



# PROTECTION through action

## 2017 results



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France  
and its citizens



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**Gérald Dammanin**  
Minister for  
Government Action  
and Public Accounts

**T**hroughout 2017, the 17,000 French Customs officers posted in Metropolitan France, Overseas France and abroad worked hard to protect our fellow citizens and French territory, to assist businesses in their international expansion, and to safeguard public finances.

I am very proud to present the annual report on all their hard work in 2017.

French Customs has proven especially diligent in combating the financing of terrorism, fighting weapons trafficking and conducting controls at our borders. Again this year, commendable results were achieved in the daily fight against major customs fraud and, more broadly, organised crime.

Narcotics, smuggled tobacco, counterfeit goods and criminal assets: Customs officers helped dismantle dozens of criminal organisations – not to mention contributing to the results of other law enforcement entities, in France or abroad, by providing intelligence.

It also played a decisive role in collecting duties and taxes, with a reduction in collection costs and an increase in the number of electronic payments. The reverse charge procedure for VAT at import has become increasingly popular,

reflecting the success of this simplified approach for companies and boosting France's appeal as a place to do business.

French Customs is in close contact with companies that do business internationally, providing them with simplified, bespoke customs procedures. Its start-up support efforts, via the French Tech Central area at the Station F start-up campus in Paris, illustrate what tomorrow's administration will look like.

France has held onto its top spot in the "Trading Across Borders" category of the World Bank's "Doing Business" ranking.

Customs has achieved these results by constantly innovating and adapting its organisation, processes and capacities. As just one example, its new control tools harness the power of Big Data to identify illegal financial flows with even greater precision.

2018 promises to be another eventful year requiring further adaptation on many levels. In my view, a few major events on the horizon include Brexit, the new law for a trust-based society, the ramp-up in anti-fraud efforts – notably against smuggled tobacco – and the transformation of government administrations as part of the Public Action 2022 project.

I am confident that the men and women of French Customs will meet these major challenges facing our country.

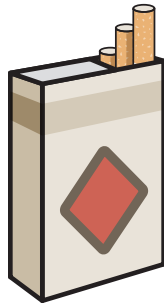
In 2018, the EU's customs union will celebrate its 50th anniversary. My wish is for this anniversary to be an opportunity for our fellow citizens to appreciate everything that a modern, dynamic and efficient customs system contributes to our country and to Europe as a whole – all in the public interest.



## ENFORCEMENT

### ➤ SMUGGLED TOBACCO

**238.2 tons**  
seized in  
France  
(-8%)

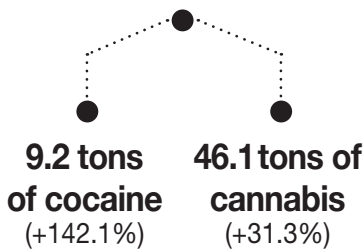


**112.3 tons**  
seized abroad  
based on  
intelligence  
provided by  
French Customs  
(-45.7%)

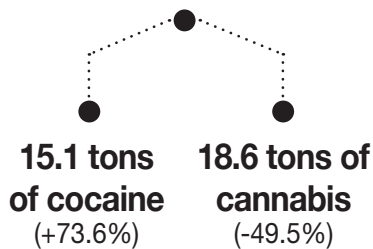


### ➤ NARCOTICS

**66.1 tons**  
seized  
in France and in  
international waters  
(+46.6%)  
including



**33.8 tons**  
seized  
abroad based on  
intelligence provided  
by French Customs  
(-26.5%)  
including



### ➤ CONSUMER PROTECTION



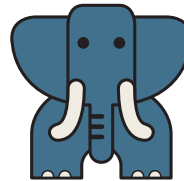
**6.4 million**  
toys inspected  
(+33.3%)

### ➤ FINANCIAL FRAUD AND TAX EVASION



**€862m**  
in criminal assets  
seized or identified by the  
National Customs Judicial  
Department (SNDJ) (+477%)  
of which €53m in France  
and €809m abroad

### ➤ NATURAL HERITAGE



**484**  
citations  
issued for  
violations of  
endangered  
plant and animal  
species legislation  
(-1.8%)

### ➤ WEAPONS



**958**  
firearms  
seized  
(+11.4%)

### ➤ COUNTERFEITS



**8.4 million**  
counterfeit  
items  
seized  
(-7.7%)

## CUSTOMS CLEARANCE AND ECONOMIC ACTIVITIES



**3'14"**  
Average time that goods are immobilised  
(13 minutes in 2004)

### ➤ CUSTOMS CERTIFICATION

**1,769**  
**OEAs\***  
(1,589 in 2016)  
(+11.3%)



\* Authorised Economic Operator  
(No. 3 in Europe)



**2,643**  
**businesses**  
provided with advice by French Customs' Economic Action Centres  
(+6.4%)

**87%**  
Overall rate of paperless customs clearance



## TAXATION



**€79.5bn**  
collected (+4.6%)

**88%**  
customs user satisfaction rate



**40 centimes**  
The cost of collecting €100 in customs duties and taxes

### ➤ TAX EVASION

**€268.5m**  
in taxes and duties reassessed  
(-35.3%)

## HUMAN RESSOURCES

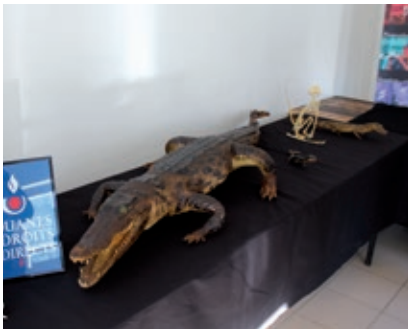
**16,672**  
**FTE**  
(full-time equivalent positions as at 31/12/2017)





## JANUARY

- Customs officers dismantle a **laboratory producing counterfeit cosmetics in France**
- 📷 Disabled sports: **Cécile Hernandez, a para-snowboarder**, joins the France Douane team
- The Paris Customs Railway Unit discovers nearly **one kilogram of smuggled rough diamonds**
- A record **1.4 tons of cocaine is seized in French Polynesia**, in collaboration with the French Navy



## FEBRUARY

- 📷 Customs officers seize **24 specimens of protected species**, turning them over to the Laval Science Museum: elephant foot stools, stuffed crocodiles, sculpted bones, etc.
- **Ski-cross:** Jean-Frédéric Chapuis wins his third Crystal Globe
- Wine & spirits experts on the Customs “Tour de France” hold an event in Lyon

## MARCH

- 📷 The Hendaye Customs unit seizes 1.7 tons of cannabis discovered in a lorry
- French Customs organises the **64<sup>th</sup> European Customs Ski Championship** at the Morzine-Avoriaz ski resort
- The National Customs Judicial Department (SNDJ) carries out an investigation, coordinated through Eurojust, of several thousand **undeclared Swiss bank accounts**, for suspected aggravated laundering of the proceeds of tax evasion
- Customs officers in Dieppe seize more than **30,000 blister packs of illicit psychoactive drugs**, totalling 450,000 tablets



## APRIL

- 📷 The Hendaye Customs unit seizes more than **€1 million** following a vehicle search
- Business France and French Customs sign an agreement to ramp up support services for French businesses expanding internationally



## MAY

- The Customs patrol boat Jean-François Deniau, participating in Frontex’s Operation Triton, **rescues** 122 people in the Aegean Sea
- **23 May at Bercy: delegates from 450 businesses attend the day-long event** “Companies, Customs makes your life easier!”
- 📷 Customs officers at Roissy-Charles de Gaulle Airport intercept nearly 750,000 tablets of captagon **the first captagon seizure in France**
- Authorised Economic Operator (OEA) status **is awarded** to biscuit manufacturer Société Saint Michel
- International cooperation: a seizure by French Customs leads to a major doping substance trafficking ring being dismantled in Spain



## JUNE

- The Calais Customs unit seizes a record **157 kilograms of amphetamines (MDMA)** in the Cross-Channel Terminal
- 📷 “Business Café” event in Paris: debate and discussion about the current challenges facing the wine industry
- Appeals court hears a case on the carbon tax fraud discovered by the SNDJ (VAT fraud of more than €385 million)



## JULY

- Wine sector professionals: **online customs declaration** becomes mandatory
- A record **half-ton of tortoise shells** seized at Roissy-Charles de Gaulle Airport

📷 **14 July (Bastille Day): French Customs march down the Champs-Élysées** for the third time (after 2016 and 1919)



## AUGUST

- Environmental crime: Customs officers confiscate **332 tons of illegal waste** as part of Interpol's "Thirty Days of Action" operation
- The Rouen Customs unit seizes **32,000 children's watches that posed a health hazard**

📷 **A live ball python** is discovered at Roissy-Charles de Gaulle Airport in the luggage of a passenger arriving from Cotonou, Benin



## SEPTEMBER

📷 **Hurricane Irma:** Customs units mobilised in the French Antilles

- Key Accounts scheme: The Isle-d'Abeau expertise centre opens near Lyon
- The online customs declaration becomes mandatory for all businesses in the wine industry, at all stages of production: grape harvesting, vinification, storage, enrichment and other winemaking practices



## OCTOBER

📷 **Eight archaeological artefacts** seized by Customs in 2010 **are returned** to Egyptian authorities

- The La Rochelle Customs unit seizes **2.3 tons of cannabis resin**
- **Portuguese authorities confiscate** more than **one ton of cocaine** using intelligence provided by French Customs
- Dunkirk Customs officers confiscate **over 25 tons of tobacco** in October alone
- "Business Café" event in Paris: a look at anti-counterfeiting efforts

## NOVEMBER

• **750 kg of cocaine are seized after being discovered in rice bags** in the Port of Jarry, Guadeloupe - an **unusually large haul**

📷 Customs officers in the Picardy region **uncover a cache of weapons in an individual's home**

• **French Customs participates in MIF Expo, the trade fair for "Made in France" products**

• **Le Monde en Face**, a news show broadcast on France 5, **features an interview with the Director General of Customs and Excise** as part of an international investigation of trafficking of medicines



## DECEMBER

• 450 businesses take part in the CETA webinar sponsored in collaboration with DG Trésor and Business France

• French Customs and the General Union of the Champagne Winemakers join forces to guarantee the authenticity of Champagne with **the Cloé "smart" foil wrapper** for Champagne bottles

📷 The Minister for Government Action and Public Accounts and the Minister of State for Digital Affairs **inaugurate French Tech Central**, a space in the **Station F start-up campus** in Paris, where French Customs will be on hand to advise start-ups

• The French Ministry of Defence **awards French Customs FRA 145 certification** so that it can carry out maintenance operations on its aircraft fleet





01

**PROTECTING**  
France and  
its citizens



# COMBATING

## TERRORISM AND ITS FINANCING

**A**FTER THE 2015 TERRORIST ATTACKS, CUSTOMS WAS CALLED UPON TO RE-ESTABLISH BORDER CONTROLS. ITS RESOURCES AND CONTROL SYSTEMS WERE STRENGTHENED ALONG THE EXTERNAL BORDERS OF THE SCHENGEN AREA, ALONG DOMESTIC BORDERS AND ACROSS ALL OF FRENCH TERRITORY IN ORDER TO FIGHT TERRORISM.

### STEPPED-UP CONTROLS OF INDIVIDUALS AT FRENCH BORDERS

Thanks to its strategic positioning across France, French Customs is on the front line in protecting the public.

To counter the terrorist threat, Customs controls of individuals take on several forms. For the railway network, an initial initiative to boost awareness of the terrorist risk during on-board inspections was carried out on 21 November 2017, in collaboration with the RAID elite police unit.

Moreover, Customs and SNCF provide training on security techniques during inspections carried out aboard trains or in railway stations. For air transport, Customs is implementing API-PNR (Advanced Passenger Information – Passenger Name Record), an inter-ministerial project. API-PNR collects and processes the reservation and boarding data of air passengers on flights to and from French territory, in order to fight terrorism and other

**French Customs has hired an additional 1,000 staff over two years to ramp up border security.**

**Thus, 500 officers were hired and trained in 2017, in addition to the contingent of 500 officers hired in 2016.**

**Additional resources have been earmarked for controls, detection, intelligence, analysis and data processing, and staff has been equipped with new protective gear.**

On 14 July 2017, Customs units marched down the Champs-Élysées alongside armed forces and defence units, for the third time ever (after 2016 and the 1919 Victory Parade). This participation in the Bastille Day parade is testimony, once again, to the Nation's trust in French Customs' ability to fulfil its duty of protecting French territory and citizens. Every day, this duty is carried out in many areas.



forms of serious crime. At its premises at Roissy-Charles de Gaulle Airport, Customs houses the Passenger Information Unit (UIP), the inter-ministerial system operations platform.

At present, more than 80 airlines are connected to this system. This covers nearly 95% of extra-EU flights and 50 million passengers. Eventually, nearly 230 airlines will be connected to the system, along with travel agencies, tour operators and intra-EU flights.

### BOLSTERING THE DNRED'S ROLE AS AN INTELLIGENCE ENTITY

The National Directorate for Customs Intelligence and Investigations (DNRED) is one of the six departments at the heart of the French intelligence community. The DNRED is a key stakeholder in anti-terrorist intelligence.

By collecting and analysing intelligence, it helps identify threats to national security and illegal financial flows that might be related to terrorist activities.



The Cyberdouane department was created in 2009; it is specialised in the fight against cybercrime, and reports to the DNRED. Cyberdouane tracks customs fraud (smuggling of narcotics, tobacco, weapons, etc.) over the Internet and social media. Its powers were strengthened and its headcount was increased in 2017 to tackle the priority of fighting cybercrime.



In 2017, French Customs inspected more than 7 million people at the external and internal borders of the Schengen Area. More than 2,000 individuals were refused entry to France – this is one indication of the tangible effects of stepped-up controls.



**7.9 million** declarations processed through the ICS (+8.2%)



**958** firearms SEIZED IN 2017 (+11.4%)

### SAFETY INSPECTIONS FOR INTERNATIONAL TRADE

As part of its safety inspections for air and maritime freight, French Customs implements the Import Control System (ICS) pursuant to EU regulations. The ICS requires transporters to submit customs declarations prior to the physical import of goods from non-EU countries. It grew even more efficient in 2017.

### DETECTING ILLEGAL FINANCIAL FLOWS AND MONEY LAUNDERING

Over the past several years, French Customs has made a priority of combating illegal financial flows. The strategy is to facilitate financial, administrative or judicial investigations based on information gathered during customs inspections. The goal is to identify undeclared or illegal activities, as anti-money laundering operations are a major means for dismantling organised crime and terrorism financing networks.

Customs' efforts on this front were made easier by a partial reversal of the burden of proof for customs-related money laundering, pursuant to the Act of 3 June 2016 strengthening the fight against organised crime, terrorism and their financing, and improving both the effectiveness and guarantees of the criminal proceedings. In addition, this law broadened the remit of the officers of the National Customs Judicial Department (SNDJ) to include searching for and notifying money laundering offences related to acts of terrorism. In 2017, 40% of cases handled by the SNDJ involved money laundering.

It dismantled 51 criminal organisations, and the amount of criminal assets identified and/or seized by the SNDJ increased fivefold compared to the previous year.

The Cyberdouane department was created in 2009; it is specialised in the fight against cybercrime, and reports to the DNRED. Cyberdouane tracks customs fraud (smuggling of narcotics, tobacco, weapons, etc.) over the Internet and social media. Its powers were strengthened and its headcount was increased in 2017 to tackle the priority of fighting cybercrime.

### ILLEGAL IMMIGRATION IN MAYOTTE

Mayotte is a French overseas département facing strong migratory pressure, mainly via sea routes.

Customs, the Air and Border Police, Gendarmerie units and the Navy are actively mobilised to prevent unauthorised landings of local boats known as "Kwassa-Kwassa" that carry undocumented immigrants from the Comoro Islands and Madagascar. In 2017, Mayotte Customs intercepted 20 boats of this type, taking into custody 342 undocumented immigrants and 19 people smugglers.



“ In the current context of high terrorist threat, significant criminality – notably drug trafficking – and the need for stronger flow control, Customs is a key player in département-level public security. First and foremost, along the Swiss border, where Customs officers carry out indispensable controls of the massive numbers of daily commuters who cross the border via the numerous road and waterway crossings. Then, along the Italian border, Customs units help control access to the Mont Blanc Tunnel, a vital infrastructure, targeting lorry traffic in particular with the use of highly innovative equipment such as the mobile scanner, which I recently had the opportunity to discover in action. ”

PIERRE LAMBERT,  
PREFECT OF HAUTE-SAVOIE

### CARBON TAX FRAUD

In 2017, the SNDJ helped to dismantle a massive VAT scam, known as the “carbon tax fraud” and amounting to a €385m loss for the public purse. The assets identified and/or seized amounted to more than €110m, including €88m held outside France.

This case shows how criminal organisations are at the centre of VAT fraud cases.

### COMBATING TAX EVASION

Tax evasion undermines the national economy and, on a more fundamental level, is an affront to consent to taxation and therefore to the ties binding together the Nation. This is why Customs participates in the plan to fight public finance fraud.

### CUSTOMS IS DEVELOPING RISK ANALYSIS AND TARGETING VIA INNOVATIVE CONTROL TECHNIQUES

With the Risk Analysis and Targeting Department (SARC), Customs is setting up an integrated chain of controls and enhancing the quality of control targeting. For example, initial innovative experiments in data mining have refined risk assessment processes and identified several fraudulent behaviours that are not detectable through traditional control methods.



- **50.7%** of officers involved in commercial transactions and general administration
- **49.3%** of officers involved in surveillance
- **37.5%** share of women in overall staffing numbers

#### SPECIALIST OFFICERS

- **573** maritime officers
- **168** airborne officers
- **253** motorcyclists
- **277** dog handlers
- **774** investigators and intelligence officers
- **243** judicial officers
- **483** IT staff

**€862m**  
in criminal assets seized or identified by the National Customs Judicial Department (SNDJ)

(+477%) OF WHICH €53m IN FRANCE AND €809m ABROAD

**302**  
money laundering cases

HANDLED BY CUSTOMS DEPARTMENTS (-1%)

**2,081**  
citations for undeclared financial flows, NEARLY HALF OF WHICH LED TO A CUSTOMS INVESTIGATION (+10.5%)

**€549.8m**  
in revenue loss for the French government

ON VAT FRAUD CASES DETECTED BY THE SNDJ (+51.2%)

**€268.5m**  
in taxes and duties reassessed (-35.3%)



# FIGHTING

## LARGE-SCALE TRAFFICKING AND ORGANISED CRIME

**S**

MUGGLED TOBACCO PRODUCTS, NARCOTICS, HAZARDOUS PRODUCTS OR COUNTERFEIT GOODS – FRENCH CUSTOMS IS ACTIVE ON EVERY FRONT TO PROTECT PUBLIC HEALTH

AND SAFETY AND TO SAFEGUARD GOVERNMENT REVENUE. IT ALSO WORKS TO PROTECT FRANCE'S NATURAL AND CULTURAL HERITAGE BY FIGHTING TRAFFICKING OF PROTECTED SPECIES, WASTE OR EVEN WORKS OF ART.

IN 2017, THE STRENGTHENED LEGAL POWERS AND BROADER RESPONSIBILITIES GRANTED TO CUSTOMS BY FRENCH LAWMAKERS BEGAN TO PAY OFF.

### TACKLING SMUGGLED TOBACCO AND ASSISTING TOBACCONISTS IN PREPARING FOR THE FUTURE

Customs departments are especially active in fighting the trafficking of tobacco products, intervening in all transport channels: land, air, maritime, rail, express freight and postal shipments. Since 2003, Customs has been assisting France's network of tobacconists in modernising their business and preparing for the future, in line with the government's policy goals of reducing smoking (as the price of a packet of cigarettes will rise to €10 in 2020).

### FIGHTING NARCOTICS TRAFFICKING

Customs is tasked with protecting public health and safety at national and international levels by fighting the trafficking of illegal psychoactive substances.

Customs departments' investigation methods are constantly changing to keep up with the increasingly sophisticated techniques that drug traffickers use to conceal narcotics and the new ways of shipping drugs, against a backdrop of growing trade flows.

In this respect, Customs acts on three levels:

- it seizes narcotics found on French territory
- it seizes narcotics discovered in international waters, either on its own or with support from other French law enforcement entities, aboard French or foreign vessels, in compliance with Article 17 of the Vienna Convention (United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances)
- it provides foreign customs authorities with support so that they can carry out seizures in their own jurisdictions, in order for illegal goods to be intercepted before they are distributed over national or European territory.



### NARCOTICS

**66.1 tons** seized in France

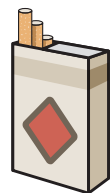
AND IN INTERNATIONAL WATERS (+46.6%), INCLUDING:

- 9.2 tons of cocaine (+142.1%)
- 46.1 tons of cannabis (+31.3%)
- 243 kg of heroin (-34.2%)
- 509,4 kg of amphetamines (+115.5%)

**33.8 tons** seized abroad

BASED ON INTELLIGENCE PROVIDED BY FRENCH CUSTOMS (-26.5%), INCLUDING:

- 15.1 tons of cocaine (+73.6%)
- 18.6 tons of cannabis (-49.5%)



### TOBACCO

**238.2 tons** seized in France

AND IN INTERNATIONAL WATERS (-8%)

**112.3 tons** seized abroad

BASED ON INTELLIGENCE PROVIDED BY FRENCH CUSTOMS (-45.7%)



31.6% of drug seizures involved express freight and postal shipments.

**THE INTERNATIONAL OPERATION “PANGEA X” TOOK PLACE FROM 12 TO 19 SEPTEMBER 2017 ACROSS A HUNDRED COUNTRIES**

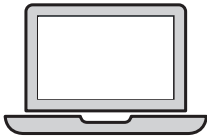
This operation led to a large number of arrests and citations in participating countries, not to mention the seizure of thousands of potentially dangerous medicines. In France, Pangea X involved the seizure of more than 433,000 illegal health products and 1.4 tons of bulk health products.

**PROTECTING CONSUMERS’ HEALTH AND SAFETY**

**Intercepting hazardous good**

Customs officers protect consumers by preventing hazardous or non-compliant goods from entering the country. In 2017, there was a total of 9,808 cases of such goods (+17%). The Joint Laboratory Department<sup>1</sup> (SCL) carried out 9,712 product inspections to check compliance with applicable technical standards.

On 29 June 2017, the Joint Laboratory Department celebrated its 10th anniversary. On this occasion, a seminar was held at Bercy, bringing together the SCL’s 400 officers, representatives from the two Directorate Generals it reports to (DGDDI and DGCCRF), and around 100 partners.



**50.3 million products inspected,**

OF WHICH 10.8 MILLION DEEMED NON-COMPLIANT AND 380,628 DEEMED NON-COMPLIANT AND HAZARDOUS (+32.4%)



**6.4 million toys inspected,**

OF WHICH 801,012 DEEMED NON-COMPLIANT AND 143,784 DEEMED NON-COMPLIANT AND HAZARDOUS (+33.3%)

**Fighting trafficking of fake medicines**

Trafficking of medicines is carried out by criminal organisations that frequently operate over the Internet. Consumers’ health is in jeopardy, with potentially very serious health consequences. To fight this trafficking, officers from the Pharmaceutical Products Monitoring Centre (part of the DNRED) are tasked with locating the production and storage sites and identifying the supply chains and criminal networks.

French Customs also receives support from Medifraude, an international network made up of around 50 specialist customs officers. Lastly, one of the SNDJ’s inspectors is also a pharmacist who provides expertise that strengthens the authorities’ legal position in court cases.

**Fighting counterfeiting, a new strategy of cooperation with trademark owners**

Trade in counterfeit goods undermines the French economy and the economies of all EU Member States.

Counterfeiters have adapted their methods and use the Internet to sell their products. Customs seizures involve increasingly small quantities of goods being shipped via postal freight and express freight – now the two main channels for shipments of counterfeit goods in terms of the number of citations is-

1 – The SCL reports jointly to the DGDDI (Directorate General for Customs and Excise) and the DGCCRF (Directorate General for Competition Policy, Consumer Affairs and Fraud Control).

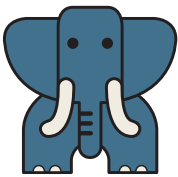


**COUNTERFEIT GOODS**

**8.4 million**  
counterfeit items  
seized  
(-7.7%)

**1,534**  
The number  
of applications  
for action

FILED WITH FRENCH CUSTOMS  
BY HOLDERS OF INTELLECTUAL  
PROPERTY RIGHTS (+2.8%)



**PROTECTED SPECIES**

**484**  
citations  
given  
(-1.8%)



sued. The profile of offenders has changed, and Customs now must contend with criminal networks active in multiple kinds of trafficking. Moreover, counterfeit goods are one of the sources of financing for organised crime. Customs implements procedures aimed at dismantling illegal organisations. To ramp up efforts against counterfeit goods, it is seeking greater synergies between its departments and the companies that own intellectual pro-

perty rights, with coordinated efforts coming into play both before counterfeit goods are seized, and during legal proceedings against counterfeiters.

**PROTECTING FRANCE'S  
NATURAL HERITAGE AND  
THE ENVIRONMENT**

French Customs controls and regulates trade in wild flora and fauna species that are at risk of extinction and are protected under the Washington Convention, also known as CITES (Convention on International Trade in Endangered Species), which France ratified in 1978.

Cross-border shipments of toxic or hazardous waste are also subjected to heightened scrutiny. The environmental stakes involved in this trafficking, both for export countries and for the EU, warrant this high level of vigilance. Finally, four cases of maritime pollution were discovered by French Customs' specialised air/sea departments, as part of our remit to protect French territory under the government's Maritime Action Plan.

**Nicolas Hulot (Ministre d'État, Minister for the Ecological and Inclusive Transition) and Gérald Darmanin (Minister for Government Action and Public Accounts) congratulate the Customs officers of Roissy-Charles de Gaulle Airport for their seizure of 550 kg of hawksbill sea turtle shells (Eretmochelys imbricata), 18 July 2017.**







On 26 October 2017, at the French Ministry of Culture, eight 3,000-year-old artefacts were returned to His Excellency the Ambassador of Egypt to France. Customs officers had seized these artefacts at Paris Gare du Nord railway station. This Investigation, spearheaded by the National Customs Judicial Department (SNDJ), led to the dismantling of a network that was trafficking cultural goods from Egypt to the UK via France.

In June 2017, French Customs took part in a vast global operation to track cross-border waste transfers: Interpol announced the results of this operation on 8 August 2017. Customs officers in Le Havre seized the largest illegal waste shipment uncovered in the programme. This shipment consisted of 150 tons of waste plastics being sent illegally to Malaysia under invalid export documentation.



**29**  
cases of maritime  
pollution  
DETECTED (-17.1%)

**471**  
citations  
FOR WASTE TRAFFICKING  
(+82.6%)



**69**  
citations  
FOR TRAFFICKING OF  
CULTURAL GOODS (71 IN 2016)

### PROTECTING FRANCE'S CULTURAL HERITAGE

Customs is responsible for protecting our cultural heritage from illegal exports of cultural goods.

To more effectively counter trafficking in cultural goods from sensitive geographic zones outside the EU (in particular Syria and Iraq) that may be used to finance terrorism, the Act of 8 July 2016 on the freedom of creation, architecture and heritage allows French Customs to control these types of goods at the time of import. An EU Regulation will reinforce this legislative arsenal in 2018.



### HURRICANE IRMA: CUSTOMS UNITS MOBILISED IN THE FRENCH ANTILLES

To cope with the emergency health, security and material situation, government departments combined their forces to bring aid to the populations of Saint-Martin and Saint-Barthélemy hit by Hurricane Irma. Customs departments based in the Antilles packaged and shipped several pallets of equipment and basic foodstuffs to Saint-Martin aboard Customs coastguard vessels. Customs units were called on to deliver more than 1.5 tons of emergency supplies, to repatriate 32 storm victims and to convey technicians onsite.

# BUILDING

COOPERATIVE TIES WITH OUR PARTNERS

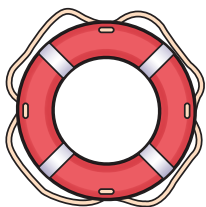
**C**OOPERATION EFFORTS ARE RAMPING UP TO CONTEND WITH THE RISE IN CROSS-BORDER CRIME. CUSTOMS WORKS NON-STOP IN COOPERATION WITH ITS NATIONAL, EUROPEAN AND INTERNATIONAL PARTNERS.



In 2017, the Customs patrol boat Jean-François Deniau carried out two operations for Frontex.



**410**  
international  
cooperation  
projects



**568**  
people  
rescued  
at sea

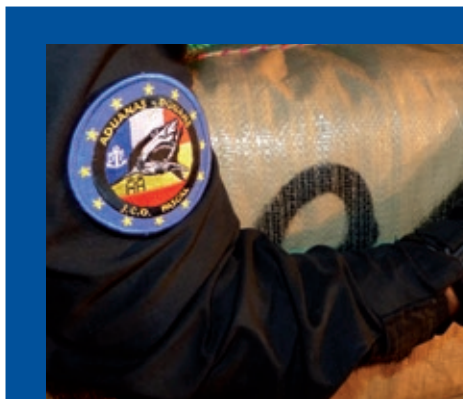
## EFFECTIVE INTERNATIONAL COOPERATION AGAINST LARGE-SCALE TRAFFICKING

To effectively fight against organisations whose reach extends beyond Europe's borders, French Customs is expanding its partnerships and its international commitments.

It contributes airborne and maritime resources to operations coordinated by Frontex (the European Border and Coast Guard Agency), notably in the Mediterranean Sea. It is also an active participant in the European Border and Coast Guard

Corps. It assigns officers to participate in this rapid reaction pool of 1,500 border guards and to respond to migratory pressures on the Schengen Area's external borders. Lastly, the Act of 30 October 2017 strengthening domestic security and fighting terrorism granted French Customs broader leeway to carry out inspections around certain border crossings.

Our actions are relayed by a network of customs attachés and international technical experts who are located in zones and countries of interest to French Customs. The SNDJ's international cooperation efforts on criminal matters are also a key factor for successful investigations, especially in dismantling illegal organisations.



## JOINT FRANCO-SPANISH OPERATION "PASCAL 2017" IN THE MEDITERRANEAN

Operation "Pascal", organised in July 2017, combined the airborne and maritime resources of French and Spanish authorities in the Alboran Sea, including notably the French Customs patrol boat the Jean-François Deniau and its Spanish counterpart the Fulmar. During the operation, officers seized 2.3 tons of cannabis resin, two semi-rigid inflatable boats and two vans, and arrested six people.

On 14 May 2017, following intelligence from the DNRED, during an anti-narcotics operation in international waters, Customs intercepted a coastal trading vessel flying the Saint Vincent and the Grenadines flag and navigating off the coast of Martinique. This vessel was found to be transporting 223 kg of cocaine concealed in a sophisticated purpose-built hiding place. Customs officers applied the provisions of Article 17 of the Vienna Convention (United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances), permitting law enforcement entities to board a vessel in international waters, with the consent of the flat state, when the vessel is suspected of being involved in narcotics trafficking.



### COOPERATING WITH OTHER GOVERNMENT STAKEHOLDERS

Customs undertakes many cooperation initiatives with other government departments. In 2017, French Customs renewed its cooperation agreement with the Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) aimed at strengthening communication between their respective investigation departments. This is also the case with the Ministry of the Interior, through the police/customs cooperation centres (CCPDs) located near national borders, as well as the regional enforcement groups (GIRs) comprised of Customs officers, police officers, gendarmes and civil servants

French Customs has a network of 19 customs attachés and four technical experts based on every continent and covering 78 countries.

from the DGFIP, and tasked with fighting all kinds of criminal activity. French Customs also takes part in the Département Anti-Fraud Committees (CODAFs) spearheaded by the prefect and public prosecutor for each département, which bring together the police, tax authorities, labour inspectors and URSSAF to deliver a comprehensive, coordinated response to cases of fraud.

Lastly, Customs works closely with the Directorate General of Public Finances. Since December 2017, the records of the DGDDI and the DGFIP have been mutually accessible.

**FRENCH CUSTOMS SUPPORTS HIGH-LEVEL SPORTS**

The France Douane team is comprised of 33 athletes including world champions in downhill skiing (Adeline Baud-Mugnier, Nastasia Noens, Julien Lizeroux and Alexis Pinturault), biathlon (Marie Dorin-Habert and Justine Braisaz), judo (Priscilla Gneto), fencing (Yannick Borel) and para-snowboarding (Cécile Hernandez).







# 02

**FOSTERING**  
economic expansion  
and modernising  
customs taxation

# SUPPORTING

## THE GLOBAL COMPETITIVENESS OF FRENCH BUSINESSES

**T** HROUGHOUT 2017, CUSTOMS OFFICERS HELPED BUSINESSES ENSURE THAT CHANGES TO EU REGULATIONS REPRESENT A SOURCE OF COMPETITIVENESS, STREAMLINING AND CERTAINTY – BOTH FOR FIRMS AND FOR THE FRENCH ECONOMY. OWING TO THIS CONSTANT IMPLICATION, FOR THE THIRD YEAR IN A ROW, FRANCE TOOK 1ST PLACE IN THE “TRADING ACROSS BORDERS” CATEGORY OF THE WORLD BANK’S “DOING BUSINESS 2017” REPORT. THE NEW UNION CUSTOMS CODE (UCC), THAT TOOK EFFECT ON 1 MAY 2016, SPURRED A LARGE NUMBER OF INFORMATION AND ADVISORY INITIATIVES.

### CONTINUING THE “CUSTOMS CLEARANCE IN FRANCE” PLAN

Having been unveiled on 22 September 2015 at the French economy and finance ministries (Bercy), and presented during the stages of the “Tour de France” by customs experts, the “Customs Clearance in France” plan (2016-2018) and its 40 tangible measures allow customs procedures to be streamlined, costs to be cut and time gained by businesses.

At the end of 2017, 80% of targets had been achieved and 32 of the 40 measures had recorded positive outcomes.

### CENTRALISED NATIONAL CUSTOMS CLEARANCE, A TRAILBLAZER IN EUROPE

This system has been acclaimed by businesses and is giving France a head start



over other European countries. As from 2020, the UCC will significantly streamline customs by introducing centralised EU customs clearance. This will allow Authorised Economic Operators (AEOs) to carry out all customs procedures centrally, either in France or in another Member State, for flows of goods passing through a number of EU Member States.

With an eye to helping businesses adapt to this new measure, French Customs has become an early adopter and has been providing all French operators with the option of centralised national customs clearance (DCN) since June 2016. The idea is to entirely disassociate physical flows of goods from flows subject to declarations, for both imports and exports. This enables goods to be exported or imported from a number of sites in France, which are managed by various “presentation” customs offices, while centralising customs procedures with a single customs “declaration” office, which is the sole contact point for businesses. Businesses save time and money on clearance operations.

At the end of 2017, 435 operators, accounting for 11.1% of clearance flows, had DCN accreditation, and were managed by all regional customs directorates.

Drawing on its experience, French Customs will be part of the initial rollout of centralised EU customs clearance.

The target system – including the upgrading of all stakeholders’ information systems – will be deployed in stages as from 2021 for UCC Centralised Clearance for Import (CCI).



**1,769**  
**AEO**  
**businesses,**

3<sup>rd</sup> PLACE IN EUROPE  
(+11.3%)



**UCC CONSOLIDATION, A KEY TO GOWTH AND FINANCIAL BENEFITS**

A number of provisions of the UCC require improvement and clarification at EU level. Regarding IT, the changes laid down by the UCC involve the intervention of experts in regulations and computer scientists to develop or update the 17 systems needed to implement the Code. The UCC is opening up fresh possibilities for foreign trade operators. For instance, special customs arrangements allow goods to be imported with suspension of duties and taxes and for processing work to be carried out exclusive of taxes in the EU's customs territory. The beneficiary companies have increased cash flow and a competitive export advantage.



**HELPING TRUSTED OPERATORS OBTAIN FACILITATOR AND PRIVILEGED STATUSES**

French Customs forges trust-based relationships with businesses and can grant various statuses that afford special treatment.

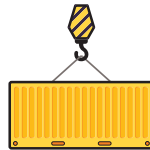


**AEO Share of foreign trade**

CARRIED OUT BY AEOS IS

**85.5%**

(+3.8%)



**7,168**  
**Authorised Exporters**

(747 STATUSES GRANTED, +11.9%)

**Authorised Economic Operator (AEO) status, a passport for international expansion**

Customs offices grant this status following an audit. It certifies that the business in question complies with criteria relating to its customs declaration procedures and its control of safety-security issues. Under the UCC, AEO status is central to a revised and upgraded clearance system. AEOs are entitled to favourable customs arrangements such as fewer controls during clearance, prior notice when a consignment has been selected for a control and choice of the place of control. AEO status heightens the competitiveness of companies operating in global markets,





as the EU has executed agreements with its major trading partners under which the latter acknowledge this status.

### Authorised Exporter (AE) status, granting facilitation and certainty

This status authorises the holder to certify the preferential origin of its goods on its accompanying commercial documents, thus removing the requirement for customs approval of a document attesting to preferential origin upon exportation. With no cap in nominal terms, the AE is entitled to the benefits set out in certain trade agreements between the EU and non-EU countries (around 70 countries). For exports to certain countries, such as South Korea, this status is mandatory. As a facilitator, AE status also provides the company with certainty regarding its trading transactions, with Customs helping it to pinpoint the rules that apply to its products.

### REVERSE CHARGE PROCEDURE FOR VAT: ENHANCING THE APPEAL OF LOGISTICS PLATFORMS

Under the provisions of the so-called "Blue Economy Act" of June 2016 and the 2016 Supplementary Budget Act, French Customs introduced the reverse charge procedure for VAT at import (ATVAI). The goal of this measure is to increase the appeal of France's port and airport infrastructure and foster the competitiveness of authorised companies by exempting them from paying VAT when importing goods. The companies carry over the amount of tax due on import transactions to their turnover return filed with the tax authorities.

### FREE TRADE AGREEMENTS AND CETA MEASURES

With an eye to encouraging self-certification of the origin of goods, the European Commission introduced the Registered Exporter system (the REX system), which has been up and running since 1 January 2017. The REX system must be referred to in all new free trade agreements (FTAs) executed by the EU. The principle is straightforward: exporters are entitled to make out statements on origin for consignments of origin goods having a value below €6,000. Over and above this amount, they must become Registered Exporters and use a single REX



“ In our opinion, French Customs is an administration bestowed with technical skills that are vital for the smooth implementation of free trade agreements. We

need to have the most seamless discussions possible with this partner to defend inter-ministerial positions and represent French interests in Brussels. It is critical that a customs officer should work at the Directorate General of the Treasury (DG Trésor) as this ensures the technical consistency of our strategies and permanent and unhindered contact with French Customs. As a result, we are able to move joint issues along. This year, French Customs and DG Trésor have bolstered collaborative efforts in regional France to leverage free trade agreements and advise economic operators of their entitlements. ”

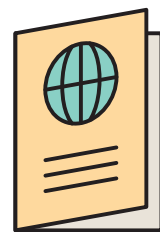
PIERRE CHABROL,  
HEAD OF THE TRADE POLICY BUREAU -  
DIRECTORATE GENERAL OF THE TREASURY

number. The process for granting REX status is entirely paperless. The REX system is one of the mainstays of the Comprehensive Economic and Trade Agreement (CETA), that was signed by the EU and Canada on 30 October 2016, and which came into provisional effect on 21 September 2017.

**CETA WEBINAR**  
On 12 December 2017, there were 450 participants in the first public web conference organised in Paris by French Customs, in conjunction with DG Trésor and Business France.  
The aim was to explain the new opportunities represented by the CETA for businesses. The event was a resounding success and a second edition is planned. Meetings between French Customs and businesses on the same topic have also been held in regional France.



**7,390**  
operators have applied for the reverse charge procedure for VAT at import, REPRESENTING A TOTAL REVERSE CHARGE AMOUNT OF €8.14BN



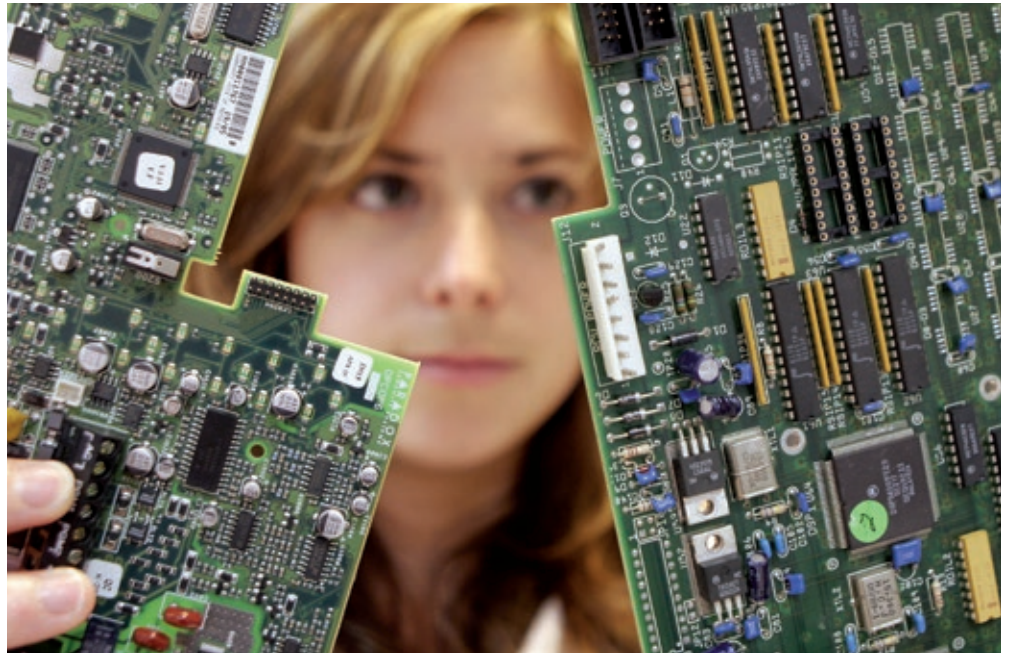
THERE ARE ALREADY  
**840**  
Registered Exporters (REX)



“ In respect of our projects over the last two years, French Customs has been able to address the complex nature of the issues facing us and, above all, has shown the responsiveness needed for international business, an environment that is constantly changing. ”

“ The system rolled out in collaboration with French Customs’ teams allowed Dow Agrosciences France to save over \$12 million in customs duties in 2017. This partnership is central to our sales strategy as it will enable us, over time, to better cater to international markets from our French-based plants. ”

**MARIANNE ARTUSIO-CHENOT,**  
CUSTOMS AFFAIRS MANAGER  
WITH DOW AGROSCIENCES SAS



### ONGOING EFFORTS TO STREAMLINE CUSTOMS CLEARANCE

With an eye to boosting the appeal of France’s logistics platforms, streamlining customs clearance in France involves introducing paperless procedures, which is the basis for unhindered access to information.

In 2017, paperless customs procedures became even more mainstream with the goal being to reach 100% by 2020. In this respect, the rollout of GUN, the national one-stop shop for customs clearance, an inter-ministerial project headed up by French Customs, was stepped up. GUN is upgrading the procedures for more than fifteen other national government departments, and making them paperless. It arranges for the automatic verification of the official documents required for customs clearance which saves time and money for businesses.

### UPGRADING AND OPENING FRENCH CUSTOMS’ DATA CENTRES TO OTHER CENTRAL GOVERNMENT DEPARTMENTS

In 2017, French Customs continued its drive to upgrade and open up its two data centres. The Customs IT Centre (CID) is now an inter-ministerial IT hosting centre for the infor-

mation systems of the ministries of justice, primary and secondary education and culture, the Government Audit Office and Tracfin. The National Directorate for Foreign Trade Statistics (DNSCE) is also involved in this strategy. Concurrently, French Customs is overhauling its IT architecture with server virtualisation. These actions will be carried forward in 2018.



“ In the past, we had to enter information by hand or send all the documents to an external service provider. You can imagine the resulting constraints! As a result of

streamlined customs procedures, we have been able to gain between three and seven days in terms of logistics timelines for exports on certain sites. ”

**JÉRÔME SPIESSE,**  
HEAD OF EXPORT CONTROL AND CUSTOMS  
COMPLIANCE, SIEMENS FRANCE

# ASSISTING AND ADVISING BUSINESSES

**F**RENCH CUSTOMS' REGIONAL AND CENTRAL DEPARTMENTS SUPPORT BUSINESSES OF ALL SIZES BY PROVIDING THEM WITH TAILORED CUSTOMS PROCEDURES. ITS CLEARANCE EXPERTS ORGANISE THEME-BASED INFORMATION DAYS ADDRESSING CURRENT ISSUES SUCH AS WINE INDUSTRY REGULATIONS, E-COMMERCE OR THE MADE IN FRANCE LABEL. CUSTOMS ATTACHÉS, WHO ARE BASED IN THE MAJOR PARTNER COUNTRIES, ARE ALSO ON CALL TO SUPPORT FRENCH BUSINESSES.

### ADVISING SMES: THE LOCAL ACTION OF THE BUSINESS CONSULTING UNITS

To meet the needs of VSEs, SMEs and mid-tier firms, French Customs offers 40 Business Consulting Units at each Regional Customs Directorate, within the Economic Action Centres (PAEs).

Staff at the units have in-depth knowledge not only of regulations, but also of supply chains and the needs of businesses.

In April 2017, the Economic Action and Business Task Force (MA2E) was set up within the Directorate General. Working with the Economic Action Centres, it is tasked with smoothing out relations between French Customs and businesses, federations and inter-professional bodies.



**2,643**  
customised  
interviews

WITH BUSINESSES  
CONDUCTED BY  
THE ECONOMIC ACTION  
CENTRES (+6.4%)

### A SINGLE CONTACT FOR LARGE FIRMS: THE KEY ACCOUNTS DEPARTMENT (SGC)

Setting up the Key Accounts Department is one of the flagship initiatives of the "Customs Clearance in France" plan.

The goal is to streamline the handling of transactions carried out by major foreign trade stakeholders, some of which are world leaders, to encourage them to base all their customs activity in France.

As part of the central customs administration, the Key Accounts Department is responsible for dispensing advice, providing support and managing procedures. Its scaling up was



### KEY ACCOUNTS DAY ON 30 NOVEMBER 2017

More than a year after the Key Accounts system was unveiled, French Customs hosted the major foreign trade stakeholders at Bercy for a morning of exchanges and discussions on achievements and the outlook for the future. Over a hundred businesses attended the event, as did Laurent Saint-Martin, MP for the Val-de-Marne département, Vice-Chair of the Finance Committee and rapporteur for the budget of the "trade facilitation and security" programme.





“ French Customs is a true business partner for Haropa. It is always by our side for our business procedures, either at BtoB meetings to look into customised solutions for customers, as a co-exhibitor at trade fairs, with port stakeholders to find responses to specific questions, or by taking part in our sector expansion projects (second-hand vehicles, luxury goods and cosmetics, waste, etc.). Since 2014, we have been publishing Haropa performance indicators that show the efficiency of port passage. French Customs weighs in tellingly with its very short clearance time indicators. All these direct initiatives and the constant support afforded to us bolster France’s appeal in the global supply chain.”

HERVÉ MARTEL,  
MANAGING DIRECTOR OF HAROPA - PORT OF LE HAVRE

These centres each look after specific economic sectors: Toulouse Blagnac (aeronautics and defence), Rouen Port (automotive and industrial vehicles industries), L’Isle-d’Abeau (energy, chemical, electronics and pharmaceutical sectors) and Nantes Atlantique (luxury goods, retail distribution and agri-food). As at 31 December 2017, these centres were dealing with the declaration procedures of 96 companies, i.e. a third of the total portfolio.

**“TOUR DE FRANCE” BY EXPERTS IN THE WINE AND SPIRITS SECTOR**

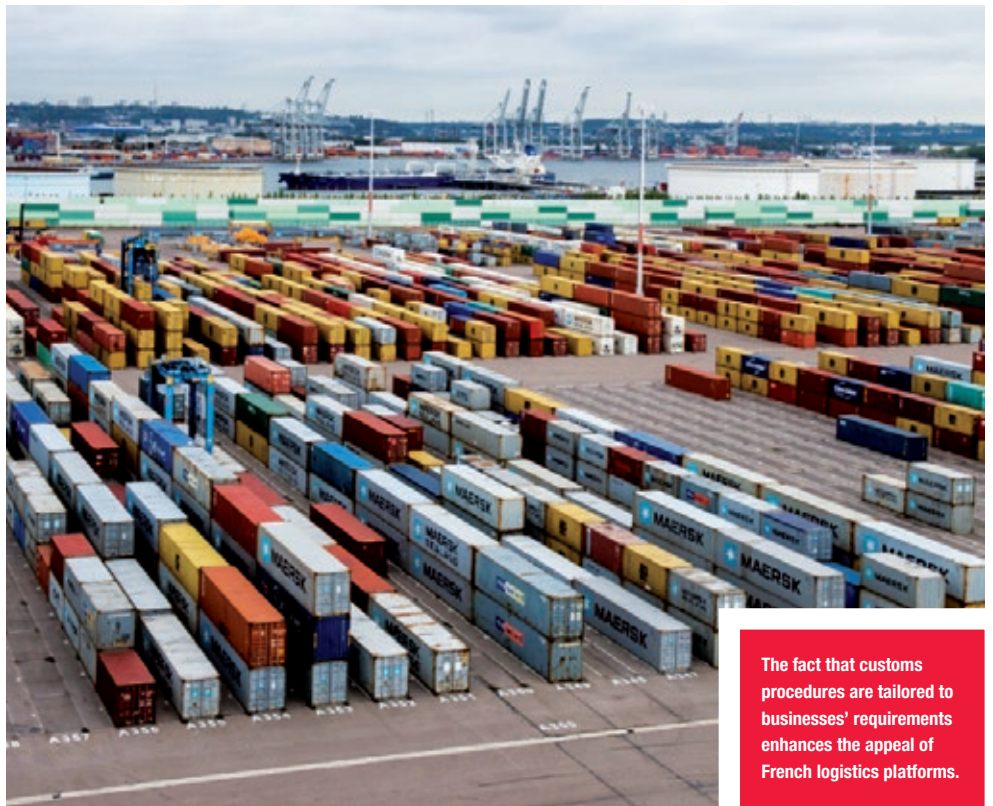
In 2017, following on from the “Tour de France” by customs experts regarding the UCC and the “Customs Clearance in France” plan, French Customs launched a fresh campaign on wine industry and excise-related topics which wound up in Corsica on 30 June. The “Tour” was comprised of twelve stages designed to inform professionals of changes to regulations and the upgrading initiatives rolled out by French Customs, as well as to support them through these changes.

**88%**  
customs user  
satisfaction  
rate



**80%**  
“Tour de France”  
by customs  
experts  
satisfaction  
rate

completed in September 2017. The Key Accounts Department now manages 69 groups representing 306 companies. Since 2017, four centres of expertise in regional France have been handling declarations from major firms on a daily basis using the single centralised national customs clearance (DCN) procedure.



The fact that customs procedures are tailored to businesses’ requirements enhances the appeal of French logistics platforms.

### BENEFITS OF THE MADE IN FRANCE LABEL

“Made in France” is a label of origin that businesses can affix to their products. French Customs offers a free Made in France Information Request (IMF) procedure in respect of this label. The procedure helps businesses determine whether they are eligible for this label of origin and whether, accordingly, they may benefit from the national and international renown of French products.

### e-COMMERCE FORUM

On 3 October 2017, French Customs joined forces with the Directorate General for Enterprise (DGE), in conjunction with the French Federation of E-commerce and Distance Selling (FEVAD), to organise a forum on the internationalisation of e-commerce with almost 200 businesses in attendance.

New challenges are being raised for French Customs due to the boom in e-commerce transactions:

- At organisational level, owing to their number and the need for fast customs processing
- At regulatory level, as these flows do not obey the notions of territoriality and the disclosure of information that underlie taxation rules
- At security level, in respect of combating terrorism and consumer protection.

Throughout the year, French Customs was primed to discuss these issues and move them forward at the various levels. The goal was to introduce just and fair taxation for all and sui-



# 212

## IMFs

ISSUED

(37 IN 2016)

# 220

## Binding Origin Information

## (BOI)

RULINGS (-1.8%)

table controls for the flows in terms of safety and security.

### FRENCH CUSTOMS IS PREPARED FOR THE INTRODUCTION OF THE “RIGHT TO MAKE A MISTAKE”

French Customs already upholds a number of principles concerning the right to make a mistake. These include the compromise settlement agreement and no penalties for taxpayers who have acted in good faith (a rule in force since 2011), and other principles in its customs inspections charter (signed back in 2009). It is fully involved in the policy and work-in-progress on this issue.

French Customs is set to make adjustments to its organisational structure, its inspection policies and its work methods. Training sessions on the right to make a mistake are scheduled for 2018.

## BETTER SUPPORT FOR BUSINESSES BY ANTICIPATING THE FALLOUT FROM BREXIT



“ The UK’s withdrawal from the EU, that was decided by the referendum held on 23 June 2016, will have direct ramifications for customs, economic operators and transport platforms (ports, airports, fixed cross-Channel liaisons). As a result, French Customs has set up a Brexit Task Force that reports to the Director General. It belongs to working groups

at inter-ministerial and ministerial level, and provides its expertise to talks held at EU level. It is tasked with assessing the impact of Brexit on the organisational structure of French Customs, its assignments, and on foreign trade stakeholders, by cooperating with other ministerial departments.

Phase-two Brexit talks began on 15 December 2017 and, from January 2018, they will focus on the conditions for a transition period and, starting in March, on the future framework for EU/UK relations.

Other issues on the table include the ultimate reintroduction of customs formalities and controls between the UK and EU Member States, and of taxes and duties, together with potential trade policy measures, as well as British nationals remaining entitled to duty free allowances. ”

**RACHEL BELLEGUY,**  
HEAD OF THE BREXIT TASK FORCE AT  
THE DIRECTORATE GENERAL OF CUSTOMS AND EXCISE (DGDDI)

# MODERNISING TAXATION AND SUPPORTING BUSINESS SECTORS

**F**RENCH CUSTOMS IS A TAX AUTHORITY THAT RECEIVES REVENUE FOR THE BENEFIT OF THE CENTRAL GOVERNMENT BUDGET, SOCIAL SECURITY ORGANISATIONS, LOCAL AUTHORITIES AND THE EU. IT IS CONTINUING TO MODERNISE ITS DECLARATION AND PAYMENT SYSTEM, IN PARTICULAR WITH A NUMBER OF PROCEDURES BEING MADE PAPERLESS AND FORMALITIES BEING STREAMLINED.

**€622m**  
collected in  
respect of the  
general tax  
on polluting  
activities  
(-2.5%)

**€50.9bn**  
in energy taxes  
collected  
(+13.1%)

## ONE YEAR ON: THE DOMESTIC TAX ON CONSUMPTION OF ELECTRICITY BY END-USERS (TICFE)

In 2016, the French lawmaker entrusted French Customs with collection of the TICFE, thus bolstering its role in managing energy taxation. The tax, which was merged with the levy to compensate electricity distributors for additional costs entailed by public service obligations (CSPE), is of strategic importance to French Customs as €7.86bn was collected in 2017.

An IT application is currently under development to streamline collection of the TICFE. TETICE (online processing of domestic taxes on energy consumption) will let taxpayers file their returns and pay online, and allow end-users to send their certificates and annual summary statements to the competent customs offices.

## SPECIALIST CUSTOMS DEPARTMENTS

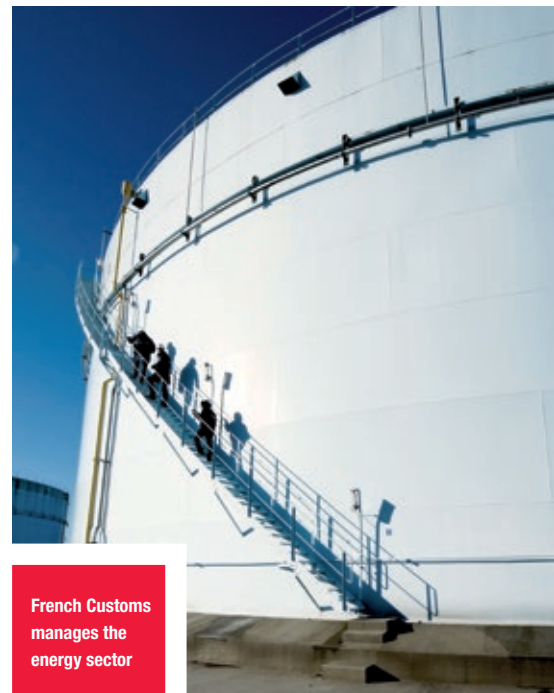
Since its creation was announced in December 2014, the National Customs Road Taxation Department (SNDFR) has been scaling up and is now able to meet French Customs road taxation management goals: a single contact with full authority has been appointed.

Since 1 July 2017, the SNDFR has been fully responsible for management of the tax on certain road vehicles (TSVR) and for partial refunds of the domestic tax on consumption of energy products (TICPE) for French hauliers and companies transporting passengers by road.

With centralised road taxation, life has become easier for businesses in two ways: streamlining of the TSVR and paperless supporting documents for applications for partial refunds of the TICPE, made possible by the online SIDECAR-Web procedure.

French Customs is also bolstering its energy taxation expertise.

The first five energy hubs have been set up (Dunkirk, Lyon, Port-de-Bouc, Rouen and Strasbourg) in response to strong demand from operators for contacts with expertise in regulations and energy taxation. New services



French Customs manages the energy sector



French Customs is upgrading management of the wine-growing sector by making it paperless.

using expert appraisals are in the process of being defined within the customs network. Throughout France, changes to the organisational structure are being accompanied by the setting up of a network of "business line" coordinators due to the complicated nature of energy taxation. The network is aiming to harmonise management and control practices with regard to operators and to pool updated regulatory information.

### FILING RETURNS AND MAKING PAYMENTS ONLINE

Introduced in summer 2016, the CIEL (online excise duties) procedure enables companies in the wine-growing and excise duty sectors to file their declarations online.

In 2017, filing returns online became mandatory for businesses in the wine-growing sector (save for those without an Internet connection due to their geographic location), at all stages of their activity: grape harvesting, vinification, storage, enrichment and other winemaking practices.

Furthermore, since April 2016, French Customs has made two new online procedures connected with the excise duty exemption regime available to operators. Profession declarations and applications for denaturing process authorisation can be filed and submitted online. Since December 2016, operators in the excise duty sector have also been able to file applications for tax classification online to be aware of the excise duty applying to their products.

So that all taxpayers have access to paperless payment methods, French Customs is continuing to tie online tax base procedures in with online payment procedures by bank card and direct debit (teleshortment). The latter were streamlined during 2017. In the long term, teleshortment will be mandatory from the 1st euro for all payments made by professionals. Individuals will have the option of paying their customs debts by bank card, irrespective of their nature.



In 2017, online declaration of wine inventories held at the end of the tax season represented a further step towards entirely paperless procedures.

**97%**  
of wine harvest  
declarations  
submitted  
electronically

**65.4%**  
of customs  
revenue was  
settled online

(66.4% IN 2016)

### SUPPORTING THE WINE-GROWING SECTOR

For more than two decades, French Customs has been managing the wine-growing sector together with the Ministry of Agriculture. Wine-growing is the second largest economic export sector in France. As the only authority that is involved in the entire production cycle from planting to exports, it is vital for French Customs to ensure this sector's competitiveness.

To this end, it is continuing to upgrade the computerised vineyard register (CVI), which is the wine sector's national management and steering tool. The purpose of the CVI is to gather relevant information to ensure the proper functioning of the joint organisation of the wine market.

French Customs is continuing to expand its online procedures for the wine sector on the Pro.douane website which is destined for professionals. In the medium term, new online procedures will be added to the current offering in the wine sector, particularly in respect of planting and uprooting.



# 03

Appendices

**BASIC FACTS**  
about French  
customs



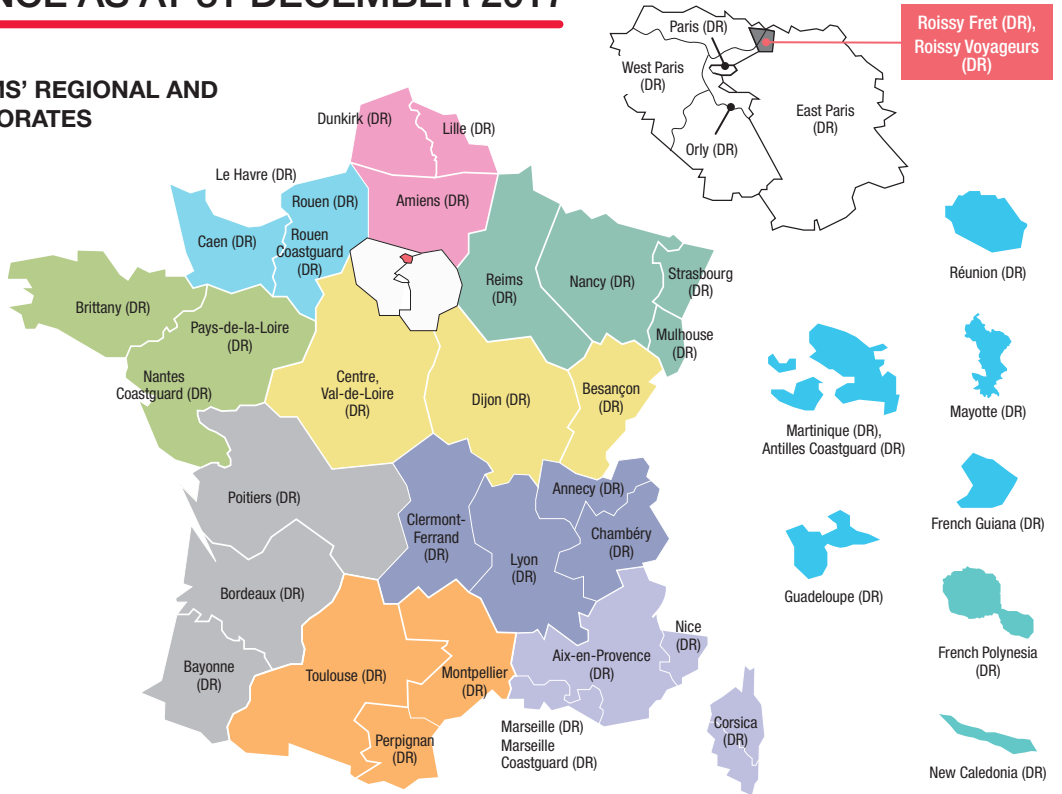
# THE DGDDI'S REGIONAL ORGANISATION IN METROPOLITAN AND OVERSEAS FRANCE AS AT 31 DECEMBER 2017

## MAP OF FRENCH CUSTOMS' REGIONAL AND INTER-REGIONAL DIRECTORATES

DR : REGIONAL DIRECTORATES  
DI : INTER-REGIONAL DIRECTORATES

- HAUTS-de-FRANCE (DI)
- GRAND EST (DI)
- CENTRE, VAL de LOIRE, BURGUNDY, FRANCHE-COMTÉ (DI)
- AUVERGNE, RHÔNE-ALPES (DI)
- PROVENCE, ALPES, CÔTES-d'AZUR, CORSICA (DI)
- OCCITANIE (DI)
- NOUVELLE-AQUITAINE (DI)
- BRITTANY, PAYS-de-la-LOIRE (DI)
- NORMANDY (DI)
- ROISSY (DI)
- ILE-de-FRANCE (DI)
- ANTILLES-FRENCH GUIANA (DI)

CUSTOMS DEPARTMENTS OF  
St Pierre-et-Miquelon  
Wallis and Futuna



## CAPACITIES

### BUDGETARY RESOURCES

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

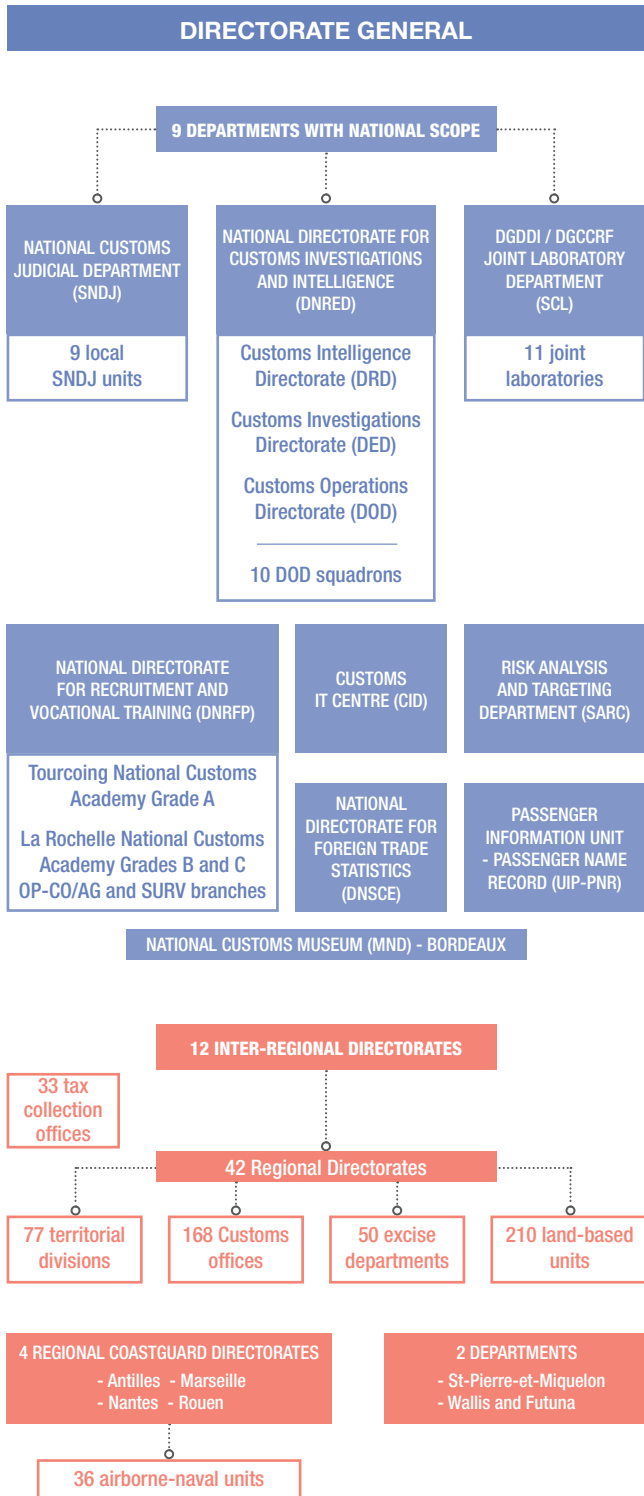
	2017
<b>STAFF</b>	826.2
<b>OPERATIONS AND MISCELLANEOUS EXPENDITURE</b>	185.7
<b>INTERVENTIONS</b>	84.1
<b>INVESTMENT</b>	51.3
<b>TOTAL</b>	<b>1,147.3</b>
<b>CONTRIBUTIONS TO THE CAS-PENSIONS</b>	368.1

### MATERIAL RESOURCES

	NUMBER OF	2016	2017
<b>LAND-BASED FLEET</b>	Vehicles	2,612	2,655
	Motorcycles	436	469
<b>NAVAL AND AIR FLEETS</b>	53-metre coastguard patrol vessel	1	1
	43-metre coastguard patrol vessel	2	2
	19-to-32-metre coastguard patrol boats	16	15
	10-to-14-metre inshore patrol vessels	14	13
	Teaching vessels	3	3
	Twin-engine aircraft	13 (including 1 POLMAR and 7 Beechcraft KA 350s)	10 (including 1 POLMAR and 7 Beechcraft KA 350s)
	Single-engine aircraft	2	-
<b>DETECTION EQUIPMENT</b>	Helicopters	9 (including five EC 135s)	9 (including five EC 135s)
	Fixed scanners	1	1
	Mobile scanners	4	4
	X-ray machines	87	90
	Density meters	150	125
	Particle analysers	25 (12 fixed and 13 mobile)	63 (including 46 lonscan 600-new equipment)
	Survey meters	73	63
	Spectrometers	-	36 (Rigaku spectrometers-new equipment)



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



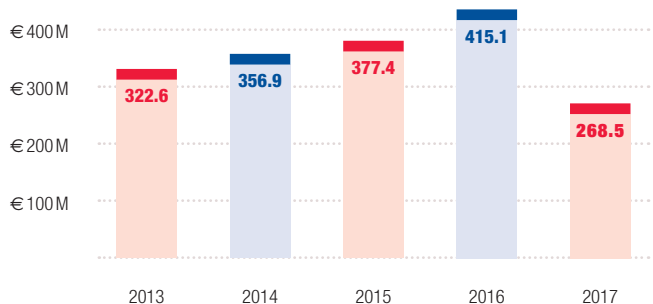
## CUSTOMS TAXATION

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

	2016	2017
<b>CUSTOMS CLEARANCE</b>	<b>11,777</b>	<b>9,420</b>
Customs duties	2,016	2,079
Import VAT	9,739	7,316
Other	22	25
<b>ENERGY AND ENVIRONMENT</b>	<b>45,632</b>	<b>50,924</b>
TICPE	28,517	30,554
TSC DOM	513	521
VAT on fuel	8,562	9,722
TICGN + TICFE + TICHLC	7,393	9,497
Taxes and remuneration on behalf of oil industry professionals	9	8
TGAP	638	622
<b>EXCISE DUTIES (CI)</b>	<b>16,399</b>	<b>16,943</b>
Alcohol and beverages	4,512	4,537
Tobacco	11,789	12,304
Other excise duties	97	102
<b>DOCK DUES AND MARITIME ACTIVITIES</b>	<b>1,780</b>	<b>1,841</b>
Dock dues	1,221	1,269
Port dues	514	528
DAFN	45	44
<b>TAX ON CERTAIN ROAD VEHICLES (TSVR - AXLE TAX)</b>	<b>167</b>	<b>172</b>
<b>OTHER TAXES</b>	<b>208</b>	<b>179</b>
<b>TOTAL</b>	<b>75,962</b>	<b>79,480</b>

-TICPE: Domestic tax on consumption of energy products -TSC DOM: Special consumption tax in overseas départements -TICGN: Domestic tax on consumption of natural gas -TICFE: Domestic tax on consumption of electricity by 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

### CHANGES TO DUTIES AND TAXES REASSESSED SINCE 2013 (IN MILLIONS OF EUROS)



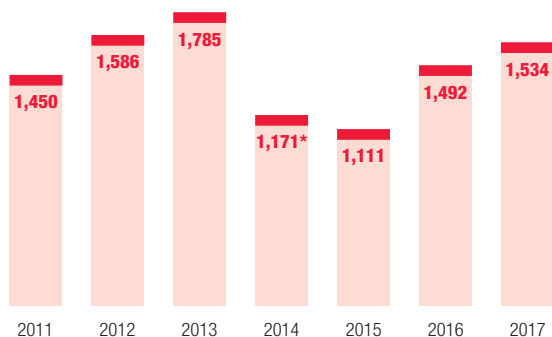
# NARCOTICS AND TOBACCO

## GENERAL DATA\* ON SEIZURES BY FRENCH CUSTOMS BY TYPE OF PRODUCT

\* Rounded to the nearest tenth.

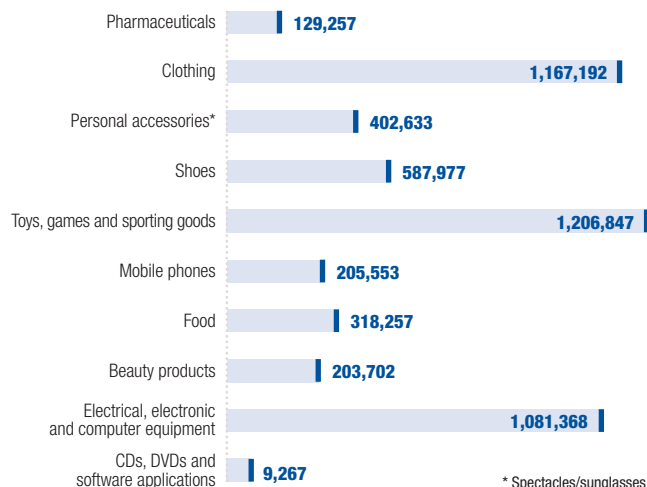
SEIZURES OF NARCOTICS	2016		2017	
	QUANTITIES / DOSES (d)*			
	Seized in France and in international waters	Seized abroad	Seized in France and in international waters	Seized abroad
Cocaine	3.8 tons	8.7 tons	9.2 tons	15.1 tons
Cannabis	35.1 tons	36.8 tons	46.1 tons	18.6 tons
Khat	2.4 tons	130 kg	7.2 tons	-
Heroin and opiates	369.4 kg	242.7 kg	243 kg	0.9 kg
Amphetamines	236.4 kg and 309 d	-	509.4 kg and 1,164 d	1.5 kg
Synthetic drugs	328.5 kg	11.5 kg	575.4 kg	12.3 kg
LSD	4,318 d	-	10,776 d	-
Ecstasy	830,374 d	-	11.7 kg and 848,839 d	-
Psychotropics	54.6 kg and 1,089,935 d	11.5 kg and 14,580 d	162.2 kg and 1,119,962 d	8,000 d
Precursors	2.6 tons	13.4 kg	1.9 tons	5 kg
Other narcotics	90 kg	1.6 kg	212.3 kg	-
<b>GRAND TOTAL</b>	<b>45.1 tons</b>	<b>46 tons</b>	<b>66.1 tons</b>	<b>33.8 tons</b>
<b>SEIZURES OF TOBACCO</b>	<b>259 tons</b>	<b>206.9 tons</b>	<b>238.2 tons</b>	<b>112.3 tons</b>

## CHANGES TO THE NUMBER OF REQUESTS BY BUSINESSES FOR INTERVENTION BY FRENCH CUSTOMS TO INTERCEPT COUNTERFEITS



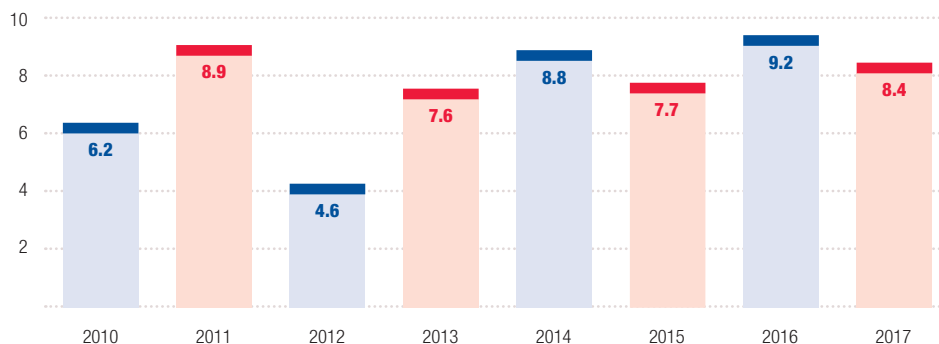
\* Change in accounting method

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



\* Spectacles/sunglasses, bags, jewellery, etc.

## CHANGES TO SEIZURES OF COUNTERFEIT GOODS SINCE 2010 (MILLIONS OF ITEMS)





**Directorate General of Customs and Excise**  
Information and Communication Unit  
11, rue des Deux Communes - 93558 Montreuil Cedex



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