

Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements: interest rules; annual adjustment of VAT and GNI-based own resources

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PURPOSE: to amend Regulation (EU, Euratom) No 609/2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements.

LEGISLATIVE ACT: Council Regulation (EU, Euratom) 2016/804 amending Regulation (EU, Euratom) No 609/2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements.

CONTENT: the Council adopted a regulation amending [Regulation \(EU, Euratom\) No 609/2014](#) on making available the EU's own resources.

In particular, the amendments introduced by the new regulation provide for:

The keeping of supporting documents: to give the Commission (Eurostat) sufficient time to assess relevant gross national income (GNI) data and to give the GNI Committee sufficient time to draw up an opinion on the GNI data, the amending regulation allows for any changes to the GNI of a given financial year to be possible **until 30 November of the fourth year after that financial year**.

Interest that has to be paid on own resources made available belatedly: the existing rules which provide for an ever-increasing rate have led, in exceptional cases, to the payment of very high interest rates because of delays accumulated over many years.

In order to improve the operation of the system, **the fixed increase to the basic rate applied by central banks is raised from 2.0 to 2.5 percentage points**. In addition, the increase of **0.25 of a percentage point** for each month of delay remains applicable. The objective is to prevent delays in making available the monthly twelfths of the own resources based on VAT and on GNI, which currently constitute more than 80 % of the EU's budget revenue.

In order to ensure the proportionality of the system while maintaining the deterrent effect, the accumulated increase to that basic rate should be limited to an **annual maximum of 16 percentage points**.

Making available own resources based on VAT and GNI: the Commission must at any given time, have sufficient cash resources available to comply with payment requirements arising from the implementation of the budget, which are particularly concentrated in the first months of the year. The Commission already has the possibility of inviting Member States to bring forward up to two additional twelfths for the specific needs of paying expenditure of the European Agricultural Guarantee Fund (EAGF). In order to further reduce the risk of payment delays due to temporary shortages of cash

resources, the new regulation makes it possible for the Commission to invite Member States to **bring forward up to an additional half of one twelfth** for the specific needs of paying expenditure of the **European Structural and Investment Funds**.

Procedure for adjusting the VAT and GNI-based own resources: in the interests of simplification, and in order to limit the fiscal strain on Member States and the Commission in particular towards the end of the year, the new regulation gives Member States **more time** between the formal notification of the required adjustments and their entry in the Commission own resources account. Such notification and entry should occur in the same year, that year being also relevant for recording the impact on the government accounts and for the purposes of the Stability and Growth Pact.

Negative interest: the new regulation introduces provisions to ensure the own resources accounts are kept free of any charge and interest. Member States that apply such charges or negative interest to Commission own resources accounts **must pay compensation** to prevent losses for the EU budget.

ENTRY INTO FORCE: the date of the entry into force of Regulation (EU, Euratom No 609/2014).

The main provisions of the new regulation will apply retroactively from 1.1.2014 once the [new decision on own resources](#) has been ratified by all of the Member States.