Protection of the EC financial interests: administratives sanctions

1994/0146(CNS) - 15/06/1994 - Legislative proposal

PURPOSE: to protect the Community’s financial interests.

PROPOSED ACT: Council Regulation.

CONTENT: This proposed regulation was designed to give stronger protection to the Community's financial interests by introducing **Community administrative penalties** against fraud, abuses and other irregularities against the Community's financial interests, including the budget and any other revenue managed by or for a Community institution.

The Member States were required to apply equal penalties for fraud against their national interests and fraud against the Community's interests. Various administrative penalties could be applied: fines, the withdrawal of some or all of a benefit granted under Community rules, exclusion from or withdrawal of the benefit for a period following the irregularity, temporary or permanent withdrawal of an authorisation or recognition required to participate in a Community aid scheme, etc.

The penalties would apply to both natural and legal persons. A five-year limitation period after the irregularity was proposed for a decision to be reached on a penalty, together with the same period for its application once it was adopted.

No penalty could be applied unless provided for in a Community act prior to the irregularity.

The proposal was accompanied by a draft agreement between the Member States on the introduction of penal sanctions.