




Basic information	
2002/0901(CNS) CNS - Consultation procedure Regulation	Procedure completed
Financial regulation applicable to the general budget: rules for the implementation of Regulation 1605/2002/EC, Euratom Amended by 2005/0904(CNS) Amended by 2006/0900(CNS) Subject 8.70.02 Financial regulations	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	CONT Budgetary Control		VAN HULTEN Michiel (PSE)	09/07/2002
	Committee for opinion		Rapporteur for opinion	Appointed
	BUDG Budgets		DELL'ALBA Gianfranco (NI)	28/08/2002
Council of the European Union	Council configuration		Meetings	Date
	General Affairs		2463	2002-12-23
European Commission	Commission DG		Commissioner	
	Budget			

Key events			
Date	Event	Reference	Summary
24/07/2002	Legislative proposal published	SEC(2002)0835 	Summary
05/09/2002	Committee referral announced in Parliament		
30/09/2002	Vote in committee		
30/09/2002	Committee report tabled for plenary, 1st reading/single reading	A5-0325/2002	

22/10/2002	Debate in Parliament		
23/10/2002	Decision by Parliament	T5-0507/2002	Summary
23/12/2002	Act adopted by Council after consultation of Parliament		
23/12/2002	End of procedure in Parliament		
31/12/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2002/0901(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2005/0904(CNS) Amended by 2006/0900(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 000
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/16670

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0325/2002	30/09/2002	
Text adopted by Parliament, 1st reading/single reading		T5-0507/2002 OJ C 300 11.12.2003, p. 0167-0424 E	23/10/2002	Summary
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	SEC(2002)0835 	24/07/2002	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	RCC0013/2002 OJ C 012 17.01.2003, p. 0027-0053	24/10/2002	Summary
EU	Implementing legislative act	32005R1261 OJ L 201 02.08.2005, p. 0003-0022	20/07/2005	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Regulation 2002/2342 OJ L 357 31.12.2002, p. 0001-0071	Summary

Delegated acts	
Reference	Subject
2013/2812(DEA)	Examination of delegated act

Financial regulation applicable to the general budget: rules for the implementation of Regulation 1605/2002/EC, Euratom

2002/0901(CNS) - 23/10/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 492 for, 3 against and 16 abstentions, the report by Mr Michiel van HULTEN (PES, NL) approving changes to the Financial Regulation applicable to the general budget of the European Communities. The amendments proposed by the Parliament concern : - where the statement of expenditure for a section of the budget is set out on the basis of a nomenclature classified according to purpose, within the respective chapters administrative appropriations shall be divided into separate headings by title; - a conflict of interests where the impartial and objective exercise of the functions of a person involved in the implementation of the budget or an internal auditor is comprised for reasons involving family, emotional life, political or national affinity, economic interest or any other interest shared with the beneficiary; - the institution informing the budgetary authority whenever an authorising officer by delegation of grade A1 take up his/her duties for the first time, takes up new duties or terminates his/her duties; - each institution establishing minimum standards for keeping supporting documents and shall place the facilities necessary for the safekeeping at the disposal of the authorising officer; - the term 'Commission' and the obligation to submit a summary report to the budgetary authority shall be interpreted as applying mutatis mutandis to the other institutions; - payment by bank credit transfer, authorising officers may enter into a commitment towards a third party on behalf of their institution only if that third party has provided the documentation required for its entry into the file. Authorising officers shall check that the bank details communicated by the payee are still valid when each payment order is drawn up; - detailed information regarding the Accountability and operational independence of the Accounting Officer: the Accounting officer shall guarantee the correctness of payments, revenue and the recovery of established receivable accounts, bring, if necessary, an action directly before the Court of Justice for any act relating to the performance of his duties; approve the opening and the closure of bank accounts - the deletion of an amendment which refers to authorising officers entering into a commitment towards a third party on behalf of their institution only if that third party has provided the documentation required for its entry in the file; - a report on waivers of recoveries of established debts above a threshold of EUR 100 000 shall be annexed to the summary of annual reports to be sent to each institution to the budgetary authority.

Financial regulation applicable to the general budget: rules for the implementation of Regulation 1605/2002/EC, Euratom

2002/0901(CNS) - 24/07/2002 - Legislative proposal

PURPOSE : to lay down detailed rules for the implementation of certain provisions of the new Financial Regulation. CONTENT : the present draft regulation aims to lay down detailed rules for the implementation of certain provisions of the new Financial Regulation applicable to the general budget of the European Communities which shall enter into force on 1 January 2003. The current Regulation laying down detailed rules for the implementation of certain provisions of the Financial Regulation is an essential accompaniment, especially as the text of the Financial Regulation has been simplified so that now it merely sets out the basic principles and definitions and consigns all details and measures for practical implementation to the implementing rules. The Financial Regulation cannot therefore really be applied with full effect on 1 January 2003 without the implementing regulation. Because of this principle of simplification, the new draft implementing rules are far more developed than Regulation 3418/93/EC of 9 December 1993

which is currently in force. This trend has been accentuated by the inclusion in the Financial Regulation of new provisions relating, for example, to grants or the Structural Funds and by editorial choices such as the decision to transpose the directives on the coordination of procedures for the award of public contracts. As regards the substance, the draft Regulation amends the current implementing rules across the board. The draft Regulation is divided into three parts. Part One contains the provisions constituting the ordinary law (budgetary principles, establishment, implementation and control of the budget, procurement, grants, and the keeping and presentation of accounts) while the specific provisions (Structural Funds, research, external action, offices, administrative appropriations) are in Part Two. Part Three contains the transitional and final provisions.

Financial regulation applicable to the general budget: rules for the implementation of Regulation 1605/2002/EC, Euratom

2002/0901(CNS) - 23/12/2002 - Final act

PURPOSE : to set out the rules for implementing the provisions of Regulation (EC, Euratom) No 1605/2002 (The Financial Regulation). **COMMUNITY MEASURE** : Commission Regulation 2342/2002/EC, Euratom laying down detailed rules for the implementation of Council Regulation 1605/2002/EC, Euratom on the Financial Regulation applicable to the general budget of the European Communities. **CONTENT** : the new Financial Regulation was adopted by the Council on 25 June 2002. The Regulation lays down detailed rules for the implementation of certain provisions of the new Financial Regulation applicable to the general budget of the European Communities which shall enter into force on 1 January 2003. The current Regulation laying down detailed rules for the implementation of certain provisions of the Financial Regulation is an essential accompaniment, especially as the text of the Financial Regulation has been simplified so that now it merely sets out the basic principles and definitions and consigns all details and measures for practical implementation to the implementing rules. The Financial Regulation cannot therefore really be applied with full effect on 1 January 2003 without the implementing regulation. Because of this principle of simplification, the new implementing rules are far more developed than Regulation 3418/93/EC of 9 December 1993. This trend has been accentuated by the inclusion in the Financial Regulation of new provisions relating, for example, to grants or the Structural Funds and by editorial choices such as the decision. These implementing rules should therefore not only supplement the Financial Regulation in respect of the provisions thereof for which it expressly refers to the implementing rules but also in respect of the provisions whose application requires the implementing measures to be determined in advance. **ENTRY INTO FORCE** : 01/01/2003.

Financial regulation applicable to the general budget: rules for the implementation of Regulation 1605/2002/EC, Euratom

2002/0901(CNS) - 20/07/2005 - Implementing legislative act

LEGISLATIVE ACT: Commission Regulation 1261/2005/EC amending Regulation 2342/2002/EC laying down detailed rules for the implementation of Council Regulation 1605/2002/EC on the Financial Regulation applicable to the general budget of the European Communities.

CONTENT: The principal aims of this Regulation relate to the following:

- Regulation 1605/2002/EC ('the Financial Regulation') provides that, for their own contracts, the Community institutions are to comply with the rules applicable to the Member States. Directive 2004/18/EC amended these rules. Where relevant, the amendments made by Directive 2004/18/EC are incorporated into Commission Regulation 2342/2002/EC, which essentially transposes the rules of Council Directive 92/50/EEC concerning the award of public service contracts, into the internal financial rules of the institutions.
- Those amendments concern in particular the new possibilities for electronic award procedures, including the new dynamic purchasing system for commonly used items, the competitive dialogue procedure, the rules governing contracts declared to be secret and the use of framework agreements – which for practical reasons will continue to be referred to as framework contracts for the purposes of implementing the Community budget, thus making it possible for the parties to a framework agreement to be required to compete for the award of specific contracts – and the added emphasis given to social and environmental dimensions in the evaluation of tenders. The thresholds applicable have also been revised for service contracts not subject to the agreement of the World Trade Organisation. Directive 2004/18/EC also harmonises the provisions applicable to the three main categories of contract, with reference in particular to advertising, technical specifications and the calculation of the value of the contracts.
- The provisions relating to the means of identifying interest on pre-financing payments have proved too restrictive. This Regulation makes it permissible for any accounting method to be used to identify such interest.
- Article 31 of Regulation 2342/2002/EC sets out the list of basic acts for the purposes of Article 49 of the Financial Regulation, but does not cover the whole range of legal instruments available to the Council in the field of the common foreign and security policy. The list is therefore extended to include decisions relating to the conclusion of international agreements and decisions on urgent action of limited duration to deal with crisis situations.
- The Regulation lays down a procedure for informing unsuccessful candidates and tenderers in procurement procedures conducted by the institutions on their own account. Such information will be provided before the contract is signed and will give the unsuccessful candidates the reasons why their application or tender has been rejected. The introduction of such an information procedure is designed to make the institutions subject to an obligation imposed on the Member States by the Court of Justice.
- Experience has shown that the procedures laid down in relation to low-value contracts and contracts for legal services, which are stricter than what is required under Directive 2004/18/EC, have in practice proved too cumbersome. The procedures are therefore made more flexible, in particular as concerns publicity measures and, subject to the authorising officers risk appraisal, the supporting documents are to be provided. In the latter case the contracting authority should always be able to justify the choice.

- Following the liberalisation of the postal sector, the discrimination that has always existed between registered post and delivery by courier services will be removed, as in both instances a slip is issued when items are deposited which can serve as proof of the date of dispatch of tenders.
- Provision is made for the Community institutions to use the vocabulary laid down in Regulation 2195/2002/EC on the common procurement vocabulary.
- The 31 January deadline set for the adoption of the annual work programme for grants was proving extremely tight, or even impossible to meet, in particular where basic acts or pilot projects are adopted late or for reasons connected with committee procedures. A deadline is set which is not as tight, although the programme should continue to constitute ex ante publicity and to be an essential condition for budget implementation.
- The provisions concerning the nature of the audits required in support of requests for payment and the thresholds applying in that connection have proved to be ambiguous or unnecessarily complex. This Regulation simplifies them.
- In the field of humanitarian aid, grant beneficiaries are generally tied to the Commission by partnership agreements which provide for general and regular audit and control arrangements. In the light of his analysis of management risks, the authorising officer may consider that those arrangements offer guarantees equivalent to those offered by the audit of the accounts of an action, which is required in support of requests for payment of the balance. In those circumstances and in order to simplify management, the provisions of this Regulation allow the authorising officer not to request an audit for payments of balances.
- Lastly, with a view to enhancing effectiveness in the use of Community funds, the Regulation allows wider access to flat-rate financing, in return for which beneficiaries will be made more accountable.

ENTRY INTO FORCE 05/08/2005. Public procurement and grant award procedures launched before entry into force of this Regulation shall continue to be subject to the rules applicable at the time when those procedures were launched.

Financial regulation applicable to the general budget: rules for the implementation of Regulation 1605/2002/EC, Euratom

2002/0901(CNS) - 24/10/2002 - Court of Auditors: opinion, report

The Court has examined, in its Opinion No 12/2002, the proposal within the framework set by the new Financial Regulation. It has structured its analysis around the following objectives: - to ensure that the Implementing Rules do not contain exceptions to the basic principles included in the Financial Regulation (where not specifically provided for in the Financial Regulation); - that all important issues and areas are adequately covered; and - that provisions are practical and workable. The Court has also examined the way in which some major issues raised in its opinion No 2/2001 on the recasting of the Financial Regulation, such as the provisions relating to accounting and the presentation of the financial statements and to expenditure operations, have been considered in the proposal. Specific comments on individual articles, containing proposals for amending the text where appropriate are attached in a two-column table (in addition, relatively minor questions relating to the terminology used have been communicated to the Commission). The simpler and clearer structure adopted for the Financial Regulation, which should contain only basic principles, has resulted in a more logical structure and an increased number of detailed provisions in the proposed Implementing Rules. However, there are still provisions which are inadequate, are incomplete or lack clarity.