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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the functioning of the inspection arrangements for traditional own resources (2022-2024) pursuant to Article 6(3) of Council Regulation (EU, Euratom) 2021/768 of 30 April 2021 laying down implementing measures for the system of own resources of the European Union

EXECUTIVE SUMMARY

The Commission reports every three years to the European Parliament and to the Council on the functioning of the inspection arrangements for traditional own resources (TOR). This report provides detailed information about the inspection activities carried out between 2022 and 2024.

Between 2022 and 2024, the Commission continued implementing its measures against ***fraudulently undervalued textiles and footwear from the People's Republic of China*** *imported to both the United Kingdom and the Member States. The Commission launched infringement proceedings against the UK in 2018, and in 2022 the Court of Justice of the European Union ruled in favour of the Commission (C-213/19). Based on this landmark case, the Commission ultimately brought almost EUR 3 billion of additional TOR and interest to the EU budget in 2023. As a result of the legal clarifications by the Court and the enforcement action by the Commission, Member States considerably improved their control strategies in this area. The Commission is now concluding pending undervaluation cases in cooperation with the Member States concerned, which involves determining the final amounts of related TOR losses and interest.*

In connection with the UK's withdrawal from the EU on 1 January 2021, the Commission continues to ensure the payment of outstanding TOR amounts owed by the UK in line with the Withdrawal Agreement.

Between 2022 and 2024, the Commission also increased its targeted ad hoc measures to protect the EU budget by building upon inspection findings, for example, with desk audits of imports of ***solar panels and cells*** *declared as originating in Malaysia and in Taiwan in all Member States. As a result, by 31 December 2024, Member States made EUR 376.8 million of additional TOR relating to these goods available to the EU budget.*

In addition, the planned annual inspection activities included topics such as: (i) the ***management of the A account and the B account; (ii) e-commerce; (iii) the end-use procedure;*** *and* ***(iv) anti-dumping and countervailing duties.***

Finally, the report covers other regular activities carried out to protect the financial interests of the EU: (i) the follow-up measures addressing the European Court of Auditors' preliminary findings; (ii) the examination of irrecoverable entitlements that have been written off by Member States; (iii) the follow-up in respect of the amounts made available on a voluntary basis; (iv) the treatment of Member States' errors; (v) the management of the database relating to fraud and irregularities; and (vi) the assistance provided to the candidate countries.

1. INTRODUCTION

From 2022 to 2024, traditional own resources (TOR)[1] totalling over **EUR 68 billion** (net) were made available to the EU budget, with a yearly average of around EUR 22.7 billion.

TOR inspections are based on Council Regulation (EU, Euratom) 2021/768 of 30 April 2021[2].

The Commission reports every three years[3] to the European Parliament and to the Council on the functioning of the inspection arrangements for TOR.

This report describes and analyses the operation of the inspection system for TOR in the period from 2022 to 2024[4]. It also describes the TOR inspections carried out by the Commission over this period and covers other activities the objective of which is to protect the financial interests of the EU, including:

- on-the-spot inspections and targeted desk audits carried out by the Commission in the Member States and the follow-up to those inspections;
- follow-up to the European Court of Auditors' preliminary findings;
- examination of irrecoverable entitlements written off by Member States;
- treatment of Member States' errors leading to a loss of TOR;
- management of the database for Member States' reporting on fraud and irregularities with an impact on TOR (OWNRES);
- assistance to EU candidate countries (Chapter 33);
- contributions to amending the Making Available Regulation[5].

The activities listed above are carried out by a small team of 18 staff, ensuring that TOR are collected in a timely manner and that Member States apply the legal provisions correctly. The team also provides guidance to national authorities: (i) during the inspection visits; (ii) during the biannual meetings of the Advisory Committee on Own Resources (ACOR); or (iii) on an ad hoc basis.

[1] Customs duties on products imported from non-EU countries, plus sugar levies.

[2] Council Regulation (EU, Euratom) 2021/768 of 30 April 2021 laying down implementing measures for the system of own resources of the European Union and repealing Regulation (EU, Euratom) No 608/2014, OJ L 165, 11.5.2021, p. 1.

[3] Pursuant to Article 6(3) of Regulation (EU, Euratom) 2021/768.

[4] The report focuses on the checks carried out by the EU institutions (the Commission and the Court of Auditors). It does not cover checks carried out by the Member States, the detailed results of which are set out in the annual report drawn up under Article 325 of the Treaty on the Functioning of the European Union.

[5] Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (recast), OJ L 168, 7.6.2014, p. 39. This regulation is known as the 'Making Available Regulation'.

2. TOR INSPECTIONS: FRAMEWORK AND METHODOLOGY

2.1. The regulatory and operational framework for TOR

The collection of TOR is delegated to the Member States under EU law. They must make the customs duties – which they have themselves established and collected – available[6] to the EU budget. During the reporting period, Member States continued applying a 25% flat rate in respect of all amounts of TOR established[7] as compensation for collection costs, regardless of the costs actually incurred. This means that the Commission only receives 75% of the customs duties collected, while Member States retain 25% as collection costs. Member States are also required to carry out customs checks and to report the findings of these checks to the Commission.

Nevertheless, the Commission retains considerable inspection powers with respect to TOR. In this context, on-the-spot inspections are an important tool to supervise the TOR collection system, allowing the Commission to carry out several types of checks[8] on Member States' customs accounts, procedures and documents.

The Commission is also required to respond to both: (i) the observations made by the Court of Auditors in its annual report, (ii) special reports or preliminary findings; and (iii) the observations and recommendations made by the European Parliament during the discharge procedure in respect of the implementation of the budget.

The Commission's inspection activities have three main objectives, which are set out in the three bullet points below.

- The first objective is to maintain a level playing field between Member States, regardless of where the goods are cleared through customs in the EU to prevent distortions of competition.

- The second objective is to ensure that customs duties are established and recovered in a timely manner. The Commission must be assured that Member States are complying with their responsibilities for collecting and making the corresponding TOR available. The Commission examines the measures taken by the Member States concerning the recovery of TOR, including the timely notification of the customs debt and the necessary enforcement procedures.

- The third objective is to inform the budgetary authority (the European Parliament and the Council of the European Union) and, as a result, to obtain confirmation of the discharge of its duties. Based on the inspection findings, the Commission assesses the

[6] The terms 'make available', mean that Member States make payments to the EU budget.

[7] Over the years, this percentage changed from 10% for amounts made available before 28 February 2001, to 25% for amounts made available between 1 March 2001 and 28 February 2014, and to 20% for amounts made available between 1 March 2014 and 28 February 2021. For amounts made available after 1 March 2021 the percentage to be applied is 25%.

[8] **Checks on procedures**: checks on the Member States' provisions concerning the TOR collection system. **Checks on documents**: analysis of accounting statements and all kinds of accounting documents and files from the Member States, including the Member States' reports on irrecoverable entitlements. **On-the-spot inspections, desk audits**: checks on the conformity with EU legislation of national systems and underlying documents from both the accounting and customs perspective. These inspections are carried out jointly with the Member States concerned.

effectiveness and diligence of the Member States in establishing and collecting customs duties and making the corresponding TOR available. The Commission requests measures to be taken to remedy any shortcomings, so that, ultimately, it can submit a report to the budgetary authority.

The inspections also help to ensure the effective functioning of the Customs Union, the protection of EU producers and the uniform application of EU rules. They also help eliminate loopholes that make it possible for fraudsters to abuse the system or evade paying the applicable duties.

Inspection findings provide important input for Directorate-General for Budget's revenue policy on the regulatory framework for current and possible future own resources. These findings are also shared with other Commission services (for example, DG Taxud[9], DG Trade[10], and OLAF[11]) to help them address the shortcomings identified at policy level.

The current Own Resources Decision[12] and Regulation (EU, Euratom) 2021/768 laying down implementing measures have applied since 1 January 2021. In addition, the continuous development of trade facilitation and simplification measures requires regular adaptation of the TOR checks carried out by the Commission and the Member States.

2.2. Objectives and methodology of on-the-spot and remote inspections in respect of TOR

The main objective of the checks on TOR is to gain assurance that the procedures in place in the Member States comply with the relevant EU legislation and that the EU's financial interests are appropriately protected wherever the goods are cleared. Each year, the inspections focus on specific customs and accounting topics. This helps harmonise and improve the procedures in place in the Member States with a view to protecting the financial interests of the EU in a consistent manner.

The Commission's on-the-spot inspections are planned as part of an annual inspection programme, which is based on a risk analysis and contains the topics to be checked in the Member States. These inspections are carried out in line with standardised procedures and involve the use of tailor-made audit tools developed by DG Budget to increase the comparability of inspection results.

The inspection topics are determined based on suggestions from the Member States or Commission services (e.g. DG Budget, DG Taxud, OLAF). Cooperation between the Commission services continues at the stage of developing the audit tools and through an arrangement whereby other Commission services join DG Budget during the inspection visits. Furthermore, DG Taxud, OLAF, and the Legal Service are systematically consulted and provide comments before the inspection reports are presented to the Advisory Committee on

[9] Directorate-General for Taxation and Customs Union
[10] Directorate-General for Trade and Economic Security
[11] European Anti-Fraud Office
[12] Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom, OJ L 424, 15.12.2020, p. 1

TOR. This approach ensures consistency across the Commission services and equal treatment of all Member States.

Since 2020, the Commission has carried out additional ad hoc inspections and desk audits, as necessary, in areas where specific risks are identified. These targeted desk audits are mostly carried out remotely (e.g. solar panels, control strategy for COVID-19-related goods subject to duty relief).

3. TOR INSPECTIONS CARRIED OUT BY THE COMMISSION IN THE PERIOD 2022-2024

In the period 2022-2024, the Commission carried out **56 TOR inspections** under Article 2 of Regulation (EU, Euratom) 2021/768, which gave rise to 161 findings. Table 1 provides an overview of the inspection activities per Member State during that period.

Of the 161 findings made, at least 103 (64%) had a direct financial impact (i.e. Member States had to make available additional TOR) and 21(13%) had a regulatory impact.

The inspections focused on accounting and customs matters.

Table 1. Overview of inspection activities 2022-2024

MS	A&B accounts			ADD/CVD[13]		E-commerce	End use
	2022	2023	2024	2022	2024	2022	2023
AT					x		x
BE			x	x		x	x
BG			x	x			x
HR					x		
CY					x		
CZ				x			x
DK					x		
EE							x
FI					x		x
FR			x				x
DE			x			x	x
EL	x		x				x
HU					x	x	x
IE			x	x			x
IT			x			x	
LV					x		
LT					x		
LU							x
MT				x			x
NL		x	x			x	x

[13] Control strategy for anti-dumping and countervailing duties (ADD/CVD)

PL			x				
PT				x			x
RO			x	x			
SK				x			
SI							x
ES			x			x	
SE			x	x			x
UK		x	x				
Total	**1**	**2**	**13**	**9**	**8**	**6**	**17**

3.1. Accounting matters

In 2022-2024, checks on the **reliability of the A and B accounts**[14] **and related statements** were carried out in all Member States and the UK. The conclusion was that the procedures to draw up these statements generally complied with EU legislation and ensured the protection of the EU's financial interests. The findings communicated by the Commission following these inspections concern, among other things: (i) the late establishment and notification of the customs debts; (ii) failure to make the amounts available to the EU budget or failure to do so in a timely manner; (iii) shortcomings in the enforcement of customs debts; (iv) incorrect entries in/removals from the two accounts; (v) shortcomings in the write-off procedures; (vi) inconsistencies between the two accounts; and (vii) late removals from the B account.

The management of the A account and the B account was inspected in all Member States as a second inspection topic in addition to the main customs topic. The inspections carried out in the period 2022-2024 confirmed that most errors in the A account and in the B account were one-offs, while systematic errors were exceptional. The Member States concerned accepted the financial consequences resulting from the findings made by the Commission.

The overall situation improved between 2022 and 2024 compared to the previous reporting period due to the consideration given by the Commission's inspections to these topics and to further improvements in the electronic accounting systems used by the Member States that reduce the risk of errors resulting from national authorities manually correcting the data. However, Member States need to continue to make every effort to ensure diligent management of the A and B accounts and to provide all the information required, so that the statements are complete, clear and transparent.

In 2022, the B account was checked by means of **dedicated desk audits** in all Member States. During these audits, the Commission targeted open B-account cases, effectively supporting Member States in targeted clean-ups of their B accounts.

[14] Member States enter TOR in one of two accounts:
- the **normal account** (A) for established amounts recovered or guaranteed (these amounts are paid into the EU budget);
- the **separate account** (B) for established amounts which have not been recovered, or guaranteed amounts that have been contested. TOR corresponding to **irrecoverable** customs duties are to be withdrawn from the separate account after a specified period. Such TOR amounts must simultaneously be made available (paid) to the Commission unless they cannot be recovered for reasons which cannot be attributed to the Member State (see also point 5.1 below).

Moreover, in 2022-2024 Member States took additional measures among others by: (i) evaluating their own financial responsibility; (ii) making the amounts available on a voluntary basis, where appropriate; and (iii) communicating them to the Commission using the Annex to the A account.

In conclusion, even though some shortcomings were identified in the Commission's inspections, the general functioning of the A and B account systems improved through the Commission's TOR inspection work, resulting in better protection of the EU's financial interest.

3.2. Customs matters 2022-2024

The customs topics selected for inspections change from year to year, with special consideration being given to issues associated with the highest risk for the financial interests of the European Union.

During the three-year period under scrutiny, the inspections focused on the following topics:

- the control strategy for anti-dumping and countervailing duties (2022 and 2024);
- the control strategy for e-commerce and low-value consignments (2022);
- the control strategy for end-use (2023).

In 2022 and 2024, **the control strategy for anti-dumping and countervailing duties (ADD/CVD)** was inspected in 17 Member States[15]. The control systems were assessed by the Commission as partially or generally satisfactory. The main shortcomings related to: (i) non-implementation or late implementation of risk profiles; (ii) non-consistent checks; (iii) late establishment of definitive anti-dumping duties and late making available of definitive anti-dumping duties (including accounting of provisional ADD/CVD becoming definitive); (iv) non-establishment or late establishment of ADD/CVD following the receipt of information from OLAF; and (v) the application of incorrect ADD/CVD rates.

In 2022, the Commission inspected **the control strategy for e-commerce and low-value consignments** in six Member States. The control systems were assessed as partially or generally satisfactory. The main shortcomings related to the risk management and control strategy for e-commerce and low-value consignments.

In 2023, the Commission inspected **the control strategy for the end-use procedure** in 17 Member States. The control systems were assessed as partially or generally satisfactory. The identified shortcomings included: (i) outdated national instructions; (ii) insufficient monitoring of authorisations; (iii) missing elements in authorisations; (iv) authorisations granted for long periods; (v) failure to communicate the bills of discharge or failure to do so in a timely manner; (vi) insufficient checks on declarations; (vii) indirect representatives lodging declarations; and (viii) declaration systems not checking whether the TARIC codes declared corresponded to the TARIC codes included in the authorisation.

In 2022, the Commission carried out six desk audits on **the control strategy for COVID-19-**

[15] The control strategy for anti-dumping and countervailing duties was also inspected in eight Member States in 2021.

related goods subject to duty relief. On 14 June 2022, the Commission requested the data to be provided by the Member States concerned. Some minor cases of financial liability were identified, and the Member States concerned accepted the financial consequences where applicable.

3.3. Undervalued imports of textiles and footwear

On 8 March 2022, the Court of Justice of the European Union (CJEU) ruled in favour of the Commission in the infringement case brought against the UK regarding undervalued textiles and footwear (C-213/19). This landmark case ultimately paved the way for additional payments by the UK to the EU budget of almost EUR 3 billion in TOR and interest. It also clarified more generally the responsibilities of Member States in fighting this type of fraud effectively, endorsing the measures recommended by the Commission since 2011.

As a result of the legal clarifications by the Court and the enforcement action by the Commission, Member States considerably improved their control strategies in this area. Several Member States reviewed their organisational structure around customs risk management, creating new teams and hiring dedicated customs control staff.

Regarding the financial responsibility in the context of this specific undervaluation fraud, the Commission and several Member States jointly concluded these cases with the final amounts due having been paid. For the remaining Member States, this process of determining the amounts to be paid will be concluded soon.

3.4. Solar panels

In 2018 and 2019, the Commission carried out TOR inspections in 10 Member States to assess their control strategies with respect to imports of solar modules and key components declared as originating in the People's Republic of China, Malaysia and Taiwan and subject to trade defence measures (anti-dumping and countervailing duties).

Due to a recurrent shortcoming identified in three of these targeted inspections (a shortcoming that was related to the misinterpretation of the term *consigned from* under Commission Implementing Regulations (EU) 2016/184 and 2016/185 of 11 February 2016), DG Budget extended the scope of its checks to all Member States importing the same goods in the period from 30 May 2015 to 3 September 2018[16]. By letter of 1 June 2021, DG Budget informed 21 Member States[17] about the potential TOR losses resulting from the said misinterpretation for imports of solar panels and cells declared as originating in Malaysia and in Taiwan.

By 31 December 2024, for 12 Member States, the follow-up to this shortcoming was considered closed either because no TOR were lost or because the principal amount plus interest were paid to the EU budget, totalling EUR 376.8 million. The follow-up to the investigation of this shortcoming is ongoing for 12 Member States and the UK.

[16] Validity of trade defence measures.

[17] Including seven Member States previously subject to specific checks. Three Member States had already been subject to a targeted TOR inspection on this topic, while four Member States had no such imports of solar modules and cells during the period under scrutiny.

Finally, the Commission further clarified the meaning and scope of the term *consigned from*, as interpreted by the Court of Justice. The Commission was able to do this thanks to: (i) its inspection activities; (ii) contacts with the Member States; and (iii) several presentations to Member States. This helped to achieve a level playing field for Member States and boost the level of protection for EU-based companies against misdeclared imports evading the Commission's trade defence measures.

4. FOLLOW-UP TO THE COMMISSION INSPECTIONS

4.1. Regulatory aspects

Member States are asked to take measures whenever flaws or loopholes are detected in national regulations or administrative provisions during the inspections, in order to: (i) bring these regulations and provisions into line with EU requirements; and (ii) harmonise the establishment and collection of TOR in all 27 Member States. This regulatory alignment is a major achievement of the Commission's inspections. The findings are also a key indicator of difficulties encountered by the Member States in applying customs and own resources regulations, and they inform the Commission's continuous effort to improve the regulatory framework. For example, feedback from inspection findings was taken into account in Council Regulation (EU, Euratom) 2022/615 of 5 April 2022 amending Regulation (EU, Euratom) No 609/2014 (see point 5.4 below).

4.2. Outcome of disputes

The interpretation of legal provisions and the procedures in some Member States are not always in line with the Commission's requirements. Where a dispute cannot be resolved, the Commission launches an infringement procedure[18].

In the period 2022-2024, the Commission opened 3 and closed 7 infringement procedures after compliance was ensured by the Member States concerned. It closed the infringement procedure against the UK (C-213/19) after the 2022 judgment of the CJEU and payment by the UK of all the amounts due in 2023. Only 4 infringement cases were ongoing in December 2024 (and 2 of them were closed in 2025).

The first case concerning unjust enrichment, i.e. case C-494/22 P brought by Czechia, was settled in favour of the Commission in 2024. In its ruling, the CJEU pointed to the autonomous responsibility of the Member States with regard to TOR and their obligation to act proactively to fully protect the financial interests of the EU.

4.3. Financial aspects

Following their control activities, the Commission considers the cases from the period 2022-2024 closed, and the final amounts of additional entitlements totalling more than **EUR 4 billion**[19] (in TOR and related interest) were determined and paid. These amounts were paid to the Commission mainly in relation to the undervaluation of textile products, footwear,

[18] Pursuant to Article 258 of the Treaty on the Functioning of the European Union.
[19] This number includes the amounts indicated in sections 3.3, 3.4 and 5.2 of this report.

and solar panels. They relate to the findings set out in the inspection reports, other inspection activities, OLAF final reports, and to the follow-up to the Court of Auditors' findings.

5. MEASURES TO IMPROVE THE RECOVERY OF TOR

Apart from its on-the-spot inspections in the Member States, the Commission has several other means of monitoring the recovery of TOR.

5.1. Examination of irrecoverable entitlements that have been written off

Member States must take all measures to make TOR available, except where recovery proves impossible pursuant to Article 13(2) of Regulation (EU, Euratom) 609/2014:

- for reasons of *force majeure*;
- for other reasons which cannot be attributed to them; or
- due to the deferral of the entry in the accounts or the notification of the customs debt in order not to prejudice a criminal investigation affecting the financial interests of the Union.

In accordance with EU legislation, Member States must report to the Commission irrecoverable amounts of TOR exceeding EUR 100 000 (in write-off reports) for which they consider themselves not to be responsible. Subsequently, the Commission provides comments on each report. The purpose of the Commission's examination of the write-off reports is to assess the degree of diligence shown by the Member States in fulfilling their autonomous responsibility to establish and recover from the economic operators the customs duties representing TOR.

For amounts below the reporting threshold, the Commission routinely assesses samples of cases during its on-the-spot inspections.

To support Member States in evaluating their potential financial responsibility for irrecoverable TOR amounts, the Commission issued a working document – the *Compendium*, which sets out the criteria used to assess write-off reports. The Compendium was communicated to all Member States for the first time during the ACOR meeting on 6 December 2012. Its latest revised version of 22 November 2024, which reflects changes to EU legislation and the relevant case law on TOR, was communicated to all Member States in their official languages at the ACOR TOR meeting in December 2024. This new version includes all the relevant interpretations of the relevant EU law in line with the recent jurisprudence of the CJEU and the amendments introduced by the Making Available Regulation, as amended by Regulation (EU, Euratom) 2022/615.

For each relevant write-off case above the specified threshold, Member States must draw up a structured report and forward it to the Commission using a multilingual database called WOMIS (Write-Off Management and Information System). The WOMIS database, which is regularly updated, enables the efficient and secure management of the Member States' reports.

The competent Commission services (DG Budget, DG Taxud, OLAF, and the Legal Service) assess the write-off report and provide comments to the Member State. These comments

concern the justification the Member State can provide for not making the TOR corresponding to the irrecoverable customs duties available to the Commission.

Over the period 2022-2024, a total of 88 new write-off reports were communicated to the Commission (in the form of initial communications) concerning a total amount of EUR 215.5 million. In the same 3-year period, the Commission assessed 422 write-off reports in total (including new reports). In the case of 227 of these 422 reports (concerning EUR 309.7 million), the Commission considered that the TOR amounts proved irrecoverable for reasons attributable to the Member State concerned. In the case of 42 reports (concerning EUR 50.6 million), the Commission agreed that the loss of TOR could not be attributed to the Member State. With regard to 148 reports (concerning EUR 178.9 million), the Commission requested additional information to complete its assessment. The Commission considered the remaining 5 reports (concerning EUR 1.7 million) incorrectly reported as write-offs.

5.2. Treatment of errors in the establishment of customs debts leading to a loss of TOR

The Commission follows up on the identified administrative errors committed by the Member States to the detriment of the EU's financial interests (including: (i) cases identified during on-the-spot inspections, (ii) national repayment or remission decisions due to administrative errors, (iii) rejected written-off irrecoverable amounts below EUR 100 000). In principle, the Commission issues recovery orders to correct the errors detected in the Member States which pay the amounts due. In the period 2022-2024, the TOR control activities led to the collection of EUR 260 million in respect of recovery orders for TOR, and EUR 209 million in belated interest, in addition to amounts collected for undervalued textiles and footwear (point 3.3) and solar panels (point 3.4).

5.3. OWNRES database

Pursuant to Article 5(1) of Regulation (EU, Euratom) 2021/768[20], Member States must send the Commission information on cases of fraud and irregularities involving entitlements of more than EUR 10 000. This information is reported via the OWNRES database, which is managed and maintained by the Commission.

OWNRES provides the Commission with information necessary for monitoring the recovery of funds and for preparing its on-the-spot inspections and desk audit reviews. It is also used by OLAF for various analyses and for monitoring the follow-up to its financial recommendations resulting from OLAF's own investigations. The data reported in OWNRES is assessed in detail in the annual reports from the Commission to the European Parliament and the Council on the protection of the European Union's financial interests – Fight against fraud (PIF) and in the annual Customs Union Performance report (CUP).

[20] Council Regulation (EU, Euratom) No 608/2014 was repealed by Council Regulation (EU, Euratom) 2021/768 on 31 December 2020

By the end of 2024, the OWNRES database contained 137 871[21] cases of fraud or irregularity (either 'open' or 'closed') compared with 121 199 cases at the beginning of 2022. This is an increase of around 13.8%, or 16 672 new cases reported over the three-year period 2022-2024.

As part of the ACOR meetings held twice a year during the period 2022-2024, the Commission presented measures to improve the security of the OWNRES application, preparing Member States for the implementation of two-factor authentication. Furthermore, in 2022 and 2023 the Commission further improved OWNRES by: (i) adding new fields; (ii) setting reminders to keep the information in the existing reports up to date; (iii) improving the quality and the level of detail of reporting; and (iv) refining the results of queries run by all stakeholders on the database. In 2023 and 2024, the Commission provided additional guidance on improving the quality of reporting.

5.4. Amendment to the Making Available Regulation

Regulation (EU, Euratom) 609/2014 (the Making Available Regulation – MAR) is the foundation of the legal framework for managing own resources, ensuring timely payment by Member States of the amounts due to the EU budget.

To further improve this framework, in 2021 the Commission proposed a comprehensive amendment to that Regulation. The proposal drew from the feedback from the TOR inspection work and addressed procedural concerns of Member States, while safeguarding the protection of the financial interest of the EU and ensuring a fair and balanced revenue framework.

Following extensive exchanges with Member States, Regulation (EU, Euratom) 2022/615 amending the MAR entered into force in May 2022. The amendments included the: (i) broadening the capping on late payment interest; and (ii) introducing a 'grace period', according to which the accumulation of late payment interest is stopped for five years where the amount due has been established, entered in a timely manner in the separate account and kept correctly in the separate account (Article 12(1)). Furthermore, Member States are now released from the obligation to make the amounts available where belated entry in the separate account had no influence on the irrecoverability of the amount (Article 13(2)). Furthermore, the amendment formalised the procedure for making payments under reservation (Article 13a) and the review procedure (Article 13b).

5.5 European Public Prosecutor's Office (EPPO)

During the reporting period, the Commission and the EPPO collaborated closely in a series of technical exchanges to provide clarifications for Member States on both: (i) the deferral of notification of customs debts in order not to prejudice criminal investigations by the EPPO; and (ii) the financial responsibility for non-recovery. These clarifications were communicated to the Member States during the ACOR meeting in December 2024. Furthermore, with a view to informing the Member States on their obligations towards the EPPO, the Commission

[21] This figure includes cases reported by the UK in accordance with Article 136(2)(c) and (f) of the Withdrawal Agreement.

invited the EPPO to participate in the ACOR meetings in December 2023 (when the EPPO gave a presentation of its tasks to the ACOR members) and July 2024.

6. CONCLUSION

The results for the period 2022 to 2024 show that the Commission's inspections of TOR – and the systematic follow-up measures addressing the shortcomings identified – continue to be indispensable and efficient means of: (i) ensuring the recovery of TOR; (ii) improving the regulatory framework for own resources; and (iii) providing reassurance that the financial interests of the EU are adequately protected. This general positive impact was also confirmed by the annual discharge procedure, without any new recommendations having been issued for the Commission concerning TOR-related issues during 2022-2024.

Inspections remain a key tool to harmonise and increase compliance with the relevant EU rules. Their financial impact is significant, as illustrated by the final net amount made available to the EU budget (including reservations lifted) of **more than EUR 4 billion in 2022-2024**. The inspections provide a significant incentive for Member States to make full amounts of TOR available to the EU budget in a timely manner. In addition, inspections help to ensure the correct application of the customs and accounting rules and thus help further protect the EU's financial interests by providing a powerful mechanism for counteracting and preventing damaging distortions of competition in the single market.

Current trends in international trade, in particular e-commerce, represent new challenges for the future. These challenges will require new appropriate tools and an even closer collaboration between the Commission and Member States, in order to coordinate risk-based customs checks and ensure effective collection of customs duties.

To that end, in May 2023 the Commission proposed an ambitious reform of the Customs Union whose objective is to strengthen and modernise the mechanisms currently in place.