

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 58 final

Brussels, 10 February 1984

## COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Resumption of consideration of the proposal for a Council Regulation (EEC) on the measure to be taken in the event of irregularities affecting the own resources referred to in the Decision of 21 April 1970 and the organization of an information system for the Commission in this field

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1. On 19 March 1979 the Commission sent the Council a proposal for a Council Regulation (EEC) on the measures to be taken in the event of irregularities affecting the own resources referred to in the Decision of 21 April 1970 and the organization of an information system for the Commission in this field <sup>(1)</sup>. The Council consulted Parliament and the Court of Auditors. Parliament adopted its opinion, which was favourable in all respects, on 11 May 1979 <sup>(2)</sup> and the Court of Auditors adopted its opinion on 17 May 1979 <sup>(3)</sup>.

In November 1980, the Council suspended consideration of the Commission proposal since the Council wanted to apply existing provisions and those then being adopted before introducing new rules. On this occasion, the Member States declared that they were prepared to do their utmost under the rules in force or being adopted - particularly concerning mutual assistance - to step up the efforts of national administrations to combat irregularities affecting own resources and provide the Commission with adequate information. However, depending upon the results actually achieved, they undertook to resume consideration of their proposal.

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(1) OJ C 88, 4 April 1979, p. 4.  
(2) OJ C 140, 5 June 1979, p. 148.  
(3) OJ C 187, 25 July 1979, p. 9.

The Commission being aware of Parliament's expectations has continued to maintain its proposal.

2. The Commission has found from experience that the existing rules do not allow it to fulfil its obligations to ensure that operations relating to the collection of its own resources are carried out correctly.
3. The Commission would point out in the first place that the Community's financial situation makes it more important than ever that own resources should be managed as carefully as possible. The present circumstances make this a political as well as a financial necessity. At a time when the Commission is proposing to Council and Parliament an increase in its own resources, it must be able to give assurances that the burden is fairly spread and in particular show how cases of fraud or irregularity which might affect payment are being dealt with. The Commission would also point out that the existing rules prevent it from giving other than very partial answers to the many requests for information from European Parliament's Committee on Budgetary Control.
4. The implementation of Council Regulation (EEC) No 1468/81 of 14 May 1981 on mutual assistance between the administrative authorities of the Member States and collaboration between the latter and the Commission to ensure the correct application of the law on customs or agricultural matters <sup>(1)</sup> has undoubtedly provided the Commission with considerably more information. But even this information is far from exhaustive. Similarly, the half-yearly and annual reports from the Member States on the most significant problems encountered, particularly disputes, in applying Regulation (EEC, Euratom, ECSC) No 2891/77 of 19 December 1977 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources <sup>(2)</sup> provide a useful amount of

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(1) OJ L 144, 2 June 1981, p. 1.

(2) OJ L 336, 27 December 1977, p. 1.

information on the difficulties the Member States have in operation the own resources system. But again this information is too general and does not permit individual cases of fraud and irregularity to be studied.

The existing provisions are no substitute for the regular, systematic and obligatory transmission of information on frauds and irregularities which would have been set up by the regulation proposed by the Commission in March 1979.

5. The Commission would also draw the Council's attention to the latest amendments to its proposal to amend Regulation No 2891/77 <sup>(1)</sup>. In order to take account of the real problems encountered by the Member States in establishing and making available own resources, the Commission has proposed defining establishment more precisely and laying down conditions for deferring the making available of entitlements established and for definitive release from the obligation to make them available. Acceptance of these proposals will enable the Commission to deal in a more uniform manner with cases where establishment of entitlements poses problems; it does, however, also increase the need for an inspection mechanism in such cases.
6. The Commission's conclusion is that, in line with the undertaking it gave in 1980, the Council should now resume consideration of the proposal for a Regulation of 19 March 1979, which the Commission considers to be an indispensable part of the Community own resources system.
7. The Commission will send to the European Parliament which has already been consulted on its proposal, a copy of the present communication for information.

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(1) OJ C 303, 10 November 1983, p. 19.

