

Asset recovery and confiscation

2022/0167(COD) - 26/05/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Civil Liberties, Justice and Home Affairs adopted the report by Loránt VINCZE (EPP, RO) on the proposal for a directive of the European Parliament and of the Council on asset recovery and confiscation.

The confiscation of criminals' illicit profits is considered an effective tool in the fight against organised crime, identified as a major threat to EU security. However, despite the comprehensive set of EU rules on asset freezing and confiscation, there are still obstacles on the path to recovering criminal assets.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Scope

Members proposed **expanding the scope** of the directive to include the following criminal offences:

- illicit trafficking in **nuclear or radioactive** materials;
- crimes within the jurisdiction of the International Criminal Court;
- the unlawful seizure of aircraft or ships;
- sabotage;
- illicit trafficking in hormonal substances and other growth promoters;
- arson;
- rape;
- swindling;
- racism and xenophobia.

Access to information

Member States should ensure that asset recovery offices have appropriate access to any information to the extent that information is necessary for the tracing and identification of proceeds, instrumentalities, proceeds and property.

That access should be expanded to include access to *inter alia*:

- national beneficial ownership registers including registers of beneficial owners of trusts and similar legal arrangements;
- bank account registers, including information on **wire-transfers** and accounts balances;
- information on **mortgages and loans**;

- information on securities;
- customs data, including **cross-border physical transfers of cash**;
- information on **crypto-assets**;
- information on relevant **high value goods** or assets registers.

Efficient freezing

The report proposed that Member States should take the necessary measures to enable the freezing of property necessary to ensure a possible confiscation of that property and to ensure the right to **restitution and compensation to victims**.

Freezing measures should consist of freezing orders and immediate action in the form of **temporary urgent freezing measures**. Immediate action in the form of temporary urgent freezing measures should be taken when necessary, in order to preserve the property concerned.

Where a freezing order under this Directive has been issued by a competent authority other than a judicial authority, Member States should ensure that such an order is validated or annulled by a judicial authority without undue delay.

Further use of the confiscated property

Members suggested that Member States should take the necessary measures to allow confiscated property to be used for public interest or social purposes. Such property may be kept as public property for justice, law enforcement, public service or economic purposes or be transferred to the local or regional authorities responsible for the area in which the property is located, for institutional, social or economic purposes, including for assignment to organisations carrying out work of social interest.

Members also want to ensure that victims are **compensated before confiscation**, especially in cross-border cases, and allow confiscated assets to be used for social or public interest purposes.

Cooperation network on asset recovery and confiscation

A cooperation network on asset recovery and confiscation should be established to support the Commission and to facilitate the exchange of best practices, and operational cooperation in relation to the implementation of this Directive. The network should be composed of representatives from asset recovery offices and asset management offices and should be co-chaired by the Commission and, where appropriate, by Europol.