



EUROPEAN
PUBLIC
PROSECUTOR'S
OFFICE

EPPO Annual Report:

the role of the European Public Prosecutor's Office (EPPO) to improve the level of protection of the financial interests of the European Union

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EU sources of income

The EU obtains its revenue from **four main sources**:

Traditional own resources, comprising customs duties on imports from outside the EU and sugar levies;

VAT-based resources, comprising a percentage (0.3% except Germany, Netherlands and Sweden that apply 0.15%) of Member State's standardised value added tax (VAT) base;

GNI-based resources, comprising a percentage (around 0.7%) of each member state's gross national income (GNI);

Other revenue, including taxes from EU staff salaries, bank interest, fines and contributions from third countries;

Own resources as levies collected by the EU.

Why EPPPO was born

In July 1995, the Member States drew up a Convention, on the protection of the European Communities' financial interests, in which it was noted that fraud affecting Union revenue and expenditure in many cases was not confined to a single country and was often committed by organised criminal networks.

On that basis, it was already recognised in the Convention that the protection of the Union's financial interests called for the criminal prosecution of fraudulent conduct injuring those interests.

Why EPPPO was born

Both the Union and the Member States of the European Union have an obligation to protect the Union's financial interests against criminal offences, which generate significant financial damages every year.

These offences, often not confined to a single country, are currently not always sufficiently investigated and prosecuted by the national criminal justice authorities (*see preamble 3, Council Reg. 2017/1939*).

MLA difficulties, also at EU level, despite the presence of special tools (EAW, EIO etc.).

EPPPO – main features

COMPETENCE

Exclusive competence for investigating, prosecuting and bringing to judgment “PIF offences”, up the final judgement (until the case has been finally disposed of) – any offence that could affect the financial interest of the EU.

Legal basis

- PIF Directive(EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law.
- EPPO Regulation (EU)2017/1939, implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO')
- National level: Italy- D.L.vo 9/2021

EPPO – main features

- EPPO is a supranational and independent body of the European Union (EU);
- Independent:
 - from others European authorities (Commission and Parliament);
 - from national authorities, including the national prosecutorial and judicial authorities;

EPPO – participant Member States

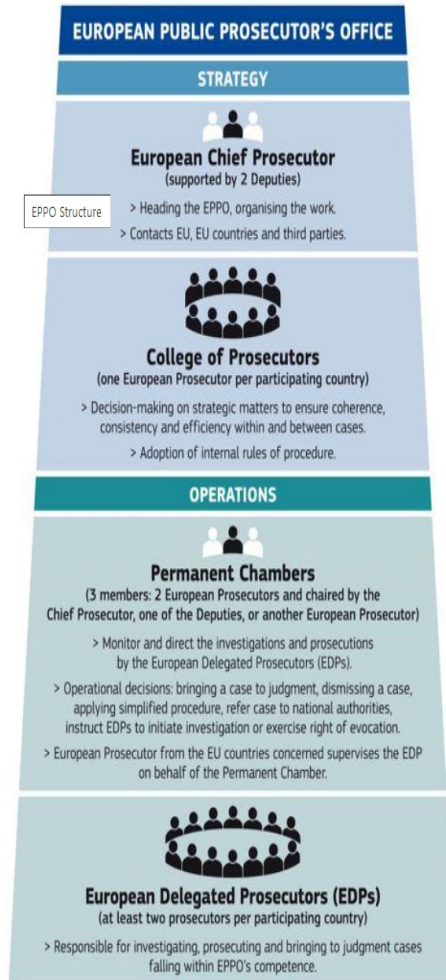
Austria	Finland	Luxembourg	Spain
Belgium	France	Malta	
Bulgaria	Germany	Netherlands	
Croatia	Greece	Portugal	
Cyprus	Italy	Romania	
Czech Republic	Latvia	Slovakia	
Estonia	Lithuania	Slovenia	

EPPO – main features

NON PARTICIPANT MEMBER STATES

1. Hungary
2. Poland
3. Sweden
4. Denmark
5. Ireland

Structure and characteristics

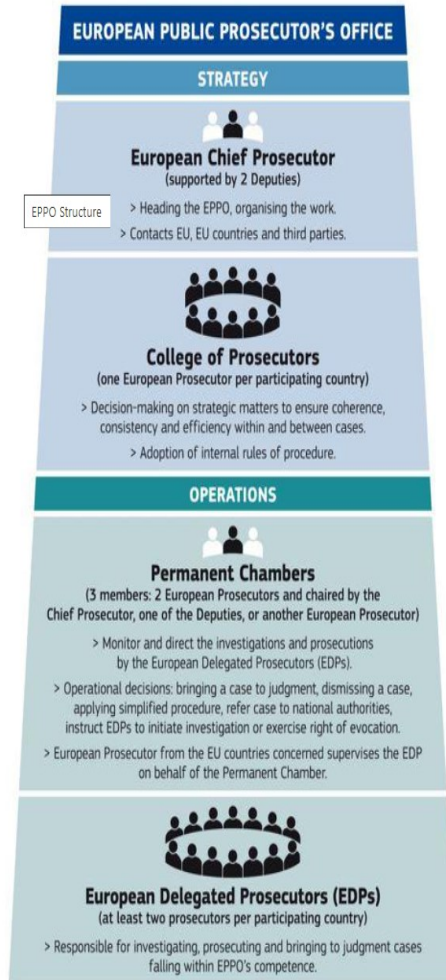


Structure

- **Central level:**
- the European Chief Prosecutor **ECP**;
- 22 European Prosecutor (1 for each Member State) **EPs**
- the Administrative Director
- **College of Prosecutors: ECP + EPs**
(decision-making on strategic matters + adoption of internal rules of procedure)



Structure and characteristics



Structure

■ Central level:

15 Permanent chambers: (3 EPs):

- Monitor and direct the investigations and prosecutions by the EDPs;
- Operational decision;
- European Prosecutor from the EU MS concerned supervises the EDP on behalf of the Permanent Chamber;



Structure and characteristics



Structure



■ Decentralised level:

National level (22 MS)

140 European Delegated Prosecutors (EDPs)

Responsible for investigating, prosecuting and bringing to judgment cases falling within EPPO's competence (trials before the Courts of each MS)

EPPPO – main features

COMPETENCE

"PIF Directive" (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law.

- *Article 2*

- *Definitions and scope*

- (...) *'Union's financial interests' means all revenues, expenditure and assets covered by, acquired through, or due to:*
 - *(i) the Union budget;*
 - *(ii) the budgets of the Union institutions, bodies, offices and agencies established pursuant to the Treaties or budgets directly or indirectly managed and monitored by them;*

EPPO – main features

COMPETENCE

- Article 22 EPPO Regulation (2017/1939):
 - Criminal offences affecting the financial interests of the Union that are provided for in Directive (EU) 2017/1371, **irrespective of the legal qualification under national law.**
 - Organised crime, **if the focus of the criminal activity is to commit any of the "PIF offences"**.
 - Inextricably linked offences, and **money laundering involving property derived from "PIF offences"**.
- VAT Fraud: connected with the territory of two or more Member States and **involve a total damage of at least EUR 10 million.**

SOME DATA

(ANNUAL REPORT 2022)

- By 31 December 2022, EPPO had 1117 active investigations;
 - 16.5% of them were into VAT fraud for estimated damages of EUR 6.7 billion;
 - 28.2% of them had a cross-border dimension



SOME DATA

(ANNUAL REPORT 2022)

- By 31 December 2022, EPPO had
 - 73 Ongoing cases in the trial phase;
 - 20 final court decision;
 - 20 convictions;

JUDICIAL ACTIVITY IN CRIMINAL CASES

	Ongoing cases in the trial phase	73
	Number of first court decisions	15
	Number of appeals against first court decisions	2
	Number of ongoing cases in the appeal phase	2
	Number of final court decisions	20
	Number of extraordinary legal remedies against court decisions	0
	Convictions	20
	Acquittals	0

TYOLOGIES IDENTIFIED IN ACTIVE EPPO CASES

NUMBER OF INVESTIGATED OFFENCES BROKEN DOWN BY TYPE


	679		224		122
Non-procurement expenditure fraud		Procurement expenditure fraud		PIF-focused criminal organisation	
	236		427		87
Non-VAT revenue fraud		VAT revenue fraud		Corruption	
	48		116		242
Misappropriation		Money laundering		Inextricably linked offence	

SOME DATA

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PROSPECTS FOR THE FUTURE

So far, the limited mission of the EPPO is to investigate, prosecute and bring to judgement, before national courts, persons suspected of offences affecting the financial interests of the Union. The so-called 'PIF Directive' sets out what those offences are. But the mission of EPPO may also be extended in the future to cover other serious cross-border crimes.

2022 EPPPO annual report

https://www.eppo.europa.eu/sites/default/files/2023-02/EPPO_2022_Annual_Report_EN_WEB.pdf



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Thank you for your attention!