Protection of the EC financial interests: administratives sanctions

1994/0146(CNS) - 20/03/1995

The Council: - referring to the Ecofin Council conclusions of 11 July 1994, particularly as regards the need to increase the effectiveness and equivalence of control mechanisms and systems of administrative penalties in the various areas of the budget, and to the conclusions of the European Council meeting in Essen on 9 and 10 December 1994 on the adoption as soon as possible of the Regulation on protection of the Community's financial interests; 1. reiterates its statement to the effect that the principle of subsidiarity cannot reduce the need to enact, in Community legislation, appropriate provisions enabling the Commission and the Member States to ensure that Community law is properly applied and to fulfil their obligations to protect Community revenue and expenditure; 2. stresses the need to strengthen protection of the Communities' financial interests; 3. notes that further progress is required in devising a broad legal concept of abuse of Community rules, as proposed by the Commission, in order to reduce the risk of transactions with no valid economic rationale being carried out solely to take advantage of benefits available under Community financial rules; 4. highlights the desirability of upholding and consolidating the *acquis communautaire*; 5. calls for the swift and clearest possible definition of the relationship between Community administrative penalties and national administrative and criminal -law penalties, having regard to the objective of ensuring effective and dissuasive protection of the Communities' financial interests while complying with general legal principles; 6. calls for consideration to be given, in drawing up a list of Community administrative penalties, to the objective of establishing a suitable framework for penalties; 7. calls for proceedings to be expedited, on the basis of the Commission proposal and taking into account the Presidency's suggestions and delegations' comments, with a view to the adoption as soon as possible of the Regulation on protection of the Communities' financial interests; 8. calls for all preparatory work to be completed in time for the Council to proceed with final enactment at its meeting in May 1995.