

Protection of the financial interests of the EC. Initiative United Kingdom

1994/0923(CNS) - 02/03/1995 - \${summary.subTitle}

The report by Mr Bontempi, which was adopted, deals both with a proposal for a Council Act establishing a Convention for the protection of the Communities' financial interests, and with a draft decision of the Council on joint action to be taken by the EU in this area (CNS 94/0923 for the relevant Committee on Civil Liberties). The initiative in question came from the UK, the proposal for joint action which is being discussed by the Council having been presented on the basis of Article K3 of the Treaty on European Union (3rd pillar). In the two documents the Committee proposed that the plenary sitting reject both the Convention and the decision relating to joint action for the protection of the Communities' financial interests. The Committee called for the texts in question to be withdrawn and called on the Commission to prepare a draft directive on this matter as soon as possible. The Parliamentary Committee drew attention to Parliament's position on the distinction which had to be made between international fraud, on one hand, and Community fraud, on the other. If initiatives based on Article K3 of the Treaty, that is to say which come within the competence of intergovernmental cooperation, could be proposed with a view to protecting against international fraud, Community fraud should be regulated by means of a directive which takes as its legal basis Articles 100 A and 209 A, and should therefore come under the scope of Community legislation. It was pointed out that only by harmonizing the criminal justice systems of the Member States will it be possible effectively to protect the Communities' financial interests. The Committee also stressed that the penalties applied should be effective and proportional and must act as a deterrent. It took the view that a directive which laid down the general principles for the harmonization of criminal justice measures designed to protect the Communities' financial interests could, in accordance with the principle of subsidiarity, leave it to Member States to decide on the details of the measures to be adopted. ?