



Plenary sitting

A8-0230/2017

22.6.2017

*****II**

RECOMMENDATION FOR SECOND READING

on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council on the fight against fraud to the Union's financial interests by means of criminal law (06182/1/2017 – C8-0150/2017 – 2012/0193(COD))

Committee on Budgetary Control
Committee on Civil Liberties, Justice and Home Affairs

Rapporteur: Ingeborg Gräßle, Juan Fernando López Aguilar

(Joint committee procedure – Rule 55 of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council on the fight against fraud to the Union's financial interests by means of criminal law
(06182/1/2017 – C8-0150/2017 – 2012/0193(COD))**

(Ordinary legislative procedure: second reading)

The European Parliament,

- having regard to the Council position at first reading (06182/1/2017 – C8-0150/2017),
 - having regard to its position at first reading¹ on the Commission proposal to Parliament and the Council (COM(2012)0363),
 - having regard to Article 294(7) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 67a of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on Budgetary Control and the Committee on Civil Liberties, Justice and Home Affairs under Rule 55 of the Rules of Procedure
 - having regard to the recommendation for second reading of the Committee on Budgetary Control and Committee on Civil Liberties, Justice and Home Affairs (A8-0230/2017),
1. Approves the Council position at first reading;
 2. Notes that the act is adopted in accordance with the Council position;
 3. Instructs its President to sign the act with the President of the Council, in accordance with Article 297(1) of the Treaty on the Functioning of the European Union;
 4. Instructs its Secretary-General to sign the act, once it has been verified that all the procedures have been duly completed, and, in agreement with the Secretary-General of the Council, to arrange for its publication in the *Official Journal of the European Union*;
 5. Instructs its President to forward its position to the Council, the Commission and national parliaments.

¹ Texts adopted of 16.4.2014, P7_TA(2014)0427.

SHORT JUSTIFICATION

The conclusion of the negotiations on the Directive on the fight against fraud to the Union's financial interests by means of criminal law (the "PIF Directive") is a historic moment for the EU. This is the first step towards the harmonisation of criminal law in Europe when crimes are committed against the EU budget. The Rapporteurs from the Budgetary Control Committee and Civil Liberties, Justice and Home Affairs Committee have worked on this issue for more than four years, negotiating together with the Member States' justice ministers.

The Parliament has now established the legal basis for the work of the European Public Prosecutor by defining his/her competences. An important breakthrough was achieved in cross-border VAT fraud:

- VAT fraud is included in the scope of the Directive for cases involving a loss of at least EUR 10 million in two or more Member States. This threshold is included in the revision clause for assessment in a future revision of the Directive.
- Public procurement fraud was also included in the revision clause foreseeing that in three years the Commission will assess whether the Directive effectively addresses these cases and, if necessary, makes a legislative proposal with a specific provision on procurement fraud.
- The maximum penalty for natural persons will be at least 4 years of imprisonment across Europe when involving damages or advantages of at least EUR 100,000. Parliament has made clear that the maximum penalties as well as the threshold for all offenses are binding to all Member States.
- Prescription periods and deadlines for the enforcement of judgments will be 5 years. The length of the deadline for enforcement is also included in the revision clause under the same terms as the public procurement fraud.

As Council's first reading position is in conformity with the agreement reached during the interinstitutional negotiations, the Rapporteurs recommend endorsing it without amendments.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Fight against fraud to the Union's financial interests by means of criminal law	
References	06182/1/2017 – C8-0150/2017 – 2012/0193(COD)	
Date of Parliament's first reading – P number	16.4.2014	T7-0427/2014
Commission proposal	COM(2012)0363 - C7-0192/2012	
Receipt of Council position at first reading announced in plenary	18.5.2017	
Committees responsible Date announced in plenary	CONT 18.5.2017	LIBE 18.5.2017
Rapporteurs Date appointed	Ingeborg Gräßle 9.12.2013	Juan Fernando López Aguilar 9.12.2013
Rule 55 – Joint committee procedure Date announced in plenary	10.6.2013	
Discussed in committee	30.5.2017	15.6.2017
Date adopted	15.6.2017	
Result of final vote	+: –: 0:	56 12 0
Members present for the final vote	Jan Philipp Albrecht, Nedzhmi Ali, Jonathan Arnott, Inés Ayala Sender, Gerard Batten, Heinz K. Becker, Malin Björk, Michał Boni, Caterina Chinnici, Ryszard Czarnecki, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Tanja Fajon, Laura Ferrara, Luke Ming Flanagan, Monika Flašíková Beňová, Kinga Gál, Ana Gomes, Ingeborg Gräßle, Nathalie Griesbeck, Monika Hohlmeier, Brice Hortefeux, Filiz Hyusmenova, Sophia in 't Veld, Jean-François Jalkh, Eva Joly, Arndt Kohn, Dietmar Köster, Barbara Kudrycka, Cécile Kashetu Kyenge, Bogusław Liberadzki, Juan Fernando López Aguilar, Louis Michel, Claude Moraes, Alessandra Mussolini, Péter Niedermüller, Georgi Pirinski, Judith Sargentini, Claudia Schmidt, Birgit Sippel, Helga Stevens, Hannu Takkula, Indrek Tarand, Traian Ungureanu, Bodil Valero, Marco Valli, Derek Vaughan, Harald Vilimsky, Josef Weidenholzer, Kristina Winberg, Tomáš Zdechovský, Joachim Zeller, Auke Zijlstra	
Substitutes present for the final vote	Richard Ashworth, Carlos Coelho, Ignazio Corrao, Maria Grapini, Brian Hayes, Benedek Jávor, Andrejs Mamikins, Marian-Jean Marinescu, Andrey Novakov, Maite Pagazaurtundúa Ruiz, Julia Pitera, Salvatore Domenico Pogliese, John Procter, Barbara Spinelli	
Date tabled	22.6.2017	

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

56	+
ALDE	Nedzhmi Ali, Nathalie Griesbeck, Filiz Hyusmenova, Louis Michel, Maite Pagazaurtundúa Ruiz, Hannu Takkula, Sophia in 't Veld
EFDD	Ignazio Corrao, Laura Ferrara, Marco Valli
ENF	Harald Vilimsky
GUE/NGL	Barbara Spinelli
PPE	Heinz K. Becker, Michał Boni, Carlos Coelho, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Ingeborg Gräßle, Brian Hayes, Monika Hohlmeier, Brice Hortefeux, Barbara Kudrycka, Marian-Jean Marinescu, Alessandra Mussolini, Andrey Novakov, Julia Pitera, Salvatore Domenico Pogliese, Claudia Schmidt, Traian Ungureanu, Tomáš Zdechovský, Joachim Zeller
S&D	Inés Ayala Sender, Caterina Chinnici, Tanja Fajon, Monika Flašíková Beňová, Ana Gomes, Maria Grapini, Arndt Kohn, Cécile Kashetu Kyenge, Dietmar Köster, Bogusław Liberadzki, Juan Fernando López Aguilar, Andrejs Mamikins, Claude Moraes, Péter Niedermüller, Georgi Pirinski, Birgit Sippel, Derek Vaughan, Josef Weidenholzer
Verts/ALE	Jan Philipp Albrecht, Eva Joly, Benedek Jávor, Judith Sargentini, Indrek Tarand, Bodil Valero

12	-
ECR	Richard Ashworth, Ryszard Czarnecki, John Procter, Helga Stevens
EFDD	Jonathan Arnott, Gerard Batten, Kristina Winberg
ENF	Jean-François Jalkh, Auke Zijlstra
GUE/NGL	Malin Björk, Luke Ming Flanagan
PPE	Kinga Gál

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention