



## **EU Budget: Commission takes further action to ensure the United Kingdom makes customs duties fallen due, available to the EU budget**

Brussels, 24 September 2018

This is the second step the Commission is taking in the formal infringement procedure for this case in order to protect the financial interests of the EU. In March 2018, the Commission opened the infringement procedure following a 2017 report by the EU's anti-fraud body OLAF, which found that importers in the United Kingdom evaded a large amount of customs duties by using fictitious and false invoices and incorrect customs value declarations at importation. Further Commission inspections confirmed the very large scale of this undervaluation fraud scheme operating through British ports between 2011 and 2017. Despite having been informed of the risks of fraud relating to the imports of textiles and footwear originating from the People's Republic of China since 2007, and despite having been asked to take appropriate risk control measures, the United Kingdom failed to take effective action to prevent the fraud.

The Commission calculates that the infringement of EU legislation by the United Kingdom resulted in losses to the EU budget amounting to €2.7 billion (plus interest and minus collection costs) during the period between November 2011 and October 2017. In addition, the United Kingdom also infringed EU Value Added Tax legislation, leading to additional potential losses to the EU budget.

All Member States are liable for the financial consequences of their infringements of EU law.

The United Kingdom now has two months to act; otherwise the Commission may refer the case to the Court of Justice of the EU.

### **For More Information**

On the March 2018 infringement cycle, see [MEMO/18/1444](#)

On the general infringements procedure, see [MEMO/12/12](#)

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