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Basic information		
APP - Consent procedure	<a href="#">2019/0186(APP)</a>	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
	 <a href="#">Budgets</a>	 <a href="#">VAN OVERTVELDT</a> Johan	24/09/2019
		Shadow rapporteur	
		 <a href="#">DHAMIJA Dinesh</a>	
		 <a href="#">KUHS Joachim</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Environment</a>	<a href="#">3741</a>	19/12/2019
European Commission	Commission DG	Commissioner	
	<a href="#">Budget</a>	OETTINGER Günther	

Key events			
04/09/2019	Preparatory document	<a href="#">COM(2019)0461</a>	
07/10/2019	Legislative proposal published	<a href="#">12412/2019</a>	Summary
14/10/2019	Vote in committee		
15/10/2019	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A9-0018/2019</a>	Summary
21/10/2019	Committee referral announced in Parliament		
22/10/2019	Results of vote in Parliament		
22/10/2019	Decision by Parliament	<a href="#">T9-0036/2019</a>	Summary
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 EU TFEU 352-p1sub1
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/9/01215

Documentation gateway					
Preparatory document		<a href="#">COM(2019)0461</a>	04/09/2019	EC	Summary
Committee draft report		<a href="#">PE641.240</a>	30/09/2019	EP	
Legislative proposal		<a href="#">12412/2019</a>	07/10/2019	CSL	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A9-0018/2019</a>	15/10/2019	EP	Summary
Text adopted by Parliament, 1st reading/single reading		<a href="#">T9-0036/2019</a>	22/10/2019	EP	Summary

Final act	
<a href="#">Regulation 2019/2234</a> <a href="#">OJ L 336 30.12.2019, p. 0001</a>	Summary

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

**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 Unions budget, with the exception of specific cases relating to security and the loss of the United Kingdoms 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.

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

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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

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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

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**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 Unions 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.