

Procedure file

Basic information		
INI - Own-initiative procedure	1998/2076(INI)	Procedure completed
Interest accrued on Community Funds		
Subject 8.70.03 Budgetary control and discharge, implementation of the budget		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	PSE COLOM I NAVAL Joan	20/05/1997

Key events			
03/04/1998	Committee referral announced in Parliament		
29/06/1998	Vote in committee		Summary
29/06/1998	Committee report tabled for plenary	A4-0268/1998	
15/07/1998	Decision by Parliament	T4-0421/1998	Summary
15/07/1998	End of procedure in Parliament		
21/09/1998	Final act published in Official Journal		
02/03/1999	Additional information		Summary

Technical information	
Procedure reference	1998/2076(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/09977

Documentation gateway				
Committee report tabled for plenary, single reading		A4-0268/1998 OJ C 292 21.09.1998, p. 0004	29/06/1998	EP

Interest accrued on Community Funds

95% of appropriations entered in the EU budget are used to fund various policies. For reasons to do with funding mechanisms, the sums mobilised are not used immediately by their final recipients and can earn interest over the period between the moment of payment and the moment of final use. In addition, undue payments, which need to be repaid into the Union budget, can also earn interest. Following the resolution of the European Parliament on the discharge for 1995, the committee, in adopting the report by Mr Joan COLOM I NAVAL (PSE, E), identified the problems and proposed solutions. In order to rectify omissions in current legislation in this area, it considered that comprehensive provisions were needed governing the ownership of interest on sums transferred and the allocation of such interest. It recommended solutions adapted to the characteristics of the sector in which the expenditure is effected (agricultural, structural etc.) and called on the Commission to submit proposals for the amendment of the Financial Regulation with a view to providing for the reimbursement of interest earned on undue payments or their compulsory allocation to the objectives financed in the event of late payment to final beneficiaries.?

Interest accrued on Community Funds

Adopting without debate the report by Mr Joan Colom i Naval (PSE, E), Parliament notes that what are often enormous sums of money are transferred from the Community budget to economic areas, public authorities and economic and social groups. Such transfers often result in monies being left in the hands of third parties and not being used for the purposes of the measures being funded. Consequently, Parliament considers that it is necessary to lay down, in respect of the main budget sectors, comprehensive provisions governing: - the ownership of interests earned and the sums transferred between the moment of payment and the moment of use or repayment into the Community budget (in the event of irregularity), - the allocation of such interest. This situation appears particularly relevant for the CAP, where considerable sums remain in the hands of recipients up to the due date specified in the recovery order. With regard to structural policies, Parliament calls for a new Structural Fund and Cohesion Fund regulations to take account of this problem and provide for repayment into the Union budget of interest accruing or monies which are the subject of net financial corrections. Parliament draws the same kind of conclusion with regard to the Community's internal and external policies. With regard to Community loans, Parliament calls on the Commission to include explicit clauses on the opening of ad hoc interest-bearing accounts and Commission ownership of such interest in all agreements concluded with public or private institutions. ?

Interest accrued on Community Funds

This procedure concerns the modification of the European Parliament's internal rules of procedure (Article 8 - length of the parliamentary mandate) necessitated as a result of the adoption of the Treaty of Amsterdam. This procedure will be dealt with in the framework of the report on the adaptation of the rules to the provisions of the Amsterdam Treaty (CORBETT, GUTIERREZ DIAZ, PALACIO VALLELERSUNDI report - procedure reference REG0113).?