

HEADING 1A: Competitiveness for growth and jobs

Anti-Fraud Information System (AFIS)

Lead DG: OLAF

I. Overview

What the programme is about?

The Anti-Fraud Information System (AFIS) is an umbrella term for a set of anti-fraud applications operated by OLAF (European Anti-Fraud Office) under a common technical infrastructure aiming at the timely and secure exchange of fraud-related information between the competent national and EU administrations, as well as storage and analysis of relevant data. The AFIS programme encompasses two major areas, Mutual Assistance in Customs Matters and Irregularities Management.

AFIS supports Mutual Assistance in Customs Matters with collaboration tools such as VOCU (Virtual Operations Coordination Unit) used for Joint Customs Operations secure web mail (AFIS Mail), specific information exchange modules and databases like CIS+ (Customs Information System) and FIDE (Customs Investigation Files Identification Database), analysis tools like A-TIS (Anti-Fraud Transit Information System) and electronic workflow applications like ToSMA (Tobacco Seizures Management Application).

AFIS also provides the IMS (Irregularities Management System), a secure electronic tool which facilitates the Member States' obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds, the Asylum, Migration and Integration Fund (AMIF), the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (ISF) and the Fund for European Aid to the Most Deprived (FEAD) as well as pre-accession aid, and which supports the management and analysis of irregularities.

The AFIS Portal is a single and common infrastructure for the delivery of the above-mentioned services to nearly 8 800 registered end-users in more than 1 900 competent services from Member States, partner third countries, international organisations, Commission services and other EU bodies. AFIS is increasingly used by partner third countries, including China.

EU added value of the programme

The need for EU involvement in the context of mutual administrative assistance and customs cooperation was already recognised by the European legislator with the adoption of Regulation 515/97. By the very nature of customs fraud, occurring by definition among at least two countries, there is a continuing necessity for centralised action at EU level. Effective sharing of information and wide-scale fight against breach of customs legislation cannot be conducted by national customs authorities only at a reasonable cost. Systemic collection of the data required to analyse customs risks which pose a threat to the EU and its Member States would constitute a disproportionate effort for the individual Member States and can be achieved more effectively and efficiently by action at EU level.

Therefore, action at EU level enables a significant improvement in risk management and the fight against customs-related fraud, by increasing the available evidence, improving the possibilities for risk mitigation and detection and repression of fraud and rendering the action more efficient and effective.

Additionally, the AFIS Portal enables substantial economies of scale and synergies in the development, maintenance and operations of such a wide and diverse set of IT services and tools.

AFIS supports the protection of the EU financial interests and has a positive effect on the EU budget. It prevents losses of revenue far higher than the programme's actual budget. By supporting the detection of cases of misdescription of origin ⁽¹⁾ or undervaluation ⁽²⁾, AFIS applications prevent the loss of millions of Euro in customs duties and VAT. In addition, they prevent the loss of excise duties, by enabling Member States to perform seizures of illicit cigarettes ⁽³⁾. Just the seizures of 56 million cigarettes alone during one single JCO in 2017 prevented the loss of €12 million in customs duties and taxes ⁽⁴⁾.

However, AFIS also contributes to non-monetisable values. By supporting the seizure of counterfeit goods, such as counterfeit semiconductors ⁽⁵⁾ or fake automotive spare parts ⁽⁶⁾, it contributes to the protection of health and safety of EU citizens, and by

⁽¹⁾ Customs (import duties) tariff rates may vary significantly according to the country of origin. Imported goods from certain countries are subject to the EU anti-dumping and countervailing duties. By misdeclaring the origin of goods, an importer can fraudulently declare goods under a lower tariff and avoid anti-dumping duties.

⁽²⁾ Import duties and VAT depend on the value of goods. By declaring a much lower value on import, a company can fraudulently reduce import duties and VAT.

⁽³⁾ <https://www.neweurope.eu/article/olaf-member-states-seize-140-million-cigarettes-detain-32-smugglers>

⁽⁴⁾ https://ec.europa.eu/anti-fraud/media-corner/news/26-06-2017/operation-renegade-halts-thousands-potentially-dangerous-auto-spare_en

⁽⁵⁾ <http://www.eenewseurope.com/news/operation-wafers-over-one-million-counterfeit-semiconductors-seized-reports-esia>

⁽⁶⁾ <https://www.neweurope.eu/article/big-olaf-bust/>

supporting the seizure of illicit goods, such as endangered animal and plant species (CITES) ⁽⁷⁾, it also contributes to the protection of the environment and biodiversity.

The operational activities under AFIS constitute a valuable support to Member States' and Commission's operational and investigative work aiming at detecting customs infringements, recovering customs duties, and enhancing customs cooperation in the anti-fraud area. The efforts made in this reporting period in addressing identified shortcomings have contributed to increase the level of trust, participation and satisfaction of Member States' competent authorities.

Implementation mode

The programme is implemented through direct management by the European Anti-Fraud Office (OLAF) using procurements.

II. Programme Implementation Update

Implementation Status (2017-2019)

The annual work programmes for the implementation of AFIS for the period 2017-2019 have been mostly executed as foreseen, but some delays in previous years of the programming period required an adjustment of the original milestones for this reporting period and of the targets for 2020.

The interface between DG TAXUD's COPIS (anti-Counterfeit and Piracy System) and CIS+ went finally live in 2019.

Key achievements

The first version of a built-in online analytical tool, which facilitates the exploitation of data in IMS by the users themselves, went live in July 2019.

Furthermore, in this period, the permanent physical (Permanent Operational Coordination Unit – POCU) and IT infrastructure (Virtual Operation Coordination Unit – VOCU) for the support of JCOs has been regularly used by Commission and Member States, as well as third countries and other organisations on numerous occasions. In 2019, VOCU has been used in 13 operations, which constitutes a new record. During one of the operations, JCO Hygiea, which was carried out within the Asia-Europe Meeting (ASEM) and coordinated by OLAF using VOCU, approximately 200,000 pieces of counterfeit perfumes, toothpastes, cosmetics, 120 tons of counterfeit detergents, shampoos, diapers as well as more than 4.2 million of other counterfeit goods (battery cells, footwear, toys, tennis balls, shavers, electronic devices, etc.), 77 million cigarettes and 44 tons of counterfeit water pipe tobacco have been seized by the participating Asian and EU customs authorities ⁽⁸⁾.

Evaluations/studies conducted

The underlying legal base for AFIS, Council Regulation (EC) No 515/97 of 13 March 1997 on 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 ⁽⁹⁾, as lastly amended by Regulation (EU) No 2015/1525 of the European Parliament and of the Council of 9 September 2015 ⁽¹⁰⁾, is currently being evaluated.

Forthcoming implementation

The development of a web service for CIS+, which would allow the connection of national customs systems, is planned for 2020. Such an interface would facilitate the automated import of cases from national systems into CIS+ and avoid that the same information has to be entered multiple times in different systems by Member States' authorities. This will contribute to increase the number active customs fraud cases, which are available in the Mutual Assistance databases, but also improve the completeness and quality of the available cases.

The main legal base for AFIS, Council Regulation (EC) No 515/97, has been amended in 2015, and since September 2016 two new major repositories, the Container Status Messages (CSM) directory and the Import, Export and Transit (IET) directory, have been added to AFIS. New releases of the CSM and IET directory are planned for 2020, which will provide additional features, such as enhanced search and data export capabilities, to improve the usability of the systems for analytical and investigative purposes. This will support the competent authorities in preventing, detecting and investigating customs fraud cases and, consequentially, lead to an increase of the number of active fraud cases in the Mutual Assistance databases.

Outlook for the 2021-2027 period

The successor of the AFIS programme is encompassed within the new Anti-Fraud Programme ⁽¹¹⁾ (PAF). The new programme, which put together the programmes Hercule III and AFIS, is designed to support and complement Member States in preventing and fighting fraud affecting the financial interests of the EU, and supporting mutual assistance in customs and agricultural matters. It will contribute to the achievement of the political objective to support Member States in countering fraud and other illegal activities, ensuring that no taxpayer's money is diverted from its intended goal.

⁽⁷⁾ https://ec.europa.eu/anti-fraud/media-corner/news/21-05-2019/fighting-crime-real-time-olaf-and-belgium-customs-lead-international_en

⁽⁸⁾ https://ec.europa.eu/anti-fraud/media-corner/news/09-10-2019/operation-hygiea-olaf-asian-eu-customs-lead-large-scale-operation_en

⁽⁹⁾ OJ L 82, 22.3.1997, p. 1.

⁽¹⁰⁾ OJ L 243, 18.9.2015, p. 1.

⁽¹¹⁾ COM(2018)386 final of 30 May 2018.

III. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Council Regulation (EC) No 515/97 amended by Council Regulation (EC) No 766/2008, Regulation on 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 Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes	2014-2020	51,3

	Financial Programming (EUR million)							Total Programme
	2014	2015	2016	2017	2018	2019	2020	
Operational appropriations	6,4	6,9	6,6	7,2	7,7	7,2	7,5	49,4
Total	6,4	6,9	6,6	7,2	7,7	7,2	7,5	49,4

2. Implementation rates

	2019				2020			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Voted appropriations	7,195	99,90 %	7,755	96,43 %	7,454	13,63 %	6,559	29,36 %
Authorised appropriations (*)	7,195	99,90 %	7,755	96,43 %	7,454	13,63 %	6,559	29,36 %

(*) Authorised appropriations include voted appropriations, appropriations originating from assigned revenues (internal and external) as well as carried-over and reconstituted appropriations; the execution rate is calculated on 15 April 2020

3. Performance information

Programme performance

The programme is well on track for the delivery of its general and two specific objectives, but for one of the three indicators for specific objective 1 the 2019 milestone has not been met and 2020 target might not be achieved.

The interface with DG TAXUD's COPIS went finally live in 2019. The start of the development of this interface, which was originally foreseen for 2014, was delayed to 2017, due to the late go-live of COPIS and the need for a following stabilisation phase for this system.

Due to this delay, relevant IPR infringements, which have been reported in COPIS, are only available since 2019 as draft fraud cases in CIS+ for publication by Member States' customs services.

As a consequence, the 2019 milestone for the number of customs fraud cases being available in the Mutual Assistance databases (i.e. Indicator 1) has not been met and the corresponding 2020 target might not be achieved. However, thanks to the efforts made by the Commission services, such as the planned development of a web service for CIS+ allowing the connection of national customs systems, it is envisaged that the target will be met in 2022.

The evaluation reports of the participants to these JCOs show that this physical structure and AFIS application strongly facilitate the coordination tasks associated to JCOs with a large number of participants. The use of these facilities is frequently recommended during the evaluation of these operations by the participants. The fact that these facilities are also frequently used for operational activities in the area of law enforcement cooperation (free of charge for the participants), even though other institutions and organisations, like Europol or the World Customs Organisation, offer alternative solutions, is an additional proof of Member States' appreciation.

Following Member States' recommendations in previous years, OLAF has strengthened in the reporting period the involvement of Member States during all stages of development of new or updated AFIS applications, aiming at improving their usage and user satisfaction. Special workshops were organised for the new versions of AFIS Mail, CIS+ and IMS, which involved a large number of participants from the Member States. As a result, Member States acceptance and usage of the mentioned applications has significantly improved, along with the enlargement of their user base, as usage statistics and satisfaction reports demonstrate.

The 2019 satisfaction survey demonstrates that the majority of the users is satisfied with the AFIS applications. 84 % of the respondents agreed or slightly agreed that the AFIS applications they use most frequently, respond to their professional needs. Only less than 5 % of the respondents disagree to a certain extent (disagree: 1.5 % and slightly disagree: 3.3 %). 10 % of the users remain neutral.

General objectives

General Objective 1: To protect the financial interest of the Union thus enhancing the competitiveness of the European economy and ensuring the protection of the taxpayers' money

Specific objectives

Specific Objective 1: To support Mutual Assistance in Customs Matters through the provision of secure information exchange tools for Joint Operations and specific Customs anti-fraud information exchange modules and databases such as the Customs Information System

Performance

Due to the late go-live of the interface with DG TAXUD's COPIS, relevant IPR infringements, which have been reported in COPIS, are only available since 2019 as draft fraud cases in CIS+ for publication by Member States' customs services.

As a consequence, the 2019 milestone for the number of customs fraud cases being available in the Mutual Assistance databases (i.e. Indicator 1) has not been met and the corresponding 2020 target will most likely not be achieved

Indicator 1: Number of active customs fraud cases for which information is available in the Mutual Assistance databases								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2020
8 000		12 000		17 000		21 500	24 000	24 000
	Actual results							
	10 000	12 000	13 800	16 324	18 340	18 639		

Comment: Milestone for 2017 reduced from 20 000 to 17 000 in 2016. New Milestone for 2019 added in 2016. Target reduced to 24 000 in 2016 (cfr. the programme performance update section).

Indicator 2: Number of Joint Customs Operations (JCOs) (including EU wide and regional operations) supported/year								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2020
3	4			5			5	5
	Actual results							
	6	7	11	11	5	13		

Comment: In 2016, 4 JCOs were co-organised by OLAF and a Member State and in total 12 JCOs were supported by OLAF. The Virtual Operations Coordination Unit (VOCU) module of AFIS was used in 11 of these JCOs. (One JCO was organised by the World Customs Organisation with intelligence support of OLAF, but without VOCU usage.) In 2017, 3 JCOs were co-organised by OLAF and a Member State and in total 11 JCOs were supported by OLAF. In 2018, 2 JCOs were co-organised by OLAF and a MS and in total 5 JCOs were supported by OLAF. The VOCU module of AFIS was used in 4 of these JCOs. (One JCO was coordinated by Europol with support of OLAF using AFIS applications, but without VOCU usage.) In 2019, 2 JCOs were led and additional 11 supported by OLAF.

Unit of measure: JCOs

Indicator 3: Coverage of A-TIS (Anti-fraud transit information system)								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2020
At the end of 2013, A-TIS holds 16.5 million transit declarations (600 000/month) covering 70 % of the transit regime.		Entry into force of the reform of Regulation 515/97.	A-TIS to cover 100 % of transit declarations. New repository of export declarations developed.	New repository of import declarations developed.	New repository of Container Status Messages (CSMs) developed.	Statistical analysis tools for operational covering all repositories.	A-TIS to cover 100 % of transit declarations.	A-TIS to cover 100 % of transit declarations.
	Actual results							
		Regulation 2015/1525 amending Council Regulation 515/97 entered into force on 8 October 2015	Repository of export declarations available since 1 September 2016. A-TIS covers 78.32 % of	Repository of import declarations developed and scheduled to go live in Q1/2018.	Repository of CSM in production. Repository of import declarations went live.	New repository providing a consistent feature set for import export and transit declarations		

			the transit declarations.			in development.		
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Comment: At the end of 2014, A-TIS holds 23.1 million transit declarations. The percentage refers to the period since the application of the new legal base for transit declarations. Not covered are transit declarations for common transit countries which did not consent to their usage (11.28 %), declarations for transit within a Member State which did not consent (4.02 %), technically malformed declarations which could not be processed (3.84 %) and declarations for common transit countries which gave their consent only after 1 September 2016 (2.54 %).

Specific Objective 2: To facilitate secure electronic communication tools for the Member States to fulfil their obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds as well as pre-accession aid.

Indicator 1: Availability of new irregularities reporting modules for the new programming period 2014-2020									
Baseline	2014	2015	2016	2017	2018	2019	2020	Target	
2013	Milestones foreseen							2020	
Development of new single harmonised module on-going.		Operational launch of new IMS version ready for reporting regulations for the MFF 2014-2020.	Online reporting and analysis system extended			Online analysis system to be extended	IMS system fully operational in all Member States and candidate countries with reporting and analysis tools.	IMS system fully operational in all Member States and candidate countries with reporting and analysis tools.	
	Actual results								
		IMS 5 is scheduled to go in production on 1 April 2016.	IMS5 went in production on 1 April 2016.	Extension of online analysis tool, which will be made available in 2018, started.	Online analysis tool ready for testing in production.	Online analysis tool went live.			

Comment: Milestone has been rescheduled from 2016 to 2018. IMS5 will replace IMS4, the current operational system. IMS4 can be used to fulfil the reporting obligations of MFF2014-2020. The alpha-release of IMS5 was made accessible to all IMS-users in February 2016. The extended online reporting system IMS5 facilitates the reporting of irregularities for the following competences: agriculture, cohesion, fisheries, pre-accession, asylum and most deprived. The IMS online analysis tool has been ready for testing in production in 2018 but a recent release of the underlying software, on which the tool is based, made it necessary to perform additional checks before testing the tool in production. Therefore the corresponding milestone of performance indicator 1 of specific objective 2 for 2018 had to be rescheduled by one year to 2019.

Indicator 2: Number of Member States complying with obligations for reporting of fraudulent irregularities									
Baseline	2014	2015	2016	2017	2018	2019	2020	Target	
2013	Milestones foreseen							2020	
Some Member States / Candidate Countries do not yet fully comply with their reporting obligations.	IMS refreshment training provided to MS		MS have been trained and set up to use IMS	MS and candidate countries use actively IMS reporting and analysis tools	MS and candidate countries perform proactive quality control on the data provided		The Commission can guarantee that the Member States have at their disposal all means and tools to comply with the reporting obligations	The Commission can guarantee that the Member States have at their disposal all means and tools to comply with the reporting obligations	
	Actual results								
		IMS 5 training was provided to all Member	IMS manual revised and updated. IMS 5 training	IMS manual split into booklets. All MS and	The data quality differs per country which is				

		States.	was provided to all (potential) candidate countries.	candidate countries use actively IMS for reporting. A handbook on irregularities reporting has been prepared together with national experts and disseminated to IMS users.	caused by a difference in the level of implementation of quality controls.			
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Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
1. AFIS Registered Users	24 04 01	8 400	
2. JCOs organised	24 04 01	5	
3. MA Cases	24 04 01	24 000	
4. IMS Communication	24 04 01	30 000	
Total		65 405	7,2

The aforementioned outputs, especially AFIS Registered Users, MA Cases and IMS Communications, cannot directly be related to expenditures. The AFIS financing decision ⁽¹²⁾ allocates the budget according to the following categories:

1. IT studies, development and maintenance
2. Production services
3. Technical assistance, training coordination and quality control services
4. Use and maintenance of the Common Communication Network (CCN)
5. Acquisition, maintenance and updating of various types of software, hardware and related IT services

In line with the requirements ⁽¹³⁾, the IT expenditures within these budget sub lines can be allocated to the following (IT) cost categories: Development (43500), IS Maintenance (43800), IS Support (43850), Training (12500), ICT Infrastructure (43400), IS Licenses (43900) and non-IT expenditure (NO/IT).

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
1. AFIS Registered Users	F	12 100	13 300	8 100	8 200	8 300	8 350	8 400
	P	8 100	8 050	8 750	8 600	8 800	9 000	
2. JCO's organised	F	4	4	4	5	5	5	5
	P	4	3	4	3	2	13	
3. MA Cases	F	10 000	13 000	14 500	17 000	19 000	21 500	24 000
	P	10 000	12 000	13 800	16 324	18 340	18 639	
4. IMS Communication	F	21 000	22 500	24 000	25 500	27 000	28 500	30 000
	P	23 700	23 400	43 600	88 347	97 559	109 930	

⁽¹²⁾ E.g. the Commission Decision on the adoption of the work programme for 2015 and the financing for the implementation of the Anti-Fraud Information System, C(2015)684 of 13 February 2015

⁽¹³⁾ Note on tracking IT expenditures of DG BUDG, Ares(2015)5555824