



**2015/2128(INI)**

25.11.2015

# **OPINION**

of the Committee on International Trade

for the Committee on Budgetary Control

on the Annual Report 2014 on the Protection of the EU's Financial Interests –  
Fight against fraud  
(2015/2128(INI))

Rapporteur: Sander Loones



## SUGGESTIONS

The Committee on International Trade calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that, with the objective of bringing finances onto a more sustainable footing, Member States are involved in ongoing fiscal consolidation and restraint, and firmly believes that all available resources are needed for investment in the Member States with the objective of stimulating sustainable economic growth; believes that all necessary steps must be taken to prevent and stop any fraudulent activities in the field of trade policy and its associated appropriations, combining all relevant policy instruments (such as criminal investigations, the development of reliable analysis models, and efforts to tackle shortcomings and failures related to deficient Commission policy); calls on the Member States to put even more effort into ensuring that money from the EU budget is used correctly for projects that contribute to growth and jobs in Europe, and into recovering customs debt following the discovery of fraud; stresses, more generally, that the fight against illicit trade and illicit financial flows should remain a high priority for the EU as well as for the Member States;
2. Is very concerned about the increasing incidence of smuggling, trafficking and other forms of illegal and illicit trade, which not only have an impact on Member States' collection of customs duties and consequently on the EU budget, but are also strongly associated with organised international crime, threats to consumers and negative effects on the functioning of the single market, and which undermine a level playing field for all competing companies, particularly SMEs; requests, therefore, better coordination between the European Anti-Fraud Office (OLAF), customs authorities and market surveillance authorities in order not only to combat these problems but also to curb the trade in products that infringe intellectual property laws in the EU;
3. Welcomes the proven effectiveness of OLAF's origin investigations concerning the eligibility of preferential tariff measures, and calls on the Member States to give consideration to these findings and to take all necessary and appropriate measures in accordance with the provisions of EU customs legislation; calls on the Commission, with a view to preventing losses from the EU budget arising from the import of goods not entitled to preferential tariff treatment under preferential trade agreements (PTAs), to continue to verify that Member States improve the effectiveness of their risk management systems and control strategies on the basis of the mutual assistance communications; asks the Commission, furthermore, to follow up on its commitment to carrying out ex-post evaluations of PTAs with significant economic, social and environmental impact, including a periodical system of reporting by beneficiary countries on their management and control of preferential origin;
4. Notes the implementation of the Hercule III programme under the new financial framework, and considers it beneficial that this programme be used to assist the law enforcement agencies of certain Member States in combating illegal and illicit trade; hopes to see the promotion of this programme stepped up in order to make it more effective and to facilitate access to it for the national and regional administrations it targets; calls for the EU to establish a European Public Prosecutor's Office without delay;

5. Welcomes the fact that in 2014 there were 48 agreements in place that encompassed mutual administrative assistance, covering 71 countries, with another 49 countries in negotiations, including major trading partners such as the USA and Japan, and asks that Parliament be kept constantly informed of developments in these negotiations; emphasises that the top priority in terms of protecting the EU's financial interests and combating fraud effectively is to ensure that legislation is applied and that all parties observe the relevant international agreements, including relevant anti-fraud and anti-corruption clauses providing for sanctions; encourages the Commission to continue to cooperate with other countries on anti-fraud measures and to establish new administrative cooperation arrangements; invites the Commission to continue to include anti-fraud and anti-corruption provisions in all EU international agreements so as to pave the way for enhanced cooperation in combating organised crime, trafficking and other illegal or illicit trade;
6. Stresses the importance of distinguishing between legitimate generic medicine and fraudulent counterfeit drugs so as to avoid interrupting the production and legitimate trade of generic medicines, and invites, once again, all those Member States which have signed but not yet ratified the UN Protocol to Eliminate Illicit Trade in Tobacco Products to complete the ratification process as soon as possible;
7. Recalls the internal EU standards concerning the fight against corruption and the protection of whistleblowers, and believes that these should be explicitly extended to whistleblowers who reveal fraud in respect of international agreements, including trade agreements;
8. Welcomes the key role played by the EU's macro-financial assistance (MFA) programme in encouraging reform on the part of the EU's closest trading partners; requests that the Commission continue to report to Parliament and the Member States with a view to ensuring that all funds are spent in full compliance with the basic regulation and in a manner consistent with regional cohesion and the promotion of regional stability, thereby limiting the risk of misuse of repayable loans; requests a long-term assessment of the effect of MFA programmes on efforts to tackle corruption and fraud in recipient countries.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	1.12.2015
<b>Result of final vote</b>	+:                35 -:                2 0:                 2
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Maria Arena, Tiziana Beghin, David Borrelli, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Marielle de Sarnez, Santiago Fisas Aixelà, Karoline Graswander-Hainz, Ska Keller, Jude Kirton-Darling, Gabrielius Landsbergis, Bernd Lange, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Artis Pabriks, Godelieve Quisthoudt-Rowohl, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Marietje Schaake, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula
<b>Substitutes present for the final vote</b>	Goffredo Maria Bettini, Reimer Böge, Klaus Buchner, Dita Charanzová, Edouard Ferrand, Seán Kelly, Georg Mayer, Bolesław G. Piecha, Fernando Ruas, Lola Sánchez Caldentey, Jarosław Wałęsa