

# ESMA sets out supervisory expectations on publication of investment funds periodic reports

The entities concerned are the following:

- UCITS management companies,
- self-managed UCITS investment companies,
- authorised AIFMs,
- non-EU AIFMs marketing AIFs pursuant to Article 42 of the AIFMD,
- EuVECA managers, and
- EuSEF managers

ESMA is aware that the confinement measures taken by Member States to prevent COVID-19 contagion present significant difficulties and challenges for Fund Managers and auditors in preparing their periodic reports for a publication within the regulatory deadlines. While recognising the importance of periodic reports for timely and transparent disclosure, ESMA is of the view that the burdens on Fund Managers associated with the COVID-19 outbreak should be taken into account by National Competent Authorities (NCAs) in a coordinated way. In the current situation, ESMA expects NCAs to adopt a risk-based approach and not prioritise supervisory actions against these market participants in respect of the upcoming reporting deadlines.

This public statement is without prejudice to obligations of Fund Managers stemming from national legislation and EU law.

ESMA will continue to closely monitor the situation and will take or recommend any measures necessary to mitigate the impact of COVID-19 on timely and appropriate periodic disclosure by Fund Managers in respect of the funds they manage or market.

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**Press release – Sassoli to EU governments: Rise to the challenge.**

## Find new shared ways to finance our recovery.



“In this moment there is a need to do much more. Our citizens, businesses, families, young people are worried about an uncertain future because in all our countries this crisis, and health emergency, will destroy millions of jobs. In recent weeks, when Europe has acted, its responses have been up to the challenge. Think of the relaxation of state aid rules, that has allowed our countries to make powerful interventions to support their citizens and businesses. However, where Europe has not intervened, the answer has been weak or there has been no answer at all. For this, national governments must take great responsibility. Because it is now that we need the tools to overcome this emergency and start with a reconstruction plan. We must be prepared for the effects of this crisis and not be overwhelmed.

“The International Labour Organisation (ILO) yesterday said that 2.5 billion people worldwide will experience negative effects due to the crisis. How many millions of people will be affected in Europe? We have a duty to protect them, in the north, south, east and west. So far we have implemented significant measures: Support for national systems to limit unemployment (SURE); improved conditions for using the European Stability Mechanism (ESM), for countries that want to use it; European Investment Bank (EIB) refinancing aimed primarily at protecting small and medium-sized businesses; and the ‘bazooka’ from the ECB in support of bank liquidity and for the purchase of public and private bonds.

“However, today we need more: we need to create a fund for economic recovery to share the costs of restarting our economies. This will take a lot of money, the EU budget is too limited and will not be enough. We need to find

new, extraordinary, and shared, ways to finance it. It is not just a matter of solidarity, it is in the interests of all, given how profoundly European economies are interconnected. The collapse of one country would inevitably have dramatic consequences for all the others. In this context, the Eurogroup's response must be up to the challenge.

"Governments and citizens must believe in the power of Europe, which has given us 70 years of collaboration and peace. Today more than ever we must invest in our common future."

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## [Eurojust action against criminal groups abusing corona crisis](#)

The Hague, 8 April 2020

**✘ Eurojust has taken action in various cases of online fraud and computer hacking by criminal organisations abusing the current COVID 19-crisis. At the request of, for instance, Germany, France and the Czech Republic, cross-border investigations are actively supported, regarding fake sales of protective face masks and hand gels. In the Czech Republic, criminals have even hacked the computer system of a hospital, forcing its temporary closure. Eurojust, the EU Agency for Criminal Justice Cooperation, is assisting national authorities in the follow-up of this case.**

**The Agency has furthermore stepped up its support to judicial authorities to execute the European Arrest Warrant (EAW) in times of corona. A full mapping out of practical implications for prosecutors in the Member States has taken place, in close cooperation with the European Judicial Network (EJN).**

Whilst ensuring full business continuity over the last weeks, various cases have been opened at Eurojust to assist and pursue investigations into online fraud by criminals pretending to sell protective face masks and gels. In Germany, for instance, the authorities uncovered a large-scale fraud with an offer of ten million face masks for a price of EUR 15 million, for which one German state had shown an interest. Alleged suppliers in Asia were supposed to deliver the masks to a German sales company, via other European distributors, to be finally handed over in The Netherlands.

The perpetrators tricked the German sales company into paying an advance of EUR 2.4 million to accounts in other European countries. On the day of the planned delivery in The Netherlands, it became clear that the German sales company had become the victim of fraud. The German desk at Eurojust provided active support to the investigations, ensuring judicial cooperation with three countries. Two suspects have been arrested in The Netherlands and over EUR 2 million have been frozen in assets.

In France, a company in Dijon became the victim of swindling by unknown perpetrators using a Hungarian enterprise, supposedly selling protection masks and hydro-alcoholic hand gel. The French company ordered protection supplies for an amount of EUR 132.500, which were never delivered, whilst the money had immediately been transferred to Hungary.

The Public Prosecutor's Office of Dijon issued a European freezing order to recover the money and requested Eurojust to facilitate its urgent execution. Via a rapid and close collaboration between the French and Hungarian National Desks, the total amount was successfully frozen on the Hungarian bank account. Further investigations are ongoing in this case.

In Brno in the Czech Republic, most of the computer system of a hospital was recently hacked by a criminal organisation, which had encrypted the communications. This forced the temporary shutdown of the entire hospital in spite of the ongoing corona emergency, as hospital staff was unable to get adequate information on patients. Via Eurojust, European Investigation Orders and requests for Mutual Legal Assistance have been issued to France and Switzerland to follow up investigations.

### **Practical implications in times of the corona crisis**

Eurojust continues to be fully operational. It will follow up all requests for judicial cooperation and support investigations in these and other corona-related cases. Between 13 and 31 March, [202 new cases have been opened](#) and eight coordination meetings have taken place. The Agency has as well stepped up efforts to support judicial authorities, ensuring criminals cannot hide behind national borders. In the past weeks, Eurojust has worked closely together with the EAJ and Member States to map out the practical implications for judicial cooperation in the current situation, notably for the EAW.

The first results were presented in an informal meeting of EU Ministers of Justice on 6 April, who welcomed the initiative and asked the Agency and EAJ to continue monitoring the situation. An EAW crisis group will be set up by the European Commission, in which Eurojust, EAJ and the General Secretariat of the Council will participate.

Prosecutors and investigative judges have turned extensively to their National Desks at Eurojust and EAJ contact points to process urgent requests related to the EAW in this special situation. Casework studies have revealed a number of recurring issues related to the execution of the arrest warrant.

In order to have all relevant information at hand, Eurojust and the EAJ have swiftly compiled an inventory of key judicial measures taken at national level to respond to the global health crisis. The inventory covers measures by all EU Member States, Iceland and Norway and will be continuously updated as the crisis response further develops.

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## **Forward look: 6 – 19 April 2020**

There are no Council meetings scheduled during this period. Several videoconferences are planned in order to take forward work on the collective response to COVID-19 in a range of sectors, as well as address other issues.

The date and details of the next videoconference of members of the European Council will be published as soon as they are available.

This list will be regularly updated.

*Monday, 6 April 2020*

**Informal videoconference of Ministers of Justice**

**Informal videoconference of the Ministers of Defence**

*Tuesday, 7 April 2020*

**Informal videoconference of the Eurogroup**

**Informal videoconference of Ministers of Research**

*Wednesday, 8 April 2020*

**Informal videoconference of Ministers of Foreign Affairs (Development)**

**Informal videoconference of Ministers of Culture**

*Thursday, 9 April 2020*

**(Continued) Informal videoconference of the Eurogroup**

*Tuesday, 14 April 2020*

**Informal videoconference of Ministers of Education**

*Wednesday, 15 April 2020*

**Informal videoconference of Ministers of Health**

*Thursday, 16 April 2020*

**Informal videoconference of Ministers of Foreign Affairs (Trade)**

*(Date to be confirmed)*

**(poss.) Informal video/teleconference of Ministers of Finance**

For video coverage of Council sessions and audiovisual material, please see the following Council websites:

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## Action against large-scale investment fraud in several countries



The Hague, 7 April 2020

**With the support of Eurojust, authorities in Austria, Bulgaria, Germany and Serbia have successfully carried out operations against two organised criminal groups (OCGs) suspected of large-scale investment fraud in cyber-trading. In spite of the challenges of the current coronavirus crisis, an action day took place on 2 April, with all participants adhering to the measures imposed to prevent further contagion. During the first operation, four suspects were arrested in Bulgaria. In Germany, EUR 2.5 million were frozen on the bank account of a company involved in the fraud scheme. The Serbian authorities arrested five suspects and searched nine places, seizing five apartments, three cars, a considerable amount of cash, and IT equipment. Additionally, more than 30 bank accounts were put under surveillance. Based on the information gathered during the action day, authorities engaged in another operation against a company in Belgrade on 4 April, arresting one suspect and seizing servers, other IT equipment, and documents. Eurojust, the EU Agency for Criminal Justice Cooperation, actively supported the judicial cooperation and coordination. Europol provided information exchange.**

The operations were part of an ongoing long-term investigation conducted by several national authorities. According to the investigations, the OCGs lured thousands of victims in several countries into investing in non-existent financial products. Throughout Europe, advertising banners and mass emails promising above-average profits encouraged investors to register on unlicensed online trading platforms for a EUR 250 fee. They were then contacted by so-called agents or brokers operating from call centres who announced the opportunity of even higher profits, seducing victims into transferring more money to various accounts or releasing the debiting of additional amounts from their credit cards. Subsequently, the perpetrators simulated the alleged trading of financial products, misguiding the victims with fake positive outcomes displayed on the online trading platforms. In reality, no actual trading took place. Instead, the money was distributed to a large number of participants in a complex money laundering network installed across Europe. The companies at the end of this chain were under the control of the criminals, allowing them to withdraw the funds for themselves.

Thousands of investors suffered a complete loss of their money. In Germany, for example, the Bavarian Central Office for the Prosecution of Cybercrime at the Bamberg General Prosecutor's Office registered hundreds of victims and damages exceeding EUR 10 million. In Austria, the Central Prosecutor's Office for Combatting Economic Crime and Corruption reported around 850 victims,

with presumed damages of at least EUR 2.2 million. The total damage caused by the OCGs exceeds these figures, given that the perpetrators targeted people in numerous countries in Europe and beyond. Furthermore, investigators assume a high number of unreported cases, since many investors may have mistakenly considered their losses a result of the high risks associated with the trading of certain financial products.

Eurojust assisted the investigations by funding a joint investigation team (JIT), as well as organising both a coordination meeting at its premises in The Hague and a videoconference. During the action day, a coordination centre at Eurojust ensured judicial support and effective exchanges of information and evidence. The action was successfully carried out by the Austrian Central Prosecutor's Office for Combatting Economic Crime and Corruption, the Bulgarian Specialised Prosecutor's Office, the Bavarian Central Office for the Prosecution of Cybercrime at the General Prosecutor's Office in Bamberg, Germany, the Special Prosecution Office for High-Tech Crime of the Republic of Serbia and the Department for International Cooperation and Mutual Legal Assistance of the Republic Public Prosecution Office of the Republic of Serbia. Europol provided information exchange.

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