

Procedure file

Basic information		
CNS - Consultation procedure Decision	2003/0131(CNS)	Procedure completed
Own resources: updating financial rules		
Amending Regulation (EC, Euratom) No 1150/2000 Repealed by 2011/0185(CNS)	1997/0352(CNS)	
Subject	8.70.01 Financing of the budget, own resources	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	PSE HAUG Jutta	10/07/2003
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	CONT Budgetary Control	ELDR SØRENSEN Ole B.	09/09/2003
European Commission	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2617	16/11/2004
	Commission DG	Commissioner	
	Budget		

Key events			
01/07/2003	Legislative proposal published	COM(2003)0366	Summary
01/09/2003	Committee referral announced in Parliament		
17/02/2004	Vote in committee		Summary
17/02/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0063/2004	
26/02/2004	Decision by Parliament	T5-0110/2004	Summary
16/11/2004	Act adopted by Council after consultation of Parliament		
16/11/2004	End of procedure in Parliament		
27/11/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2003/0131(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amending Regulation (EC, Euratom) No 1150/2000 1997/0352(CNS) Repealed by 2011/0185(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 279-p2
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/19774

Documentation gateway					
Legislative proposal		COM(2003)0366	01/07/2003	EC	Summary
Court of Auditors: opinion, report		RCC0007/2003 OJ C 318 30.12.2003, p. 0001-0004	15/10/2003	CofA	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0063/2004	17/02/2004	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0110/2004 OJ C 098 23.04.2004, p. 0019-0145 E	26/02/2004	EP	Summary

Additional information	
European Commission	EUR-Lex

Final act
Regulation 2004/2028 OJ L 352 27.11.2004, p. 0001-0007 Summary

Own resources: updating financial rules

PURPOSE : to present a proposal to amend Regulation 1150/2000/EC, Euratom implementing Decision 2000/597/EC, Euratom on the system of the Communities' own resources. **CONTENT** : this proposal aims to update the financial rules in line with both the new Council Decision of 29 September 2000 and certain protocols attached to the Amsterdam Treaty. The proposal also sets out to improve the management of traditional own resources, which are recovered by the Member States. Briefly, - the first objective is to incorporate certain provisions included in the Council Decision 2000/597/EC, Euratom (and particularly, the new rate corresponding to the collection expenses for own resources that Member States can retain namely 25% of the amounts established instead of the previous 10%). This measure involves a loss of traditional own resources but this will be compensated for by an increase in the payments made in the framework of the fourth resource. This situation was taken into account when adopting the own resources Decision; - the second objective is to enable Member States to write-off amounts not recovered by a specific deadline (5 years) following the date on which the demand for payment became definitively enforceable. Moreover, amounts written-off in excess of EUR 50,000 should be communicated to the Commission in order for it to check whether the Member State in question had been diligent with regard to recovery.?

Own resources: updating financial rules

In general the Court welcomes the amendments proposed by the Commission, several of which respond to concerns expressed by the Court in annual reports. The Court believes that use could be made of this opportunity to improve the regulation in respect of the scope of inspection work related to gross national income (Article 19 of Regulation 1150/2000), and of the information to be provided by Member States about their control activities related to the annual VAT base and gross national income.

Own resources: updating financial rules

The committee adopted the report by Jutta HAUG (PES, D) approving the proposal under the consultation procedure, subject to just one amendment. MEPs said that the important new revision clause in the Council decision, providing for the Commission to undertake a general review of the own resources system before 1 January 2006, should be mirrored in the implementing regulation. The committee therefore introduced a new article to this effect and stipulated that any new proposals made by the Commission on the basis of that review should give particular attention to the articles of the decision concerning the correction of the budgetary imbalances for the UK and the adjustment of the financing shares for the rebate of Austria, Germany, the Netherlands and Sweden. ?

Own resources: updating financial rules

The European Parliament adopted a resolution by 334 votes in favour, 72 against with 47 abstentions on EU own-resources, drafted by Jutta HAUG (PES, D). Parliament inserted one new Article. (Please see the summary of 17/02/04.)?

Own resources: updating financial rules

PURPOSE : to update the financial rules in line with recent legislation and with certain protocols attached to the Amsterdam Treaty, and to improve the management of traditional own resources.

LEGISLATIVE ACT : Council Regulation 2028/2004/EC amending Regulation 1150/2000/EC implementing Decision 94/728/EC, on the system of the Communities' own resources.

CONTENT : This Regulation gives effect to the provisions of Decision 2000/597/EC. It incorporates the provisions in that Decision relating to the new rate corresponding to the collection expenses for own resources that Member States can retain. This is 25% of the amounts established instead of the previous 10%. In addition, the Regulation deals with the following main points:

- in sharing out the financial burden borne by the other Member States for the correction for budgetary imbalances in favour of the United Kingdom, the shares of Austria, Germany, the Netherlands and Sweden are adjusted so that their financial contribution is limited to one quarter of their normal contribution;
 - in accordance with the Amsterdam Treaty and Protocols 4 and 5, Denmark, the United Kingdom and Ireland need not participate in measures falling under Title IV of the EC Treaty and are not therefore obliged to bear the financial consequences as a result of measures taken, other than the administrative costs. They can therefore obtain an adjustment to the own resources paid for each year in which they do not participate;
 - simplification of the methods in determining the interest rates to be applied in the event of delays in entering own resources in the accounts;
 - the dual account system introduced in 1989 was set up to distinguish between recovered and outstanding duties. This system has only partly met its objectives regarding the mechanism used to discharge items from the separate account. Checks by the European Court of Auditors and the Commission have highlighted recurrent anomalies in the keeping of the separate account, which prevent the account from reflecting the real situation as regards recovery. This Regulation cleanses the separate accounts of those amounts where recovery is unlikely at the end of a given period and the retention of which gives an inaccurate balance. In addition, from the cost-effectiveness angle, Member States will no longer incur the administrative costs involved in monitoring these amounts;
 - there are transitional arrangements for certain administrative difficulties;
 - in response to a request of the Court of Auditors and in order to ensure that the separate account provides a better picture of the actual budgetary situation, the Member States should send to the Commission, together with the final quarterly statement for a given year, an estimate of the total amount of entitlements contained in the separate account for which recovery is unlikely.
- In accordance with Decision 2000/597/EC, the Commission will undertake, before 1 January 2006, a general review of the own resources system.

ENTRY INTO FORCE: 28/11/2004.