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RÉPUBLIQUE FRANÇAISE

MINISTÈRE DES FINANCES  
ET DES COMPTES PUBLICS



# FRENCH CUSTOMS

## 2015 Results

*Protecting citizens and consumers, supporting businesses*



# FOREWORD



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In 2015, French Customs was present on all fronts

Once again, French Customs rose to meet the many challenges which it faced in 2015.

Its number one challenge – the most sensitive and arguably the most visible one in the eyes of citizens – was protecting France and its population. French Customs was fully involved in fighting terrorism and border control. It was highly responsive, unswervingly committed and achieved outstanding results. To boost its anti-terrorism efforts, it will hire an additional 1,000 customs officers in 2016 and 2017. The French government has earmarked €45 million over two years to improve Customs' equipment and means of communication.

French Customs' second challenge is combatting smuggling in all its forms. This is vital for public order and sometimes has links to terrorist financing. In this area, 2015 was a banner year – seizures of cocaine increased 250%, and those of smuggled tobacco were up by 50%. Excellent results were also achieved in terms of seizures of weapon caches, and in efforts to stem illicit financial flows, tax evasion and counterfeiting.

Lastly, during the year French Customs continued its efforts to support the French economy. This third and final challenge consists of ensuring that French companies stay competitive and enhancing France's appeal. In this area as well, its work was crowned with success; it began to roll out the 40 tangible initiatives contained in its "Customs Clearance in France" programme aimed at businesses and international logistics platforms. Thanks in large part to measures introduced by French Customs, France ranked number one in the "Trading Across Borders" category of the World Bank's annual "Doing Business" report.

To help perform its duties effectively in an ever-changing world, French Customs is modernising at an unprecedented pace. Its ticket to success is, first and foremost, the energy, expertise and dedicated professionalism of all of its staff. As part of the Douane 2018 strategic plan and the resources allocated by the French government to support French Customs' anti-terrorist efforts, its staff's skills are critical in keeping France both safe and competitive.

This annual report presents the actions of French Customs in 2015. It shows the commitment of its officers throughout the year and the results they achieved – a momentum that will carry it forward in 2016.

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# KEY FIGURES

## ▶ ACTIONS AGAINST FRAUD



Narcotics

**88t** seized *including*



**17t** of cocaine  
(a 250% increase)  
NEW RECORD



Financial fraud  
and tax evasion

**€55.4M**  
in criminal assets seized  
or identified by the SNDJ (+65%)



**63t** of cannabis  
intercepted



**€377.4M**  
in taxes and duties reassessed  
(+5.7%)



**1,158** firearms seized  
(+40%)



Smuggled  
tobaco

**630 t** seized  
(+49%)  
NEW RECORD



Counterfeit  
goods

**7.7 million**  
counterfeit items seized



Consumer  
protection

**5.5 million**  
toys inspected



France's  
natural  
heritage

**423** citations  
issued for violations of  
endangered plant and animal  
species legislation

## CUSTOMS CLEARANCE AND ECONOMIC ACTIVITIES



Average  
clearance time

**90.5%**  
of customs declarations  
processed in less  
than five minutes



**86%**  
overall rate of paperless  
customs clearance

**4'38"**

average time that goods are  
immobilised  
(13 minutes in 2004)



Customs  
certifications

**1,389 AEOs**

(1,214 in 2014) (+14.4%)

**2,339** businesses given  
free advice on how to optimise  
their customs (+4.7%)

## TAXATION



**€70.3bn**  
collected (+2%)



**90%**

the user satisfaction rate  
in 2015 (+3%)



**44 centimes**  
the cost to French Customs  
for collecting €100

## HUMAN RESOURCES



**16,473** full-time equivalent positions  
(full-time equivalent positions, budgetary positions,  
2016 Initial Budget Act)



**510** departments  
(offices, units and excise taxes)

# 2015 HIGHLIGHTS



1

## JANUARY

- ▶ Thanks to **new legal measures**, two **tobacco smuggling** operations are halted, one in Lille and one on the France-Andorra border.
- In Dunkirk, the Minister of State for the Budget announces a measure to **reverse VAT liability for imports** 1
- International Customs Day at France's National Customs Museum in Bordeaux, under the theme "Coordinated Border Management"

## MARCH

- ▶ **Seven illegal fishing vessels** are intercepted during stepped up controls by French Customs and the Maritime Gendarmerie in French Guiana 3
- Marie Dorin-Habert, a skier with the French Customs Team, wins gold medals in sprint and pursuit at the Biathlon World Championships in Kontiolahti, Finland
- ▶ An **agreement to provide increased social and financial resources** is signed by the economic and finance ministers and three trade union organisations



2

## FEBRUARY

- The National Directorate for Customs Investigations and Intelligence (DNRED) dismantles a **large-scale cannabis-growing** operation uncovered at the home of a private individual in Nantes 2
- Seizures at Roissy airport and in Brittany of nearly 18,700 seahorses from Madagascar and two elephant feet from South Africa. Both species are protected by the Washington Convention.
- ▶ **The Director General of Customs and Excise announces a procedure for laser-marking gemstones**



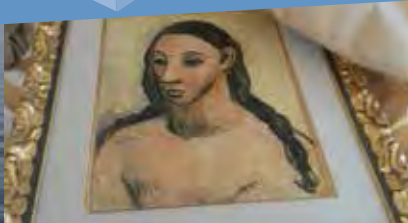
3



8

## JULY

- ▶ **The Minister of State for the Budget launches the Jean-François Deniau, French Customs' new DFP3 coastguard patrol vessel, in the Mediterranean** 8
- Record-breaking seizure of 43 tons of counterfeit coffee in the Paris area
- In northern France, customs officers seize more than nine tons of smuggled cigarettes from a Croatian articulated lorry
- Discovery in Corsica of a **painting by Picasso entitled Head of a Young Woman** aboard a yacht that had transported it from Spain 9



9



## AUGUST

- During an inspection carried out in cooperation with the Central Office for the Control of Illegal Drug Trafficking (OCRTIS), more than 400 kg of cannabis resin is seized in Martinique, the largest quantity of the drug ever seized in the Antilles
- ▶ Thanks to close cooperative efforts between French and American customs authorities, a stolen **painting by Picasso, La Coiffeuse**, is returned to France
- An attempt to illegally export **18 tons of hazardous automobile waste** is stopped at Le Havre 11



11

## SEPTEMBER

- **119 live scorpions**, which are protected by the Washington Convention, are seized from two express freight shipments from Cameroon 12
- At the Spanish border, Customs officers seize nearly **€2 million in cash** connected with a money-laundering scheme 13
- ▶ Opening of the new inter-ministerial **Passenger Name Record (PNR)** platform in the Customs offices at Roissy airport
- ▶ Opening of the **new Customs Academy in La Rochelle**, which will provide training in surveillance techniques and in clearing commercial flows
- The Minister of State for the Budget unveils the "Customs Clearance in France" programme, designed to help companies stay competitive and boost France's appeal

## 2015 RESULTS



4

### APRIL

- ▶ Record seizure of **2.25 tons of cocaine** in Martinique, and the seizure of more than **3 tons of cocaine** off the coast of Scotland, based on intelligence provided by French Customs
- Four tons of smuggled cigarettes seized from a lorry in Dunkirk
- Discovery of a **cache of weapons** in Picardy **4**
- Rollout of a new mobile app for individuals and businesses (douaneFrance.mobi)



5



6

### MAY

- More than 30,000 tablets of ecstasy and 10 kg of amphetamines seized in northern France from a vehicle arriving from the Netherlands
- ▶ Another **large-scale narcotics seizure thanks to intelligence provided by French Customs: more than one ton of cocaine** is intercepted in the Azores
- French Customs increases its data transparency by organising an Open Data Camp



7

### JUNE

- **140 kg of elephant tusks** are intercepted at Roissy airport: packed into two crates, the ivory was being shipped from the Democratic Republic of the Congo to Vietnam **6**
- A record seizure of synthetic drugs in Perpignan: 100,000 tablets of ecstasy, 25 kg of methamphetamine and 14 kg of MDMA
- ▶ **"Get Energised with French Customs"**, a conference organised for the energy industry, presents French Customs' support and taxation roles
- At the Vinexpo trade show in Bordeaux, French Customs shows its **support for the winegrowing industry** **7**



12



13



14



15

### OCTOBER

- ▶ French Customs dismantles a major **smuggling operation that had sold nearly 10 tons of tobacco** via a Belgian website
- ▶ Record discovery of 7.1 tons of cannabis near Paris, which is followed by a **visit by President Hollande** **14**
- Seizure of an arsenal of weapons and ammunition in the Vosges
- As part of Public Innovation Week, a French Customs/business forum focuses on the new one-stop shop (GUN)

### NOVEMBER

- ▶ France is ranked **number one in the "Trading Across Borders"** category of the World Bank's "Doing Business 2016" report
- The National Customs Judicial Department (SND) seizes 144 archaeological artefacts stolen from shipwrecks off the coast of the Île de Sein
- ▶ **French Customs mourns the disappearance of two customs officers during the terrorist attacks in Paris on 13 November, and a third who lost his life in the line of duty on 23 November while combatting illegal arms trafficking**
- French Customs' new patrol boat embarks on its first Frontex mission to rescue shipwrecked refugees and combat illegal immigration

### DECEMBER

- The Minister of the Interior visits Roissy airport as part of stepped up border controls
- ▶ More than **two tons of cocaine** is seized by the Rouen coast guard - a record for mainland France
- ▶ First seizure of **counterfeit postage stamps** (81,600 stamps) at Lyon Saint-Exupéry Airport **15**



# PROTECTING FRANCE AND ITS CITIZENS

Protecting French territory and French citizens is French Customs' number one priority. As part of this, it has stepped up border controls and is actively engaged in the fight against terrorism. Its inspection efforts target individuals suspected of terrorism-related activities and financial flows. It also focuses on trade flows, to prevent weapons from coming into France in commercial shipments. Lastly, French Customs is committed to combating organised crime and fraud.

## COUNTERING TERRORISM AND ITS FINANCING

### HOW DO FRENCH CUSTOMS' INVESTIGATIONS FIGHT TERRORISM?

In 2015, it focused on several individuals who were suspected of operating several companies to trade in prohibited goods. Its investigation revealed that large sums of money were being transferred to and from foreign countries, and that there were links between the companies' managers and a terrorist group. These efforts were carried out in close collaboration with France's anti-terrorist agencies.

### CONTROLLING PASSENGER FLOWS

French Customs carries out checks throughout the country. As it inspects individuals, goods and means of transport, it gathers information about terrorism-related activities. Its actions in this area were scaled up in the wake of the January 2015 attacks in Paris. Each day it collects and processes counter-terrorism intelligence.

Since 13 November 2015, customs officers, working in collaboration with the Border Police (PAF), have been **tasked with re-establishing border controls**. As the Schengen Agreement has been temporarily cancelled, this measure concerns passengers travelling into and out of the Schengen area, as well as those travelling within Europe.

French Customs also ensure the safety of passengers crossing between France and England, and carries out inspections at the departure and arrival points of various trains, including the Thalys from Belgium, as well as during the train journey.

French Customs is **very much involved in preparation for the future Passenger Name Record (PNR) system**. As part of efforts to fight terrorism and organised crime, the PNR will allow authorised government departments to more easily access airline passenger data. The new interministerial platform in charge of implementing the PNR programme is housed in French Customs' offices at Roissy airport. It opened its doors on 21 September 2015, and will be gradually ramped up throughout 2016.

### COMBATING ARMS DEALING

Through daily inspections, French Customs plays an active role in countering the phenomenon of radicalised militants arriving in France from abroad. It also is involved in the fight against the dissemination of weapons and explosives.



Discovery of a cache of weapons at the home of a private individual in northern France in April

In 2015, there was a marked upturn in seizures of firearms: 1,158 weapons were seized, against 828 in 2014, a 40% increase. Fighting arms trafficking is one of French Customs' key missions, in line with the Ministry of the Interior's national plan to combat illegally owned weapons.

### SECURING INTERNATIONAL TRADE

French Customs is tasked with deploying safety and security measures with respect to air and maritime freight in order to prevent terrorist acts. In 2011, it introduced the Import Control System (ICS), a European-wide programme designed to prevent such attacks. Under ICS, for goods being shipped from a non-EU country into the EU, the carrier must file an Entry Summary Declaration online with French Customs prior to arrival, or even prior to loading in the country of origin. In 2015, controls of international

freight were stepped up even further. As of 15 September 2015, Entry Summary Declarations are now mandatory for goods being shipped to France, even in cases where France is not the first point of entry in the EU.

### THE INTELLIGENCE SERVICES OF FRENCH CUSTOMS

The National Directorate for Customs Investigations and Intelligence (DNRED) works closely and on an operational level with other competent French authorities. The DNRED enhances intelligence on various targets, but also assists with monitoring the movements of persons travelling to and from conflict zones. Since June 2015, a DNRED liaison officer has been seconded to the Directorate General for Internal Security (DGSI), thus fostering an ongoing spirit of cooperation. Within the DNRED, an **Antiterrorist Operational Unit (GOLT)** was set up

especially to aggregate and enhance intelligence, provided by all of French Customs' branches, relating to terrorism and its financing.

The GOLT collects intelligence and **tips gathered by the various customs departments in the course of their daily controls** (forged documents, weapons, propaganda literature, etc.) that suggest direct or indirect involvement of individuals in terrorist activities. It then passes on this information to other anti-terrorist bodies.

All of these assignments mean that French Customs has a vital role to play in combating terrorism. On 16 January 2015, the Modane Route Domestic Surveillance Unit, stationed at the westbound side of the Frejus Tunnel that connects France and Italy, intercepted two individuals who were sought in Belgium in connection with Islamic terrorist movements (the so-called Verviers cell).

# PROTECTING FRANCE AND ITS CITIZENS

## FRENCH CUSTOMS AND THE FIGHT AGAINST TERRORISM

On 13 November 2015, the night of the terrorist attacks in Paris, French Customs took immediate action. It set up an incident response unit and throughout the night, it worked closely with the DGSJ to identify those individuals and vehicles that were suspected of being involved in the attacks. Moreover, customs authorities immediately re-established border controls. This action, which is part of the state of emergency that was declared, continues.

## MONITORING FINANCIAL FLOWS AND TERRORIST FINANCING, AND FREEZING FINANCIAL ASSETS

Combating money laundering and terrorist financing is a key mission for France's customs authorities. Daily controls carried out throughout French territory allow French Customs to **intercept financial flows that are suspected of being connected to illegal activities or that have links to terrorism**. The most serious offences are investigated by the DNRED or the National Customs Judicial Department (SNDJ) in an attempt to dismantle criminal gangs.

On 1 January 2015, new guidelines were published with an eye to collecting more evidence of money laundering, thus assisting French Customs in its fight against the financing of organised crime and terrorist activities. **In 2015, the number of citations involving money laundering nearly quadrupled, rising from 18 in 2014 to 69, and for a total of nearly €12 million.**

As part of its enquiries, French Customs has the power to freeze financial assets linked to terrorism, thus depriving individuals of access to financing.

## THE PLAN TO PROVIDE FRENCH CUSTOMS WITH ADDITIONAL RESOURCES TO FIGHT TERRORISM AND TO MAINTAIN BORDER CONTROLS

At Versailles on 16 November 2015, President Hollande announced a "security pact" to both houses of Parliament. The pact includes one-time resources allocated to French Customs to provide increased safety for French citizens and to bolster the fight against terrorism.

**As part of this, 1,000 additional customs officers will be recruited in 2016 and 2017. Over the same two-year period, €45 million will be allocated to French Customs to update and acquire the means to expand its operational capacities and to protect its staff. New legal measures will help strengthen the Directorate's AML/CFT efforts.**

These additional resources, which represent more than 530 new jobs by 2017, will help tighten border controls, adapt French Customs' surveillance equipment to the terrorist threat (including Internet-based threats), expand its ability to analyse and control flows of goods, and counter arms trafficking, money laundering and terrorist financing. They will also allow it to update its communication and intelligence tools, improve its officers' safety equipment and expand their powers of enquiry and investigation.

**1,000**  
posts in  
2016-2017

**An additional  
allocation of  
€45 M**



**€55.4M**

in criminal assets  
seized or identified  
by the SNDJ

**+  
65%**

Failure to comply with the requirement of declaring capital flows

## FIGHTING ORGANISED CRIME

### A SHARP UPSWING IN SEIZURES OF SMUGGLED TOBACCO

French Customs intercepted **629.5 tons of smuggled tobacco in 2015**, a year-on-year increase of nearly 50%. This is a record-breaking achievement.

This is the result of the ongoing involvement of all of its departments in the fight against tobacco smuggling by every possible means – sea, air, road and Internet – and in every setting, including as part of international cooperative efforts.

In 2015, thanks to government-sponsored Budget Act provisions to step up controls of illegal Internet purchases, French Customs intensified its efforts to combat online tobacco sales. The Cyberdouane department successfully brought to light several notable cases of organised smuggling.

### SIGNIFICANT RESULTS IN THE FIGHT AGAINST COUNTERFEITING

In 2015, French Customs seized **7.7 million counterfeit items**, its third best score in the past two decades.

With the exception of the record seizure of 2.4 million counterfeit pharmaceuticals the previous year, there was an increase in every category in 2015.

These excellent figures are the result of its unwavering commitment to combating this scourge, which is hazardous for consumers, undermines the competitiveness of French businesses, destroys jobs and has proven links to organised crime.

Almost

**630t**

of tobacco  
seized

**7.7 M**

counterfeit  
items seized

# PROTECTING FRANCE AND ITS CITIZENS

In January 2015, officers from the Cyberdouane department investigated purchases made from a Belgium-based merchant, who was selling tobacco via a website. The purchases were delivered to Lille and then dispatched by post to individuals throughout France. 215 kg of tobacco intended for sale to French consumers were intercepted. The Belgian merchant had already used this method to sell more than 12 tons of tobacco.

French Customs is also involved in updating legislation. On 15 December 2015, the trademark reform package was adopted by the European Parliament. It improves European trademark law by restoring customs authorities' right to inspect goods in transit or transshipment within the EU. This major shift represents a victory for French Customs, which has worked unceasingly to have the Nokia-Philips case law of 2011 overturned. That decision limited customs inspections to counterfeit goods intended for sale within the EU. The adoption of the new package is the embodiment of ongoing efforts by French Customs to defend intellectual property rights.

Concerning other drugs, French Customs also seized 62.6 tons of cannabis during 2015. The previous year saw large-scale seizures of cannabis in the Mediterranean – nearly 70 tons, hidden in various cargo vessels. French Customs' commitment to combatting cannabis smuggling can be seen in **the record-breaking seizure of 7.1 tons of cannabis in the centre of Paris on 17 October 2015**. For the occasion, President Hollande met with the customs departments responsible for the seizure. This commitment can also be seen in its international cooperative efforts – French Customs has narcotics intercepted by its partner authorities beyond French borders, so that shipments are stopped before they can reach the French market.

## A SHARP UPSWING IN SEIZURES OF COCAINE

2015 was a record-breaking year in French Customs' efforts to combat cocaine smuggling. Seizures during the year totalled 16.8 tons – the 2,5 times best-ever year. It is the result of outstanding intelligence and analysis work that led to large-scale seizures in the Caribbean (2.25 tons in April and 808 kg in October), in Europe (acting on a intelligence provided from French Customs, a joint British operation seized three tons of cocaine off Aberdeen, Scotland) and in French waters (2.3 tons seized by coast guard officers off the coast of Boulogne-sur-Mer in December).

## A SUCCESSFUL YEAR FOR ANTI-TAX EVASION EFFORTS

In 2015, French Customs reassessed a record €377.4 million in duties and taxes, a 5.7% increase over the previous year. This is the fourth consecutive year that this figure has risen.

In addition, as part of efforts to combat tax evasion, **the National Customs Judicial Department (SNDJ) investigated 75 cases of VAT fraud** (carousel fraud, margin schemes, etc.). Its investigations revealed the existence of highly-structured international gangs. For cases closed during the year, the losses suffered by the French Treasury amounted to nearly €368 million in VAT.

+5.7%

€377.4M

in duties and taxes reassessed

61,791

laboratory analyses



Nearly  
**17 t**  
of cocaine

**A NEW RECORD**

a  
**250%**  
increase

President Hollande visits the National Directorate for Customs Investigations and Intelligence (DNRED) on 18 October 2015, the first-ever such visit by a French president.

**CONSUMER PROTECTION - AN ONGOING CONCERN**

The number of cases involving consumer protection rose from 7,213 in 2014 to 7,597 in 2015, a 5.3% increase.

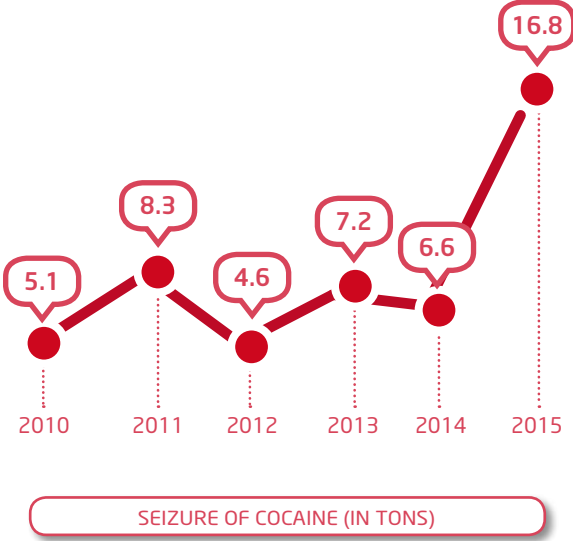
Consumer protection is one of French Customs' key remits. As trade increases with countries that do not apply the same technical quality standards, there is an increased risk of importing hazardous goods. **In 2015, French Customs inspected 50 million items. It maintained its inspection levels of toys (5.5 million inspected, of which nearly one million were non-compliant, and almost 53,000 (some 1%) were found to be hazardous).**

**FRENCH CUSTOMS' ROLE IN PROTECTING FRANCE'S CULTURAL AND NATURAL HERITAGE**

One of the year's high points came in July, with the seizure of a Picasso painting, *Head of a Young Woman*, as it was being exported to Switzerland. In addition, 2015 witnessed the return of *La Coiffeuse*, another Picasso painting, which had been stolen from Paris's Pompidou Centre. Following cooperative efforts with French Customs, the painting was located in the United States. In all, French Customs intercepted 20,886 cultural items in 2015.

Today, its actions in this area are particularly focused on imports of cultural goods that contribute to terrorist financing. French Customs already exercises extreme vigilance with respect to goods of this type from Syria and Iraq; now, however, all imports of cultural goods are subjected to heightened scrutiny.

In terms of protecting endangered plant and animal species, French Customs issued 423 citations in 2015 for violations of the Washington Convention. Equally significant is French Customs' role in protecting the environment. Its cutting-edge resources include aircraft fitted with "POLMAR" ocean pollution detection systems. In 2015, it issued 53 citations for environmental pollution.



SEIZURE OF COCAINE (IN TONS)

Nearly  
**63 t**  
of cannabis

# PROTECTING FRANCE AND ITS CITIZENS

53

cases of maritime pollution detected

This, combined with heavy fines handed down by the courts, act as a strong deterrent for potential polluters.

French Customs also works closely with the Directorate General for Risk Control at the Ministry for Ecology, Sustainable Development and Energy to monitor exchanges of waste and chemical products. **185 citations were issued in 2015 in this area.**

423

number of citations issued for violations of endangered species protection legislation

## INTRODUCING GROUND-BREAKING METHODS

### EXPANDED INTELLIGENCE AND ANALYSIS

The Import Control System (ICS) is a Community-wide initiative to plan for and secure international flows of goods into the EU. In 2015, French Customs consolidated the system's quality and ensured that it was ready to be ramped up. In the space of two years, **there was a 70% increase in the number of citations issued, and legal proceedings were instituted in 143 cases during 2015.**

goal is to sift through large amounts of data in order to detect fraudulent schemes that go undetected by other risk analysis instruments.

### NEW FRAUD-FIGHTING METHODS

As part of its heightened fight against money laundering and terrorist financing, French Customs is testing the use of dogs trained to detect both narcotics and banknotes.

French Customs is continuing to open Operational Centers for Land-Based Surveillance (CODT), which are tasked with coordinating and securing customs inspections via improved long-distance radio connections and geolocation of teams in the field.

**The Bordeaux centre is now open, and those of Lille and Metz will be set up in 2016.**

a 70% increase in cases

7.3 M

declarations treated through the ICS

Moreover, French Customs continued to lay the groundwork for the creation of a national department, with an eye to taking an even more professional approach to risk analysis of flows of goods. **The National Risk Analysis and Targeting Department (SARC) will be set up in 2016.** It will be tasked with increasing the effectiveness of customs clearance inspections and tax audits. At the same time, Customs is continuing test the usefulness of datamining. Its



The *Jean-François Deniau*, French Customs' latest Mediterranean patrol boat.

**178**  
individuals rescued  
at sea by French  
Customs

## INCREASING RESOURCES

### A STRONGER LEGAL ARSENAL

In several areas involving the fight against criminal activities, French Customs has received increased resources.

Act 2015-912 of 24 July 2015 concerning intelligence measures includes several provisions for bolstering Customs' fight against terrorism and criminal activities. This specifically pertains to harvesting and processing data to prevent terrorism and combat organised crime.

French Customs has also been given new investigative means, including data capture (including outside of France) and real-time location of objects and people. Moreover, to facilitate the investigative capacities of the National Customs Judicial Department (SNDJ), judicial officers have been

given direct access to the National Centralised Bank Accounts Register (FICOBA).

### NEW OPERATIONAL RESOURCES

In 2015, French Customs confirmed and stepped up its commitment to protecting the EU's external borders. It contributed resources to missions coordinated by the Frontex agency in the Mediterranean. In November 2015, it made its **new patrol boat, the *Jean-François Deniau*** – which was partly financed by European funding – available to the agency.

The vessel, which was inaugurated on 7 July at Seyne-sur-Mer by the Minister of State for the Budget, is a deep-sea surveillance ship fitted with a wide range of cutting-edge sensors, powerful means for intercepting other

vessels and a high-powered mission and operational handling system.

It is equipped with purpose-built cabins for individuals who have been detained – a necessary feature for successful customs missions. It can also perform large-scale rescue operations, thanks to a section of the craft that has been specifically fitted out to accommodate shipwrecked individuals.

Finally, 2015 marked a new stage in the acquisition of new Beechcraft planes, with the completion of the first aircraft that will be used for maritime surveillance.



# SUPPORTING FRANCE'S ECONOMY

During the year, French Customs was heavily involved in providing support for French businesses with their international operations and working to increase the appeal of France's logistical platforms. France also took first place in the "Trading Across Borders" category of the World Bank's "Doing Business 2016" report. This outstanding achievement is proof positive of French Customs' commitment to supporting the French economy. It was reported in several trade press publications, such as Le MOCI and La Tribune, but also in Le Monde, which noted "the bold measures introduced in recent years by French Customs".

## ENCOURAGING COMPETITIVENESS AND PROMOTING FRANCE'S INVESTMENT APPEAL

### ADAPTING REGULATIONS TO ENCOURAGE THE COMPETITIVENESS OF BUSINESSES AND INCREASE THE APPEAL OF FRANCE'S LOGISTICAL PLATFORMS

Throughout 2015, French Customs played an active role in talks – which had been launched early in 2014 – aimed at drafting the implementing provisions of the new Union Customs Code (UCC). It worked closely with trade federations representing international traders. It was also involved in notifying traders of the new regulatory provisions and the opportunities that they represent.

The UCC, which will apply in full on 1 May 2016, introduces major innovations and opportunities that will be of interest to businesses. This is the case with new mechanisms such as centralised clearance and the expansion of the certification process for trusted operators. The new Code will enable French Customs to roll

out procedures that are simpler, faster and less costly, thanks to the introduction of end-to-end paperless procedures and their improved integration into logistical processes.

### HELPING BUSINESSES TAKE ADVANTAGE OF OPPORTUNITIES PROVIDED BY THE NEW LEGISLATION

Helping French businesses prepare for the entry into force of the UCC is a key priority for French Customs.

As part of this, French Customs has rolled out a large-scale information campaign about the UCC, aimed at economic operators. The campaign was kicked off in Paris on 22 September 2015 by the Minister of State for the Budget and French Customs' Economic Action Centers (PAE), in the presence of 550 French businesses. This was followed by regional Information Days, such as the one that was held in Strasbourg on 17 November 2015.



1st

France's ranking in the "Trading Across Borders" category of the World Bank's "Doing Business 2016" report

Source : World Bank

90%

+ 3 percent higher than in 2014  
The overall user satisfaction rate

2,339  
businesses given  
advice by French  
Customs' Economic  
Action Centers



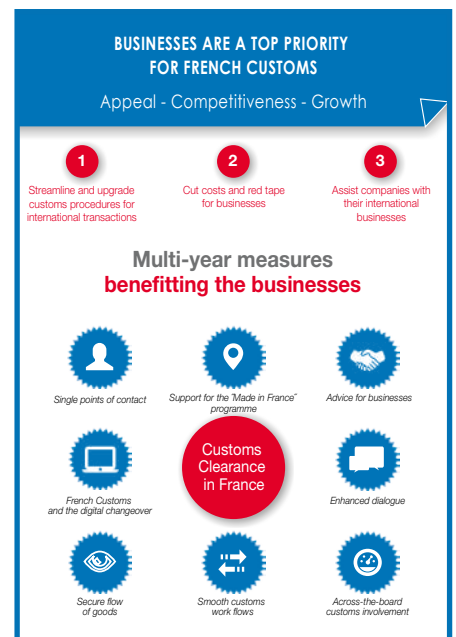
The Minister of State for the Budget presents the "Customs Clearance in France" programme on 22 September 2015.

In total, 14 "stages" of the "Tour de France des Experts Douaniers" will take place across France. The goal is to help French businesses prepare for the changeover, and to ensure that they are well-positioned in the face of competition from other European stakeholders.

**IMPLEMENTING THE "CUSTOMS CLEARANCE IN FRANCE" PROGRAMME**

As part of this information campaign, French Customs has launched "Customs Clearance in France", a Programme designed to provide support to French businesses. The Programme's 40 tangible initiatives call on every area of French Customs' organisation to simplify and streamline procedures, reduce costs and clearance times, and provide support for French businesses with their international operations.

"Customs Clearance in France" is intended for all businesses – both in France and in Europe – in the hope that they will choose to clear their goods in France using its national logistical platforms. **With this new strategy, French Customs intends to show that clearance in France is simple, safe and speedy,** and to demonstrate its support for French businesses who wish to expand internationally.



## SUPPORTING FRANCE'S ECONOMY

As of 31 December 2015, 206 businesses had requested to benefit from **the reverse charge procedure for import VAT**. The total amount reverse-charged in 2015 came to more than **€1.63 billion**. SMEs and mid-tier firms account for more than 40% of the beneficiaries, and more than half of those requesting to benefit from the clearance procedure with single domicile (PDU), which is a prerequisite for entitlement to use the reverse charge procedure.

## FRENCH CUSTOMS - A RESOURCE TO BOOST COMPETITIVENESS

Being competitive is all about cost. Several customs regimes allow businesses to import goods at lower cost, i.e. with suspension of duties and VAT, so that they can be stored, used or processed in France.

These "economic" regimes foster the development of production activities in France, and are therefore sources of jobs. By improving cash flow, these regimes also help make firms more competitive. In 2015, with an eye to encouraging businesses to take advantage of these arrangements, French Customs expanded its consulting activities.

Moreover, French Customs defends French companies' interests at European level in order to obtain suspensions of duties applicable to imported raw materials or components used to manufacture finished goods, provided they are not available in the EU or are available but in insufficient quantities. **39 requests for suspensions or tariff quotas received approval in 2015, allowing the businesses concerned to save more than €16 million.**

French Customs also helps companies stay competitive **through the *Made in France* certification process**, which helps protect French production. This certification is granted free of charge, and allows companies to benefit from the excellent reputation that French goods enjoy.

For all of these procedures, and many more like them, such as exemptions from financial guarantees and support for businesses to help them best benefit from free-trade agreements, **economic operators can contact one of the 42 regional Business Consulting Units** that French Customs has set up across the country. The Units' services are free of charge.

## ONGOING EFFORTS TO STREAMLINE CUSTOMS CLEARANCE

42

business  
Consulting  
Units in  
France

French Customs operates in a constantly-changing environment. Because of this, it is continuing its efforts to modernise and streamline its procedures.

## CUSTOMS' ROLE IN GOVERNMENT MODERNISATION EFFORTS

For a number of years, French Customs has been very much involved in various government modernisation efforts, and plays an active role in major national streamlining projects.

As part of this, in 2015 French Customs introduced several measures such as **the reverse charge procedure for import VAT** for businesses that are authorised to clear goods through a single customs office (*procédure de domiciliation unique*) and that have been audited by French Customs. Companies simply declare the amount of import VAT on their turnover returns filed directly with the tax authorities and immediately deduct the tax.



# 30.4 M

million electronic  
customs declarations

# 86%

Overall rate of  
paperless customs  
clearance

# 130,000

operators with a  
Pro.douane account

Streamlining flows of legitimate goods in order to better inspect sensitive shipments.

As part of the Invest for the Future programme, French Customs has expanded the number of customs services available online, including innovative initiatives that cut red tape for both businesses and users (see opposite).

### STREAMLINING AND PAPERLESS CUSTOMS FORMALITIES

At the same time as making inspections more secure, paperless procedures also cut clearance times and speed up formalities, thus reducing burdensome costs for companies.

As part of this, **French Customs is continuing to roll out the one-stop shop for clearance (GUN)**. This will allow paperless

management of the documents required by various government departments during clearance procedures for certain types of goods. By connecting French Customs' IT system with those of other government departments, the control, follow-up and issuance of authorisations, licences and certificates can be automated. The first such connection, between the Ministry for Ecology's i-CITES application (dealing with endangered species) and the DELTA online clearance system was established in December 2015. Two other projects – having to do with seed import authorisations and AGREX export licences for animal, dairy and grain products – will be completed in January 2016.

### THE INVEST FOR THE FUTURE PROGRAMME

Two customs projects were selected for this investment programme: the development of a **web-based service for calculating customs duties** for both Internet users and travellers making purchases abroad, and a **new clearance system for sales receipts for tax-free purchases** that makes life easier for foreign tourists in France.

# SUPPORTING FRANCE'S ECONOMY

90.5  
%

of clearance procedures take less than 5 minutes

Average time that goods are immobilised

4'38''

4.4 million

visits to French Customs' website

64

major companies are handled by the newly-created Key Accounts Department

In 2016, work will continue on paperless export licences for military equipment and dual-use goods (civilian and military) and those for radionuclides. Concurrently, a joint effort will be undertaken with the European Commission with an eye to improving the new one-stop shop (GUN) architecture as regards Common Veterinary Entry Documents (CVEDs) for imports (the TRACES/ DELTA connection).

Updating of clearance applications was carried forward with a pilot phase, in autumn 2015, of DELTA G, an umbrella application that incorporates a number of customs clearance applications. **DELTA G, which will manage all national clearance operations, will be rolled out in 2016.**

All of these actions will help **cut the average clearance time - which fell to 4 minutes 38 seconds in 2015 - to a minimum. The number of declarations processed in under five minutes reached 90.5%.**

## EASIER ACCESS TO INFORMATION

To ensure that operators have access to the online services available to them, French Customs has modernised its procedures in its three main areas of activity: customs clearance, taxation and accounting. It has therefore overhauled ROSA, its system for managing operator authorisations to make access to electronic customs procedures easier for businesses. This process will also simplify its IT maintenance operations and keep downtimes to a minimum.

New authorisations have been integrated into the SOPRANO application, which brings together all authorisations granted to operators in one single digital format.

## SUPPORTING, CERTIFYING AND SECURISING

### PROVIDING BETTER QUALITY SERVICE

In a bid to constantly improve the service it provides to operators and to build partnerships with them, French Customs has developed several quality processes. Surveys carried out among professional users reveal a **customer satisfaction rate of 90% in 2015 (against 87.3% in 2014).**

In 2015, the SOFRES agency also measured service quality via a "mystery calling" exercise. French Customs willingly took part in a new initiative launched by the Secretariat-General for Government Modernisation (SGMAP). 34 customs de-

partments were contacted by telephone and email in order to assess the speed, quality and courtesy of their responses. The results were very good, with an overall average score of 7.2/10, and many higher marks (at or near 9/10) in various specific areas.

During the year, **French Customs' AFNOR certification for the issuance of Binding Tariff Information (BTI) was renewed.** BTIs allow French Customs to provide commitments to operators concerning the classification of goods and therefore the tariff applied, along with the applicable regulations and formalities. In 2015, 6,467 BTIs were issued.

5,757

authorized  
exporters1,389  
AEO  
companies3rd  
in  
Europe

Customs certification is becoming increasingly critical for international trade.

### SPECIAL STATUSES FOR TRUSTED OPERATORS

French Customs is implementing a policy for certifying operators, either in order to assess their reliability or to grant them new entitlements. French Customs will strengthen this strategy with **the entry into force of the new Union Customs Code on 1st May 2016.**

As part of this, the European Approved Exporter (AE) status is an important asset for businesses. With AE status, exporters can make out their own proofs of origin on their invoices or any other commercial document accompanying their exports. For trade with certain countries, this status is mandatory. It can also save customers of EA-approved firms from paying certain duties.

In 2015, 5,757 French businesses had AE status (732 issuances in 2015, against 632 in 2014).

**With the arrival of the UCC, the status of Authorised Economic Operator (AEO) becomes a vital passport for international trade.**

It is awarded to firms that are reliable in terms of safety and security. The certification is set to become even more critical, not only because of the growth in the number of mutual recognition agreements (an AEO is a trusted operator in partner countries), but also because, under the UCC, there are certain advantages that are available only to certified companies. A mutual recognition agreement on the AEO status between the EU and China, which came into effect in November 2015, ensures that certified European businesses that trade with China will enjoy smoother commercial dealings.

### BETTER UNDERSTANDING BUSINESSES' NEEDS

French Customs has adapted its structures to better meet economic operators' needs. **The Key Accounts Department (SGC), which is in the process of being set up,** will replace the current Major Business Unit (MGE). Whereas the MGE only offered consulting, the SGC will also assign and follow up on customs procedures. The SGC will also process clearance operations by major firms in one of its four hubs located in Lyon, Nantes, Rouen

and Toulouse. During the year, French Customs paved the way for the introduction of the SGC in 2016, gathering the applications of the large businesses that the new structure will cover. **By the end of 2015, all of the firms that were intended to be part of the SGC's portfolio - a total of 64 companies operating in France - gave a favourable response.**

Concurrently, French Customs **bolstered its Business Consulting Units to support SMEs and mid-tier firms with their international operations.**

# REFORMING THE DUTIES COLLECTED BY CUSTOMS

In 2015, French Customs collected €70.3bn in duties and taxes, an increase of nearly 2% over 2014. This revenue is allocated to the central government budget, the social security organisations, local authorities and the European Union.

It also continued to modernise customs duties, out of a threefold concern for:

- Specialisation, to make customs duty management a more professional process
- Paperless procedures, to update this management and keep collection costs down
- Streamlining, to cut red tape for those paying duty

## INCREASED SPECIALISATION

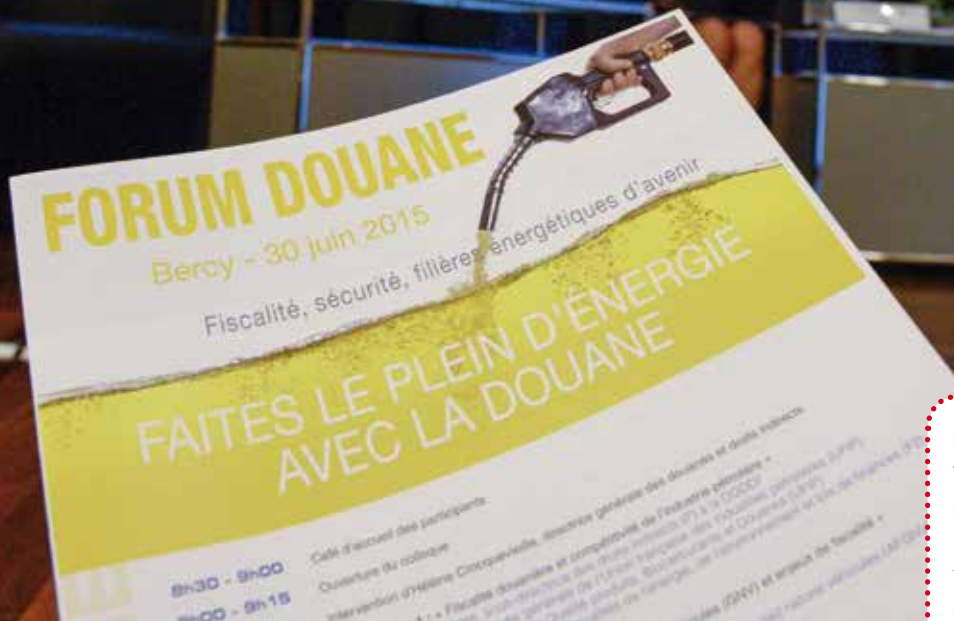
In an bid to professionalise transport taxation, the National Customs Road Taxation Department (SNDFR) was set up in Metz. This department, which began operations in the second half of 2015, will centralise the management of taxation of road haulage companies.

Operators in this area will be provided with a specialised customs contact, thus ensuring that users are given higher-quality service and that the cost of collecting road transport taxes is reduced.

As regards inspections, the creation of the SNDFR will allow French Customs to introduce an improved mechanism for targeting controls carried out by regional departments.



**5**  
energy hubs  
set up in France



The first Customs Energy Forum was held on 30 June 2015 at the French Economy and Finance Ministry

**FORUM ON THE FUTURE OF TAXATION, SECURITY AND THE ENERGY SECTOR, 30 JUNE 2015**

The first forum dedicated to energy taxation was held at the French Economy and Finance Ministry in June. It brought together more than 150 energy sector professionals (gas and oil suppliers, business federations, etc.) who met with customs experts. The meeting clarified the expectations of professionals and identified new possibilities for streamlining the management of this taxation.



**€699M**  
in general tax on polluting activities (TGAP) collected

Energy taxation is based on complex and ever-changing regulations, which require specific expertise. In an effort to introduce specialisation, **energy hubs were set up in five regional customs directorates** at Dunkirk, Lyon, Marseille, Rouen and Strasbourg.

Moreover, in the area of environmental taxation, a centre of expertise was set up in Nice to manage all aspects of the general tax on polluting activities (TGAP).



# REFORMING THE DUTIES COLLECTED BY CUSTOMS



French Customs' changeover to paperless procedures is focusing on the wine-growing sector

## PAPERLESS CUSTOMS DUTIES

**70.3%**  
of revenue  
collected

**44**  
centimes

The cost of  
collecting €100 in  
customs revenue

In order to provide ever more effective service, French Customs is constantly striving to better control the quality of the data submitted and the costs of managing it. In 2015, to streamline management of customs taxation it focused on paperless procedures for filing taxes and paying customs duties.

French Customs continued with its rollout of **the Online Excise project (CIEL)** with the goal of making all excise declarations paperless (for alcoholic beverages, tobacco and energy products). This key project has four goals: to provide taxpayers with a new online filing and payment service, to streamline administrative formalities via a single declaration covering several taxes, to make tax collection more secure thanks to tele-payment and to introduce new tools for monitoring and combating fraud.

The rollout of CIEL in 2016 will lead to very significant streamlining in terms of data entry and a reduction in the number of declarations.

Moreover, **the introduction of tele-payments and online payments using a credit card continues**, with an eye to these means of payment being used for all types of customs duties. Paperless procedures and centralised management are also being implemented for environmental taxation.

Since the filing deadline of April 2015, online procedures have allowed taxpayers to declare and pay the general tax on polluting activities online. This service is free of charge and is available around the clock. It represents a real step forward in terms of management quality, since it cuts red tape for operators and modernises exchanges with French Customs, whose administrative load is lightened and whose monitoring activities are improved.

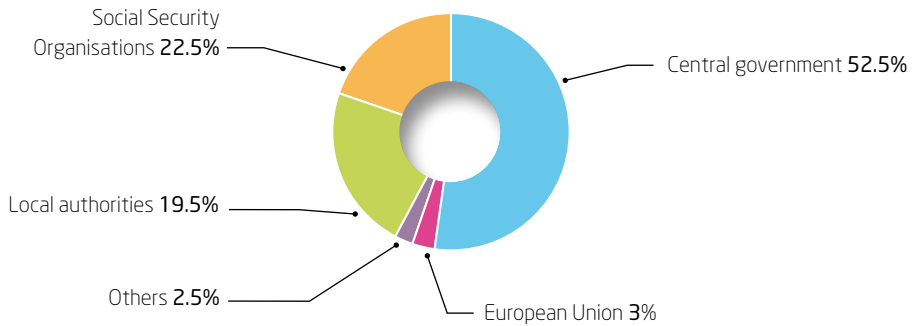


**84 %**  
of wine harvest  
declarations  
submitted  
electronically

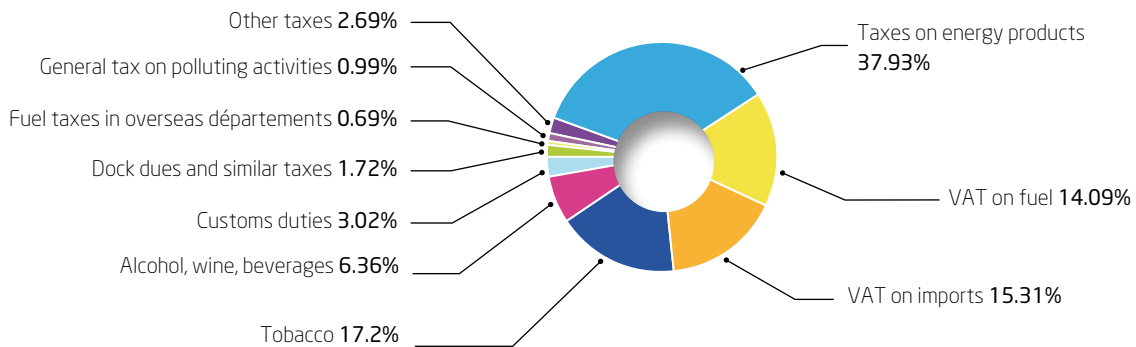
**+  
17%**

French Customs supports and assists the wine-growing sector

**BREAKDOWN OF REVENUE COLLECTED  
BY FRENCH CUSTOMS IN 2015 BY BENEFICIARY**



**MAIN TAXES COLLECTED IN 2015**



# REFORMING THE DUTIES COLLECTED BY CUSTOMS

## FRENCH CUSTOMS INTRODUCES A NEW DOSSIER TO FACILITATE THE SALES OF FRENCH WINES ABROAD

This dossier consisting of eleven technical datasheets was created at the initiative of the Bordeaux regional customs directorate, and was handed out to visitors at the VINEXPO trade fair in June 2015. These datasheets, which are also available on French Customs' website, provide professionals with explanations of customs concepts that are important to know to better export wine.



The process of laser-marking gemstones keeps production costs down and protects the French jewellery-making industry.

## CUT RED TAPE FOR TAXPAYERS

### MODERNISING MANAGEMENT OF THE WINE-GROWING SECTOR

Providing economic leadership for the wine-growing sector also involves updating its management and auditing tools.

**The new computerised vineyard register (nCVI), which will computerise the entire sector, will be rolled out as of 1st January 2016** for all growing licences. During 2016, a property module will be added, followed by new online procedures.

In addition to taxes on alcoholic beverages, and energy and environmental taxes, French Customs has launched other efforts to reform taxation of precious metals, transportation and the maritime sector.

### REFORMING THE GUARANTEE SYSTEM

The new process of using laser marking to engrave the guarantee hallmark on precious metals came into effect in February 2015. The process is the result of a partnership between French Customs and the French Union for the Jewellery, Goldsmith, Precious Stone and Pearl Industries (UFBJOP). Laser marking is now included in the manufacturing chain, allowing French companies to keep production costs down. It also includes laser marking of the group logo of *Joellerie de France*, created by the UFBJOP.

This assures consumers that products bearing the laser markings have been produced on French territory in compliance with French jewellery industry quality and traditions.



**€46M**  
in flagging and  
navigation tax  
(DAFN) collected

The reform of the DAFN is a priority project in the upgrading of maritime taxation.

### MAKING MARITIME TAXATION PROCEDURES EASIER

A working group that included French Customs was set up to address the reform of the annual French flagging and navigation tax (DAFN), in order to make it a more modern tax and one that is less expensive to manage. The group worked on two different areas – simplifying the collection and the reform of the DAFN, with an eye to giving this particular tax a more ecological aspect.

Moreover, the Single Maritime Portal (PUMA) offers online registration and flagging of vessels, which previously had been divided between French Customs and the Maritime Affairs Directorate. The procedure has been proposed for inclusion in the “Tell Us Once” initiative, under the

Invest for the Future programme. The four million boat owners, along with those selling (and, eventually, building)s boats will have personal online accounts where they can enter data and track procedures.

### MODERNISING TAXATION IN FRANCE'S OVERSEAS DÉPARTEMENTS

A new dock dues regime entered into force on 1 July 2015.

As part of the renewal, until 31 December 2020, of the taxation system that distinguishes between imports and local production in the five overseas *départements*, tax legislation concerning dock dues was reformed (new production thresholds for tax declarations and mechanisms, an overhauled exemption system, etc.).

An application to manage dock dues is currently under development.



Port of Saint Denis, Réunion

# BUILDING THE FUTURE WITH THE MEN AND WOMEN OF FRENCH CUSTOMS

During the year, French Customs continued to implement measures that had been decided upon as part of its strategic modernisation efforts. Many projects have already been completed or are well underway. At the end of 2015, these strategies were supplemented by a significant project that involves helping French Customs adapt in the face of the sustainable heightening of border controls and its commitment to combatting terrorism.

## ADAPTING FRENCH CUSTOMS TO MAJOR CHANGES

### FRENCH CUSTOMS ADAPTS TO THE TERRORIST THREAT

For a number of years, customs units have been on a war footing against the terrorist threat. They are aware of the need to capture and process relevant information with respect to terrorism. Starting in 2014, orders were given to step up border detection of combatants returning to France. Since mid-November 2015, customs authorities have controlled nearly 270,000 individuals at the intra-Schengen borders.

The attacks on Paris in January and November 2015 pushed French Customs to ratchet up its anti-terrorism efforts and border controls even further. To adapt to threats, its methods are constantly in flux.

In 2015, French Customs put in place **an action plan for fighting the terrorist threat** that focused on inspection of individuals and goods, as well as bolstering intelligence efforts and cooperation with other departments.

Following the attacks, President Hollande decided to earmark additional resources for French Customs.

They will be used to strengthen border controls and intelligence, but also to enhance the equipment and safety of customs staff.

Concurrently, **French Customs continues to roll out the other components of its strategic approach**, which include ongoing efforts for its modernisation and to help it adapt to the current environment.





Controlling vehicles allows French Customs to collect useful anti-terrorist intelligence.

## IMPLEMENTING STRATEGIC CHANGES

**By the end of 2015, 6 of the 25 measures in French Customs' strategic plan had been completed.**

They had to do with staff (adjustments to the training programme, creation of the Consulting, Mobility and Career Development Unit), but also the modernisation of its human resource management, with a national Human Resource Service Centre in Bordeaux. (CSRH<sup>2</sup>). Two additional measures concern the creation of a national unit tasked with leading streamlining efforts and creating a single centre in Nice for overseeing the general tax on polluting activities (TGAP). This centralisation has simplified the collection of this tax, and made it more professional and secure<sup>3</sup>.

Seven other measures are currently being rolled out. They have to do with the professionalisation of various processes to make them more effective. In particular:

- Creating energy hubs (5 throughout France) to efficiently monitor all of the energy sectors
- Setting up a National Customs Road Taxation Department (SNDFR) in Metz<sup>4</sup>
- Implementing the Passenger Name Record (PNR) programme in French Customs' offices at Roissy airport
- Creating Operational Centers for Land-Based Surveillance, with an eye to improving the coordination and security of surveillance teams in the field The test phase in Bordeaux was carried forward, accompanied by the rollout of a new communication system between the various units<sup>5</sup>.



Unité Information Passagers  
Passenger Information Unit

**Logo of the new PNR unit  
at Roissy**

<sup>2</sup> See below

<sup>3</sup> See Chapter 3

<sup>4</sup> See chapter 3

<sup>5</sup> See below

# BUILDING THE FUTURE WITH THE MEN AND WOMEN OF FRENCH CUSTOMS

Lastly, 12 measures, all of them in advanced stages of planning, are in the pre-rollout phase.

Several of them will be launched in 2016, such as the introduction of the Key Accounts Department (SGC)<sup>6</sup> and centralised customs clearance at national level, which will allow companies to file all their declarations with a single office. This new measure to support France's economic activity will become effective on 1 May 2016, and will pave the way for central-

ised clearance at EU level, which is slated to come into force only in 2019. Planning is also well advanced for the creation of a National Risk Analysis and Targeting Department (SARC), which is expected to make controls more effective.

<sup>6</sup> See chapter 2

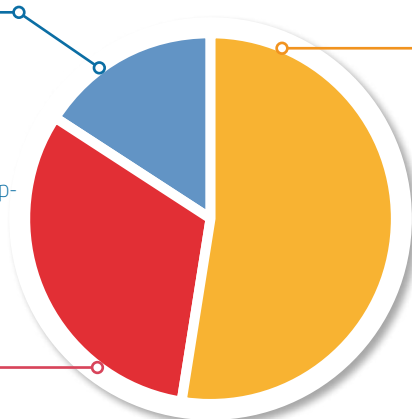
## CURRENT STATUS OF THE 25 MEASURES IN FRENCH CUSTOMS' STRATEGIC PLAN (PSD)

### COMPLETED

- Set up a process re-engineering and administrative streamlining structure
- Scale up the role and powers of the National Customs Judicial Department (SNDJ)
- Set up a Consulting, Mobility and Career Development Unit
- Centralise TGAP management in Nice
- Rethink the training programme
- Set up the Human Resource Service Centre (CSRH)

### IN ROLLOUT PHASE

- Implement the PNR (Passenger Name Record) programme
- Set up regional energy hubs
- Mainstream online payment
- Set up Operational Centers for Land-Based Surveillance (CODT)
- Modernise the information system
- Update anti-fraud indicators
- Streamline transport taxation (2015 creation of the National Customs Road Taxation Department – SNDFR)



### IN PRE-ROLLOUT

- Create the Key Accounts Department
- Centralise customs clearance
- Support postal and express freight consolidation
- Expand the Business Consulting Units
- Reorganise the management of the annual French flagging and navigation tax (DAFN)
- Online monthly summary declarations
- Organise the management of tobacconists at regional level
- Streamline the accounting network
- Set up a National Risk Analysis and Targeting Department (SARC)
- Group together certain surveillance units
- Examine manning of the border crossing points
- Improve coastguard oversight

SNDJ: National Customs Judicial Department

TGAP: General tax on polluting activities

CSRH: Human Resource Service Centre

PNR: Passenger Name Record

CODT: Operational Centers for Land-Based Surveillance

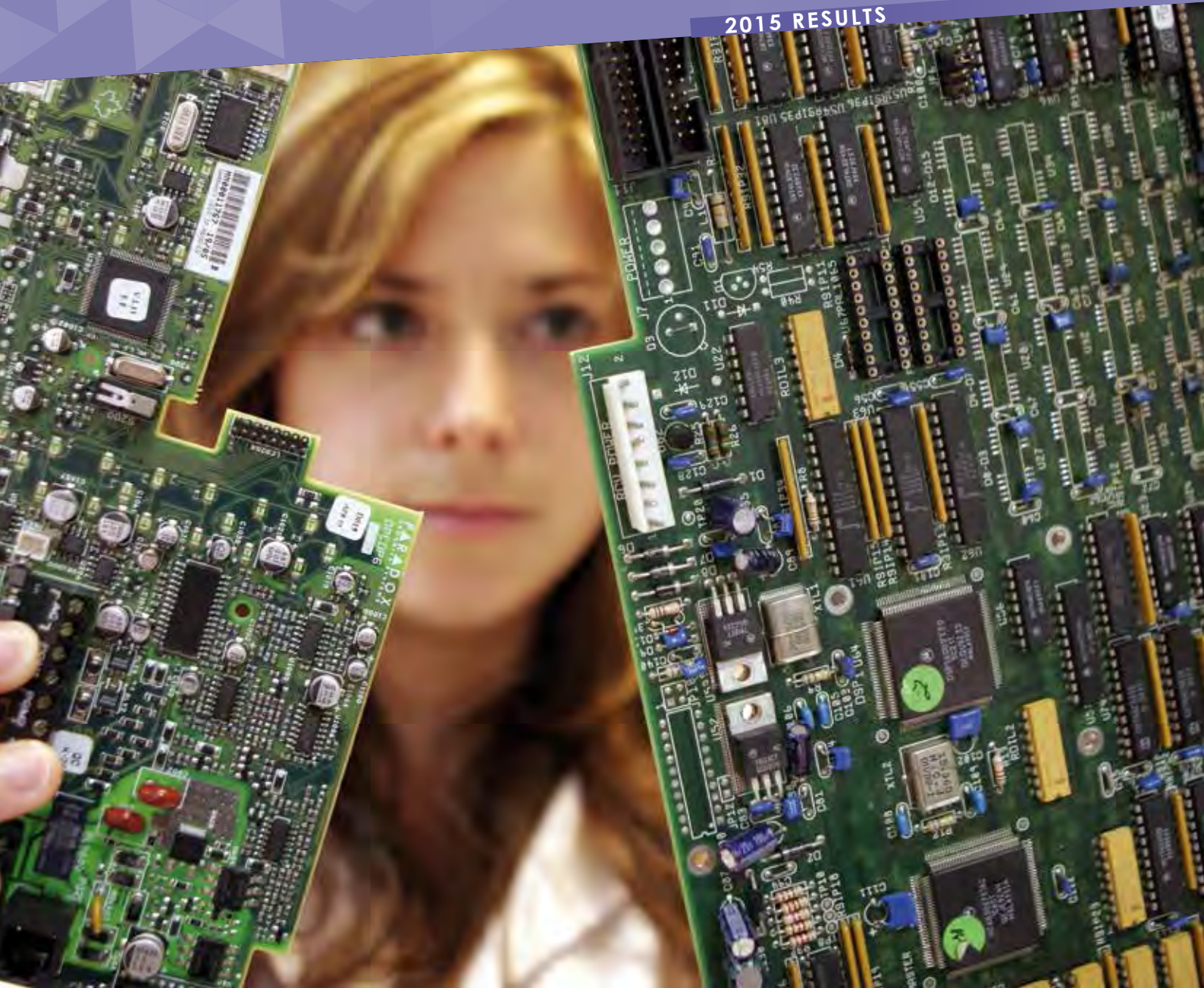
SI: Information System

SNDFR: National Customs Road Taxation Department

DAFN: Flagging and navigation tax

DRM: Monthly summary declarations (excise duties)

SARC: Risk Analysis and Targeting Department



Modernising its information system is a key priority in French Customs' strategic plan

### IMPROVING DEPARTMENTAL LEADERSHIP

In order to improve its efficiency and targeting ability, French Customs has – in addition to creating the SARC – focused on ways to support decision-making by **optimising its risk analysis toolset. We are developing a datamining tool that will process large amounts of data in an attempt to detect patterns of fraud** that our current methods are unable to see.

The creation of Quantum, French Customs' decision-support system, is

ongoing and expanding. When completed, it will process all Customs-related data, which will improve strategic and operational steering for its various departments.

French Customs is also developing an integrated policy for inspecting land-based means of transport, as part of tactical organisation coordinated by an operational centre. The centre will have access to various databases, and can deploy units in the field using context-based, real-time information on the departments' work, geolocation, and new means of communication which are

gradually being rolled out. Lastly, in a bid to improve the quality and effectiveness of its human resource management, French Customs is continuing to work closely with staff to streamline various internal processes.



# BUILDING THE FUTURE WITH THE MEN AND WOMEN OF FRENCH CUSTOMS

## ONGOING MODERNISATION EFFORTS

### MORE PROFESSIONAL WORKING METHODS

A large number of working groups were convened in 2015 to discuss French Customs' processes and structures.

To facilitate the practical implementation of measures, a number of field units were involved in work on strategic changes.

The working groups discussed issues such as streamlining tax procedures, tightening the accounting network, centralised clearance and the creation of the Key Accounts Department to support the French economy. They also examined a tactical approach to controls as well as new inspection methods made possible by the creation of the Operational Centers for Land-Based Surveillance (CODT). Other groups met to discuss the future National Risk Analysis and Targeting Department (SARC) and the new Passenger Name Record (PNR) Management Department.

### INVOLVING STAFF IN STRATEGIC CHANGES

French Customs has begun to streamline its internal processes. Starting this year, every member of staff can put forward suggestions for streamlining, using an Intranet site and dedicated e-mail address. This participatory and consultative approach relies on the skills of its staff to update internal procedures by making each employee a stakeholder in the process.

### MODERNISING HR MANAGEMENT

Modernising its HR management involves changes to our IT system, as well as the its of the Human Resource Service

Centre (CSRH) in Bordeaux, a centralised department responsible for payroll and career management. In September 2015, after lengthy preparations, the changeover to SIRHIUS, the ministry's HR management IT system, took place. The payroll is now prepared and managed by CSRH staff. Concurrently, the entire management structure was overhauled, with the launch of a single HR portal on French Customs' Intranet. This is expected to simplify and streamline relations between staff and HR departments.

This reorganisation is in line with French Customs' desire to take a **quality-based approach to HR management**. Now that payroll management is handled centrally, the local departments, which have slowly been alleviated of management tasks, will enjoy greater latitude to expand the qualitative aspect of their actions and thereby foster more local connections.



## AGENTS SPÉCIALISTES

- 597 maritime officers
- 174 airborne officers
- 243 motorcyclists
- 233 dog handlers
- 748 investigators and intelligence officers
- 214 judicial officers

**100,000\*** the number of training attendees,  
**99,000** of which were trained on an ongoing basis

\* One staff member can attend more than one training session per year.

The new La Rochelle National Customs Academy opened its doors on 1 September 2015.

### RETHINKING CUSTOMS' TRAINING SYSTEM

Given the extremely varied nature of French Customs' work, training is a key priority, and we pay special attention to it.

To further increase the quality of its training structure, French Customs decided to bring together at the La Rochelle site training courses that had formerly been provided in two separate academies – the one in La Rochelle, which trains uniformed Customs agents in surveillance techniques, and the one in Rouen, which up to now has trained staff in clearing commercial flows. **On 1 September 2015, the new Customs Academy at La Rochelle opened its doors.** It will provide training for all Grade B and C members of staff, regardless of their duties. French Customs has made significant efforts to improve its training conditions. Its approach has

been completely overhauled to make the training system more professional and to foster a shared identity among the various departments.

The new academy will play a large role in 2016: since the end of 2015, it has been preparing to train the additional staff recruited following President Hollande's announcement that France was **stepping up border controls and anti-terrorism efforts.** The first individuals recruited for these missions will be assigned to post before the summer of 2016.

### FRENCH CUSTOMS IS:

**53.2%** plain-clothes staff in charge of customs clearance and excise duty

**46.8%** uniformed surveillance officers

**5.6**

the number of training days each agent receives per year

# BUILDING THE FUTURE WITH THE MEN AND WOMEN OF FRENCH CUSTOMS

## MAKING FRENCH CUSTOMS MORE EFFECTIVE

### IMPROVING CUSTOMS' OPERATIONAL CAPACITIES

In 2015, French Customs acquired new resources to help boost its efficiency, ensure the safety of both its officers and the general public, and create the best possible working conditions for staff in the exercise of their duties.

The Directorate continued to renew its fleet of air-maritime surveillance aircraft. **Seven new planes were delivered**, two of which are slated to be put into service at the end of Q1 2016.

These more versatile aircraft will work in liaison with maritime surveillance units, and have cutting-edge surveil-

lance, search and detection systems on board.

**A new patrol vessel, the *Jean-François Deniau*, began active duty in July 2015.** Purchased with help from the EU's External Borders Fund, the ship has already carried out anti-smuggling operations, and took part in European efforts to halt illegal immigration and rescue shipwrecked refugees in South of Italy in November 2015.

**Two new 14-metre close surveillance vessels** were put into service at Sainte-Maxime and Saint-Nazaire.

**For land-based surveillance officers, the main equipment purchases during the year were safety-related.** French Customs stepped up its efforts to equip all surveillance officers with bulletproof vests.

It also bolstered its **communications equipment**, installing the first radio equipment for motorcycle squadrons and deploying a new radio system throughout south-western France.

### MODERNISING CUSTOMS' IT SYSTEMS

A major renovation effort got off the ground in 2015. French Customs' **IT Centre (CID) is being overhauled to provide it with a state-of-the-art datacentre** offering high-quality IT facilities with a high availability rate. This will help it play a role in streamlining and pooling efforts, since French Customs provides other government departments with significant storage capacity for their IT systems.

### SEA AND AIR SURVEILLANCE RESOURCES

**36** boats

**18** planes

**9** helicopters

## PEOPLE - THE KEY TO THE SUCCESS OF EVERY PROJECT

### PERSONALISED SUPPORT FOR CUSTOMS STAFF

On 2 March 2015, the economic and finance ministers and three trade union organisations **signed an agreement to provide increased social and financial resources** as part of ongoing modernisation efforts.

The goal of the agreement is to better take account of individual situations, to provide more customised solutions for staff affected by changes and to significantly boost the financial support provided in cases of mobility.

This is very much in line with the two basic goals of French Customs' Strategic Plan: to make French Customs more effective in carrying out its remit and to give the highest consideration to individual situations.



Protecting customs officers during container inspections

To better take account of employee requirements, it has also launched a unit made up of five career mobility advisers. They visit French Customs' devolved departments and meet with staff to discuss career or mobility concerns in a neutral, confidential setting. In 2015, 3,376 such meetings took place (including 369 by the unit).

### ENSURING HIGH-QUALITY WORKING CONDITIONS

French Customs has taken a proactive approach to workplace problems and, more generally speaking, to improving the quality of working conditions, which is a priority topic in the public sphere.

**As part of this, a training programme entitled "Quality of Life at Work" was rolled out in 2015.** The goal is to help department heads better understand their role in improving working conditions and identify the means available to them.

### PROMOTING ETHICS

Within the context of a bill concerning ethics and the rights and obligations of civil servants, which was submitted to Parliament in 2015 – and without waiting for the bill to be adopted – **French Customs has begun to draft an ethics plan.** The plan has two major parts: an overhaul of disciplinary procedures and making them more certain – particularly as regards increased collaboration between French Customs and the courts – and implementation of a strengthened prevention policy.

In this respect, efforts are underway to ensure that every employee is aware of Customs' ethical rules. A charter that complements that of the Ministry is also being drafted, in order to take the specific nature of French Customs' activities into account. Concurrently, heightened training efforts have been included in its national training programme.

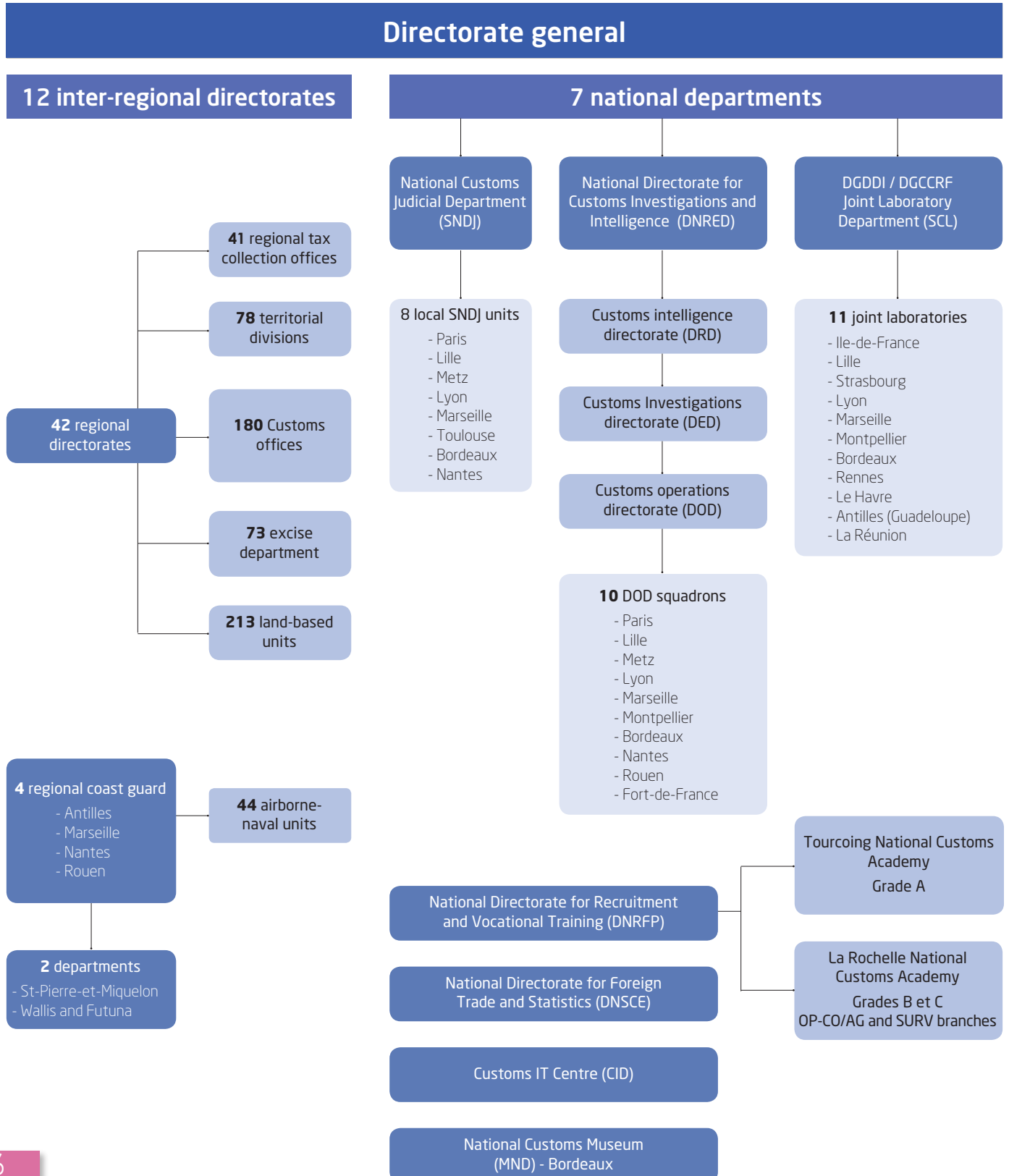
French Customs is particularly focused on the safety of its officers during inspections.

For example, it was the first government department to take action to prevent risks connected with toxic gases in containers. It introduced a complete system to protect staff, with a **protocol for opening containers.** This approach was reported on in a trade union journal, which cited it as an example of how to protect employees.

French Customs supports non-profit organisations that shape its identity. They foster a sense of cohesion among the customs community, and include **Oeuvre des Orphelins des Douanes** (ODOD), the National Customs Association for Veterans and Victims of War (ANAG-VG), and the National Customs Sporting Association (ASND). The **Mutuelle des Douanes** and social action initiatives are also part of these efforts.

French Customs also encourages high-level sports through its support for the France Douane team, which had a very successful year in 2015.

## OPERATIONAL ORGANISATION OF THE DIRECTORATE GENERAL OF CUSTOMS AND EXCISE (DGDDI)

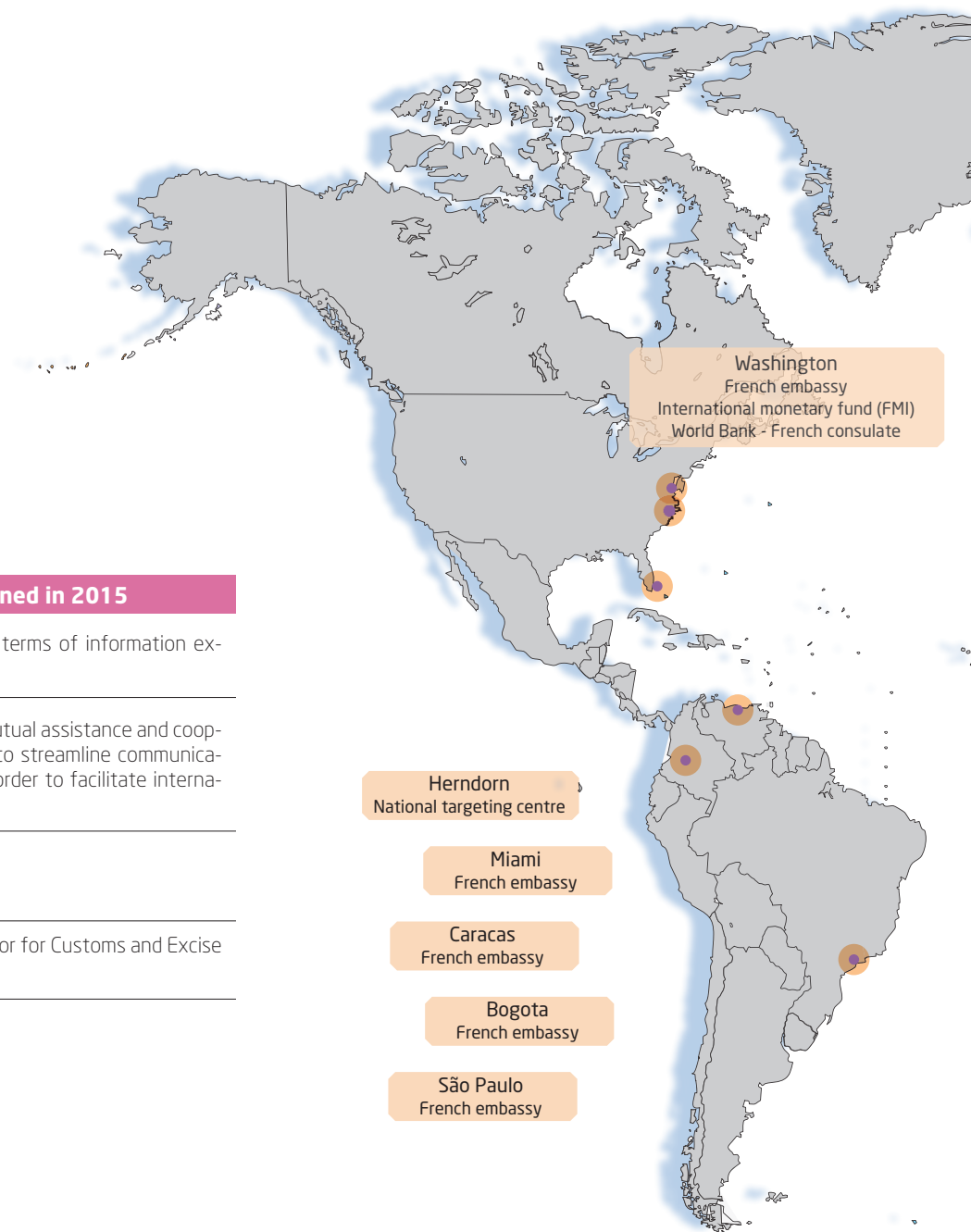


# THE DGDDI IN METROPOLITAN FRANCE AND OVERSEAS

MAP OF FRENCH CUSTOMS' REGIONAL (DR) AND INTERREGIONAL (DI) DIRECTORATES



## FRENCH CUSTOMS AROUND THE WORLD IN 2015



### Primary cooperation agreements signed in 2015

Memorandum of Cooperation with **Italy** in terms of information exchange

Agreement, as part of the Convention on mutual assistance and cooperation between customs administrations, to streamline communications with **Spanish** customs authorities in order to facilitate international judicial cooperation.

Letter of intent with the UK's Border Force

Statement of intent with the General Director for Customs and Excise in **Gabon**

**Brussels**  
 France's Permanent Representation to the European Union  
 World Customs Organization (WCO) - European Commission (EC) - European Global Navigation Satellite Systems Agency

**Geneva**  
 United nations (UN)

**Cologne**  
 World customs organization (WCO)

**Lyon**  
 Interpol

**Luxembourg**  
 European court of auditors  
 General court of the european union

**Frankfurt**  
 European central bank

**Madrid**  
 French embassy

**Berlin**  
 French embassy

**The Guague**  
 French embassy - Europol

**Belgrade**  
 French embassy

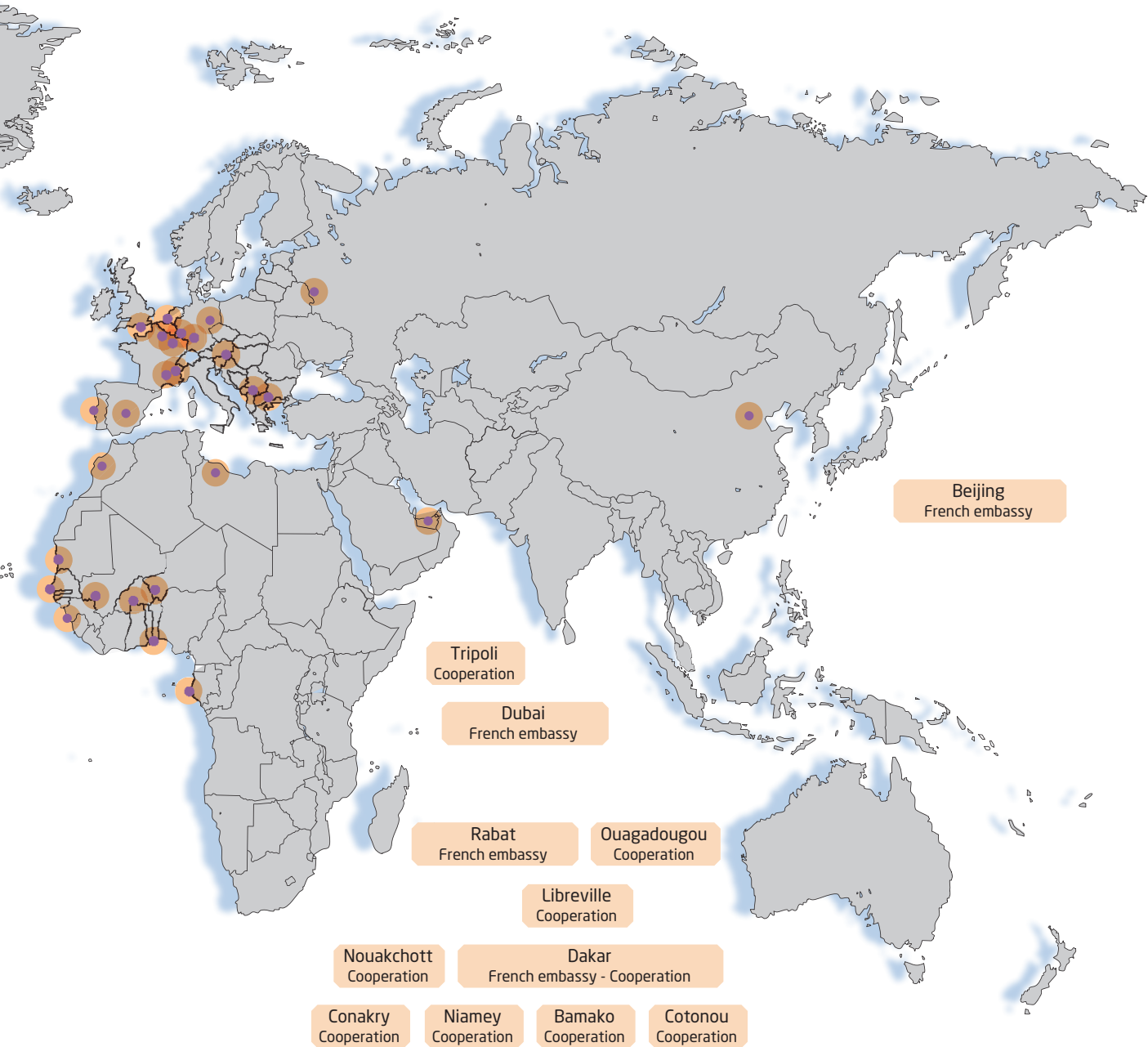
**Vienna**  
 International Atomic Energy Agency (IAEA)

**Lisbon**  
 MAOC-N

**London**  
 French embassy

**Sofia**  
 French embassy

**Moscow**  
 French embassy



● Seconded or attached personnel



## CAPACITIES

### BUDGETARY RESOURCES

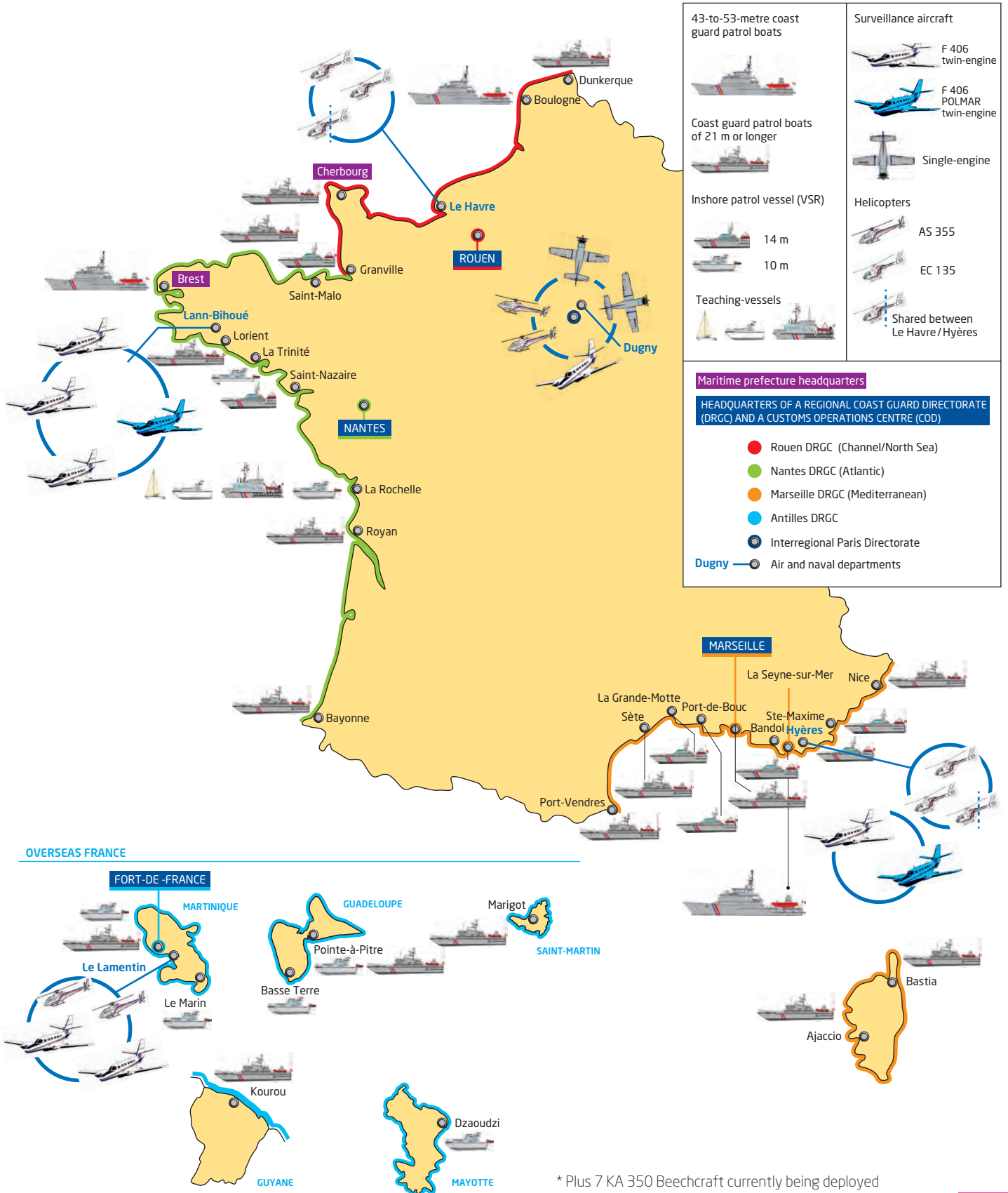
(in millions of euros, excluding the Joint Laboratory Department and excluding contributions to the special pensions allocation account)

	2012	2013	2014	2015
Staff	798.4	798.4	795	791
Operations and miscellaneous expenditure	162.7	170.6	164	171
Interventions	271.8	253.8	218.7	219
Investment	32.9	38.6	52	47
<b>Total</b>	<b>1,265.8</b>	<b>1,261.4</b>	<b>1,229.7</b>	<b>1,228</b>
Contributions to the special pensions allocation account	320.1	336.1	346.9	346

### MATERIAL RESOURCES

	Number of	2014	2015
Land-based fleet	Vehicles	2,676	2,638
	Motorcycles	466	436
Air and naval fleet	53-metre coast guard patrol vessels	-	1
	43-metre coast guard patrol vessels	2	2
	19-to-32-metre coast guard patrol boats	18	16
	10-to-14-metre inshore patrol vessels	17	13
	Teaching vessels	3	3
	Twin-engine aircraft	18 (including two Polmar and 6 Beechcraft KA 350)	16 (including two Polmar and 7 Beechcraft KA 350)
	Single-engine aircraft	2	2
Helicopters	9 (including 5 EC 135)	9 (including 5 EC 135)	
Detection equipment	Fixed scanners	1	1
	Mobile scanners	4	4
	X-ray machines	82	82
	Density metres	150	150
	Particle analysers	26 (12 fixed and 14 mobile)	26 (12 fixed and 13 mobile)
	Survey meters	47	73

FRENCH CUSTOMS' SEA AND AIR SURVEILLANCE SYSTEM IN 2015\*



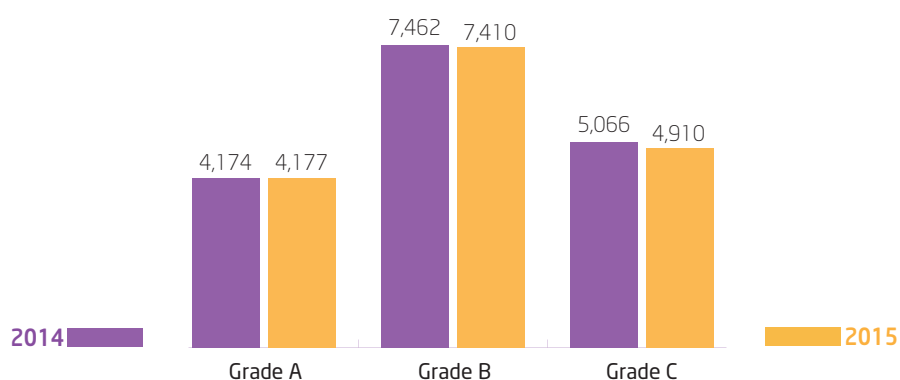
\* Plus 7 KA 350 Beechcraft currently being deployed

## HUMAN RESOURCES

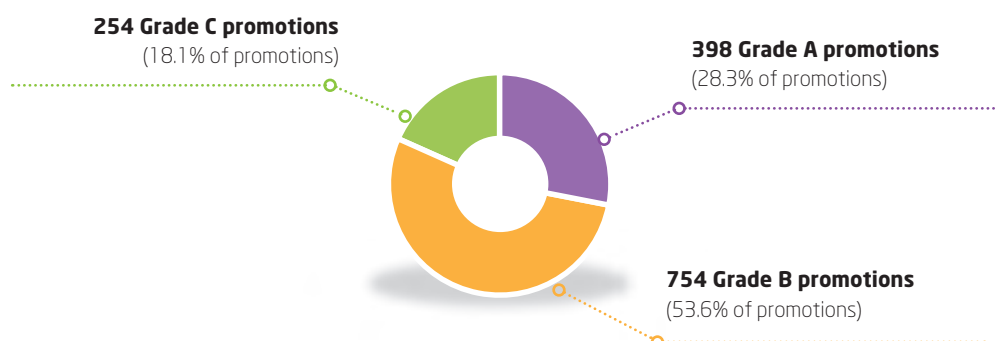
### DEMOGRAPHICS

	2014	2015
<b>Total male and female employees</b>		
Male employees	62.5 %	62.2 %
Female employees	37.5 %	37.8 %
<b>Male and female employees in the commercial operations branch and in the general administration</b>		
Male employees	51.4 %	51 %
Female employees	48.6 %	49 %
<b>Male and female employees in the surveillance branch</b>		
Male employees	75 %	75 %
Female employees	25 %	25 %
<b>Percentage of women in entry-level executive positions (IP2)</b>		
	49.2 %	50.5 %
<b>Age of employees</b>		
Average age	47 years old	47 years old
19 to 34 years old	13.1 %	13.6 %
35 to 49 years old	42.5 %	43 %
Over 50 years old	44.4 %	43.4 %

### EMPLOYEE GRADES (IN NUMBER OF EMPLOYEES)



### PERCENTAGE OF INTERNAL PROMOTIONS IN 2015



## TAX COLLECTION

### CHANGES TO CUSTOMS REVENUE IN MILLIONS OF EUROS (BREAKDOWN)

	2014	2015
<b>Customs clearance</b>	<b>13,197</b>	<b>12,911</b>
Customs duties	1,962	2,126
Import VAT	11,214	10,763
Other	21	22
<b>Energy and environment</b>	<b>37,243</b>	<b>38,527</b>
TICPE	24,401	26,671
TSC DOM	481	486
VAT on fuel	11,277	9,906
TICGN + TICFE + TICHLC	302	754
One-off contribution on the value of petroleum product inventories	0.3	-
Taxes and remuneration on behalf of oil industry professionals	10	11
TGAP	772	699
<b>Excise taxes</b>	<b>16,563</b>	<b>16,681</b>
Alcohol and beverages	4,513	4,476
Tobacco	11,917	12,096
Other excise duties	133	109
<b>Dock dues and maritime activities</b>	<b>1,718</b>	<b>1,772</b>
Dock dues	1,178	1,211
Port dues	492	515
DAFN	48	46
<b>TSVR - Tax on certain road vehicles (axle tax)</b>	<b>168</b>	<b>167</b>
<b>Other taxes</b>	<b>175</b>	<b>265</b>
<b>TOTAL</b>	<b>69,064</b>	<b>70,323</b>

TICPE: Domestic consumption tax on energy products

TSC DOM: Special consumption tax in overseas départements

TICGN: Domestic consumption tax on natural gas

TICFE: Domestic consumption tax on electricity for end-users

TICHLC: Domestic consumption tax on coal, brown coal and coke, known as the "Carbon Tax"

TGAP: General tax on polluting activities

DAFN: Flagging and navigation tax

### DUTIES AND TAXES REASSESSED SINCE 2011 (IN MILLIONS OF EUROS)

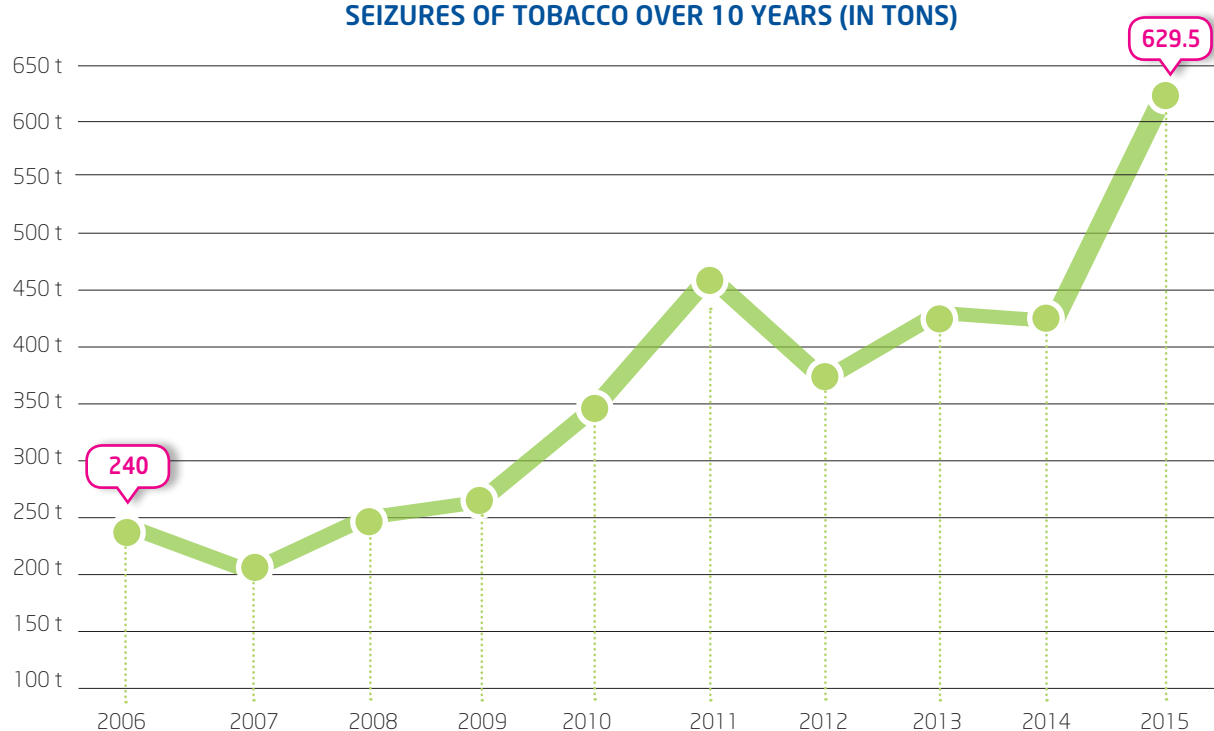
	2011	2012	2013	2014	2015
Duties and taxes reassessed	265	294	323	356.9	<b>377.4</b>

## NARCOTICS AND TOBACCO

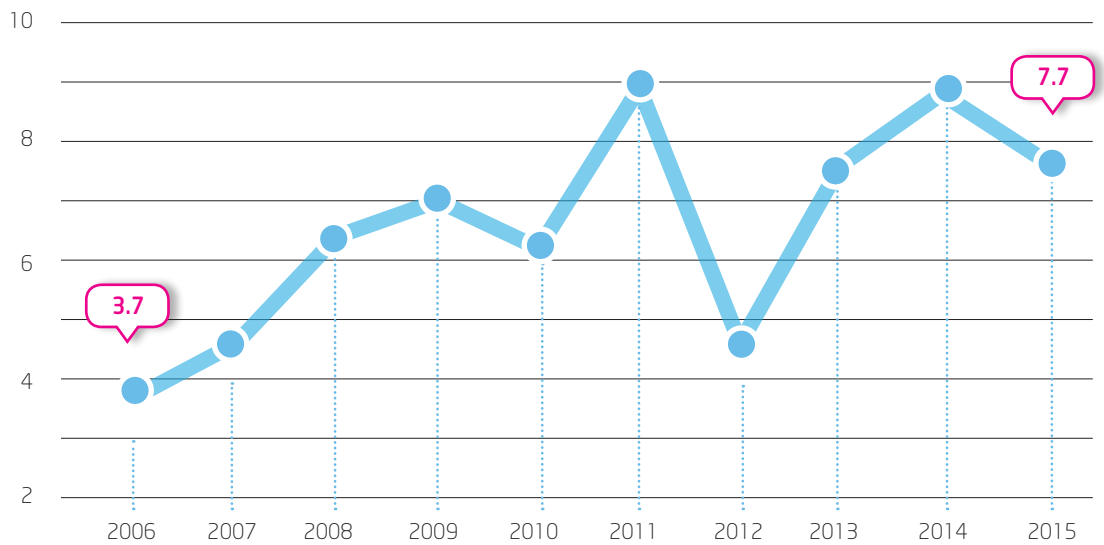
### FRENCH CUSTOMS' SEIZURES OF NARCOTICS BY TYPE OF PRODUCT

	2014		2015	
	Quantities	Doses	Quantities	Doses
<b>Total quantity seized</b>	<b>198.4 t</b>	<b>1.5 M</b>	<b>88 t</b>	<b>946,149</b>
<b>Cannabis</b>	157.3		62.6	-
of which resine	151.1		53.3	-
of which herb	3.5		4.3	-
<b>Cocaine</b>	6.6 t		16.8 t	-
<b>Heroine</b>	546 kg		243.5 kg	-
<b>Khat</b>	32.6 t		7.16 t	-
<b>Amphetamines</b>	263 kg	4,278	512.7 kg	314
<b>Ecstasy</b>	24.9 kg	1,448,010	-	931,017
<b>LSD</b>		873	-	1,210
<b>Opium</b>	2.1 kg		4.5 kg	-
<b>New synthetic drugs</b>	360.6 kg	1,439	340.8 kg	206
<b>Psychotropics</b>	62.7 kg	35,656	84.4 kg	8,734
<b>Other drugs and precursors</b>	606.7 kg		254.2 kg	-
of which hallucinogenic mushrooms	27.9 kg		13.3 kg	-
<b>Methadone</b>	1 kg	10,024	529 g	4,668
<b>Total street value (in millions of euro)</b>	<b>657.5</b>		<b>802.2</b>	
of which cocaine (M€)	<b>269.3</b>		<b>638.9</b>	

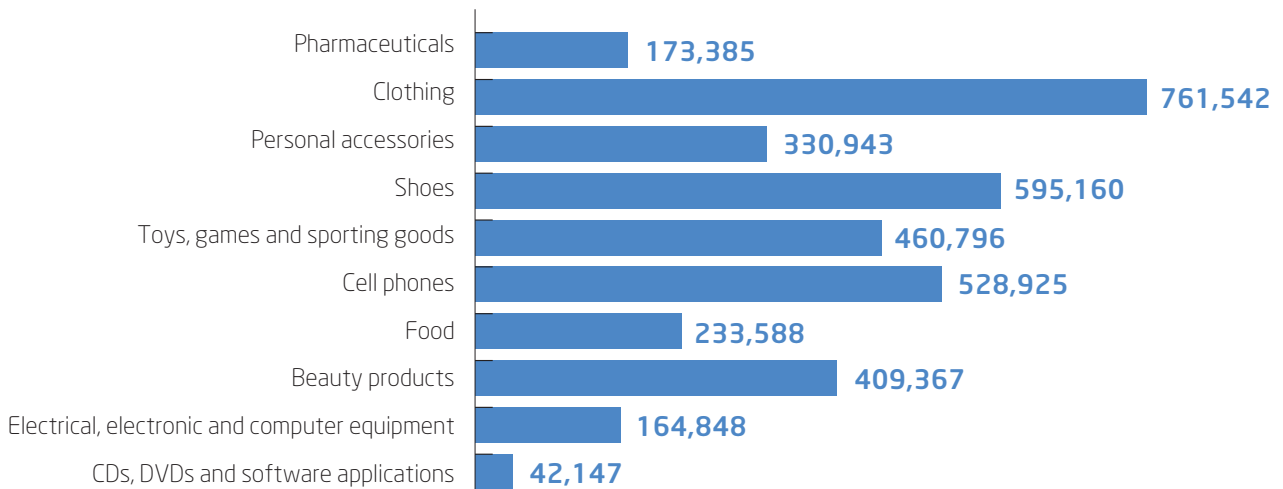
### SEIZURES OF TOBACCO OVER 10 YEARS (IN TONS)



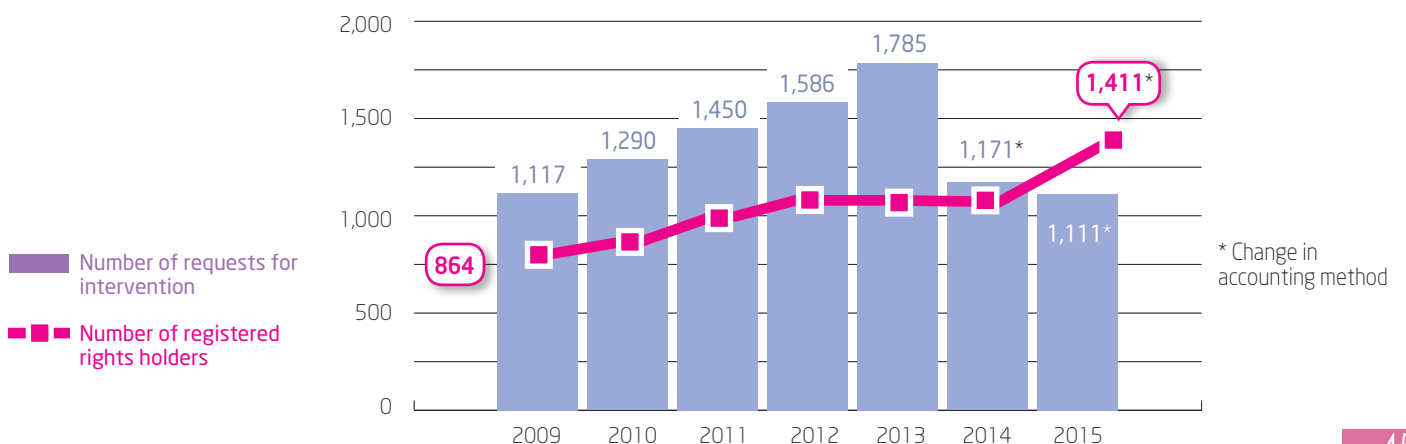
SEIZURES OF COUNTERFEITS OVER 10 YEARS (IN MILLIONS OF ITEMS)



MAIN SEIZURES OF COUNTERFEITS BY TYPE OF PRODUCT IN 2015 (IN NUMBER OF ITEMS)



REQUESTS BY BUSINESSES FOR INTERVENTION BY FRENCH CUSTOMS TO INTERCEPT COUNTERFEIT



## KEY PERFORMANCE INDICATORS

### SUPPORT FOR FRENCH BUSINESSES WITH THEIR INTERNATIONAL OPERATIONS

Indicator	Unit	2014 Results	2015 Target	2015 Results
Average time goods are immobilised for single-day customs clearance	minute seconde	4m07s	-	4m38s
Percentage of customs declarations cleared in under five minutes	%	93 %	92 %	90.5 %
Overall rate of paperless customs clearance	%	86 %	86 %	86 %
Share of foreign trade benefiting from Authorised Economic Operator (AEO) status	%	32.7 %	35 %	33.7 %
Number of businesses receiving a customised approach	number	2,235	2,000	2,339
User satisfaction	%	87.3 %	87 %	90 %

### COMBATTING LARGE-SCALE CUSTOMS FRAUD AND ORGANISED CRIME AND PROTECTING BUSINESSES AND EUROPEAN CUSTOMERS

Indicator	Unit	2014 Results	2015 Target	2015 Results
Seizures of drugs	million €	657.5	346	802.2
Seizures of smuggled tobacco and cigarettes	tons	422.7	415	629.5
Number of counterfeit items seized	million articles	8.8	6.5	7.7
Number of consumer protection citations	number	7,213	6,000	7,597
Total citations concerning anti-fraud efforts	number	10,175	8,500	10,953
Seizures of criminal assets by the SNDJ	million €	33.7	14	55.4
Rate of operational availability by surveillance units	%	80.3 %	80 %	80.3 %

### IMPROVING THE EFFECTIVENESS OF MANAGEMENT AND OF CUSTOMS INSPECTIONS AND AUDITS

Indicators	Unit	2014 Results	2015 Target	2015 Results
Duties and taxes reassessed	million €	356.9	320	377.4
Number of tax litigation cases	%	4 312	4 200	4 577
Effectiveness of targeting customs declarations: number of offences found on examined declarations (per 10,000 declarations)	number	229	200	230
Intervention rate with respect to customs revenue	%	0.45 %	0.44 %	0.44 %
Collection of duties and taxes reassessed	%	70 %	66 %	50.1 %

### INVOLVING THE MEN AND WOMEN OF CUSTOMS IN THE STRATEGIC PLAN

Indicators	Unit	2014 Results	2015 Target	2015 Results
Availability of online procedures	%	99.3 %	> 99 %	98.6 %
Share of women in overall staffing numbers	%	37.55 %	-	37.8 %
Overall satisfaction rate of employees taking part in initial or ongoing training	%	80 %	73 %	80.5 %
Percentage of positions requiring special skills	%	34.9 %	36 %	35.7 %



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