Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union

2019/0186(APP) - 30/12/2019 - Final act

PURPOSE: to establish the rules for the implementation and financing of the general budget of the Union in 2020, taking into account the withdrawal of the United Kingdom from the Union without agreement.

LEGISLATIVE ACT: Council Regulation (EU, Euratom) 2019/2234 on measures for the implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union.

CONTENT: in the event of withdrawal without agreement, it is desirable to provide that in 2020 the United Kingdom and beneficiaries established in the United Kingdom may receive funds from the Union and that the United Kingdom may participate in the financing of the budget for 2020.

The Regulation therefore lays down the conditions under which the United Kingdom and persons and entities established in the United Kingdom may continue to be eligible in 2020 having regard to the agreements signed with them and the decisions adopted concerning them up to the date of withdrawal or, as the case may be, in 2019 pursuant to the contingency regulation on the budget (Council Regulation (EU, Euratom) 2019/1197).

The application of the Regulation shall be subject to compliance with the following conditions:

- the United Kingdom has confirmed the commitment in writing to the Commission to continue to pay a contribution calculated on the basis of the estimated own resources from the United Kingdom as set out in the draft budget for 2020, as proposed on 5 July 2019, and adjusted to take into account the total amount of payment appropriations set out in the adopted budget for 2020;

- a first instalment has been paid by the United Kingdom;

- the United Kingdom has confirmed the commitment in writing to the Commission to allow audits and controls in full by the Union in compliance with the applicable rules;

Only if these conditions are met will the eligibility of the UK and entities established in the UK for funding from the EU budget in 2019 be maintained.

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 2020, 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 2020, except for public procurement contracts signed before the end of 2020 in application of Title VII of the Financial

Regulation, which continue to be implemented in accordance with their terms, and except for the United Kingdom agricultural direct payment scheme for the claim year 2020, which would be excluded from eligibility.

In addition, the Regulation provides for:

- the continued eligibility of the United Kingdom and of persons and entities established in the United Kingdom provided that the United Kingdom continues to pay the contribution for 2020 and, where applicable, 2019 under Regulation (EU, Euratom) 2019/1197 and that controls and audits can be carried out effectively;

- the continued eligibility in 2020 of actions under which Member States or persons or entities established in Member States receive Union funds and which are linked to the United Kingdom.

ENTRY INTO FORCE: 1.1.2020.

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