

Single programming document 2021–2023

EMCDDA, Lisbon, February 2021

Summary

The new Single programming document sets out the EMCDDA's activities for the period 2021–2023, marking the start of a new five-year roadmap under [Strategy 2025](#). At the heart of the agency's work in 2021 will be the development of a new business model, which places customers and digital transformation at its core. The main activities include the further development of information collection and analysis methods, cooperation with the EMCDDA's networks at the EU and international level, collaboration within the Instrument for Pre-accession Assistance ([IPA 7](#)) and EU4Monitoring Drugs ([EU4MD](#)) projects, and a bilateral project with Georgia (EMCDDA4GE). Among the main outputs for 2021 are the European Drug Report, a new Responses guide and an Insights publication on prison and drugs in Europe.

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Main subject:

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VAT fraud clampdown: international scam with memory cards uncovered in the Netherlands



The criminal network defrauded Dutch tax authorities of an estimated €9 million

On 10 February 2021, the investigation service of the Dutch tax authorities - FIOD (Fiscale Inlichtingen en OpsporingsDienst) busted a criminal network involved in international VAT fraud with electronic devices traded via an online company. Fraudsters established a complex trading scheme with Secure Digital (SD) memory cards for electronic devices, which is believed to have defrauded the Dutch treasury of an estimated €9 million between 2017 and 2019. The international sting involved the collaboration of judicial and law enforcement authorities in Croatia, Czech Republic, Hungary, and Poland with the support of Europol and Eurojust. During the action day, investigators carried out thirteen house searches and seized communications equipment and documents.

A complex missing trader intra-community fraud (MTIC)

The illegal VAT scheme consisted in the suspicion of a fake trading circuit of memory cards involving a string of companies in the EU. The criminal gang purchased SD cards with VAT from Dutch companies identified as missing traders. The goods were then sold to companies in Croatia, and the Czech Republic and exempted of VAT according to intra-EU tax rules. To evade tax payment, the scheme finally used conduit companies based in Croatia and Poland to sell back the VAT-exempt goods to the missing traders in the

Netherlands.

The organised crime group also used “buffers” to conceal the illicit transaction chain. These companies purchased the SD cards from the missing traders and only paid VAT on a small margin made from the transactions. As a common practice in MTIC fraud the payment for the transactions was made in advance. It is believed that over the past three years, at least eight missing traders in the Netherlands were involved in this fraud. The criminal gang integrated this so-called ‘VAT carousel fraud’ into the regular commercial activity of an online company selling electronic devices in order to avoid paying VAT.

Europol Support

Europol actively supported the operation by providing analytical support and operational coordination for an effective cross-border cooperation. Moreover, Europol deployed a mobile office in the field to support the Dutch authorities in real-time.

Europol’s European Financial and Economic Crime Centre (EFECC) helps with identifying and dismantling organised criminal networks involved in cross-border VAT fraud and the tracing and confiscating of the proceeds of MTIC fraud. MTIC is committed through a chain of linked companies when the fraudsters sell goods or services from one EU country to another, taking advantage of the fact that it is legitimate not to charge VAT on such cross-border transactions. MTIC scammers obtain €60 billion in criminal profits every year in the EU by avoiding the payment of VAT or by corruptly claiming repayments of VAT from national authorities.

Rights training during interoperability webinar

The EU Law Enforcement Training Agency (CEPOL) hosted the webinar, which ran from 2 to 5 February.

The training targeted the law enforcement community.

FRA focused on the opportunities and risks for fundamental rights when processing personal data through the interoperability of EU IT systems.

EIOPA addresses measures to improve the insurability of business interruption risk in light of pandemics

The European Insurance and Occupational Pensions Authority (EIOPA) published today its staff paper on measures to improve the insurability of business interruption in light of pandemics. Building on the [Issues paper on shared resilience solutions for pandemics](#) published in July, EIOPA analyses options relating to prevention measures to reduce losses, capital markets risk transfer, and multi-peril solutions for systemic risk. It also addresses the general challenges related to modelling and triggers for claims in the context of pandemics.

EIOPA emphasizes that a key element of shared resilience solutions is prevention. **By promoting prevention measures**, insurers can improve society's capacity to reduce losses. Improving clarity on the scope of coverage as well as integrating prevention measures in risk-based pricing of the insurance cover can contribute to showing the true cost and create incentives for preventive behaviour. Prevention can be supported by regulatory incentives, as well as by public-private initiatives for sharing data. Aligning public-private measures for risk prevention can help in reducing moral hazard and improve the insurability of the risk.

To improve society's capacity for bearing business interruption risk beyond traditional insurance mechanisms, **capital markets can be an additional layer** of risk transfer and diversification. Designing new and successful capital markets instruments for financing business interruption risk in a pandemic crisis pose challenges, and require legal certainty, predictability and swiftness in the payment of claims. Progress on pandemic risk modelling and pricing is needed, where possible incentivizing risk prevention through relevant claim triggers.

Multi-peril solutions can provide opportunities for addressing the systemic risk of 'following' events. While pandemic-specific schemes are being discussed today, the option to introduce future-focused multi-peril pools should be considered going forward. This could support the development of common prevention measures, as well as address the opportunity cost of separate peril solutions.

EIOPA invites all interested stakeholders to provide their views to the paper until Wednesday, 31 March 2021 to sharedresiliencesolutions@eiopa.europa.eu.

[Go to the staff paper](#)

Irish family-based gang targeted in probe into €4 million laundering



On 10 February, the Criminal Asset Bureau of the Irish National Police (An Garda Síochána) took action against a criminal gang suspected of large-scale money laundering.

Fund transfers in excess of €4 million were identified from other jurisdictions to Irish bank accounts linked to members of this criminal network. The gang is believed to have made this money from illegal activity across Europe.

The search operation in the cities of Tipperary and Kilkenny involved searches of 4 residential properties and 1 business premises, as a result of which €100 000 in cash and a car worth €75 000 were seized. A total of 16 bank accounts linked to members of the crime group were also frozen. The accounts contained cumulative funds of €540,000.

Such results were made possible thanks to the model of non-conviction based forfeiture operated by the Irish Criminal Assets Bureau.

International Asset Recovery

International cooperation is essential for the successful recovery of assets hidden abroad. Europol's position at the heart of the European security architecture helps facilitate such a mechanism.

In this case, Europol's European Financial and Economic Crime Centre (EFECC) pieced together the intelligence provided by different countries on this one same criminal network and put all the involved countries around one table.

The partners have since worked closely together on this case to uncover the actual magnitude of the criminal activity of this gang and to establish a joint strategy for the final phase of the investigation.