



Commission welcomes decision of 20 Member States to establish the European Public Prosecutor's Office

Brussels, 8 June 2017

Today in the Justice council, 20 Member States reached a political agreement on the establishment of the new European Public Prosecutor's Office under enhanced cooperation.

The European Parliament will have now to give its consent. Once in place, the independent EU public prosecutor will be equipped with the power to investigate and prosecute criminal cases affecting the EU budget, such as corruption or fraud with EU funds, or cross-border VAT fraud. It will be a strong, independent and efficient body specialised in fighting financial crime across the EU.

Commissioner Günther H. Oettinger, in charge of Budget and Human Resources, said: *"We have zero tolerance for fraud against the EU budget. Every cent of it needs to be spent for the benefit of EU citizens. With a strong, independent and efficient European Public Prosecutor we are strengthening our efforts in protecting taxpayers' money by ensuring a European approach to the criminal investigation and prosecution of criminal offences affecting the Union budget. This will be a substantial addition to the current means at Union level, namely the work of OLAF in the area of administrative investigations."*

Commissioner Věra Jourová, EU Commissioner for Justice, Consumers and Gender Equality, said: *"We have worked hard to bring as many Member States as possible on board and I am very glad that we now have 20 founding members of the European Public Prosecutor. This is a big success and it ensures that the European Public Prosecutor's Office will be efficient from day one. This is a good day for the European tax payer. The European Public Prosecutor's Office will complement the important work of Eurojust, the EU criminal justice agency, allowing it to dedicate more resources to the fight against terrorism, human trafficking or other crimes."*

Why a European Public Prosecutor?

Every year at least 50 billion euro of revenues from VAT are lost for national budgets all over Europe through cross-border fraud. Transnational organised crime is making billions in profit every year by circumventing national rules and escaping criminal prosecution. Outside the area of VAT, in 2015 the Member States detected and [reported](#) to the Commission fraudulent irregularities for an amount of around EUR 638 million. National prosecutors' tools to fight large-scale cross-border financial crime are limited. The new EU prosecutor will conduct swift investigations across Europe and real-time information exchange. This will be a game-changer.

How will the European Public Prosecutor work?

- An independent office

The European Public Prosecutor's Office will operate as a single office across all participating Member States. It will be a highly specialised and independent office, set up outside the existing EU institutions and services. The European Public Prosecutor's Office will act in the interest of the EU and will not seek nor take instructions from EU institutions or national authorities.

- An efficient cooperation with national authorities

The European Public Prosecutor will be organised with a central office at EU level and a decentralised level consisting of European Delegated Prosecutors located in the Member States, who will also continue their function as national prosecutors ("double hat"). The central level will supervise the investigations and prosecutions carried out at national level, to ensure effective coordination and a uniform approach throughout the EU. In this way, it will bring in a wide range of expertise and experience about national legal systems while maintaining independence. If the Office takes up an investigation, national authorities will not exercise their competences for the same criminal activity.

- A power to conduct swift investigations and prosecution activities

The European Public Prosecutor will be able to investigate efficiently crimes against EU budget and VAT fraud, such as fraud involving EU funds over 10 000 euro and cross-border VAT fraud over 10 million euros. It will be able to act quickly across borders without the need for lengthy judicial cooperation proceedings. It will bring actions against criminals directly in front of national courts. This should lead

to more successful prosecutions and a better recovery of the defrauded money.

- A comprehensive approach to protect the taxpayers' money

While the European Public Prosecutor's Office will be responsible for criminal investigations, OLAF will continue its administrative investigations into irregularities and fraud affecting the Union's financial interests in all Member States of the Union. This approach will ensure the widest possible protection of the EU's budget by increasing the conviction and recovery rates.

Next steps

Following the general approach reached in the Council today among Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, Portugal, Romania, Slovakia, Spain and Slovenia, the European Parliament will have to give its consent, before the Regulation can finally be adopted. Other Member States may join the 20 founding members at any time after the adoption of the Regulation.

Background

Based on the Lisbon Treaty (Article 86 TFEU), the European Commission proposed setting up of European Public Prosecutor's Office in 2013. Denmark, Ireland and the United-Kingdom have an opt-out from the European Public Prosecutor.

For more information

[Q&A](#)

[European Public Prosecutor's Office](#)

EPPO Structure

EUROPEAN PUBLIC PROSECUTOR'S OFFICE

STRATEGY



European Chief Prosecutor (supported by 2 Deputies)

- > Heading the EPPO, organising the work.
- > Contacts EU, EU countries and third parties.



College of Prosecutors (one European Prosecutor per participating country)

- > Decision-making on strategic matters to ensure coherence, consistency and efficiency within and between cases.
- > Adoption of internal rules of procedure.

OPERATIONS



Permanent Chambers (3 members: 2 European Prosecutors and chaired by the Chief Prosecutor, one of the Deputies, or another European Prosecutor)

- > Monitor and direct the investigations and prosecutions by the European Delegated Prosecutors (EDPs).
- > Operational decisions: bringing a case to judgment, dismissing a case, applying simplified procedure, refer case to national authorities, instruct EDPs to initiate investigation or exercise right of evocation.
- > European Prosecutor from the EU countries concerned supervises the EDP on behalf of the Permanent Chamber.



European Delegated Prosecutors (EDPs) (at least two prosecutors per participating country)

- > Responsible for investigating, prosecuting and bringing to judgment cases falling within EPPO's competence.

EPPO case examples – crimes affecting the EU budget

EU funds fraud

A company manipulates a large procurement procedure involving the purchase of 100 new hybrid trucks to clean the streets in the capital of one Member State. The project receives EUR 20 million in funding from the EU. The company pays bribes to public officials and falsifies documents so as to win the tender.

VAT fraud

An organised crime group sets up several VAT carousels, whereby high priced luxurious goods are traded between several Member States without paying the VAT due to the competent tax authorities. The involvement of several shell companies in several Member States but also –unknowingly– large and honest retailer companies makes the carousel difficult to detect. The losses quickly accumulate to tens of millions of Euros.

The current situation...

Crimes affecting the EU budget are currently investigated by national authorities. Success in investigating serious and complex fraud cases often depends on speed and the availability of resources. Today, national authorities face great difficulties in tackling these cases in an effective and coherent manner, in particular if the case involves several Member States. Resources are scarce and complex cases of VAT or procurement fraud require specific knowledge and experience.

If the links to other Member States are detected at all, judicial cooperation with authorities in other Member States becomes necessary but may be lengthy and complicated. Setting up joint investigation teams is done on a case-by-case basis. Not all national authorities choose to set up such teams, sometimes because of the lack of language skills. There is no coherent approach and often the money disappears before the investigation is launched.

With the new EPPO...

The EPPO will be an independent and highly specialised prosecution office. EPPO Prosecutors will carry out their investigations across all participating Member States directly. This will allow round-the-clock information exchange, coordinated police investigative action, fast freezing and seizure of assets and, where necessary, arrests of suspected criminals, all within a common European investigation and prosecution strategy.

The EPPO will pool expertise in areas such as crime analysis, tax, accounting, or IT, and guarantee smooth communication channels without any language barriers. Moreover, the EPPO will be able to see the bigger picture and thus be in a better position to detect and follow up on fraud and other crimes. Operating under the control of national and European courts, the EPPO will also ensure that the rights of the defence, including the right to a fair trial, are preserved in its proceedings.

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