


Procedure file

Basic information		
INI - Own-initiative procedure	1998/2042(INI)	Procedure completed
Legal proceedings in the area of protection of financial interests		
Subject 8.70.04 Protecting financial interests of the EU against fraud		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		25/11/1997
		PPE THEATO Diemut R.	
	Committee for opinion	Rapporteur for opinion	Appointed
	LIBE Civil Liberties and Internal Affairs		

Key events			
20/02/1998	Committee referral announced in Parliament		
24/02/1998	Vote in committee		Summary
24/02/1998	Committee report tabled for plenary	A4-0082/1998	
31/03/1998	Debate in Parliament		Summary
31/03/1998	Decision by Parliament	T4-0188/1998	Summary
31/03/1998	End of procedure in Parliament		
04/05/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1998/2042(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/09793

Documentation gateway

Committee report tabled for plenary, single reading	A4-0082/1998 OJ C 138 04.05.1998, p. 0004	24/02/1998	EP	
Text adopted by Parliament, single reading	T4-0188/1998 OJ C 138 04.05.1998, p. 0020-0061	31/03/1998	EP	Summary

Legal proceedings in the area of protection of financial interests

Protecting the EU's financial interests against the activities of international organised crime (e.g. fraud, corruption and money-laundering) requires closer cooperation between the judicial authorities of the Member States. However, efforts to achieve such cooperation often lead to conflicts of jurisdiction between national authorities. To ensure that there is an efficient, coherent criminal law system throughout the EU, the Union needs to take subsidiary measures. This was the thrust of the own-initiative report by Diemut THEATO (EPP, D), which was adopted. The report says that in the short term greater cooperation is needed between national authorities responsible for criminal justice. A specialist body, i.e. UCLAF (the Commission's anti-fraud unit), should be empowered, under EU regulations, to centralise information, coordinate the activities of the investigating authorities and help improve the training of national criminal justice officials. In the long term, a European Public Prosecutor's office should be set up, as proposed in the 'Corpus Juris', to establish an embryonic European legal area to provide swift and effective protection for the Union's finances. (The 'Corpus Juris' is to be found in a study produced by the Commission at Parliament's request, and puts forward basic texts for criminal law and procedure at EU level.) The committee also asks the Commission to submit to Parliament by June 1998 a report on the obstacles to be overcome with regard to harmonisation of criminal law, in order to resolve any problems which might be raised by the establishment of a European Public Prosecutor's office.

Legal proceedings in the area of protection of financial interests

Commissioner Gradin stressed that the forthcoming enlargement of the European Union further increased the need to establish an area of freedom, security and justice in Europe. She favoured a gradual and pragmatic approach for harmonising 15 different judicial systems with regard to the administration of fraud. Among the programmes which had achieved important results, she cited Grotius for judicial cooperation, Stop to combat sexual exploitation of children and trafficking in women, Daphne to fight violence against women and children, Sherlock on forged documents and Oisin on police and customs cooperation. Another two programmes had just been approved by the Council of Ministers: Odysseus on border controls, migration and asylum and Falcone on the fight against organised crime. Academically speaking, the Corpus Juris was yet another example of how to prepare the ground for further initiatives. As regards budget fraud, Mrs Gradin called for efficient cooperation between investigation authorities and the judiciary in all Member States and stressed that the new Article 280 of the Treaty of Amsterdam provided for a qualified majority which made for a much more efficient decision-making process at EU level. As regards the role of UCLAF, the Commissioner indicated that not a single Member State had yet ratified the various conventions dealing with the protection of the financial interests of the Community. If this position was maintained, the Commission would have to seriously consider how to make progress using the new instruments of the Treaty of Amsterdam (Articles 34 and 280). As regards the Staff Regulations, the Commission wanted to adopt a constructive attitude. Finally, Mrs Gradin noted that the Commission had high hopes that the Corpus Juris would form the centrepiece of a European judicial area, particularly in areas such as taking of evidence, mutual assistance and admissibility of proof. In addition, with Commissioner de Silguy, she would shortly present a communication on measures aimed at protecting the European currency against forgery and counterfeiting.

Legal proceedings in the area of protection of financial interests

In adopting the report by Mrs Diemut THEATO (EPP, D) Parliament called in the short term for more efficient cooperation between national investigating authorities responsible for bringing criminal proceedings with a view to ensuring that the Union's finances were protected under the criminal law. A specialized body, namely UCLAF, should centralize information, coordinate the activities of the investigating authorities and provide them with technical and legal assistance. These tasks should be conferred on it through Community regulations. In the long term Parliament suggested the establishment of a European Public Prosecutor to coordinate a network of delegated national investigating authorities (as proposed in the 'Corpus Juris') in order to establish an embryonic European legal area to protect the Union's financial interests speedily and effectively. The Commission was called on to submit by June 1998 a report on the obstacles to be overcome with regard to the harmonization of criminal law and concerning the problems which could arise as regards the establishment of a European Public Prosecutor. ?