

35th Annual PIF Report

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News

On 25 July 2024, the European Commission adopted the [35th Annual Report on the protection of the European Union's financial interests and the fight against fraud in 2023](#) (PIF Report). The report fulfils the obligation laid down in Art. 325(5) TFEU that the Commission, in cooperation with Member States, shall each year submit to the European Parliament and to the Council a report on the measures taken to counter fraud and any other illegal activities affecting the financial interests of the Union. In detail, the PIF report provides information on:

- The key measures to prevent and fight fraud at the EU level;
- Member States' measures to protect the EU's financial interests;
- Data on and the main analytical findings of the fight against fraud, corruption, conflicts of interest and other irregularities that affect the EU budget, including information on investigations conducted by the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO);
- Conclusions and recommendations.

The report also outlines the similarities and differences between the various existing reports addressing the protection of the EU's financial interests, i.e., the Commission's PIF report, the OLAF annual report and the EPPO's annual report.

As regards the key measures at the EU level in 2023, the report highlights the Commission's legislative package on various anti-corruption measures (→ [eucri](#)m 2/2023, 139-141) and the political agreement on the recast of the Financial Regulation (which aims at strengthening transparency in the use of the EU funds, digitalisation of the fight against fraud and fraud risk management). The PIF Report also points out the [new 2023 action plan](#) to implement the EU anti-fraud strategy of 2019 with a focus on the use of IT tools for preventing and fighting fraud. Moreover, the Commission stressed the importance of the Whistleblower Protection Directive (→ [eucri](#)m 4/2019, 238-239) where 24 Member States notified transposition into their legislations by the end of 2023.

Looking at anti-fraud measures taken at the national level in 2023, 21 out of 27 Member States indicated that they have an anti-fraud strategy in place for the protection of the EU's financial interests. However, the approach taken by the 21 Member States varied widely, with 10 countries adopting a national anti-fraud strategy and the others relying on other types of strategies (sectoral, regional, programme-related). The Commission also acknowledged that Member States have made progress with regard to the three main recommendations from the 2022 PIF report, i.e., (1) the improvement of detection, reporting and follow-up of suspected fraud; (2) the need to digitalise the fight against fraud; and (3) the reinforcement of anti-fraud governance.

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From an operational point of view, the Commission reports that the number of cases of fraud and irregularities reported by the competent EU and national authorities – 13,563 in total – increased in 2023 compared to 2022 (+8.9%); the irregular amounts related to these cases increased to €585.8 million (+103% compared to 2022, which is mainly due to individual large-scale fraud cases).

In its conclusion, the PIF Report stresses that the fraud landscape constantly evolves and new challenges emerge, which is why also the EU's response needs to be adapted continuously. Pivotal are seen the following three recommendations:

- Improving the data quality (data on fraud and irregularities must be complete, reliable and up-to-date);
- Accelerating the digitalisation of the fight against fraud, including the further development of the Commission's risk scoring and data mining tool;
- Reinforcing anti-fraud governance in the Member States, including the adoption of all necessary strategies to fight fraud.

As in the previous years, the annual report on the protection of the EU's financial interests is accompanied by several other documents addressing specific issues of the PIF report in more detail:

- [Annex](#) with the number of non-fraudulent and fraudulent irregularities reported by each Member State in 2023;
- Annual overview with information on the [results of the Union anti-fraud programme](#) in 2023;
- Commission Anti-Fraud Strategy (CAFS) [Action Plan implementation monitoring](#) (state of play 31 May 2024);
- [Early-Detection and Exclusion System \(EDES\)](#) – Panel referred to in Article 143 of the Financial Regulation;
- [Follow-up by Member States to the recommendations](#) of the PIF Report 2022;
- [Measures adopted by the Member States](#) to protect the EU's financial interests (implementation of Article 325 TFEU);
- [National anti-fraud strategies \(NAFS\)](#): state of play and assessment;
- [Statistical evaluation of irregularities reported for 2023](#): own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure.

For the annual reports of previous years → [eucrim 2/2023, 135](#) with further references. The PIF Report is designed to allow assessment on the areas that are most at risk of fraud, so that action at both EU and national level can be better streamlined. On the basis of the report, the European Parliament adopts its annual motion for a resolution on the protection of the EU's financial interests and the fight against fraud (for 2022 → [eucrim news of 1 February 2024](#)).

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