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COMMISSION STAFF WORKING DOCUMENT

Action Plan

Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE COURT OF
AUDITORS**

Commission Anti-Fraud Strategy: enhanced action to protect the EU budget

{COM(2019) 196 final} - {SWD(2019) 171 final}

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Commission Anti-Fraud Strategy: enhanced action to protect the EU budget

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Key Abbreviations

Abbreviation	Meaning
AAR	Annual Activity Report
ABAC	Accrual Based Accounting
AGRI	Directorate-General Agriculture and Rural Development
AOD	Authorising Officer by Delegation
BUDG	Directorate-General for Budget
CAFS	Commission Anti-Fraud Strategy
CFSP	Common Foreign and Security Policy
CMB	Corporate Management Board
CRMS	Customs Risk Management System
DEVCO	Directorate-General International Cooperation and Development
DIGIT	Directorate-General Informatics
ECFIN	Directorate-General Economic and Financial Affairs
ECHO	Directorate-General Humanitarian Aid and Civil Protection
EDES	Early Detection and Exclusion System
EEAS	European External Action Service
EIB	European Investment Bank
EMPL	Directorate-General Employment, Social Affairs and Inclusion
EPPO	European Public Prosecutor's Office
Europol	EU Agency for Law Enforcement Cooperation
FPDNet	Fraud Prevention and Detection Network
FPI	Service for Foreign Policy Instruments
FR	Financial Regulation
GROW	Directorate-General Internal Market, Industry, Entrepreneurship and SMEs
HOME	Directorate-General Migration and Home Affairs
HR	Directorate-General Human Resources and Security
IAS	Internal Audit Service
IMS	Irregularity Management System
ISO	International Organization for Standardization
IT	Information Technology
JRC	Joint Research Centre
MARE	Directorate-General Maritime Affairs and Fisheries
MFF	Multiannual Financial Framework
NEAR	Directorate-General Neighbourhood and Enlargement Negotiations
OIB	Office for Infrastructures and Logistics in Brussels
OIL	Office for Infrastructures and Logistics in Luxembourg
OLAF	European Anti-Fraud Office
OP	Publications Office
PIF[1]	Protection of the EU's financial interests

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[1] French acronym for "protection des intérêts financiers de l'Union européenne".

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
REGIO	Directorate-General Regional and Urban Policy
SG	Secretariat-General
SJ	Legal Service
SRSS	Structural Reform Support Service
TAXUD	Directorate-General for Taxation and Customs Union
TED	Tenders Electronic Daily
TOR	Traditional own resources
TRADE	Directorate-General Trade
VAT	Value added tax

Introduction

On 24 June 2011, the Commission adopted its current anti-fraud strategy. This comprised: (i) a Communication from the Commission to the other EU institutions[2], describing strategic objectives and key operational steps to attain them; and (ii) a more detailed Commission-internal Action Plan[3].

In preparation of the Multiannual Financial Framework (MFF) 2021 – 2027, the Commission has reviewed its anti-fraud strategy to take account of the developments in the (anti-)fraud landscape and in the design of EU policies. This review is reflected in its Communication 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget'[4], which this staff working document accompanies. For the strategy update, the Commission services have carried out a fraud risk assessment, involving also the executive agencies. The results are presented in another staff working document accompanying the Communication[5].

The two main vulnerabilities identified in the Fraud Risk Assessment are: (i) an underdeveloped central analytical capacity; and (ii) gaps in the corporate supervision of fraud risk management at department level. The priority objectives (Objectives 1 and 2)[6] of the review are therefore to equip the Commission with stronger analytical capabilities and more centralised oversight mechanisms for anti-fraud action by individual Commission departments. The other key objectives (Objectives 3 – 7)[7], based on the guiding principles and standards of the 2019 Commission Anti-Fraud Strategy ('the 2019 CAFS')[8] and on the Fraud Risk Assessment, are to maintain the highest standards of professional ethics and competence, to optimise the legal framework for and transparency of EU funding, and to improve the fight against revenue fraud.

The measures listed in the tables below aim to meet one or more of these objectives. The measures are grouped according to stages of the anti-fraud cycle (prevention, detection, investigation and correction/sanctioning of fraud). They are divided into two further groups: those that relate to revenue and those that relate to expenditure and, within expenditure, to different management modes. Some action points (e.g. No 49, 50, 52, 55) refer to ongoing projects or measures so as to provide a more complete picture of the Commission's activities in a specific area.

The Action Plan is designed to implement the Communication on the 2019 CAFS. With its recurring ('continuous') actions, it will run until the next update of the CAFS, planned for around the mid-point of the coming MFF; in the meantime, the Action Plan will be reviewed

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[2] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions and the Court of Auditors of 24 September 2011 on the Commission Anti-Fraud Strategy, COM (2011) 376 final.

[3] Communication to the Commission, Commission Internal Action Plan for the Implementation of the Commission Anti-Fraud Strategy, SEC (2011) 787/3.

[4] COM (2019) 196.

[5] SWD (2019) 171.

[6] See the Annex to Communication COM (2019) 196.

[7] See the Annex to Communication COM (2019) 196.

[8] See Section 4.1. of the Communication (reference in FN 4).

and amended as appropriate. The Action Plan's implementation will be monitored mainly by OLAF, the Fraud Prevention and Detection Network (Directors' level) and by the Corporate Management Board. Commission services and executive agencies will in due course integrate their action points into their (local) anti-fraud strategies and, as soon as possible, into their planning and programming cycles by including relevant activities in their management plans and reporting on their implementation in their annual activity reports. The latter will be done using suitable output and, where appropriate, result indicators.

For the priority objectives, preliminary corporate-level result indicators should be developed by 2020. These result indicators should be refined and complemented throughout the 2019 CAFS' implementation, in line with actual experiences and the results of further analysis. Similarly, result indicators for Objectives 3 – 7 should be defined after due analysis. To measure ethical awareness or anti-fraud know-how as result indicators for Objectives 3 and 4, for example, a sound methodology will need to be developed and a Commission-wide baseline established, in close cooperation with the Commission's internal control and ethics functions.

It should be noted that in the below tables the term 'services' means the Commission's departments and administrative offices and the executive agencies. The term '(other) EU bodies' includes regulatory/decentralised agencies, joint undertakings/joint technology initiatives and similar organisations.

A. Prevention and Detection

A.I. Cross-cutting issues

A.I.1: Priority measures: data collection and analysis

Number	Objective	Action	Lead service	Due date
1	Data collection and analysis	Provide strategic analyses that can feed into fraud risk assessments and fraud prevention activities of the Commission services and the Member States. Data sources for these analyses would include: o closed OLAF investigations; o cases reported by the Member States through the Irregularities Management System (IMS).	OLAF Support: JRC	2020 and then continuous
2	Data collection and analysis	Promote the analytical use of IMS data (also by the Member States) to improve methods and deployment of resources in the field of fraud prevention, detection, investigation and correction. This action should be supported by a built-in analytical tool to be developed by OLAF.	OLAF Support: REGIO, AGRI, EMPL, MARE, HOME, JRC	2020 and then continuous 2021
3	Data collection and analysis	Closely monitor Member States' reporting of irregularities by carrying out respective checks and/or external evaluation, with a view to improving and harmonising the quality and completeness of the data reported in the IMS.	OLAF (coordination), REGIO, EMPL, MARE, AGRI, HOME	2021 and then continuous
4	Data collection and analysis	Exploring possibilities to strengthen IT-based fraud prevention and detection (as regards risk scoring and controls for double-funding, (self-) plagiarism, etc.) by: o establishing and disseminating a Commission-wide inventory of existing IT tools; o examining ways to enhance the interoperability of these tools, where possible across management modes, share them among interested services and/or enrich them with data coming from several sources; o analysing needs and potential for new developments, working towards the most cost-effective balance between corporate and local tools.	Coordination: OLAF / JRC Support: BUDG, DIGIT, SJ, Spending Services[9]	2020 and then continuous

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[9] Each service that is business owner of an IT tool has the lead responsibility for the analysis and adaptation of that tool in line with the action point.

		Review and improve the ARACHNE risk scoring tool. Continue to promote its use among Member State authorities, supported by an external legal opinion as necessary.	EMPL <u>Support</u>: REGIO, AGRI, OLAF, JRC, SJ	
		Explore possibilities for an extended use of ARACHNE and other risk scoring tools in all management modes.	<u>Coordination</u>: OLAF/EMPL <u>Support</u>: JRC; RTD, DIGIT, BUDG, SJ, Spending Services	
5	Data collection and analysis	Examine possible scope, tools and working methods for the exchange of audit results among services and for exploiting audit results for analysis and early detection of risks.	OLAF <u>Support</u>: RTD, DIGIT, BUDG, Spending services	2020-2021
		Explore an extended use of specific applications of audit tools (MAPAR) on audit procedures and developing analysis of findings.	REGIO <u>Support</u>: RTD, DIGIT, OLAF, BUDG, Spending Services	
6	Data collection and analysis	Encourage cooperation with academia and practitioners by organising/contracting/co-financing conferences and studies on selected topics.	OLAF	2020 and then continuous
7	Data collection and analysis	Map and review channels for exchanging fraud-related information between services, other EU bodies, Member States (including exchanges with Eurofisc), non-EU countries and international organisations.	OLAF <u>Support</u>: BUDG, SJ, JRC, Spending services	2020 and then continuous
8	Data collection and analysis	Develop country profiles to better analyse and assess Member States' anti-fraud action.	OLAF	2020 and then continuous

A.I.2: Priority measures:				
coordination and cooperation among Commission services and executive agencies				
Number	**Objective**	**Action**	**Lead service**	**Due date**
9	Coordination, Cooperation and processes	Have the Corporate Management Board strategically monitor and review the Commission's anti-fraud policies at least once a year. This monitoring exercise will include: o the follow-up to OLAF's recommendations on services' anti-fraud strategies; o the overall progress in the 2019 CAFS Action Plan; and o the systemic follow-up to OLAF's investigation-based recommendations. Preparatory work undertaken mainly by OLAF, the FPDNet and by the central services at working level, in line with the Administrative Arrangements between the Commission and OLAF. See also Action 10.	SG Support: OLAF, BUDG, HR, SJ	2019 and then continuous
10	Coordination, cooperation and processes	Intensify the work of the Commission Fraud Prevention and Detection Network by: o organising an annual Directors' level meeting to review Commission anti-fraud policies; o setting up subgroups of services with similar profiles, based on needs to be analysed and including existing anti-fraud networks composed of 'families' of services. OLAF and BUDG should participate in all sub-groups and the External Aid subgroup should be open to the EEAS; o choosing agenda items that relate to colleagues' daily work experiences for 'hands-on' collaboration, including a peer review of fraud risks, red flags and control systems where appropriate; and o collaborating more effectively with the Commission's Network of Internal Control Coordinators.	OLAF Support: BUDG	2019 and then continuous
11	Coordination, cooperation and processes	Further improve service-level anti-fraud strategies and their implementation in the following ways: o Continue to update anti-fraud strategies, taking into account the 2019 CAFS and following a peer review in the relevant FPDNet subgroup at least every three years; o OLAF should update its methodological guidance for anti-fraud strategies when necessary; o Draft anti-fraud strategies and updates should be subject to mandatory review by	All services Coordination: OLAF Support: SG, BUDG	2019 and then continuous

A.I.2: Priority measures:				
coordination and cooperation among Commission services and executive agencies				
Number	**Objective**	**Action**	**Lead service**	**Due date**
		OLAF;		
		o Without prejudice to AODs' responsibilities, the implementation of services' anti-fraud strategies should be closely monitored by OLAF, from the planning to the reporting stage;		
		o Based on drafts and concepts developed by the services concerned, OLAF should issue recommendations on the design and implementation of anti-fraud strategies as appropriate. AODs who decide not to follow a recommendation must justify their position to OLAF in writing. Any issues that cannot be resolved bilaterally between OLAF and the service concerned may be discussed, without prejudice to the AODs' ultimate responsibility, in the relevant subgroup of the FPDNet and/or in other suitable contexts, such as peer review meetings on critical risks or annual activity reports. They may also be brought to the attention of the CMB.		

A.I.3. Professional ethics

Number	Objective	Action	Lead service	Due date
12	Integrity and compliance	Continue, and reinforce where appropriate, internal communication and training on questions of professional ethics with special emphasis on conflict of interest, relations with lobbyists, duty of discretion and whistleblowing. The aim is to create a common understanding of the relevant concepts and to encourage ethical practices in the workplace, taking into account that fraud prevention and detection is only one aspect of ethics and integrity.	HR Support: SG, OLAF	Continuous
13	Integrity and compliance	Evaluate the use of declarations of interest / absence of conflict of interest in the Commission and in executive agencies.	HR	2020
14	Integrity and compliance	Evaluate the Commission's policy on whistleblowing in the context of the report required by Article 113 of the Staff Regulations.	HR	2020
15	Integrity and Compliance	Promote the highest ethical standards among other EU bodies through: o membership in management boards; o presentation of the Commission's best practices in inter-agency networks; o support for ethics training; o advocating inter-agency task forces on particular issues as necessary.	Partner DGs of other EU bodies Support: SG, HR, OLAF	Continuous

A.I.4. Training, awareness-raising and technical assistance

Number	Objective	Action	Lead service	Due date
16	Know-how and equipment	Maintain and refine a corporate anti-fraud training cycle, including regular refresher courses and e-learning modules, which should be mandatory for relevant groups of staff such as financial officers.	OLAF Support: BUDG, HR	2020 and then continuous
17	Know-how and equipment	Ensure specialised anti-fraud training, according to needs identified, for target groups such as: o project managers; o auditors; o Heads of, and administrative staff in, Representations and Delegations; and o Heads of Civilian CFSP Missions and EU Special Representatives and the staff of their offices.	OLAF	2020 and then continuous
18	Know-how and equipment	Support other Commission services and executive agencies, decentralised agencies, other EU institutions and bodies and Member States in their anti-fraud training activities.	OLAF	Continuous
19	Know-how and equipment	Provide technical assistance to Member States through various spending programmes (including the EU Anti-Fraud Programme).	OLAF TAXUD SRSS REGIO	Continuous
20	Know-how and equipment	Analyse fraud patterns and fraud risks using case compendiums of OLAF investigations according to needs identified.	OLAF	2021 and then continuous

A.I.5. Transparency				
Number	**Objective**	**Action**	**Lead service**	**Due date**
21	Transparency	Refine the TED database to improve data quality. Closely monitor Member States' input to the TED database. Consider the possibility of audits or external evaluation.	OP Support: GROW	2020 and then continuous
22	Transparency	Explore the possibility of using existing IT tools (Financial Transparency System, Single Electronic Data Interchange Area, etc.) to improve information on procurement contracts and grant agreements concluded by the services, having due regard to the requirements mentioned in Article 38(2) FR.	BUDG, JRC, RTD Support: GROW, DIGIT, OP, SJ	2020 - 2021

A.I.6: Fraud-proofing of the legal framework for the implementation of the budget				
Number	**Objective**	**Action**	**Lead service**	**Due date**
23	Legal framework	When drafting legal instruments for the MFF after 2020, involve OLAF at the early stages to ensure adequate provisions on preventing, detecting and prosecuting fraud. This includes legislative proposals, delegated and implementing regulations. It also includes the following types of documents, if such documents are of systemic importance for a policy area: implementing decisions, model contracts and agreements, delegation agreements, guarantee agreements, calls for tenders/proposals/expressions of interest, and policy guidelines. Permanent guidance of that type, e.g. DEVCO's Practical Guide, should be regularly reviewed as necessary, involving OLAF. Specify appropriate record-keeping requirements in the context of financing not linked to costs and simplified cost options, with a view to attaining the intended simplification effect while minimising any negative impact simplification measures may have on the possibility to detect and deal with fraud and other irregularities.	Spending services[10] Support: OLAF / BUDG	Continuous
24	Legal framework Transparency	Where relevant, include fraud risks in impact assessments and evaluations of legal acts and Commission policies required under the Commission's Better Regulation framework.	All services Coordination: SG Support: OLAF	Continuous
25	Legal framework	Funding instruments must give the EPPO and OLAF – within the limits of their respective competences and in line with the law applicable to these bodies – authority to investigate suspected fraud in any EU-financed programmes/projects, obliging persons or entities receiving Union funds to provide access to their premises and staff and all relevant documents, information, etc., on request. Recipients must be bound to oblige, in any contracts they conclude with third parties for the implementation of the project or funding scheme, those third parties to provide for such access rights, permitting the EPPO and OLAF also to check on all subcontractors, subsidiary companies and implementation partners under any management mode. The same principles apply, *mutatis mutandis*, to transactions supported by budgetary guarantees.	Spending services Coordination: BUDG Support: OLAF, SJ	Continuous

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[10] And other services launching instruments with a potential impact on the protection of the EU's financial interests.

26	Legal framework	Examine in how far certification against ISO standards, most notably ISO 37001 on anti-bribery management systems, could be required from entities applying for EU funds or involved in their implementation under direct, indirect or shared management with a view to reducing fraud risks.	OLAF Support: GROW, HOME, BUDG, SJ, Spending services	2021

Number	Objective	Action	Lead service	Due date
27	Coordination, cooperation and processes Legal framework	For lump sums and financing not linked to costs, develop – across the different management modes – control strategies for deliverables and for the analysis of non-/under delivery, in particular to detect fraud.	Spending services Support: OLAF, BUDG	2020 and then continuous
28	Coordination, cooperation and processes Integrity and compliance	Ensure appropriate coverage of fraud-related aspects in the Commission guidelines on Article 61 FR.	BUDG Support: OLAF, HR, SJ, SG	2020
29	Coordination, cooperation and processes	Evaluate fraud risks and vulnerabilities with regard to spending in emergency situations	Spending services, in particular ECHO, HOME, FPI Coordination: OLAF Support: BUDG	2021
30	Coordination, cooperation and processes	Regularly revise and update the corporate IT security strategy and monitor its implementation. Optimise the systems of the Commission and the executive agencies for secure operation of e-procurement, e-grants and other channels of e-governance.	DIGIT	Continuous

A.II. Expenditure

A.II.1. Direct management

Number	Objective	Action	Lead service	Due date
31	Coordination, cooperation and processes	If not yet done, set-up advisory peer groups for clusters of services to review riskier (e.g. larger, complex) projects, in the frame of internal control.	All services Coordination: BUDG Support: OLAF, GROW	2020
32	Know-how and equipment	Maintain and reinforce the corporate procurement-related training cycle, a procurement community of practice, and continuous support (e.g. templates, helpdesk), including training and support for staff who are exceptionally involved in a procurement process (e.g. policy officers).	HR / BUDG Support: GROW, OLAF	2019 and then continuous
33	Coordination, cooperation and processes	Where appropriate, include specific anti-fraud measures among the 'conditionalities' for budget support. For budget support and macro-financial assistance, where appropriate, improve control strategies and strengthen verification mechanisms.	DEVCO, NEAR, ECFIN Support: OLAF, BUDG	2020 and then continuous
34	Coordination, cooperation and processes Transparency	Having due regard to data protection legislation, ○ examine the possibility of setting-up a database of experts involved in EU-funded projects to prevent or detect double claims; and ○ explore the possibility of making such a database or certain elements thereof public, building on the Financial Transparency System and the Register of Commission Expert Groups.	OLAF Support: Spending services, DIGIT, BUDG, SJ, SG	2021
35	Coordination, cooperation and processes	Optimise internal workflows regarding budgetary guarantees.	BUDG Support: ECFIN, OLAF, DEVCO, NEAR	2020

A.II.2. Indirect management				
Number	**Objective**	**Action**	**Lead service**	**Due date**
36	Coordination, cooperation and processes	Obtain assurance about internal control of entrusted entities, financial (sub-) intermediaries, fund managers, etc., e.g., through: o Positive assessment of the equivalence of the entities' systems, rules and procedures with those of the Commission regarding the pillar on internal control as provided for in Article 154(3) and (4)(a) FR, including controls concerning risks of error, irregularities and fraud, which must allow to properly and timely prevent, detect and correct fraud and other irregularities; o Encouraging the exchange of best practice regarding anti-fraud policies, including in the domain of financial instruments and budgetary guarantees.	Spending services Support: BUDG, ECFIN, DEVCO, OLAF	Continuous

A.II.3. Shared management				
Number	**Objective**	**Action**	**Lead service**	**Due date**
37	Coordination, cooperation and processes	Encourage Member States to put in place national anti-fraud strategies, and provide advice and support in this respect.	REGIO, AGRI, EMPL, MARE, HOME <u>Coordination and support</u>: OLAF	Continuous
38	Legal framework	Where appropriate and possible, reinforce Member States' obligations for the post-2020 MFF throughout the anti-fraud cycle.	1) REGIO, EMPL, MARE, HOME <u>Coordination</u>: REGIO 2) AGRI <u>Support (ad 1 and 2)</u>: BUDG, GROW, OLAF, SJ	2019-2020
39	Coordination, cooperation and processes	Explore the possibility of applying the underlying rationale of Action Point 36 to financial instruments under shared management.	REGIO, EMPL, MARE, AGRI, HOME <u>Coordination</u>: REGIO <u>Support</u>: OLAF, JRC, BUDG, SJ	2021
40	Coordination, cooperation and processes Transparency	European Semester: Analyse/monitor Member States' general anti-corruption policies through the country reports. Explore the possibility and merits of extending the country reports to cover Member States' policies for protecting the EU's financial interests from fraud.	HOME SG <u>Support</u>: OLAF	Continuous 2021
41	Coordination, cooperation and processes Transparency	Promote integrity pacts for safeguarding EU funds against fraud and corruption.	REGIO <u>Support</u>: GROW	Continuous
42	Coordination, cooperation and processes Transparency	Promote the voluntary ex-ante assessment mechanism for the compliance of large-scale infrastructure projects with EU procurement rules. Measures would include a helpdesk function and an information exchange mechanism.	GROW <u>Support</u>: REGIO	Continuous

A.III. Revenue

A.III.1. Revenue – traditional own resources (TOR)

Number	Objective	Action	Lead service	Due date
43	Fighting revenue fraud Legal framework	Review Council Regulation (EC) No 515/97[11] with a view to increasing mutual assistance among and cooperation with national customs authorities.	OLAF	2020
44	Fighting revenue fraud Coordination, cooperation and processes	Continue to ensure effective and efficient fraud prevention and detection in the area of TOR at Commission level through a strategic steering function, meeting regularly at Director and at technical level, composed of TAXUD, BUDG and OLAF as permanent members and other interested services (in particular TRADE, AGRI, MARE) on an ad-hoc basis.	Coordination: rotates among TAXUD, BUDG and OLAF. Support: All TOR DGs	Continuous
45	Fighting revenue fraud Data collection and analysis	Strengthen the Commission's and the Member States' analytical capacities in the anti-fraud customs area by sharing approaches and good practices and by increasing awareness and making best use of data sources. Improve the exchange of risk information and risk analysis through the common Customs Risk Management System ('Reshape of CRMS2').	OLAF JRC TAXUD Support: BUDG	Continuous
46	Fighting revenue fraud Coordination, cooperation and processes	Strengthen international cooperation on customs matters, with Belarus, China, Georgia, Moldova, Russia, Ukraine and the United Arab Emirates among others.	TAXUD OLAF	Continuous
47	Fighting revenue fraud Legal framework	Develop anti-fraud measures in preferential tariff arrangements.	OLAF	2020 and then continuous
48	Fighting revenue fraud Coordination, cooperation and processes	Implement the 2nd Commission Action Plan to fight the illicit tobacco trade 2018-2022[12], with a view to: - deepening engagement with key source and transit countries; - addressing the issue of non-branded 'cheap whites' cigarettes in particular.	OLAF	Continuous

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[11] 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, OJ L 82, 22.3.1997, p. 1, as amended.

[12] Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee of 7 December 2018, COM (2018) 846 final.

A.III.2. Revenue – value added tax (VAT)

Number	Objective	Action	Lead service	Due date
49	Fighting revenue fraud Legal framework	Support the adoption and phasing-in of a revamped VAT system[13], under which cross-border intra-EU transactions will be taxed in the customer's country, while reporting and payment of VAT is carried out in the Member State of the supplier.	TAXUD	Continuous
50	Fighting revenue fraud Coordination, cooperation and processes	Support the implementation of the amendments to the Council Regulation on administrative cooperation and combating fraud in the field of VAT (2010/904/EU), in particular with regard to data exchanges and cooperation among tax authorities and Eurofisc and with OLAF, Europol and the EPPO. Reinforce Eurofisc's role in tackling cross-border VAT fraud, particularly by making better use of the information available within the network.	TAXUD, OLAF	Continuous
51	Fighting revenue fraud Coordination, cooperation and processes	Strengthen the international exchange of best practice. Based on Council mandates, strengthen administrative co-operation and mutual assistance in the recovery of VAT claims with non-EU countries.	TAXUD	Continuous

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[13] Commission Proposal of 4 October 2017 for a Council Directive amending Directive 2006/112/EC as regards harmonising and simplifying certain rules in the value added tax system and introducing the definitive system for the taxation of trade between Member States, COM (2017) 569 final.

B.   Investigation

B.I. European Public Prosecutor's Office (EPPO) and PIF Directive[14]

Number	Objective	Action	Lead service	Due date
52	Coordination, cooperation and processes	Support the setting-up of the EPPO and provide it with administrative assistance in the start-up phase.	JUST / OLAF Support: HR, BUDG, OIL	2019-2020
53	Coordination, cooperation and processes	Cooperation with the EPPO: The Commission, like all EU institutions and bodies, and national competent authorities, must without undue delay report to the EPPO any criminal conduct in respect of which it could exercise its competence (Article 24 of Regulation 2017/1939[15]). To comply with this obligation by the time the EPPO becomes operational, services should have efficient procedures in place to carry out a preliminary evaluation of allegations reported to them. The EPPO Regulation provides that EU institutions and bodies may make use of OLAF for this preliminary evaluation (Recital 51). Commission services and executive agencies should systematically make use of OLAF's expertise as a final quality control for the preliminary evaluation of allegations and put in place the necessary procedures for that to happen.	All services Support: OLAF	2020 and continuous
54	Legal framework	Support Member States' transposition and implementation of the PIF-Directive.	JUST / OLAF	2019 and then continuous

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[14] 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, OJ L 198, 28.7.2017, p. 29. Transposition deadline: 4 July 2019.

[15] Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO'), OJ L 283, 31.10.2017, p. 1.

B.II. European Anti-Fraud Office (OLAF)

Number	Objective	Action	Lead service	Due date
55	Legal framework	Negotiate the Commission's proposal for the review of the OLAF Regulation[16] in order to: o adapt how OLAF operates following the establishment of the EPPO; o improve the effectiveness of OLAF's investigative role; and o clarify and simplify the OLAF-Regulation.	OLAF	2019-2020
56	Coordination, cooperation and processes	Optimise cooperation between services/other EU bodies and OLAF by, among other actions: o defining the role and responsibilities of OLAF contact points in the various services; o making the reporting of information of potential investigative interest more efficient through direct channels between the services and OLAF; o clarifying as necessary the respective responsibilities of OLAF and the services at an operational level; o improving OLAF's communication on its dismissal of cases reported by the services; o reinforcing cooperation between the shared management DGs and OLAF to obtain information of potential investigative interest from Member State authorities; and o encouraging the EEAS and other EU bodies to join such initiatives for better cooperation.	All services Coordination: OLAF Support: SG, BUDG, partner DGs of other EU bodies	2019 and then continuous
57	Legal framework	Following thorough legal analysis, develop criteria for the scope of possible investigations in cases of budget support.	OLAF / SJ Support: DEVCO, NEAR, ECFIN	2020

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[16] Commission Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 883/2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) as regards cooperation with the European Public Prosecutor's Office and the effectiveness of OLAF investigations of 23 May 2018, COM (2018) 338.

C. Corrective Measures and Sanctions; Follow-up of OLAF Recommendations

Number	Objective	Action	Lead Service	Due Date
58	Coordination, cooperation and processes Know-how and equipment	Evaluate and optimise the EDES, including cooperation between OLAF and other actors, in the light of the recent IAS audit. Integrate information about how to consult and operate the EDES into corporate anti-fraud training.	BUDG / OLAF	2019
59	Coordination, cooperation and processes	Apply OLAF's "Instructions on drafting Financial Recommendations and related sections of the Final Report" and "Guidelines on Financial Monitoring" and provide training if needed.	OLAF Support: BUDG	Continuous
60	Coordination, cooperation and processes	Closely monitor Member States' follow-up of OLAF's financial recommendations. Coordination for the purposes of systemic follow-up in the FPDNet and by the Corporate Management Board.	REGIO, EMPL, MARE, AGRI, HOME OLAF	Continuous
61	Coordination, cooperation and processes	Closely monitor services' follow-up of OLAF's administrative recommendations, to feed into the general monitoring under the Administrative Arrangements between the Commission and OLAF (see Action Point 9).	OLAF	Continuous

		D. Reporting on the Implementation of the CAFS		
Number	**Objective**	**Action**	**Lead Service**	**Due Date**
62	Data collection and analysis	Refine: o reporting about service-level anti-fraud strategies through the annual activity reports; o the contents of the Annual Management and Performance Report with regard to anti-fraud action; o the role of other reporting channels; while keeping in mind that documents intended for the institutions and the general public need to be of a reasonable length and easy to read.	SG / BUDG/ OLAF	2019-2020
63	Coordination, cooperation and processes	In close cooperation with the Commission's internal control and ethics functions, develop or refine result and impact indicators for the CAFS objectives, including measuring anti-fraud awareness among staff. Provide advice on the indicators to be used for service-level anti-fraud strategies.	OLAF <u>Support</u>: SG/ BUDG/HR/JRC	Preliminary result indicators for priority objectives by 2020