Convention on the protection of the EC financial interests: additional protocol, legal persons' liability

1995/0360(CNS) - 24/10/1996 - Text adopted by Parliament, 1st reading/single reading

Parliament adopted the report by Mr Rinaldo BONTEMPI (PSE, I) on the draft second Protocol to supplement the Convention on the protection of the European Communities' financial interests. The amendments adopted by Parliament to this Protocol essentially aim at: - enlarging the concept of 'legal person' (so as to include, for example, any economically active enterprise in which specific rights and obligations are vested, even if it is not organized as a legal person); - extending the range of penalties applicable to legal persons (by the addition of fines and exclusion from participation in public works contracts); - spelling out that a judicial winding-up order (the ultimate penalty) can only be applied if the purpose or essential activity of the legal person consists of fraudulent or corrupt activities; - ensuring that Member States take the necessary safeguard measures to enable them to distrain and transfer (in whole or in part) to the Community budget instruments and proceeds of fraud or corruption (freezing of accounts, seizure of property, prohibiting the alienation of property).