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'I' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)

No. Cion doc.: 9539/18 + ADD 1 + ADD 2 - COM(2018) 386 final + ANNEX + SWD(2018) 281 final
No. prev. doc.: 15467/18 + ADD 1

Subject: Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme
- Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 30 May 2018, the Commission submitted to the European Parliament and the Council a proposal for a Regulation establishing the EU Anti-Fraud Programme¹.

¹ Doc. 9539/18 + ADD 1 + ADD 2 (COM(2018) 386 final + ANNEX + SWD(2018) 281 final).

2. The programme aims to support Member States' efforts to fight fraud, corruption and other irregularities affecting the EU budget, and is to finance targeted training and the exchange of information and best practice between anti-fraud enforcers across Europe. It will also provide support for investigative activities through the purchase of technical equipment used in detecting and investigating fraud, as well as facilitate access to secure information systems.
3. The new programme will replace the current Hercule III Programme, and will be managed and implemented by the European Anti-Fraud Office (OLAF).
4. The proposal is based on Articles 33 and 325 TFEU.
5. The European Court of Auditors adopted its opinion on 15 November 2018².
6. On 12 February 2019, the Plenary of the European Parliament adopted a legislative resolution for a position at first reading.³
7. The Working Party on Combating Fraud examined the Commission proposal in several meetings between June and December 2018. On 12 December 2018, the Permanent Representatives' Committee adopted a partial mandate to begin negotiations with the European Parliament, given some horizontal provisions related to the negotiations on the multiannual financial framework (MFF).⁴

² OJ C 10, 10.1.2019, p. 1.

³ Doc. 6207/19.

⁴ Doc. 15467/18.

8. Several technical meetings, physical and virtual, took place between April and November 2020. A large number of issues were resolved with compromises from both sides during those meetings.

II. STATE OF PLAY

9. The members of the Working Party on Combating Fraud were consulted on the text after the political agreement on the MFF was reached on 10 November 2020. On the basis of this consultation that confirmed the Presidency's mandate, the Presidency hosted on 8 December 2020 a political trilogue in virtual format.
10. This trilogue reached a provisional agreement which resulted in the final compromise text as set out in Addendum 1 to this document.
11. On 18 December 2020, the provisional agreement was presented and discussed at the informal videoconference of the members of the Working Party on Combating Fraud, which had no objections to proceeding with the file.

III. CONCLUSIONS

12. Against this background and with a view to enable an early second reading agreement between the Council and the European Parliament on this legislative proposal, the Permanent Representatives Committee is invited to confirm the final compromise text of the Regulation as set out in Addendum 1 to this document;
13. Once the European Parliament's Committee on Budgetary Control (CONT) has voted on the compromise agreement, the CONT Chair will address a letter to the Presidency confirming that, should the Council approve this text as its first reading position, after legal-linguistic revision, the European Parliament would approve the Council's position in its second reading.
14. Unless objected by the Permanent Representatives Committee, this note, including its Addendum 1, will be made public by the General Secretariat of the Council after approval.