



Council of the
European Union

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'I' ITEM NOTE

From: Presidency
To: Permanent Representatives Committee
Subject: Presidency report in the area of Combating Fraud

1. Delegations will find attached a Presidency report in the area of Combating Fraud.
2. The Permanent Representatives Committee is invited to take note of the report.

Presidency report in the area of Combating Fraud

During the second half of 2019, the Finnish Presidency organised three meetings of the Working Party on Combating Fraud on 24 September, 30 October and 20 November 2019. At these meetings, as well as in other meetings with the EU institutions, especially trilogues on legislative files and the annual Inter-institutional Exchange of Views, the following main items were dealt with:

1. Amendment of Regulation 883/2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF);

The Presidency started negotiations with the European Parliament on the basis of the mandate agreed at Coreper 2 on 12 June 2019. The European Parliament confirmed its first reading position in a letter concerning "unfinished business" addressed to the Council Presidency on 22 October. The Presidency had three technical meetings with the European Parliament rapporteur MEP Marinescu on 15 October, and on 4 and 5 December. Two trilogues were organised at the European Parliament on 5 November and 12 December.

The Working Party on Combating Fraud received information from the Presidency on the progress of the negotiations and discussed the European Parliament's amendments on 24 September, 30 October and 20 November. In the negotiations with the European Parliament, the Presidency discussed the proposed amendments of both legislators to the Regulation but despite the efforts, only with limited progress. The Croatian Presidency will continue the negotiations from the beginning of 2020.

2. Proposal for a Regulation establishing the Pericles IV programme;

The Presidency had the first informal discussion with the rapporteur of the European Parliament MEP Daly on 15 October. After the European Parliament had reconfirmed its first reading position in October, the Working Party on Combating Fraud discussed the European Parliament's amendments at the meeting on 20 November.

The Presidency together with the future Croatian Presidency had a meeting with the rapporteur MEP Daly on practical arrangements on 11 December. A way forward was agreed and the technical meetings will start from the beginning of 2020. However, finalisation of the Regulation is subject to an overall agreement on the next multiannual financial framework.

3. Proposal for a Regulation establishing the EU Anti-Fraud programme;

After the European Parliament had reconfirmed its first reading position in October, the Working Party on Combating Fraud discussed the European Parliament's amendments at the meeting of 20 November.

The Presidency established informal contacts with the rapporteur of the European Parliament MEP Deutsch. The Presidency concluded together with the rapporteur, that the way forward and the timetable for the technical meetings should be discussed between the future Croatian Presidency and the rapporteur. Finalisation of the Regulation is subject to an overall agreement on the next multiannual financial framework.

4. Presentation of OLAF's Annual Report 2018;

The Annual Report of the European Anti-Fraud Office (OLAF) was presented to the Working Party on Combating Fraud on 24 September. Based on the discussion at the meeting, an outcome of proceedings (doc. 14356/1/19 REV 1) was prepared to be used as part of the Presidency mandate for the Inter-institutional Exchange of Views on 11 December.

5. Presentation of OLAF Supervisory Committee's Activity Report 2018;

The Activity Report of the OLAF Supervisory Committee was presented to the Working Party on Combating Fraud on 24 September. Based on the discussion at the meeting, an outcome of proceedings (doc. 14357/19) was prepared to be used as part of the Presidency mandate for the Inter-institutional Exchange of Views on 11 December.

6. Presentation of the Pericles 2020 Annual Report 2018;

The Commission presented the Annual Report of the Pericles 2020 programme at the Working Party on Combating Fraud on 30 October. The Working Party took note of the report and had a brief discussion on activities related to the protection of the euro against counterfeiting.

7. Presentation of the Commission's Report on the Protection of the European Union's financial interests – Fight against fraud – in 2018;

The Commission presented the Annual Report on the Protection of the EU's financial interests to the Working Party on Combating Fraud on 30 October. The Working Party took note of the report and discussed several issues related to the report, including national anti-fraud strategies, country profiles that are under preparation at the Commission, as well as recommendations covering both revenue and expenditure of the EU budget.

8. Inter-institutional Exchange of Views (Article 16 of Regulation 883/2013) on 11 December 2019;

According to the practical arrangements that were agreed between the three institutions, the Inter-institutional Exchange of Views in 2019 was hosted and chaired by the Council. A preparatory meeting took place on 5 April and a draft agenda was agreed in writing during the autumn.

The Working Party on Combating Fraud prepared for the Inter-institutional Exchange of Views at the meetings of 30 October and 20 November. On the basis of the discussion two outcomes of proceedings (docs. 14356/1/19 REV 1 and 14357/19), as well as a mandate for discussion (doc. 14358/19) was prepared for the Presidency and endorsed at Coreper 2 on 27 November.

At the meeting on 11 December the Council Presidency was represented by the Permanent Representative of Finland to the EU. The European Parliament was represented by CONT Committee Chair MEP Hohlmeier and Vice-Chair MEP Chinnici, along with two other Members of the CONT Committee. The Commission was represented by Commissioner Hahn and OLAF by Director-General Itälä. OLAF Supervisory Committee was represented by Chair Mulder and two other members.

During the meeting, the Commission presented its views on OLAF's role in the medium and long term, and the institutions made comments. The Presidency, in line with the Council mandate, highlighted the importance of OLAF focusing on its core tasks and called for prudence as regards any expansion of OLAF activities. In relation to the future of the Inter-institutional Exchange of Views, the Presidency welcomed the Commission's approach to give the meeting a more dynamic and less rigid format.

The institutions agreed to continue efforts to improve the protection of the Union's financial interests and to meet again next year at the European Parliament.
