Basic information

2019/0031(APP) APP - Consent procedure	Procedure completed
Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union **Subject** 8.70.59 2019 budget **Geographical area** United Kingdom	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	ARTHUIS Jean (ALDE)	07/02/2019

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3707	2019-07-09

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
30/01/2019	Preparatory document	COM(2019)0064	
04/04/2019	Legislative proposal published	06823/2019	Summary
11/04/2019	Vote in committee		
11/04/2019	Committee report tabled for plenary, 1st reading/single reading	A8-0197/2019	Summary
15/04/2019	Committee referral announced in Parliament		
17/04/2019	Decision by Parliament	T8-0412/2019	Summary
17/04/2019	Results of vote in Parliament		
09/07/2019	Act adopted by Council after consultation of Parliament		
09/07/2019	End of procedure in Parliament		
15/07/2019	Final act published in Official Journal		

Technical information

Procedure reference	2019/0031(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Legislation
Legal basis	Treaty on the Functioning of the European Union TFEU 352-p1sub1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/15458

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE634.809	25/02/2019	
Committee report tabled for plenary, 1st reading/single reading		A8-0197/2019	11/04/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0412/2019	17/04/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	06823/2019	04/04/2019	Summary

European Commission

Document type	Reference	Date	Summary
Preparatory document	COM(2019)0064	30/01/2019	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2019)0064	05/03/2019	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act	
Regulation 2019/1197 OJ L 189 15.07.2019, p. 0001	Summary

Delegated acts	
Reference	Subject
2019/2866(DEA)	Examination of delegated act

Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

2019/0031(APP) - 30/01/2019

PURPOSE: to establish measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: a withdrawal agreement was concluded between the Union and the United Kingdom and endorsed by the European Council (Article 50) on 25 November 2018. However, its ratification in the United Kingdom is uncertain. This proposal is part of a package of emergency measures proposed by the Commission to deal with a possible withdrawal from the European Union without the United Kingdom's agreement.

A no-deal scenario will leave the budgetary relations between the Union and the UK without agreed legal arrangements, until an agreement is eventually reached. Such a legal vacuum would create considerable uncertainty and difficulties for the implementation of the Union’s budget, for all UK beneficiaries and in some cases also for beneficiaries of the other Member States.

In line with the Commission’s overall approach, this proposal is a contingency measure in response to this situation.

The Commission therefor considers it necessary to lay down rules on the relations between the Union on the one hand, and the United Kingdom and its beneficiaries on the other as regards the financing and implementation of the general budget of the Union in 2019. The proposal aims to mitigate the significant impact of a 'no deal' scenario for a large number of sectors receiving EU funding.

CONTENT: the proposed Regulation provides, in the event of a no deal, the possibility to maintain the eligibility to benefit from Union financing for the UK and UK entities under legal commitments entered into before the withdrawal date beyond that date and for a limited time period (until 31 December 2019).

This is subject to the condition that the UK:

- makes a written commitment and continues to contribute to the financing of the budget for 2019 under the terms set in this proposal;

- commits in writing to accept the controls and which cover the entire implementation period of the programmes or the actions.

Furthermore, as the UK would finance the whole budget 2019, and in line with the objective of implementing fully the multiannual financial framework 2014-2020 decided while the UK was a member of the Union, the UK and UK entities would be eligible in 2019 for the purposes of conditions set in any calls, tenders, contests or any other procedure which may lead to financing from the Union's budget.

This eligibility of the UK and UK entities would only start applying after the conditions laid down in this proposal have been fulfilled, including that the UK has made its first payment to the EU budget for the period after its withdrawal.

The proposal is without prejudice to negotiating an agreement with the UK on a financial settlement covering the entirety of mutual obligations.

BUDGETARY IMPLICATIONS: in a no-deal scenario this proposal would restore the eligibility of the United Kingdom and United Kingdom beneficiaries as long as the United Kingdom continues paying its contribution set in the budget for 2019. Therefore there are no budgetary implications in comparison with the 2019 budget as adopted by the European Parlement in December 2018.

Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

2019/0031(APP) - 11/04/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted the report by Jean ARTHUIS (ALDE, FR) on the draft Council regulation on measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union.

The committee recommended that the European Parliament give its consent to the draft Council regulation.

Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

2019/0031(APP) - 04/04/2019 - Legislative proposal

PURPOSE: to minimise the negative effects of the United Kingdom's withdrawal on the Union budget and on the implementation of Union policies.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the United Kingdom and persons and entities established in United Kingdom are participating in a number of Union programmes or actions on the basis of the United Kingdom's membership in the Union. The participation takes place on the basis of agreements with the United Kingdom or persons or entities established in the United Kingdom or decisions in favour of the United Kingdom or persons or entities established in the United Kingdom which constitute legal commitments.

After withdrawal, the UK will no longer be member of the European Union; the Treaties and the secondary legislation will not be applicable to the United Kingdom. The United Kingdom or entities established in the United Kingdom will cease to be eligible to receive funding under those Union programmes, unless relevant provisions for participation of third countries are included in the legal acts of EU spending programmes.

It is therefore necessary to establish rules on relations between the European Union, on the one hand, and the United Kingdom and its beneficiaries, on the other hand, with regard to the financing and implementation of the general budget of the Union in 2019.

CONTENT: the proposed emergency framework lays down rules on relations between the European Union, on the one hand, and the United Kingdom and its beneficiaries, on the other, as regards the financing and implementation of the general budget of the Union in the absence of a withdrawal agreement. The purpose of this proposal is to avoid, or at least minimise, any unnecessary disruption for beneficiaries of EU spending programmes and other actions at the time of withdrawal, also with the expectation that this will facilitate a financial settlement between the Union and the United Kingdom.

The Council's draft lays down conditions under which the United Kingdom and persons and entities established in the United Kingdom could continue to be eligible in 2019 with regard to the agreements signed with them and the decisions adopted with regard to them until the date on which the Treaties cease to apply to and in the United Kingdom ('date of withdrawal').

The conditions would be that the United Kingdom has:

- confirmed the commitment in writing to the Commission to continue to pay a contribution to the budget in 2019 calculated on the basis of the estimated own resources from the United Kingdom as set out in the budget for 2019 as definitively adopted, that a first instalment has been paid by the United Kingdom;

- made its first payment to the Union budget for the period after its withdrawal by 13 May 2019;

- confirmed the commitment in writing to the Commission to allow audits and controls in full by the Union in compliance with the applicable rules. In view of the need for certainty, it is appropriate to limit the time for the fulfilment of the conditions.

In order to ensure that the proposed Regulation has a beneficial effect for all Member States, it is intended to deduct a specific amount from the amount of the United Kingdom's contribution to be entered in the general budget of the Union. This specific amount should benefit Member States, which would otherwise be disadvantaged as a result of the adoption of the Regulation, as specified in the specific practical arrangements establishing the distribution of payments due and charging the Commission with the disbursement of the specific amount.

As long as the conditions for eligibility of the United Kingdom and persons and entities established in the United Kingdom under this Regulation continue to be fulfilled, it is also appropriate to provide for their eligibility, in 2019, for the purposes of conditions set in calls, tenders, contests or any other procedure which may lead to financing from the Union's budget. These should be limited to eligible expenditure incurred in 2019, with the exception of certain public contracts signed before the end of 2019 and the United Kingdom direct payment scheme for farmers for the 2019 application year.

Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

2019/0031(APP) - 17/04/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 569 votes to 21, with 23 abstentions, a legislative resolution on the draft Council regulation on measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union.

Parliament has given its consent to the draft Council Regulation.

The proposed Regulation seeks to lay down rules on the relations between the Union on the one hand, and the United Kingdom and its beneficiaries on the other as regards the financing and implementation of the general budget of the Union ('the budget') in 2019. It also seeks to avoid, or at least minimise, any unnecessary disruption for beneficiaries of EU spending programmes and other actions at the time of withdrawal, also with the expectation that this will facilitate a financial settlement between the Union and the United Kingdom.

The Council's draft defines the conditions under which the United Kingdom and persons and entities established in the United Kingdom could continue to be eligible in 2019 with regard to the agreements signed with them and the decisions adopted with regard to them until the date on which the Treaties cease to apply to and in the United Kingdom (date of withdrawal).

Implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

2019/0031(APP) - 15/07/2019 - Final act

PURPOSE: to adopt contingency measures on the implementation and financing of the EU budget for 2019 in the event of Brexit without agreement.

LEGISLATIVE ACT: Council Regulation (EU, Euratom) 2019/1197 on measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union.

CONTENT: after its withdrawal, the United Kingdom will no longer be a member of the European Union; the treaties and secondary legislation will no longer be applicable to that country. The United Kingdom or entities established on its territory will no longer be eligible for funding under Union programmes unless relevant provisions for the participation of third countries are incorporated in the legal acts of Union expenditure programmes.

This Regulation lays down rules on relations between the European Union, on the one hand, and the United Kingdom and its beneficiaries, on the other, as regards the financing and implementation of the general budget of the Union in 2019 in the absence of a withdrawal agreement. These rules shall allow the EU to continue to make payments to UK beneficiaries for contracts signed and decisions taken before the date of withdrawal, as long as the UK continues to pay its contribution set in the EU budget for 2019.

Under the agreed contingency framework, the eligibility of the United Kingdom and entities established in the United Kingdom for funding from the EU budget in 2019 shall be maintained provided that the United Kingdom has:

- confirmed in writing, by 30 April 2019 at the latest, that it will contribute to the financing of the EU budget for 2019 as adopted;

- made its first payment to the Union budget for the period after its withdrawal by 13 May 2019;

- confirmed in writing to the Commission its commitment to authorise audits and controls carried out entirely by the Union, in accordance with the applicable rules.

The Commission should adopt a decision on the fulfilment of the conditions.

As long as the conditions for eligibility of the United Kingdom and persons and entities established in the United Kingdom under this Regulation continue to be fulfilled, it is also appropriate to provide for their eligibility, in 2019, for the purposes of conditions set in calls, tenders, contests or any other procedure which may lead to financing from the Union's budget, with the exception of specific cases related to security and to the loss of membership of the United Kingdom in the European Investment Bank and to provide Union funding to them.

Such Union funding shall be limited to eligible expenditure incurred in 2019, except for public procurement contracts signed before the end of 2019.

In addition, the contingency measures shall make it possible to maintain the funding of beneficiaries from EU Member States where their eligibility depends on the United Kingdom's EU membership, provided that, before the date of withdrawal from the United Kingdom, the relevant contracts or legal decisions have been signed or adopted.

This urgent procedure shall cease to apply if the United Kingdom stops payments or if significant deficiencies have been observed in the execution of the controls and audits.

ENTRY INTO FORCE: 16.7.2019.

APPLICATION: from the date following that on which the Treaties cease to apply in the United Kingdom and in its territory in accordance with Article 50 (3) of the TEU. The Regulation shall not apply if a withdrawal agreement with the United Kingdom entered into force on the above date.