

Basic information	
<b>2011/0185(CNS)</b>  CNS - Consultation procedure Regulation	Procedure completed
Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast	
Repealing Regulation (EC, Euratom) No 1150/2000 <a href="#">1997/0352(CNS)</a> Repealing Regulation (EC, Euratom) No 2028/2004 <a href="#">2003/0131(CNS)</a> Repealing Regulation (EC, Euratom) No 105/2009 <a href="#">2008/0089(CNS)</a> Amended by <a href="#">2015/0204(NLE)</a>	
<b>Subject</b>  8.70.01 Financing of the budget, own resources	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets	DEHAENE Jean-Luc (PPE)  JENSEN Anne E. (ALDE)	28/09/2011  28/09/2011
		Shadow rapporteur  HAUG Jutta (S&D)  PICKART ALVARO Alexander Nuno (ALDE)  TRÜPEL Helga (Verts/ALE)  ASHWORTH Richard (ECR)  KLUTE Jürgen (GUE/NGL)  MORGANTI Claudio (EFD)	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>JURI</b> Legal Affairs	LÓPEZ-ISTÚRIZ WHITE Antonio (PPE)	13/09/2011
Council of the European Union	Council configuration	Meetings	Date
	General Affairs	3143	2012-01-27
	Competitiveness (Internal Market, Industry, Research and Space)	3317	2014-05-26
European	Commission DG	Commissioner	

Commission	Budget	LEWANDOWSKI Janusz
------------	--------	--------------------

Key events			
Date	Event	Reference	Summary
29/06/2011	Initial legislative proposal published	COM(2011)0512 	Summary
13/09/2011	Committee referral announced in Parliament		
09/11/2011	Initial legislative proposal published	COM(2011)0742 	Summary
27/01/2012	Debate in Council		Summary
12/02/2014	Legislative proposal published	05603/2014	Summary
01/04/2014	Vote in committee		
04/04/2014	Committee report tabled for plenary, 1st reading/single reading	A7-0268/2014	Summary
16/04/2014	Decision by Parliament	T7-0433/2014	Summary
16/04/2014	Results of vote in Parliament		
16/04/2014	Debate in Parliament		
26/05/2014	Act adopted by Council after consultation of Parliament		
26/05/2014	End of procedure in Parliament		
07/06/2014	Final act published in Official Journal		

Technical information	
Procedure reference	2011/0185(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Recast
Legislative instrument	Regulation
Amendments and repeals	Repealing Regulation (EC, Euratom) No 1150/2000 1997/0352(CNS) Repealing Regulation (EC, Euratom) No 2028/2004 2003/0131(CNS) Repealing Regulation (EC, Euratom) No 105/2009 2008/0089(CNS) Amended by <a href="#">2015/0204(NLE)</a>
Legal basis	Euratom Treaty A 106a-pa Treaty on the Functioning of the EU TFEU 322-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/06473

Documentation gateway
European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE529.827	20/02/2014	
Committee report tabled for plenary, 1st reading/single reading		A7-0268/2014	04/04/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0433/2014	16/04/2014	Summary

#### Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	05603/2014	12/02/2014	Summary

#### European Commission

Document type	Reference	Date	Summary
Initial legislative proposal	COM(2011)0512 	29/06/2011	Summary
Initial legislative proposal	COM(2011)0742 	09/11/2011	Summary

#### National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	RO_CHAMBER	COM(2011)0512	12/01/2012	
Contribution	RO_CHAMBER	COM(2011)0742	13/01/2012	
Contribution	IT_CHAMBER	COM(2011)0512	19/04/2012	
Contribution	IT_SENATE	COM(2011)0512	15/04/2013	

#### Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

#### Final act

Regulation 2014/0609  
OJ L 168 07.06.2014, p. 0039

Summary

# Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast

2011/0185(CNS) - 29/06/2011 - Initial legislative proposal

**PURPOSE:** to define provisions necessary to determine the methods and procedure whereby Member States make available to the Commission the traditional own resources (TOR) and the GNI-based own resource and on the measures to meet cash requirements.

**PROPOSED ACT:** Council Regulation.

**BACKGROUND:** for reasons of clarity and rationality, and in the context of the own resources package, Regulation No 1150/2000 should therefore be recast. This does not entail material changes in the existing provisions. A very small number of substantive amendments are however needed to reflect recent experience in the management of TOR and the GNI-based own resource by the Commission. In addition, legal references are updated where necessary and titles are added to the articles to improve readability.

**IMPACT ASSESSMENT:** no impact assessment was carried out.

**LEGAL BASIS:** [Article 322\(2\)](#) of the Treaty on the Functioning of the European Union.

**CONTENT:** the purpose of this proposal is to lay down provisions necessary to determine the methods and procedure whereby Member States make available to the Commission the traditional own resources (TOR) and the GNI-based own resource referred to in the Council Decision on the system of own resources of the European Union ("[ORD 2014](#)" Decision), respectively. It also determines the measures to be applied, if need be, to meet cash requirements. This proposal is hereinafter referred to as "IR 322(2)".

These practical arrangements implement the system set out in ORD 2014 in respect of the establishment of TOR, conservation of supporting documents, administrative cooperation, accounts to be kept for own resources, the timing for making them available and for making adjustments and, where necessary, provisions concerning cash management and irrecoverable amounts.

The proposal incorporates the provisions of Council Regulation (EC, Euratom) No 1150/2000 with the exception of those not strictly related to the making available of TOR and the GNI-based own resource or to cash requirements. Accordingly, provisions concerning the rate of call for the GNI-based own resource, the calculation and budgeting of the balance, control and supervision including supplementary reporting requirements, as well as the Advisory Committee on Own Resources (ACOR) are taken over in the Council Regulation proposed in accordance with Article 311(4) TFEU ("[IR 311\(4\)](#)" Regulation).

The ORD 2014 can enter into force only after the Decision has been adopted by all Member States in accordance with their constitutional requirements. Therefore, IR 322(2), as also proposed for IR 311(4), should apply (retroactively) from 1 January 2014.

**BUDGETARY IMPLICATIONS:** this proposal has no implications for the EU budget.

# Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast

2011/0185(CNS) - 09/11/2011

**PURPOSE:** to ensure that cash requirements will be met under the new structure of EU financing introduced by the proposal for a Council Decision on the system of own resources of the European Union.

**PROPOSED ACT:** Council Regulation (amended proposal).

**BACKGROUND:** on 29 June 2011 the Commission adopted, as part of a broad package of proposals on the own resources system, a proposal for a Council Regulation on the methods and procedure for making available the traditional and GNI-based own resources and on the measures to meet cash requirements (*please see the summary of 29 June 2011*).

It announced that it would present the relevant detailed regulations or amendments to existing legal acts as well as the related regulations.

Accordingly, the Commission adopted a [proposal for a Council Directive](#) on a common system of financial transaction tax ("the FTT Directive") on 28 September 2011. In addition, Council Regulations on making the own resource based on the financial transaction tax (FTT) [available to the EU budget](#) and on calculating and making available the own resource based on [value added tax \(VAT\)](#) are proposed at the same time as this proposal.

**CONTENT:** the purpose of this amended proposal is to ensure that cash requirements will be met under the new structure of EU financing introduced by the proposal for a Council Decision on the system of own resources of the European Union and these new proposals.

Only one change of substance is included in this amended proposal compared to the proposal made on 29 June 2011.

It concerns the analysis of the current system which shows that up to two twelfths of GNI-based and current VAT own resources are systematically brought forward in the first quarter of the year to cover cash requirements, due mainly to expenditure of the European Agricultural Guarantee Fund (EAGF).

The structure of EU financing for the period 2012 – 2020 is expected to change considerably with the ending of the current VAT own resource and the introduction of new own resources as from 1 January 2014.

Since it can be assumed that cash requirements will be in excess of the assets of the accounts in the first quarter of every year, even after calling in advance two GNI twelfths, it is proposed to double the number of twelfths available in advance (from two to four) in order to compensate the decrease of the GNI share in the EU financing. This is a mechanical adjustment of the existing system, which will ensure the same capacity to face cash requirements of the EU budget as is the case today.

## **Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast**

2011/0185(CNS) - 27/01/2012

The Council **discussed the main priorities and the budgetary framework** including the overall amounts presented in the Commission's proposals for the EU's multiannual financial framework (MFF) for the 2014-2020 period. The debate enabled a clearer picture to be obtained of the member states' positions on the main issues and of the state of negotiations. It also provided guidance to the presidency and notably indicated the areas where it could face difficulties in finding common ground.

During this debate, several delegations highlighted a need for **reforming the EU's own resources system**.

## **Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast**

2011/0185(CNS) - 12/02/2014 - Legislative proposal

**PURPOSE:** to set out the methods and procedure for making available the traditional, VAT and GNI-based own resources and the measures to meet cash requirements.

**PROPOSED ACT:** Council Regulation.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** for reasons of clarity and rationality, and in the context of the own resources package, Regulation No 1150/2000 should be recast.

The Union must have available the own resources referred to in the [Council Decision on the system of own resources of the European Union](#), under the best possible conditions and accordingly rules should be laid down for the Member States to provide the Commission with those own resources.

**CONTENT:** the proposal aims to lay down the provisions necessary to determine the methods and procedure whereby Member States make available to the Commission the **traditional own resources (TOR) and VAT and GNI-based own resources** referred to in the Council Decision on the system of own resources of the European Union. It also determines the measures to be applied, if need be, to meet cash requirements.

These practical arrangements implement the system set out in the Decision on the system of own resources in respect of the establishment of TOR, conservation of supporting documents, administrative cooperation, accounts to be kept for own resources, the timing for making them available and for making adjustments and, where necessary, provisions concerning cash management and irrecoverable amounts.

Certain provisions of Regulation (EC, Euratom) No 1150/2000 have been inserted into the [Regulation laying down implementing measures for the system of own resources of the European Union](#) and are not covered by this Regulation. Those provisions concern the calculation and budgeting of the balance, control and supervision of own resources and relevant reporting requirements, as well as the Advisory Committee on Own Resources (ACOR).

For reasons of coherence, this Regulation must enter into force on the same date as the Decision on the system of own resources in the EU and must apply from 1 January 2014.

## **Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast**

2011/0185(CNS) - 09/11/2011 - Initial legislative proposal

**PURPOSE:** to ensure that cash requirements will be met under the new structure of EU financing introduced by the proposal for a Council Decision on the system of own resources of the European Union.

**PROPOSED ACT:** Council Regulation (amended proposal).

BACKGROUND: on 29 June 2011 the Commission adopted, as part of a broad package of proposals on the own resources system, a proposal for a Council Regulation on the methods and procedure for making available the traditional and GNI-based own resources and on the measures to meet cash requirements (*please see the summary of 29 June 2011*).

It announced that it would present the relevant detailed regulations or amendments to existing legal acts as well as the related regulations.

Accordingly, the Commission adopted a [proposal for a Council Directive](#) on a common system of financial transaction tax ("the FTT Directive") on 28 September 2011. In addition, Council Regulations on making the own resource based on the financial transaction tax (FTT) [available to the EU budget](#) and on calculating and making available the own resource based on [value added tax \(VAT\)](#) are proposed at the same time as this proposal.

CONTENT: the purpose of this amended proposal is to ensure that cash requirements will be met under the new structure of EU financing introduced by the proposal for a Council Decision on the system of own resources of the European Union and these new proposals.

Only one change of substance is included in this amended proposal compared to the proposal made on 29 June 2011.

It concerns the analysis of the current system which shows that up to two twelfths of GNI-based and current VAT own resources are systematically brought forward in the first quarter of the year to cover cash requirements, due mainly to expenditure of the European Agricultural Guarantee Fund (EAGF).

The structure of EU financing for the period 2012 - 2020 is expected to change considerably with the ending of the current VAT own resource and the introduction of new own resources as from 1 January 2014.

Since it can be assumed that cash requirements will be in excess of the assets of the accounts in the first quarter of every year, even after calling in advance two GNI twelfths, it is proposed to double the number of twelfths available in advance (from two to four) in order to compensate the decrease of the GNI share in the EU financing. This is a mechanical adjustment of the existing system, which will ensure the same capacity to face cash requirements of the EU budget as is the case today.

## **Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast**

2011/0185(CNS) - 26/05/2014 - Final act

PURPOSE: to define measures required for the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (Package 'own resources').

LEGISLATIVE ACT: Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (Recast).

CONTENT: the Regulation constitutes a recast of [Regulation \(EC, Euratom\) No 1150/2000](#). It defines the provisions required to set the methods and procedure according to which the Member States to make available to the Commission the **traditional, VAT and GNI-based own resources** foreseen by [Council Decision 2014/335/EU, Euratom](#) on the European Union's own resources. It also defines the measures to meet, where appropriate, cash requirements.

These practical arrangements shall implement the system established in the system of own resources in relation to the establishment of traditional own resources, the conservation of supporting documents, the administrative cooperation, the accounts for own resources, the timing for making available and adjustments and, where appropriate, provisions on cash management and of irrecoverable amounts.

The Regulation provides that separate accounts should be kept for entitlements which have not been recovered. These accounts and the submission of a quarterly statement of such accounts should enable the Commission to monitor more closely the action taken by Member States to collect own resources, and particularly those compromised by fraud or irregularities.

The own resources must be made available in the form of an entry of the amounts due in an account opened for this purpose in the name of the Commission with the Treasury or with the body appointed by each Member State.

Certain provisions of Regulation (EC, Euratom) No 1150/2000 have been included in Council Regulation (EU, Euratom) No 608/2014 and are not covered by this Regulation. Those provisions concern the calculation and budgeting of the balance, control and supervision of own resources and relevant reporting requirements, as well as the Advisory Committee on Own Resources (ACOR).

ENTRY INTO FORCE: the day of the entry into force of Decision 2014/335/EU, Euratom.

The Regulation shall apply from 01.01.2014.

## **Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast**

2011/0185(CNS) - 04/04/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted, in the framework of a special legislative procedure (Parliament consultation), the report by Jean-Luc DEHAENE (EPP, BE) and Anne E. JENSEN (ADLE, DK) on the draft Council regulation on the methods and procedure for making available the traditional, VAT and GNI-based own-resources and on the measures to meet cash requirements (recast).

The draft presented by the Council does not significantly alter the proposal of the Commission, except for adjusting it to the final outcome of MFF/ OR negotiations, where the proposals for a new VAT-own resource and an FTT own resource did not receive support in the Council.

The committee recommended the European Parliament to approve, **without amendment**, the Council draft as adapted to the recommendations of the Consultative Working Party of the legal services of the European Parliament, the Council and the Commission.

## **Methods and procedure for making available the traditional, VAT and GNI-based own resources and measures to meet cash requirements. Recast**

2011/0185(CNS) - 16/04/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 423 votes to 103, with 8 abstentions, in the framework of a special legislative procedure (Parliament's consultation), a legislative resolution the draft Council regulation on the methods and procedure for making available the traditional, VAT and GNI-based own-resources and on the measures to meet cash requirements (recast).

Parliament **approved, unamended**, the Council draft as adapted to the recommendations of the Consultative Working Party of the legal services of the European Parliament, the Council and the Commission.

The Council's draft does not significantly alter the proposal of the Commission, except for adjusting it to the final outcome of Multiannual Financial Framework (MFF)/own resources negotiations, where the proposals for a new VAT-own resource and a Financial Transaction Tax (FTT) own resource did not receive support in the Council.