










Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2022/0125(COD) Awaiting committee decision
Amendments to the Financial Regulation Amending Regulation 2018/1046 2016/0282A(COD)	
Subject 8.70 Budget of the Union 8.70.02 Financial regulations 8.70.03 Budgetary control and discharge, implementation of the budget	

Key players			
European Parliament	Joint Committee Responsible 	Rapporteur  HOHLMEIER Monika	Appointed 01/07/2022 01/07/2022
		 UŠAKOVS Nils Shadow rapporteur  CSEH Katalin  ȘTEFĂNUĂ Nicolae  FREUND Daniel  GEESE Alexandra  OMARJEE Younous	
			
Council of the European Union	Commission DG	Commissioner	
European Commission	Budget	HAHN Johannes	
European Court of Auditors			

Key events			
22/04/2022	Legislative proposal published	COM(2022)0184	Summary
02/05/2022	Committee referral announced in Parliament, 1st reading		

Technical information	
Procedure reference	2022/0125(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)

Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2018/1046 2016/0282A(COD)
Legal basis	Euratom Treaty A 106a-pa; Rules of Procedure EP 58; Treaty on the Functioning of the EU TFEU 322-p1; Rules of Procedure EP 57
Mandatory consultation of other institutions	European Court of Auditors
Stage reached in procedure	Awaiting committee decision
Committee dossier	CJ13/9/09516

Documentation gateway

Legislative proposal	COM(2022)0184	22/04/2022	EC	Summary
Committee draft report	PE734.351	01/07/2022	EP	

Amendments to the Financial Regulation

PURPOSE: to amend Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union in order to ensure an appropriate level of compensation in the event of reimbursement of a provisionally paid fine and to ensure that the Union is in a position to meet the financial obligations arising from it.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in its judgment of 20 January 2021 in Case C-301/19 P, *Commission v Printeos*, the Court held that, on the basis of the obligation to take the necessary measures to comply with judgments of the Court of Justice of the European Union reducing or annulling a competition fine provisionally paid by an undertaking under Article 266(1) TFEU, the Commission was under an obligation to pay default interest for late repayment of the fine from the date the undertaking provisionally paid the fine to the Commission until the date of repayment.

This recent case law has led to unprecedented interest claims, far exceeding the interest earned on the amounts provisionally paid, for which appropriate solution needs to be found in the Union budget.

Therefore, it is therefore urgent to propose legislative measures to ensure an appropriate level of compensation in the event of reimbursement of a provisionally paid fine and the ability of the Union budget to satisfy the resulting financial needs. This requires several targeted amendments to the Financial Regulation.

CONTENT: the proposal specifies the budgetary tools and procedures to address the consequences of judgments of the Court of Justice of the European Union which reduce or cancel fines, other periodic penalty payments or sanctions initially imposed by an EU institution.

The main elements of the proposal are as follows:

Negative revenue

By derogation from the general rule that the budget should not contain negative revenue, the proposal specifies that interest and any other charge due on such cancelled or reduced amounts of fines, other penalties or sanctions, including any negative return related to those amounts should be considered as negative revenue of the Unions budget, so as to avoid any undue effect on the expenditure side of the Union budget

Interest for late payment

To compensate for the loss of enjoyment of monies from the date the undertaking provisionally paid the fine to the Commission until the date of repayment, the amount to be repaid should be increased by an interest at the rate applied by the European Central Bank to its principal refinancing operations increased by one and a half percentage points as an adequate compensation for the undertaking in such situations, which excludes the need to apply any other interest rate on that amount.

Budgeting

To secure sufficient cash flow to compensate third parties for the loss of enjoyment of monies, it should be specified that the amounts received by way of fines, other penalties or sanctions and any accrued interest or other income generated by them may be entered in the budget by the end of the following financial year.

Restitutio in integrum

Pursuant to the general principle of restitutio in integrum applicable to the reimbursement of fines, other penalties or sanctions imposed by Union institutions and provisionally paid that are later cancelled or reduced by the Court of Justice of the European Union, it should be clarified that any negative return on the provisionally collected amount of such fines, other penalties or sanctions should not be deducted from the amount to be repaid.

