



**COUNCIL OF
THE EUROPEAN UNION**



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Council approves reform of the European Anti-Fraud Office

Today the Council approved¹ a political agreement reached with the European Parliament on a reform of the European Anti-Fraud Office (OLAF) aimed at strengthening OLAF's capacity to tackle fraud ([12735/12 ADD 1](#)).

OLAF was created in 1999 in order to step up the fight against fraud, corruption and any other illegal activity affecting the financial interests of the EU.

The main objectives of the reform are to increase the efficiency of OLAF's investigation, to strengthen cooperation between the office and the competent authorities of the member states and third countries, and to increase OLAF's accountability.

The new rules include the following main improvements:

Improving efficiency

The tasks and duties of OLAF's Director-General and of the Supervisory Committee, as well as the respective appointment procedures have been more explicitly outlined with a view to clarify the scope of their action.

In order to reinforce OLAF's independence, its Director-General will in future be appointed for a non-renewable term of seven years, rather than for a once renewable term of five years, as under the current rules.

¹ The decision was taken at the ECOFIN Council.

P R E S S

If OLAF cannot close an investigation within twelve months after it has been opened, the Director-General of the office must, at intervals of six months, inform the supervisory committee of the reasons and the remedial measures envisaged with a view to speeding up the investigation.

Moreover, the right of OLAF to immediate and unannounced access to information held by institutions, bodies, offices or agencies has been extended to the stages prior to the investigation in order to assess if there are reasons to start an investigation.

Strengthening cooperation

The new rules provide for more timely and effective exchange of information and clear reporting obligations during the various phases of the investigations.

As a general rule, member states have to identify an authority ("the anti-fraud coordination service") with the task of coordinating the protection of the financial interests of the EU and the fight against fraud and to provide OLAF with the assistance needed in the performance of its duties.

On OLAF's request, institutions, bodies, offices or agencies as well as the competent authorities of the member states concerned will have to report on the follow-up given to the recommendations of OLAF's Director-General.

In addition, OLAF will get the possibility to conclude administrative arrangements with Europol, Eurojust, third countries' competent authorities and international organisations.

An exchange of views will take place once a year between the European Parliament, the Council and the Commission. Such exchanges should cover, *inter alia*, the strategic priorities for investigation policies and the effectiveness of OLAF's work with regard to the performance of its mandate, without interfering, however, with its independence in the conduct of its investigations.

Increasing accountability

In line with the charter of fundamental rights of the EU, the procedural rights of persons concerned by an OLAF investigations, witnesses and informants will be further strengthened. Concretely, any person affected by an investigation will have the right to make his/her views known before conclusions referring by name to a person are drawn up. He or she will also have the right to be assisted by a person of his/her choice during an interview, to use the EU language of his or her choice, to be given access to a record of the interview and to add observations on it.

The OLAF's supervisory committee will continue to ensure that the office exercises its mission in full independence. In addition to its current tasks, the supervisory committee will, however, also be mandated to monitor the application of the procedural guarantees. In order to preserve the supervisory committee's expertise three and two members will be replaced alternatively. The members of the supervisory committee will be appointed for a single term of five years. Under the current rules, the five members are appointed for a term of three years, once renewable, and replaced simultaneously.

Background on the procedure

The draft regulation is subject of the ordinary legislative procedure, meaning that it is co-decided by the European Parliament and the Council. Now that the political agreement has been approved by the Council the text will be reviewed by the legal-linguistic experts before the Council gives its formal support to the new regulation by adopting its first-reading position. The file then goes back to the European Parliament for a second reading. If the plenary approves the rules as agreed with the Council the new regulation is adopted and can enter into force after having been published in the Official Journal of the EU.
