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FRENCH CUSTOMS ANNUAL REPORT 2022



EDITORIAL



Bruno LE MAIRE

Minister for the Economy, Finance and Industrial and Digital Sovereignty



Gabriel ATTAL

Minister Delegate with responsibility for Public Accounts

In 2022, French Customs consolidated its role as the government department responsible for borders, handling international trade flows on entry into the European Union, and as the government department responsible for goods, carrying out the checks needed to protect France, its economy and its citizens.

Firstly, it showed that it was able to respond quickly and robustly from the very start of the war in Ukraine by implementing EU sanctions and restrictive measures against Russia alongside other French government departments. Secondly, it has stepped up action to combat fraud, trafficking and organised crime at a time when crime and security threats are constantly shifting and growing. Its performance in 2022 was excellent, with a 61% increase in seizures of smuggled tobacco, for example, and a historic level of 649 tonnes of illegal goods intercepted. Seizures of narcotics remained very high at over 104 tonnes. French Customs hampered the operation of organised crime groups by seizing or identifying some €175m of criminal assets, up 40% on 2021.

Thirdly, French Customs protected citizens and legitimate trade by withdrawing 11.53 million counterfeit items from the market. This was a historic level of seizures, exceeding the 2021 figure by almost 27%.

Beyond its general action to tackle trafficking, French Customs continues to support businesses engaged in international trade with their import and export transactions. Since 2022 it has been offering integrated

border management for goods, which its takeover of import checks previously carried out by the Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) at the main points of entry into France has made possible. To this end, French Customs has been providing all major ports and airports with the *France Sésame* system (a result of interministerial cooperation), which is intended to make French ports more competitive through better coordination of administrative procedures at borders.

Lastly, this excellent performance in 2022 shows that the customs authority is as necessary as ever. To meet the many challenges to come, French Customs has made innovation a cornerstone of its strategy in order to offer customs officers better working conditions and improve their capacity to protect France and its citizens, tackle trafficking, support business and safeguard the environment.

The French Presidency of the Council of the European Union provided considerable impetus for stepping up customs action in each EU Member State and gave French Customs the opportunity to amplify its role in protecting France and the European Union.

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FRENCH CUSTOMS AT A GLANCE

RESPONSIBLE FOR BORDERS

RESPONSIBLE FOR GOODS

Reporting to the Ministry for the Economy, Finance and Industrial and Digital Sovereignty, the Directorate General of Customs and Excise (DGDDI) is engaged with key issues of the day: increased trade, new technology and new threats.

Customs is inherently a sovereign function. Every country needs a customs authority to control borders and flows of goods.

French Customs is in charge of managing the borders – land, sea, physical and digital – to protect France.

— It **processes** cross-border **freight** by constantly adapting its resources to meet new challenges (rollout of the innovative “smart border” clearance system for Brexit; the digital single window planned for ports).

— As the leading civil government department with responsibility for the sea, it supports government maritime policy. A National **Customs Coastguard** Directorate was set up in 2019 to bolster French Customs’ role in maritime border surveillance.

— It operates **internationally** through its network of customs attachés and is involved in EU arrangements for protecting the European Union’s external borders (Frontex).

— It functions as a border guard and as such participates fully in **migration control** at border crossing points.

— Lastly, it is becoming much more involved with the digital border to meet the challenges of fast-growing **e-commerce**.

French Customs is also a government department with responsibility for goods. It is in charge of control-

ling them to protect the population, the economy and the environment.

— It **tackles trafficking**, organised crime and the financing of terrorism by using new AI-based technology and big data processing.

— It is responsible for **verifying that goods comply** with EU standards.

— It **assists businesses** with their customs procedures in order to protect their supply chains.

— It is responsible for **regulation in the specific sectors of viticulture** and **excise duties**, where it safeguards products and their movement.



2022 KEY FIGURES

ANTI-TRAFFICKING ACTIVITIES

> NARCOTICS

On the national territory

104.08 t

seized

(-9.42% on 2021)

> 2nd highest level since 2015



17.86 t

cocaine

(-4.08% on 2021)

66.25 t

cannabis

(-11.50% on 2021)

627 kg

heroin

(+34.55% on 2021)

Abroad, based on intelligence provided by French Customs

20.97 t

seized

of which

16.64 t

cocaine

4.32 t

cannabis

> SMUGGLED TOBACCO

16,986

findings

(-7.10% on 2021)

649.07 t

seized

(on French territory)

(+61.43% on 2021)



> FINANCIAL FRAUD

€175.54m

in seized or identified assets

(+40.31% on 2021)

233 money laundering cases
€350.70m recovered



> CONSUMER PROTECTION

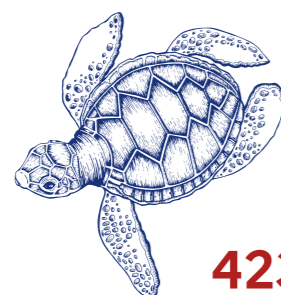


3.93m

toys inspected

(+2.88%)

> PROTECTION OF ENDANGERED SPECIES



423

findings

(+14.02%)

> WEAPONS



1,135

seized

(+40.99%)

> COUNTERFEITS



11.53m

items withdrawn from the market

(+26.84%)

CUSTOMS CLEARANCE AND ECONOMIC ACTIVITIES



2'10"

average clearance time

(13 minutes in 2004)



86.40%

satisfaction rate

among customs users

> CUSTOMS CERTIFICATION



1,879 AEOs*

* Authorised Economic Operators

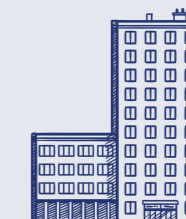
No. 2 in Europe



740 IMF*s*

* Made in France certifications

issued in 2022

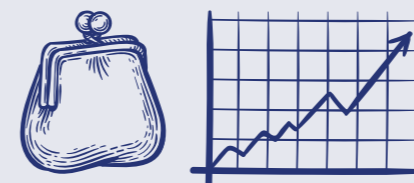


2,124 Co.*

*Companies

receiving advice from French Customs' Economic Action Centres

> TAXATION



€59.7bn

levied

> HUMAN RESOURCES



16,626

officers as at 31 December 2022

2022 HIGHLIGHTS

JANUARY

- **1 January:** France takes over the Presidency of the Council of the European Union
- **1 January:** Transfer to the Public Finances Directorate General (DGFiP) of management, collection and inspection of energy taxes (TICFE, TICGN and TICCC), regulated by the new Goods and Services Tax Code (CIBS)
- **19 January:** The Millau unit seizes 613 kg of cathinone (a new psychotropic substance)



FEBRUARY

- **1 & 2 February:** Two successive seizures of cocaine made by Le Havre customs officers total 866 kg
- **12 February:** The Hendaye unit finds 900 kg of cannabis at the Bariatou toll plaza
- **19 February:** 2001 kg of glass eels seized by the Paris and La Rochelle offices of the National Directorate for Customs Intelligence and Investigations (DNRED)
- **24 February:** Invasion of Ukraine by Russia. Implementation by French Customs of the first of nine sanctions packages successively adopted by the European Union in 2022



MARCH

- **3 March:** Officers of the GRITT task force in Lyon, with support from the RAID police unit, seize 19 tonnes of cigarettes in a Greater Lyon warehouse
- **8 March:** Presentation of the guidelines from the Wise Persons Group on the future of the Customs Union
- **17 March:** The Thionville unit seizes €850,540 hidden in a vehicle
- **22 March:** Customs officers in Chalon-sur-Saône seize 722 kg of cannabis resin



APRIL

- **6 April:** Customs officers in Strasbourg-Entzheim seize 22,000 hazardous plug-in insect repellents
- **28 & 29 April:** Discussion between the 27 EU Directors General of Customs on the recommendations by the Wise Persons Group



MAY

- **1 May:** Establishment of the origin and Made in France unit (SOMIF) based in Clermont-Ferrand
- **5 May:** French Customs' Academic Board is set up
- **17 & 24 May:** The DGDDI holds an information event on trafficking of cultural property
- **19 May:** Agreement between the European Council and the Parliament on the EU single window



JUNE

- **13 June:** Seizure of 12,289 counterfeit stamps by customs offices in Marseille and Aix-en-Provence
- **10 June:** Meeting of the Working Party on Customs Union in Brussels, chaired by the Director General of French Customs and attended by her EU counterparts
- **17 June:** Customs officers in Mayotte seize some 290,000 unsafe pharmaceuticals
- **20 June:** Launch of the Voyagez Tranquille annual summer information campaign for holiday-makers



JULY

- **5 July:** 24 French Customs projects receive awards at the Bercy Vert green energy challenge, reflecting and showcasing customs officers' interest in and commitment to environmentally responsible behaviour
- **12 July:** The Marseille-Port unit seizes 606 kg of cocaine with support from the Marseille Maritime Targeting Unit (UCIMAR): a record for French Customs in Marseille
- **14 July:** French Customs march along the Champs-Élysées for Bastille Day



AUGUST

- **From 2 to 4 August:** In 48 hours Dunkirk customs officers seize 14 tonnes of tobacco destined for the United Kingdom



SEPTEMBER

- **3 September:** The Aulnay-sous-Bois and Rungis units shut down a clandestine cigarette factory
- **10 September:** The Martinique Customs Coastguard is involved in seizure of 1.3 tonnes of cocaine on board a sailing boat
- **22 September:** The Constitutional Council repeals Article 60 of the French Customs Code by Decision No. 2022-1010 QPC with effect from 1 September 2023
- **23 September:** International customs event: speed dating between the network of customs attachés and the businesses attending
- **27 September:** Some 16.7 million counterfeit items are seized or stopped by customs authorities in a number of EU countries
- **30 September:** Visit to French Guiana by Gabriel Attal, Gérald Darmanin and Éric Dupond-Moretti to announce more customs officers and the installation of scanners at the airport and port of Cayenne in the course of 2023



OCTOBER

- **4 October:** The European Parliament endorses the agreement reached with the Council under the French Presidency of the European Union and adopts the single window for customs
- **5 October:** Narbonne customs officers seize over €310,000 concealed in a vehicle
- **12 October:** Nogent-sur-Oise customs officers seize 211 kg of ketamine and 59 kg of cocaine

NOVEMBER

- **4 November:** A one-off sale by auction of items seized by French Customs, organised by the State Property Department, raises €1.3m for central government
- **14 November:** Quimper customs officers seize 152 ivory objects sold illegally at an antique fair
- **18 November:** Sète customs officers prevent illegal export of 30 tonnes of second-hand vehicles to Senegal
- **22 November:** The France Sésame online platform is extended to 13 more ports and 8 more airports



DECEMBER

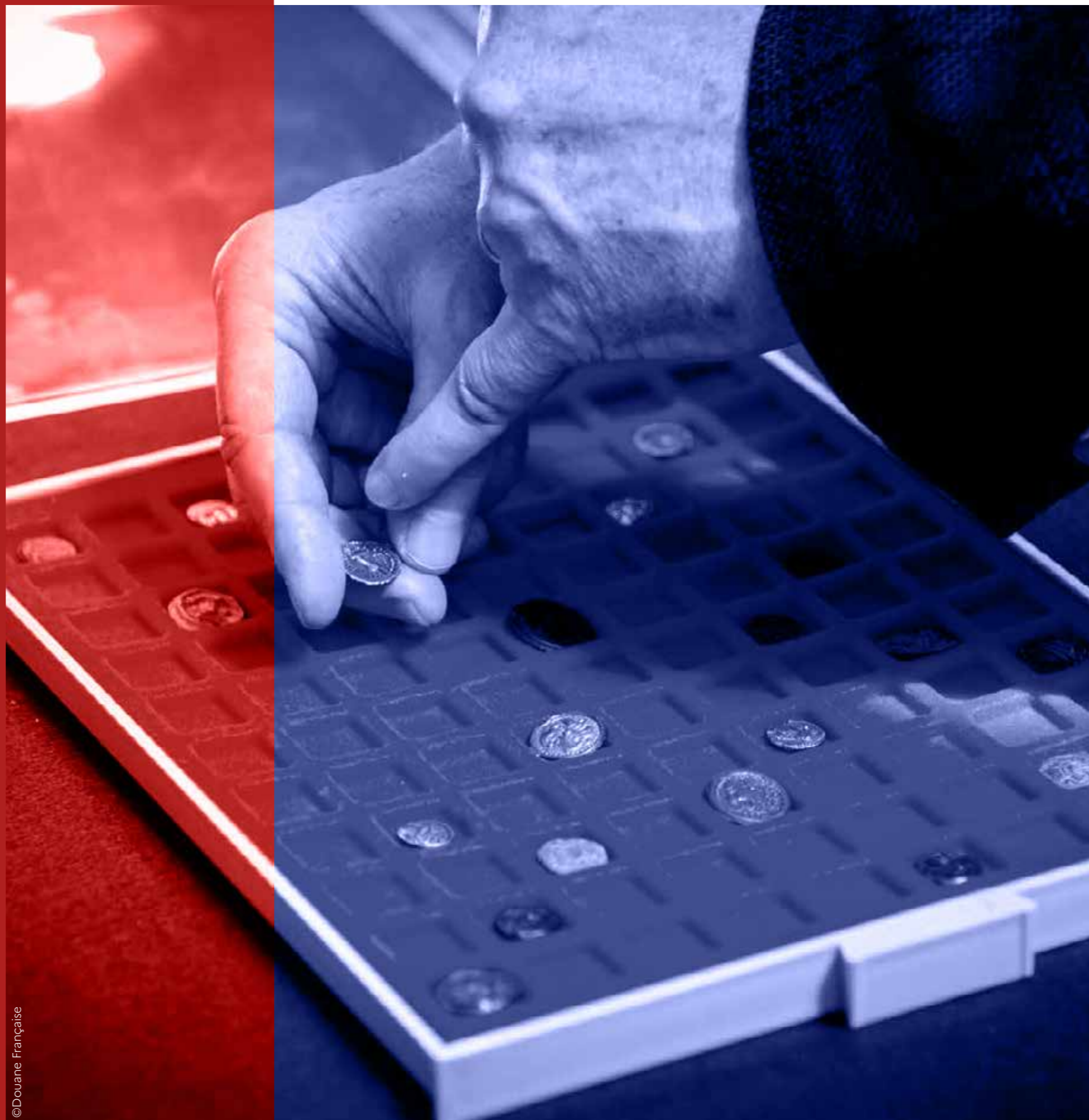
- **1 to 8 December 2022:** Staff elections in the civil service
- **5 December:** Gabriel Attal announces the measures of the new 2023-2025 tobacco plan to combat tobacco smuggling
- **12 December:** Arcachon customs officers make a bumper seizure of 578 kg of cocaine
- **14 December:** Customs officers in Brittany return two stolen statues to the parish of Crozon after seizure by the Roscoff unit in 2019 and an investigation by the Financial Investigations Judicial Department (SEJF)



01

TACKLING FRAUD AND TRAFFICKING

- > **Tobacco:**
a successful strategy of action
- > **Narcotics:**
more striking results
- > **Counterfeits:**
a further rise in seizures
- > **Financial offences**
- > **Cultural property:**
heritage that needs protecting
- > **Endangered species:**
a global issue



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French Customs is the lead border authority for processing international trade flows but also exercises supervision over the whole of France, both mainland and overseas.

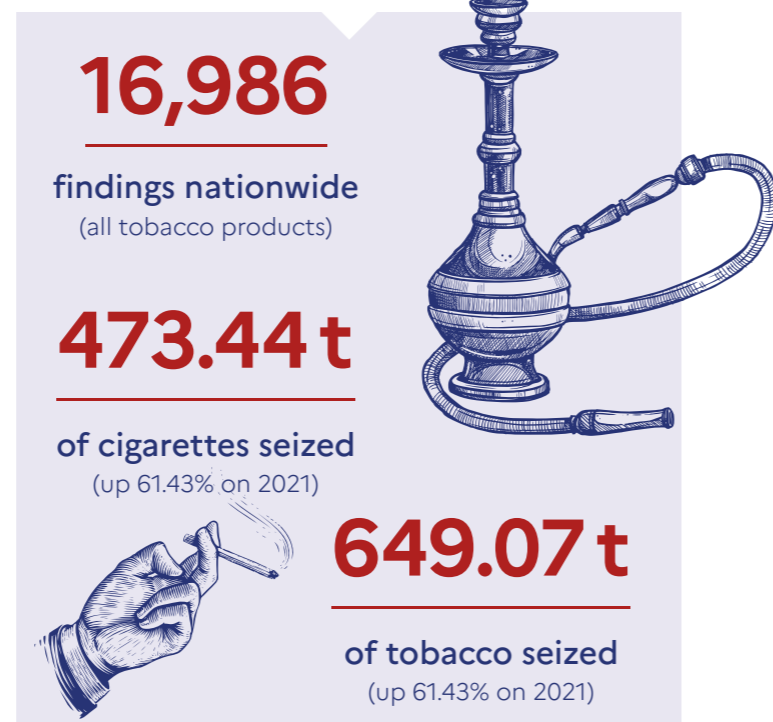
Criminal structures and networks, now increasingly organised, use an abundance of means (digital technology, violence, bribery) to exploit legal trade networks and any loopholes, expand their trafficking and supply the black market with illegal products detrimental to the population, the economy and the environment. Faced with these threats, French Customs has adapted its strategy. It has marshalled its resources and means of action in order to protect the country, its citizens, and the economic and financial interests of both France and the EU.

> Tobacco: a successful strategy of action

There are two main types of tobacco smuggling. Firstly, there is large-scale trade in genuine and counterfeit contraband tobacco, managed by transnational organised crime networks using sophisticated and versatile methods of fraud. Here, given its geographical location, France is a country of destination but also a transit zone, especially for contraband tobacco products destined for the UK and Irish markets. Secondly, there is "ant" smuggling by small groups of locally based smugglers who illegally sell limited quantities of products bought legally in neighbouring countries (Spain, Andorra, Belgium and Luxembourg). Cross-border purchases by individuals, for their own use or that of friends and family, may also fall into this category.

In 2022 French Customs achieved a new record for volume of tobacco seized in France, intercepting some 650 tonnes¹. This second consecutive increase in volumes seized since 2020 (growing from 41.3% to 61.43%) confirmed the escalation in illegal tobacco product trafficking across France. The most noteworthy trend concerned cigarettes. The 473.44 tonnes of cigarettes intercepted in the course of the year represented a record increase of 173.33% compared

with the 173.21 tonnes seized in 2021 and constituted the overwhelming proportion of all tobacco products withdrawn from the black market (over 70% of the total volume of tobacco products seized, as against 43.08% in 2021). Conversely, the volume of hookah tobacco seized (51.52 tonnes) fell by over half (down 55.65%) after the notable increase recorded in 2021 (up 77.89%).



¹ To put this in context, it takes between 6 and 7 months for an average tobacconist's in the Greater Paris region to sell 100 kg of cigarettes (500 cartons) lawfully (source: *Chambre Syndicale des buralistes de Paris-Île-de-France*).

In France, tobacco was still smuggled mainly **overland**. Some 75% in volume of the contraband tobacco seized was intercepted on roads, in articulated lorries or private vehicles. Cases concerning **express freight and postal traffic** were somewhat in decline regarding both number of findings (down 23.54%) and quantity of goods seized (down 42.03%).

These striking results stemmed in particular from the strategy impelled by the 2020-2022 national action plan to combat tobacco smuggling. The strategy proved especially successful for intelligence collection and analysis, targeting and inspections as well as international and interministerial cooperation. Finding that this system had been effective and fit for purpose, French Customs drew up another tobacco plan for 2023-2025, which was presented at a press conference on 5 December 2022 by Gabriel Attal, the Minister Delegate with responsibility for Public Accounts. This new action plan will make it possible to continue the fightback and supplement measures already initiated. It is built round four main areas of action: improving customs intelligence, bolstering operational and investigational resources, adapting prosecution policy and the legal framework, and engaging in public relations.

By Decision No. 2022-1010 QPC of 22 September 2022, the Constitutional Council ordered the repeal of Article 60 regulating the conduct of inspections relating to goods, means of transport and individuals throughout French customs territory, with effect from 1 September 2023. A new Article 60, which is currently being drafted, of the French Customs Code will provide customs officers with an updated legal framework for exercising the right of inspection, in line with the Constitutional Council's decision.

The emergence of **illegal production lines** and **warehouses** close to centres of consumption in France was confirmed. After the discovery in late 2021 of a first clandestine cigarette factory near Meaux, a second such factory was shut down in the Seine-et-Marne *département* in September 2022. Four warehouses were also identified and closed: on the outskirts of Lyon (March), in Seine-Saint-Denis (May) and in Seine-et-Marne (June and September).

Outside France, seizures of tobacco following intelligence from French Customs also increased, rising from 53.30 tonnes in 2021 to 116.96 tonnes in 2022.



This action to combat smuggling and illicit trade in genuine or counterfeit tobacco products, for which French Customs is the lead agency at interministerial level, supports France's public health policy and is part of protecting tobacconists' retail monopoly and tackling fraud against the public purse. In 2022 the value of goods seized in France, for every type of product, was over €213m. Tobacco smuggling, for which the legal penalties are less severe than in the case of narcotics, is a major source of finance and income diversification for criminal organisations.

Cases of note:

- > **7 tonnes of tobacco hidden beneath pallets of oranges in a refrigerated lorry coming from Spain and destined for the Italian market were seized by the Perpignan unit in February.**
- > **2.5 tonnes of tobacco were seized in March during the dismantling of an Armenian crime ring specialising in counterfeit cigarettes. This operation was the result of an investigation by the Tobacco Smuggling Investigation and Intervention Group (GRITT) that enabled a cigarette warehouse on the outskirts of Lyon to be identified. It was followed up with action by the Financial Investigations Judicial Department (SEJF) with support from Europol and the RAID that made it possible to arrest eleven people and seize €100,000 in cash, €150,000 in winning lottery tickets, four weapons and a considerable quantity of ammunition.**



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> **Narcotics: more striking results**

In 2022 French Customs recorded some **17,000 findings** relating to narcotics and a total of over **104 tonnes** of smuggled goods seized in France with an estimated street value of over **€1,041m²**. Although failing to reach the record level of 2021, these results make 2022 the second most prolific year for customs seizures of narcotics in France since 2015.

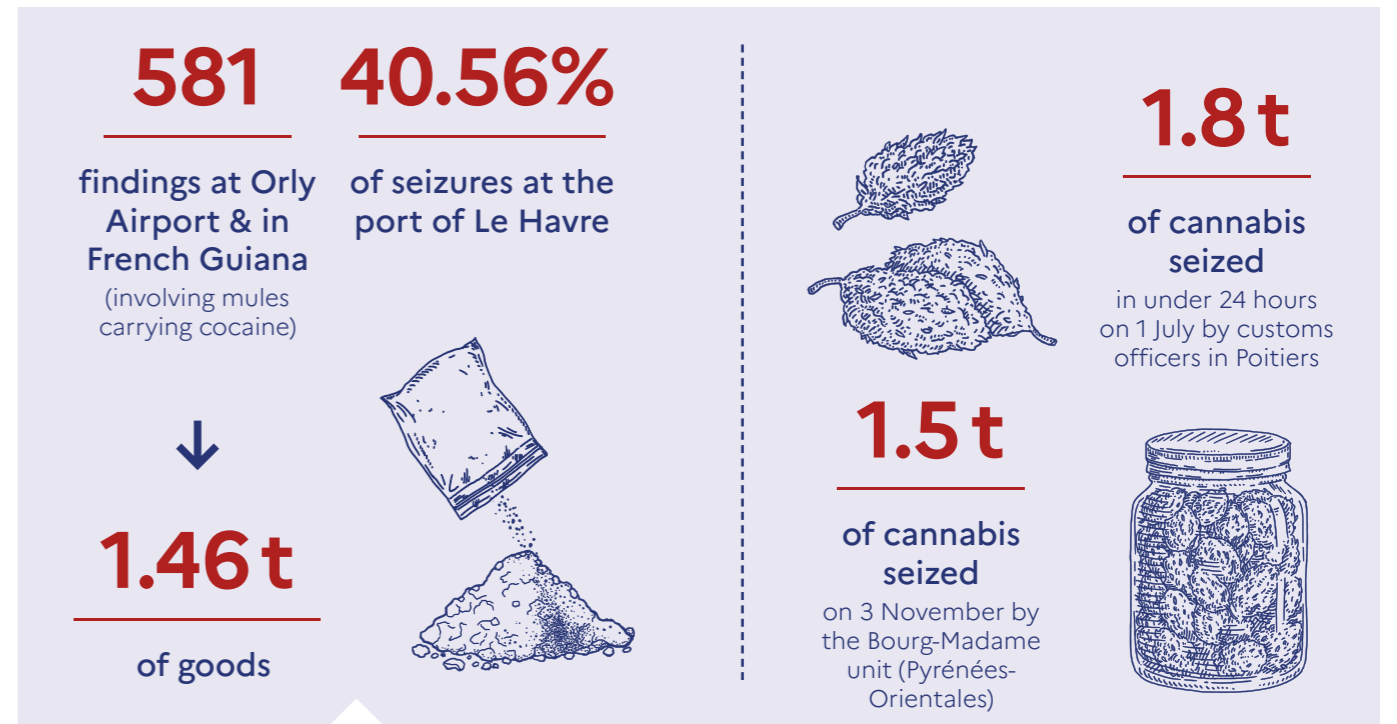
In terms of narcotic categories, this was also true for seizures of **cannabis**, which amounted to **66.26 tonnes**, divided principally, in almost equal measure, between resin (45.69%) and herbal cannabis (44.14%). Cannabis is the drug most seized in the country, since France is not only a destination country, where the drug is consumed, but also a transit zone for goods destined for Northern and Eastern Europe.

Down slightly on 2021 (11.49%), the volume seized in 2022 was nevertheless more than in previous years (2015 to 2020). Cases mostly concerned roads and motorways, which, despite the boom in express freight and postal shipments, remained the preferred method of transporting cannabis to France, from Morocco via Spain.

Seizures of **cocaine** in France also dipped slightly (by 4.1%) following the record of 2021 (18.62 tonnes). Nevertheless, the **17.86 tonnes** intercepted put 2022 in second place in the historical record for volumes seized, confirming the increased trafficking in the country already noted in 2021. The cocaine seized in France, which had an estimated street value of some **€770m**, represented over **70% of the total value** of all narcotics seized.

Cocaine smuggling, which is particularly lucrative for organised crime groups, takes place mainly by sea (the port of Le Havre accounted for 40.56% of the total quantity of cocaine seized) and by air. Growth of in-house **bribery** and **collusion both voluntary and under duress** among employees of major logistics centres, use of the **rip-on/rip-off** method and recourse to "mules", particularly from French Guiana, are noticeable trends.

² Apart from seizures at sea. These are excluded in all figures given here for drug seizures in France.



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After a sharp decline in 2018, seizures of **heroin** have been increasing ever since, attaining a total of **627 kg** in 2022 (up 34.55% on 2021). This increase enabled French Customs to post its best performance since 2018, similar to that of 2017. However, the rise in cases also reflected the growth in trafficking and a rise in consumption in France. Coming mainly from Afghanistan, the world's leading producer, and also from Africa, heroin is imported by land, air, express freight and postal shipments. Distribution networks in France get their supplies from neighbouring countries.

The volume of **synthetic drugs** intercepted in France was also on the increase (1,728 kg, up 70.75% on 2021). A bumper seizure of 613 kg of cathinone was made by the Millau unit. Such a large amount, with an estimated street value of over €9m, was the first of its kind in France. By contrast, 2022 saw a distinct drop in seizures of **ecstasy** (655,771 doses, 39% down on

2021) and **amphetamines** (144 kg, just over a fifth of the quantity seized in 2019).

As a country of destination, consumption, transit and dispatch for narcotics, France is particularly **vulnerable to trafficking**. French Customs plays a key role in tackling it both at the border and inside the country. Its work is an integral part of the interministerial framework created by the national plan to combat drug trafficking, for which the French Anti-Narcotics Office (OFAST) is the lead agency. French Customs' cooperation with all the departments involved in this plan generates strategic, tactical and operational synergies.

Cases of note: The French West Indies and French Guiana: transit hubs for cocaine

> **18 January: Acting on intelligence, the Martinique Customs Coastguard seized 1,184 kg of cocaine (with an estimated street value of over €94m) from two sailing boats anchored in Le Marin Bay.**

> **1 and 2 February: At the Port 2000 terminal in Le Havre, the Ship External Surveillance Unit (BSE) inspected 7 containers unloaded from a ship from Saint-Martin and Guadeloupe and discovered 263 blocks of cocaine weighing 291 kg in total among old tyres. The following day, inspection of an articulated lorry carrying a container from Brazil on the A29 motorway led to seizure of 575 kg of cocaine hidden inside 8 sacks of brewer's yeast.**



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> Counterfeits: a further rise in seizures



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Action to tackle counterfeiting is a major challenge for French Customs, be it to protect consumers, preserve business competitiveness or safeguard public finances. Raw material and product shortages arising directly from the pandemic and the geopolitical context over the past few years have led to price rises and supply problems. Coupled with the boom in e-commerce, they have encouraged the growth of a black market in counterfeit products that interfere with legal trade and are detrimental to consumer health and safety.

In 2022 seizures of counterfeits were again on the increase (up 25.86%) with over **11 million items intercepted in France (excluding tobacco)**. As for tobacco, **seizures of counterfeit cigarettes rocketed**, rising from just over 340,000 packets in 2021 to **more than 4 million packets** (the equivalent of 85.5 tonnes of cigarettes) in 2022. Overall, seizures of counterfeits were estimated to be worth over **€405m**.

Other than tobacco, **toys and games were most affected** (some 50% of all items seized, with a rise of over 250% in the number of items), followed, to a much lesser extent, by **personal care products** (6.75% of items seized), since the number of items seized in the latter sector fell by over half compared with 2021. Other notable upward fluctuations in number of items seized related to **pharmaceuticals** and **electrical, electronic and computer equipment**. However, each represented under 3% of total items seized.

To tackle the problem of counterfeiting, French Customs has had to adapt its inspection methods to changes in trafficking. Designated lead agency of the

National Anti-Fraud Operational Group (GONAF³) dedicated to counterfeiting, French Customs draws on analysis provided by the Risk Analysis and Targeting Department (SARC), especially for targeting postal parcels and express freight (where the items seized made up 23.2% of counterfeits intercepted by French Customs, excluding tobacco).

The *Cyberdouane* unit of the National Directorate for Customs Intelligence and Investigations (DNRED) has established partnerships with the main e-commerce websites in order to have speedy access to information about sellers of counterfeit items and to open investigations in France.

French Customs also initiated and took an active part in inspections of marketplace goods between December 2020 and September 2022, which resulted in the interception, across Europe, of **16.7 million counterfeit children's items**.

Recognising that consumers are vulnerable and can be duped by the tricks used by criminal organisations to dispose of their counterfeit products, French Customs has regularly organised special **information campaigns** to warn members of the public about the risks attaching to online purchases (to coincide with Black Friday, Cyber Monday and the Christmas holidays) and tourism abroad (holiday-maker campaign).

At the same time, it has been focusing on businesses, in partnership with the French Patent Office (INPI), to

³ GONAFs are designed to help break down the barriers between approaches through information and analysis sharing, joint risk mapping and preparation of coordinated action and investigation strategies. The intention is to identify and tackle complex and organised fraud more effectively by encouraging correlation of administrative and judicial action (source: <https://www.economie.gouv.fr>).

encourage firms holding intellectual property rights to submit requests for intervention to French Customs. This preventive approach has helped to improve protection of businesses and made it easier for customs authorities to detect and intercept suspect products. In 2022, **1,503 requests for intervention** were submitted, 504 of which were handled by France.

2021. Furthermore, the number of reporting failures relating to large sums of money was also on the increase: one reporting failure concerning an amount of over €1m was found by customs officers in 2021, as opposed to four in 2022.

In 2022 the Financial Investigations Judicial Department (SEJF), which specialises in a field that includes money laundering as both a customs offence and an ordinary offence, was entrusted with **198 investigations** relating to money laundering. The object of these investigations, which addressed the financial aspect of the crime, was to identify and seize criminal assets and dismantle fraud rings. With its proven ability to uncover these assets, the SEJF seized or identified **€175m of criminal assets in 2022**, as against €125m in 2021. The growing **use of crypto-assets**, including by organised crime groups, is a challenge faced by all customs departments taking action against money laundering.

16,7 M
children's items seized



> Financial offences

Action to tackle trafficking is not confined just to seizure of goods. Since criminal activity generates enormous profits, detecting, identifying and seizing illicit financial flows is a key part of combating fraud rings and criminal networks. Tracing and seizing these flows makes it possible to identify the people behind the fraud and deny criminal organisations their resources whilst safeguarding those of France and the European Union.

Combating money laundering

By controlling movements of cash entering or leaving the country, French Customs plays a leading role in tackling money laundering offences. The EU Cash Control Regulation on controls of cash entering or leaving the European Union, which entered into force on 3 June 2021, has bolstered the powers of customs officers in this field. In 2022, customs officers thus found **2,544 reporting failures and/or money laundering offences** totalling **€80.4m**, as against €77.4m in

2,544
reporting failures found totalling **€80.4M**



€175.54M
of criminal assets seized or identified

25
cases reported by French Customs to the EPPO



Protecting the financial interests of the EU

The budget of the European Union (EU) is financed in part by **traditional own resources (TOR)**. In 2022 they accounted for 11% of the EU budget. Traditional own resources consist mainly of customs duties, anti-dumping duties and countervailing duties on imports.

As the government department responsible for goods and borders, French Customs is in charge of protecting the financial interests of the EU with regard to imports. It also has performance obligations to the European Union in this field. Furthermore, it plays a key role in protecting the EU's economic and industrial sovereignty from unfair commercial practices of some third-party businesses by levying anti-dumping and countervailing duties.

In this respect French Customs works closely with the **European Public Prosecutor's Office (EPPO)**, which was set up as a faster and more effective means of tackling cross-border financial fraud affecting the EU's resources. This office is an independent supranational prosecution office having the power, in the 22 participating Member States, to investigate, prosecute and bring to judgement offences affecting the European Union's financial interests. These are defined as intentional acts such as **fraud affecting EU revenue and expenditure**,

serious transnational VAT fraud, corruption, money laundering and misappropriation of funds relating to such fraud that may have a negative impact on EU taxpayers' money. EPPO, which has jurisdiction over customs violations concerning protection of financial interests (PFI) and amounts of €10,000 or more that are covered by Article 414-2 (intentional customs offence) or Article 415 (customs offence of money laundering) of the French Customs Code, can entrust an investigation to either a judicial or an administrative department. As such, the Regional Investigation Departments (SREs), the DNRED and the SEJF have emerged, since 1 June 2021, the date on which EPPO began operating, as its natural partners for PFI investigations.

In 2022 French Customs reported **25 cases to EPPO**, which entrusted investigation of 17 to customs departments in France (7 to SREs, 6 to the Customs Investigations Directorate (DED) and 4 to the SEJF). The remainder were either handled by the customs departments directly without the opening of an investigation by EPPO or are still under consideration by the latter.



Spotlight on... the SEJF

Set up in 2002, the National Customs Judicial Department (SNDJ) celebrated 20 years of existence on 5 October 2022. Under the French Anti-Fraud Act (Law 2018-898), in 2019 the SNDJ became the Financial Investigations Judicial Department (SEJF), reporting to both the DGDDI and the DGFIP and specialising in prevention of customs, tax and financial crime. Headed by a member of the judiciary, the SEJF is entrusted with investigations by judges or prosecutors to trace back trafficking from detection of the fraud to consequences of the offence.

The 280 judicial investigators, who are in charge of over 1,000 investigations, use their technical skills and knowledge of the regulations, criminal networks and money laundering channels to assist public prosecutors and investigating judges as effectively as possible in combating the most serious fraud in terms of its complexity and the amounts at stake. The Department has already made a name for itself with its handling of a number of cases involving (carbon) VAT fraud, tax avoidance and assets wrongfully acquired.

> Cultural property: heritage that needs protecting

Cultural goods and national treasures are trafficked because of their monetary value and/or heritage significance and may be **used for money laundering** or even the **financing of terrorism**. They are particularly at risk of looting, especially on archaeological sites, in war zones and in areas of crisis, and they are subsequently traded, sold with forged documents, or disposed of on the black market. To ensure their protection, they are monitored by the public authorities, which have adopted regulations to safeguard them.

To meet its responsibilities in the field of heritage protection, French Customs takes action at two levels, national and European, each governed by its **own legal provisions**. For exports, it makes sure that only licensed works can leave the country legally. For imports, it verifies that non-EU cultural goods have left their countries of origin legally. Within France, it checks legitimate ownership of cultural goods and national treasures being moved. It also ensures that antique and **art dealers** comply with their AML/CFT obligations.

Spotlight on... the DNRED

As a department with national scope reporting to the Directorate General of Customs and Excise (DGDDI), the National Directorate for Customs Intelligence and Investigations (DNRED) comprises four directorates: the Customs Intelligence Directorate (DRD), the Customs Investigations Directorate (DED), the Customs Operations Directorate (DOD), and the Technical Directorate (DT) set up on 1 January 2022. The DNRED, which has specific powers laid down by the French Customs Code, operates across the whole of French customs territory.

Belonging to the inner circle of the French intelligence community, the DNRED is responsible for implementing policy relating to intelligence, inspection and anti-fraud enforcement in the customs field. To this end it has produced an atlas of customs fraud covering "the entire spectrum of customs crime and showing the scale of threats" internationally.

▼ Fossils submitted to the Brazilian authorities - 24 May 2022



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Tackling the trafficking of cultural property is a task not just for customs units but also for the customs departments specialising in intelligence, risk analysis and investigation (DNRED, SEJF). Success of operations also depends on partnerships with institutions (Ministry for Culture) and international customs cooperation.

In 2022, French Customs recorded **36 findings concerning cultural property** and seized some **38,000 items** (as against 6,377 in 2021 – an almost sixfold increase).

Concurrently with its inspection responsibilities, French Customs played an active part in raising public awareness, for example with the organisation of a **week-long event** to highlight its role in tackling the **trafficking of cultural property** (17-24 May 2022). On this occasion seized items were returned to their original museum or the authorities of their country of origin. The European Heritage Days on 17 and 18 September 2022 were also an opportunity to provide the general public with information on this subject.

Gallic coins delivered to National Museum of Archaeology - 17 May 2022 ▼



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Cases of note

> On 11 June 2022, the Nice Airport External Surveillance Unit (BSE) seized a gouache by Henri Matisse worth €70,000 that was being carried without a licence from the Ministry for Culture by a passenger travelling to the United States via Austria. This work, which came under EU Category 4 for cultural goods (watercolours, gouaches and pastels worth over €50,000), should have been accompanied by a licence allowing its definitive export from France.



> On 30 August 2022, officers from the DNRED departments together with the Lorraine and Île-de-France Regional Directorates of Cultural Affairs (DRACs) and a law officer from the branch of the national police seconded to French Customs (SPND) undertook a search, with a warrant, at the house of an individual suspected of looting archaeological resources. They discovered a large number of archaeological artefacts without supporting documents: Gallo-Roman pieces (coins, fibulae, bracelets, torques, pendants and ceramics), mediaeval objects (wheel motifs, ornamental plaques, buckles), fossils dating back several million years, Neolithic and Palaeolithic chipped flints (bifacial and arrowhead), a full mammoth tusk, etc. In all, 13,544 items of cultural property were seized, with an estimated customs value of €383,832.



> Endangered species: a global issue

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), also known as the **Washington Convention**, regulates cross-border trade in over 38,000 plant and animal species. Its aim is to promote sustainable use of wild species and ensure that international trade in the plants and animals listed in its appendices (whether dead or alive), together with their parts and derivatives, is not detrimental to the conservation of biodiversity.

As part of its responsibility to protect the environment, French Customs controls trade in endangered plant and animal species. It found **423 violations** of CITES in France in 2022 (up 14.02% on 2021). These led to the seizure of over 100,000 specimens⁴ and products derived from protected species (overall, and excluding goods of which French Customs was aware but was unable to seize).

France is a country of destination, transit and departure for trafficking of species that fall under the Washington Convention.

As a country of origin, it is mainly affected by glass eel smuggling. French Customs seized 256 kg of glass eels in 2022. Glass eel fishing, which is regulated by quotas for consumption and restocking, is confined to professional fishermen, and sale of elvers is authorised only in the EU. Glass eels are smuggled to Asia. They are traded for between €700 and €900 per kilogram in France and up to €5,000 in Asia. To combat this smuggling, French Customs is involved in the annual inspections coordinated by Europol for Operation Lake that are designed to end the illegal trade in glass eels.

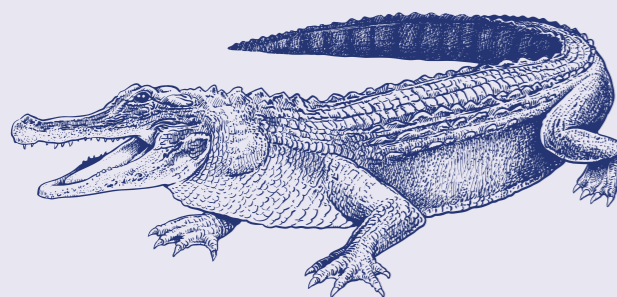
⁴ All animals (dead or alive), parts of animals, and all other plant or animal products.

423

CITES violations

540

units of hide & pelts



> 100,000

specimens & products derived from protected species seized*

1,336

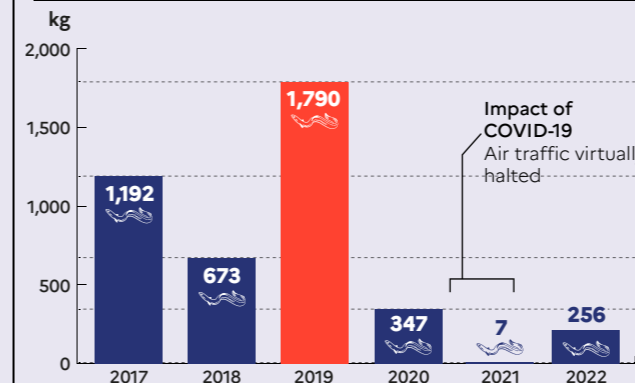
shellfish & corals



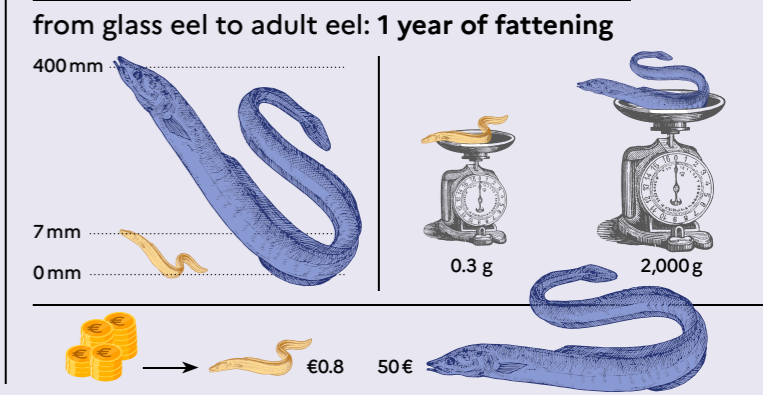
*Excluding goods unable to be seized

SPOTLIGHT ON... GLASS EEL SMUGGLING

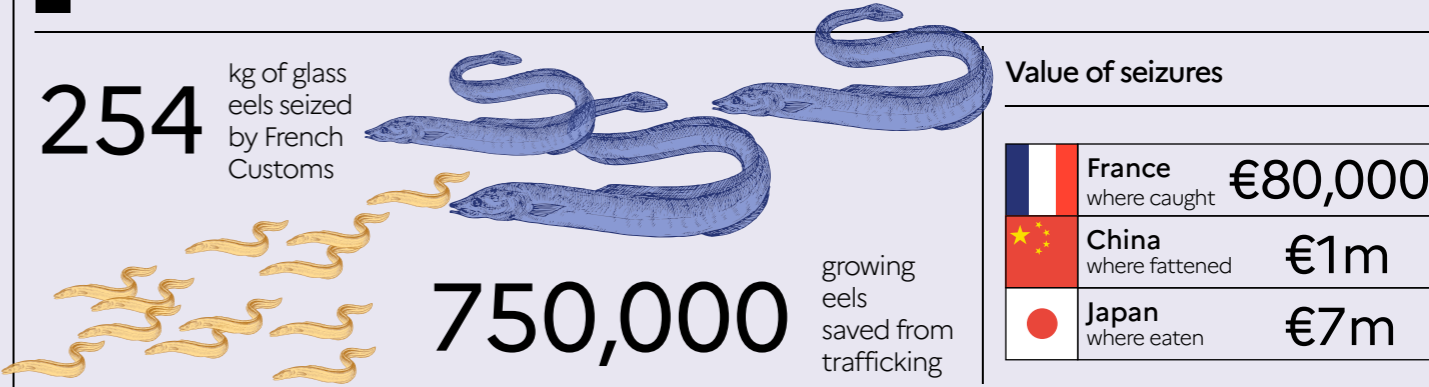
Customs seizures of glass eels



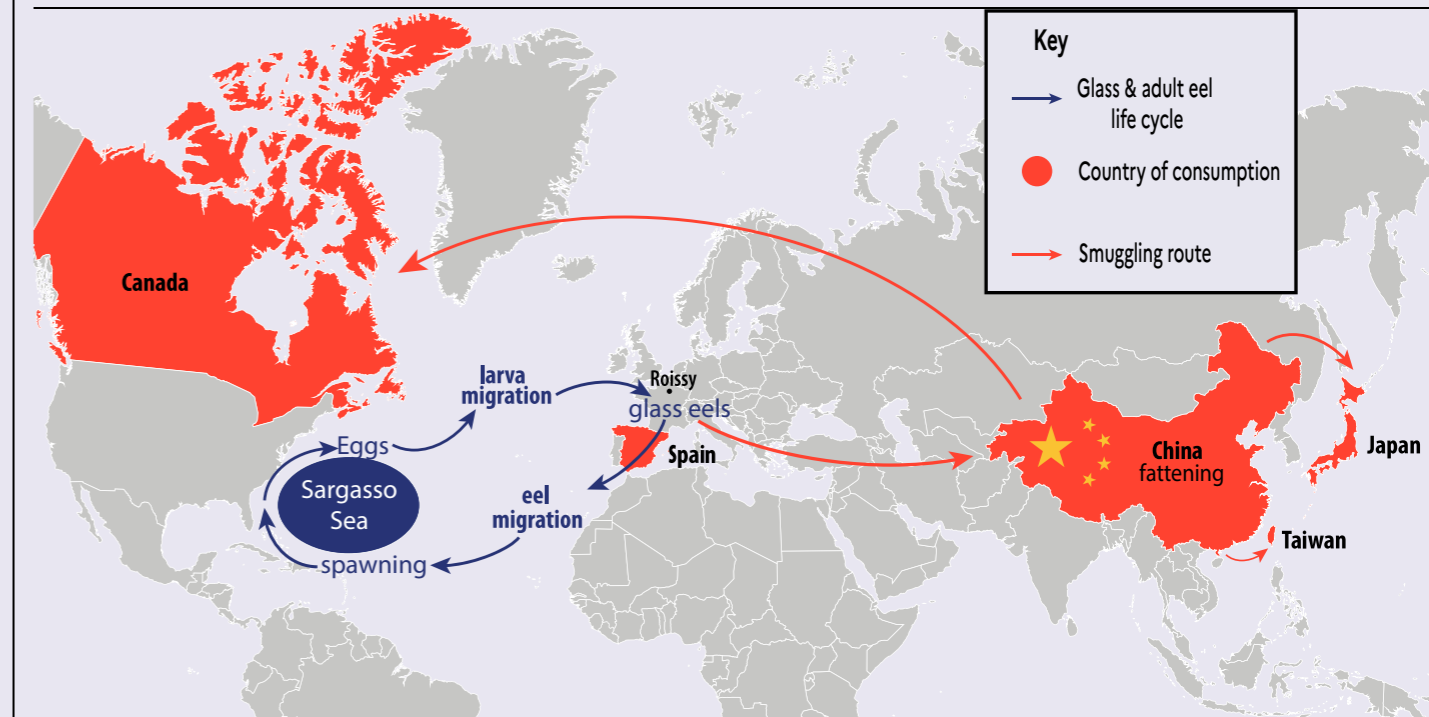
Development of glass eels



2022 Operation Lake coordinated by Europol



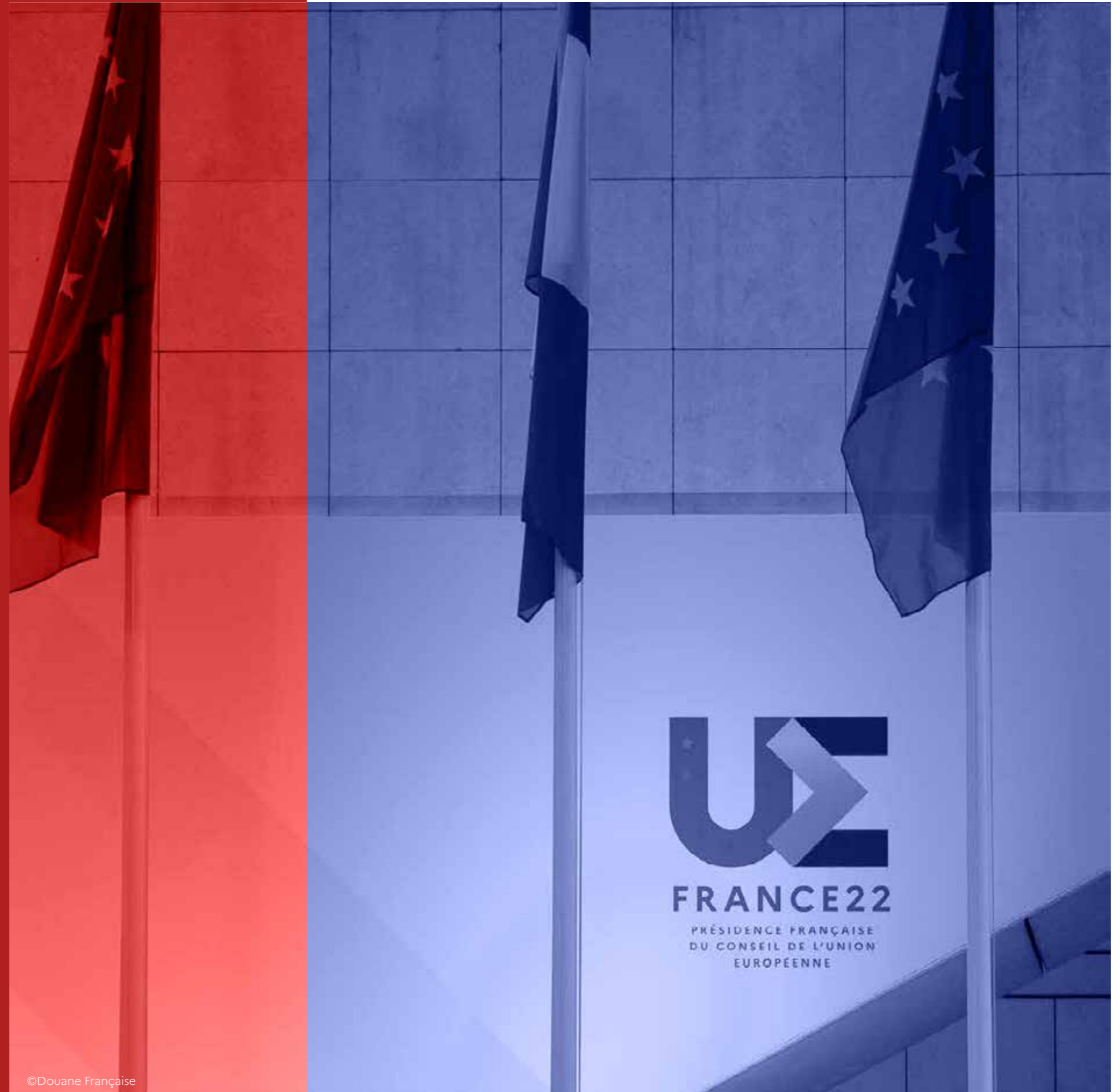
Smuggling geography



02

MANAGING BORDERS

- > War in Ukraine
- > Protecting and assisting legitimate traders
- > French Presidency of the European Union



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French Customs is responsible for protecting the country's borders and citizens, as well as the economic and financial interests of France and the EU. Its role is to monitor and control the import and export of goods across all land, sea and air routes into and out of France. Given the many diverse challenges and threats to border security, the day-to-day work it does takes on even greater importance.

> War in Ukraine

Measures against Russia and in support of Ukraine

In response to Russia's invasion of Ukraine on 24 February 2022, the European Union took new measures against Russia and Belarus in addition to sanctions already applied against Russia in 2014¹. The new measures target strategically important sectors including defence, security, energy, aviation and finance (e.g. dual-use goods, products with applications in technological development or during military build-ups, space and aerospace industries, oil, iron and steel, minerals, wood, cement, etc.).

A total of **nine sets of restrictions and sanctions** were implemented over the course of 2022. French Customs played its part in implementing and enforcing these measures across the organisation².

French Customs at the forefront of enforcing measures against Russia

The Directorate General of Customs and Excise (DGDDI), in partnership with Economic Action Centres (PAEs) at regional level, issued regular updates to foreign trade stakeholders about additional

economic and financial measures being taken against Russia and Belarus, and **assisted companies** that engaged in trade with both countries. Charities and their logistics partners were also made aware of the temporary easing of rules governing the distribution of emergency humanitarian aid to affected populations and areas, as well as the fast-tracking of declaration procedures to allow Ukrainian refugees to transfer their personal property during relocation.

Customs trade operations units across the country were particularly active in **monitoring the flow of goods imports and exports** subject to sanctions with Russia, Belarus, and the Ukrainian *oblasts* of Donetsk and Luhansk.

The Minister for the Economy and Finance took the decision to set up a **task force** comprised of the Ministry and the National Directorate for Customs Intelligence and Investigations (DNRED) to address the situation in Ukraine. Its role was to identify economic resources held by persons and entities subject to sanctions, as well as share information in order to ensure that measures achieve the greatest impact.

As the sanctions and restrictions took effect, the National Customs Coastguard Directorate (DNGCD), French Customs' airborne and naval resources, working

¹ In response to the annexation of Crimea and the infringement on Ukraine's territorial integrity.
² Violation of certain restrictions included in these measures is an offence punishable under Article 459 of the French Customs Code.

> Protecting and assisting legitimate traders

closely with all other units across the organisation, colleagues from government maritime agencies (e.g. French Navy, Maritime Gendarmerie, Maritime Affairs, among others) and coordinated by French maritime prefectures, stepped up checks in French territorial waters, ports and shipyards to identify potential breaches of EU measures and, if necessary, board and divert offending vessels. Within just a few weeks, **13 means of transport** (six yachts and seven helicopters) found to be linked to Russian oligarchs subject to EU sanctions with an estimated total value of over €215m, were seized by coastguard units and Mediterranean coastal land surveillance units. **Four artworks** were also seized by customs officers on similar grounds.

French Customs plays a key role in enforcing laws and regulations at France's borders and ensuring safe passage for goods, in particular for major logistics hubs handling ever-higher volumes of items.

An integrated approach to goods at the border

> French Customs is engaged in the **France Sésame** project along with other agencies with an active presence at the border, including the Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), the Ministry for Agriculture and Food (Directorate General for Food) and the Ministry for the Ecological Transition (Directorate General for Infrastructure, Transport and the Sea).

France Sésame is an online platform aimed at **improving the competitiveness of French ports** by simplifying and streamlining the cross-border movement of goods subject to sanitary and phytosanitary (SPS) regulations. The platform offers a range of online services to economic operators (e.g. logistics providers, forwarders, registered customs representatives (RCRs), importers, port authorities).

One year on from its initial rollout on 17 November 2021 at the major sea ports of Le Havre, Dunkirk and Marseille, **France Sésame was extended** on 22 November 2022 to cover more ports and airports in mainland and overseas France, including 13 more sea ports (Bordeaux, Brest, French Guiana, Guadeloupe, La Rochelle, Lorient, Martinique, Nantes Saint-Nazaire, Mayotte, Perpignan Port-Vendres, Réunion, Saint-Malo, Sète) and eight airports (Bordeaux, French Guiana, Guadeloupe, Marseille-Marignane, Strasbourg-Entzheim, Mayotte, Réunion, Martinique).

Alongside the rollout of *France Sésame*, French Customs also took over **sanitary and phytosanitary import checks** previously carried out by DGCCRF. The completion of all goods-related formalities by one agency instead of two opens up a range of possibilities. By handing over responsibility to French Customs, operators will find it easier to navigate border crossings by reducing the number of agencies they deal with.

Checks on sanitary and phytosanitary imports will be carried out at a number of entry points to France. Under the new arrangements, French Customs will take over responsibility for border control posts (BCPs) on a phased basis. Following the successful hand-over of BCPs at Dunkirk and Calais in 2020, followed by Marseille and Le Havre in 2021, French Customs commenced sanitary and phytosanitary checks on 1 November 2022 at the BCPs of Saint-Nazaire-Montoir,



Réunion, Guadeloupe and French Guiana, the checkpoints (PCs) of Agen and Strasbourg-Entzheim, and the organic free circulation points (PMLPs) of Strasbourg-Entzheim and Bordeaux. **Goods samples** taken during sanitary and phytosanitary checks are sent to the Joint Laboratory Department (SCL) for analysis. Where goods are found to be non-compliant, the operator has the option of destroying the goods, returning them, or donating them to a charity if fit for consumption.

> As market surveillance authority (MSA) with general supervisory responsibility for imports, French Customs conducts **conformity checks on industrial products** entering the French market from non-EU



Spotlight on... the SCL

The Joint Laboratory Department (SCL) was established following the merger of the laboratories of the DGCCRF and DGDDI. The department has a head office in Paris and is responsible for 11 laboratories in mainland and overseas France. The SCL provides DGCCRF and DGDDI with the scientific capacity to undertake sample analysis and carry out further investigation as required under their respective remits. By engaging the Department's expertise, products entering the French market can be confirmed as compliant or identified as hazardous, taxed appropriately, and checked to ensure that they meet prohibition rules.



35,000

samples taken by French Customs

78,000 >24,000

analyses (all products)

non-compliant samples

countries. This remit falls within the EU regulatory framework and involves a close working relationship with DGCCRF, the MSA with general responsibility for consumer protection within the internal market. In line with the Directorate General of Customs strategy and to support risk analysis and targeting previously carried out by SARC, customs officers carry out documentary and/or physical checks on imported goods and, where applicable, take samples for analysis by the SCL.

> In 2022, DGDDI embarked on an ambitious overhaul of its IT systems used to process international trade operations. The project is in line with the Union Customs Code (UCC) requirement for fully paperless exchanges between EU customs authorities and companies – and between the different customs authorities themselves – by 2025, in order to strengthen the Customs Union among the 27 Member States. Under the project, **13 information systems** routinely used by companies to declare, and by customs officers to inspect, goods for import and export, will be rolled out or upgraded.

The **overhaul of the import-export system** is primarily aimed at companies who complete customs formalities for their international operations, either directly or through a customs broker. IT services firms who provide intermediate access solutions for customs information systems, or systems integrated with those used by French Customs, will also benefit from the overhaul. In addition, this will have major consequences for operators, who will need to update their information systems, deliver relevant training to staff and, in some cases, redesign some of their internal processes, and make preparations accordingly. In return, operators will benefit from improvements to the system and a more streamlined customs process. For example, the entry in the declarant's records (EIDR) facility will be available to a broader range of operators, using a more straightforward and user-friendly process than exists at present.

The new remote services will include **extra facilities for AEOs**, such as the ability to choose where checks take place, receive notifications prior to checks, use the EIDR facility without the need to give notice of submission, and access centralised EU customs clearance.

Supporting the growth and competitiveness of French businesses

> The EU VAT e-commerce package, which took effect on 1 July 2021, aims to clamp down on VAT evasion by e-commerce businesses

Under the new arrangements, **VAT is now payable** on all imported items shipped from non-EU countries into the European Union, **irrespective of their value**. A special electronic customs declaration, H7, must be submitted to Delta H7, a dedicated online service designed for ease of access and to streamline the customs clearance process. In 2022, **76,792,073 customs declarations were processed via Delta H7**, covering 170,144,315 "low value"³ items (€150 or less) with a total intrinsic value of €1,917,067,579.02.

> Mindful of the importance of French-origin labelling to businesses and the need to protect this label, French Customs has offered companies its insight and expertise on the origin of goods. As part of efforts to affirm the value of their products, **the Made in France labelling procedure**, created in 2016, provides businesses with free personalised legal advice to verify if their products are eligible for the label and ensure it is applied securely.

Originally intended as a guarantee of product quality and a means of retaining know-how and supporting French jobs, Made in France has since become a marker for products with a low environmental footprint and a signal of France's economic sovereignty. The label offers companies a way to ensure their product stands out and to gain market share.

In response to consumer interest in the Made in France label, and the increased demand for the scheme from companies, **a new origin and Made in France unit (SOMIF)** was established in Clermont-Ferrand in May 2022, tasked with issuing **the Made in France label** and providing **binding origin information (BOI)** to businesses. In 2022, French Customs issued **740 responses** to applications from companies for the Made in France label and responded to **100% of BOI requests within the statutory 120-day time limit**.

³ 4.28 million items with a per-unit value below €150 were also covered by 3 million declarations in Delta X import and Delta G, with a total customs value of almost €200m

Support for businesses

2,124

individual advisory sessions



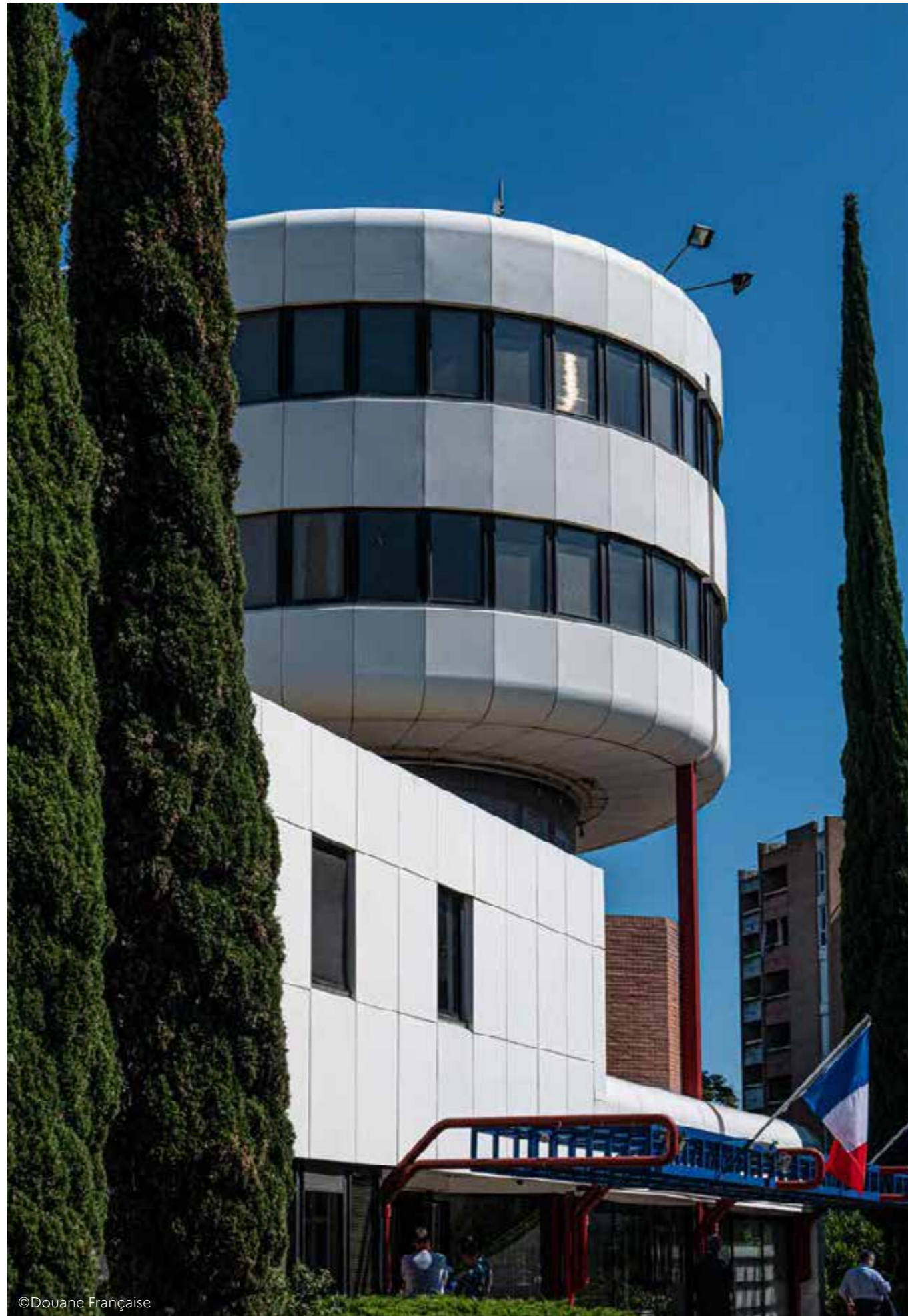
74

major companies tracked by the Key Accounts Department (SGC)

Spotlight on... the DNSCE

The National Directorate for Foreign Trade Statistics (DNSCE) celebrated 40 years of operations in 2022. Based in Toulouse, the Directorate began as the centre for processing customs declaration information used to compile foreign trade indicators analysed and published by the National Institute of Statistics and Economic Studies (INSEE). 40 years on, the scope of its work has grown, as has the range of services it offers to businesses.

The process of collecting, checking and carrying out quality assurance on foreign trade data is now fully digital. As French Customs' data centre alongside the Customs IT Centre, DNSCE offers dedicated online services that allow companies to make declarations regarding excise duties, energy products and other regulations and requirements.



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▲ DNSCE premises in Toulouse

> French Presidency of the European Union

Building a sovereign, green and inclusive Europe and supporting a joined-up approach by EU customs authorities

From 1 January to 30 June 2022, France took over the Presidency of the Council of the European Union and all of its programmes, hosting meetings, identifying priority areas, coordinating efforts and chairing negotiations on an ambitious agenda to build a sovereign, green and inclusive Europe. In the space of six months, the Presidency of the Council of the European Union made significant breakthroughs regarding support for EU customs authorities in its efforts to protect the internal market and its citizens.

In terms of customs matters, the French Presidency focused on strengthening EU customs operations in four key areas:

Crisis response

One year on from the resumption of customs formalities and checks between the EU and the United Kingdom, the Ministerial Conference in Paris on 27 January 2022 was an opportunity for Member States to share their post-Brexit experience and emphasise the role of cooperation between Member States and the European Commission. Their feedback highlighted the ability of customs authorities and businesses to adapt (43 companies received personalised advice in 2022, down from 235 in 2021) and the effectiveness of **smart borders**, developed by DGDDI to maintain smooth trade flows with the United Kingdom.

In 2022, **3,607,228 lorries** used the smart border, of which **1,808,077 were for importing goods**. 47.95% of lorries were empty, while 83.05% of lorries containing goods for import were directed to exit by the authorised green channel (those containing fish products were redirected to Boulogne-sur-Mer).

To address the **situation in Ukraine**, France, as holder of the Presidency of the Council of the European Union, worked together with the European Commission, including at WCO level, to provide civilian and military aid to Ukraine, as well as to ensure efficient and coordinated implementation of sanctions and restrictions against Russia. The French Presidency also sought to thwart efforts to circumvent these measures through effective information sharing between customs authorities in different Member States. It also focused on preparing for the medium- and long-term impact of the war on flows of illegal goods and ensuring that collective anti-trafficking efforts by Member States are appropriate to the war context.

Spotlight on... the migrant crisis

As well as implementing new EU regulations and mechanisms to manage current crises, French Customs stands ready to engage all means at its disposal to protect the Schengen area's external borders in order to handle the migrant crisis.

The organisation staffs a Schengen area border post at 77 border crossing points (BCPs): 54 by air, three by land (two rail, one road) and 20 by sea, which together account for 63.11% of all of France's BCPs, and pursues ongoing cooperation with the European Border and Coast Guard Agency (Frontex), providing human and material resources to defend our national territory and the EU's external borders. In 2022, French customs units participated in 12 Frontex missions, with the involvement of 24 specialists.

In the course of routine sea patrols, DNGCD may be called upon to monitor the flow of migrants and provide emergency assistance. In 2022, it was involved in five Frontex missions (at a rate of 154 days per officer).

External border protection

3.79m

checks (immigration)



1,069

migrants rescued in the English Channel and the North Atlantic Ocean

88

migrants rescued in the Mediterranean Sea

Regulating international trade

During its Presidency of the EU, France played a key role in developing the customs component of **two EU measures that are environmental in scope** and aimed at curbing unfair competition from products made in countries with less stringent regulations.

> **The EU Carbon Border Adjustment Mechanism (CBAM)** is chiefly aimed at preventing carbon leakage and offering incentives to trading partners to

implement carbon pricing policies to combat climate change. Under the mechanism, declarants in the relevant sectors (e.g. steel, cement, fertiliser, electricity) must register with the appropriate authorities in order to obtain an import authorisation.

> **The new EU regulation on deforestation and forest degradation** imposes a requirement on importing companies to prove that their supply chains do not contribute to the destruction or degradation of forests (**due diligence** rules).

Protecting the internal market and its citizens

On 19 May 2022, the French Presidency reached an agreement with the European Parliament on the creation of a **one-stop shop for EU customs**. The system is expected to make the completion of compulsory non-customs formalities at border points quicker and easier for certain products (with applications in health, safety, environment, agriculture, fishing, cultural heritage, etc.) at the same time as allowing extra capacity for checks by EU customs authorities.

The Presidency's efforts have also helped reaffirm the importance of customs authorities in internal security, and the added value they provide. An **established expert group on customs**, made up of specialist customs units in EU Member States (DNRED and their equivalents) has been tasked with **identifying and profiling the threats faced by customs authorities** across the EU. With this in mind, the Presidency approved the **11th customs cooperation plan** to coordinate Member State anti-trafficking efforts with law enforcement agencies (e.g. police, coastguard) and EU bodies and agencies (OLAF, Europol, Frontex) operating on the EU's borders.

The future of the Customs Union

The French Presidency also helped to give impetus to the work of the **Wise Persons Group (WPG)** formed by the European Commission in defining the way forward for the Customs Union. The WPG is set to issue **10 recommendations**, including a fresh approach to processing data that customs authorities collect and use to assess risk at EU level, improved cooperation with authorities involved in determining prohibitions and restrictions, a new approach for operators, and improvements in governance to coordinate and align the efforts of the Union's 27 customs authorities.



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03

INNOVATING IN OUR OPERATIONS

- > The role innovation plays in the work of customs officers
- > The role innovation plays in anti-trafficking efforts
- > Innovation as a driver of environmental protection



As international trade increases, so too do trafficking and fraud by criminal gangs. In response, French Customs must stand ready to tackle these threats.

Innovation will be a cornerstone of French Customs' strategy over the coming years, as it offers customs officers better working conditions and improves their capacity to protect France and its citizens, tackle trafficking, support businesses and safeguard the environment.

2022 saw the development and rollout of a number of innovative projects across the organisation, aimed at modernising methods and improving performance.

> The role innovation plays in the work of customs officers

Making Data Count initiative

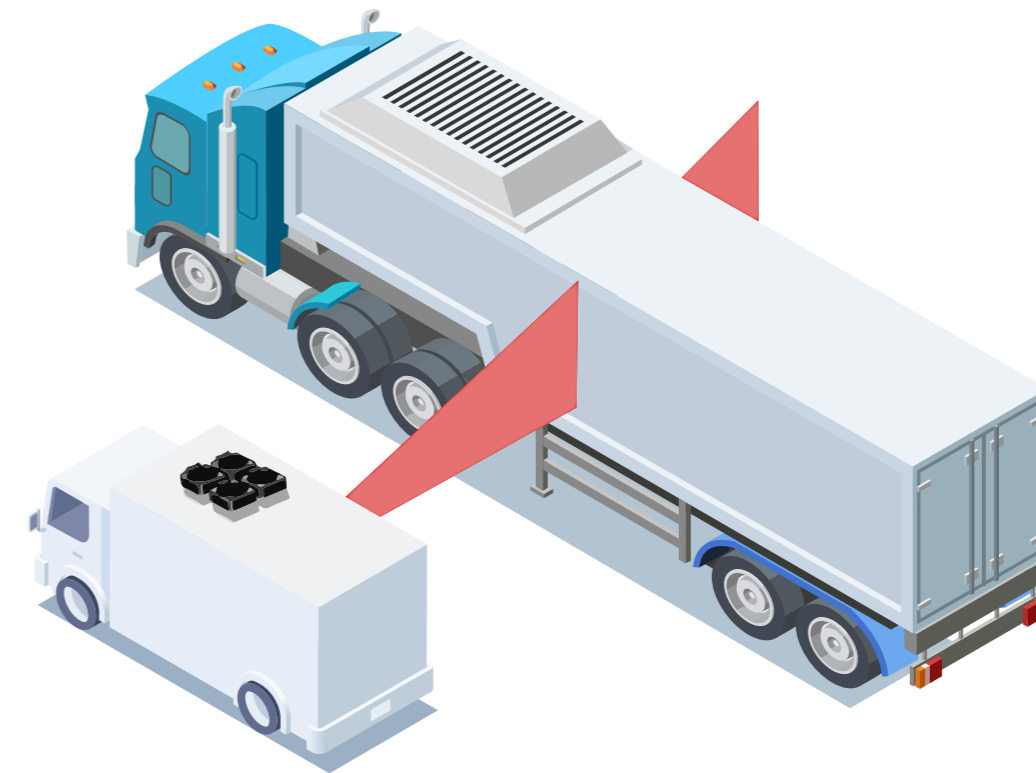
Making Data Count (*valorisation des données*) is part of an effort to put data at the forefront of change in the working methods used by customs officers. With more than 200 Customs-specific applications, staff have access to a wealth of data stored away in servers and typically under-utilised. The initiative seeks to highlight three essential elements: **data lakes**; exploiting infrastructure to release, cross-check and utilise all data, applications and systems reliant on data feeds to assist in the work we do; and using **artificial intelligence** to process data and identify patterns of fraud, under the supervision and for the benefit of customs officers.

Developed in partnership with field units, new tools and systems are emerging to optimise the work of customs officers, from targeting to checks, as well as in our advisory work with businesses and users.

> **Following a pilot scheme and partial rollout in late 2021** at a number of surveillance units and the Greater Paris Land-Based Customs Operations Centre (CODT), a new **radio communication system** was phased in at all land-based operational units (pedestrians and motorcyclists) in 2022, offering secure communication for smartphone, desktop and tablets, as well as data-sharing between units and the CODT, including videos and text and voice messages, with unlimited

range. A geolocation system allows the CODT to assist field units in real time and steer and coordinate their operations effectively, boosting the efficiency of checks while also protecting officers. The solution is a forerunner for the Radio Network of the Future (RRF), scheduled for rollout at all government departments and agencies.

> **Surveillance and trade operations officers** engaged in field missions will receive on-board systems (smartphones or tablets) allowing access to applications and



► lorry scanner

information needed to conduct checks. As part of this initiative, French Customs has been developing two new mobile applications to assist with checks in 2022. The first will assist in operations to verify vineyard plots undertaken by viticulture inspection units, while the second will be used by trade operations officers when carrying out physical checks of e-commerce goods at the warehouses of transport and logistics firms as part of the customs clearance process.

New online services available to operators in 2022 on douane.gouv.fr

Clearing goods brought in from abroad represents a sizeable chunk of the work our officers do at the border. France has many points of entry in a variety of settings (e.g. airports, international train stations, road crossings). Every year, customs clearance operations deal with tens of thousands of declarations from individuals, with significant amounts in fees and duties at stake. In this context, French Customs launched **DéclareDouane**, a new publicly available online service for goods purchased abroad, in late July 2022.

DéclareDouane is the innovative product of a government start-up in partnership with the Interministerial Directorate for Digital Technology (DINUM) and is a first for French Customs. With **DéclareDouane**, individuals travelling abroad can simulate goods purchases in other countries to find out what rules apply and how much they might need to pay in fees and duties¹. In 2023, individuals will also be able to use the service

to declare goods in advance that they intend to bring back from abroad and, eventually, pay any applicable fees and duties online. Gradual improvements to the service should make it possible to extend the range of goods covered and enable access to new online features, such as goods declarations and the facility to pay fees and duties.

Vendanges, a new online service launched on 2 November 2022, allows wine merchants and winery cooperatives to enter and submit their yields online. Boasting a user-friendly interface and easy access, the service streamlines the declaration process, letting users make changes to declarations already submitted and offering a breakdown of production volumes by location. Declarants are guided through every stage of the process and can check for errors when confirming the details they provide, and make changes if any issues are highlighted.

¹ *DéclareDouane* is also being used by French Customs units in the customs clearance process for individuals.

100%
of land-based operations units are equipped with AGNET

10%
less time spent by officers responsible for checks

French Customs' detection technologies:

3 mobile scanners	1 fixed scanner	1 lorry scanner
-----------------------------	---------------------------	---------------------------

> 80%
rate of detection of narcotics
(narcotics detection algorithm for express freight and postal shipments)

> The role innovation plays in anti-trafficking efforts

Customs authorities encounter significant challenges in the fight against trafficking. Increases in the movement of goods, in part linked to the growth of e-commerce, along with the various – and often ingenious – fraudulent practices used in organised crime, further complicate the customs inspection process. French Customs must ensure that its methods and the means at its disposal are appropriate and adequate to effectively combat fraud by criminal organisations, who are often technologically savvy and creative in their methods.

Planned acquisition of new equipment and non-intrusive detection systems

In addition to its existing stock of scanners and detection equipment (fixed and mobile), in 2022 French Customs initiated the purchase of new scanners, in particular **lorry scanners**. The new equipment will be used to monitor containers in hotspots across the country (border areas and 10 French ports) and will increase capacity and improve the performance of inspection officers and units in detecting contraband items, in particular narcotics, in shipments that are typically difficult to access.

Similarly, with a view to simplifying and streamlining the checks process, French Customs is developing an artificial intelligence algorithm to analyse images of e-commerce parcels, in order to detect for the presence of drugs. The organisation is also preparing to acquire the latest-generation 3D scanners for use at major express freight and postal hubs.

The technology will help improve performance by making it possible to detect drugs and narcotics from within a stream of parcels.

Webscraping as a means of combating the illicit tobacco trade online

Among the innovative technologies of interest to the organisation, French Customs is investing in new open-source data mining applications.

In accordance with the framework set out by legislation and the Constitutional Council, DNRED's *Cyberdouane* unit, which oversees efforts to detect online fraud, is currently testing a webscraping application for use against the illicit tobacco trade online. Using webscraping technology, it is possible to extract and collect information circulating on the internet on topics of interest to French Customs.

Related to this project, the 2023-2025 tobacco plan sets out a programme under the national strategy to develop *Cybertabac*, a local network focused on combating online fraud.

Moreover, the possibility of extending the webscraping application's use to detecting other fraudulent goods and contraband (e.g. narcotics) is also being considered.

Personal and team equipment allocations for inspection units

In addition to an emphasis on border and goods operations, French Customs' strategy for 2022-2025 sets out a series of commitments to improving working conditions for officers. In general, these commitments were reflected in tangible upgrades to equipment in 2022.

> Innovation as a driver of environmental protection

The basic equipment used by officers carrying out customs clearance checks and CI-viti and energy product inspections has been updated to include a broader selection of workwear for specific working environments (e.g. ports, airports, hot and cold conditions, etc.).

450 lighter, ballistic plated jackets (5 kg, down from 11 kg) have been issued or are scheduled for delivery to units across the organisation, and officers will have access to gear and equipment for cold conditions. Inspection-specific equipment, including spectrometers, thermal imaging, optronic and digital cameras, binoculars, multi-gas detectors, stingers, telescopic ladders, lamps, mirrors and lighting equipment, have been purchased for allocation to staff members and teams, costing over €5m.

In 2022, the organisation was also able to access MILDECA funds to purchase detection equipment, including videoscope systems, radiation meters and X-ray machines.

To mark **Public Innovation** Month in November 2022, French Customs showcased some of its new equipment to the public and demonstrated its capabilities.

For a number of years, French Customs has committed to a green approach and reducing the impact of its operations on the environment, in line with its remit to protect the environment. For example, it has endorsed Ministry-led public events as part of the Green Ministry (*Bercy Vert*) plan, including **European Heritage Days** – under the banner of sustainable heritage in 2022, and European Sustainable Development weeks, both held in the autumn.

Inspired by the **Green Ministry** plan, which seeks to ensure that Ministry operations and individual actions are more environmentally responsible, French Customs has developed its own **Green Customs** (*Douane Verte*) action plan, the focal points of which include sustainable mobility and responsible use of digital technology. Our organisation is greening, as evidenced by our impressive performance in Working Together for a Green Ministry (*Tous Acteurs de Bercy Vert*), a call for projects held on 5 July 2022, in which 24 of our entries were selected out of 88 in total. The organisation is also developing a sustainable procurement policy. By the end of 2022, **370 or 11.21% of our total vehicle fleet were electric or hybrid**, with an ultimate target of 25%.



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Alongside new vehicle purchases, some units have received vehicle charging terminals and solar panels.

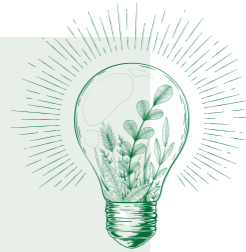
Lastly, French Customs would like to highlight the efforts of the Customs IT Centre (CID) in developing and implementing its own **energy efficiency** policy.

As the authority data centre, **CID** hosts the organisation's IT systems and is the interministerial IT host, making the location the highest energy user of all units and divisions. Since CID was converted into a **data centre**, a number of approaches to optimise energy use have been considered, such as reusing hot stale air generated by systems or installing solar panels to power the heating system. CID makes use of stale air contained within "hot corridors" and uses "free cooling"² to optimise the air conditioning requirements of IT infrastructures

Achieving energy savings is a continuous process and is measured by an **energy efficiency ratio**. At 1.45³, CID is one of the highest-performing data centres in terms of energy use.

7 MkWh

annual consumption reached by year-end 2022



202

computer storage racks used to host interministerial system operations



93 %

consumption linked to IT infrastructure operation

1.45

CID's energy efficiency ratio (EER/PUE)



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² Energy saving method that uses the difference in temperature between the computer outlet air flow and external air temperature to assist the water cooling system.
³ In 2016, the co-efficient was 2.14.

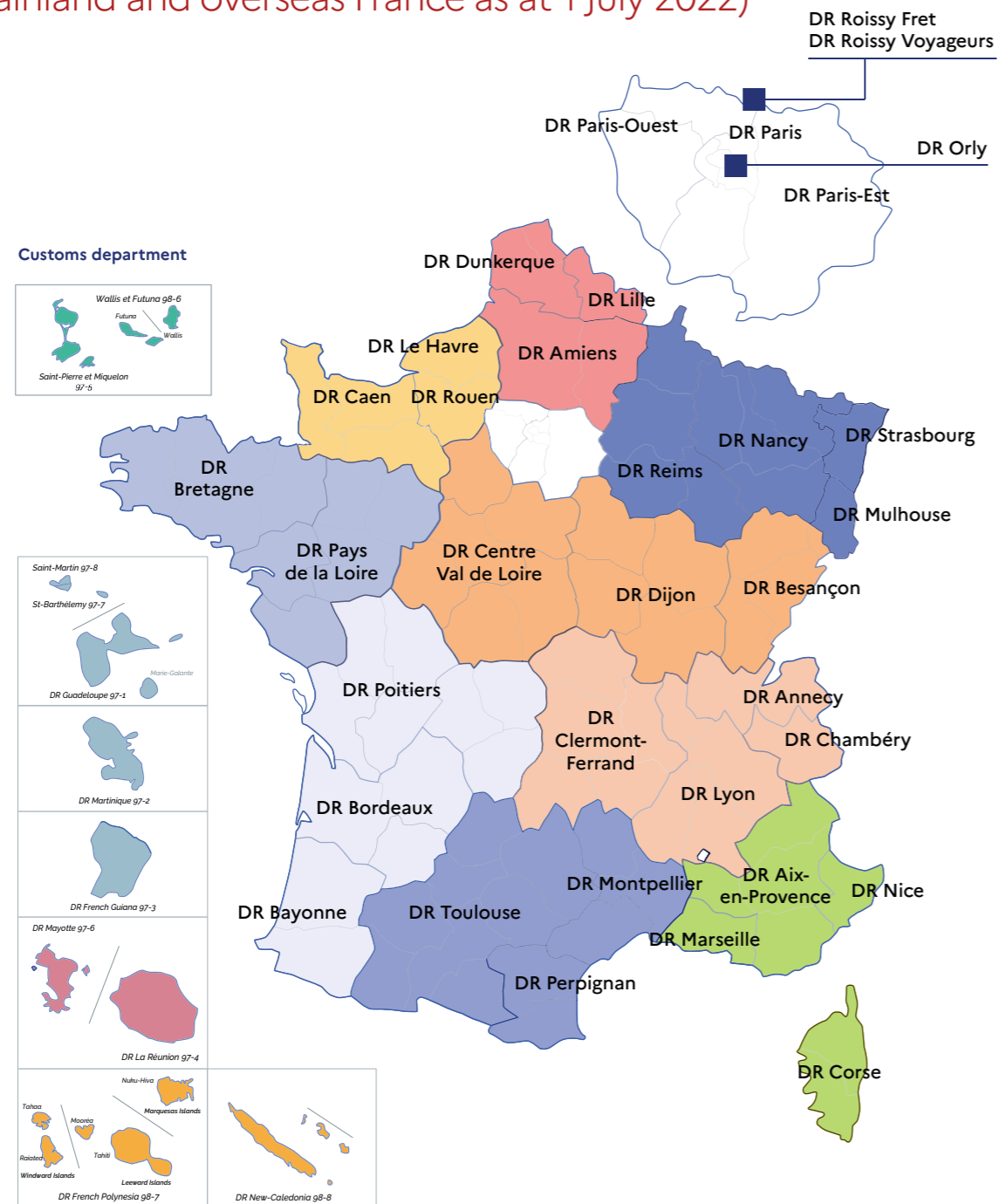
APPENDICES

- > Regional organisation
- > Operational organisation of French Customs
- > French Customs HR – key figures
- > Budgetary and material resources
- > Customs taxation
- > Narcotics and tobacco
- > Counterfeits

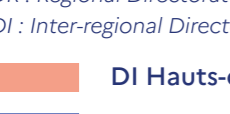
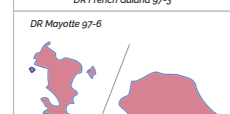
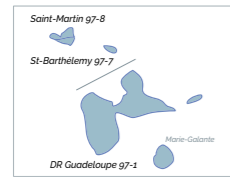
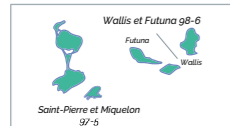


> Regional organisation of the Directorate General of Customs and Excise (DGDDI)

(mainland and overseas France as at 1 July 2022)



Customs department



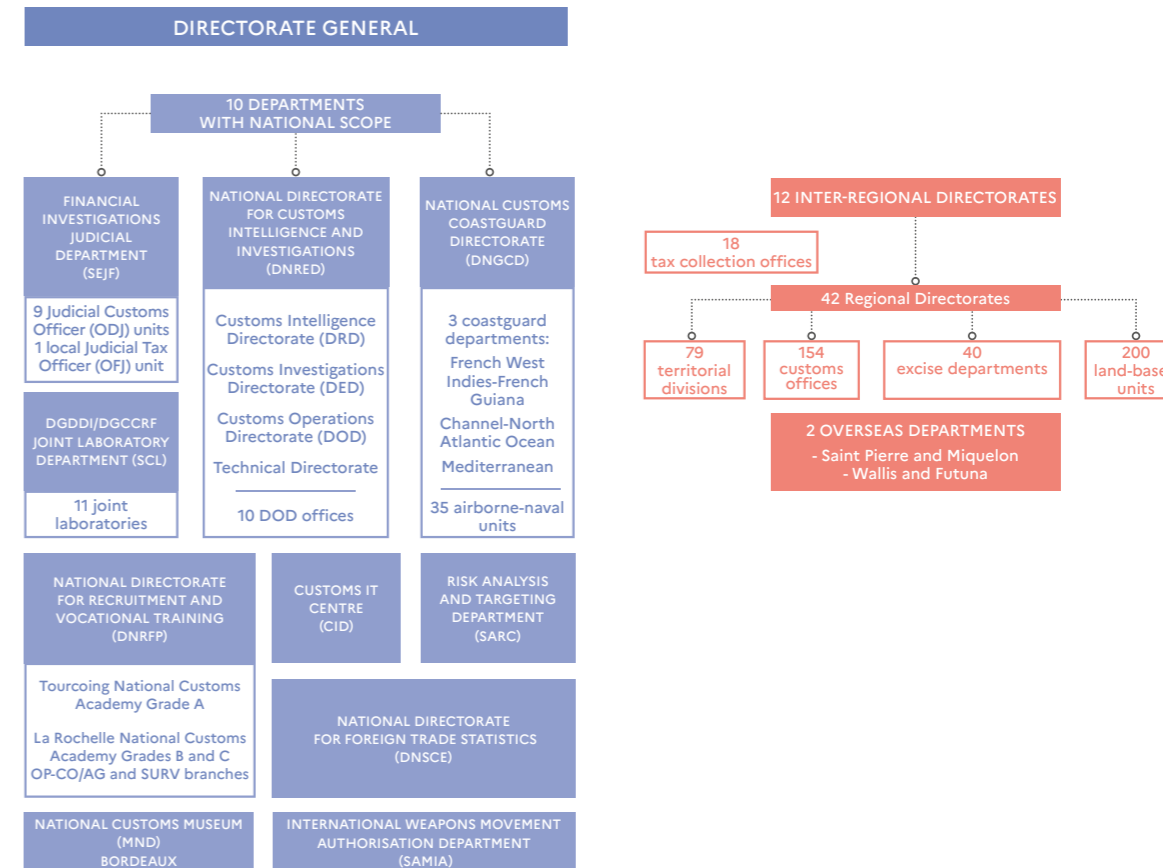
Légende

DR : Regional Directorate

DI : Inter-regional Directorate

- | | | |
|---|---|--|
| DI Hauts-de-France | DI Normandy | DI Auvergne-Rhône-Alpes |
| DI Grand-Est | DI Brittany-Pays de la Loire | DI Occitania |
| DI Burgundy | DI Nouvelle-Aquitaine | DI Provence-Alpes-Côte d'Azur-Corsica |
| DI Franche-Comté | DI Île-de-France | DI Paris-Airports |
| DI French West Indies - French Guiana | | |

> Operational organisation of French Customs



> French Customs HR – key figures

16,626
Employees

38.24% | Share of female employees

51.64% | Of officers involved in general administration/trade operations

48.36% | Armed and uniformed surveillance officers

Specialist officers

- 595** | Maritime officers
- 150** | Airborne officers
- 238** | Motorcyclists
- 262** | Dog handlers
- 766** | Investigators and intelligence officers (DNRED)
- 226** | Judicial customs officers
- 420** | IT staff

> Budgetary and material resources

BUDGETARY
(Expenditure expressed in €M excluding the Joint Laboratory Department (SCL) and contributions to the special pensions allocation account)

	2022
STAFF	873.63
OPERATIONS AND MISCELLANEOUS EXPENDITURE	218.39
INTERVENTIONS	79.38
INVESTMENT	27.24
TOTAL	1,198.64
PENSION CONTRIBUTIONS	383.09

	NUMBER OF	2018	2019	2020	2021	2022
LAND-BASED FLEET	Vehicles	2,668	2,710	2,718	2,764	3,300
	Motorcycles	468	460	464	437	472
NAVAL AND AIR FLEETS	53-metre coastguard patrol vessels	1	1	1	1	1
	43-metre coastguard patrol vessels	2	2	2	2	2
	19-to 32-metre coastguard patrol boats	15	15	15	15	15
	10- to 14-metre inshore patrol vessels	13	13	13	13	13
	Teaching vessels	4	3	4	3	3
	Twin-engine aircraft	10	7	7	7	7
	Helicopters	7 (incl. 5 EC 135s)	9 (incl. 5 EC 135s)	9 (incl. 5 EC 135s)	9 (incl. 5 EC 135s)	9 (incl. 5 EC 135s)
DETECTION EQUIPMENT	Fixed scanners	1	1	1	1	1
	Mobile scanners	4	3	3	3	3
	Lorry scanners					1
	X-ray machines	88	88	90	98	102
	Density meters	125	125	125	125	83
	Particle analysers	55	55	57	51	55
	Videoscopes				151	203
	Survey meters	66	68	68	68	74
	Spectrometers	59	62	98	98	124

> Customs taxation: change in €M

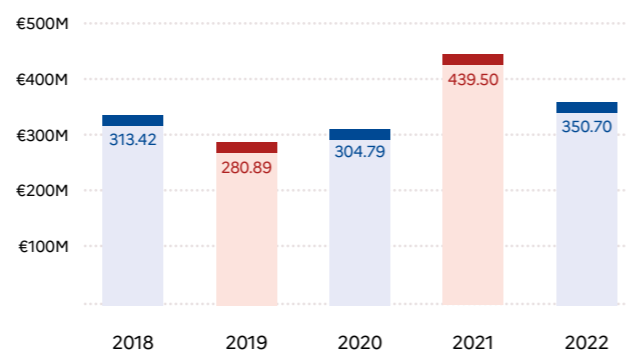
CHANGES TO CUSTOMS REVENUE IN €M (breakdown)

	2021	2022
CUSTOMS CLEARANCE	9,334	3,722
Customs duties	2,408	3,062
Import VAT	6,875	593
Other	51	67
ENERGY AND ENVIRONMENT	42,512	34,697
TICPE	31,991	32,507
TSC DOM	533	550
VAT on fuel	259*	*
TICGN + TICFE + TICHLC	9,690	1,633
Taxes and remuneration on behalf of oil industry professionals	8	8
TGAP	32*	*
EXCISE DUTIES (CIs)	19,339	18,713
Alcohol and beverages	4,130	4,290
Tobacco	15,204	14,414
Other CIs	5	9
DOCK DUES AND MARITIME ACTIVITIES	2,027	2,263
Dock dues	1,485	1,696
Port dues	492	563
DAFN	49	4
TAX ON CERTAIN ROAD VEHICLES (TSVR – AXLE TAX)	11*	*
OTHER TAXES	325	293
TOTAL	73,548	59,688

- 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-user.
- TICHLC: domestic consumption tax on coal, lignite and coke ("coal tax").
- TGAP: general tax on polluting activities.
- DAFN: annual flagging and navigation tax.

*Tax transfer on 1 January 2021.

CHANGES TO DUTIES AND TAXES REASSESSED SINCE 2016 (IN €M)



> General data on narcotics and tobacco

SEIZURES OF NARCOTICS

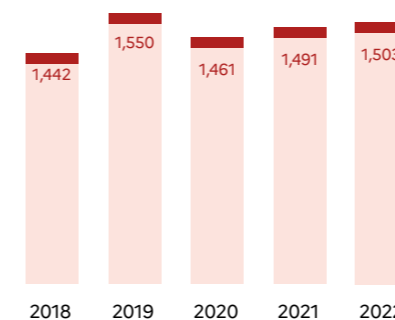
Quantities/doses (d) seized in France	2018	2019	2020	2021	2022
GRAND TOTAL (T)	97.40	100.77	88.72	115.40	104.53
Cocaine (tonnes)	12.20	8.80	9.06	18.62	17.86
Cannabis (tonnes)	63.90	52.28	60.32	74.86	66.25
Khat (tonnes)	17.47	25.31	14.61	19.23	15.90
Heroin and opiates (kg)	628.64	338.64	359.80	466	627
Amphetamines (kg)	184.06	661.59	359	180	144
Amphetamines (doses)	688	486	941	10,681	10,617
Synthetic drugs (kg)	469.64	744.89	1,161	1,012	1,728
Synthetic drugs (doses)	7,274	417	27,132	24,163	7,321
LSD (doses)	15,515	15,246	15,701	28,123	25,746
Ecstasy (doses)	1,203,607	1,183,831	833,974	1,071,195	655,771
Psychotropics (kg)	255.89	117.82	563	472	115
Psychotropics (doses)	508,554	667,416	165,831	91,800	31,510
Precursors (tonnes)	2.09	12.35	1.16	0.19	1.09

SEIZURES OF TOBACCO

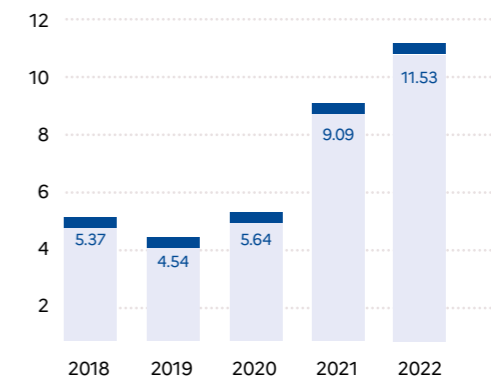
In France Of which abandoned tobacco:	2018	2019	2020	2021	2022
FINDINGS (number)	16,171	17,298	15,441	18,284	16,986
QUANTITY (tonnes)	241.10	360.30	284.54	402.07	649.07

> Counterfeits

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

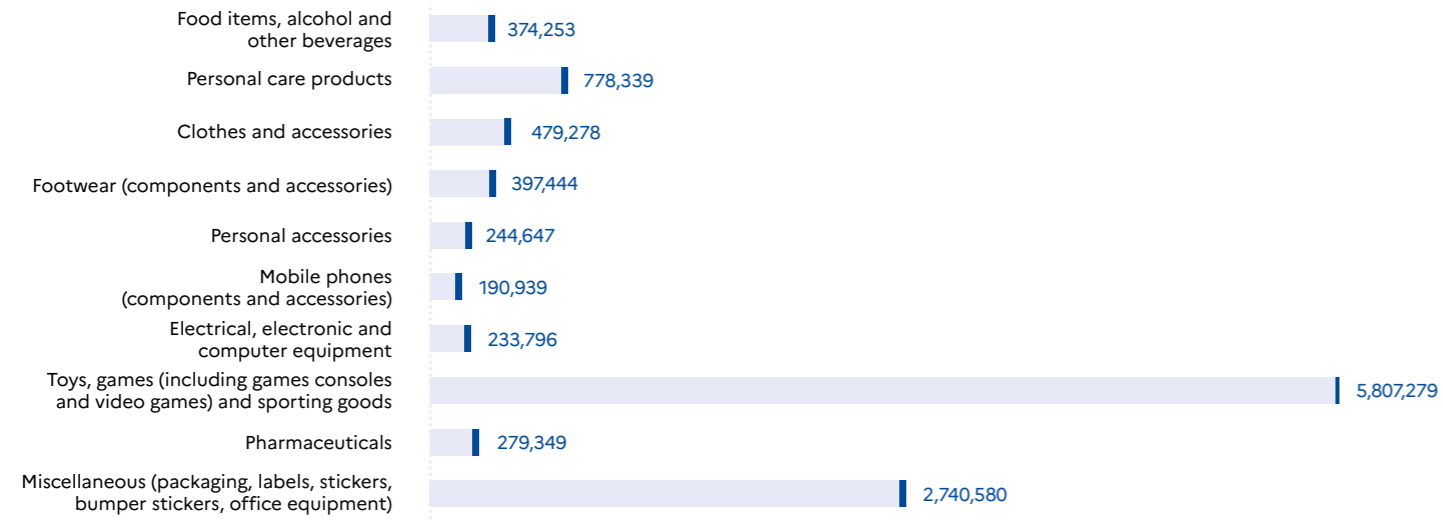


COUNTERFEIT ITEMS WITHDRAWN FROM THE MARKET (IN MILLIONS OF ITEMS)



> Counterfeits

MAIN CATEGORIES OF COUNTERFEIT GOODS WITHDRAWN FROM THE MARKET IN 2022 (IN NUMBER OF ITEMS)



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dg-com@douane.finances.gouv.fr

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**Directorate General
of Customs and Excise**

11, rue des deux Communes
93558 Montreuil Cedex



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