

Freezing and confiscation of criminal money

The European Commission proposed to amend Directive 2014/42 on the freezing and confiscation of the proceeds of crime in order to strengthen the EU's asset recovery and confiscation rules. The aim is to modernise the legal framework in order to tackle the low rates of freezing and confiscation of criminal profits. After three rounds of interinstitutional negotiations, the Parliament and Council reached a provisional agreement on the draft directive on 12 December 2023. Parliament is due to vote in plenary in March on the provisional agreement.

Background

Proceeds from organised crime in Europe are, according to Europol, estimated at around €139 billion annually. Freezing and confiscating criminal assets is an essential element of the fight against organised crime. However, according to estimations, there are low rates of freezing and confiscation in the EU. There is a lack of reliable statistics, making it difficult to measure and compare rates of confiscation at EU level. The European Commission's June 2020 evaluation '[Asset recovery and confiscation: ensuring that crime does not pay](#)' outlined some main challenges, including the narrow scope of the EU directive currently in force, the lack of reach of confiscation schemes, the lack of harmonisation between Member States' adopted rules and the lack of comparable data.

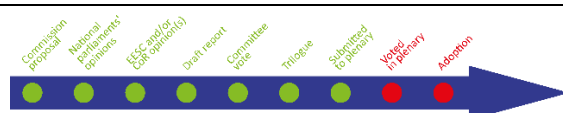
European Commission proposal

The Commission proposal amends [Directive 2014/42/EU](#), which established rules on freezing, confiscation and management of criminal property. It also builds on Council [Decision 2007/845/JHA](#), which facilitated information exchange and cooperation among asset recovery offices, and Council Framework [Decision 2005/212/JHA](#) on confiscation. According to its 2020 evaluation, action taken at EU level to support Member States in the fight against organised crime needed to be further enhanced. Criminal assets needed to be swiftly identified, traced and frozen as a first step in the asset recovery process. Access to national databases or registers were needed to support the work and aid cross-border cooperation. It was also necessary to broaden the scope of the offences covered, as there were areas of criminal profits that fell outside the scope of the existing directive.

European Parliament position

In Parliament, the Committee on Civil Liberties, Justice and Home Affairs (LIBE) adopted its [report](#) on 23 May 2023, with the Committee on Legal Affairs (JURI) as associated committee. It proposed to expand the scope of the directive to other crimes and to use confiscated property for the public interest or for social purposes and restitution for victims. Its mandate for trilogue negotiations was endorsed in plenary in June 2023. The directive as agreed in negotiations with the Council will require Member States to take measures to enable the freezing of property for eventual confiscation, including in cases of unexplained wealth. One measure is aimed at those who profit from circumventing EU sanctions, who may see proceeds frozen and confiscated in the same way as criminal gains. It will see a requirement for Member States to strengthen their asset recovery offices, which will also carry out tracing and confiscation of proceeds of crime following an order issued in another Member State.

First-reading report: [2022/0167\(COD\)](#), Committee responsible: LIBE; Rapporteur: Loránt Vincze (EPP, Romania)
For further information, see our 'EU Legislation in progress' [briefing](#).



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