	24.236.751
EL	857	4.492.202	18	46.076	1	67	43	95.577	0	0	76	32.338	786	576.413	1.781	5.242.673
E	8.108	13.533.735	567	946.426	18	30.045	427	712.741	45	75.113	169	282.092	3.494	5.832.125	12.828	21.412.277
F	9.511	31.706.191	2.010	6.565.179	82	742.924	42	244.173	8	170.015	76	84.772	514	2.685.654	12.243	42.198.908
IRL	501	2.448.216	291	714.809	5	98.139	348	2.108.112	0	0	14	36.042	0	0	1.159	5.405.318
I	4.208	19.295.695	132	6.429.680	3	10.568	30	256.494	3	47	4	10.944	34	596.520	4.414	26.599.948
L	4	81.706	0	0	0	0	0	0	0	0	4	3.414	0	0	8	85.120
NL	12.474	32.654.478	3.980	7.256.853	80	351.226	55	3.050.764	3	4.538	2	0	47	336.705	16.641	43.654.564
A	11.302	9.433.214	2.754	2.248.996	88	148.930	457	193.489	30	60.846	799	247.431	44	201.649	15.474	12.534.555
P	401	170.951	6	512	3	25.395	12	3.615	1	56	11	0	29	1.818	463	202.347
FIN	3.767	2.496.562	34	187.423	21	6.917	428	248.339	147	21.038	53	9.459	574	77.598	5.024	3.047.336
S	25.645	12.402.695	175	179.018	11	92.988	70	1.668.232	0	0	35	24.157	0	0	25.936	14.367.090
UK	13.194	112.511.528	...	...	...	...	...	...	...	...	...	...	...	...	13.194	112.511.528
Total	101.588	306.860.262	13.355	37.867.245	861	4.141.476	2.417	13.018.628	309	1.220.411	1.341	1.060.055	5.783	12.791.405	125.654	376.959.482
Impact on total	80,8%	81,4%	10,6%	10%	0,6%	1,1%	1,9%	3,5%	0,2%	0,3%	1,06%	0,3%	4,6%	3,4%	100%	100%

ANNEX 8

Vulnerability of customs procedures to fraud and irregularities

(Amounts in EUR)

	Free circulation		External transit		Warehousing		Inward processing		Outward processing		Temporary admission		Other procedures		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
1995 (1)																
Impact																
1996	53.528	210.383.644	7.621	90.366.720	845	2.767.720	300	8.433.675	347	5.893.995	153	1.099.310	5.774	15.690.244	68.568	334.635.376
Impact	78,07%	62.87%	11,11%	27.%	1,23%	0,83%	0,44%	2,52%	0,51%	1,76%	0,22%	0,33%	8,42%	4,69%	100 %	100 %
1997	71.284	364.576.179	12.313	63.788.955	538	9.652.450	924	6.995.687	275	1.655.875	1.016	1.589.085	1.272	8.058.039	87.622	456.152.006
Impact	81,3%	80%	14%	14%	0,6%	2,1%	1,1%	1,5%	0,3%	0,3%	1,2%	0,3%	1,5%	1,7%	100%	100%
1998	101.588	306.860.262	13.355	37.867.245	861	4.141.476	2.417	13.018.628	309	1.220.411	1.341	1.060.055	5.783	12.791.405	125.654	376.959.482
Impact	80,8%	81,4%	10,6%	10%	0,6%	1,1%	1,9%	3,5%	0,2%	0,3%	1,06%	0,3%	4,6%	3,4%	100%	100%

(1) The data available are not comparable.

ANNEX 9

Free circulation: Types of fraud and irregularities

(Amounts in EUR)

	Undeclared imports		Incorrect description of goods or wrong CCT classification		Origin		Value		Weight / Quantity		Other		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
B	277	766.084	2.441	1.993.295	148	1.399.499	1.039	728.967	15	783	4.674	24.382.033	8.594	29.270.660
DK	49	2.023.853	1.123	3.879.261	681	3.990.408	29	3.471.944	0	0	924	2.247.207	2.806	15.612.673
D	151	12.402.251	33	4.098.295	15	990.893	14	3.161.377	1	15.345	2	81.594	216	20.749.756
EL	9	733.581	204	1.016.814	443	2.219.747	41	127.897	1	17	159	394.146	857	4.492.202
E	124	206.979	3.081	5.142.753	546	911.374	2.137	3.567.044	40	66.767	2.180	3.638.819	8.108	13.533.735
F	7.437	4.672.678	921	14.939.341	128	3.244.108	521	3.449.597	24	282.375	480	5.118.092	9.511	31.706.191
IRL	2	11.732	420	2.325.854	1	957	73	98.920	0	0	5	10.752	501	2.448.216
I	976	741.597	733	2.662.176	529	10.077.738	1.166	3.150.696	295	37.942	509	2.625.546	4.208	19.295.695
L	1	61	0	0	2	66.771	1	14.874	0	0	0	0	4	81.706
NL	1.224	1.209.778	4.473	12.497.561	472	2.703.169	4.605	10.514.088	830	774.149	870	4.955.734	12.474	32.654.478
A	2.129	2.323.919	1.822	2.211.785	1.017	1.873.139	4.485	1.313.859	7	5.020	1.842	1.705.492	11.302	9.433.214
P	25	2.537	103	65.916	30	10.608	96	25.562	30	3.303	117	63.025	401	170.951
FIN	165	203.819	1.247	764.842	714	715.697	719	419.846	0	0	922	392.359	3.767	2.496.562
S	557	598.137	8.001	8.677.893	816	90.157	4.271	849.638	27	226.679	11.973	1.960.191	25.645	12.402.695
UK	5	2.368.524	2.025	4.052.037	532	1.480.309	4.219	21.788.444	134	0	6.279	82.822.215	13.194	112.511.528
TOTAL	13.131	28.265.530	26.627	64.327.823	6.074	29.7740574	23.416	52.682.753	1.404	1.412.380	30.936	130.397.205	101.588	306.860.262
Impact on total	13%	9,2%	26,2%	21%	6%	9,7%	23%	17,1%	1,4%	0,5%	30,4%	42,5%	100%	100%

ANNEX 10

Free circulation: Types of fraud and irregularities

(Amounts in EUR)

	Undeclared imports		Incorrect description of goods or wrong CCT classification		Origin		Value		Weight / Quantity		Other		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
1995 (1)														
Impact														
1996	14.044	36.318.871	10.819	47.198.747	5.137	48.707.825	10.946	37.295.743	862	1.623.394	11.720	39.239.061	53.528	210.383.641
Impact	26,24%	17,26%	20,21%	22,43%	9,60%	23,15%	20,45%	17,73%	1,61%	0,77%	21,90%	18,65%	100%	100%
1997	10.642	36.579.518	16.810	51.133.326	6.246	38.726.962	12.605	62.943.033	1.128	89.513.115	23.853	90.787.372	71.284	364.576.179
Impact	14,8%	10,04%	23,6%	14,03%	8,8%	10,6%	17,7%	17,2%	1,6%	24,5%	33,5%	24,9%	100%	100%
1998	13.131	28.265.530	26.627	64.327.823	8.074	29.774.574	23.416	52.682.753	1.404	1.412.380	30.936	130.397.205	101.588	306.860.262
Impact	13%	9,2%	26,2%	21%	6%	9,7%	23%	17,1%	1,4%	0,5%	30,4%	42,5%	100%	100%

(1) The data available are not comparable.

ANNEX 11

Cases of written-off own resources handled in 1998

	Reasons given		Amount	State of play		
	Bankruptcy	Insolvency		Accepted	Rejected	Observations
ES		X	902.857 (1)		X	
ES		X	1.555.753 (2)		X	
UK	X		576.925 (2)		X	Amount paid
UK	X		481.063 (2)	X	X	Rejected for euros 25.728 (paid) Accepted for euros 455.335
UK	X		116.862 (2)		x	Amount paid
UK		X	356.381 (3)			Not admissible. Amount not established (paid)
FR	X		10.734 (3)		X	Amount paid
BE	X		35.910 (3)	X		
UK	X		639.434 (4)		X	
UK	X		150.622 (4)		X	
BE			13.390 (4)	X		Old regulations
UK		X	1.152.850 (4)	X		Letter being sent to Member State
TOTAL	7	4				

(1) Case relating to 1994

(2) Case relating to 1995

(3) Case relating to 1996

(4) Case relating to 1997

Cases of written-off own resources –1998 (reported in 1999)

EM	Reasons given		Amount	State of play		
	Bankruptcy	Insolvency		Accepted	Rejected	Observations
BE		X	172.192	X		
UK		X	14.650	X		Letter being sent to Member State
UK		X	824.190			Further information requested
UK	X		22.585	X		Letter being sent to Member State
UK		X	24.183	X		Letter being sent to Member State
NL			329.372	X		Old case
NL			111.837			Further information requested
NL			148.250			Further information requested
NL			33.907			Further information requested
NL			24.551			Further information requested
NL			33.471	X		Letter being sent to Member State
NL			75.357	X		Letter being sent to Member State
NL			70.040	X		Letter being sent to Member State
IR			708.824			Further information requested
ES			23.079			Further information requested
TOTAL	1	4	2.616.488	8		

ANNEX 12

Corrected amounts and amounts written-off

Amounts in EUR							
	Article 17(3) report write-offs		B account		Ownres ⁽¹⁾		
	<i>number</i>	<i>amounts</i>	<i>written off</i>	<i>corrections</i>	<i>corrections</i>	<i>number</i>	<i>written off</i>
B	1	1.703.522	42.368	33.694.264	-4.616.880	87 C	0
DK	0		11.770 ⁽²⁾	2.083.654	-154.146	6 C	0
D	0		0	0	0	0	0
EL	0		151.547	3.448.010	0	0	0
E	1	29.042	100.016	4.848.184	-14.758	3C, 2NV	30.137
F	0		21.826	13.909.360	69	7C	0
Irl	1	700.035	718.081	791.607	0	0	0
I	0		831	5.990.781	-16.941.194	49C	0
L	0		0	0	0	0	0
NL	8	818.117	58.855	20.829	-13.147.517	130C, 4NV	58.673
A	0		0	3.135.381	293.956	29C	0
P	0		-3.833 ⁽³⁾	489.387	-273.952	4C	0
FIN	0		6	28.539	0	0	0
S	0		1.075.556	-318.549	0	0	0
UK	4	942.725	2.593.110	35.765.782	-57.637.434	71C	0
EUR 15	15	4.193.441	4.770.133	103.887.229	-92.491.856		88.810

(1) Updated figures as at 1 October 1999.

(2) This amount is entered as a negative figure in the statement for the first quarter (impact here cancelled out).

(3) Including a negative amount of € 4 147.92 (impact here cancelled out).