REPORT

Advancing Access to Compensation for Victims of Human Trafficking

The use of recent EU law provisions in France, Spain, and Germany

La Strada International,
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Disclaimer: This report was prepared at a time of ongoing legislative reform and transposition of several recently adopted EU instruments. As these measures are currently subject to further review and or national transposition, implementation processes, evolving guidance, and further political and legal developments at both EU and Member State level, the legal and policy landscape remains highly dynamic.

Consequently, some information, interpretations, or assessments contained in this report may soon become outdated or require revision as new legislation, case law, implementation measures, guidance, or policy amendments emerge. The report reflects the state of developments and publicly available information at the time of publication and should therefore be regarded as a baseline against which future developments and changes can be measured.

Glossary

Trafficked Person/ (Presumed) Victim of Human Trafficking	A trafficked person is someone who has been recruited, transported, transferred, harboured, or received, including situations involving the exchange or transfer of control over that person, through the threat or use of force, coercion, abduction, fraud, deception, abuse of power, or exploitation of a position of vulnerability, or through the giving or receiving of payments or benefits to obtain the consent of a person who has control over them, all for the purpose of exploitation. La Strada International uses the legal term "victims of trafficking" and the neutral term "trafficked persons" interchangeably to define both identified and non-identified (presumed) victims of human trafficking. Hence, it includes also a person who has met the criteria of EU regulations and international Conventions but has not been formally identified by the relevant authorities (e.g. police) as a trafficking victim or has declined to be formally or legally identified as trafficked.
Remedies	In the first sense, remedies are the process by which arguable claims of human rights violations are heard and decided, whether by courts, administrative agencies or other competent bodies. The second notion of remedies refers to the outcome of the proceedings, the relief afforded to the successful claimant. In fact, remedies can be understood broadly as the measures provided to victims of crime, including human trafficking, to repair the harm they have suffered. This may include financial payments, but also symbolic recognition, apologies, access to services, or measures that restore dignity and rights.[1]
Compensation	Compensation refers specifically to financial redress, money awarded to a victim in recognition of: a) Physical or mental harm; b) Lost opportunities, including employment, education and social benefits; c) Material damages and loss of earnings, including loss of earning potential; d) Moral damage; e) Costs required for legal or expert assistance, medicine and medical services, and psychological and social services". of loss, suffering, or injury.

[1] D Shelton, (2005 2nd ed), Remedies in International Human Rights Law, p.12-13.

List of Abbreviations

AML: EU Anti-Money Laundering

CARIN: Camden Asset Recovery Inter-Agency Network

CJEU: Court of Justice of the European Union

CoE: Council of Europe

CSDDD: Corporate Sustainability Due Diligence Directive

CSO: Civil Society Organisation(s)

EU: European Union

EUROPOL: European Union Agency for Law Enforcement Cooperation

FLB: Forced Labour Ban Regulation

ILO: International Labour Organisation

MIPROF: Interministerial Mission for the Protection of Women against Violence and the Fight against Human Trafficking

NGO: Non-governmental Organisation

UN: United Nations

Table of Contents

1. Summary

This paper examines how recent EU legislation adopted in 2024, alongside earlier legal instruments, may enhance access to compensation for victims of human trafficking in Europe, focusing in particular on the situation in France, Germany and Spain. Although compensation is recognised as a legal right, it remains rarely realised in practice. Drawing on interviews, surveys, document analysis, and a Council of Europe study visit to the Netherlands co-organised by La Strada International on compensation for victims of trafficking, the paper analyses existing compensation routes, including criminal proceedings, civil claims and state compensation schemes, as well as the potential impact of newly adopted and revised EU instruments relating to asset recovery, forced labour and corporate due diligence.

Across all three countries, as in many other parts of Europe, access to compensation remains fragmented, slow and largely inaccessible in practice. Victims are often insufficiently informed about their rights, fear deportation or retaliation, and face complex, lengthy and costly procedures when seeking justice. Even where courts award compensation, payments are frequently not enforced because assets are not identified, frozen or confiscated in time. Early financial investigations and effective asset recovery are therefore essential, particularly as offenders often conceal or dissipate assets through cash transactions, shell companies, overseas accounts or transfers to third parties, leaving little available for enforcement once compensation has been ordered.

Recent EU legislation may nevertheless create important new opportunities to strengthen access to compensation. Directive (EU) 2024/1260 on Asset Recovery and Confiscation requires authorities to take victims' restitution and compensation into account when tracing and confiscating criminal assets, potentially improving the enforcement of compensation awards. The Corporate Sustainability Due Diligence Directive (CSDDD) introduces corporate due diligence obligations and, in principle, opens new avenues for victims to seek damages linked to forced labour and trafficking within supply chains, although the Omnibus package has limited its scope and potential impact. The Forced Labour Regulation (EU) 2024/3015 seeks to prohibit products made with forced labour from entering the EU market and refers to remediation, including compensation, although it does not establish directly enforceable compensation rights for victims. Together, these instruments strengthen the accountability framework applicable to both public authorities and the private sector.

However, significant limitations remain. The Forced Labour Regulation is still largely compliance-oriented and does not operationalise clear mechanisms to channel penalties or confiscated proceeds towards victim compensation or remediation funds. Research further demonstrates that many governments continue to treat due diligence and anti-exploitation frameworks primarily as reporting and compliance exercises rather than as tools for prevention, accountability and redress. Investigations into corporate involvement in forced labour remain rare, sanctions are infrequently imposed, and compensation outcomes for victims are exceptional. Enforcement authorities are often under-resourced, their mandates insufficiently clear, and reliance on company self-assessment remains widespread.

The paper also highlights, based on findings from earlier research, that asset recovery systems continue to function weakly in practice. Even where assets are successfully confiscated, they seldom directly benefit victims, as confiscated proceeds are generally absorbed into state budgets rather than allocated to compensation or victim support mechanisms.

As the new EU measures are still in the process of transposition or early implementation, their practical impact remains uncertain. The paper therefore explores how complementary legal, institutional and financial mechanisms could strengthen compensation for trafficked persons in practice.

The findings demonstrate that effective protection against trafficking and forced labour requires far more than formal legislative compliance. Member States must ensure the meaningful implementation and enforcement of instruments such as the CSDDD, the Forced Labour Regulation, the revised Victims' Rights Directive and the Asset Recovery and Confiscation Directive, while assessing whether victims actually obtain compensation, remedies and protection in practice.

This requires stronger enforcement and supervision, proactive financial investigations, effective asset recovery, clearer procedural rights, accessible and victim-centred complaints mechanisms, and enhanced cross-border cooperation. It also requires effective compensation systems, including advance-payment schemes and compensation funds financed through confiscated assets and fines, to ensure victims receive compensation when offenders fail to pay.

The paper highlights the essential role of NGOs, trade unions and victim-support organisations in identifying abuse and exploitation, supporting victims, facilitating access to justice, and assisting with compensation claims. It further stresses the need for greater transparency, improved data collection and exchange, stronger institutional coordination, and better monitoring of compensation outcomes to ensure accountability and evidence-based policymaking.

Finally, the paper calls for stronger implementation and enforcement of EU forced labour, due diligence, victims' rights, anti-trafficking and asset recovery laws, with a clear focus on ensuring that victims effectively receive compensation, wages and remedies in practice. It also emphasises the importance of linking corporate accountability, public procurement, subsidies and export credits to effective remediation and responsible business conduct, while empowering NGOs and trade unions as key actors within enforcement systems.

2. Introduction

Compensation for trafficked persons has long remained a neglected dimension of victim support. Compensation is not only a recognition of harm, but also a strong measure to ensure access to justice and to help victims rebuild their lives. Although international legislation and EU law formally provide for this right, access to adequate compensation in practice remains quite limited for victims of human trafficking and forced labour.

This is not only caused by a paucity of political attention or political will, but also by a lack of awareness, knowledge, and practical experience among legal practitioners, including NGOs, to address and resolve challenges in practice, as well as by the non-recovery of assets or their non-use for compensation purposes. While significant attention has been devoted to the domains of prevention, prosecution, and protection, comparatively less focus has been placed on the realm of compensation mechanisms and their deficiencies.

Since 2008, La Strada International has actively monitored and addressed the need to improve access to compensation for victims of human trafficking and related crimes. Two EU-funded projects - COMP.ACT (2009–2012) and Justice at Last (2017–2019) - were implemented, comprising European research, capacity building, awareness-raising, exchange of practice, and advocacy aimed at strengthening access to compensation.

In the years following these projects, La Strada International continued to raise awareness of the issue, make use of strategic opportunities to highlight gaps and challenges in practice, contribute to training initiatives for relevant stakeholders, and support the exchange of expertise at European level.

These efforts have sought not only to improve the practical application of the right to compensation, but also to strengthen legal and policy provisions at both national and European level in order to secure more effective access to compensation for victims. In this context, La Strada International engaged in European advocacy efforts aimed at strengthening legislative and policy frameworks on compensation rights, including through contributions to developments relating to the EU Anti-Trafficking Directive (Directive (EU) 2024/1712), the EU Victims' Rights Directive and Directive (EU) 2024/1385 on combating violence against women and domestic violence. In addition, the organisation monitored and contributed to discussions concerning other relevant European legislative developments, including the EU Asset Recovery and Confiscation Directive (Directive (EU) 2024/1260), the Corporate Sustainability Due Diligence Directive (Directive (EU) 2024/1760), and the Forced Labour Regulation (Regulation (EU) 2024/3015).

While not explicitly designed as compensation mechanisms, these recent adopted EU laws can possibly strengthen the broader legal environment that facilitates victims' access to compensation. These instruments enhance state and corporate accountability and create stronger enforcement pathways, indirectly (potentially) improving access to compensation for victims of human trafficking.

These instruments build on the existing legal foundation established by international and regional instruments including the UN Palermo Protocol and Council of Europe Convention on Action against Trafficking in Human Beings, as well as EU law including the 2004 Compensation Directive (2004/80/EC), the EU Anti-Trafficking Directive (2011/36/EU) and the Victims' Rights Directive (2012/29/EU) and the amendments of the latter two directives in 2024 and 2025. These Directives are discussed further in the following legislation chapter.

As these new legislative measures or revisions are all still in their transposition or early implementation phase, their actual impact remains uncertain. This study aims to explore how compensation for trafficked persons could be strengthened through complementary avenues. Next to looking at the traditional routes of criminal, civil, or state-funded compensation, these new frameworks create additional possibilities to enhance access to compensation — whether through confiscated criminal assets, corporate remedies, or fines and sanctions imposed on those responsible for misconduct and to be held accountable for forced labour and human trafficking practices.

This report analyses this new body of EU legislation to

1. identify what each instrument specifically requires from EU Member States,
2. examine what potential they hold for addressing (long-standing) gaps in access to compensation,
3. assess whether Spain, Germany, and France are on track to meet these obligations, and
4. highlight the main obstacles and difficulties likely emerging during their transposition.
5. give recommendations on their transposing and adequate implementation

In doing so, the report provides an initial baseline for future monitoring and research. Revisiting these developments in two to three years' time and beyond - once the transposition period has ended and the laws have been applied in practice - will be essential to evaluate how the directives and regulations have been implemented in practice and whether they have effectively improved access to compensation for victims of human trafficking.

This report is structured as follows: It first sets out the international and EU legal framework governing victims' right to compensation, including recent reforms. It then examines how compensation operates in practice in France, Germany, and Spain, following victims' pathways from information and decision-making to claims, awards, and enforcement. The report next explores alternative and emerging routes to redress, including corporate due diligence, forced-labour regulation and asset recovery tools. The report concludes with country-specific findings, cross-cutting challenges, and recommendations for strengthening access to compensation through the adequate transposition and implementation of the new EU legislation.

3. Methodology

To gather insights from professionals directly involved in compensation, asset recovery, and corporate accountability, the study employed surveys, interviews, field visits, and document analysis.

The online surveys were used to collect background information on respondents' knowledge, followed by in-depth interviews that explored existing procedures, obstacles, the influence of EU legislation, and respondents' perspectives on these issues.

A total of 24 experts participated in the study, including 13 survey respondents and 23 interviewees (one provided written responses). Two main groups were targeted:

1. Legal professionals, government officials, and NGOs working on victim compensation;
2. Specialists in financial investigations and asset recovery.

The research complied with the European Code of Conduct for Research Integrity, GDPR, and Horizon Europe Ethics Guidelines. Participants received clear information about the study and gave informed consent. All data were securely stored and anonymised, and no identifying details were published without explicit permission. The DatACT guidelines were followed to ensure responsible and secure data management.

Additionally, the study visit to the Netherlands, organised by La Strada International and the Council of Europe (May 2025) for legal professionals from North Macedonia, provided first-hand insights into effective national practices in the Netherlands. Meetings with judges, ministries, the public prosecution services, NGOs, and the Dutch National Rapporteur on Trafficking in Human Beings and Sexual Violence against Children, facilitated comparisons of the Dutch model with those of France, Spain, and Germany.

4. Legislation

Human trafficking is internationally recognised as a crime and states must comply with international standards to effectively address, prevent, and combat it. These standards derive from a range of international, regional, and national legal instruments. While a comprehensive examination of all instruments related to human trafficking and compensation exceeds the scope of this research, this chapter presents the most relevant legal frameworks providing for the right to compensation, particularly in the context of the European Union (EU).

4.1. UN Palermo Protocol and ILO Instruments

"Trafficking in persons" is defined in the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (2000) as:

> "*the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs"* (UN Palermo Protocol, 2000: Art.1).

This instrument, also known as the UN Palermo Protocol, is the first globally legally binding framework and a supplement to the UN Convention against Transnational Organised Crime (UNTOC). Following its adoption, additional guidelines have been introduced to clarify the actions states must take to combat human trafficking. Article 6(6) calls upon State Parties to ensure that their domestic legal systems offer victims the possibility of obtaining compensation for damages suffered.

In parallel, the International Labour Organisation (ILO) has developed a robust body of standards addressing forced labour, victim protection, and compensation mechanisms. Most notably, ILO Convention No. 29 on Forced Labour (1930), alongside complementary instruments such as Convention No. 105 on the Abolition of Forced Labour, establishes the obligation to suppress forced labour, which forms the legal basis for remedies under national law. More explicitly, article 4(1) of the Protocol of 2014 to the Forced Labour Convention (P29) requires States to ensure that victims of forced labour have access to appropriate and effective remedies, including compensation. Recommendation No. 203 (2014) on Forced Labour complements the 2014 Protocol and calls on States to provide victims with: compensation for material and moral damages, access to justice and recovery and rehabilitation measures.

4.2. The Council of Europe Convention on Action against Trafficking in Human Beings (2005)

The Council of Europe (CoE) Convention on Action against Trafficking in Human Beings (2005) is the most comprehensive regional treaty addressing victims' rights for trafficked people, including their access to compensation and legal redress.

Article 15 on “Compensation and legal redress” establishes four key obligations for Member States:

- Victims must have access, from their first contact with authorities, to information on judicial and administrative proceedings in a language they understand.
- States must guarantee the right to legal assistance and free legal aid under national law.
- Victims must have the right to claim compensation from perpetrators.
- States must take legislative or other measures to guarantee compensation, such as establishing compensation funds or social assistance programmes, potentially financed by confiscated criminal assets (as per Article 23).

The Explanatory Report (para. 198) clarifies that while traffickers bear the primary responsibility to compensate victims, full compensation rarely occurs in practice because offenders are often untraceable, insolvent, or have disappeared. Therefore, paragraph 4 requires Parties to adopt measures that guarantee compensation through their national systems. The means are left to States’ discretion but may include establishing a state compensation fund or social integration programmes funded by criminal assets.

This provision thus reflected a crucial shift from moral to enforceable obligations, already linking asset confiscation with victim compensation and urging (CoE) Member States to institutionalise sustainable redress mechanisms.

4.3. EU Framework on Compensation for Victims

The EU has progressively built a strong legal framework ensuring the right to compensation for victims of crime, including victims of trafficking in human beings.

1. The **Council Framework Decision 2001/220/JHA** on the standing of victims in criminal proceedings establishes core rights for victims in criminal proceedings, including protection, access to legal counselling, and the right to compensation. Article 6 requires that victims of trafficking are granted prompt access to free legal advice and representation. Legal counselling should be provided by qualified professionals, not necessarily lawyers, and offered free of charge to those lacking financial means, particularly child victims.

2. The **Compensation Directive (2004/80/EC)** provides for the obligation in Art. 12, §. 2, on member states to establish national schemes guaranteeing fair and appropriate compensation for victims of violent crimes, regardless of nationality or residence. It simplifies cross-border access through information rights, free proceedings, and administrative cooperation between EU Member States.

3. In parallel, the **Directive (EU) 2024/1385on combating violence against women and domestic violence** (recital 56 and article 24) recognises the harm caused by secondary victimisation and requests EU MS to ensure that victims have the right to claim full compensation from offenders and that they are enabled to obtain a decision on compensation in the course of criminal proceedings.

4. The **Victims' Rights Directive (2012/29/EU)** strengthens victims' access to justice, protection from secondary victimisation, and support, ensuring the right to participate in proceedings and to claim compensation. Recital 48, 62 and especially article 16 provide the right for a decision on compensation from the offender in the course of criminal proceedings within a reasonable time and bind Member States to promote measures to encourage offenders to provide adequate compensation to victims. Articles 4 and 9 further provide the right of victims to be informed about the right to compensation.

5. The **Revised Victims' Rights Directive,** for which a political agreement was reached on 10 December 2024, builds on this framework. Amendments have been made to the recitals and to Article 16 on compensation, which now, in addition to ensuring that victims are entitled to obtain a compensation decision against the offender, emphasizes that such a decision should be issued within a reasonable time. Furthermore, Member States are required to have execution or enforcement measures in place aimed at facilitating the payment of awarded compensation by the offender without undue delay. Where victims have not received the awarded compensation from the convicted offender within a reasonable time, Member States may advance the compensation to the victim, in accordance with national law. Such an advance may be made in whole or in part. However, any advance payment shall not substitute the offender's obligation to pay the awarded compensation, and Member States shall retain the right to recover the advanced amount from the convicted offender.

6. The **Anti-Trafficking Directive 2011/36/EU** (article 12 and for child victims article 15) states that Member States should ensure access to legal counselling, and legal representation, including for the purpose of claiming compensation. This should be free of charge where the victim does not have sufficient financial resources., while article 17 provides victims 'access to existing compensation systems for victims of intentional violent crime. It, however, does not further specify the obligations to enable victims to claim compensation from both the perpetrator and the state. Recital 13 encourages the use of seized and confiscated instrumentalities and the proceeds from the offences referred to in this Directive to support victims' assistance and protection, including compensation of victims. Union trans-border law enforcement counter-trafficking activities, should also be encouraged.

7. The **amended Anti-Trafficking Directive (EU) 2024/1712** reaffirms these rights and provides Member States with the option to establish victim funds to ensure payment when offenders cannot compensate victims. However, the Directive leaves this optional ("*Member States may establish a national victims fund or a similar instrument, in accordance with their national legislation, in order to pay compensation to victims*"), limiting its added value.

While these instruments contain binding language on the right of victims to claim compensation, they often include optional clauses and exceptions. As a result, the extent to which victims actually receive compensation continues to depend on how each Member State transposes and enforces these provisions in practice, as well as on the extent to which it goes beyond the minimum requirements established under EU law.

The initial Commission's proposal for the revision of the Victim Rights Directive introduced a binding advance payment, which ultimately failed during the negotiation process. Member States are now only required to "consider" paying part of the compensation upfront ('Member States may advance the awarded compensation to the victim as defined under national law. Such advance could be partial or in full), meaning non-binding language that creates no enforceable obligation. The text specifically highlights that "*the advancement of compensation does not entail the obligation for Member States to establish new compensation mechanisms or to be the primary payer of the compensation*". Likewise, the requirement that victims be able to "*obtain a decision*" regarding compensation, which was also embedded in the earlier victim rights directive text and the VAW Directive, remains vague and risks inconsistent implementation.

The amended Directive now requires Member States to have execution or enforcement measures in place, aimed at facilitating the payment of the awarded compensation by the offender without undue delay. Such execution or enforcement measures may include, for example, "*the seizure of assets, enforcement by bailiffs, garnishment of income or public payments, or other civil or criminal procedures ensuring execution of the compensation*". While it is binding to have such execution or enforcement measures in place, it is unclear if, despite its stated ambition, the Revised Directive text will indeed substantially strengthen victims' practical ability to obtain and enforce compensation.

4.4. Complementary EU Instruments (2024)

Although not explicitly designed as compensation mechanisms, recent legislative developments may (if well implemented) reinforce access to remedies and compensation indirectly by strengthening accountability and financial recovery mechanisms.

1. The **Asset Recovery and Confiscation Directive (EU) 2024/1260** enhances the tracing, freezing, and confiscation of criminal assets. It requires authorities to consider victims' restitution and compensation during asset recovery procedures.

2. The **Corporate Sustainability Due Diligence Directive (EU) 2024/1760** (CSDDD) introduces corporate liability for failing to prevent human rights violations in supply chains, including forced labour and trafficking. Companies must provide remediation and compensation where harm is caused or contributed to.

3. The **Forced Labour Ban Regulation (EU) 2024/3015** (FLB) prohibits the marketing and placing of goods produced wholly or partly with forced labour on the EU market and foresees remedial actions, such as compensation or restitution, when forced labour is identified in supply chains.

Together, these instruments reinforce state and corporate accountability, potentially enhancing the broader framework for adequate compensation and access to justice. However, it should be noted that the CSDDD has since been significantly revised through an EU "Omnibus" simplification package adopted in February 2026. Its implementation has also been delayed by one year under the "stop-the-clock" regulation adopted around June 2025. These developments have both adjusted aspects of the Directive's content and further postponed its implementation timeline (see further section 6.3.4).

Part I: The Compensation Process in Practice

The analysis of compensation mechanisms for trafficked persons across three EU countries - Spain, Germany, and France - reveals processes that are fragmented, inconsistent, and often inaccessible. While the right to compensation is firmly established in international and European law, which is generally transposed by the three countries, the actual journey from awareness about to right to compensation to enforcement in practice is shaped by structural barriers at nearly every step. This section outlines the main findings, organised around the key stages of the process: awareness of rights, the decision to claim, the available routes, and the enforcement of awards. At each stage, both recurring obstacles and noteworthy practices are identified.

5.1. Awareness of Rights

The first challenge in the compensation process lies in victims' basic awareness of their entitlements. Despite clear obligations under the (Revised) EU Anti-Trafficking Directive (2011/36/EU; (EU) 2024/1712) and the (Revised) Victims' Rights Directive (2012/29/EU; XX),[2] and other EU law - such as Article 11 of the Seasonal Workers Directive -, which require that victims should be informed about the right to compensation, many victims do not know - and never learn - that compensation is available. Information is often provided late, inconsistently, or not at all. Among the barriers are:

- **Language barriers**: Language and accessibility barriers exacerbate this gap.[3] Information provided, whether directly or via leaflets or brochures, may not reach the intended recipients, e.g., because it is not translated into relevant languages or adapted to low literacy levels. Even when translated, information is frequently written in highly technical or bureaucratic terms, making it inaccessible. In some jurisdictions, interpreters are not consistently available, limiting police, labour inspectors, and prosecutors' ability to convey rights effectively. These first-line officers are, in fact, legally obliged under Article 11 of Directive 2011/36/EU on trafficking in human beings and Articles 3–7 of Directive 2012/29/EU (the Victims' Rights Directive) to provide victims with information about their rights in a language and manner they understand, but in practice this is not consistently done.

- **Clashing Priorities:** Authorities such as police or labour inspectors play a central role in the first contact with victims. However, their involvement varies widely. In some countries and even across regions within these countries, inspectors increasingly prioritise migration control over victim protection, meaning that trafficked persons who are in an irregular situation risk being .

[2] At the time of this publication the amended Directive was not yet published in the EU Journal.

[3] Commission Staff Working Document, Evaluation of Directive 2012/29/EU of the European Parliament and of the Council of 25 October 2012 establishing minimum standards on the rights, support and protection of victims of crime, and replacing Council Framework Decision 2001/220/JHA, SWD(2020) 87 final, 11 May 2020; European Commission, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Progress Made in the European Union in Combating Trafficking in Human Beings (Fifth Report), COM(2025) 8 final, 20 January 2025.

detained or deported before being informed about their rights.[4] This reflects a structural tension between immigration enforcement and victim protection, where the former often dominates. In recent years, this imbalance has been further exacerbated by the political shift to the right across several European countries, where restrictive migration agendas increasingly shape law-enforcement priorities. As a result, anti-·trafficking and victim-protection measures risk being subordinated to border control objectives, undermining the EU's human rights–based approach

Civil society actors try to address these gaps, with NGOs frequently being the main actors informing victims of their right to compensation. Their outreach occurs through hotlines, or direct contact with victims through direct assistance and shelter services, and is often more trusted by victims than state channels. However, full reliance on NGOs introduces challenges too: while some organisations are highly competent including on legal issues, others lack the training, capacity or financial resources to provide timely accurate guidance. This unevenness means that access to information depends heavily on geography and on the available organisations or support persons a victim encounters.

Good practices can be identified, nonetheless. France has introduced nationwide training for judges and prosecutors, supported by partnerships with NGOs, to foster a "*culture of compensation*." Spain's Ministry of the Interior has issued instructions to promote coordination between police and specialised NGOs, encouraging information-sharing on rights. In Germany some federal states fund specific awareness programs. These examples demonstrate that structured cooperation and training can improve the flow of information on the rights of victims including their right to compensation, though implementation remains patchy.

5.2. Deciding to Claim Compensation

Once informed of their rights, victims face the second challenge: deciding whether to pursue compensation through filing a claim. This decision is rarely straightforward and is shaped by a combination of legal, social, and psychological factors.

- **Fear of retaliation and deportation**: Victims often fear retaliation from traffickers or employers, particularly when exploitation occurs in close-knit sectors such as agriculture, hospitality, or domestic work. Retaliation may not only be violent but also economic, such as being blacklisted from employment opportunities and risking losing housing or employment when claiming rights. For undocumented migrants, the risk of deportation looms large, particularly in countries without a "firewall" separating victim support services from immigration enforcement. The possibility that pursuing a claim may expose their irregular status or irregularity of the work conducted, discourages many from even initiating proceedings. It should nevertheless be noted that, while workers may raise concerns about unpaid wages, claims for compensation are often only made once they are no longer in the exploitative situation. Legally, it is possible to pursue compensation while still in employment; however, in cases of human trafficking and other severe forms of exploitation, it is more common in practice for such claims to be brought after the individual has exited the situation, once safety, legal status, and appropriate support structures are in place.

[4] As claimed by respondents; see also La Strada International, 2013, Detecting and Tackling Forced Labour in Europe, LSI, accessed 09 December 2025.

- **Stigma:** Victims willingness to claim compensation is often undermined by stigma. Victims of sexual exploitation may fear community judgment, while men exploited for labour or ·sexual purposes may avoid reporting due to societal stereotypes that view male victimhood as incompatible with strength and self-reliance. Shame and fear of social exclusion often outweigh the perceived benefits of legal redress. Concerns about disclosure and a desire to avoid visibility may also play a role, with some individuals preferring to move on quietly rather than draw attention to their situation through legal proceedings.

- **Practical and Financial Considerations**: Compensation proceedings are often lengthy, sometimes taking years. During this time, victims face pressing needs: stable housing, income, and security. Many decide that pursuing a claim is not worth the wait when immediate survival and supporting families take precedence. Legal costs also deter claims. While some systems provide free legal aid – mainly for criminal procedures - this support is not always specialised or adequate, leaving victims to fund their own representation, especially when compensation claims are referred to civil procedures. Moreover, even when compensation is ordered by a judge, there are currently generally no measures in place to ensure its execution, making the victim dependent on whether the perpetrator pays. The absence of interim financial support further exacerbates this issue, often forcing victims to endure precarious living conditions while proceedings are ongoing.

Experts have suggested that interim assistance linked to minimum wage levels or basic subsistence needs could help address this gap, but such mechanisms remain rare. The revised EU Victims' Rights Directive introduces an obligation on Member States to take measures to facilitate the enforcement of compensation orders, which may represent an important step forward, although its effectiveness will only become clear in practice over time.

- **Emotional and Psychological Burdens**: Initiating a compensation claim requires victims to revisit traumatic experiences, provide detailed statements, and undergo medical or psychological assessments. This process can be re-traumatising. The perception that claims are adversarial, bureaucratic, and unlikely to succeed often discourages participation. For many, the emotional cost of reliving their exploitation outweighs the uncertain prospect of monetary compensation.

- **Refusing the Victim Status**: Some identified victims choose not to seek justice, often due to concerns about credibility. They may fear that claiming money could undermine how authorities or courts perceive them, or feel uncomfortable receiving funds from offenders. This underlines the need for clear information and sensitive communication from authorities, ensuring victims understand that compensation is a legal right intended to recognise harm, not to question their status.

5.3. Routes to Compensation

Victims of human trafficking theoretically have access to multiple avenues of redress: criminal proceedings, civil or labour lawsuits, and state compensation schemes. Each route presents distinct challenges. These routes are present all over Europe, including in the 3 countries of focus.

5.3.1 Criminal Proceedings

EU law requires that victims be able to claim compensation and obtain a decision from the court during criminal trials. In practice, however, this route is underutilised, even though it remains the most successful option.[5] Judges and prosecutors often prioritise conviction over compensation, with limited willingness to engage in complex financial evaluations. As a result, victims are often referred to civil proceedings to avoid considerable delays in the criminal proceedings. The Court often argues that the adjudication of an injured party's claim would impose a disproportionate burden on the criminal proceedings and declare the claim wholly or partly inadmissible and determine that, to that extent, the injured party may bring the claim before the civil court. Except in Spain, the law on the standing of victims of crime provides that public prosecutors are obliged to request compensation for the victim from the defendant regardless of the victim's role in proceedings, unless the victim waives this right.[6]

In Spain, victims have the right to join criminal proceedings as private prosecutors, allowing them to appoint their own lawyer to act on their behalf. They are also entitled to legal aid, including a court-appointed lawyer, without having to demonstrate a lack of financial means. However, victims are not automatically included as private prosecutors; this is a choice each victim must actively make. If a victim of human trafficking chooses not to take on this role, the Public Prosecutor's Office will conduct the prosecution and represent the victim's interests. Prosecutors act in accordance with internal guidelines and, in most cases, seek not only the custodial sentence they consider appropriate but also compensation for the victim in respect of the harm suffered. In other countries, victims must actively register as injured parties, a step that is neither automatic nor well understood.

Resource constraints within prosecution services contribute to the problem. Criminal investigations for Human trafficking cases are time-intensive and often yield uncertain convictions. Prosecutors may pursue lesser charges, bypassing the crime of human trafficking altogether and with it the victim's compensation claim.

Current data shows that criminal compensation is not available to most trafficked persons, as very few trafficking cases are actually prosecuted and result in a successful conviction, as the crime of human trafficking is difficult to prove. The right to obtain a decision in a criminal procedure is however very important for victims, as a criminal court procedure is still mostly quicker than civil proceedings and the victim will receive free legal aid during the criminal court procedure, which is not the case with a civil procedure.

When criminal proceedings do take place, evidentiary burdens are high. Courts demand consistent, detailed testimony, which is difficult for traumatised individuals to provide. Psychological or medical assessments by experts are either underused (as in France) or overused in insensitive ways (as in Germany), often retraumatising victims.[7]

[5] See also La Strada International, 2018, Working Paper Legal Assessment: Compensation Practices, LSI, accessed 09 December 2025.

[6] Ibid.

[7] As claimed by respondents; see also M. Jakšić and N. Ragaru, 'Réparer l'exploitation sexuelle. Le dispositif d'indemnisation des victimes de traite en France' (2021) 122 Cultures & Conflits 123–140.

When compensation claims in criminal proceedings are successful and compensation is awarded, amounts are often highly inconsistent within countries and across countries, due to the absence of standardised judicial guidelines. Awards are often arbitrary, inadequate, and disconnected from the harm suffered.

Moreover, as highlighted before, even where a trafficker is convicted and is ordered to pay compensation to the victim, there might be no assets to claim. He or she may have spent the money, transferred it out of the jurisdiction, or deposited it in a bank account under a false name, making it very difficult to trace. See further section 5.3.4. Hence early financial investigations and assets recovery is essential to advance access to compensation.

5.3.2. Civil and Labour Proceedings

Civil and labour courts offer alternative routes, though they are beset by strict procedural requirements. Victims must often pay legal fees, cover court costs, and assume financial risks if they lose. Legal aid, where available, is inconsistent and not always specialised.

These courts impose particularly short deadlines for filing claims. Many victims are identified too late, losing the chance to initiate proceedings. Documentation requirements are stringent: contracts, pay slips, or work records are needed, yet traffickers often ensure not to leave such evidence. In cases of domestic servitude or undeclared labour, documentation may not exist at all.

Some experts propose alternative approaches, such as linking compensation to minimum or sectoral wage levels rather than requiring detailed proof of hours worked. This would reduce evidentiary burdens and provide more predictable outcomes, though such reforms are not yet widely implemented.

Victims also face emotional challenges in these proceedings. They are required to confront their exploiters in court, often without psychological support. Hearings can be intimidating and retraumatising, especially when perpetrators attempt to undermine victims' credibility. Language barriers compound the difficulty, as proceedings are conducted in legal terminology that many victims cannot understand. In the case of foreign victims, interpreters may not always be available, and the quality of interpretation can affect how testimony or written statements are understood. Subtle details may be lost or misrepresented.

These burdens are often even heavier in civil proceedings than criminal proceedings, where victims typically carry the primary responsibility for proving the exploitative act. This places them in a direct, adversarial position against the perpetrator, effectively making the case depend on their own testimony unless the crime has already been established in a prior criminal judgment.

5.3.3. State Compensation Schemes

State-funded compensation schemes are designed to provide redress when perpetrators cannot or will not pay. Germany, France, and Spain each maintain such mechanisms, but with significant differences.

- Germany: The Social Code XIV (of January 1, 2024) explicitly includes trafficking victims and extends coverage to damages for psychological harm. Claimants may request lump sums rather than monthly payments. Pursuant to Section 7 SGB XIV, foreign nationals are in principle entitled to the same benefits as German citizens. However, access in practice may remain constrained, as applying for social compensation requires providing personal data such as address and place of residence, which can have implications under residence law, particularly for persons in an irregular situation. Importantly, the granting of social compensation does not in itself confer or regularise a residence permit. In addition, implementation of the code varies by federal state, creating geographic disparities. Case managers that can support victims through the process of claiming compensation, remain under-resourced, further limiting effective access in practice.

- Spain: Law 35/1995 covers victims of violent crimes, including victims of human trafficking. Following its amendment by Organic Law 10/2022, the scope of protection and access to compensation has been expanded, but only for victims of gender-based and sexual violence. As a result, women, girls and boys who are victims of trafficking for sexual exploitation or forced marriage are entitled to compensation regardless of their immigration status. In these cases, the amount of aid has been increased, and damage to mental health is explicitly recognised, broadening the range of compensable harm. The application deadlines have also been extended, including the possibility of granting provisional aid. However, this expanded access does not apply to all victims of trafficking. For other forms of exploitation, residency requirements may still limit access to compensation in practice, particularly for individuals in an irregular situation. Moreover, the process remains bureaucratic and requires extensive documentation.

- France: Compensation can be obtained from the Victims Guarantee Fund (FGTI) through the Commission for Compensation of Victims of Crime (Civi). The fund provides compensation for victims of serious crimes, including human trafficking, to seek compensation for personal injury or material harm. Physical injury does not always have to be proven, because severe psychological trauma, coercion, and emotional suffering can also qualify if supported by evidence such as medical, psychiatric, police, or social-service documentation. Therefore, this compensation mechanism is more accessible than in other countries. However, administrative biases and rigid compensation schedules have been criticized.

Despite their differences, these schemes share common shortcomings: long delays, high evidentiary thresholds, and rigid assessment frameworks. While they represent a crucial alternative to offender-funded compensation, they are often inaccessible to the very victims they are designed to support.

5.4. Payment and Post-Payment Issues

When victims manage to claim compensation from offenders through criminal or civil procedures and compensation is granted in court, they face barriers in accessing the money. Common issues include:

- Lack of enforcement (an issue we will dive deeper into in the coming chapters).
- Lack of access to bank accounts or secure payment channels, particularly for victims who have returned to their country of origin or moved to another country. Difficulties can also occur in verifying account ownership, which creates risks of funds being redirected to perpetrators.
- Sometimes it is impossible to trace victims after lengthy procedures and there is no knowledge of their whereabouts, to be able to transfer the money.
- Payments are being made in instalments, which prolongs victims' contact with offenders and increases psychological distress. This issue is exacerbated when there are delays in payment.

Post-payment problems also arise:

- In some cases, compensation leads to a reduction or withdrawal of social benefits, or requests victims to pay back earlier received payments.
- In others it risks revictimisation: falling victim to scams or financial exploitation due to a lack of financial literacy support.

These challenges highlight the need for combined measures, including financial guidance and safeguards against unintended consequences.

Part II: Backdoors to Redress: Alternative Routes to Compensation

Beyond the conventional paths above, a range of alternative mechanisms can help trafficked people to obtain redress. These include (informal) settlements with offenders for example through mediation for back wages, as well as innovative uses of legal and financial tools such as on-the-spot wages, workplace injury insurance, or insolvency funds, and compensation through related administrative procedures. Often, these routes emerge from creative lawyering or NGO advocacy efforts aimed at filling systemic gaps, particularly in cases where formal criminal, civil, or state compensation mechanisms are inadequate.

These alternatives also raise a broader issue of inclusivity. Victims of human trafficking benefit from specific rights that are generally linked to their identification as victims, by competent authorities, but this identification does not always depend strictly on the outcome of criminal proceedings and varies across jurisdictions. In Spain, for instance, formal identification is carried out by specialised law enforcement authorities on the basis of evidence or reasonable grounds and should not depend on the victim filing a complaint or cooperating with police or judicial authorities. This administrative identification must be distinguished from the formal recognition of victim status through a criminal conviction, which may additionally give rise to court-ordered compensation. In Germany, the framework is more restrictive: individuals may be recognised as presumed victims and granted a reflection and recovery period on the basis of the slightest indications – granting them immediate protection and assistance such as access to safe accommodation, medical care and counselling - but full victim status, particularly for the purpose of accessing compensation, is generally linked to the outcome of criminal proceedings.

This leads to people who have been trafficked, not getting a formal victim status, which can be the result of non-successful or absent investigations and prosecution. Sometimes the distinction between what IS a trafficking victim and what ISN'T can potentially be quite arbitrary. This ambiguity creates legal and ethical challenges, particularly for people who have experienced similar forms of exploitation but fall outside the official human trafficking definition or fail to receive formal victim recognition due to other reasons. While these alternative mechanisms are not uniformly available across countries, they represent emerging and adaptable practices that merit close analysis, especially as tools to expand access to justice for those who might otherwise be left out and remain empty-handed.

Next to highlighting the most common routes and the challenges, we will focus on exploring more recent developments in corporate accountability and financial regulation, specifically the potential of emerging corporate sustainability due diligence and AML frameworks to improve access to compensation for trafficking victims.

6.1. Anti-Money Laundering Frameworks and Victim Compensation

The EU Anti-Money Laundering (AML) framework provides governments with powerful tools: investigation of financial flows, freezing and seizure of assets, confiscation of illicit proceeds, and cooperation between financial intelligence units across borders. They comprise a series of laws

designed to prevent money laundering and terrorist financing by requiring financial institutions and other businesses to implement customer due diligence, KYC procedures, and risk-based monitoring.

These tools are already central to dismantling organised crime and disrupting profit channels from human trafficking. At EU level, this framework has been further strengthened by the adoption of the new Anti-Money Laundering Directive (Directive (EU) 2024/1640)[8]. A key strength of the adoption of this new Anti-Money Laundering Directive is that it creates a far more harmonized and consistent AML framework across all EU member states, reducing regulatory fragmentation and improving cross-border cooperation. It also strengthens enforcement through the establishment of the new EU Anti-Money Laundering Authority (AMLA), expands obligations to high-risk sectors including crypto services, and introduces stricter due diligence, transparency, and standardized penalties for money laundering offenses.

The attraction of AML tools lies in their capacity to follow the money. Human trafficking, by definition, generates profit. Unlike state compensation schemes that depend on public budgets, or civil cases that hinge on individual plaintiffs suing corporations, AML allows authorities to tap into the very resources generated through exploitation. If confiscated assets could be earmarked or "ringfenced" for redress, this would represent a self-sustaining system. This will be, however, discussed further in the following chapter on the new Asset Recovery Directive (EU 2024/1260)[9]. This latest Directive updates the existing legal framework by laying down new, reinforced minimum rules on (i) tracing and identification, (ii) freezing and confiscation and (iii) management of assets within the framework of criminal proceedings.

6.2. The EU Forced Labour Products Ban (FLB)

6.2.1. Origins and Purpose

Adopted in 2024, the EU Forced Labour Regulation (Regulation (EU) 2024/1864)[10] prohibits the placing or making available on the EU market, or the export, of products made wholly or partly with forced labour. Its main purpose is to ensure that the EU internal market does not contribute to or benefit from severe exploitative practices that amount to forced labour in global supply chains.

The Regulation explicitly grounds itself in the Union's commitment to human dignity and human rights, referencing Article 21 TEU and Article 5 of the EU Charter of Fundamental Rights, which prohibit slavery and forced or compulsory labour. It also builds on Article 4 of the European Convention on Human Rights (ECHR), as interpreted by the European Court of Human Rights (ECtHR), which obliges Member States to investigate, prosecute, and penalise acts of forced labour and human trafficking.

[8] See https://anti-money-laundering.eu/wp-content/uploads/2026/02/OJ_L_202401640_EN_TXT.pdf

[9] Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation https://eur-lex.europa.eu/eli/dir/2024/1260/oj/eng

[10] Regulation (EU) 2024/3015 of the European Parliament and of the Council of 27 November 2024 on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937 – see https://eur-lex.europa.eu/eli/reg/2024/3015/oj/eng

In its operative part, Article 5 of the FLB requires each Member State to designate a competent authority to investigate and determine whether products were made using forced labour. EU Member States had to designate such a competent authority by December 2025, however at the time of the publication of this report, only few EUMS had done so yet. These authorities must have investigative powers, cooperate with customs and the European Commission, and share information through a central database. Article 37(1) states that Member States "*shall lay down the rules on penalties applicable to economic operators for non-compliance*", yet there is no reference to allocating such penalties to victims or redress schemes.

The political momentum behind the FLB was shaped less by victim redress than by concerns over trade integrity, consumer trust, and the protection of European industries from unfair competition. In fact, the FLB's enforcement is structured as a market surveillance mechanism, focusing on products and economic operators rather than individuals or victims. Article 3 limits the scope to the placing and making available on the Union market, or the export, of products made with forced labour, meaning it primarily concerns excluding forced-labour goods from the EU market rather than directly addressing the forced labour practices, sanctioning perpetrators or compensating victims.[11]

6.2.2. What It Says About Remediation, Compensation, and Victims

Although the FLB acknowledges the importance of remedy, it does not create enforceable obligations for victim compensation. The Regulation itself acknowledges that "*the right to effective remedies for violations of fundamental rights is a human right, and a fundamental element in the process of effective prosecution of crimes*" (Recital 3). However, it does not translate this acknowledgement into concrete instruments of redress within its operative provisions. Even the reference to Directive 2011/36/EU in Recital 8, which harmonises human trafficking offences and minimum penalties, is framed primarily to delineate the importance of the investigation and prosecution of offences related to trafficking in human beings, and not that of compensation.

Recital 36 clarifies that the Commission "s*hould issue guidelines… on best practices for bringing to an end and remediating forced labour and on responsible disengagement.*" Importantly, it defines remediation as restitution to the closest possible situation the affected persons would have enjoyed without forced labour, which includes "*financial or non-financial compensation provided by the company to a person or persons affected by forced labour".* However, this definition appears only in the recitals and is not binding under the operative provisions.

Article 11(b) allows the Commission to issue delegated acts to provide guidance on remediation, but it does not require Member States or companies to compensate victims. Nor does the Regulation specify that proceeds from confiscated goods or administrative penalties should be allocated to redress schemes - as this option was explicitly rejected by the lawmakers during the negotiations. Authorities may restrict or withdraw products but are not empowered to require demonstrable remediation before lifting restrictions. While remediation is recognised within the enforcement framework, the Article does not establish clear standards or obligations to ensure that it results in concrete outcomes such as compensation. The Regulation tasks enforcement bodies

[11] Ministry of Foreign Affairs of the Netherlands, How does the European Forced Labour Regulation (December 2025), https://english.rvo.nl/sites/default/files/2025-12/flowchart_forced_labour_tg.pdf; Netherlands Enterprise Agency (RVO), FLB, https://english.rvo.nl/topics/forced-labour-regulation

with assessing due diligence efforts but not does not provide a structured mechanism to systematically verify whether victims actually received compensated, allowing companies to demonstrate procedural improvements without delivering substantive outcomes for affected workers.

However, Article 17(1), requires authorities to assess whether forced labour has been brought to an end and remedied. This introduces an element of substantive evaluation, suggesting that remediation is not entirely discretionary, but it remains unclear how thoroughly or consistently such remediation must be demonstrated in practice.

In practice, this means that remediation is taken into account in enforcement decisions but remains insufficiently operationalised and weakly enforceable in terms of concrete outcomes, particularly regarding compensation. While this may create some incentive for companies to remediate victims in order to avoid their case being taken to the full investigation stage, it does not guarantee that victims will receive effective redress. Once products are removed from the market, the Regulation's objectives are considered met, even if victims receive no remedy. This preventive but non-reparative model risks reinforcing a compliance culture focused on protecting markets rather than individuals.

Victims located outside the EU are particularly disadvantaged, as they lack standing in enforcement proceedings. When forced labour occurs within the EU, victims could in theory rely on national compensation or civil remedies based on the anti-trafficking or victim rights directives, or other EU law, but when it occurs abroad, enforcement generally ends at product withdrawal or contract termination, often leaving victims worse off if factories close abruptly.

6.2.3. What Needs Improvement, Difficulties, and Unanswered Questions

As we have seen, the FLB could, in principle, serve as a gateway to compensation. Penalties against importers could be tied to remediation plans, requiring companies to contribute to funds for exploited workers. Customs confiscations could be partly diverted to transnational victim support schemes, but none of these measures were built into the legislation and are thus not binding. Hence, while the FLB is a landmark instrument in linking trade regulation to human rights, several obstacles undermine its effectiveness as a tool for justice rather than mere compliance:

- Weak connection to victim compensation: Although Recital 3 affirms that *"the right to effective remedies for violations of fundamental rights is a human right*", the Regulation does not operationalize this. Article 30 on penalties makes no mention of allocating fines or proceeds to victims or victim support funds.
- Complexity of global supply chains: Verifying the presence of forced labour outside the EU remains extremely difficult. Investigations often depend on third-country cooperation or corporate transparency, both of which are limited.
- Risk of harmful side-effects: As critics such as Human Rights Watch note, product bans can inadvertently harm workers if factories are closed without remediation.[12] The Regulation encourages "*responsible disengagement*" (Recital 37) but provides no mechanism to ensure it occurs.

[12] Human Rights Watch, 'New EU Law Should Catalyze Business Efforts to Tackle Forced Labor', by Hélène de Rengervé, 20 February 2025 - https://www.hrw.org/news/2025/02/20/new-eu-law-should-catalyze-business-efforts-tackle-forced-labor

As Human Rights Watch states: "*The law does not require companies to provide remediation to victims as a condition for lifting an import ban. The European Commission will instead issue guidelines to companies on remediation, and the commission and member states will gather data on companies' efforts to remediate forced labour*".[13] In sum, the FLB represents a significant step in aligning trade policy with human rights, but its preventive, product-centred design leaves significant gaps in victim remediation, reinforces a compliance culture for businesses while leaving questions of redress unanswered. Awareness of forced labour may increase, but without enforcement guidelines linking enforcement actions to compensation, victims remain outside the scope. At present, meaningful changes to this framework can only be expected in the context of the Regulation's review process, scheduled for 2029, during which the integration and operationalisation of remediation measures is explicitly to be assessed (Article 38(4)).

6.3. The Corporate Sustainability Due Diligence Directive (CSDDD)

6.3.1. Purpose

The Corporate Sustainability Due Diligence Directive (CSDDD), Directive (EU) 2024/1760)[14] establishes binding obligations for companies to respect human rights and the environment throughout their value chains. Its objective is to ensure that businesses operating in the EU identify, prevent, mitigate, and end adverse impacts arising from their own operations, subsidiaries, and established business relationships.

Under the original CSDDD framework, EU Member States had to:

- Create supervisory authorities to monitor and sanction non-compliance (Article 24).
- Ensure that companies adopt a due diligence policy, integrate it into risk-management systems, and maintain a complaints mechanism accessible to affected individuals (Articles 7 and 14).
- Establish a regime ensuring civil liability for damage suffered by persons when a company negligently or intentionally fails to comply with due-diligence obligations (Article 29).

The Directive thus moved the EU from a voluntary "*corporate social responsibility*" model to a mandatory due diligence regime intended to protect rights and ensure fair competition in the single market.

However, with the adoption of the Omnibus Package in February 2026, the adopted 2024 was significantly diluted compared with earlier drafts due to intense lobbying and political compromise. As stated above, the early draft contained ambitious provisions, including a strong civil liability regime that would have allowed victims of human rights or environmental harm caused by corporate negligence in supply chains to bring claims for compensation before EU courts. However, these provisions were progressively weakened during the legislative process. Large business associations, industry groups, and some Member States raised concerns about the potential costs of compliance, the exposure of national industries to litigation, and the administrative burden on small and medium-sized enterprises.

[13] Idem.

[14] Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 - https://eur-lex.europa.eu/eli/dir/2024/1760/oj/eng

As a result, the final text reflects significant compromises. The scope of application was narrowed to only very large companies and high-impact sectors, and the liability regime was modified to allow Member States greater discretion in transposing it. These changes were justified politically as a balance between promoting accountability and safeguarding economic growth.

6.3.2. Context and Political Momentum

The CSDDD emerged from mounting criticism that voluntary sustainability commitments were insufficient to prevent corporate complicity related to human rights abuses and environmental harm in their operations and global supply chains. It was developed to prevent and reduce human rights abuses, including forced labour, child labour, and human trafficking linked to EU-based companies and their supply chains, and to create legal accountability, level the playing field and align EU business practices with international standard. The Directive, therefore, aimed to transform non-binding international standards, such as the UN Guiding Principles on Business and Human Rights, into binding legal obligations within the EU framework. High-profile scandals - such as allegations of forced labour in the Xinjiang cotton industries[15]and reports of child labour in cobalt supply chains[16]fuelled the political push for a binding framework.

Politically, the Directive was conceived as a core element of the EU's sustainability agenda, aligned with the European Green Deal and the Commission's strategy to position the EU as a global leader in responsible corporate governance.[17] It was also meant to harmonise due diligence obligations across member states, reducing regulatory fragmentation and ensuring fair competition between companies operating in the internal market. The initiative was presented not only as a human rights and environmental measure but also as an economic reform designed to secure long-term market stability, investor confidence, and consumer trust by ensuring that companies operating in the EU respect the same minimum standards.[18]

Some experts have also argued that the Directive serves additional strategic goals beyond human rights protection, including strengthening the EU's regulatory influence in global trade and creating a level playing field for European companies in international markets. By imposing mandatory due diligence standards, the EU seeks not only to improve corporate accountability but also to ensure that its economic system is less exposed to reputational and financial risks arising from unethical supply chains.

6.3.3. What It Says About Remediation, Compensation, and Victims

When the CSDDD was initially developed it was promoted as a tool to enhance access to justice for victims of corporate misconduct and abuse. The original version of the CSDDD initially contained, for

[15] Amy Hawkins, "'Substantial volume' of clothing tied to Uyghur forced labour entering EU, says study," The Guardian, 6 December 2023, available at: https://www.theguardian.com/world/2023/dec/06/substantial-volume-of-clothing-tied-to-uyghur-forced-labour-entering-eu-says-study-china?

[16] Amnesty International, "Industry giants fail to tackle child-labour allegations in cobalt battery supply chains" (Press release, Nov. 7, 2017), available at: https://www.amnesty.org/en/latest/press-release/2017/11/industry-giants-fail-to-tackle-child-labour-allegations-in-cobalt-battery-supply-chains/

[17] Yahel Gerlic & Rimon Weiss, "EU Steps Forward: Setting the Pace for Corporate Climate Governance Worldwide," Völkerrechtsblog, 22 May 2025, available at: https://voelkerrechtsblog.org/eu-steps-forward/?

[18] European Commission, "Corporate sustainability due diligence," available at: https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en?

the first time, an EU-level civil liability regime for harm caused by corporate due diligence failures. The initial text of Article 29(1) – later removed as will be highlighted in section 6.3.4 - required Member States to ensure that companies are liable for damage suffered by a natural or legal person if:

a. the company intentionally or negligently fails to comply with its due-diligence obligations under Articles 10 and 11, and
b. that failure causes damage to the claimant's legal interests.

The liability regime applied not only to a company's own activities but also extends to subsidiaries and to business partners within a company's chain of activities where the company exercises control or maintains an "*established business relationship*" (Art. 1). However, the text specified that liability does not extend to damage caused exclusively by business partners, meaning a company cannot be held liable if the harm is solely the result of its business partner's independent conduct.

Once liability was established, Article 29(2) guaranteed victims the right to full compensation under national law, while ensuring that such compensation does not lead to overcompensation - excluding punitive, multiple, or other disproportionate damages, but should only cover the actual harm. Article 29(3) instructs Member States to adopt procedural safeguards so that victims can access evidence, avail themselves of legal recourse, benefit from mechanisms to support cross-border claims, and authorise collective-action proceedings to enforce their rights.

The Directive further clarifies in Article 25(9) that decisions by supervisory authorities enforcing due diligence obligations at the administrative level shall be "*without prejudice to the company's civil liability under Article 29*". That distinction upholds the parallel nature of administrative enforcement and private claims.

Recital 22 further clarifies that group-level due-diligence efforts by parent companies do not exempt subsidiaries from civil liability "*in respect of victims to whom the damage is caused*". In other words, even if a parent company performs certain due diligence functions, that does not shield a subsidiary from liability under the Directive when harm results. Recital 91 emphasises that this should not prevent Member States from imposing stricter obligations than those required by the CSDDD.

Nevertheless, the Directive does not establish harmonised procedural rules. Member States retain broad discretion over how victims prove causation, obtain disclosure of evidence, or access legal aid. This flexibility risks uneven protection across the Union. Moreover, as discussed in Section 6.3.4. below, many of these liability and access-to-justice provisions were subsequently weakened or removed through the 2026 Omnibus reforms.

6.3.4. The Weakening of the CSDDD through Corporate Lobbying and the Omnibus Reform

The final text adopted in 2024 was significantly diluted compared with earlier drafts due to intense lobbying and political compromise. Early drafts contained ambitious provisions, including a strong

[19] Reclaim Finance, "Analysis of Omnibus final proposal – Content and link to lobbying" (March 2025), available at: https://reclaimfinance.org/site/wp-content/uploads/2025/03/Analysis-of-Omnibus-final-proposal_Content-and-link-to-lobbying.pdf

civil liability regime that would have allowed victims of human rights or environmental harm caused by corporate negligence in supply chains to bring claims for compensation before EU courts. Large business associations, industry groups, and some Member States raised concerns about the potential costs of compliance, the exposure of national industries to litigation, and the administrative burden on small and medium-sized enterprises. In particular, countries with strong industrial lobbies, such as Germany, Italy, and France, advocated for a more flexible and "proportionate" system that would protect competitiveness while promoting sustainability.[20]

As a result, the final text reflects significant compromises. The scope of application was narrowed to only very large companies and high-impact sectors, and the liability regime was modified to allow Member States greater discretion in transposing it. These changes were justified politically as a balance between promoting accountability and safeguarding economic growth. At the same time, civil society organisations and human rights networks continued to advocate for a stronger framework, criticising the watering down of provisions that would have created direct and enforceable remedies for victims.

The **OMNIBUS compromise**, final approved on February 26 of 2026, introduced key changes that further weaken victim-protection provisions:[21]

- Scope: limited application to companies with at least 1,000 employees and €450 million global turnover (previously 500 employees/€150 million), excluding many high-risk mid-sized firms.

- Value Chain Due Diligence: companies are now required to conduct due diligence only on their direct (tier-1) business partners and to look further down the value chain only when there is credible, objective information indicating potential harm, significantly narrowing the reach of corporate accountability.

- Shifting Responsibility: by removing the reversed burden of proof and requiring "*plausible information*" from external actors to trigger due diligence beyond direct suppliers, the proposal effectively transfers the responsibility for detecting and evidencing human rights abuses from companies to victims, trade unions, and civil society organisations. This not only weakens corporate accountability but also increases the difficulty for affected individuals to prove harm and seek redress, especially in regions with limited monitoring capacity.

- Civil Liability: most of the original Article 29 was removed, leaving only the principle of full compensation under national law and limited provisions on access to justice. The possibility for claimants to authorise organisations to bring representative actions was also deleted. By removing Article 29(1), which defined liability conditions, the Commission leaves it to national law to determine when companies are liable, resulting in different standards across Member States and weakening the harmonised protection initially envisaged and one of the main reasons for developing the Directive.

[20] Alice-May Purkiss, "How lobbying diluted Europe's human-rights commitments" (Social LobbyMap, July 23, 2025), available at: https://sociallobbymap.org/social-lobbymap-report-how-lobbying-diluted-europes-human-rights-commitments/?; Kate Abnett, "EU Parliament plans cut-back sustainability law further," Reuters, 8 October 2025, available at: https://www.reuters.com/sustainability/climate-energy/eu-parliament-plans-cut-back-sustainability-law-further-2025-10-08/?

[21] See also ClientEarth, "Lawyers alarmed as European Parliament committee guts sustainable business rules in political power play" (13 Oct. 2025), available at: https://www.clientearth.org/latest/press-office/lawyers-alarmed-as-european-parliament-committee-guts-sustainable-business-rules-in-political-power-play/?; Chatham House, "The EU's Corporate Sustainability Due Diligence Directive is flawed. But it is an opportunity too" (22 Mar. 2024), available at: https://www.chathamhouse.org/2024/03/eus-corporate-sustainability-due-diligence-directive-flawed-it-opportunity-too?

These revisions, justified politically as ensuring "*proportionality*" and competitiveness, significantly narrowed the Directive's capacity to guarantee effective compensation.

6.3.5. What Needs Improvement, Obstacles, and Open Questions

Despite its promise, the Directive's impact will depend on national practice and judicial interpretation. Several key difficulties and questions remain:

- Proving causation and negligence: Victims must demonstrate a direct link between corporate negligence and harm, often across complex global supply chains - a heavy evidentiary burden without disclosure rights or reversed proof standards.

- Procedural disparities: Member States retain autonomy over civil procedure, meaning access to evidence, collective actions, and limitation periods will vary. This may lead to inconsistent levels of protection and deter transnational claims.

- Access to remedy outside the EU: Most victims of corporate abuses are located in third countries. Without EU-level procedural support or funding, their ability to bring claims before European courts remains limited.

- Institutional coordination: The relationship between national supervisory authorities (administrative enforcement) and civil courts (liability) is still undefined, raising questions about evidence-sharing and parallel proceedings.

- Future interpretation by the Court of Justice of the European Union (CJEU): The Court may need to clarify what constitutes a "*business relationship*", the threshold for control, and the meaning of "*full compensation*".

Ultimately, the CSDDD provides a long-awaited framework for corporate accountability but remains constrained by political compromise and national divergence. Its success will depend on whether Member States and EU institutions transform its preventive goals into effective access to justice for victims.

6.4. Implementation in Spain, Germany, and France

This section reviews how Germany, France, and Spain are positioned relative to the new CSDDD and the FLB Regulation. For each country, it outlines (i) what legal instruments are already in place that approximate the obligations of these EU instruments; (ii) what gaps remain; and (iii) whether there is evidence of product bans, enforcement, corporate liability or compensatory outcomes.

Germany

Germany has introduced the Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten (LkSG) (commonly 'Supply Chain Due Diligence Act') which came into force on 1 January 2023 for companies with more than 3,000 employees (expanding in 2024 to companies with more than 1,000 employees). Under the LkSG, companies with their central administration, principal place of business, administrative headquarters or statutory seat in Germany and meeting the employee

threshold must establish risk-management systems, carry out risk analyses of human-rights and certain environmental risks across their supply chains (including own operations and direct suppliers and, in some cases, indirect suppliers) and set up grievance mechanisms.[22] The obligations resemble those of the CSDDD in that they require monitoring and prevention of human rights violations, including forced labour, child labour, unsafe conditions, and discrimination.

Despite these advances, there are several weaknesses related to the German due diligence act. Germany's LkSG largely relies on administrative enforcement (via the authority BAFA) and - at present - does not fully incorporate a broad civil liability route for victims of harm.

Moreover, although the German framework is advanced for the corporate-due-diligence side, Germany has not yet implemented a dedicated national regime banning goods made with forced labour under the EU Forced Labour Regulation. While the Forced Labour Regulation entered into force on 13 December 2024, while the date of application is 14 December 2027. Member States were required to designate and notify their competent national authority by 14 December 2025, by the time of publication of this report, there has been no public confirmation that Germany has yet completed this step. The customs and market-surveillance system exists, but procedures for goods withdrawal or import prohibition under the Regulation, remain to be established. Moreover, no information was yet obtained that Germany has (formally) designated a competent national authority; at EU level, the Commission has indicated that several of the 27 Member States had designated a competent authority at the time of reporting, but without specifying which countries these were.

Some political signals indicate that Germany plans to amend or replace the LkSG in light of the CSDDD, and possibly reduce administrative burdens,[23] a move that underscores uncertainty about enforcement stringency, especially following the modifications introduced by the Omnibus I package, which reduce the scope and requirements of the CSDDD.

In terms of enforcement and outcomes, Germany has yet to report major cases in which companies have paid damages or victims of forced labour have been compensated under the LkSG. While companies have been subject to compliance obligations, and complaint mechanisms are in place, enforcement practice to date suggests limited remedial impact: in 2023, the Federal Office of Economics and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, BAFA), the competent authority for enforcing the LkSG, carried out 486 company audits and received 38 complaints, of which 20 were rejected for lacking relevance or substantiation, and in only six cases did BAFA contact companies as a result of a complaint.[24] Also, no national forced-labour product bans

[22] Freshfields, German Supply Chain Duty of Care Act kicks off in 2023: Legal battlegrounds for implementation, Freshfields Sustainability Blog (6 January 2023), available at: https://sustainability.freshfields.com/post/102i4ig/german-supply-chain-duty-of-care-act-kicks-off-in-2023-legal-battlegrounds-for-i?; Federal Ministry for Economic Cooperation and Development (BMZ), The German Act on Corporate Due Diligence Obligations in Supply Chains, April 2023, available at: https://www.bmz.de/resource/blob/154774/lieferkettengesetz-faktenpapier-partnerlaender-eng-bf.pdf?

[23] See also Michael Reich, "German Supply Chain Act abolished," Pinsent Masons (22 Apr. 2025), available at: https://www.pinsentmasons.com/out-law/news/german-supply-chain-act-abolished?; Michael R. Littenberg & Samantha Elliott, "Germany to jettison the Supply Chain Due Diligence Act," Ropes & Gray (10 Apr. 2025), available at: https://www.ropesgray.com/en/insights/viewpoints/102k86v/germany-to-jettison-the-supply-chain-due-diligence-act?utm; CSR in Deutschland, Supply Chain Act (LkSG), CSR in Deutschland (17 Dec. 2025), available at: https://www.csr-in-deutschland.de/EN/Business-Human-Rights/Supply-Chain-Act/supply-chain-act.html

[24] Cleary Gottlieb Steen & Hamilton LLP, Supply Chain Due Diligence Obligations in Germany, France, and the EU: An Overview, 5 March 2024, available at: https://www.clearygottlieb.com/news-and-insights/publication-listing/supply-chain-due-diligence-obligations-in-germany-france-and-the-eu-an-overview?

are yet in force beyond what the EU will require. Therefore, while Germany is well on the way in the due-diligence domain, full alignment with the CSDDD and the FLB Regulation still requires further legislative and operational steps.

France

France was an early mover in Europe with the Duty of Vigilance Law (Loi n° 2017-399 relative au devoir de vigilance des sociétés mères et entreprises donneuses d'ordre), adopted in March 2017. According to the law, very large French companies (those with over 5,000 employees in France or over 10,000 worldwide) must publish and implement a "*vigilance plan*" that maps, analyses and prioritises risks of human-rights violations and environmental damage in their own operations, those of their subsidiaries, subcontractors and suppliers. The law also provides for civil-liability mechanisms whereby harmed individuals or communities may bring claims for non-compliance.[25] In this respect, the French framework anticipates key elements of the CSDDD, such as risk mapping, prevention, monitoring and liability. Indeed, some observers regard the French law as a model for the EU's broader directive.[26]

Nonetheless, gaps remain. The CSDDD requires Member States to designate supervisory authorities, impose effective, proportionate sanctions (including fines or disgorgement) and ensure access to remedy for victims across borders, elements which the French law only partially addresses. However, following the modifications introduced by the Omnibus I package, the scope and requirements of the CSDDD have been diminished, and any relevant deadlines may have been affected or postponed in light of the reform. The FLB generally applies from 14 December 2027, France, like the other two countries, therefore does not yet apply the product-ban mechanism under this framework. Moreover, like with Germany, no information was yet obtained that France has (formally) designated a competent national authority responsible for carrying out the obligations set out in the FLB.

On enforcement, France has now seen its first major decision on the merits under the duty-of-vigilance law: in the case involving La Poste, the Paris Judicial Court (5 December 2023) found the company in violation for insufficient risk-mapping and ordered it to revise its vigilance plan. On appeal (17 June 2025), the Paris Court of Appeal upheld the decision.[27] More recently, in March 2026, the Paris Judicial Court issued another landmark ruling in the Yves Rocher case, holding a French parent company liable for failures in its vigilance obligations regarding labour-rights violations committed by its Turkish subsidiary.[28] The court found that deficiencies in the company's

[25] Almut Schilling-Vacaflor, Putting the French Duty of Vigilance Law in Context: Towards Corporate Accountability for Human Rights Violations in the Global South?, Human Rights Review 22 (2021): 109–127, https://doi.org/10.1007/s12142-020-00607-9; Global Rights Compliance, Eight Years of the Duty of Vigilance Law: Lessons Learned from French Courts (accessed January 2026), https://globalrightscompliance.org/eight-years-of-the-duty-of-vigilance-law-lessons-learned-from-french-courts/?

[26] Cleary Gottlieb Steen & Hamilton LLP, Supply Chain Due Diligence Obligations in Germany, France, and the EU: An Overview, 5 March 2024, available at: https://www.clearygottlieb.com/news-and-insights/publication-listing/supply-chain-due-diligence-obligations-in-germany-france-and-the-eu-an-overview?

[27] Cavicchioli, C., French Duty of Vigilance Law: Paris Court of Appeal upholds the state-owned postal company's conviction for breaching its duty of vigilance, Linklaters (11 Aug 2025), available at: https://sustainablefutures.linklaters.com/post/102kzkg/french-duty-of-vigilance-law-paris-court-of-appeal-upholds-the-state-owned-posta?utm

[28] Gibson Dunn, France – Duty of Vigilance: Landmark Decision Confirming Parent Company Liability for Overseas Subsidiary Conduct – March 2026 (25 March 2026), available at: https://www.gibsondunn.com/france-duty-of-vigilance-landmark-decision-confirming-parent-company-liability-for-overseas-subsidiary-conduct-march-2026/

vigilance plan and risk mapping contributed to the harm suffered by dismissed unionised workers and ordered compensation, marking the first time a French company was held liable for damage caused abroad under the Duty of Vigilance Law and confirming the extraterritorial reach of the regime.

However, these rulings stand against a broader litigation record in which dozens of actions brought against French companies have largely been dismissed on procedural grounds, such as defects in prior formal notice, standing, or the framing of claims, rather than decided on the merits.[29] Moreover, the decision did not impose a financial penalty or require compensation payments to victims, indicating that while judicial enforcement is developing, financial consequences remain limited.

Thus, France provides an early but still limited model of due diligence regulation: while it establishes an obligation to adopt a vigilance plan, its substantive enforcement remains constrained, as the law does not provide for administrative penalties and has shown limited effectiveness in ensuring implementation in practice. At the same time, any assessment of product bans and remedy mechanisms remains premature, given that the FLR is not yet operational.

Spain

The Spanish government had included in its Annual Legislative Plan for 2022 a "*Draft Bill on Human Rights, Sustainability and Due Diligence in Transnational Business Activities*", and a public consultation was held in February-March 2022, however so far no comprehensive law is yet in force that imposes mandatory corporate obligations akin to the French or German frameworks. More recently, in March 2026, Spain opened a further public consultation on a preliminary bill to transpose the CSDDD, into Spanish law.

So far, Spain's principal corporate-sustainability measure remains the Ley 11/2018 de información no financiera y diversidad on non-financial and diversity information, requiring large companies to report annually on ESG matters, but this is primarily a disclosure obligation, not a binding duty of care with liability.

As Spain does not yet have a binding mandatory corporate due-diligence regime comparable to those in France or Germany, there are to date no publicly documented cases of companies being held liable under such a framework, nor of victims obtaining compensation on the basis of corporate due-diligence obligations under Spanish law.

[29] Cleary Gottlieb Steen & Hamilton LLP, Supply Chain Due Diligence Obligations in Germany, France, and the EU: An Overview, 5 March 2024, available at: https://www.clearygottlieb.com/news-and-insights/publication-listing/supply-chain-due-diligence-obligations-in-germany-france-and-the-eu-an-overview?

[30] HSF Kramer, Spain Launches Consultation on Human Rights and Sustainability Due Diligence Law, 24 Feb 2022, https://www.hsfkramer.com/insights/2022-02/spain-launches-consultation-on-human-rights-and-sustainability-due-diligence-law?utm; Verónica Lagares Tena, Working towards a law on human rights due diligence in an employment context, Lexology (29 Sept 2022), https://www.lexology.com/library/detail.aspx?g=b90e57a9-2321-48a0-bac3-3c16e80db58f&utm

[31] Garrigues – Economy Ministry initiates public consultation on preliminary bill transposing EU corporate sustainability due diligence directive (March 2026), https://www.garrigues.com/en_GB/new/economy-ministry-initiates-public-consultation-preliminary-bill-transposing-eu-corporate?

[32] Pacto Mundial Red España, Ley 11/2018 de 28 de diciembre en materia de información no financiera y diversidad, https://www.pactomundial.org/leyes-directivas-normativas-sostenibilidad/ley-11-2018-de-28-de-diciembre-en-materia-de-informacion-no-financiera-y-diversidad/

On the forced-labour goods side, no standalone Spanish regulation has yet implemented a market ban; Spanish readiness for the EU FLB sill necessitates customs/market-surveillance procedures. Spain apparently is moving forward with implementation by adopting national administrative measures that assign responsibility for enforcement of the regulation and integrating it into existing market surveillance/labour enforcement structures.

Conclusive Remarks

While the legal landscapes of Germany, France, and Spain differ in maturity and scope, a broader structural problem extends across all jurisdictions: corporate exploitation cases rarely result in meaningful enforcement or accountability. Research shows that even where due-diligence or anti-exploitation frameworks exist, many governments approach them as reporting and compliance exercises, rather than as mechanisms to prevent abuse or impose liability.[33] Investigations into corporate involvement in forced labour or severe exploitation remain infrequent, sanctions are seldom applied, and compensatory outcomes for victims are extraordinarily rare. Enforcement bodies often lack resources, mandates remain ambiguous, and reliance on company self-assessment persists.

Consequently, the practical impact of new EU instruments such as the CSDDD and the FLB will depend not only on legislative alignment but on whether states invest in robust supervision, proactive inspections, cross-border investigative capacity and victim-centred remedial pathways, rather than relying on procedural compliance alone.

[33] Freedom Collaborative, "Research shows limited enforcement against corporations profiting from exploitation" (2024), available at: https://newsletter.freedomcollaborative.org/special-feature-research-shows-limited-enforcement-against-corporations-profiting-from-exploitation/.

Part III: Enforcement and Asset Recovery

Across the European Union, trafficking victims who are granted compensation in legal procedures frequently face enormous obstacles in actually receiving the funds awarded to them, as explained earlier in this paper. Even where courts formally acknowledge harm and issue compensation, enforcement is often absent. Victims describe situations where judgments remain unenforced for years, with employers or traffickers ignoring rulings and no authority ensuring compliance. The experience of gaining recognition but not redress is widespread, reflecting a profound gap between the promise of justice and its delivery.

This gap is particularly striking given the profitability of human trafficking. Trafficking generates vast criminal revenues, yet efforts to confiscate these profits and redirect them to victims are minimal. Offenders often have access to lawyers, accountants, and shielding mechanisms, while victims are left to navigate enforcement alone. The imbalance between perpetrators' resources and victims' vulnerability underscores the need for more proactive state involvement. Observers stress that meaningful justice requires freezing, seizing, and confiscating assets to discourage the business model of human trafficking.

7.1. The New Asset Recovery Directive (Directive (EU) 2024/1260)

The idea of using confiscated and recovered assets to compensate victims is not new. Article 15(4) of the CoE Convention on Action against Trafficking in Human Beings (CETS No. 197, 2005) provides that Parties shall adopt measures to guarantee compensation for victims, "*for instance through the establishment of a fund for victim compensation or measures or programmes aimed at social assistance and social integration of victims, which could be funded by the assets resulting from the application of measures provided in Article 23*".

The Explanatory Report (paragraph 198) further clarifies that, while traffickers are primarily liable to compensate victims, States should ensure effective redress by establishing compensation schemes that may be financed by assets of criminal origin. This created an early legal foundation for the restorative use of confiscated proceeds that later EU law builds upon.

The 2011 Anti-Trafficking Directive (Directive 2011/36/EU), for example, explicitly encourages in Recital 13 the use of "*seized and confiscated instrumentalities and the proceeds from the offences referred to in this Directive to support victims' assistance and protection, including compensation of victims*". The earlier EU 2004 Compensation Directive,[34] did not yet make a reference to the confiscation and the use of assets for compensation of victims, but highlights that the "*Responsibility for paying compensation lies with EUMS and that compensation shall be paid by the competent authority of the Member State on whose territory the crime was committed*".

The later EU Directive 2014/42/EU on the freezing and confiscation of instrumentalities and proceeds of crime,[35] recital 29 stated that "*in the context of criminal proceedings, property may also be frozen with a view to its possible subsequent restitution or in order to safeguard compensation for*

[34] COUNCIL DIRECTIVE 2004/80/EC of 29 April 2004 relating to compensation to crime victims, available at l_26120040806en00150018.pdf

[35] Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union, Directive - 2014/42 - EN - EUR-Lex

the damage caused by a criminal offence'. Moreover article 8.10 outlines that *"where, as a result of a criminal offence, victims have claims against the person who is subject to a confiscation measure provided for under this Directive, Member States shall take the necessary measures to ensure that the confiscation measure does not prevent those victims from seeking compensation for their claims*". The 2011 Anti-Trafficing Directive and the 2014 Directive on the freezing and confiscation of instrumentalities and proceeds of crime, hence had already acknowledged this potential and paved the way for the 2024 Asset Recovery and Confiscation Directive to confirm this, which represents a significant legislative step towards ensuring that crime does not pay, and that victims' rights are recognised within the asset-recovery process.

Directive (EU) 2024/1260 on asset recovery and confiscation (the 2024 Assets Recovery Directive) replaces and consolidates the fragmented and outdated framework of Directive 2014/42/EU, Council Framework Decision 2005/212/JHA, and Council Decision 2007/845/JHA, strengthening EU-wide mechanisms for tracing, freezing, managing, and confiscating criminal assets, and it "*establishes minimum rules on the tracing and identification, freezing, confiscation and management of property within the framework of proceedings in criminal matters*".

This Directive applies without prejudice to freezing and confiscation measures within the framework of proceedings in civil or administrative matters (Art. 1). In practice, this means that the Directive's provisions are confined to criminal proceedings. Civil, labour, and administrative cases, therefore, fall outside its material scope, and the Directive's rules on tracing, freezing, and confiscation do not apply to them.

Competent authorities must be established or designated; they must have powers to trace and identify assets, to request cooperation from other authorities, and to act cross-border. In particular, Article 5 on Asset Recovery Offices (AROs) outlines their role in tracing and identifying assets and ensuring rapid information sharing with other Member States, while Article 22 sets out rules for the establishment and functioning of Asset Management Offices (AMOs) responsible for preserving the value of frozen assets. Together, these provisions aim to strengthen coordination and ensure that confiscated assets are recovered effectively and, where appropriate, used for victims' compensation.

In this light, it is also good to note that on February 27, 2026, the European Commission adopted Decision (EU) 2026/452, establishing a new cooperation network dedicated to asset recovery and confiscation within the EU. This measure seeks to strengthen the fight against financial crime and to improve the efficiency of cross-border procedures for seizing and managing illicit assets.[36]

Finally, though, most specifically relating to compensation, Preamble (5) underlines that frozen or confiscated property should be preserved "*for the State or for the restitution of victims*". This establishes the principle that measures taken against criminal assets must also safeguard the interests of those harmed by crime. Building on this, Preamble (37) recognises that "*criminal activities can inflict great harm on victims*" and therefore urges Member States to "*take appropriate measures to ensure that victims' claims to restitution and compensation are taken into account*". This reinforces the need for victim-oriented justice within the broader framework of asset recovery and confiscation. Finally, Article 18 ("Compensation of victims") gives concrete effect to these principles by obliging Member States to ensure that, "*where, as a result of a criminal offence, victims have*

[36] Trade Hub, "The EU Launches a Network to Strengthen Asset Recovery and Confiscation", 3 March 2026 - https://www.thetradehub.eu/en/news/the-eu-launches-a-network-to-strengthen-asset-recovery-and-confiscation

claims against the person who is subject to a confiscation measure … such claims are taken into account within the relevant asset-tracing, freezing and confiscation proceedings".

Thus, the Directive embeds a clear mandate that victims' compensation is part of the asset-recovery process, though Member States retain discretion regarding how and when confiscated assets are allocated to victims.

7.2. Current National Practices: Spain, France, and Germany

Directive (EU) 2024/1260 (Asset Recovery and Confiscation Directive) must be transposed by EU Member States by 23 November 2026. This means Member States are required to adopt and publish the national measures necessary to comply with the Directive by that date, with the rules applying thereafter according to their national implementation laws. The transposing of the new EU Asset Recovery Directive is underway, so there is limited information available to confirm progress being made.

Spain

Spain is in the pre-legislative phase of transposing the Directive. Its asset-recovery architecture is relatively advanced compared to some Member States. It has a specialised asset recovery office - the Oficina de Recuperación y Gestión de Activos (ORGA), which operates under the Ministry of Justice and performs both asset recovery and asset management functions. In this dual role, ORGA acts as Spain's national Asset Recovery Office (ARO) and as the Asset Management Office (AMO), managing confiscated assets, liquidating them when appropriate, and returning value to victims.

However according data provided by various stakeholders, structural constraints persist: prosecutors (who conduct most financial investigations) lack authority to directly order freezes/seizures, depending instead on judges' approval, which are not always specialised in asset recovery. While ORGA manages assets once seized, it does not have the power to initiate freezing measures itself. Although the national Financial Intelligence Unit (SEPBLAC) has the authority to freeze bank assets temporarily for one month, neither prosecutors nor police nor judges can do so without SEPBLAC's involvement.

This creates time pressure: if a request does not come through SEPBLAC, freezing rarely occurs, and by the time a judge authorises a measure, assets may already have disappeared. Additionally, the lack of adaptation of EU regulations into national law means many judges remain unfamiliar with asset recovery procedures, particularly when requests come from outside the EU. The Directive's requirement to enable immediate action (Art. 11) is an opportunity to reform this.

One of the core issues the directive seeks to address is improving freezing and confiscation powers, particularly by strengthening Asset Recovery Offices (AROs). The directive offers a chance to fix this dysfunctional structure by giving prosecutors execution powers for urgent pre-seizure measures and by consolidating ORGA's dual ARO–AMO role into a more integrated national system capable of acting swiftly on asset identification, freezing, and management in coordination with SEPBLAC and the judiciary.

France

In France, the task of recovering assets falls to AGRASC, the Agency for the Management and Recovery of Seized and Confiscated Assets.[37] AGRASC functions as France's national Asset Management Office (AMO), operating under judicial mandate to manage and dispose of assets seized during criminal proceedings. It ensures that the proceeds from confiscated assets can be channelled, where possible, toward victim compensation or social reuse. In parallel, France also has long-standing Asset Recovery Office (ARO) capacity through the PIAC - the Plateforme d'identification des avoirs criminels - which acts as the national contact point for cross-border assets tracing and information exchange, facilitating cooperation with other EU and international authorities. AGRASC manages assets seized during proceedings, which can be used to compensate victims. However, like in Spain, it cannot independently initiate seizures - a judge's order is required, causing delays and resulting in lost assets.

In France, the transposition process of the assets recovery directive is being used to bolster training and coordination efforts. MIPROF is working closely with AGRASC and the Ministry of Justice to enhance prosecutors' understanding of seizure and compensation frameworks. The national law is not being changed per se, but it will be integrated into the national system through training for prosecutors, judges, and police (as suggested in Article 25). Article 17 of the directive, which focuses on victim compensation, is also receiving attention. MIPROF is analysing it to identify needed legal clarifications. However, asset recovery for victim compensation is still treated as an exception, even though it is legally possible under the EU Regulation.

Germany

Germany, by contrast, currently lacks a central national asset recovery agency comparable to ORGA or AGRASC; asset confiscation and enforcement are decentralised across the Länder, handled by the public prosecutor's offices and judicial enforcement authorities at the state level, sometimes supported by specialised units within prosecutors' offices or the Federal Criminal Police (BKA). However, while Germany does not operate a single, centralised asset recovery authority, it does have a formally designated Asset Recovery Office (ARO) organised in a dual structure. This ARO network consists of contact points at both the Federal Office of Justice (BfJ) and the Federal Criminal Police Office (BKA). The BfJ acts as the national judicial asset recovery office, primarily fulfilling advisory, coordination, and training functions, as well as serving as a central contact point for national and international requests.

In parallel, the BKA - through its specialised unit (SO 35) -performs the operational, police-based functions of the ARO, particularly in relation to cross-border cooperation and practical information exchange between law enforcement authorities.[38] However, there is no dedicated AMO to manage confiscated property - instead, seized or confiscated assets are transferred to the state treasury, meaning the system lacks a specialised body for the structured management, liquidation, or reuse of confiscated assets, including for victim compensation.

[37] Agency for the management and recovery of seized and confiscated asset. Website available at: https://agrasc.gouv.fr/en

[38] Mitteilung der Bundesregierung der Bundesrepublik Deutschland an das Generalsekretariat des Rates und der Kommission der Europäischen Gemeinschaften 15. Juli 2009, Dok. 12080/09

Earlier, Germany reformed its asset recovery framework with effect from 1 July 2017, significantly expanding confiscation powers. In particular, German law provides for so-called "*independent extended confiscation*" (Section 76a StGB), which allows for the confiscation of assets of unclear origin independently of criminal proceedings. This mechanism enables authorities to confiscate assets where there is sufficient suspicion that they originate from certain criminal offences, without requiring a prior criminal conviction. The threshold for its application is relatively low, as it may be based on an initial suspicion linked to catalogue offences under Section 76a (4 Nr. 1 lit. e of the German Criminal Code (StGB), thereby broadening its practical scope.

Moreover, recent policy developments indicate that further reforms may be forthcoming: in March 2024, a federal-state working group established by the Conference of Ministers of Justice presented a report on optimising asset recovery law, and political proposals have since emerged to further strengthen the regime in light of EU developments.[39]

7.3. Enforcement in Criminal Proceedings

In theory, when a court orders compensation within criminal proceedings, the state is responsible for ensuring the perpetrator pays. However, in practice, enforcement remains rare, especially in cases involving labour exploitation, small-scale offenders, or family networks.

- **No specialised public authority or clear strategy**: One of the biggest challenges is that there is often no specialised public authority, as in the case of Germany, or a clear strategy focused on recovering assets for victim compensation. Investigations into offenders' assets are often superficial, focusing only on publicly available registries rather than probing into hidden ownership, international holdings, or laundered profits. Even where the legal basis exists, asset recovery is hindered by a lack of training, resources, interest and poor timing. Many investigators and prosecutors are unaware of the importance of gathering financial evidence early in a case to enable victim compensation. Asset recovery is often treated as an afterthought, if considered at all. Effective enforcement requires that actors know what to look for from the beginning. In France, for example, AGRASC, the French agency responsible for managing seized assets, only becomes involved once a judge orders a seizure, often long after key evidence has been lost. The agency cannot initiate seizures itself. And by the time action is taken, assets may have been moved abroad, concealed, or liquidated. Lengthy proceedings further increase the risk of offenders declaring insolvency before victims can collect awards.

- **Resource Constraints**: Resource constraints also limit enforcement. Prosecutors and investigative bodies often lack the staff or expertise to conduct complex financial inquiries, resulting in cases being downgraded to less serious charges where confiscation is unlikely. Even when legal tools exist, insufficient investment in human and technological resources prevents their use. For example, seized vehicles can lose most of their value after sitting unused for years. In the past, urgent freezing requests sometimes waited months before being processed, especially in large cities like Madrid or Barcelona, where cases were assigned through lengthy distribution systems between courts. Some training initiatives are emerging, but overall practice remains inconsistent.

[39] Deutscher Bundestag, Abschöpfung kriminell erlangter Vermögen erleichtern – Gesetzeslücken schließen – Expertenvorschläge umsetzen, BT-Drs. 20/14014, 3 December 2024, available at: Mitteilung der Bundesregierung der Bundesrepublik Deutschland an das Generalsekretariat des Rates und der Kommission der Europäischen Gemeinschaften 15. Juli 2009, Dok. 12080/09 ; Bund-Länder-Arbeitsgruppe zur Optimierung des Rechts der Vermögensabschöpfung, Abschlussbericht (März 2024), available at: Mitteilung der Bundesregierung der Bundesrepublik Deutschland an das Generalsekretariat des Rates und der Kommission der Europäischen Gemeinschaften 15. Juli 2009, Dok. 12080/09

Lack of prioritisation: Beyond capacity gaps, there is also a lack of prioritisation. While drug trafficking cases often lead to aggressive asset seizures due to their high visibility and perceived social harm, human trafficking cases are treated with less urgency. Victims of exploitation, particularly those who are undocumented, impoverished, or socially marginalised, are seen as less deserving of protection and support including compensation, and lacking enforcement reflects this bias.

7.4. Cross-Border and Interagency Cooperation

Given the transnational nature of human trafficking, effective enforcement depends on international cooperation. Mechanisms such as Europol, Eurojust, and CARIN facilitate information exchange and coordination, but implementation is uneven. National agencies often work in silos, with some institutions considering asset recovery outside their mandate.

Spain applies EU rules that divide recovered assets in cross-border cases: the first €10,000 remain with the country executing the measure (for example, Spain), and anything beyond that is split equally between the executing and requesting states. Similar arrangements apply in certain bilateral agreements, while in other cases ad hoc negotiations are required. For Spanish authorities to begin an investigation on behalf of another country, they need a formal request, such as a European Investigation Order within the EU or a rogatory commission for non-EU countries. A large part of their work relates to foreign requests, particularly in online fraud cases, where perpetrators or bank accounts are often located in Spain.

While, at EU level, the European Commission is responsible for monitoring and enforcing implementation of the Assets Recovery Directive, Europol and Eurojust support it operationally and judicially by helping trace assets and coordinate cross-border confiscation cases.

The CARIN network - an informal network of law enforcement and judicial practitioners in the field of asset tracing, freezing, seizure, and confiscation - plays a significant role in facilitating informal, pre-legal cooperation. Its strength lies in rapid information exchange through direct contacts among law enforcement, prosecutors, and asset recovery officers worldwide. While its board is EU-centred, it includes the UK, US, and associated networks in Latin America and Africa. CARIN enables authorities to quickly identify assets and establish the best way to request them formally under national laws. Its informal character avoids bureaucratic obstacles, although it cannot substitute for judicial procedures when cases proceed to court. The network is highly regarded by practitioners, with annual assemblies involving representatives from more than 150 countries. Nonetheless, some regions, particularly the Middle East and Gulf states, remain outside CARIN, limiting cooperation.
At the national level, cooperation between agencies is often fragmented, with responsibilities divided and insufficiently coordinated. However, some countries have developed stronger interagency practices. The city of Berlin in Germany has also established dedicated asset recovery teams. These remain exceptions, as most systems lack consistency and rely on the initiative of individual prosecutors or inspectors.

On the contrary, the complexity of Spain's judicial structure has been reported to complicate cooperation. With thousands of judicial districts, identifying the competent authority for asset recovery is difficult. Requests from abroad often reach the Fiscalía (prosecution service) first, as they are better placed to identify the correct local jurisdiction before transferring cases to an investigating judge. This avoids misdirected or stalled procedures but adds an additional layer of complexity to the process.

7.5. The Dutch Advance Payment Model: A Justice System That Delivers

Among European countries, the Netherlands stands out as a model for ensuring victims actually receive the compensation they are awarded. The Dutch State may advance the compensation to the victim under the advance payment scheme, when a compensation order has been imposed in a criminal proceeding and the victim has not received full payment within eight months. The State then pays an advance and subsequently seeks to recover the amount from the offender. This approach guarantees that victims receive their money earlier and avoids the problem of unenforced judgments. It also enhances the credibility of the justice system by ensuring that compensation orders are not merely symbolic.

The model is grounded in the idea that victims should not bear the burden of enforcement. Since crime represents a violation against society as a whole, it is the state's responsibility to ensure that judgments are fulfilled. By advancing payment, the state avoids retraumatizing victims through prolonged procedures and repeated contact with offenders.

Experts argue that the Dutch model should not be limited to criminal cases. Whether the harm was addressed in a labour court or civil tribunal, the core principle remains: a court decision must be enforceable if justice is to mean anything. In fact, when compensation is awarded through civil or labour courts, victims often face the daunting task of enforcing it themselves. Unlike in criminal proceedings, there is no public authority tasked with collecting the award on their behalf - enforcement must be initiated and financed by the victim. This approach causes secondary victimisation, both through renewed contact with the perpetrator and the burden of navigating a costly legal process with little state support.

Although highly effective, attempts to replicate this model at the EU level have failed, largely due to concerns over cost. In fact, it was included as a proposal by the European Commission for the revision of the Victim Rights Directive. However the final negotiated text is less strong. Under the revised EU Victims' Rights framework, Member States may advance compensation to victims partly or fully where the offender fails to pay within a reasonable time, but this remains discretionary rather than mandatory. While the Commission originally proposed to make advance payments a binding obligation, this was rejected during negotiations, leaving only a requirement for Member States to "consider" paying part of the compensation upfront. Yet research suggests that the financial impact of such schemes is modest and manageable, particularly with reasonable caps on the amounts advanced. The Dutch experience demonstrates that proactive enforcement mechanisms are both feasible and symbolically important for maintaining trust in justice.

7.6. Redirecting the Flow: Asset Recovery Strategies

Even when assets are seized, they rarely benefit victims directly. In most EU countries, confiscated assets are absorbed into state treasuries. It seems rarely allocated to compensation for victims or social programmes.

This reflects a culture that prioritises punishment and state revenue over victim redress. While some argue that channelling confiscated assets into general budgets avoids conflicts of interest, others warn that it relies on political will to reinvest funds into victim support - a will that is often absent. Reform proposals emphasise that confiscated assets should be systematically redirected to victim compensation funds. This would create sustainable financing for redress, especially in cases where perpetrators are insolvent or cannot be located. Practices such as pre-conviction freezing of assets (set out in Article 15 of the Directive), as seen in Sweden, have also been highlighted as models for ensuring that funds remain available for compensation. Nevertheless, pre-conviction freezing is not without controversy.

Allocating assets for victim support prior to a final conviction may compromise core principles of due process, notably the presumption of innocence. It risks being perceived as a premature judgment in which guilt is assumed before it is legally established. If seen as overly punitive, such measures could undermine public confidence in the fairness and impartiality of the legal system. Comparable debates have arisen in the United States around Marsy's Law, which has been criticised for prioritising victims' rights over those of defendants by expanding the scope of victimhood, as a victim is defined as such at the time of the alleged offence.[40] Critics argue that this framework undermines due process, increases the risk of wrongful convictions, and upends the foundation of the criminal legal system: namely, that an accused person is presumed innocent until proven guilty.

7.7. Looking Forward: Transposition Difficulties and Opportunities

Despite the promising legal framework, significant practical and conceptual obstacles remain:

- Limited implementation capacity: So far France, Spain and Germany seem still to lack the institutional infrastructure and trained personnel to implement the Directive's ambitions (e.g., establishing AROs/AMOs, undertaking early freezing).

- Prioritisation and bias: Human trafficking cases may still be treated as lower priority than terrorism or drug-trafficking assets; therefore, the potential of the Directive may not be fully exploited for victims of trafficking or labour exploitation.

- Due process / fundamental rights tension: Measures such as freezing and confiscation (especially unexplained wealth – Art. 16) raise fundamental rights questions (right to property, fair trial). The Directive includes safeguards (Art. 23, 24), but practical alignment remains a challenge.

- Transparency and allocation: Even when assets are recovered, the pathway to victims is unclear. Who decides how funds are reused? Are victims third in line after state interests? How transparent is the process?

- Cross-border complexity: While the Directive mandates cooperation (Art. 17, 30-31), in practice, cross-border asset tracing remains slow, and jurisdictional/ mutual-recognition complications persist.

The success of Directive 2024/1260 will depend not only on formal transposition but on a shift of mindset – from asset recovery as purely punitive or revenue-driven, to a victim-centred paradigm.

Effective enforcement requires proactive financial investigations, early and swift freezing (Art. 11), functioning asset recovery and asset management offices, transparent disposal of assets, and direct channelling of confiscated wealth to victim compensation (Art. 18, 25).

In Spain, France and Germany, the institutional reforms triggered by the Directive represent genuine opportunities. The coming transposition phase (closing on 23 November 2026) will be pivotal. Whether victims see tangible benefits - real payments rather than symbolic orders - will be the measure of success.

[40] R. A. Powers & J. Burckley, Justice for None: How Marsy's Law Undermines the Criminal Legal System (National Association of Criminal Defense Lawyers, 2024), available at: https://www.nacdl.org/getattachment/435ad820-94e0-417d-91b2-17dc7373e9c5/justice-for-none-how-marsys-law-undermines-the-criminal-legal-system.pdf.

8. Summary of EU Law Application at National Level

Directive	Directive Requirement	Article(s)	Spain	France	Germany
Victims' Rights Directive (2012)	Victims must receive information and assistance to claim compensation and access legal aid.	Art. 9	Inconsistent/partly - Information not structurally provided.	Inconsistent.	Only partly applied: police officers regularly provide victims with information sheets about their rights to compensation.
	Victims must be able to "obtain a decision" in criminal proceedings concerning compensation from the offender.	Art. 16	Public prosecutors are obliged to request compensation for the victim from the defendant regardless of the victim's role in proceedings, unless the victim waives this right.	Is a possibility, but victims are still often referred to civil proceedings	Is a possibility, but victims are still often referred to civil proceedings
Revised Victims' Rights Directive (2025)	Member States should have discretion whether to advance the full or partial awarded compensation to the victim.	Art. 12	Currently no advance payment	Currently no advance payment	Currently no advance payment
Human Trafficking Directive (2011)	Member States shall ensure that victims of trafficking in human beings have access to existing schemes of compensation to victims of violent crimes of intent.	Art. 17	Yes, but access remains limited. Improvements with Organic Law 10/2022.	Yes, but access remains limited.	Yes, but access remains limited.
Revised Human Trafficking Directive (2011)	Member States may establish a national victims fund or a similar instrument.	Art. 17	Partly through Law 35/1995. Ayudas sociales. The law provides public financial assistance, not full civil compensation.	Partly through Law 35/1995. Ayudas sociales. The law provides public financial assistance, not full civil compensation.	Yes, through SGB XIV (2019/2023), last amended by the Act of June 6, 2023 (Federal Law Gazette I, p. 146), replacing the older Crime Victims Compensation Act (1985/2023) [NBC1]Sophia Härtel: last amended by the Act of June 6, 2023 (Federal Law Gazette I, p. 146)

Directive	Directive Requirement	Article(s)	France	Netherlands	Germany
Forced Labour Regulation (2024)	The Commission "*should issue guidelines… on best practices for bringing to an end and remediating forced labour*" through "*financial or non-financial compensation provided by the company*"	Recital 36	To be seen after application of the regulation.	To be seen after application of the regulation.	To be seen after application of the regulation.
Corporate Sustainability Due Diligence Directive (2025)	Member States shall ensure that a company "*is held liable pursuant to national law for damage caused to a natural or legal person*".	Art. 29	Currently, the closest related law is: Ley 11/2018 de información no financiera y diversidad. But insufficient: solely disclosure obligations, no duty of care.	Good start through the "Duty of Vigilance Law".	Good start through the LkSG
Asset Recovery Directive (2024)	Asset Recovery Office (ARO) – must trace, identify, and cooperate cross-border.	Art. 5	ORGA exists but lacks powers.	PIAC.	ARO asset recovery network consists of contact points at the Federal Office of Justice and the Federal Criminal Police Office (BKA)
	Freezing of assets.	Art. 11	SEPBLAC freezing powers limited to 1 month.	Requires a judge's order.	Slow process due to decentralisation.
	Victims' claims must be considered in asset recovery.	Art. 18	ORGA allocates assets for public use, but no information on whether it goes directly to victims. Works (more or less) in criminal proceedings.	AGRASC could allocate to victims, but not much information on whether it does. Works (more or less) in criminal proceedings.	Assets go to state treasury; victim claims addressed later after the confiscation decision in criminal enforcement proceedings.
	Asset Management Office (AMO) – to manage frozen property.	Art. 22	Partially exists within ORGA.	AGRASC acts as AMO.	No national AMO structure (regionally managed).

Conclusions

This paper examined how recent EU legislation, particularly the CSDDD, the Forced Labour Regulation and the Asset Recovery and Confiscation Directive, together with earlier legal instruments, may strengthen access to compensation for victims of trafficking and forced labour in France, Germany and Spain. While these measures create important new opportunities for corporate accountability, asset recovery and victim remediation, the research demonstrates that access to compensation remains fragmented and difficult to realise in practice. Victims continue to face significant barriers, including lack of information, fear of retaliation, complex procedures, weak enforcement of compensation orders and limited asset recovery.

The analysis also shows that several important areas remain insufficiently regulated at EU level. In particular, the adopted legislation does not introduce stronger binding obligations concerning advance payments, state compensation funds or the systematic consideration of compensation within criminal proceedings. Although Member States may go beyond existing EU requirements, there are currently limited incentives for them to do so, especially where such measures require significant public funding or institutional resources.

Similarly, while recent EU instruments increasingly encourage the recovery and use of confiscated assets for victim compensation, they stop short of imposing clear binding obligations. Some promising national practices already exist, but further efforts will be needed to promote the effective use of recovered assets for victim remediation. This also requires better evidence on current practice, as available data on asset recovery and the allocation of confiscated assets to compensation schemes remains scarce, fragmented and difficult to compare across jurisdictions.

At the same time, recent political compromises, including the Omnibus revisions to the CSDDD, have weakened several mechanisms originally intended to improve access to justice and corporate liability. Although the new EU measures may create important opportunities to improve compensation and remediation in the future, their practical impact remains uncertain as many provisions are still in the process of transposition or early implementation. Against this background, the following recommendations identify key measures that could help strengthen access to compensation, improve the practical enforcement of victims' rights and support better data collection and assessment practices across the EU.

Key recommendations

1. Make EU forced-labour, due diligence, victim rights, and asset recovery laws enforceable in practice
Ensure full implementation of the CSDDD, Forced Labour Ban, Anti-Trafficking Directive, Victims' Rights Directive, and EU asset-recovery instruments, with monitoring focused on real outcomes, namely whether victims actually receive wages, compensation, and remedies, not just compliance systems.

2. Clarify and strengthen victims' rights in law
Define key legal terms such as "*reasonable time*", "*enforcement measures*", and "*obtaining a decision*" through binding deadlines and enforceable duties. Ensure victims have clear and accessible legal information in their own language, including on their procedural rights and available remedies.

3. Guarantee safe reporting, support and legal assistance for victims
Provide safe, multilingual, and anonymous reporting channels, including for undocumented workers. Enable collective complaints via NGOs and trade unions, and ensure victims receive legal, psychological, and practical support, including continuity of specialised legal representation in cross-border cases.

4. Improve access to compensation in criminal proceedings (Spain model)
Following Spain, ensure unpaid wages and damages are automatically included in criminal trafficking proceedings, reducing the need for separate civil claims. Encourage courts to award compensation ex officio with harmonised damage calculation rules.

5. Ensure compensation is paid quickly and effectively
Following the Dutch system, introduce state advance-payment schemes and establish effective, accessible, and adequately funded victim compensation funds, so victims are paid after a set delay (e.g. 8 months) when offenders do not pay, with the state later recovering the funds from perpetrators or confiscated assets. These mechanisms should apply across criminal, civil, and labour judgments, to ensure victims receive compensation effectively, promptly, and without undue administrative barriers.

6. Strengthen financial investigations and asset recovery
Require early financial investigations in all cases and reinforce Asset Recovery Offices (AROs) and Asset Management Offices (AMOs) through increased resources, specialised training, and enhanced operational capacity. Strengthen cooperation via FIU networks and CARIN, and ensure confiscated assets are effectively traced, managed, and used for victim compensation.

7. Ensure cross-border access to justice and EU-level backstops
Guarantee victims in cross-border cases continuous legal support and access to remedies, including outside their country of residence, through enhanced cross-border cooperation and coordination between national authorities, legal practitioners, and victim support services. Where national systems fail, establish an EU-level compensation reserve for forced labour and human trafficking victims.

Key recommendations

8. Increase transparency and accountability of enforcement
Monitor, collect and track data on compensation claims, enforcement rates, and actual payments received by victims, including whether and how often confiscated assets are used for victim redress, in order to identify gaps, strengthen transparency and accountability, support evidence-based policymaking, and ensure that compensation awarded is effectively paid and consistently enforced across Member States.

9. Empower civil society, trade unions, and worker organisations
Formally integrate NGOs and trade unions into enforcement under the CSDDD and Forced Labour Ban, enabling them to submit collective complaints, whistleblowing reports and risk alerts, support victims in documenting abuses and pursuing compensation claims, and help trigger investigations, while ensuring strong protection of NGOs, their staff, and their sources from retaliation.

10. Strengthen enforcement capacity and link public money to compliance
Link public procurement, subsidies and export credits to companies' remediation performance, excluding repeat offenders from access to public support. Require responsible disengagement practices, including wage protection, and worker transition support in disrupted supply chains, in order to encourage stronger private-sector compliance and demonstrate that responsible business conduct brings tangible economic and reputational benefits.