



Proposal for the amendment of Regulation (EC) No 515/97

– Export CSMs

IMCO meeting 05/10/2014

Usefulness of export CSMs

Export CSMs, combined with export data, could facilitate:

- **combating fraud related to re-importation of specific goods (e.g. cigarettes)**
- **the implementation of targeted export controls and verification of destination for sensitive exports**

Usefulness of export CSMs (cont.)

Expertise from ConTraffic project

Results of the ConTraffic questionnaire to MS, Oct 2013

Questionnaire proves that CSMs data is relevant
for export controls

Investigation-related examples

- **Example 1**

In 2012, large amounts of **cigarettes** were **exported** from the EU to country X. Fraud scenario: containers end up in the free port of country X, transport documents are changed and containers are sent back to the EU. Subsequently goods are declared for free circulation as low value goods.

Export CSMs would be decisive in determining whether the cigarettes remained in the container (and returned to the EU) or whether they were unloaded in country X.

Investigation-related examples (cont.)

- **Example 2**

Some companies in MS Y set up fraud schemes declaring **unrealistically high values** for export creating the basis for fraud. The declared destinations were third countries. In some cases the exported goods were not delivered to the declared consignees.

Export CSMs (info on date of departure full from the facility, name of the vessel, date and place of unloading full container from a conveyance, status of empty container) would provide a confirmation that the EU exported goods ended up at declared destination.

Investigation-related examples (cont.)

- **Example 3**

Export CSMs are particularly useful for post clearance controls of **dual use goods** declared for export to third countries.

Similarly in cases of **embargoes** for goods exported to certain countries. CSMs data provide confirmation that goods are delivered to declared final destination and not to countries subject to embargoes.

Investigation-related examples (cont.)

- **Example 4**

Fictitious exports scenario: shipments of genuine cigarettes or cheap whites loaded on cargo are declared for export to third countries and are subsequently re-introduced in contraband in the EU (e.g. discharged on the coast).

Export CSMs confirming the empty status at destination combined with other export data are decisive for detecting fictitious export cases.

Reporting of export CSMs

Export CSMs may be provided by means of:

- a) **Global dump** – Cost: nearly zero
- b) **Online access** - Cost: nearly zero
- c) **Selective reporting** - Cost: of implementing the software that will extract additional export CSMs.

Discussions with the industry - World Shipping Council (WSC)

Constructive discussions

Remaining concerns to be addressed (also in IA/DA)

Conclusion

The considerations presented show clearly that export CSMs will make a **significant** and **cost-effective contribution** to the **detection** of breaches of customs legislation and to the **investigation of customs fraud**.



Thank you for your
attention