

General budget of the European Communities: review of the recast Financial Regulation

2005/0090(CNS) - 13/12/2006 - Final act

PURPOSE: to amend Regulation 1605/2002/EC on the Financial Regulation applicable to the general budget of the European Communities in order to reinforce the transparency of Community funds.

LEGISLATIVE ACT: Council Regulation 1995/2006/EC amending Regulation (EC/Euratom) 1605/2002 /EC on the Financial Regulation applicable to the general budget of the European Communities.

CONTENT: The Council, following a successful conciliation with the European Parliament, adopted a Regulation amending Regulation 1605/2002 (the "financial regulation") on the rules applicable to managing the EU's general budget.

The main objectives of the revised financial regulation are:

- to improve efficiency and transparency concerning the rules' operation, in particular as regards clarification of their interpretation and application;
- simplification of procedural and documentation requirements for contracts and grants, especially for those of low value, and ensuring that requirements are proportionate to the costs and risks involved;
- simplification of requirements for the prior verification of grants, and for financial and legal guarantees, ensuring that requirements, and the administrative burdens they place on beneficiaries, are proportionate to the costs and risks involved;
- clarification and streamlining of the rules governing methods of management.

The financial regulation is subject to review every three years, or whenever it proves necessary to do so.

ENTRY INTO FORCE: 19 January 2007. The new rules will apply at the latest from 1 May 2007, together with revised detailed rules for implementation of the financial regulation.