

2. INFORMATION ABOUT THE PROJECT FOR WHICH THE FINANCIAL ASSISTANCE IS REQUESTED

2.1 General project information

2.1.1 Project Title (in original language):

Nemzetközi együttműködés fejlesztése az üzemanyagok hamisítása ellen

2.1.1.1 Project Title\* (EN):

Improving efficiency of the international co-operation against fuel counterfeiting

2.1.2 Acronym/Short title\*:

Training against fuel counterfeiting

2.1.3 Duration (MAX 36 MONTHS)\*:

14

months

2.1.4 List of partners involved in this project

|                                     | Name of organisation                                | Contact person       | Country | Address                                  | Profit-oriented          | Partnership declaration             |
|-------------------------------------|---|----------------------|---------|--|--------------------------|-------------------------------------|
| Applicant organisation/Coordinator: |   |                      |         |  |                          |                                     |
| 0                                   | National Tax and Customs Administration             | Kristóf Péter Bakai  | HU      | HU-1089 Budapest Delej utca 20.          | <input type="checkbox"/> | <input type="checkbox"/>            |
| Web site:                           |   |                      |         |  |                          |                                     |
| Co-beneficiaries:                   |   |                      |         |  |                          |                                     |
| 1                                   | Customs Chamber of Katowice                         | Jacek Bryndza        | PL      | PL - Sloneczna 34 40- 136 Katowice       | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Web site:                           |   |                      |         |  |                          |                                     |
| 2                                   | Financial Directorate of Slovak Republic            | Lenka Hlaváčová      | SK      | Sevcenkova 32, 851 01 Bratislava, SK     | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Web site:                           |   |                      |         |  |                          |                                     |
| 3                                   | National Customs Authority of Romania               | Loredana Ileana Iovu | RO      | 36-40 Alexandru Ivasiuc street Bucharest | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Web site:                           |   |                      |         |  |                          |                                     |
| 4                                   | Czech Customs Administration                        | Jan Hlinka           | CZ      | Budějovická 7, 14096 Praha 4             | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Web site:                           |   |                      |         |  |                          |                                     |
| 5                                   | National Customs Agency of the Republic of Bulgaria | Vyara Filipova       | BG      | 47, Rakovski Str., 1202 Sofia, Bulgaria  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Web site:                           |   |                      |         |  |                          |                                     |
| 6                                   |   |                      |         |  | <input type="checkbox"/> | <input type="checkbox"/>            |
| Web site:                           |   |                      |         |  |                          |                                     |
| 7                                   |   |                      |         |  | <input type="checkbox"/> | <input type="checkbox"/>            |
| Web site:                           |   |                      |         |  |                          |                                     |

|           |  |  |  |  |                          |                          |
|-----------|--|--|--|--|--------------------------|--------------------------|
| 8         |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| 9         |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| 10        |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| 11        |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| 12        |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| 13        |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| 14        |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |

|  | Name of organisation | Contact person | Country | Address | Profit-oriented          | Partnership declaration  |
|--|----------------------|----------------|---------|---------|--------------------------|--------------------------|
| Associate Partners/on a non EU-funded basis: |                      |                |         |         |                          |                          |
| i  |                      |                |         |         | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site:                                    |                      |                |         |         |                          |                          |
| ii   |                      |                |         |         | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site:                                    |                      |                |         |         |                          |                          |
| iii  |                      |                |         |         | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site:                                    |                      |                |         |         |                          |                          |
| iv   |                      |                |         |         | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site:                                    |                      |                |         |         |                          |                          |
| v  |                      |                |         |         | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site:                                    |                      |                |         |         |                          |                          |
| vi   |                      |                |         |         | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site:                                    |                      |                |         |         |                          |                          |

|           |  |  |  |  |                          |                          |
|-----------|--|--|--|--|--------------------------|--------------------------|
| vii       |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| viii      |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| ix        |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |
| x         |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> |
| Web site: |  |  |  |  |                          |                          |

## CONFORMITY CRITERION

2.1.5 To which specific objective of the Programme does this project refer to (max 2 selections)?\*

- To stimulate, promote and develop horizontal methods and tools necessary for strategically preventing and fighting crime and guaranteeing security and public order
- To promote and develop coordination, cooperation and mutual understanding among law enforcement agencies, other national authorities and related Union bodies
- To promote and develop best practices for the protection of and support to witnesses
- To promote and develop best practices for the protection of crime victims

2.1.6 To which priority of the Call in point 3.1 does this project refer to?

- Implementing the EU Action Plans on Chemical, Biological, Radiological and Nuclear materials, (CBRN) and/or of Explosives
- Preventing radicalisation leading to terrorism
- Combating and preventing on trafficking in human beings
- Combating and preventing sexual exploitation of children and illegal use of Internet
- Implementation of the principle of availability through Council Decision 2008/615/JHA and 2008/616/JHA (Prüm Decision) and Council Framework Decision 2006/960/JHA (Swedish Initiative)
- Setting up Joint Investigation Teams
- Cross-border law-enforcement cooperation in the field of drug supply reduction
- Analyzing the possibilities for use of modern technologies and improving more conventional methods to detect new forms of crime, such as transnational cybercrime
- Training of and other exchanges among law enforcement officers
- Prevention, investigation and prosecution on illegal trafficking in firearms
- Improving the connectivity to Europol and enhancing the possibilities to share information via the Europol secure network
- Supporting and protecting victims and witness of organised crime and terrorism
- Prevention of crime, including urban, juvenile, and environmental crime
- Combating and preventing financial and economic crime via disruption of transnational criminal networks through better prevention and detection of corruption (including support for the EU Anti-Corruption Report), money laundering, terrorist financing, fraud, counterfeiting, fake medicines, racketeering and extortion

2.1.7 Please explain how your project proposal corresponds to the selected expected result(s) and contributes to the objectives of the Programme (max 1500 characters):

With reference to the Stockholm Program economic crimes, counterfeiting and frauds cause a serious danger for consumers and economies at international level. Among these crimes committed with well-organised logistics and sophisticated methods the fuel counterfeiting is significant, it can cause serious shortfall in tax revenue of the national budget in the Member States. In the markets there are several mineral oil products with the composition similar to the standard gas oil but their distillation parameters are deliberately manipulated. If the distillation parameters of an oil product sample differ from the gas oil's, on the basis of tariff regulation of Combined Nomenclature this product can't be classified into "gas oil" category. It has to be categorised to "other oil" (fuel oil or basis oil), which group related to other tariff rules, and it isn't subject to the excise duty. So these fuel products can be circulated within the EU, in several cases with the aim at using as illegal fuel. The counterfeiting related to the illicit trade and using of this type of product may affect the followings:

- rising tendency of consumer prices and their tax content in the case of the mineral-based motor fuel at European level,
- reducing level of the ability to pay,
- the price sensitivity of consumers.

The objective of this project is to reduce the tax evasions, co-operate more widely against the hidden economy at international level.

2.1.8 Transnational or National project ( max 1 selection)\*

- Transnational project (if this box is ticked, Partnership Declaration(s) must be attached)
- National project (if this box is ticked, the section on NATIONAL projects must also be completed)

2.1.8.1 NATIONAL projects must: (min 1 selection)

- prepare transnational projects and/or Union actions ("starter measures")
- complement transnational projects and/or Union ("complementary measures")
- contribute to developing innovative methods and/or technologies with a potential for transferability to actions at Union level, or
- develop such methods or technologies with a view to transferring them to other Member States and/or other country which may either be an acceding or a candidate country

2.1.8.2 Please explain how your proposal for a national project complies with at least one of the above mentioned conditions (max 500 characters):

N/A

2.1.9 Summary of the project for which the financial assistance is requested. Please list: objective(s), duration, activities, number and type of participants, methodology, expected results and dissemination strategy. This summary will be published in case the proposal is awarded a grant (max 5000 characters).\*

The project proposal is aimed at co-operating efficiently against fuel abuses. The justification of the project - planned 14 months for 2013-2014 - is that the tax evasions as economic crimes result high-level shortfalls in tax collection for several Member States of the European Union and its neighbouring countries.

Having gained lots of experience and investigated several cases in this field the NTCA's opinion is that the ISEC program would provide a good opportunity to carry out cross-border training programs, raise awareness among the Member States about the highlighted relevancy of this field and develop information exchange between the concerned customs administrations. The overall objective is to reduce the tax evasions, co-operate more widely against the hidden economy at international level.

The proposal contains the following 8 activities organised in Hungary and in Poland:

Activity 1: preparation of the project implementation – 3 months

Activity 2: Opening conference on the effective international co-operation against fuel frauds: presentation of the problems and case-studies - 2 days in Hungary

Activity 3: Seminar on mineral oil controls – 4 days in Hungary

Activity 4: Seminar on excise evasion related to the mineral oil – 4 days in Hungary

Seminars would contain presentation of conceptual input and practices in the field of mineral oil controls for the concerned foreign co-administrations

Activity 5: Training program on analyzing illegal, falsely named motor 4 days in Hungary

Activity 6: Training program on assessment of laboratory results and tariff classification of the examined products - 4 days in Hungary

Activity 7: Training program on new examination methods 4 days in Poland

The three 4-day training programs would be organised for experts working in the field of excise duties, customs laboratories and criminal affairs and in ELO in order to exchange professional experience: analysing illegal motor fuel named falsely; assessment of laboratory results and tariff classification of the examined products; development and presentation of new examination methods.

Activity 8: Closing conference: summary of the project results, raising awareness among the participating countries about the importance of the measures being taken against the mineral oil tax evasion. 2 days in Hungary.

The NTCA as an Applicant organisation will organise the project with the following Partner Organisations: Customs Chamber in Katowice, Czech Customs Administration; National Customs Authority of Romania, Financial Directorate of Slovak Republic; National Customs Agency of the Republic of Bulgaria. The number of participants approaches 157 experts.

Please note that if you have to print the form (see relevant guide for applicants) it is only printed what is visible on the screen. Therefore - while a maximum of characters is allowed to type in - be careful with carriage returns and white spaces, in order to fit the summary also visibly on the page.

2.1.10 Other projects or activities directly related to this application: Have you, as an Applicant organisation or as a Partner, already obtained financial support for a project directly related to this proposal within this Programme or under other Union programmes/initiatives in the last five years? (if applicable, please repeat the information from Section 1.5.6 above).

- NO
- YES (please complete the table below)

| Year of award / submission | Union programme / European institution taking the award decision (name of DG + Unit / name of Agency) | Reference number of the grant agreement / contract Title of the project | Amount (EUR) of the grant received | Applicant or Partner (A/P) |
|----------------------------|---|---|------------------------------------|----------------------------|
|                            |   |   |                                    |                            |
|                            |   |   |                                    |                            |
|                            |   |   |                                    |                            |
|                            |   |   |                                    |                            |

## 2.2 CONTENT OF THE PROJECT

### 2.2.1 What specific issue / question does your project address? (max 2000 characters)

The project addresses the efficient co-operation against fuel abuses, principally the mineral oil tax evasion. The justification is that the tax evasions as economic crimes result high-level shortfalls in tax collection for several Member States of the European Union and its neighbouring countries. These cases originate from the trade of manipulated products which parameters are close to gas oil's ingredients. On the basis of tariff regulation of Combined Nomenclature these products can't be put into "gas oil" category, they have to be categorised to "other oil" (fuel oil or basis oil). However, the problem is that this category group isn't the subject of the excise duty.

In order to avoid tax payment, criminals of the hidden economy build their business absolutely on abuse, they try to hide the real destination of the above-mentioned products, so the illegal using of fuel. The only fact could be against the legalisation if the customs officers find this kind of spoiled products in the fuel tanks on the spot. The Combined Nomenclature describes the analytical measurements for right tariff classification, but it doesn't examine the purpose of the oil.

### 2.2.2 Objectives of the project (in relation to the issue/ question mentioned above) (max 1000 characters):

The overall objective of the project is to reduce the tax evasions, co-operate more widely at international level against the hidden economy and raise tax revenues.

The purposes of the project are the followings:

- to raise awareness among the Member States about the highlighted relevancy of prevention of fuel counterfeiting,
- to share and collect international experience among the Member States and the neighbouring countries in the case of methods, techniques, procedures used in detections,
- to develop information exchange between the customs administrations and laboratories preventing the tax evasion,
- to initiate to develop a joint harmonized activity plan within EU.

2.2.3 Please describe who will be participants in the activities (both target groups and beneficiaries):

Having gained lots of experience and investigated several cases in the field of mineral oil tax evasion the NTCA invited the following customs administrations to participate in the project: Customs Chamber in Katowice, Czech Customs Administration; National Customs Authority of Romania, Financial Directorate of Slovak Republic; National Customs Agency of the Republic of Bulgaria.

The training programs proposed by this project would be a good opportunity to meet each others' cases studies, and try to find together solutions to fight against fuel frauds.

The experts delegated to the conferences, seminars, and trainings work in the field of excise duties, customs laboratory, criminal affairs and ELO.

2.2.4 Please explain why this project idea came about? Why and how does this project address a real need at European level?

The Stockholm Program initiates the prevention of counterfeiting in the Member States of the European Union, because these kind of crimes are dangerous for the economies and consumers at European and international level.

Nowadays in fuel counterfeiting the criminals use techniques and methods very difficult to be detected, but the NTCA and the partner organizations are experienced by several investigated cases.

The ISEC program could provide a good opportunity to share these experiences and to develop a plan about a common data base, to exchange their information about the new cases, methods and materials more efficiently.



2.2.4.1 Estimated total number of participants (persons)

- from judicial authorities, legal practitioners

- law enforcement

- other public officials

- civil society, associations, NGOs

- professional organisations

- research/university

- private sector

- victims of crime

- witnesses of crime

- total from other sector (please specify) (max 600 characters)

|     |
|-----|
|     |
|     |
| 125 |
| 16  |
|     |
|     |
|     |
|     |
|     |
|     |
|     |
|     |

2.2.4.2 Estimated total number of participants by Member State and other (e.g. candidate) countries (persons)

EU Countries

|          |    |    |    |    |    |    |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|----|----|----|----|----|----|
| Country: | AT | BE | BG | CY | CZ | DE | DK | EE | ES | FI | FR | GB |
| Number:  |    |    | 11 |    | 19 |    |    |    |    |    |    |    |

|          |    |    |    |    |    |    |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|----|----|----|----|----|----|
| Country: | GR | HU | IE | IT | LT | LU | LV | MT | NL | PL | PT | RO |
| Number:  |    | 67 |    |    |    |    |    |    |    | 22 |    | 11 |

|          |    |    |    |
|----------|----|----|----|
| Country: | SE | SL | SK |
| Number:  |    |    | 11 |

Candidate countries

|          |    |    |    |    |    |
|----------|----|----|----|----|----|
| Country: | HR | IS | ME | MK | TR |
| Number:  |    |    |    |    |    |

Other

|          |  |  |  |  |  |  |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|--|--|--|--|--|--|
| Country: |  |  |  |  |  |  |  |  |  |  |  |  |
| Number:  |  |  |  |  |  |  |  |  |  |  |  |  |

## QUALITY CRITERION

### 2.2.5 Conception and risks

#### 2.2.5.1 Experience of the Applicant organisation in the selected priority area(s)

Please summarise the activities/experience of the Applicant organisation in this priority area and provide a short description of at least 3 completed and successful projects (not necessarily with EU financial support) of comparable nature and volume to the project for which the financial assistance is requested (max 1000 characters).

The Forensic Institute of the NTCA is an accredited institute from 2003 based on the ISO 17025 standard, the institute issues the Binding Tariff and Binding Origin Information. The institute examine appr. 15.000 sample per year, and 40-50 % of these samples are mineral oil products.

- The Hungarian Customs and Finance Guard (HC&FG), predecessor of the NTCA implemented Twinning project No RO06/IB/FI02 titled „Development of the customs laboratories network” as Senior Partner with the participation of Czech short-term experts. It aimed at preparing the Romanian Customs Laboratory professionally for its accreditation.
- 2005-2006 participation at Phare Bulnat6 Laboratory network.
- 2011-TAIEX program: 1 expert from the Forensic Institute was delegated to the customs Laboratory of Macedonia.
- Customs 2013 program: International mineral oil circuit measurements carried out for the EU MSs.
- In mineral oil using illegally as fuel the detection number of the NTCA is significant.

#### 2.2.5.2 Please demonstrate your knowledge of the most recent developments on the subject of your proposal- bibliography, contact lists, needs assessment, project preparatory work, references to EU strategies/action plans, etc. (max 2000 characters):

To fight against mineral oil frauds the Excise Department and the Forensic Institute of the NTCA participate in and follow actively the below international activities:

- agricultural, excise, chemical and fiscalis project groups of European Commission's Taxation and Customs Union Directorate-General (DG TAXUD),
- international seminars, working group of the Customs Laboratories - Seminar of European Customs Chemists was organised in 2010 in Helsinki,
- working groups of Visegrad Group, where the problem of counterfeiting of fuel is emphasized,
- regulation and Directives of the European Union related to the excise, customs and customs laboratory field.

Certification of the professional competence: since 2003 the Forensic Institute has maintained and expanded continuously its accreditation ISO 17025 standard. Actually the number of the accredited methods (mineral oil and food examinations, analysis of alcohol product) exceeds 50.

In the case of electronic platforms the NTCA are user of the SINAPSE (Scientific INformation for Policy Support in Europe allowing the creation of "e-Communities" which enables groups of members and organisations with a common interest to share and exchange information in a dedicated environment which can be graphically personalised and linked to the initiator website) and ILIAD system (database, called Intra Laboratory Inventory of Analytical Determination) which is a shared directory of the analytical methods and procedures needed to apply customs legislation.

2.2.5.3 In the implementation of your project, what are the potential risks, uncertainties and difficulties, as well as possible favourable factors? What is your mitigation strategy? Please answer both questions (max 1000 characters):

The project staff fluctuation means a potential risk. Being aware of this situation NTCA places great emphasis on strengthening the excise and customs field. Changes in the project managers could also cause problem, but in order to avoid such difficulties NTCA has a special unit experienced in the management of EU projects.

Summarizing the implementation of the project we can declare that we have only a few risks, because the participants with high level knowledge are experienced in the field of project management and organising professional seminars and trainings.

Besides Partner Organisations participate in the program and the joint work. It is very important because just the international co-operation is able to fight against basis mineral oil tax evasion.

## 2.2.6 Methodology and Organisational structure

2.2.6.1 Please describe the methodology for implementation of the project (max 1000 characters):

ISEC program will provide a good opportunity to carry out cross-border training programs, raise awareness among the participating customs administrations about the highlighted relevancy of this field and develop information exchange. The overall objective of this project is to reduce the tax evasions, co-operate more widely against the hidden economy at international level and raise tax revenues.

The proposal contains the following activities organised in Hungary and in Poland:

- Opening conference on the effective international co-operation against fuel abuses
- Two seminars: presenting conceptual input and practices in mineral oil controls for the participating administrations
- Three training programs for experts working in the field of excise duties, customs laboratories, criminal affairs and in ELO to exchange experience
- Closing conference: raising awareness among the concerned administration of the importance of the measures being taken against the mineral oil tax evasion

2.2.6.2 Timetable for implementation. Please provide comments on the timetable attached to this application form (max 1500 characters):

Month 1-3: Activity 1 - preparation of the project: organisation of the travels, the conferences, informing the Partners

Month 4: Activity 2 - Opening conference on the effective international co-operation against fuel frauds: presentation of the problems and case-studies - 2 days in Hungary

Month 5: Activity 3 - Seminar on mineral oil controls – 4 days in Hungary

Month 6-7: Activity 4 - Seminar on excise evasion related to the mineral oil – 4 days in Hungary  
(Seminars would contain presentation of conceptual input and practices in the field of mineral oil controls for the participating administrations)

Month 8-9: Activity 5 - Training program on analyzing illegal falsely named motor fuel - 4 days in Hungary

Month 10-11: Activity 6 - Training program on assessment of laboratory results and tariff classification of the examined products - 4 days in Hungary

Month 12-13: Activity 7: Training program on new examination methods - 4 days in Poland  
(The three 4-day training programs would be organised for experts working in the field of excise duties, customs laboratories and criminal affairs and in ELO in order to exchange professional experience: analysing illegal falsely named motor fuel; assessment of laboratory results and tariff classification of the examined products; carrying out and presentation of new examination methods)

Month 14: Activity 8 - Closing conference: summary of the project results, raising awareness among the concerned countries 2 day in Hungary

2.2.6.3 Please describe the distribution of responsibilities and tasks between Applicant organisation and Partners, organisational structure and implementation procedures of the project. Please attach organisation chart of the project (max 1000 characters):

The NTCA request the following customs administrations concerned in the problem of the mineral oil tax evasion to participate in the project as partner organisation: Customs Chamber in Katowice, Czech Customs Administration; National Customs Authority of Romania, Financial Directorate of Slovak Republic; National Customs Agency of the Republic of Bulgaria.

The training programs proposed by this project would be a good opportunity to meet each other's' case studies, and try to find together solutions against fuel frauds. The experts delegated to the conferences, seminars, and trainings work in the field of excise duties, customs laboratory, criminal affairs and ELO

2.2.6.4 Project Manager(s) - Profile of the person(s) who actually manage(s) the project and will be directly in charge of managing the grant agreement if this project is awarded a grant. Name, position, experience in the field and tasks in this project (max 2000 characters) CV must be attached :

Please describe here the organisational structure and key staff of the project. Please provide the following information for each project staff member: name, experience in the field, basic description of the person's activities and responsibilities, as well as information showing the suitability of the person for the function/position in the project, his/her availability for the project activities, the estimated number of days of work that he/she will dedicate to the project activities. Please indicate the contractual relation of the staff member to the organisation (permanent staff, temporary staff member, volunteer etc.).

Responsible for general project management/permanent staff:

Name: Ms Mónika Váradi

Rank: major

Position: head of the Division for EU Support

Place of service: Department of International Relations of Central Office at the NTCA, Division for EU Support

Key qualification: Public Administration College, Finance and Accountancy College

General tasks: management of EU assistance programmes of the NTCA, 15 years experience

Tasks in the project: management of the project

Responsible for professional management/permanent staff:

Name: Dr. Rita Dezsófi dr. Kapillerné, governmental officer

Position: Head of Division for Excise Analytics; Place of service: the Forensic Institute of the NTCA

Tasks in the project: will be responsible for the professional success of the implementation from the laboratory field, 22 years experience

Name: Mr. Krisztián Ágoston, Rank: Major, 14 years experience

Position: Head of Division for Excise Control and Supervision

Place of service: the Excise Department of Central Office of the NTCA

Tasks in the project: will be responsible for the professional success of the implementation from the excise field.

The organization structure is enclosed to the annexes of the project.

2.2.6.5 Other project staff - Profiles of other staff responsible for the project activities foreseen: name, position (in the organisational structure of this project), experience in the field and tasks in this project (max 2000 characters) CV must be attached :

Curriculum Vitae of key people performing work in connection with the project must be attached.

In case there is no person recruited for a specific function/position in the project at the time of lodging the application, please provide the description of the function itself within the overall structure of the project and the required qualification/experience.

N.B: the details provided below should correspond to entries in Heading A - Staff of the Estimate Budget Form

Manager Assistant in the general management:

Name: Ms. Zsuzsanna Németh

permanent staff, executive, governmental officer,

Place of service: Division for EU Support, Department of International Relations of Central Office at the NTCA

Key qualification: college degree in business administration, Foreign Trade College, Budapest

General tasks: administrative management of EU assistance programmes of the NTCA, 3 years experience

Tasks in the project: daily administrative management of the project

The Travel and Protocol Unit of Department of International Relations of Central Office of the NTCA will be responsible for the organization of travels to the trainings. This unit manages all NTCA travels both in case of travels financed from national budget and from EU funds.

2.2.6.6 Financial management - Name and profile of the person responsible for overall financial management of this project. Please indicate also who will be responsible for the operational tasks of daily financial management of the project, if different from the person for overall financial management (max 1000 characters):

**Permanent staff**

Name: Mrs. Tímea Nagy

Position: financial manager, governmental officer

Place of service: Department of Finance and Accountancy of Central Office, NTCA

Key qualification: economist, specialized in EU finances

General tasks: Financial and insurance activities

Tasks in the project: financial management

## 2.2.7 VALUE FOR MONEY CRITERION

2.2.7.1 Please explain the project costs as foreseen in the Budget Estimate Form. Explain to what extent does the costs represent the most economic and efficient solution and/or the best value for money? (max 1000 characters):

The eligible costs finance the following activities: one opening conference, two seminars, three trainings, one closing conference and the related other costs (bank transactions, publication and the indirect costs).

In the case of the preparation of estimated budget, we aimed at making economical solutions according to the ISEC 2011 Guide. The eligible costs are connected with the subject of the Grant and necessary for the implementation of the action outlined. They comply with the requirements of the applicable tax and social legislation.

2.2.7.2 What is the size and scope of the planned activities in particular in terms of economies of scale? How will your activities have a multiplier effect on the public? (max 1000 characters):

The fuel counterfeiting and the tax evasion may affect the followings: rising tendency of consumer prices and their tax content in the case of the mineral-based motor fuel at European level; reducing level of the ability to pay, the price sensitivity of consumers.

The quality change concerning detections of the fuel crimes means that the detection itself will be more effective, thus, evidence will be more established, the project will probably lead to enhanced information exchange, or may result in more persons taken into custody and may as well help in charting a wider range of perpetrators.

Besides the project implementation promotes the consumer protection, the safe fuel purchasing for vehicle owners.

2.2.7.3 What are the innovative aspects of your project? How? (max 1000 characters)

The number of the mineral oil tax evasion cases increased significantly in the past 8 years. This cross border economic crime affects more countries at the same time. Its detection is just possible by the examination of laboratory chromatograph, but it is an expensive and time-consuming procedure.

On the other hand, in the case of the significance of prevention and detection the mineral oil tax evasion the statements of MSs are different, their co-operation in this field aren't regulated at the same way. Following the EU Directives MSs carry out own national regulations, but at the not-covered area the rules reflect the national characteristics different from each other. For fuel abuses implemented with sophisticated methods it is very favorable.

This project is an opportunity to prevent tax evasions, share the experiences and discuss a plan with the participating countries about a special information-exchange database containing the new techniques, materials.



2.2.7.4 Involvement of third parties/subcontracting/consultants: Explain any arrangements for involvement of third parties/subcontracting/consultants, if applicable. Describe the work to be done by third parties/subcontractors/consultants by detailing an indicative terms of reference. Explain the basis of the calculation of the cost estimates for subcontracting.

You must demonstrate the need for involvement of third parties/subcontracting/consultants and explain how you select them.

NB: Subcontracting is not allowed within the Partnership, neither to Applicant organisation nor to Co-beneficiaries or Associate Partners and cannot exceed 30% of the total eligible costs (max 1000 characters):

N/A

## 2.2.8 IMPACT AND EUROPEAN DIMENSION CRITERION

2.2.8.1 What are the expected results of the project? In relation to these results what are the concrete deliverables and outputs of the activities? Please quantify the outputs/achievements deliverables/end products (max 1000 characters):

The expected results of the project are the followings:

- sharing and collecting experiences of the participant countries
- presentation of the Forensic Institute of the NTCA about the illicit trade and using of the mineral oil to raise awareness among the Member States about the highlighted relevancy of prevention of the fuel counterfeiting.
- analytical methods developed and accepted jointly with partners to detect the illegal activities related to fuel counterfeiting
- common working / action plan carried out
- information exchange developed between the participating customs administrations and laboratories preventing the tax evasion
- number of the detections raised significantly
- co-operation to prevent the fuel counterfeiting

2.2.8.2 What is the expected impact of the proposed activities on the ISEC's programme's objectives and on the target groups of the proposed activities (in the short, medium and long term)? How do you intend to evaluate it? (max 1000 characters):

In short term: sharing and collecting experiences of the participant countries,.

The long and medium term impact of the project will be the increased efficiency in the co-operation between the participating countries and the increased effectiveness in the detection, laboratory and investigative work against mineral oil tax evasion (carrying out analytical methods necessary to the detection of illicit activities; common work/action plan; common control, plan to develop a common electronic database about the trends, methods, materials).

The quality change concerning detections means that the detection itself will be more effective, thus, evidence will be more established, the project will probably lead to enhanced information exchange, or may result in more persons taken into custody and may as well help in charting a wider range of perpetrators.

Besides the more efficient fight against illegal fuel trade is also a significant effect.

2.2.8.3 Based on which indicators do you intend to evaluate the implementation of your activities? How do you intend to monitor the implementation during the project? Who will do the monitoring and evaluation? (max 1000 characters):

- After the trainings and seminars the participants will be requested to fill in a questionnaire of satisfaction, then the NTCA will evaluate the results;
- Preparation of a summary document about the training program and publish it at SINAPSE electronic forum;
- Publication of the developed and harmonised analytical methods with examination method titled ILIAD;
- Plan of an efficient development of data exchange among the participating countries;
- Publishing the shared and collected experiences during the project on the form of a brochure, on the SINAPSE.

Within the NTCA the EU Support Division responsible for the management and co-ordination of EU projects carries out a continuous monitoring tasks with the help of the professional organisation units, the Excise Department and Forensic Institute.

2.2.8.4 Why is the ISEC support needed to achieve the proposed results? (max 1000 characters):

The NTCA's opinion is that the ISEC program aiming at the prevention of and fight against crime would provide a good opportunity to carry out cross-border training programs, develop information exchange between the participating customs administrations, and raise awareness among the Member States about the highlighted relevancy of the prevention and efficient detection of fuel counterfeiting.

The overall objective of this project is to reduce the tax evasions, co-operate more widely against the hidden economy at international level and raise tax revenues.

By using the tools of enhanced information exchange or charting a wider range of perpetrators, the program will be able to contribute to the protection of the financial and economical interests of Hungary, the partner countries and the EU.

2.2.8.5 How will the project activities complement other activities (past, present, future) in this field? If yes, to what extent? (max 1000 characters):

The experiences of Forensic Institute and the Excise Department of the NTCA acquired from the frauds detected and proven by analytical examinations are published at the available forums, like in the working groups of Visegrád countries and on the Seminar of European Customs Chemists.

The NTCA's opinion is that beside the participation of customs laboratories, the involvement of criminal investigators and law enforcement organisations would be very important on forums related to the fuel counterfeiting. At international levels the detections would be more efficient and successful.

After the project implementation the international relationships and co-operations among the participant countries would become more effective and long-lasting.

2.2.8.6 Please describe how you intend to sustain the project (activities, results, impact, etc) in the medium and long term after financing ends (max 2000 characters):

- The NTCA will maintain the new relationships and co-operation to improve efficiently against the mineral oil tax evasion.
- More efficient prevention of the tax evasions as economic crimes resulting high-level shortfalls in excise tax collection for several Member States of the European Union and its neighbouring countries; raising the tax collections.
- Using experiences acquired by the program.

2.2.8.7 Please describe how and to whom the results of your project will be disseminated (max 2000 characters):

Publishing the shared and collected experiences and the results gained during the project in a brochure, and on the SINAPSE electronic forum (sending it to its 177 members).

2.2.8.8 Visibility of the EU funding - Please describe how and where the logo and indication that the activities are co-financed by the programme "Prevention of and Fight Against Crime" will be specifically mentioned (max 500 characters):

To assure the visibility documents, articles presenting the achievements of the trainings will use the logo. In order to assure the visibility of the project, articles presenting the achievements of the actions will appear in the 'Pénzügyőr' (Customs officer) magazine in regular intervals. All reports on the on-site trainings will be published on the web site of the NTCA.

2.2.8.9 What is the added value of your project at European level? Please demonstrate the European dimension of the activities and their geographical impact (max 2000 characters):

The project would be carried out by the involvement of the following organisations: Customs Chamber in Katowice, Czech Customs Administration; National Customs Authority of Romania, Financial Directorate of Slovak Republic; National Customs Agency of the Republic of Bulgaria. The countries of these organisations and Hungary are almost neighbouring countries, so among these countries the exchange of information and sharing experiences about the transportation of illicit products have got a significant role.

The main objective of the project is to prevent of and improve efficiently co-operation against the fuel counterfeiting. The justification is that this kind of crime committed with well-organised logistics and sophisticated methods is significant at European countries, it can cause serious shortfall in tax revenue of the national budget in the Member States. Hungary has detected tax evasions in the value of more millions of euro, so the raising of awareness among the Member States about the highlighted relevancy of prevention fuel counterfeiting is necessary.