

Incorrect financial information provided in an application for EMFF support

Page 38-39 of the English translation. Page 5 35-36 of the Danish original.

92. The examination shows that the ministry has granted support with the wrong percentages. Our review shows that the ministry has granted 50% in support for numerous of the largest fishery companies in Denmark without checking whether these companies were above the limit for SME's. If they were above the limit, they should have received no more than 30% in support.

93. The Ministry of Foreign Affairs has up till 2017 neither in guidance nor in declaration informed the applicants of the regulation's rules regarding the size of the company. In its guidance for the 2017 application round, the ministry stated that circumvention of the support requirements – including when an applicant artificially divides the company to gain access to support – will be considered fraud. From 2017, the ministry has asked applicants to attach an income statement in the applications but failed to control whether the figures were correct and has not requested documentation or obtained a statement from the accountant to verify the correctness of the information provided.

94. During the review of the support cases we have seen, among other things, an applicant from a larger Danish fishery company, reporting a significantly lower turnover than the gross profit stated in the publicly available earnings report cf. box 8.

BOX 8

Example of incorrect financial information provided in an application for support from the EMFF-programme

The applicant states that the company has annual turnover of approximately DKK 13 million. Though, in the publicly available annual report the company has a gross profit of over DKK 200 million. It seems unlikely that the gross profit of DKK 200 million can be higher than the annual turnover of DKK 13 million. The Ministry of Foreign Affairs paid out the high rate to the company.