





Procedure file

Basic information	
NLE - Non-legislative enactments Regulation	2021/0161(NLE) Awaiting final decision
Predictability for Member States and procedures for dispute resolution when making available the traditional, VAT and GNI based own resources Amending Regulation 2014/609 2011/0185(CNS)	
Subject 8.70.01 Financing of the budget, own resources	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgets	 FERNANDES José Manuel	14/07/2021 14/07/2021
Council of the European Union European Commission	Commission DG	Commissioner	
	Budget	 HAYER Valérie HAHN Johannes	
European Court of Auditors			

Key events			
25/06/2021	Legislative proposal published	COM(2021)0327	Summary
08/07/2021	Committee referral announced in Parliament		
09/12/2021	Vote in committee		
10/12/2021	Committee report tabled for plenary, 1st reading/single reading	A9-0347/2021	
14/12/2021	Results of vote in Parliament		
14/12/2021	Decision by Parliament	T9-0494/2021	Summary

Technical information	
Procedure reference	2021/0161(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Legislative instrument	Regulation
	Amending Regulation 2014/609 2011/0185(CNS)
Legal basis	Euratom Treaty A 106a-pa; Treaty on the Functioning of the EU TFEU

	322-p2
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Court of Auditors
Stage reached in procedure	Awaiting final decision
Committee dossier	BUDG/9/06422

Documentation gateway					
Legislative proposal		COM(2021)0327	25/06/2021	EC	Summary
Court of Auditors: opinion, report		52021AA0002 OJ C 402I 05.10.2021, p. 0001	22/09/2021	CofA	
Committee draft report		PE697.681	20/10/2021	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0347/2021	10/12/2021	EP	
Text adopted by Parliament, 1st reading/single reading		T9-0494/2021	14/12/2021	EP	Summary
Commission response to text adopted in plenary		SP(2022)38	18/02/2022	EC	

Predictability for Member States and procedures for dispute resolution when making available the traditional, VAT and GNI based own resources

PURPOSE: to enhance predictability for Member States and to clarify procedures for dispute resolution when making available the traditional, VAT and GNI based own resource.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: while [Council Regulation \(EU, Euratom\) No 609/2014](#) has provided a solid and stable anchor for the Union's financing mechanisms, the provisions on making own resources available need to be improved in order to increase predictability for Member States and clarify procedures for dispute resolution disputes.

In preparing this proposal, the Commission sent a detailed questionnaire to the Member States, the European Parliament and the European Court of Auditors to assess the content and practical functioning of Council Regulation (EU, Euratom) No 609/2014. The replies to this questionnaire confirmed the overall smooth functioning of the Regulation. However, Member States also made several requests for improvement.

CONTENT: the proposal aims to amend Council Regulation (EU, Euratom) No 609/2014 in order to establish the necessary provisions to determine the modalities and procedures for making own resources available. To this end, it sets out a carefully calibrated system to ensure regular and timely payments to the EU budget.

In concrete terms, the proposal:

- provides for the possibility for the Commission to set up a centralised own resources account with a view to increasing efficiency and establishing a common approach to cash management;
- gives Member States the possibility, on a case-by-case basis, to make advance payments after having informed the Commission in advance;
- modifies the annual balances adjustment and postpones the making available by Member States of the adjustments to year N+2 in order to facilitate the national budgetary procedures;
- modifies the rules on interest on late payments: Council Regulation (EU, Euratom) 2016/804 had already capped the increase in interest above the base rate to 16 percentage points. The present proposal extends the capping on the increase of interests to all cases. In addition, it also raises the threshold to waive interest from EUR 500 to EUR 1,000. In addition, a time limit of 10 years is introduced for keeping traditional own resources amounts in the B accounts;
- amends the provisions of Regulation (EU, Euratom) No 609/2014 on irrecoverable amounts so as to introduce a general time limit for amounts to be taken out of that separate account to ensure that the cases in this separate account are regularly reviewed;
- establishes additional procedural deadlines for the Commission and the Member States to ensure timely follow-up of write-off reports and to support a swift and fully transparent assessment of the Member States decision not to make the irrecoverable amount of traditional own resources available, further procedural deadlines for the Commission and Member States should be introduced;
- formally establishes a review procedure to improve transparency and clarify Member States' rights of defence in cases of disagreement

between Member States and the Commission on the making available of traditional own resources;

- introduces provisions to reflect the current practice of the payment under reservation, which opens the possibility to initiate an action for unjust enrichment against the Commission;

- includes Germany to the beneficiaries of lump-sum corrections, while the reference to the UK correction is deleted.

Budgetary implications

The proposal would not change the human and administrative resources required compared to Council Regulation (EU, Euratom) No 609/2014. However, the extension of the cap on the interest rate increase to all cases will lead to a decrease in the interest revenue collected for the EU budget. Its financial impact, based on reference amounts of the past years (as from the entry into force of Council Regulation (EU, Euratom) 2016/804) is estimated at EUR 27.5 million/year.

Predictability for Member States and procedures for dispute resolution when making available the traditional, VAT and GNI based own resources

The European Parliament adopted by 516 votes to 116, with 30 abstentions, a legislative resolution on the proposal for a Council regulation amending Regulation (EU, Euratom) No 609/2014 in order to enhance predictability for Member States and to clarify procedures for dispute resolution when making available the traditional, VAT and GNI based own resources.

The proposal aims to amend Council Regulation (EU, Euratom) No 609/2014 in order to establish the necessary provisions to determine the modalities and procedures for making own resources available. To this end, it sets out a system designed to ensure regular and timely payments to the Union's budget.

Parliament approved the Commission's proposal subject to amendments to delete the paragraphs, recitals and references which relate to the proposed changes in the Commission's text concerning the method of calculating interest on late payments and the review procedure in the event of disagreement between a Member State and the Commission as referred to in Article 13(5) or concerning other amounts of traditional own resources due to the Union budget.