Fight against fraud: mutual administrative assistance for the protection of the financial interests of the Community

2004/0172(COD) - 14/09/2006 - Modified legislative proposal

In May 2005 the Parliament adopted 12 amendments to the Commission's proposal. The Commission considers that a large number of the amendments are acceptable in full, in principle or in part, given that they improve upon the proposal whilst at the same time maintaining the original aims and political viability of the initial proposal. Moreover, the Commission has taken account of the negotiations which took place in the Council's Anti-fraud working groups as well as the Opinion of the European Court of Auditors.

Below is a summary of the Commission's position:

- The Commission accepts that a reference should be made to the European Data Protection Officer.

- The Commission agrees that both the Community's and the Member States' task of protecting the Community's financial interests should not be limited to Community territories.

- The Commission has modified the initial proposal in such a way so as to provide for mutual administrative assistance in the field of direct expenditure and in cases without a transnational nature. This is currently an important missing element in the legislative framework and has, therefore, been accepted by the Commission.

- The Commission has modified the wording limiting the scope to transnational VAT fraud and limiting it to competent officials in order to maintain coherence with the provisions of Regulation 1798/2003/EC.

- The Commission has agreed to adding a comprehensive register of the competent authorities with the help from the Member States.

- The Commission has not accepted Parliamentary proposals on Member State information duties relating to the supply of goods under the VAT information exchange system.

- The Commission has agreed that it is best placed to act as co-ordinator with third countries.

- The Commission has not accepted an amendment concerning the introduction of a new article on amending existing legal obligations given that the proposed Regulation will not affect Regulation 1798/2003 and does not cover criminal law.

- The Commission has accepted an amendment introducing a new provision on recovery (albeit with modified wording) since it complements the scope of the proposal.

- Subject to some modification the Commission has accepted an amendment whereby the Member States must apply specific measures, including appropriate administrative measures, against fraud and money laundering such as recovery, at least as of an amount exceeding EUR 50 000.