

[CoR ECONomic Bulletin No. 7: Updates on the COVID-19 crisis](#)



COVID-19 impact and response measures

The Covid-19 pandemic has substantial repercussions on the European economies. The ECON Commission of the European Committee of the Regions prepares [regular economic bulletins](#) on recent research, articles and discussions on the socio-economic impact of the pandemic in Europe and on the different economic response measures planned and implemented at EU, national, regional and local level.

Tips and contributions to: econ@cor.europa.eu.

[Dismantling of an encrypted network sends shockwaves through organised crime groups across Europe](#)

[FR](#) | [NL](#)



The Hague, 2 July 2020

At a joint press conference today, French and Dutch law enforcement and judicial authorities, Europol and Eurojust presented the impressive results of a joint investigation team to dismantle EncroChat, an encrypted phone network widely used by criminal networks.

Over the last months, the joint investigation made it possible to intercept, share and analyse millions of messages that were exchanged between criminals to plan serious crimes. For an important part, these messages were read by law enforcement in real time, over the shoulder of the unsuspecting senders.

The information has already been relevant in a large number of ongoing criminal investigations, resulting in the disruption of criminal activities including violent attacks, corruption, attempted murders and large-scale drug transports. Certain messages indicated plans to commit imminent violent crimes and triggered immediate action. The information will be further analysed as a source of unique insight, giving access to unprecedented volumes of new evidence to profoundly tackle organised criminal networks.

In recent years, European countries have been increasingly affected by organised crime groups who are pervasive and highly adaptive, posing one of the most pressing security challenges faced by law enforcement and judicial authorities. In this regard, the abuse of the encrypted communication technologies is a key facilitator of their criminal activities.

Since 2017, the French *Gendarmerie* and judicial authorities have been investigating phones that used the secured communication tool EncroChat, after discovering that the phones were regularly found in operations against organised crime groups and that the company was operating from servers in France. Eventually, it was possible to put a technical device in place to go beyond the encryption technique and have access to the users' correspondence.

In early 2020, EncroChat was one of the largest providers of encrypted digital communication with a very high share of users presumably engaged in criminal activity. User hotspots were particularly present in source and destination countries for cocaine and cannabis trade, as well as in money laundering centres.

✘ Given the widespread use of the encrypted telephone solution by EncroChat among international criminal networks around the world, French authorities decided to open a case at Eurojust, the EU Agency for Criminal Justice Cooperation, towards the Netherlands in 2019. Further developments in the investigations led to organising the processing of the data, which was captured on the basis of the provisions of French law and with judicial authorisation, through the frameworks for international judicial and law enforcement cooperation. *[Click on image to enlarge]*.

The data was in first instance shared with the Netherlands. Eurojust facilitated the creation of a joint investigation team (JIT) between the two countries and with the participation of Europol, the European Union Agency for Law Enforcement Cooperation, in April 2020.

Europol has been actively involved in the investigations led by France and the Netherlands since 2018, relating to the provision and use of encrypted communication services by organised crime groups. Through its role as an information hub and its extensive analytical and technical support system, Europol was able to create and provide a unique and global insight on the scale and functioning of organised crime, as a result of this investigation. This will help law enforcement to combat organised crime in the future more successfully. Europol's support from the early stages of this JIT included: promoting and arranging international cooperation, providing extensive analytical and financial support, technical expertise and a secured platform for the exchange of information between the countries involved. A large dedicated team at Europol investigated in real time millions of messages and data that it received from the JIT partners during the investigation, cross-checked and analysed the data, and provided and coordinated with the JIT partners the information exchange to concerned countries.

✘ A large number of suspects have also been arrested in several countries which were not participating in the JIT but particularly affected by the illegal use of these phones by individuals active in organised crime,

including in the UK, Sweden and Norway. Many of these investigations were connected with international drug trafficking and violent criminal activities.

At the same time, numerous operational meetings for the daily coordination between the law enforcement entities of the JIT partners and other countries took place at Europol, partly during COVID-19.

Eurojust intensively facilitated the judicial cooperation, during the extensive use of European judicial cooperation instruments such as European Investigation Orders. Throughout the investigation, the JIT members organised five coordination meetings at Eurojust to bring all involved parties together in a secure environment, identify parallel or linked investigations, decide on the most suitable framework for cooperation and solve potential conflicts of jurisdiction.

In France, where the operation takes place under the code name "Emma 95", the Gendarmerie has set-up a Taskforce since March 2020. With more than 60 officers, the Gendarmerie leads the investigations targeting the EncroChat encrypted telephone solution under the supervision of the magistrates of the JIRS of Lille. The Taskforce has been monitoring the communications of thousands of criminals, leading to the opening of a wide range of incidental proceedings. France does not wish to communicate further on these on-going investigations nor on the results obtained. The considerable resources deployed demonstrate the importance of these investigations and the importance attached to their success in France.

In the Netherlands, where the operation went under the code name "Lemont", hundreds of investigators have, with authorisation of the examining magistrate, followed the communications of thousands of criminals day and night since the operation began to unravel and act on the intercepted data stream. The criminal investigation has been led by prosecutors from the Dutch National Public Prosecution Service and the information has been made available to about a hundred ongoing criminal investigations. The investigation has so far led to the arrest of 60 suspects, the seizure of drugs (more than 10 000 kilo cocaine, 70 kilo heroin, 12 000 kilo cannabis, 1 500 kilo crystal meth and 160 000 liter of a substance used to produce synthetic drugs), the dismantling of 19 synthetic drugs labs, the seizure of dozens of (automatic) fire weapons, expensive watches and 25 cars, including vehicles with hidden compartments, and almost EUR 20 million in cash. The expectation is that information will be made available in more than 300 investigations. In a number of cases, more arrests are very likely to follow in the coming period.

The interception of EncroChat messages came to an end on 13 June 2020, when the company realised that a public authority had penetrated the platform. EncroChat then sent a warning to all its users with the advice to immediately throw away the phones.

While the activities on EncroChat have been stopped, this complex operation shows the global scope of serious and organised crime and the connectivity of criminal networks who use advanced technologies to cooperate on a national

and international level. The effects of the operation will continue to echo in criminal circles for many years to come, as the information has been provided to hundreds of ongoing investigations and, at the same time, is triggering a very large number of new criminal investigations of organised crime across the European continent and beyond.

What is EncroChat?

✘ EncroChat phones were presented to customers as guaranteeing perfect anonymity (no device or SIM card association on the customer's account, acquisition under conditions guaranteeing the absence of traceability) and perfect discretion both of the encrypted interface (dual operating system, the encrypted interface being hidden so as not to be detectable) and the terminal itself (removal of the camera, microphone, GPS and USB port). It also had functions intended to ensure the 'impunity' of users (automatic deletion of messages on the terminals of their recipients, specific PIN code intended for the immediate deletion of all data on the device, deletion of all data in the event of consecutive entries of a wrong password), functions that apparently were specially developed to make it possible to quickly erase compromising messages, for example at the time of arrest by the police. In addition, the device could be erased from a distance by the reseller/helpdesk.

EncroChat sold the cryptotelephones (at a cost of around EUR 1 000 each) at international scale and offered subscriptions with a worldwide coverage, at a cost of 1 500 EUR for a six-month period, with 24/7 support.

See also :

For questions following the press conference, please contact

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- **Wim de Bruin**, spokesperson Dutch Public Prosecutor's Office, 0031 6 533 613 97, w.j.de.bruin@om.nl
- **Thomas Aling**, spokesperson Dutch National Police, 0031 6 53435752, thomas.aling@politie.nl
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- **Eurojust Media Team**, 0031 (0)70 412 55 80, media@eurojust.europa.eu

80/2020 : 2 July 2020 – Opinions of the Advocate General in joined cases C-245/19, C-246/19

- [bg](#)Съд на Европейския съюз
 - [es](#)Tribunal de Justicia de la Unión Europea
 - [cs](#)Soudní dvůr Evropské unie
 - [da](#)Den Europæiske Unions Domstol
 - [de](#)Gerichtshof der Europäischen Union
 - [et](#)Euroopa Liidu Kohus
 - [el](#)Δικαστήριο της Ευρωπαϊκής Ένωσης
 - [en](#)Court of Justice of the European Union
 - [fr](#)Cour de justice de l'Union européenne
 - [hr](#)Sud Europske unije
 - [it](#)Corte di giustizia dell'Unione europea
 - [lv](#)Eiropas Savienības Tiesa
 - [lt](#)Europos Sąjungos Teisingumo Teismas
 - [hu](#)az Európai Unió Bírósága
 - [mt](#)Il-Qorti tal-Ġustizzja tal-Unjoni Ewropea
 - [nl](#)Hof van Justitie van de Europese Unie
 - [pl](#)Trybunał Sprawiedliwości Unii Europejskiej
 - [pt](#)Tribunal de Justiça da União Europeia
 - [ro](#)Curtea de Justiție a Uniunii Europene
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 - [sv](#)Europeiska unionens domstol
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Luxembourg: New EIB report: energy efficiency investments are a low priority for EU firms



The untapped potential of firms' energy efficiency

In 2019, EU firms reported only 38% of their commercial building stock to be of high or the highest energy efficiency standards. Yet since 2016, firms' perceptions of the quality of their building stock has deteriorated. This seems to suggest that most of Europe's existing building stock may not yet meet recently adopted energy performance requirements and that improvement of the stock in line with the new standards is still pending.

Key role of energy audits for energy efficiency investments

The share of firms investing in energy efficiency measures is considerably higher for firms with an energy audit than for those without one. 60% (74% in energy-intensive industries) of EU firms with an energy audit also invested in energy efficiency improvements, indicating that firms' awareness of energy efficiency benefits is critical for the uptake of energy efficiency measures. Firms without an energy audit appear to invest substantially in areas other than energy efficiency, possibly because they fail to understand the potential direct and indirect benefits of energy-saving technologies.

For further information and interview requests, journalists are invited to contact EIB communications officer Jan Gerrit Wnendt (+352 691 284 340), j.wnendt@eib.org.

Background information:

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investments in order to contribute towards EU policy goals. The EIB also supports investments outside the EU.

In 2019, the bank provided €11.7 billion for energy-related projects, of which €4.6 billion were for energy efficiency measures. Read more about the EIB's climate and environmental ambitions [here](#).

About the EIB Economics Department

The EIB Economics Department provides economic research and studies, as well as unique analysis of investment activities in the EU and beyond, and supports the Bank in its operations and in defining its positioning, strategy and policy. Chief Economist Debora Revoltella heads the Department and its team of 40 economists.

About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance is a unique annual survey of some 13 500 firms. It comprises firms in all EU Member States, as well as a sample of US firms that serves as a benchmark. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, the EIBIS is representative across all EU Member States and the US, as well as across firm size classes (micro to large) and four main sectors. It is designed to build a panel of observations to support time series analysis – observations that can also be linked to firm balance sheet and profit and loss data. The EIBIS was developed and is managed by the Economics Department of the EIB, with Ipsos MORI providing development and implementation support.

For more information see: <http://www.eib.org/eibis>.

[Investment Plan for Europe: Poland EIB Group and Santander Bank Polska Group support new financing for Polish SMEs in response to COVID-19 crisis](#)



- Agreement signed with Santander Leasing for a synthetic securitisation of a portfolio of leasing receivables amounting to PLN 2 billion (approximately €450 million).
- Third synthetic securitisation operation with the Santander Bank Polska Group since 2018, for a total portfolio volume of PLN 5.9 billion (approximately €1.3 billion).
- The capital released by the securitisations will allow the Santander Bank Polska Group to commit to new lending and help companies impacted by the COVID-19 crisis.
- In aggregate, new lending committed by Santander amounts to PLN 10.3 billion, supporting around 110 000 SMEs and 1.7 million jobs in Poland.

The European Investment Bank Group (EIB Group), comprising the European Investment Bank (EIB) and the European Investment Fund (EIF), has signed the third synthetic securitisation transaction with the Santander Bank Polska Group, after the first in late 2018 and the second in mid-2019.

This operation specifically aims to address the working capital, liquidity needs and investment constraints of SMEs and mid-caps in Poland in the context of the COVID-19 outbreak. The EIB Group will guarantee a mezzanine

tranche of PLN 284 million (approximately €64 million) and a senior tranche of PLN 1.7 billion (approximately €380 million) in a synthetic securitisation transaction. The underlying portfolio is a granular portfolio of leasing receivables originated by Santander Leasing S.A., a wholly owned subsidiary of Santander Bank Polska S.A.

Thanks to the capital released through the transaction, Santander Leasing will provide approximately PLN 2.8 billion of new funding to eligible beneficiaries.

Like the two previous transactions, this operation benefits from the support of the **European Fund for Strategic Investments (EFSI)**, the financial pillar of the Investment Plan for Europe (the Juncker Plan).

All three operations aim to support SMEs while addressing different market needs. In July 2019, the EIB Group and Santander Consumer Bank, another subsidiary of the Santander Group in Poland, agreed to guarantee the senior and mezzanine risk of a portfolio of consumer loans. That operation focused on micro-enterprises and promoted gender equality in business. In December 2018, the EIB Group agreed to guarantee the senior and mezzanine risk of a portfolio of consumer loans granted by Santander Bank Polska that had in part a climate focus. In exchange for the guarantees, the Santander Bank Polska Group has committed to provide new lending amounting, in aggregate for the three operations, to PLN 10.3 billion, which is expected to support an estimated 110 000 SMEs and 1.7 million jobs in Poland.

EIB Vice-President Teresa Czerwińska, who oversees operations in Poland, said: *“Helping banks to keep sound levels of new lending to SMEs is part of the EIB Group’s role. Taken together, all three securitisation transactions with the Santander Bank Group in Poland will allow the bank to continue supporting Polish SMEs even more during the current crisis. As the deployment period for the 2018 and 2019 transactions is still ongoing, the additional lending to be provided by the Santander Group comes just in time to support SMEs that have been affected by the COVID-19 crisis.”*

European Commission Executive Vice-President Valdis Dombrovskis said: *“The EU continues to provide financial support to small and medium sized companies, in light of the enormous pressure the coronavirus pandemic is placing on SMEs. I welcome this financing agreement between the EIB and Santander Bank Polska Group, which will help to lighten the burden for hundreds of businesses in Poland.”*

EIF Chief Executive Alain Godard said: *“The EIF is delighted to be participating in the EIB Group’s third synthetic SME securitisation agreement with the Santander Group in Poland. By releasing regulatory capital through the securitisation of leases, Santander Leasing will enhance its capacity to provide SME financing on better terms. This is also the first securitisation transaction the EIF has done with a leasing company since March, which indicates our commitment to keeping the securitisation market open in this country even in a challenging moment for capital markets.”*

Maciej Reluga, CFO of the Santander Bank Group in Poland, said: *“We are very*

happy to see that our successful relationship is developing so well. Our cooperation has been evolving from pure funding projects to more complex risk coverage initiatives such as synthetic securitisation. It is worth emphasising here that all these projects also help our customers, as they allow us to offer more attractively priced products and provide financing in these challenging times of COVID-19. Indeed, the number of businesses we have managed to help through cooperation with the EIB and EIF is very impressive.”

Santander Leasing Vice-President Krzysztof Kowalewski said: *“Santander Leasing is always open to cooperation with international financial institutions in order to use financial resources for socially important purposes such as supporting SMEs or financing climate-neutral investments. Leasing is an increasingly important financial instrument for the Polish economy. We strongly believe that cooperation with the EIB Group will allow us to become even more involved in supporting SMEs and helping Polish businesses to finance investments during a difficult period of pandemic.”*

About the Santander Group in Poland

The Santander Bank Polska Group offers financial solutions to retail customers, micro, small and medium-sized enterprises, and domestic and international corporations. It operates one of the biggest networks of branches and partner outlets in Poland and renders its services via electronic channels (including mobile banking). It is one of the market leaders for modern technologies in banking, consistently developing its brand in line with its strategic goal of being the best bank for customers. The loyalty and satisfaction of its customers are the top priority for Santander Bank Polska. With this in mind, it regularly implements innovative functionalities to help its customers effectively manage their personal and business finances. It has been a member of the international Santander Group since 2011. The subsidiaries of the Santander Bank Polska Group offer investment funds, insurance, leasing, factoring and other products. Find out more [here](#).