Criminal proceeds: making it easier to freeze and confiscate across the EU

Freezing and confiscating criminal proceeds is one of the best ways to fight crime. On 4 October MEPs approved new rules to make it easier and faster across the EU.

Too much money remains in criminal hands

Criminal activities in Europe are believed to generate about €110 billion every year. According to a 2016 Europol report, 2.2% of crime proceeds were provisionally seized or frozen in the EU in 2010-14, but only 1.1 % of was effectively confiscated.

Situation today

Several pieces of legislation set out how to seize criminal assets across the EU, but there are serious loopholes that are being exploited by criminals and terrorists who hide their assets in other EU countries. Current procedures and certificates are complex and inefficient. For example, there is not always a time limit, while another issue is that victims' rights regarding restitution and compensation are not sufficiently protected.

New rules

The aim of the new legislation is to replace the existing rules by a regulation, which would be directly applicable in all EU countries. It would lead to freezing and confiscation orders being enforced more rapidly and effectively. In addition the legislation would include tighter deadlines for authorities and standard certificates for all EU countries.

All criminal offences would be covered and a greater range of freezing and confiscation orders would be provided for. Under the new rules the victim’s right to compensation would take priority over the state.
The role of the European parliament

Parliament has toughened up the rules with a non-recognition clause when fundamental rights are not being respected and a 45-day deadline to enforce confiscation orders. MEPs also added provisions to promote the reuse of confiscated assets for social purposes.

“I am pleased that we have succeeded in giving victims an important role in how confiscated goods are managed and that we have made it easier for them to be compensated,” said French ALDE member Nathalie Griesbeck, who is in charge of steering the proposals through Parliament.

“We have created an essential tool that will be more efficient, but also fairer with better guarantees.”

Nathalie Griesbeck
MEP in charge

Next steps

MEPs have adopted the new rules, it will now be up to the Council to approve them as well. If approved, the legislation will apply 24 months after its entry into force. The legislation would not

1.1%
Percentage of criminal profits that gets confiscated
apply to Ireland and Denmark.

This proposal is one from the series of measures aiming to tackle the financing of terrorism and organised crime. Parliament already approved tighter rules against money laundering and cash movements.

Find out more
Press release on the plenary vote (4 October 2018)
Draft report
Procedure file
Study: mutual recognition of freezing and confiscation orders
The EU is making it easier to confiscate criminal proceeds ©AP Images/European Union-EP