



Procedure file

| Basic information | |
|---|---------------------------------------|
| CNS - Consultation procedure Regulation | 2007/0151(CNS) Procedure completed |
| Framework Financial Regulation for the Community bodies referred to in Article 185 Regulation (EC, Euratom) No 1605/2002 Amending Regulation (EC, Euratom) No 2343/2002 2002/0902(CNS) | |
| Subject 8.40.08 Agencies and bodies of the EU 8.70.02 Financial regulations | |

| Key players | | | |
|-------------------------------|---|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | BUDG Budgets | | 20/09/2004 |
| | | PPE-DE GRÄSSLE Ingeborg | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | CONT Budgetary Control (Associated committee) | | 11/09/2007 |
| | | ALDE MULDER Jan | |
| Council of the European Union | Council configuration | Meeting | Date |
| | Economic and Financial Affairs ECOFIN | 2828 | 13/11/2007 |
| European Commission | Commission DG | Commissioner | |
| | Budget | GRYBAUSKAITĖ Dalia | |

| Key events | | | |
|------------|---|---|---------|
| 20/07/2007 | Legislative proposal published | SEC(2007)1013 | Summary |
| 29/11/2007 | Committee referral announced in Parliament | | |
| 29/11/2007 | Referral to associated committees announced in Parliament | | |
| 28/02/2008 | Vote in committee | | Summary |
| 10/03/2008 | Committee report tabled for plenary, 1st reading/single reading | A6-0069/2008 | |
| 09/04/2008 | Debate in Parliament |  | |
| 10/04/2008 | Results of vote in Parliament |  | |
| 10/04/2008 | Decision by Parliament | T6-0112/2008 | Summary |

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|------------|---|--|--|
| 09/07/2008 | Act adopted by Council after consultation of Parliament | | |
| 09/07/2008 | End of procedure in Parliament | | |
| 10/07/2008 | Final act published in Official Journal | | |

Technical information

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|----------------------------|---|
| Procedure reference | 2007/0151(CNS) |
| Procedure type | CNS - Consultation procedure |
| Procedure subtype | Legislation |
| Legislative instrument | Regulation |
| | Amending Regulation (EC, Euratom) No 2343/2002 2002/0902(CNS) |
| Stage reached in procedure | Procedure completed |
| Committee dossier | BUDG/6/52287 |

Documentation gateway

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|---|------|-------------------------------|------------|----|---------|
| Legislative proposal | | SEC(2007)1013 | 20/07/2007 | EC | Summary |
| Committee draft report | | PE398.654 | 14/01/2008 | EP | |
| Amendments tabled in committee | | PE402.559 | 14/02/2008 | EP | |
| Committee opinion | CONT | PE400.294 | 27/02/2008 | EP | |
| Committee report tabled for plenary, 1st reading/single reading | | A6-0069/2008 | 10/03/2008 | EP | |
| Text adopted by Parliament, 1st reading/single reading | | T6-0112/2008 | 10/04/2008 | EP | Summary |
| Commission response to text adopted in plenary | | SP(2008)3169 | 28/05/2008 | EC | |

Additional information

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| European Commission | EUR-Lex |
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Final act

[Regulation 2008/652](#)
[OJ L 181 10.07.2008, p. 0023](#) Summary

Framework Financial Regulation for the Community bodies referred to in Article 185 Regulation (EC, Euratom) No 1605/2002

PURPOSE: to amend Commission Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC,

Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

PROPOSED ACT: Commission Regulation (EC, Euratom).

CONTENT: following the amendment of Regulation (EC, Euratom) No 1605/2002 (?general Financial Regulation?) by Council Regulation (EC, Euratom) No 1995/2006, it is necessary to adapt Commission Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation

for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities in order to align it with the general Financial Regulation. Other amendments have become necessary in the light of experience gathered by the existing Community bodies.

The amendments proposed by the Commission aim to:

- make clear that sound financial management requires effective and efficient internal control. The main features and objectives of internal control systems should be defined;
- provide for a general obligation whereby the Community bodies must make available information on the beneficiaries of those funds to ensure the transparency of the use of funds deriving from their budgets;
- complete the list of assigned revenue in accordance with Article 18(1) of the general Financial Regulation;
- simplify the publication of the budget of Community bodies, while preserving the prerogatives of the budgetary authority and the Court of Auditors;
- clarify the procedure regarding transfers to be adopted by the directors of Community bodies which has been applied inconsistently;
- specify the effects of part-time work on the establishment plan to facilitate its use especially in small Community bodies;
- provide for particulars regarding conflict of interest situations to cover all persons involved in procurement and grant procedures;
- simplify the treatment of similar individual transactions relating to certain routine expenditure items with regard to ex ante verification obligations;
- expressly limit financial liability of authorising officers to cases of gross negligence and intentional misconduct;
- enable Community bodies to use a direct debit system, which may facilitate transactions in certain cases;
- refer explicitly to the functional independence of the accounting officer in the performance of his duties given that the director of the Community body, as authorising officer, is the hierarchical superior of the accounting officer;
- clarify accounting officers' responsibility for certifying the accounts on the basis of the financial information supplied to them by authorising officers. To this end, the accounting officer should be empowered to check the information received from the authorising officer by delegation and to enter reservations, if necessary;
- define a set of rules for fees and charges in order to meet the needs of certain Community bodies financed from such revenue;
- provide that the specialised Financial Irregularities Panel of the Commission should become, by default, competent for Community bodies unless the latter decide to set up a panel or to participate in a joint panel established by several Community bodies;
- specify the conditions for the use, by Community bodies, of Commission services and offices, interinstitutional European offices and the Translation Centre for bodies of the European Union and joint procurement procedures with host Member States in order to reinforce interinstitutional cooperation, cooperation between Community bodies and with host Member States;
- provide for a specific procedure for the selection of experts, similar to that laid down in the general Financial Regulation.

Framework Financial Regulation for the Community bodies referred to in Article 185 Regulation (EC, Euratom) No 1605/2002

The Committee on Budgets adopted a report drafted by Ingeborg GRÄSSLE (EPP-ED, DE), and amended, in the framework of the consultation procedure, the draft Commission regulation (EC, Euratom) amending Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

The main amendments are as follows:

-in consideration of the difference in deadlines between the European Parliament's discharge decision in respect of the general budget, which is 15 May of year n+2, and its discharge decision in respect of the agencies, which is 30 April of year n+2, all actors involved should try to avoid difficulties in practice and strive for a harmonisation of the legal bases in the future;

-'Community body' shall mean any body referred to in Article 185(1) of the general Financial Regulation. The Committee stated that the general budgetary and financial rules should apply to all bodies which generate costs charged to the budget, be it through direct grants, through the use of EU staff, through pensions of agencies' staff charged to the budget or other costs;

-the appropriations available at 31 December arising from the assigned revenue referred to in Article 19 shall be carried over automatically. The appropriations available corresponding to assigned revenue carried over must be used first;

-acceptance of donations which may involve any financial charge shall be subject to the prior authorisation of the management board, which shall take a decision within two months of the date on which the request is submitted to it. If the management board fails to take a decision within that period, the donation shall be deemed accepted;

-in order to be able to monitor any substantial changes in the shares of an agency's budget allocated for administrative and operational expenditure, the budgetary authority shall be informed of all transfers between titles exceeding a 10%- threshold;

- following a recommendation of the European Court of Auditors (Opinion 4/2007), the text now specifies the content of the summary of the budget and amending budgets and clarifies the duty of publication, so as to enable the budgetary authority to gain a genuine overview of the development of the agency's budget;

-it specifies also the information which the establishment plan is to contain, so as to enable the budgetary authority to gain a genuine overview of the development of the agency's staff budget;

-?reasons for confidentiality? are allowed, but they must not lead to evasion of

the fundamental duty of publication;

-the provisions regarding the accountability of the authorising officer are improved;

-the text now aims to help very small agencies in giving them the possibility to share an internal audit function with one or several other agencies;

-the budgetary authority should be enabled to monitor the use of external experts by the agencies;

-it aligns responsibility for approval of the final accounts with the general Financial Regulation where they are approved by "the Commission", and the Financial Regulation for executive agencies, where they are approved by "the management board";

-the management board should be aware of Parliament observations;

-two years before the expiry of a financial perspective or multi-annual financial framework, the Commission shall provide the European Parliament and the Council

with an opinion concerning the functioning and the necessity of each agency.

Framework Financial Regulation for the Community bodies referred to in Article 185 Regulation (EC, Euratom) No 1605/2002

The European Parliament adopted, by 586 votes to 15 with 14 abstentions, a legislative resolution amending the draft Commission regulation amending Regulation No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. The report was tabled for consideration in plenary by Ingeborg GRÄSSLE (EPP-ED, DE) on behalf of the Committee on Budgets.

The main amendments ? adopted in the framework of the consultation procedure - are as follows:

-in consideration of the difference in deadlines between the European Parliament's discharge decision in respect of the general budget, which is 15 May of year n+2, and its discharge decision in respect of the agencies, which is 30 April of year n+2, all actors involved should try to avoid difficulties in practice and strive for a harmonisation of the legal bases in the future;

-'Community body' shall mean any body referred to in Article 185(1) of the general Financial Regulation. The Committee stated that the general budgetary and financial rules should apply to all bodies which generate costs charged to the budget, be it through direct grants, through the use of EU staff, through pensions of agencies' staff charged to the budget or other costs;

-the appropriations available at 31 December arising from the assigned revenue referred to in Article 19 shall be carried over automatically. The appropriations available corresponding to assigned revenue carried over must be used first. By 1 June of the following year at the latest, the Community body shall inform the Commission on the implementation of the assigned revenue carried over. The Commission shall send a summary report on the usage of the assigned revenue of all Community bodies to the budgetary authority by 15 July of the following year at the latest;

- following a recommendation of the European Court of Auditors (Opinion 4/2007), the text now specifies the content of the summary of the budget and amending budgets and clarifies the duty of publication, so as to enable the budgetary authority to gain a genuine overview of the development of the agency?s budget;

-it specifies also the information which the establishment plan is to contain, so as to enable the budgetary authority to gain a genuine overview of the development of the agency?s staff budget;

-the Community body shall make available on its Internet site information on the beneficiaries of funds deriving from its budget. The published information shall be easily accessible to third parties, transparent and comprehensive (publication in full). Where the information is not published in full, data on beneficiaries shall be made available in an appropriate manner to the European Parliament's Committee on Budgetary Control. Information on funds received shall be published in anonymous form, stating the reasons for confidentiality and the unit responsible for the decision on confidentiality, in accordance with the first two sentences of this paragraph;

-the Community body shall also send to the Commission and the budgetary authority by 31 March each year at the latest: (a) its draft work programme ;(b) its updated multi-annual staff policy plan, established in line with the guidelines set by the Commission ;(c) information on the number of officials, temporary and contract staff and national experts for the year n-1 and n as well as an

estimate for the year n+1, (d) information on contributions in kind granted by the host Member State to the Community body ;

-the budgetary authority shall adopt the establishment plan of the Community body and any subsequent amendment in accordance with Article 32(1). The approved establishment plan shall be published in an annex to Section III - Commission - of the general budget of the EU together with an estimate of the number of contract staff planned and provisionally budgeted for the financial year concerned;

-the provisions regarding the accountability of the authorising officer are improved;

-the text now aims to help very small agencies in giving them the possibility to share an internal audit function with one or several other agencies;

-the budgetary authority should be enabled to monitor the use of external experts by the agencies;

-Parliament aligns responsibility for approval of the final accounts with the general Financial Regulation where they are approved by "the Commission", and the Financial Regulation for executive agencies, where they are approved by "the management board";

-the management board should be aware of Parliament observations;

-two years before the expiry of a financial perspective or multi-annual financial framework, the Commission shall provide the European Parliament and the Council

with an opinion concerning the functioning and the necessity of each agency.

Framework Financial Regulation for the Community bodies referred to in Article 185 Regulation (EC, Euratom) No 1605/2002

PURPOSE: to amend Commission Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (General Financial Regulation).

LEGISLATIVE ACT: Commission Regulation (EC, Euratom) No 652/2008 amending Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

CONTENT: following the amendment of Regulation (EC, Euratom) No 1605/2002 by Council Regulation (EC, Euratom) No 1995/2006, it is necessary to adapt Commission Regulation (EC, Euratom) No 2343/2002 in order to align it with the general Financial Regulation. Some amendments have become necessary in the light of experience gathered by the existing Community bodies.

The bodies referred to in the title are, de facto, the Community agencies. They are bodies governed by European public law, with their own legal personality. The regulations setting up the respective agencies are acts of secondary legislation which confer on the agency concerned very specific technical, scientific or management tasks within the framework of the European Union's 'first pillar'.

Article 185 of the EU Financial Regulation lays down that the Commission must adopt a framework financial regulation for these bodies, given that they are financed by means of Community funds allocated in the general budget of the European Union. Agencies' financial rules may not depart from the framework regulation except where their specific operating needs so require and with the Commission's prior consent.

This Commission Regulation aims to amend the Regulation on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

The amendments introduced aim to:

- make clear that sound financial management requires effective and efficient internal control. The main features and objectives of internal control systems should be defined;
- increase transparency vis-à-vis the budgetary authority through new information requirements incumbent on the Community bodies in the budget procedure particularly as regards estimations of the number of contract staff, surpluses, assigned revenue and waivers to recovery of established amounts receivable;
- specific requirements should be laid down as regards supporting documents in order to ensure that personal data is kept for no longer than is necessary for the purposes for which the data were collected or for which they are further processed;
- provide that each Community body should establish a list of amounts receivable, stating the names of the debtors and the amount of the debt where the debtor has been ordered to pay by a Court decision that has the force of res judicata and where no or no significant payment has been made for one year after its pronouncement. This list should be published, taking into account the legislation applicable to data protection;
- provide for a general obligation of the Community bodies to make available information on the beneficiaries of those funds in order to ensure the transparency of the use of funds deriving from their budgets;
- complete the list of assigned items of revenue;
- simplify the publication of the budget of Community bodies, while preserving the prerogatives of the budgetary authority and of the

Court of Auditors;

- clarify the procedure regarding transfers to be adopted by the directors of Community bodies;
- ensure that payment requests to the Commission are substantiated and based on rigorous cash management in order to avoid surpluses at the end of the year;
- specify the effects of part-time work on the establishment plan to facilitate its use especially in small Community bodies;
- ensure that Community bodies participate in fraud prevention activities of the European Anti-fraud Office in order to strengthen the protection of the financial interest of the Communities;
- provide for particulars regarding conflict of interest situations in order to cover all persons involved in procurement and grant procedures;
- simplify, with regard to ex ante verification obligations, treatment of similar individual transactions relating to certain routine expenditure items;
- limit financial liability of authorising officers to cases of gross negligence and intentional misconduct;
- enable Community bodies to use a direct debit system in order to facilitate transactions in certain cases;
- refer explicitly to the functional independence of the accounting officer in the performance of his duties;
- clarify the Accounting officers' responsibility for certifying the accounts and empower him to check the information received from the authorising officer by delegation and to enter reservations, if necessary;
- define a set of rules for fees and charges collected by the Community bodies in order to meet the needs of certain Community bodies financed from such revenue;
- enable Community bodies to draw on the expertise of the specialised Financial Irregularities Panel of the Commission established pursuant to Article 66(4) of the general Financial Regulation, which should become, by default, competent for Community bodies unless the latter decide to set up a panel or to participate in a joint panel established by several Community bodies;
- specify the conditions for the use, by Community bodies, of Commission services and offices, interinstitutional European offices and the Translation Centre for bodies of the European Union established by Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union and joint procurement procedures with host Member States;
- allow Community bodies to insert specific contractual clauses in their contracts and grant agreements concluded with third parties enabling them to exercise certain rights, including the suspension and termination of contracts and tender procedures and the establishment of a limitation period;
- introduce, for reasons of transparency vis-à-vis the budgetary authority, an information procedure for projects with significant impact on the administrative budget of the Community body;
- provide for a specific procedure for the selection of experts, corresponding to that laid down in the general Financial Regulation;
- enhance communication and cooperation between the director of the Community body and the management board in the framework of the discharge procedure.

ENTRY INTO FORCE: 26/08/2008.