Basic information

2002/0902(CNS) CNS - Consultation procedure Regulation	Procedure completed
Framework financial regulation: Community bodies (Art. 185 Regulation (EC, Euratom) 1605/2002) Amended by 2007/0151(CNS) **Subject** 8.40.08 Agencies and bodies of the EU 8.70.02 Financial regulations	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	DELL'ALBA Gianfranco (NI)	28/08/2002

Committee for opinion	Rapporteur for opinion	Appointed
CONT Budgetary Control	VAN HULTEN Michiel (PSE)	02/09/2002

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
17/07/2002	Legislative proposal published	SEC(2002)0836	Summary
05/09/2002	Committee referral announced in Parliament		
02/10/2002	Vote in committee		Summary
02/10/2002	Committee report tabled for plenary, 1st reading/single reading	A5-0322/2002	
22/10/2002	Decision by Parliament	T5-0476/2002	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	2002/0902(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2007/0151(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 000
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/16566

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0322/2002	02/10/2002	
Text adopted by Parliament, 1st reading/single reading		T5-0476/2002 OJ C 300 11.12.2003, p. 0022-0083 E	22/10/2002	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	SEC(2002)0836	17/07/2002	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	RCC0011/2002 OJ C 012 17.01.2003, p. 0001-0018	25/09/2002	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2002/2343
OJ L 357 31.12.2002, p. 0072-0090 Summary

Framework financial regulation: Community bodies (Art. 185 Regulation (EC, Euratom) 1605/2002)

2002/0902(CNS) - 23/12/2002 - Final act

PURPOSE : to spell out the essential rules which the financial rules of each Community body may depart from only where their specific operating needs so require and with the Commission's prior consent in accordance with Article 185 of Council Regulation 1605/2002/EC, Euratom (The general Financial Regulation). COMMUNITY MEASURE : Commission Regulation 2343/2002/EC, Euratom on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation 1605/2002/EC, Euratom on the Financial Regulation applicable to the general budget of the European Communities. CONTENT : the Community bodies set up to assume the burden of carrying out certain Community activities have legal personality and hence their own budget governed by specific financial rules. In order to guarantee a certain degree of consistency in these rules compared with Regulation 1605/2002/EC, Euratom and pursuant to Article 185, paragraph 1 of that Regulation, this framework Financial Regulation lays down the rules governing the establishment, implementation and scrutiny of the budget of the said Community bodies which actually receive grants charged to the Community budget. Like the general Financial Regulation, this framework Financial Regulation confines itself to stating the broad principles and basic rules governing the whole of the budgetary sector concerned, while detailed provisions may subsequently be adopted by these bodies in order to make their financial rules easier to read. ENTRY INTO FORCE : 01/01/2003.

Framework financial regulation: Community bodies (Art. 185 Regulation (EC, Euratom) 1605/2002)

2002/0902(CNS) - 22/10/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted its resolution drafted by Gianfranco DELL'ALBA (Ind, Italy) on the amendments to the framework Financial Regulation for Community bodies. (Please refer to the document dated 02/10/02.) Parliament inserted some further amendments of note into the act: -before taking any decision which has financial implications and which may have an impact on the amount of the Community subsidy, the management board will notify the Commission and the budgetary authority. If neither arm of the budgetary authority has raised any objection within six weeks, the management board will adopt the final decision; -a distinction must be made between administrative appropriations and operating appropriations in the statement of expenditure; -the Director may delegate his powers of budget implementation to staff of the Community body under certain conditions; -the constituent instrument relating to a Community body referred to in Article 185 of the Financial Regulation will under no circumstances come into effect until a decision has been taken on a definitive seat for that body.

Framework financial regulation: Community bodies (Art. 185 Regulation (EC, Euratom) 1605/2002)

2002/0902(CNS) - 17/07/2002 - Legislative proposal

PURPOSE : to present a Draft Commission Regulation on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) (Financial Regulation applicable to the general budget). CONTENT : the new general Financial Regulation, which will apply from 1 January 2003 (refer to CNS/2000/0203), institutes a radical reform of budgetary and financial management methods in the European institutions. Among other things it abolishes the centralised ex ante scrutiny of implementing operations and confers greater responsibility on authorising officers. It is therefore essential that the individual financial regulations of the Community bodies follow the same course and benefit from the new practices being introduced. This proposal has been drafted on the model of the Financial Regulation applicable to the general budget of the Communities for which it takes the provisions which are relevant in the context of the Community bodies, while leaving each one of them the possibility of proposing the necessary amendments imperative to its management, with the agreement of the Commission, and the responsibility to put in place implementing rules. Although art. 185 of the new general Financial Regulation does not require an inter-institutional consultation, the Commission is committed to consult the Court of Auditors, the European Parliament and the Council on this proposal.

Framework financial regulation: Community bodies (Art. 185 Regulation (EC, Euratom) 1605/2002)

2002/0902(CNS) - 25/09/2002 - Court of Auditors: opinion, report

Overall, the Court welcomes, in its Opinion No 11/2002, the proposal for a draft framework financial regulation. It recalls that it had asked for such a common framework specific to the various Community bodies. The Opinion makes clear that the Commission is at liberty, concerning the draft framework regulation submitted to the Court for appraisal, to introduce original financial provisions that are specific to the management needs of the

Community satellite bodies. The Court reminds the Commission, however, that in its Opinion No 2/2001 on the draft Financial Regulation applicable to the general budget of the European Communities it set out three principles on the basis of which it had founded its appraisal of the text. These principles are as follows: - the Community budgetary system should apply the existing budgetary principles and should tolerate only those exceptions that are indispensable; - the budgetary system should be as simple as possible; - the budget, in terms of both estimates and implementation, and the financial statements, should reflect the reality of the operations and financial situations of the Communities. The Court sees no reason for not adhering to these three principles in its drafting of an opinion on the text submitted to it for appraisal. Nevertheless, the Court states that, in the current context, 'existing budgetary principles' must be understood to mean the principles on which the EC Financial Regulation is based, as well as those on which the Community satellite bodies' own financial regulations are also currently based. These principles are as follows: the principle of the unity of the financial instrument; of the annual nature of the budget; of the unit of account used to draw up the budget; of the universality of the revenue entered in the budget to cover all payment appropriations; of equilibrium; of specification of the appropriations; of sound financial management; of transparency of the actual budget, its accounts and any action connected with its implementation. In the Court's judgement, the Community satellite bodies, which were set up to manage Community public services, are subject to the constraints that are specific to public entities. As independent economic entities, they must certainly act in accordance with the principles of unity and efficiency in their management. However, by virtue of their very nature, they must adhere to the budgetary principles set out in the preceding paragraph. In order to ensure the unity and efficiency of their management, some exceptions to the budgetary principles may be indispensable. In order for these exceptions to be legitimate, however, they must satisfy the following requirements: a) meet compelling managerial needs specific to the Community satellite bodies; b) be proportionate to the objective pursued without infringing the budgetary principle to which an exception is being made any more than is strictly necessary. The Court also finds that many provisions of the draft framework financial regulation either faithfully reflect or copy similar provisions contained in the EC Financial Regulation. With regard to these provisions, the Court considers that if it had appraisedtheir relevance in detail, it would have risked creating more confusion, rather than clarifying the Community financial legislation. It has therefore preferred to limit itself to making the comments that were most strictly necessary in their regard such as on budgetary principles, implementation of the budget, internal auditor and on the presentation of the accounts and accounting.