

Fight against fraud: Pericles 2020, Hercule III and AFIS

In a nutshell

Pericles 2020 is an exchange, assistance and training programme for the protection of the euro against counterfeiting. Hercule III is a programme aimed at supporting action to combat irregularities, fraud and corruption affecting the EU budget. AFIS is a collection of applications for the exchange of anti-fraud information between OLAF and national administrations.

EU Multiannual Financial Framework (MFF) heading

Heading 1 – Smart and inclusive growth

2014-2020 financial envelope (in current prices and as % of total MFF)

Pericles 2020: €7.34 million (0.000675 %); Hercule III: €104.92 million (0.00965 %)

2019 budget (in current prices and as % of total EU budget)

Commitments: Pericles 2020: €1.07 million (0.0006 %); Hercule III: €15.89 million (0.0096 %); AFIS: €7.20 million (0.0043 %)

Payments: Pericles 2020: €0.98 million (0.0007 %); Hercules III: €16.07 million (0.011 %); AFIS: €7.16 million (0.005 %)

2018 budget (in current prices and as % of total EU budget)

Commitments: Pericles 2020: €1.06 million (0.0007 %); Hercule III 2020: €15.35 million (0.0096 %); AFIS: €7.66 million (0.0049 %)

Payments: Pericles 2020: €0.95 million (0.0007 %); Hercules III 2020: €13.26 million (0.0096 %); AFIS: €7.35 million (0.0053 %)

Methods of implementation

Direct management (European Commission – OLAF)



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EU role in the policy area: legal basis

Treaty mandate for the fight against fraud

The EU anti-fraud programme is based on [Article 325](#) of the Treaty on the Functioning of the European Union (TFEU) which provides for a shared obligation of the Member States and the EU to protect the Union's financial interests and to counter fraud, corruption and any other illegal activities affecting them. That article includes the principles of deterrence, effectiveness and assimilation – principles that first appeared in the 1995 [Convention](#) on Protection of the European Communities' Financial Interests. The protection of the financial interests of the Union is a key element of its policy agenda because 'transparent, correct and sound management of public money is crucial: firstly, to strengthen citizens' confidence in the EU's activities; and secondly, to offer companies fairer access to EU funds.'¹

The legal concepts of fraud and irregularity in EU law

EU law uses two distinct concepts of fraud and irregularity,² both of which are relevant for the programmes in question. Fraud is divided into fraud affecting **expenditure** and fraud concerning **revenue**. In both cases, fraud is defined as an intentional act or omission relating to the use of, or the presentation of, false, incorrect or incomplete statements or documents. Fraud is also seen as the non-disclosure of information, in violation of a specific obligation, which causes the misappropriation or the wrongful retention of funds from the general budget of the EU. Furthermore, in the case of expenditure, fraud is defined as including the misappropriation of funds for purposes other than those for which they were originally granted. In the case of revenue, fraud may include the misappropriation of a legally obtained benefit.

The concept of an **irregularity** is defined as an infringement of a provision of EU law, which results from an act or an omission and has the effect of prejudicing the general budget of the EU or budgets managed by the EU, either by reducing or losing revenue accruing from own resources collected directly on behalf of the EU, or by an unjustified item of expenditure. In contrast to fraud, an irregularity is **not intentional**, i.e. the person committing an irregularity does not act with a fraudulent intent to cause damage to the EU budget.

Key secondary legislation in the policy field

The PIF convention

Since 1995, a [convention](#) has been in place that seeks to protect, under criminal law, the financial interests of the EU and its taxpayers.³ Over the years, the Convention on the Protection of the European Communities' Financial Interests has been supplemented by a series of protocols. The convention and its protocols provide a harmonised legal definition of fraud and require their signatories to adopt criminal penalties for fraud. The convention entered into force on 17 October 2002, along with its [first protocol](#) and the [protocol on its interpretation by the Court of Justice](#). The [second protocol](#) entered into force on 19 May 2009. The convention and its protocols are open for signature by any country joining the EU. As from July 2019, the convention will be replaced by the PIF directive for all EU countries save for the United Kingdom and Denmark (see below).

The PIF directive

[Directive \(EU\) 2017/1371](#) of the European Parliament and of the Council, of 5 July 2017, on the fight against fraud to the Union's financial interests by means of criminal law – unofficially called the 'PIF directive' – provides for harmonised definitions of offences

affecting the EU's financial interests as well as penalties and limitation periods for such cases. Member States have to implement it into national law by July 2019. Neither the United Kingdom nor Denmark took part in the adoption of this directive and will not be bound by it nor subject to its application.

The directive provides common definitions of a number of offences against the EU budget, including: fraud, active and passive corruption, the misappropriation of funds, and money laundering, amongst others. The definition of the Union's financial interests contained in the directive covers infringements of the common VAT systems where they are linked to the territory of two or more Member States and involve losses totalling at least €10 million. The definition of criminal offences covers active and passive fraud, as well as the misuse of funds. Minimum penalties are laid down for natural persons, and limitation periods are established that make it possible for the law to apply over a sufficient time to ensure that infringements can be addressed in an effective way.

According to Article 16 of the directive, it will replace the Convention on the protection of the European Communities' financial interests as from 6 July 2019 for the Member States bound by that Convention. The UK and Denmark will remain bound by the Convention.

EPPO regulation

In October 2017, 20 Member States decided to establish the European Public Prosecutor's Office ('the EPPO'). 22 Member States currently participate in the EPPO. This will be an EU body with powers to investigate and prosecute crimes against the EU's financial interests – defined as 'all revenues, expenditures and assets covered by, acquired through, or due to the Union budget and the budgets of the institutions, bodies, offices and agencies established under the Treaties and budgets managed and monitored by them'. Under Article 120(2) of the [EPPO Regulation](#), the body will not start operating earlier than three years after the date on which the regulation enters into force, i.e. not before the end of 2020. EPPO will be a body of the Union with its own legal personality and will cooperate with Eurojust and rely on its support.

Significance of the fight against fraud

The significance of the fight against fraud as an EU policy can be illustrated by data available in the Commission's latest [annual report](#) on the fight against fraud affecting EU financial interests, published in September 2018.⁴ According to that source, in 2017 a total of 15 213 irregularities were reported with a total value of €2.58 billion. This was a decrease of 8.6 % when compared to data for 2016. Within the pool of irregularities, fraudulent irregularities totalled €467 million, representing an increase of 19.4 % compared with 2016. However, when analysing those figures, one should keep in mind that the Commission notes in the [report](#) that the number of irregularities reported should not be treated as a 'direct indicator of the level of fraud', but rather as information on 'how many cases of potential fraud are being detected'.

Position of the European Parliament

The European Parliament has repeatedly called for an integrated approach towards fraud, tax avoidance and corruption, as well as for strengthening multidimensional cooperation and coordination between the Member States and the EU institutions. One can mention in this respect Parliament's resolutions on [OLAF](#), on [organised crime, corruption and money laundering](#) (2013), as well as on the [Annual Tax Report](#) (2015).

The most recent position of the Parliament in the policy area is contained in its [resolution](#) of 31 January 2019 on the 2017 annual report on protecting the EU's financial interests. Parliament noted with satisfaction that the total number of fraudulent and non-fraudulent irregularities reported in 2017 (15 213 cases) was 20.8 % lower than in 2016 (19 080 cases) and that their value had decreased by 13 % (from €2.97 billion in 2016 to €2.58 billion in 2017). It also noted the significant year-on-year decrease of 19.3 % in the number of irregularities reported as fraudulent, which continued the downward trend seen since 2014, expressing the hope that 'the decrease reflects a genuine reduction in fraud and not deficiencies in terms of detection'. Furthermore, it advised the Member States to cooperate more closely with regard to exchanges of information, in order both to improve data collection and enhance the effectiveness of controls. Concerning the EU programmes, Parliament mentioned only Hercule III, calling it 'a good example of the "best use of every euro" approach' and hoping that 'its post-2020 successor [would] be even more efficient'.

Legal basis of the Pericles 2020 programme

Pericles 2020 is an exchange, assistance and training programme for the protection of the euro against counterfeiting. It replaces the previous Pericles programme, which was established in 2001 and ran during the period 2002-2013. Pericles 2020 was created by [Regulation \(EU\) No 331/2014](#) of the European Parliament and of the Council of 11 March 2014 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme). Its application was extended to the non-participating Member States by [Council Regulation \(EU\) 2015/768](#) of 11 May 2015. Article 9(1) of [Regulation \(EU\) No 331/2014](#) sets the financial envelope of Pericles 2020 within MFF 2014-2020 at **€7.34 million**.

Legal basis of the Hercule III programme

The predecessor of the current Hercule III programme – the Hercule I programme – started in 2004 ([Decision 804/2004/EC](#)) and was extended under the Financial Perspectives for 2007-2013 ([Decision 878/2007/EC](#)), giving rise to [Hercule II \(2007-2013\)](#). The ongoing programme, Hercule III (2014-2020) was set up by [Regulation \(EU\) No 250/2014](#). Article 9(1) of that regulation sets the programme's financial envelope within MFF 2014-2020 at **€104.92 million**.

Legal basis of the AFIS project

Legal nature of AFIS: not a programme, but a set of applications

AFIS is not a programme, but as the Commission explains, an 'umbrella term' for a set of anti-fraud applications, operated by OLAF under a common technical infrastructure. These applications have the aim of providing for a timely and secure information exchange between the national and EU administrations in matters of fraud. They also serve the storage and analysis of relevant data. The AFIS project encompasses two major areas:

- mutual assistance in customs matters, and
- irregularities management.

Not being a programme, but rather a set of applications sometimes referred to as a 'project', or as an 'operational activity',⁵ AFIS does not have its own financial envelope in the MFF. Nonetheless, it has its own item in the EU general budget (24 04). This is distinct from OLAF's other expenses and, in comparison to the Pericles 2020 programme, for

example, is quite significant in value (€7.20 million in commitments for 2019 compared to €1.07 million for Pericles 2020).

Legal basis for AFIS: the Mutual Assistance Regulation and sectorial legal bases for IMS
AFIS does not have a specific, tailor-made legal basis. It is part of the general mandate of OLAF and the EU's anti-fraud policy. More specifically, as legal basis for AFIS, the EU budget refers⁶ to [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. That regulation sets out the ways in which the administrative authorities responsible for implementation of the legislation on customs and agricultural matters in the Member States cooperate with each other and with the Commission in order to ensure compliance with that legislation within the framework of the EU system (Article 1). The regulation has a framework character and does not specifically set up or even mention AFIS.

The Irregularity Management System (IMS) which is financed and implemented through AFIS, has its own sectorial legal bases.⁷ They include the following:

- for the Common Agricultural Policy (CAP) – [Commission Delegated Regulation \(EU\) 2015/1971](#) and [Commission Implementing Regulation \(EU\) 2015/1975](#);
- for European Structural Funds, Cohesion Fund and European Maritime and Fisheries Fund – [Commission Delegated Regulation \(EU\) 2015/1970](#) and [Commission Implementing Regulation \(EU\) 2015/1974](#);
- for the Fund for European Aid for the Most Deprived – [Commission Delegated Regulation \(EU\) 2015/1972](#) and [Commission Implementing Regulation \(EU\) 2015/1976](#).

Items in the EU general budget for 2019

Pericles 2020, Hercule III and AFIS have been provided for under the following items of the [EU general budget for 2019](#):

Title, chapter, article, item	Heading	Budget 2019 (€ m)		Appropriations 2018 (€ m)		Outturn 2017 (€ m)	
		Commitments	Payments	Commitments	Payments	Commitments	Payments
01 02 04	Protecting euro banknotes and coins against counterfeiting and related fraud [Pericles 2020 – R.M.] ⁸	1.072	0.98	1.055	0.953	1.047	0.692
24 02	Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)	15.891	16.065	15.348	13.255	14.95	15.12
24 04	Anti-Fraud information system (AFIS)	7.195	7.155	7.664	7.346	7.132	6.362

As can be seen from the above table, whilst Hercules III and AFIS are dealt with under Title 24 – 'Fight Against Fraud', Pericles 2020 is dealt with under Title I.

Public expectations and possible further development of the policy area

Public expectations

According to a [2016 Eurobarometer survey](#), 75 % of EU citizens would like the EU to intervene more in the fight against tax fraud, making it one of the areas with the strongest support for more EU involvement. At the same time, two thirds of EU citizens evaluate the current EU action in the fight against fraud as insufficient. Another side of fraud is corruption, especially in the context of public procurement. A [2013 Eurobarometer survey](#) revealed that 32 % of companies operating in an EU Member State that had participated in a public procurement procedure, considered that corruption prevented them from winning a contract.

Possible developments of the policy field

A recent EPRS study on [Unlocking the Treaty potential](#) highlights the possibility of a broader use of Article 325 TFEU. In particular, the current treaty framework would allow for the creation of a European Tax Corps, a European Customs Service, as well as providing for a fully fledged substantive anti-fraud policy, to be enforced *inter alia* by the EPPO.⁹

Objectives of the programmes

Pericles 2020

Pericles 2020 is a multiannual action programme to promote actions for the protection and safeguarding of the euro against counterfeiting and related fraud (Article 1 of Regulation 331/2014). The added value of Pericles 2020 is that it actively encourages and entails an increase in transnational cooperation for the protection of the euro inside and outside the Union and with the Union's trading partners (Article 2 of Regulation 331/2014). Pericles 2020 has an international dimension, as attention must also be paid to those Member States or third countries that have the highest rates of euro counterfeiting.

The **general objective** of Pericles 2020, defined in Article 3 of Regulation 331/2014, is to prevent and combat counterfeiting and related fraud, thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances.

The **specific objective** of the programme, as set out in Article 4 of that regulation, is to protect euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the measures undertaken by the Member States and assisting the competent national and Union authorities in their efforts to develop, amongst themselves and with the Commission, a close and regular cooperation and an exchange of best practice, where appropriate including third countries and international organisations.

Hercule III

The objectives of the Hercule III programme are divided, according to its establishing regulation, into three categories: a general objective, a specific objective and operational objectives:

- The **general objective** of Hercule III is to protect the financial interests of the Union, thus enhancing the competitiveness of the Union's economy and ensuring the protection of taxpayers' money.

- The **specific objective** is to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union.
- Its five operational objectives are:
 1. transnational and multi-disciplinary cooperation;
 2. exchange of information, experiences and best practices, including staff exchanges;
 3. technical and operational support to national investigation, and in particular customs and law enforcement, authorities;
 4. to limit the currently known exposure of the financial interests of the Union to fraud, corruption and other illegal activities with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting;
 5. to promote comparative law analysis in the area of anti-fraud regulation.

The eligible beneficiaries of Hercule III are national or regional administrations of Member States and research bodies, as well as educational institutes and non-profit-making entities.

AFIS project

AFIS is a tool designed to facilitate exchange of fraud-related information between national and EU administrations, especially in the areas of customs matters and irregularities management on the expenditure side of the budget.¹⁰ Because it is a project and not a programme, its objectives are not specifically laid down in a legislative act as is the case with Pericles and Hercule.

Funded actions

Pericles 2020

Grants and projects

The technical, scientific and operational support provided by Pericles can take the form of **grants** for co-financing of specific projects proposed by the relevant national authorities in response to its calls for proposals. This includes:

- exchange and dissemination of information, in particular through organising workshops, meetings and seminars, including training, targeted placements and exchanges of staff of competent national authorities and other similar actions;
- technical, scientific and operational assistance, as appears necessary as part of the programme;
- grants to finance the purchase of equipment to be used by specialised anti-counterfeiting authorities of third countries for protecting the euro against counterfeiting.

Pericles 2020 is also used for financing **projects** initiated by the Commission, such as transnational conferences, training and workshops, within and outside the EU.

Eligible bodies

Bodies eligible for funding under Pericles 2020 are the competent national authorities as defined in point (b) of Article 2 of Regulation (EC) No 1338/2001. Pericles primarily provides assistance to:

- national law enforcement agencies, national central banks and issuing institutions and judicial authorities in the public sector, and
- commercial banks, money exchange offices and the cash-operated industry in the private sector.

Actions funded in 2018

In 2018, the Pericles 2020 programme funded the [following actions](#) for a total of **€993 388.74**:

- a training course in Panama, for experts from Latin-American countries, on money counterfeiting (€132 405.44);
- a conference in Serbia on 'A community strategy to protect the euro in the Mediterranean Area' (€59 467.74);
- the purchase of equipment for Montenegro to be used by specialised anti-counterfeiting authorities, as well as training of the police and officials of the National Bank of Montenegro (€15 072.65);
- staff exchanges in Italy, Belgium, Bulgaria, Finland, Lithuania and Portugal (€41 777.26);
- staff exchanges in Rome and Madrid (€22 204.53);
- the purchase of equipment to be used by anti-counterfeiting specialists to protect the euro against counterfeiting in Buenos Aires and Madrid (€74 653.64);
- staff exchanges and seminars for law enforcement and judicial authorities in combating euro counterfeiting (€54 685.11);
- staff exchanges on investigative techniques against money counterfeiting (€70 822.48);
- a meeting in Rome on 'Procured action: Framework service contracts' (€199 709.51);
- training in Colombia (€233 607.09), and
- an advanced course on classification of counterfeit euro coins in Brussels (€88 983.29).

Hercule III

Current work programme (2019)

The current [annual work programme](#) of Hercule III was adopted in December 2018. It provides for a budget of €15.8 million, dedicated to the following types of projects:

- **technical assistance measures** (€9.9 million) – aimed at assisting national authorities in the purchase of technical devices, such as investigation tools, x-ray scanners, computers for automated number plate recognition systems;
- **access to specialised databases** (€1.3 million) – the databases are to be used by national customs and tax authorities;
- **training, seminars and conferences** (€4.1 million) – aimed at police and customs officers.

The projects supported under the 2019 work programme take the form of grants and contracts within three main sectors:

- technical assistance – indicative budget of €9.87 million;
- training, conferences and staff exchange – indicative budget of €1.1 million;

- legal training and studies – indicative budget of €0.5 million.

Actions funded in 2017

The last detailed information on spending under the Hercule III programme [available](#) is for 2017. In that year the following items were financed from the programme (values indicate commitments):

- grants concerning cigarettes and investigation support – €10.21 million;
- procurement of IT databases – €0.74 million;
- procurement of IT tools and tobacco analysis – €0.61 million;
- procurement of technical equipment – €27.14 million;
- grants for anti-fraud training – €1.01 million;
- procured conferences – €0.43 million;
- procured digital forensics training sessions – €0.96 million;
- grants for legal training and studies – €0.54 million;
- procurement of a study on illicit tobacco trade – €0.15 million.

AFIS project

As indicated above, AFIS is not a programme or action, but simply a collection of applications facilitating the exchange of anti-fraud information between OLAF and competent administrations in the framework of the Mutual Assistance Regulation (515/97). These applications [include](#):

- AFIS Mailing (structured & unstructured communications);
- Customs Information System (CIS);
- FIDE System;
- Mutual Information System with the Russian Federation (MIS);
- virtual-OCU supporting Joint Surveillance Operations, and
- WCO-CigInfo system for the exchange of data relating to cigarette seizures between the Member States and the World Customs Organization (via OLAF).

Furthermore, the AFIS platform serves the delivery of the Irregularity Management System (IMS) – a secure electronic tool for the reporting, management and analysis of irregularities, including fraud, that affect the financial interests of the EU.¹¹ The competent national authorities use the IMS to report irregularities relating to EU funds in the areas of agriculture, structural and cohesion policy, fisheries, asylum-related funds, and the Fund for European Aid to the Most Deprived, and also in the area of pre-accession assistance.

Assessment of the programmes

Pericles 2020

The latest available assessment of the Pericles 2020 programme is available in the [Commission report](#) concerning the implementation and the results of the Pericles 2020 programme for the protection of the euro against counterfeiting in 2017, published in August 2018. The Commission found that there was 'a continuing positive trend towards an increasing differentiation and diversification of the professional backgrounds of participants over the years', noting that police authorities were not an absolute majority (42 %). Other participants in the programme included central bank officials (24 %), members of the judiciary (8 %), representatives of mints (4 %), customs officials (4 %), administrators from ministries of finance (3 %) and officials from financial institutions

(3 %). The Commission concluded that the 'programme continues to be an important and efficient tool in the fight against counterfeiting', underscoring that the available budget for 2017 was fully committed.

Hercule III

In January 2018 the Commission published its [mid-term evaluation](#) of the Hercule III programme. On the basis of an externally procured evaluation, the Commission found that 'the internal and external coherence of the programme was ensured' and that the programme had been effective. The actions financed through the programme, such as scanners to detect smuggling or support for digital forensic trainings, 'clearly contributed to the protection of the EU financial interests', according to the evaluation. It was underlined that the stakeholders of the programme recognised its added value, allowing for a better protection of EU external borders, as well as fostering cross-border cooperation in areas such as exchanges of information and sharing best practices. The programme was evaluated as transparent and its reporting mechanisms were found to be efficient.

AFIS and IMS

Due to the fact that AFIS is not a programme, but merely an umbrella term for a collection of applications facilitating the exchange of anti-fraud information, it is not subject to periodical evaluations like Pericles or Hercule. However, it is subject to internal evaluations, which the Commission presented in its Staff Working Document accompanying the proposal for a regulation establishing a new EU Anti-Fraud Programme,¹² and which were also addressed in two ECA special reports.

2014 audit of AFIS

In 2014, OLAF's Internal Audit Capability performed an audit to assess the performance of AFIS. The report confirmed the efficiency and effectiveness of AFIS and the adequacy of the management and coordination mechanisms, concluding that the stakeholders consider the quality of the AFIS services as 'satisfactory, or even highly satisfactory'. The Commission believes that '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 Permanent Operational Coordination Unit (POCU) and IT infrastructure (Virtual Operation Coordination Unit, VOCU), encompassed by AFIS, have been evaluated following the completion of the Joint Customs Operations (JCOs). According to the evaluation reports, 'this physical structure [POCU and VOCU] and AFIS application strongly facilitate the coordination tasks associated to JCOs with a large number of participants'. Finally, the Commission carries out regular survey reports on AFIS – the latest ones indicate that more than 80 % of Member State users are satisfied with the functionality and performance of the various AFIS applications, as well as with the AFIS training provided.

ECA Special Report on import procedures (2017)

The European Court of Auditors [Special Report No 19/2017](#) on 'Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU' concludes that the EU's tools and programmes for exchanging customs information and increasing cooperation have not reached their full potential. In particular, certain mutual assistance requests related to specific fraud areas

are not implemented in a uniform way by Member States. Some AFIS customs information systems are insufficiently used.

ECA special report on Fighting fraud in EU spending: action needed (2019)

The efficiency of AFIS and IMS was addressed in the [ECA Special Report 1/2019](#). The ECA found that the Commission's own reporting of detected fraud in areas that it manages directly is not complete. Meanwhile, within shared management, the methodologies used by Member States to prepare their official statistics on detected fraud differ, and the information reported in the IMS is incomplete. The ECA further pointed out that the Commission does not carry out comprehensive checks to ensure the quality of data reported in the IMS; nor does it ask Member State authorities to provide assurance as to the reliability of the data reported. In conclusion, the ECA called upon the Commission to enhance IMS so that information on criminal investigations related to fraud affecting the EU's financial interests are reported in a timely manner by all competent authorities.

Other EU programmes and actions in the same field

Customs and Fiscalis

Two crucial EU programmes in the field of the fight against fraud are the [Customs 2020 and Fiscalis 2020](#) programmes. Both Customs 2020 and Fiscalis 2020 are a continuation of a series of earlier EU action programmes in the fields of customs and taxation. In the case of taxation, these date back to the 1993 programme on Community action on the vocational training of indirect taxation officials (the [Matthaeus-Tax](#) programme), which was later replaced by the Fiscalis programme ([Decision No 888/98/EC](#)). After having been extended over the 2003-2007 period by [Decision No 2235/2002/EC](#), the original Fiscalis programme was succeeded by [Fiscalis 2013](#), the direct predecessor of Fiscalis 2020. In the case of customs, these programmes date back to the early 1990's, starting with the Matthaeus programme ([Council Decision 91/341/EEC](#)), which later evolved into the [Customs 2000](#), [Customs 2002](#), [Customs 2007](#) and [Customs 2013](#) programmes. [Regulation \(EU\) No 1294/2013](#) (the Customs 2020 Regulation) provides the legal basis for the operation of the Customs 2020 programme over the 2014-2020 period and [Regulation \(EU\) No 1286/2013](#) provides the legal basis for the operation of Fiscalis 2020 over the 2014-2020 period.

Forthcoming EU anti-fraud programme

On 30 May 2018, the European Commission published a [proposal](#) for a regulation establishing an EU anti-fraud programme under the new 2021 to 2027 multiannual financial framework (MFF).¹³ The proposal entails grouping the Hercule III programme together with the Anti-Fraud Information System (AFIS) and Irregularity Management System (IMS) operational activities (the latter currently financed through AFIS). Under the proposed new programme, the operational provisions of AFIS and IMS would remain in their respective legal instruments, with only the financing provisions of AFIS being transferred to the new EU anti-fraud programme regulation. This new financing arrangement for AFIS would cover all actions currently financed under AFIS, including IMS. IMS would become a stand-alone action to be financed under the new regulation, thereby uncoupling it from AFIS, as is currently the case.

Main references

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Svášek, M. [EU anti-fraud programme 2021-2027](#), EPRS briefing, 2019, PE 633.182.

Endnotes

- ¹ Gianluca Sgueo, [The institutional architecture of EU anti-fraud measures: Overview of a network](#), EPRS in-depth analysis, 2018, PE 623.545, p. 1.
- ² Sgueo, [The institutional architecture...](#), op.cit., pp. 1-2.
- ³ For a detailed legal analysis of the Convention, see Rafał Mańko, [Convention for the Protection of EU Financial Interests](#), EPRS briefing, 2016, PE 586.631.
- ⁴ For a brief overview, see Rafał Mańko, [2017 report on protection of the EU's financial interests – Fight against fraud](#), EPRS at-a-glance note, 2019, PE 633.152.
- ⁵ [Commission Staff Working Document](#): Ex-Ante evaluation accompanying the document: Proposal for a regulation of the European Parliament and the Council establishing the EU Anti-Fraud Programme, 30 May 2018, SWD(2018) 294 Final, p. 2.
- ⁶ [EU budget for 2019](#), p. 1553.
- ⁷ [Commission Staff Working Document](#), SWD(2018) 294 final, op.cit., p. 2.
- ⁸ The name of the programme – 'Pericles 2020' – is not made explicit in the text of the EU budget.
- ⁹ Étienne Bassot (ed.), [Unlocking the potential of the EU Treaties: An article-by-article analysis of the scope for action](#), EPRS study, 2019, PE 630.353, pp. 32-33.
- ¹⁰ Sgueo, [The institutional architecture...](#), op.cit., p. 10.
- ¹¹ Martin Svášek, [EU anti-fraud programme 2021-2027](#), EPRS briefing, 2019, PE 633.182, p. 3.
- ¹² [Commission Staff Working Document](#), SWD(2018) 294 final, op.cit., p. 4-7.
- ¹³ For an analysis of the proposal see Svášek, [EU anti-fraud programme...](#), op.cit.

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eprs@ep.europa.eu

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