


# Procedure file

Basic information		
CNS - Consultation procedure Regulation	<a href="#">1995/0358(CNS)</a>	Procedure completed
Protection of the EC financial interests: on-the-spot checks and inspections		
Subject 8.70.04 Protecting financial interests of the EU against fraud		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control		27/02/1996
		PPE <a href="#">THEATO Diemut R.</a>	
	Former committee responsible		27/02/1996
	<b>CONT</b> Budgetary Control		
		PPE <a href="#">THEATO Diemut R.</a>	
	Former committee for opinion		
	<b>JURI</b> Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	
	<b>LIBE</b> Civil Liberties and Internal Affairs		13/02/1996
		PSE <a href="#">BONTEMPI Rinaldo</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1960</a>	11/11/1996

Key events			
20/12/1995	Legislative proposal published	COM(1995)0690	Summary
16/02/1996	Committee referral announced in Parliament		
25/04/1996	Vote in committee		Summary
25/04/1996	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0145/1996</a>	
22/05/1996	Debate in Parliament		
22/05/1996	Decision by Parliament	T4-0245/1996	Summary
03/06/1996	Amended legislative proposal for reconsultation published	<a href="#">08055/1996</a>	
20/06/1996	Formal reconsultation of Parliament		

25/09/1996	Vote in committee		Summary
25/09/1996	Committee report tabled for plenary, reconsultation	<a href="#">A4-0288/1996</a>	
23/10/1996	Debate in Parliament		
24/10/1996	Decision by Parliament	T4-0537/1996	Summary
11/11/1996	Act adopted by Council after consultation of Parliament		
11/11/1996	End of procedure in Parliament		
15/11/1996	Final act published in Official Journal		

### Technical information

Procedure reference	1995/0358(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Euratom Treaty A 203; EC before Amsterdam E 235
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/07978; CONT/4/07627

### Documentation gateway

Legislative proposal		<a href="#">COM(1995)0690</a> <a href="#">OJ C 084 21.03.1996, p. 0010</a>	20/12/1995	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0145/1996</a> <a href="#">OJ C 152 27.05.1996, p. 0004</a>	25/04/1996	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0245/1996 <a href="#">OJ C 166 10.06.1996, p. 0056-0102</a>	22/05/1996	EP	Summary
Amended legislative proposal for reconsultation		<a href="#">08055/1996</a>	03/06/1996	CSL	
Committee final report tabled for plenary, reconsultation		<a href="#">A4-0288/1996</a> <a href="#">OJ C 347 18.11.1996, p. 0004</a>	25/09/1996	EP	
Text adopted by Parliament after reconsultation		T4-0537/1996 <a href="#">OJ C 347 18.11.1996, p. 0115-0149</a>	24/10/1996	EP	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
---------------------	-------------------------

### Final act

<a href="#">Regulation 1996/2185</a> <a href="#">OJ L 292 15.11.1996, p. 0002</a> Summary
--

## Protection of the EC financial interests: on-the-spot checks and inspections

- OBJECTIVE: to establish a new and additional legal basis for on-the-spot checks and inspections as part of the fraud prevention programme.

- SUBSTANCE: the proposal for a regulation is based on the following approach: - it is left to the competence of Member States to provide, where necessary, additional measures in respect of on-the-spot checks and inspections carried out by their own inspectors; - the text leaves the *acquis communautaire* intact; - based on the concept of irregularity as defined in the joint guideline, the text lays down rules governing the powers and obligations of the Commission's inspectors and the means at their disposal for on-the-spot checks in the context of an anti-fraud investigation; - it should be noted that the draft text incorporates the amendments put forward by Parliament at the first consultation on the proposal for a regulation on the protection of the European Communities' Financial Interests, and subsequently accepted by the Commission. ?

---

## Protection of the EC financial interests: on-the-spot checks and inspections

---

The Committee adopted the draft report by Mrs THEATO. One of the amendments adopted was that proposed by Mrs Edith MÜLLER (V, D) giving Article 5 wide-ranging powers; this in fact stated that on-the-spot checks and inspections may affect "any other logical operation which might be necessary to carry out the investigation in a proper way". An amendment to Article 7 proposed by Mrs THEATO added the concept of penalties: "Sectoral rules may provide for the penalties referred to in Article 5 (1) of the above Regulation (2988/95/EEC) to be applied to persons who resist an inspection or check." ?

---

## Protection of the EC financial interests: on-the-spot checks and inspections

---

In adopting the report by Mrs THEATO, the European Parliament strengthened the proposal for a regulation concerning on-the-spot checks and inspections by the Commission for the detection of fraud and irregularities detrimental to the financial interests of the European Communities. In its amendments Parliament: - specified that on-the-spot checks and inspections may concern "any other logical operations which might be necessary to carry out the investigation in a proper way"; - added the concept of penalties: sectoral rules may provide for the application of the penalties referred to in Article 5(1) of Regulation (EC/EURATOM) No 2988/95 to persons who resist an inspection or check; - stated that the European Information System and Europol should be able to provide information on international fraud networks, which should be available to the Commission. ?

---

## Protection of the EC financial interests: on-the-spot checks and inspections

---

A report calling on Parliament to approve a proposal for a Council Regulation providing for on-the-spot checks and inspections by the Commission to protect the Community's financial interests was adopted by the Committee on Budgetary Control. However, the committee has asked the House not to give the proposal the green light unless the Commission introduces penalties for anyone who obstructs Commission inspections. Mrs THEATO believes that the lack of penalties renders ineffective the requirement that economic operators who are in receipt of funding must allow Community inspectors access to "premises, land, means of transport or other areas, used for business purposes". As is generally the case with initiatives to combat fraud affecting the Community budget, this draft regulation stems from an EP resolution adopted on 11 March 1994 which called on the Commission to give the Community's Fraud Prevention and Coordination Unit (UCLAF) wide-ranging powers to obtain access to information and to conduct on-the-spot inquiries. The Council's draft of the proposal, which took substantial account of the 13 amendments tabled by the EP, is based on two principles endorsed by the committee: - on-the-spot inspections by the Commission must comply strictly with the subsidiarity principle; - inspections are administrative rather criminal. ?

---

## Protection of the EC financial interests: on-the-spot checks and inspections

---

Parliament adopted the report by Mrs Diemut THEATO (PPE, D) concerning on-the-spot checks and inspections carried out by the Commission to protect the European Communities' financial interests against fraud and other irregularities, without making any amendments to the draft Council Regulation. ?

---

## Protection of the EC financial interests: on-the-spot checks and inspections

---

OBJECTIVE: to establish a new and additional legal basis for on-the-spot checks and inspections in the fraud prevention context. COMMUNITY MEASURE: Council Regulation EC, Euratom 2185/96 concerning on-the-spot checks and inspections by the Commission for the detection of frauds and irregularities detrimental to the financial interests of the European Communities. SUBSTANCE: the Regulation lays down rules to govern the powers and obligations of the Commission's inspectors and the means which they may employ for the purposes of on-the-spot checks in the context of a fraud investigation. DATE OF ENTRY INTO FORCE: 18 November 1996. The Regulation is applicable from 1 January 1997. ?