Basic information

2014/0332(NLE) NLE - Non-legislative enactments Regulation	Procedure completed
System of the European Communities' own resources: timing for making available the adjustments Amending Regulation (EC, Euratom) No 1150/2000 1997/0352(CNS) See also Decision 2007/436/EC, Euratom 2006/0039(CNS) **Subject** 8.70.01 Financing of the budget, own resources	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LEWANDOWSKI Janusz (PPE) DEPREZ Gérard (ALDE)	28/11/2014 28/11/2014

Committee for opinion	Rapporteur for opinion	Appointed
CONT Budgetary Control	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
12/11/2014	Legislative proposal published	COM(2014)0704	Summary
24/11/2014	Committee referral announced in Parliament		
11/12/2014	Vote in committee		
12/12/2014	Committee report tabled for plenary, 1st reading/single reading	A8-0066/2014	Summary
16/12/2014	Debate in Parliament		

17/12/2014	Decision by Parliament	T8-0097/2014	Summary
17/12/2014	Results of vote in Parliament		
18/12/2014	Act adopted by Council after consultation of Parliament		
23/12/2014	End of procedure in Parliament		
23/12/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/0332(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC, Euratom) No 1150/2000 1997/0352(CNS) See also Decision 2007/436/EC, Euratom 2006/0039(CNS)
Legal basis	Euratom Treaty A 106a-pa Treaty on the Functioning of the European Union TFEU 322-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/01992

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE544.206	04/12/2014	
Amendments tabled in committee		PE544.333	09/12/2014	
Committee report tabled for plenary, 1st reading/single reading		A8-0066/2014	12/12/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0097/2014	17/12/2014	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2014)0704	12/11/2014	Summary
Commission response to text adopted in plenary	SP(2015)65	03/02/2015	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0009/2015 OJ C 459 19.12.2014, p. 0001	27/11/2014	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Regulation 2014/1377 OJ L 367 23.12.2014, p. 0016	Summary

System of the European Communities' own resources: timing for making available the adjustments

2014/0332(NLE) - 27/11/2014 - Court of Auditors: opinion, report

Opinion No 7/2014 of the COURT OF AUDITORS

The Court takes note of the Commission's proposal amending Regulation (EC, Euratom) No 1150/2000 to allow deferred payments of VAT and GNI balances and adjustments in case of exceptional circumstances. While this proposed amendment does not tackle the issue of Member States' budgetary uncertainty which remains a risk in the current system of own resources, the Court acknowledges that the VAT and GNI balances and adjustments may result in exceptionally large amounts, as occurred in 2014.

It draws attention, however, to the fact that this provision **may increase the complexity of the system of own resources and the Member States' budgetary uncertainty**. The Court therefore considers that this proposal should be completed to address the observations raised by the Court in the context of the entry into force of the new Regulation (EU, Euratom) No 609/2014.The amended Regulation should thus **set a common pre-determined schedule for these deferred payments** in order to limit uncertainty in respect of the dates, the number of instalments and the amounts.

System of the European Communities' own resources: timing for making available the adjustments

2014/0332(NLE) - 18/12/2014 - Final act

PURPOSE: to amend Regulation (EC, Euratom) n° 1150/2000 on the system of the European Communities' own resources.

NON LEGISLATIVE ACT: Council Regulation n° 1377/2014 amending Regulation (EC, Euratom) No 1150/2000 implementing Decision 2007/436/EC, Euratom on the system of the European Communities' own resources.

CONTENT : the Regulation amends the existing rules to give Member States the possibility, under specific circumstances, of making available after the current deadline the amounts of own resources resulting from the value added tax (VAT) and gross national income (GNI) balances and adjustments.

By virtue of the provision amending Regulation (EC, Euratom) No 1150/2000, Member States may, under specific circumstances, make available the amounts resulting from VAT and GNI balances and adjustments, where these amounts are exceptionally high, at any moment between the first working day of December of the current year and the first working day of September of the following year.

Member States have to inform the Commission before the first working day of December of their decision, and of the date (or dates) for the payment of their amounts due. Any delay in Member States' making available of these resources gives rise to interest under the conditions set out in Regulation (EC, Euratom) No 1150/2000.

The Regulation shall apply for the first time to amounts to be entered into the accounts referred to in Regulation (EC, Euratom) No 1150/2000 after 30 November 2014.

ENTRY INTO FORCE: 24.12.2014.

System of the European Communities' own resources: timing for making available the adjustments

2014/0332(NLE) - 12/12/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted (Parliament's consultation) the report by Gérard DEPREZ (ALDE, BE) and Janusz LEWANDOWSKI (EPP, PL) on the proposal for a Council regulation amending Regulation (EC, Euratom) No 1150/2000 implementing Decision 2007/436/EC, Euratom on the system of the European Communities' own resources.

In its motion for a legislative resolution, the committee underlined that this proposal to amend Regulation (EC, Euratom) No 1150/2000 finds its origin in the one-off consequences of the application of that Regulation for certain Member States. It appeared that a number of Member States underpaid their due contributions to the Union budget over a number of years, while others overpaid theirs.

Certain Member States which had benefited from past underestimation of their GNI expressed their reluctance to pay by the legal deadline the additional amounts due.

In accordance with the on-going legislative revision, **seven Member States decided not to enter in the EU account their respective GNI and VAT balances on the first working day of December 2014**.

Members deplored that **the issue of the deferral of national contributions adjustments** took precedence, within the Council, over finding a negotiating position on the 2014 and 2015 budgetary negotiations, which was only established on the final day of the 21-day conciliation period provided for in Article 314 TFEU and contributed to the failure of the Conciliation Committee to reach an agreement.

The Committee on Budgets was **concerned by the proposed larger discretion left to Member States** as to the timing of their additional contributions resulting from GNI adjustments to the Union budget. According to Members, this has created a precedent that could have an impact on the Commission's treasury, the timing of payments to the beneficiaries of the Union budget and, ultimately, the credibility of the Union's budget.

Members stressed the fact that **this proposal makes the Own Resources system even more complex** and is aimed at amending legislation that will soon be replaced, retroactively, by already agreed pieces of legislation. In this regard, they highlighted the crucial role of the High Level Group on Own Resources in delivering proposals for overcoming the deficiencies of the current system.

The committee acknowledged nevertheless the exceptionally high amounts of 2014 adjustments in the VAT- and GNI-based own resources, which may represent a high financial burden for certain Member States. In this context, **it recommended that the European Parliament approve the proposal as amended**:

- According to the proposal, Members States may only apply the provisions of the amended Regulation if they have informed the Commission before the first working day of December of their decision, and of the date or dates of entry of the amount of the adjustments in the account referred to in this Regulation. Members specified that the **Commission shall notify the European Parliament and the Council** of any such decision, including the concerned Member States, the number of instalments, the amount of each instalment and the dates of entry in the accounts.
- As regards the operations which constitute modifications to revenue in respect of the financial year in which they occur, the **Commission shall report to the European Parliament and the Council** on the modifications of revenue under this Regulation.

System of the European Communities' own resources: timing for making available the adjustments

2014/0332(NLE) - 17/12/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 566 votes to 73, with 66 abstentions, a legislative resolution on the proposal for a Council regulation amending Regulation (EC, Euratom) No 1150/2000 implementing Decision 2007/436/EC, Euratom on the system of the European Communities' own resources.

It is recalled that the exceptionally **high amounts of 2014 adjustments in the VAT- and GNI-based own resources**, may represent a high financial burden for certain Member States.

Parliament emphasized that the Commission proposal is part of a wider negotiation package including the 2014 amending budgets and 2015 Budget.

In this context, **Parliament approved the proposal as amended**:

- According to the proposal, Members States may only apply the provisions of the amended Regulation if they have informed the Commission before the first working day of December of their decision, and of the date or dates of entry of the amount of the adjustments in the account referred to in this Regulation. Members specified that the **Commission shall notify the European Parliament and the Council** of any such decision, including the concerned Member States, the number of instalments, the amount of each instalment and the dates of entry in the accounts.
- As regards the operations which constitute modifications to revenue in respect of the financial year in which they occur, the **Commission shall report to the European Parliament and the Council** on the modifications of revenue under this Regulation.

In its legislative resolution, Parliament deplored that the issue of the deferral of national contributions adjustments took precedence, within the Council, over finding a negotiating position on the 2014 and 2015 budgetary negotiations. Moreover, it is also concerned by the proposed **larger discretion** left to Member States as to the timing of their additional contributions resulting from GNI adjustments to the Union budget. Members stressed that this creates a precedent that could have an impact on the Commission's treasury and the credibility of the Union's budget.

Parliament also stressed the fact that this proposal makes the Own Resources system even more complex and is aimed at amending legislation that will soon be replaced, retroactively, by already agreed pieces of legislation. It underlined, against this background, **the crucial role of the High Level Group on Own Resources** in delivering proposals for overcoming the deficiencies of the current system.

System of the European Communities' own resources: timing for making available the adjustments

2014/0332(NLE) - 12/11/2014 - Legislative proposal

PURPOSE: to amend Regulation (EC, Euratom) No 1150/2000 implementing Decision 2007/436/EC, Euratom on the system of the European Communities' own resources.

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: pursuant to Regulation (EC, Euratom) No 1150/2000, the Commission should calculate and inform Member States of adjustments to the own resources referred to in Council Decision 2007/436/EC, Euratom - VAT resources and the Gross National Income (GNI) based own resource -, in time for them to enter these adjustments in the Commission’s account on the first working day of December.

These adjustments vary from year to year. Under exceptional circumstances these adjustments may result in very high amounts which may exceed substantially, as regards some Member States, two monthly twelfths to be made available as VAT resources and the additional resource, and in total, for all Member States, half of aggregate monthly twelfths.

For some Member States the obligation to make available such high amounts may represent a **high financial burden** which may cause a severe fiscal strain on the country, particularly towards the end of the year.

According to the current rules in Regulation (EC, Euratom) No 1150/2000, these adjustments have to be made available on the first working day of December. There is no discretion to agree on a later date.

CONTENT: the proposal aims to amend Regulation (EC, Euratom) No 1150/2000 in order to provide Member States with the possibility to **make available the amount resulting from these adjustments (the VAT and GNI balances)** at any moment between the first working day of December and the **first working day of September of the following year** in the following cases: excess of the individual threshold and or excess of the general threshold.

According to the proposal :

- any Member State which decides to apply this option should inform the Commission well in advance of the first working day of December of the date or dates of making available the adjustments, in order to allow an efficient management of the Union’s cash requirements;
- any delay in making available those adjustments on the date or dates communicated to the Commission should give rise to interest under the conditions of Article 11 of Regulation (EC, Euratom) No 1150/2000.

This option should be applicable for the first time for adjustments which, pursuant to Regulation (EC, Euratom) No 1150/2000, would have to be entered in the Commission’s accounts on the first working day of December 2014.

Regulation (EC, Euratom) No 1150/2000 will be retroactively repealed by Regulation (EU, Euratom) No 609/2014. Therefore, the amendments made by this proposal would need to be taken into due consideration in the context of the proposal to amend Regulation (EU, Euratom) No 609/2014, which the Commission has committed to present by the end of March 2015.