37th Annual PIF Report

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News

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On 28 July 2026, the European Commission published the 37th Annual Report on the protection of the European Union's financial interests and the fight against fraud – 2025. In response to calls from the European Parliament, the 2025 report reflects the EU's holistic approach to the protection of its financial interests (PIF) by assessing the entire anti-fraud cycle. The traditional focus on detection (i.e., information on identifying and addressing fraud cases) is therefore supplemented by the other (interlinked) stages of the anti-fraud cycle:

- Prevention (limiting opportunities for fraud and irregularities);
- Investigation (gathering evidence to confirm fraud and irregularities and identify perpetrators);
- Recovery and sanctioning (recovering funds and applying corrective measures (e.g., judicial proceedings, disciplinary action)).

It also includes an assessment of the additional element of reporting, i.e., supplying data to analyse performance and inform policy adjustments.

The Commission emphasised that the 2025 report brings together data from various sources, including reports on fraudulent and non-fraudulent irregularities from the Member States and pre-accession assistance beneficiary countries, data from the Commission's accounting system, and the results of investigations by OLAF and the EPPO. This makes the 2025 report the most comprehensive overview to date of how the EU protects taxpayers' money.

As with the previous PIF reports, the 2025 PIF report first provides an overview of the key anti-fraud measures taken at the EU and national levels. Looking at the EU level, the report highlights the proposed legislative package for the next multiannual financial framework (MFF). According to the Commission's proposal, the new MFF is based on a performance-focused delivery model that incorporates lessons from the Recovery and Resilience Facility (RRF) into future spending programmes. It includes mandatory requirements for Member States to report detected fraud and irregularities, and to adopt comprehensive national anti-fraud strategies (→eucrim 2/2025, 136-137). Furthermore, the report points to the White Paper for the anti-fraud architecture (AFA) review (→eucrim 2/2026, 137-138). This will lead to a respective Commission Communication, to be adopted by the end of 2026. Further legislative proposals amending the key legal acts governing the EU AFA actors may result from the Communication. The report also refers to the new Directive on combating corruption, on which an agreement was reached at the end of 2025 (→eucrim 1/2026, 36-38), and which will be underpinned by the EU's first anti-corruption strategy.

With regard to the different stages of the anti-fraud cycle, the report's key findings are as follows:

- **Prevention**: Prevention is the phase of the anti-fraud cycle that has been given the highest priority by Member States, and the greatest number of improvements can be observed there. This includes investments in early detection, information sharing, exclusion mechanisms and capacity building. The measures reduced the need for costly recovery proceedings and minimised the risks associated with failed fund retrieval. However, the Commission stressed that Member States must continue to pay particular attention to duly referring attempts of fraud to the competent prosecution services, including the EPPO.
- **Detection**: Detection has remained relatively stable over the past five years. The financial amounts at stake have risen since 2023, potentially reflecting a greater focus on high-value cases. In 2025, a total of 13,010 irregularities (-7.6% on 2024) were recorded, amounting to €2.1 billion (+12.8% on 2024). Of these, 986 were classified as fraudulent cases (-32% on 2024), involving €274.3 million in 2025 (-49.2% on 2024). Despite the decrease in reported fraud cases, the EU is required to further invest in sophisticated tools and closer cooperation between national and European authorities as the offences against the EU budget continue to evolve. To strengthen detection, the Commission recommends that Member States enhance their use of risk analysis and IT tools such as Arachne+.
- **Investigation and prosecution**: Investigations and prosecutions are often lengthy and complex, with many cases taking years to result in a final judgement. While the AFA review will focus on improving cooperation and coordination between the relevant actors, the ongoing cooperation and support from national services remain essential. Suspected criminal offences must be swiftly reported to OLAF and the EPPO and both bodies must be granted timely access to collected data.
- **Recovery and sanctioning:** Progress in the area of recovery is very satisfying, with recovery rates of over 96% recorded over the past decade. OLAF's financial recommendations are implemented more effectively at national level. However, closer cooperation between investigative bodies and authorities responsible for recovery is required for further improvements. To this end, Member States should set up cooperation and information exchange mechanisms, and strengthen reporting on sanctions and penalties imposed after final judicial and administrative decisions.

As in the previous years, the annual PIF report is accompanied by several other documents and annexes addressing specific issues of the PIF report in more detail. These are available on the dedicated OLAF website. For the 2024 PIF report →eucrim 2/2025, 135.

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