Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

2019/0031(APP) - 15/07/2019 - Final act

PURPOSE: to adopt contingency measures on the implementation and financing of the EU budget for 2019 in the event of Brexit without agreement.

LEGISLATIVE ACT: Council Regulation (EU, Euratom) 2019/1197 on measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union.

CONTENT: after its withdrawal, the United Kingdom will no longer be a member of the European Union; the treaties and secondary legislation will no longer be applicable to that country. The United Kingdom or entities established on its territory will no longer be eligible for funding under Union programmes unless relevant provisions for the participation of third countries are incorporated in the legal acts of Union expenditure programmes.

This Regulation lays down rules on relations between the European Union, on the one hand, and the United Kingdom and its beneficiaries, on the other, as regards the financing and implementation of the general budget of the Union in 2019 in the absence of a withdrawal agreement. These rules shall allow the EU to continue to make payments to UK beneficiaries for contracts signed and decisions taken before the date of withdrawal, as long as the UK continues to pay its contribution set in the EU budget for 2019.

Under the agreed contingency framework, the eligibility of the United Kingdom and entities established in the United Kingdom for funding from the EU budget in 2019 shall be maintained provided that the United Kingdom has:

- confirmed in writing, by 30 April 2019 at the latest, that it will contribute to the financing of the EU budget for 2019 as adopted;

- made its first payment to the Union budget for the period after its withdrawal by 13 May 2019;

- confirmed in writing to the Commission its commitment to authorise audits and controls carried out entirely by the Union, in accordance with the applicable rules.

The Commission should adopt a decision on the fulfilment of the conditions.

As long as the conditions for eligibility of the United Kingdom and persons and entities established in the United Kingdom under this Regulation continue to be fulfilled, it is also appropriate to provide for their eligibility, in 2019, for the purposes of conditions set in calls, tenders, contests or any other procedure which may lead to financing from the Union's budget, with the exception of specific cases related to security and to the loss of membership of the United Kingdom in the European Investment Bank and to provide Union funding to them.

Such Union funding shall be limited to eligible expenditure incurred in 2019, except for public procurement contracts signed before the end of 2019.

In addition, the contingency measures shall make it possible to maintain the funding of beneficiaries from EU Member States where their eligibility depends on the United Kingdom's EU membership, provided that, before the date of withdrawal from the United Kingdom, the relevant contracts or legal decisions have been signed or adopted.

This urgent procedure shall cease to apply if the United Kingdom stops payments or if significant deficiencies have been observed in the execution of the controls and audits.

ENTRY INTO FORCE: 16.7.2019.

APPLICATION: from the date following that on which the Treaties cease to apply in the United Kingdom and in its territory in accordance with Article 50(3) of the TEU. The Regulation shall not apply if a withdrawal agreement with the United Kingdom entered into force on the above date.