Own resources: updating financial rules

2003/0131(CNS) - 16/11/2004 - Final act

PURPOSE : to update the financial rules in line with recent legislation and with certain protocols attached to the Amsterdam Treaty, and to improve the management of traditional own resources.

LEGISLATIVE ACT : Council Regulation 2028/2004/EC amending Regulation 1150/2000/EC implementing Decision 94/728/EC, on the system of the Communities' own resources.

CONTENT : This Regulation gives effect to the provisions of Decision 2000/597/EC. It incorporates the provisions in that Decision relating to the new rate corresponding to the collection expenses for own resources that Member States can retain. This is 25% of the amounts established instead of the previous 10%. In addition, the Regulation deals with the following main points:

- in sharing out the financial burden borne by the other Member States for the correction for budgetary imbalances in favour of the United Kingdom, the shares of Austria, Germany, the Netherlands and Sweden are adjusted so that their financial contribution is limited to one quarter of their normal contribution;

- in accordance with the Amsterdam Treaty and Protocols 4 and 5, Denmark, the United Kingdom and Ireland need not participate in measures falling under Title IV of the EC Treaty and are not therefore obliged to bear the financial consequences as a result of measures taken, other than the administrative costs. They can therefore obtain an adjustment to the own resources paid for each year in which they do not participate;

- simplification of the methods in determining the interest rates to be applied in the event of delays in entering own resources in the accounts;

- the dual account system introduced in 1989 was set up to distinguish between recovered and outstanding duties. This system has only partly met its objectives regarding the mechanism used to discharge items from the separate account. Checks by the European Court of Auditors and the Commission have highlighted recurrent anomalies in the keeping of the separate account, which prevent the account from reflecting the real situation as regards recovery. This Regulation cleanses the separate accounts of those amounts where recovery is unlikely at the end of a given period and the retention of which gives an inaccurate balance. In addition, from the cost-effectiveness angle, Member States will no longer incur the administrative costs involved in monitoring these amounts;

- there are transitional arrangements for certain administrative difficulties;

- in response to a request of the Court of Auditors and in order to ensure that the separate account provides a better picture of the actual budgetary situation, the Member States should send to the Commission, together with the final quarterly statement for a given year, an estimate of the total amount of entitlements contained in the separate account for which recovery is unlikely.

-In accordance with Decision 2000/597/EC, the Commission will undertake, before 1 January 2006, a general review of the own resources system.

ENTRY INTO FORCE: 28/11/2004.