



Record seizure in Latvia

During CELBET activity, officials of State Revenue Service seized over 16 million cigarettes hidden behind glass bottles

On 29 September 2018 during customs control measures carried out on the Latvian-Belarusian border under CELBET Joint Intensified activity, upon carrying out in-depth controls of cargo vehicle DAF at Silene Customs Control Point, customs officials found cardboard boxes containing cigarettes in the trailer of the vehicle.

The boxes were hidden in the cargo (glass bottles) behind particleboards. The total amount of smuggled cigarettes was 16 719 140 pieces. Total value of the seized cigarettes is almost 2,9 million EUR.



Boundless cooperation

CEL BET experts met in Budapest, Hungary.

Several foreign languages were heard in the conference room of Hungarian National Tax and Customs Administration in Budapest. On Thursday 6 of September, 24 experts and members of CEL BET Management sat down at one table to discuss, present and take part in workshops.

Experts of each of six teams presented deliverables of their three months teamwork and introduced new activities that are focused on improvement in areas of functioning and safety on CEL BET Member States' external land border.



During the visit in Hungary, Mr. Jyrki Linna, Head of CEL BET had a meeting with Mr. Tamas Molnar, Director General for Customs and International Affairs. Mr. Molnar ensured support to CEL BET initiatives and expressed his satisfaction with activities that have been carried out so far.



A workshop for all experts was carried out during the meeting. The aim of the workshop was to receive feedback for further development of CELBET and areas that need active support and intensification. The feedback will be presented to the Steering Committee in November.



" Workshops for us, experts, are great opportunity to give our opinion and to get the general overview of teams' challenges and outcomes "

- feedback from an expert

Their feedback is crucial

One of the questions experts were asked was related to areas of success in CELBET. Almost all of the teams indicated networks, way of implementing new products into life and analysis prepared by teams.

Organizers of the workshops also asked experts what is their expectation on the cooperation between the teams and with established BCP network. The goal of the network is communication, so the answers mainly related to sharing information in direct way and direct contacts with BCP representatives.



- The biggest challenge regarding border traffic is to ensure efficient and timely management of steadily growing traffic flows and at the same time to ensure effective response to smuggling, while the availability of human resources is limited - says Mr Tamas Molnar, DG for Customs and International Affairs of National Tax and Customs Administration of Hungary.

Hungary joined the EU in 2004. It is natural and quite obvious that since that time the Customs Administration has changed. How did the Hungarian Customs Service look like before Hungary became a member of EU?

The predecessor of the National Tax and Customs Administration, the Hungarian Customs and Finance Guard took an active role in the preparations for Hungary's accession to the EU. The Customs and Finance Guard benefited from EU support programs (PHARE programs) which helped in a very extensive modernisation process, renewing and upgrading the infrastructure of several border crossing points, and also purchases of new customs control equipment have been made. Moreover, concerning the application of EU legislation, the Customs and Finance Guard had to prepare to meet the obligations arising from EU membership. Training programs (e.g. Twinning) were a great help during these times. Of course all the customs IT systems needed to be gradually modernized or upgraded and the interoperability of the systems had to be ensured.

In 2011 a significant organisational change took place: by merging the Hungarian Customs and Finance Guard and the Tax and Financial Control Office the current National Tax and Customs Administration was established.

Hungary has 2 external borders: with Serbia and Ukraine. Are there any differences if we take a look at customs control and smuggled goods?

We apply uniform procedures for customs control at every border strip, however, there are differences in the characteristics and composition of traffic and the kind of illegal activities detected there. At the Ukrainian border strip the most typical illegal activity is smuggling tobacco products but at the Serbian border strip there is also smuggling of drugs and counterfeit health products, besides tobacco.

Do Hungarian border forces face illegal immigrants' issues?

The scope of illegal migration along the Serbian-Hungarian border is considerable. The customs authority has detected 300 immigrants in this year alone. They were hiding in trucks and tried to enter the territory of the EU illegally.

What kind of goods are cleared and smuggled on the external border?

The most frequently smuggled goods are cigarettes and other tobacco products but the detection of drugs (especially marijuana) can also be considered significant at the Serbian border strip.

The majority of goods cleared for customs at the Ukrainian border is timber and industrial raw materials, at the Serbian border it's mainly textiles, fruits and vegetables and parts of vehicles.



What are the fines and consequences for smugglers?

If the incurred customs debt is under 100 000 HUF (approx. 300 €), the offender has to pay a fine which, in the case of excise products, is equal to 200% of the incurred customs debt but at least 40 000 HUF. If the incurred customs debt exceeds 100 000 HUF, criminal proceedings for suspicion of a criminal offense will be initiated, in which the perpetrator might get a prison sentence, depending on the severity of the crime. Criminal proceedings are started in every case of smuggling drugs. The illegal goods are seized in every case and if there are modifications on the vehicle specifically designed for smuggling, the vehicle is confiscated as well.

CEL BET experts analyzed lots of information and good practices during the site visits. Do you have own way of dealing with smugglers? I know that Hungarian customs officers in the BCP are able to check if the passengers have unpaid taxes in HU. If yes, to ensure payment of taxes, the customs officer can stop the car and even confiscate it if necessary. Is it effective practice?

Customs officers at the border crossing points may check if the taxpayer has any tax debts. If the net tax debt doesn't exceed 10 000 HUF (approx. 30 €), the customs officer informs the taxpayer about the possibility of voluntary payment. If the tax debt is over 10 000 HUF, the customs officer initiates an examination of the tax liability in the relevant IT systems. If the taxpayer cannot prove the payment of the tax debt, seizure of movable assets may take place. This practice is successful, the rate of voluntary payment is high and the possibility of seizing movable assets has a very good deterring / preventive effect.

During the meeting with Head of CELBET, You have stressed that the Hungarian Tax and Customs Administration is satisfied with the deliverables of CELBET experts' work and will support expert teams in their activities. What kind of support can be provided?

National Tax and Customs Administration wholeheartedly agrees with the main mission of CELBET, which is to contribute to equivalent and efficient customs controls at the EU's external land borders, by using intensive cooperation and networking. The deliverables, analyses based on extensive surveys, recommended best practices and proposals will further assist in the decision-making process and in planning to adapt these deliverables into national practice. We need to keep in mind that this work has been done jointly by the experts of the participating countries, so the results are a joint success. The Commission (DG TAXUD) also recognizes this.

I'm proud that CELBET 1 already produced significant results, to which the Hungarian customs also contributed. National Tax and Customs Administration has provided expertise in leading the Equipment Team and experts working in other teams.

What are the challenges for Hungarian Tax and Customs Administration nowadays?

The biggest challenge regarding border traffic is to ensure efficient and timely management of steadily growing traffic flows and at the same time to ensure effective response to smuggling, while the availability of human resources is limited. I think this challenge is similar in other EU countries as well. That's why it is necessary to develop such working methods and to provide such a technical background that will adequately support the customs authority's control activities. Equally important is the proper professional education and continuous training of customs officers at the border. International cooperation and thinking together, sharing ideas and possible solutions can be of great help in facing these challenges and the CELBET expert team is a very good example for this help.

What more can CELBET do for the Hungarian customs? What future do you see for CELBET?

One prominent example of the significant results of CELBET is, for example, the assessment of the optimal equipment needs for EU external land border crossing points and the estimates of the cost of procurement. These estimates have been utilized when drafting the new EU financial instrument for procuring customs control equipment.

I'm convinced that the work being done in CELBET 2 will have a positive impact on the EU customs community as a whole beyond the 11 participating Member States. In addition to the impact of tangible results, we need to focus also on raising the awareness of stakeholders about this. There is plenty of expertise in the participating countries, which could be utilized and the suggested methods need to be tested, shared, disseminated and applied.

What are the plans of the Hungarian Tax and Customs Administration for the next few years?

We work along well-defined strategic plans that cover the entirety of NTCA's operation. We have to bear in mind that NTCA as an integrated tax and customs authority has a comprehensive approach to the effective collection of state revenues, most of which comes from various types of taxes. However, customs also needs to show a modern, customer-centric and service-oriented approach, all the while maintaining effective controls and strict measures against illegal activities.

Some elements of our strategy that I'd like to mention here are:

- Implementing comprehensive, consistent and quickly adaptable risk management and customer rating
- Increasing the efficiency of customs procedures and controls, thereby increasing competitiveness
- Further developing enforcement processes, developing an Enforcement Information System.

Sharing, International, Teamwork, Experience = SITE visits

How do they do it in Croatia ?

Experts of three teams and Head of CELBET visited border strips in Croatia.



On 19-20 September 2018 CELBET experts from Risk Management team, Operational Controls team and Inter-agency and 3rd Country Co-operation team participated in the site visit in Croatia. Experts visited Croatian - Serbian BCP in Bajakovo and Croatian-Bosnian Herzegovinian BCP in Slavonski Brod in order to observe customs control activities and cooperation between Customs and Border Police at the BCP. The site visit was beneficial as knowledge of national conditions, technology and processes is vital for successful implementation of CELBET activities.



Experts asked many questions covering regular procedures for targeting controls in passenger and commercial traffic, available detection technology, emerging threats and modus operandi. Also cooperation between Customs and Border Police was discussed in detail. As a practical sign of the cooperation, the representatives of the Croatian Border Police were present in the discussion. In Slavonski Brod similarities with Narva BCP at Estonian Russian Border in relation to infrastructure and geographical conditions were noticed. The similarities could lead to more close cooperation – peer review – between these BCPs.

In Bajakovo a current phenomenon became visible: illegal immigrants were found in a truck with apple cargo coming from Serbia. The situation was handled in cooperation between agencies involving also Serbian Border Police.



CELBET experts at Slovakian and Hungarian border



First day of the site visit was held on 2nd Oct. at Vysne Nemecke (SK) border crossing point. Second day was organized in Zahony (HU) border crossing point. Experts of Equipment, Inter-agency and 3rd Country Co-operation, Operational Controls and BCP Management and Evaluation Team had a goal to discuss possibilities of common use of technical equipment between Hungarian and Slovakian customs in order to prepare a pilot exercise.

We know a lot about the partnership!

Meeting in Odessa, Ukraine

Head of CELBET, Mr. Jyrki Linna and Inter –agency and 3rd Country Co-operation Team leader Mr. Bartosz Gruszecki took part in Eastern Partnership panel on Migration, Mobility and Integrated Border management, that was held in Odessa, Ukraine on 24th -25th September. Mr. Linna gave a general overview of CELBET. Mr. Gruszecki had a more detailed presentation on inter-agency cooperation as well as cross-border cooperation. The presentations were followed by lively discussion and many requests for information and cooperation have been received after the panel.



Training makes perfect

First Training Network meeting in Warsaw

The CELBET Training network meeting was held on 2-3 of October 2018 in Warsaw to enhance the communication with the CELBET national training contact points (TCPs). The meeting was focused on the exchange of good practices, ideas and information in the context of CELBET training activities.



Three workshops were organized during the meeting to encourage targeted discussions on specific topics: i.e. how to link the national training systems to CELBET Training team's tasks and how to use the potential Centres of expertise.

Training team presented the upcoming trainings of CELBET on X-ray image analysis and Car search as priority training needs in the MS and the cooperation with Frontex. The participants shared also the national approach to the implementation of the CELBET pilot training on Customs control process that took place in February 2018.



First of all - cooperation and communication

NRAC Network meeting in Riga

National risk analysis centre representatives from all 11 CELBET countries arrived on 18 of November to Riga with the aim to create unique NRAC network of experts under the umbrella of CELBET. This was first NRAC meeting aiming building strong cooperation and enhanced communication between CELBET member states.

Good practices and true stories that we want to share

Each of the CELBET Member State has its own way of coping with smuggling. CELBET teams have gained lots of useful and practical information. Many of the noticed stories, solutions and ideas are worth sharing

Bulgaria

Who is the owner of this luggage ?

According to the national legislation bus companies are obliged to use luggage tag for all passengers. Luggage tag has a luggage ticket serial number and shows the seat of the owner of the bag. That's the way to avoid unidentified luggage with smuggled goods.



Hungary

Haven't You paid the taxes? You can't cross the border

Customs officers in the Hungarian BCPs have access to a system to check if the passengers have unpaid taxes in Hungary. If yes, to ensure payment of taxes, the customs officer can stop the car and even confiscate it if necessary

Lithuania

Customs and Border Guard pilot training

After common FRONTEX - CELBET training on enhanced cooperation between Customs and Border Guards, organized in May 2018 in Vilnius, Lithuania, two participants from Lithuania presented the advantages of such cooperation to their management. After the training a study visit was organised to Narva BCP, Estonia to observe Border Guards and Customs cooperation model. The result of the visit was a decision to run a pilot on Border Guards and Customs Administration synchronized checks in Lavioriskiu BCP.



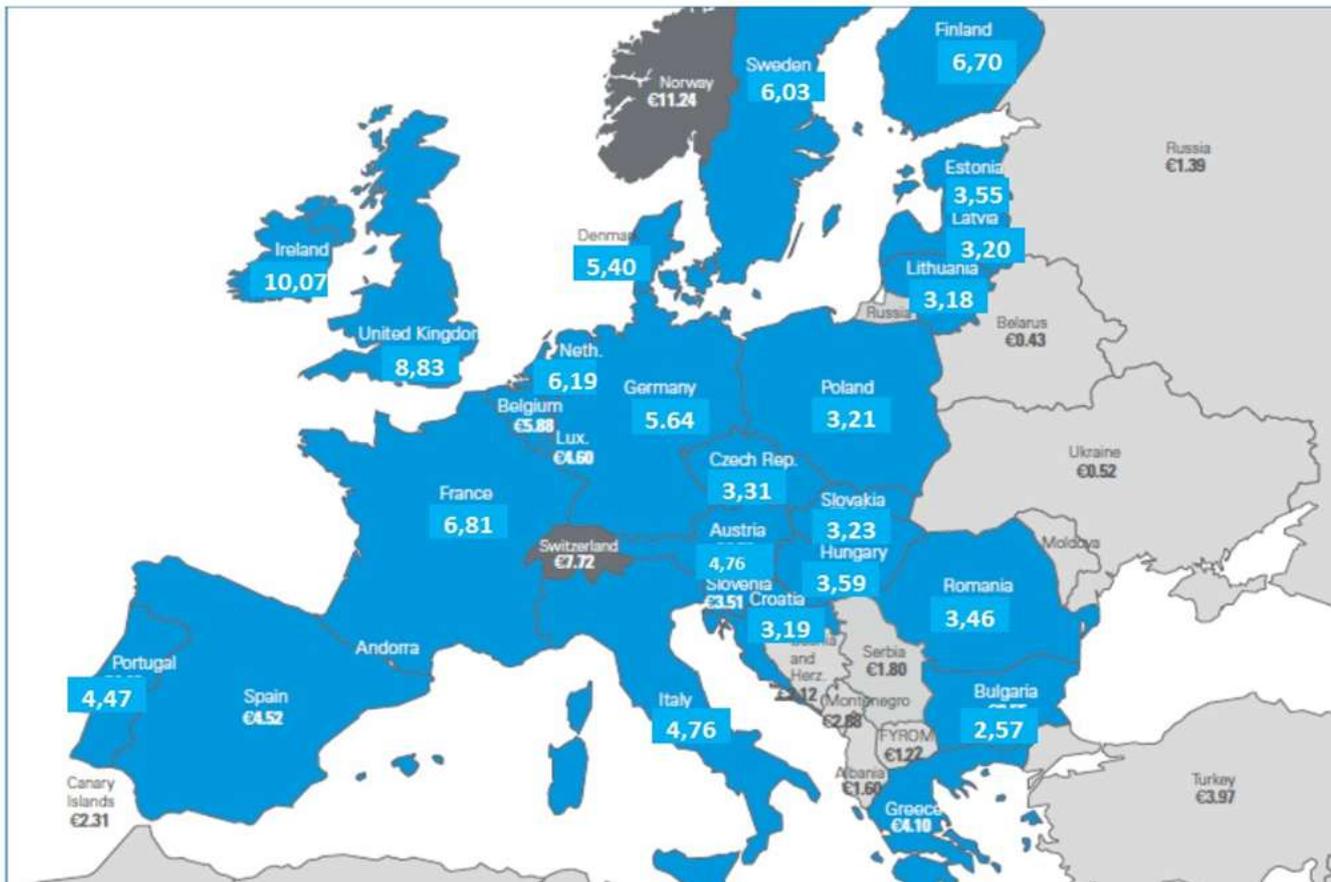
Finland

Finnish Customs advanced car search training for CELBET instructors

In the beginning of 2019, Finnish Customs organises advanced car search training for CELBET instructors. The training will be focused on the development of competence, inspection quality and also safety at work. The training starts with training for instructors, and instructors from each CELBET country will participate. The training is organised in Vaalimaa, at the border crossing point between Finland and Russia. The training includes the following topics: structure and technology of a vehicle, safety equipment and alternative fuels, smuggling methods and inspection tactics. The car search training was identified as the one of the top requested training needs for the MS. The aim of this training is also to establish the centre of expertise for car search, and enhanced the cooperation between the instructors/trainers as a guarantee for implementation this training on national level. The concept of this training will be train-the-trainer, so trainees should be able to cascade knowledge and new skills from this course in their national administrations. With the support of the Celbet Training team will be also created the e-learning support for this idea.

Nobody likes money loss....

Nowadays, when the MS revenue loss and consumer safety are the key topics of the discussions, CELBET tries to find the best solutions and share best practices to cope with these problems. The main reason is the difference of cigarettes prices in CELBET MS and neighbouring countries



The average market value is used for CELBET purposes. The figures are from the SUN report of KMPG- EU tax tables

There are border strips with big cigarette price differences between the EU and the neighbouring country. According to CELBET latest monitoring checks report the border strip with the biggest difference between the cigarette price in EU and the neighbouring country is Belarus.

Moreover there are cigarettes that are brought into EU **legally** by passengers.

The revenue loss based on the smuggled cigarettes is as big as the revenue loss from the cigarettes legally brought in by passengers through .

In total **7,5 mil euros per month** would be the possible revenue loss based on the cigarettes legally brought in EU by passengers and based on the smuggled cigarettes.



The diagram is from CELBET assesment of the level of smuggling stage 1. The figures cover 50 border crossing points/ one month period.

Each Member State decides on the limit applicable, is it e.g. 200 cigarettes or 40 cigarettes that passenger can bring when entering the EU every time or only few times per month.

What are the national rules?

- Croatia:** 200 cigarettes per person once a day.
- Finland:** 200 cigarettes per entry after a 24 hour stay in the third country / 200 pieces per entry after a 72 hour stay in Finland (a person aged 18 or over residing outside the EEA).
- Bulgaria, Greece, Hungary, Lithuania, Poland** - 40 cigarettes for passenger crossing per day per entry.
- Estonia** - 40 cigarettes twice a month.
- Latvia, Romania, Slovakia** - 40 cigarettes per 7 days.

More facts and true stories in next CELBET Newsletter.



Upcoming activities and events

Steering Committee meeting - Warsaw - 28/11/2018

If You wish to improve this Newsletter or give us feedback contact our PR expert: pr.celbet@mf.gov.pl