New rules to speed up freezing and confiscating criminal assets across the EU

- easier for member states to request seizure of criminal assets in other countries
- compensating victims will take priority
- 98.9% of criminal proceeds in the EU are never confiscated

A new regulation is to help seize more illegal earnings from terrorists and other criminals.

1.1%

of all criminal proceeds in the EU are confiscated (Europol)

It will be quicker and easier for a member state to request that the property of a criminal in another member state be frozen or confiscated, compared to existing EU measures, under the new rules adopted by the Civil Liberties Committee on Thursday.

The agreed text introduces tighter deadlines, as well as a standard certificate to speed up the procedure, and broadens the scope of the type of assets that can be seized or confiscated.

Shorter deadlines

MEPs want member states who receive a freezing or confiscation order to be bound to execute it within 20 days, as opposed to the 60 days proposed by the Commission, so that criminals do not have time to move their assets.
The deadline may, however, be postponed, for instance if the confiscation would hurt an ongoing criminal investigation.

Victims' compensation a priority

Victims will be the first in line to receive compensation when distributing the confiscated assets. In cases of confiscations worth more than €10,000, the money that remains after the compensation would be shared between the issuing and executing member state by 70% and 30% respectively, MEPs agreed.

Quote

Rapporteur Nathalie Griesbeck (ALDE, FR) said: “Crime should not pay and money coming from and going to criminal organisations needs to be blocked! The regulation voted through is a key tool to combat the financing of criminal activity, including terrorism. The committee adopted an ambitious position that will speed up confiscation and freezing of assets between member states with tight deadlines, leading to a more powerful European response in this key field. Parliament’s position also promotes the re-use of frozen and confiscated assets for social purposes.”

Quick facts

A court may order that the money, house or other property of a person who is suspected of engaging in criminal activities be frozen. After a trial is held, a confiscation order may follow.

Freezing and confiscation of property is an efficient way to prevent terrorists from carrying out attacks, as well as hindering the activities of other organised criminals. However, Europol estimates that only 1.1% (€1.2 billion) of all criminal proceeds in the EU are ever confiscated.

The new regulation, proposed by the Commission in December 2016 as part of its Action Plan against terrorist financing, replaces two pieces of legislation and introduces measures such as a
widened scope of recognition, so member states should carry out confiscations for each other:

- even if the assets are not the direct proceeds of crime
- even if the assets belong to a third party
- even if there is no conviction, for instance if the suspect has fled

Next steps

The regulation was adopted by 47 votes in favour, 2 against and 1 abstention.

MEPs also backed the negotiating mandate with 45 votes to 5, with no abstentions. Once this is confirmed by Parliament as a whole, talks with EU Ministers can start immediately, since the Council has already adopted its general approach on the topic.

The legislation will take effect six months after it enters into force.

Further information

Adopted text will be available here
Procedure file
Commission impact assessment
Legislative train - mutual recognition of freezing and confiscation orders
Council press release: “Freezing and confiscation: Council agrees general approach on the mutual recognition of freezing and confiscation orders”
Video material with extracts from the vote and statement by the rapporteur will be available here

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