

Basic information	
2019/0186(APP) APP - Consent procedure	Procedure completed
Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union Subject 8.70.50 2020 budget Geographical area United Kingdom	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">BUDG</div> Budgets		VAN OVERTVELDT Johan (ECR)	24/09/2019
			Shadow rapporteur DHAMIJA Dinesh (Renew) KUHS Joachim (ID)	
Council of the European Union	Council configuration		Meetings	Date
	Environment		3741	2019-12-19
European Commission	Commission DG		Commissioner	
	Budget		OETTINGER Günther	

Key events			
Date	Event	Reference	Summary
04/09/2019	Preparatory document	COM(2019)0461 	
07/10/2019	Legislative proposal published	12412/2019	Summary
14/10/2019	Vote in committee		
15/10/2019	Committee report tabled for plenary, 1st reading/single reading	A9-0018/2019	Summary
21/10/2019	Committee referral announced in Parliament		
22/10/2019	Decision by Parliament	T9-0036/2019	Summary

22/10/2019	Results of vote in Parliament		
19/12/2019	Act adopted by Council after consultation of Parliament		
19/12/2019	End of procedure in Parliament		
30/12/2019	Final act published in Official Journal		

Technical information	
Procedure reference	2019/0186(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Legislation
Legal basis	Euratom Treaty A 203 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/9/01215

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE641.240	30/09/2019	
Committee report tabled for plenary, 1st reading/single reading		A9-0018/2019	15/10/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0036/2019	22/10/2019	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Legislative proposal	12412/2019	07/10/2019	Summary	
European Commission				
Document type	Reference	Date	Summary	
Preparatory document	COM(2019)0461 	04/09/2019	Summary	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union

2019/0186(APP) - 04/09/2019

PURPOSE: to present measures concerning the implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the United Kingdom has decided to leave the European Union using the procedure provided for in Article 50 of the Treaty on European Union (TEU).

Following a request from the United Kingdom, the European Council agreed on 11 April 2019 to further extend the deadline provided for in Article 50(3) of the TEU until 31 October 2019. Unless the United Kingdom ratifies the withdrawal agreement by 31 October 2019 or requests a third extension and it is adopted unanimously by the European Council, the United Kingdom will leave the Union without agreement and become a third country on 1 November 2019.

The Commission continues to consider that an orderly withdrawal of the United Kingdom from the Union on the basis of the Withdrawal Agreement is the best outcome.

This proposal is an extension to 2020 of the contingency framework for the Union budget laid down in [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. The proposal lays 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 budget in 2020.

Since the notification by the United Kingdom of its withdrawal intention, the European Union has consistently stated that the Union and the United Kingdom are bound to honour their respective obligations resulting from the whole period of the United Kingdom's membership in the Union.

A withdrawal without an agreement would leave the budgetary relations between the Union and the UK without agreed legal arrangements. Such a legal vacuum would create considerable uncertainty and difficulties for the implementation of the Union's budgets for 2019 and 2020, for all UK beneficiaries and in some cases also for beneficiaries of the other Member States.

After withdrawal, 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

CONTENT: the purpose of this proposal is to extend to 2020 the contingency framework under Regulation (EU, Euratom) 2019/1197 and, consequently, to avoid, or at least minimise, the most significant disruptions for beneficiaries of EU spending programmes and other actions at the time of withdrawal and until the end of 2020, also with the expectation that this will facilitate a financial settlement between the Union and the United Kingdom. The proposed contingency framework provides for the possibility to maintain throughout 2020 the eligibility to benefit from Union financing for the United Kingdom and United Kingdom entities under legal commitments entered into before the withdrawal date or between the withdrawal date and the end of 2019. This is subject to the condition that the United Kingdom makes a written commitment to contribute to the financing of the budget for 2020 under the terms set in this proposal.

Furthermore, as the United Kingdom would finance its share of the budget 2020, and in line with the objective of implementing fully the multiannual financial framework 2014-2020 decided while the United Kingdom was a member of the Union, the United Kingdom and United Kingdom entities would be eligible in 2020 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.

The contingency framework providing for the eligibility of United Kingdom and United Kingdom entities would cease to apply if the United Kingdom discontinues the payments or where significant deficiencies have been observed in the execution of the controls and audits.

The contribution from the United Kingdom is based on the draft budget for 2020 as proposed on 5 July 2019 for 28 Member States and would be adjusted to take into account the level of payment appropriations under the adopted budget. It is reasonable that no Member State is in a less favourable position as regards their contribution than laid down in the budget for 2020 as proposed, following the adoption of this Regulation.

Therefore, to ensure the beneficial effect of this Regulation for all Member States, a specific amount would be deducted before that contribution is entered in the Union budget. Such specific amount would benefit the Member States which would otherwise be at a disadvantage following the adoption of this Regulation, as further specified in dedicated practical arrangements setting out the distribution of the payments due and entrusting the Commission with the disbursement of the specific amount.

If no agreement is reached in 2019 or 2020, the situation at the beginning of 2021 will be equivalent to the one at the withdrawal date for the mutual commitments undertaken by the Union and the United Kingdom. In any event the Union and the United Kingdom would need to honour their respective obligations resulting from the whole period of the United Kingdom membership in the Union.

BUDGETARY IMPLICATIONS: in case of a withdrawal without an agreement, this proposal would restore the eligibility of the United Kingdom and United Kingdom beneficiaries as long as the United Kingdom contributes to the budget for 2020. It would also allow receiving the United Kingdom's contributions as laid down in the draft budget for 2020, after adjusting those contributions to take into account the level of payment appropriations under the adopted budget.

The United Kingdom's acceptance of the conditions for the 2019 contingency framework and its written commitment to accept the necessary controls and audits would be conditions for the application of this contingency framework for 2020.

Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union

2019/0186(APP) - 15/10/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted the report by Johan VAN OVERTVELDT (ECR, BE) on the draft Council Regulation on measures concerning the implementation and financing of the general budget of the European Union in 2020 in relation to the withdrawal of the United Kingdom from the Union.

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

The purpose of this proposal is to extend to 2020 the contingency framework under Regulation (EU, Euratom) 2019/1197 approved by European Parliament on 17 April 2019. The aim is to minimise the most significant disruptions for beneficiaries of EU spending programmes and other actions at the time of withdrawal and until the end of 2020. It would allow for an orderly budget implementation of the legal commitments with the UK and UK entities signed or adopted before the date of withdrawal or between the withdrawal date and the end of 2019, in application of [Regulation \(EU, Euratom\) 2019/1197](#).

The proposed provision for the possibility to maintain the eligibility to benefit from Union financing for the UK and UK entities throughout 2020 is subject to the condition that the UK makes a written commitment to contribute to the financing of the budget for 2020 under the terms set in this proposal. In addition, the UK should commit in writing to accept the controls and audits which cover the entire implementation period of the programmes or the actions.

Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union

2019/0186(APP) - 22/10/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 543 votes to 30, with 46 abstentions, a legislative resolution on the draft Council Regulation on measures concerning the implementation and financing of the general budget of the European Union in 2020 in relation to the withdrawal of the United Kingdom from the Union.

Parliament gave its consent to the Council Regulation.

The Council draft sets out the conditions under which the United Kingdom and persons and entities established in the United Kingdom may continue to be eligible in 2020 with regard to agreements signed with them and decisions adopted concerning them until the date of withdrawal or, where applicable, in 2019 pursuant to the Contingency Budget Regulation ([Council Regulation \(EU, Euratom\) 2019/1197](#)).

The proposed provision for the possibility to maintain the eligibility to benefit from Union financing for the UK and UK entities throughout 2020 is subject to the condition that the UK makes a written commitment to contribute to the financing of the budget for 2020 under the terms set in this proposal. In addition, the UK should commit in writing to accept the controls and audits which cover the entire implementation period of the programmes or the actions.

Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union

2019/0186(APP) - 30/12/2019 - Final act

PURPOSE: to establish the rules for the implementation and financing of the general budget of the Union in 2020, taking into account the withdrawal of the United Kingdom from the Union without agreement.

LEGISLATIVE ACT: Council Regulation (EU, Euratom) 2019/2234 on measures for the implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union.

CONTENT: in the event of withdrawal without agreement, it is desirable to provide that in 2020 the United Kingdom and beneficiaries established in the United Kingdom may receive funds from the Union and that the United Kingdom may participate in the financing of the budget for 2020.

The Regulation therefore lays down the conditions under which the United Kingdom and persons and entities established in the United Kingdom may continue to be eligible in 2020 having regard to the agreements signed with them and the decisions adopted concerning them up to the date of withdrawal or, as the case may be, in 2019 pursuant to the contingency regulation on the budget ([Council Regulation \(EU, Euratom\) 2019/1197](#)).

The application of the Regulation shall be subject to compliance with the following conditions:

- the United Kingdom has confirmed the commitment in writing to the Commission to continue to pay a contribution calculated on the basis of the estimated own resources from the United Kingdom as set out in the draft budget for 2020, as proposed on 5 July 2019, and adjusted to take into account the total amount of payment appropriations set out in the adopted budget for 2020;
- a first instalment has been paid by the United Kingdom;
- the United Kingdom has confirmed the commitment in writing to the Commission to allow audits and controls in full by the Union in compliance with the applicable rules;

Only if these conditions are met will the eligibility of the UK and entities established in the UK for funding from the EU budget in 2019 be maintained.

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 2020, 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 2020, except for public procurement contracts signed before the end of 2020 in application of Title VII of the Financial Regulation, which continue to be implemented in accordance with their terms, and except for the United Kingdom agricultural direct payment scheme for the claim year 2020, which would be excluded from eligibility.

In addition, the Regulation provides for:

- the continued eligibility of the United Kingdom and of persons and entities established in the United Kingdom provided that the United Kingdom continues to pay the contribution for 2020 and, where applicable, 2019 under Regulation (EU, Euratom) 2019/1197 and that controls and audits can be carried out effectively;
- the continued eligibility in 2020 of actions under which Member States or persons or entities established in Member States receive Union funds and which are linked to the United Kingdom.

ENTRY INTO FORCE: 1.1.2020.

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

Implementation and financing of the general budget of the Union in 2020 in relation to the withdrawal of the United Kingdom from the Union

2019/0186(APP) - 07/10/2019 - Legislative proposal

PURPOSE: to mitigate 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: this Council draft is part of the Union preparedness and contingency plan to mitigate the most significant disruptions of a withdrawal of the United Kingdom from the Union without a withdrawal agreement.

The United Kingdom and persons and entities established in the 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.

In case of a withdrawal without a withdrawal agreement, it would be beneficial both for the Union and its Member States and for the United Kingdom, and persons and entities established in the United Kingdom, to provide for the eligibility in 2020 of the United Kingdom and beneficiaries established in the United Kingdom to receive Union funds and for the participation of the United Kingdom in the financing of the budget for 2020. It would also be beneficial if the legal commitments signed and adopted before the date of withdrawal, or in 2019 in application of Regulation (EU, Euratom) 2019/1197, could continue to be executed throughout 2020.

CONTENT: the draft Council defines the conditions under which the United Kingdom and persons and entities established in the United Kingdom may continue to be eligible in 2020 with regard to agreements signed with them and decisions adopted with regard to them until the date of withdrawal or, where applicable, in 2019 pursuant to the contingency Regulation ([Council Regulation \(EU, Euratom\) 2019/1197](#)).

The application of the proposed Regulation is subject to the following conditions:

- the United Kingdom has confirmed the commitment in writing to the Commission to continue to pay a contribution calculated on the basis of the estimated own resources from the United Kingdom as set out in the draft budget for 2020 and adjusted to take into account the total amount of payment appropriations set out in the adopted budget for 2020;
- a first instalment has been paid by the United Kingdom;
- the United Kingdom has confirmed the commitment in writing to the Commission to allow audits and controls in full by the Union in compliance with the applicable rules.

As long as the conditions for eligibility of the United Kingdom, and persons and entities established in the United Kingdom continue to be fulfilled, their eligibility should be ensured in 2020 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 relating to security and the loss of the United Kingdom's status as a member of the European Investment Bank, and to provide Union funding to them.

Such Union funding should be limited to eligible expenditure incurred in 2020, except for public procurement contracts signed before the end of 2020 in application of Title VII of the Financial Regulation, which continue to be implemented in accordance with their terms, and except for the United Kingdom agricultural direct payment scheme for the claim year 2020, which should be excluded from eligibility.

The draft regulation also provides for:

- the continued eligibility of the United Kingdom and persons and entities established in the United Kingdom provided that the United Kingdom continues to pay the contribution for 2020 and, where applicable, for 2019 under Regulation (EU, Euratom) 2019/1197 and that controls and audits can be carried out effectively;
- the continuation, in 2020, of the eligibility of actions under which Member States or persons or entities established in Member States receive funds from the Union and which are related to the United Kingdom.

As it lays down measures for the implementation and financing of the Union's budget for 2020, the proposed Regulation should only concern eligibility for the 2020 financial year.