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EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 541/78

ADDENDUM TO THE COMMON POSITION

from the Council of the European Communities

(Doc. 468/78)

on the proposal for a Regulation amending the ~~Financial~~ Regulation of
21 December 1977 applicable to the general budget of the European
Communities

02.1

COUNCIL
OF THE
EUROPEAN COMMUNITIES

The president

Brussels, 12 December 1978

Mr Emilio COLOMBO
President of the
European Parliament
Case Postale 1601
LUXEMBOURG

Sir,

Further to my letter of 22 November 1978 and following the discussions of the Parliament's Committee on Budgets, I am pleased to inform you that the Council has continued its deliberations on the Commission proposal for amendment of the Financial Regulation of 21 December 1977.

As the Council has now formulated a common position on the provisions of the Financial Regulation which deal with the carry-over of appropriations, I am sending you, in the Annex to this letter, a revised draft Regulation incorporating this new point and an amendment to Article 89 which is also along the lines advocated by the European Parliament. The Council feels that this amendment to Article 89 makes it necessary to delete the footnote which at present appears in the Annex to Chapter 33 (page III/II/1 of Volume 4 - Section III - Commission) of the draft budget for 1979.

Please accept, Sir, the assurance of my highest consideration.

(sgd.) M. LAHNSTEIN

COUNCIL REGULATION (EURATOM, ECSC, EEC) No 178

OF

amending the Financial Regulation
of 21 December 1977
applicable to the general budget of the European Communities

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 78h thereof,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 209 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 133 thereof,

.../...

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the Opinion of the European Parliament ⁽²⁾,

Having regard to the Opinion of the Court of Auditors,

Whereas the purpose of the Commission proposal is to amend several provisions of the Financial Regulation and the amendments involved require more detailed examination except as regards the amendments to Article 6(3) concerning the carry-over of appropriations and the amendments to the provisions of Title VII which are aimed at introducing a simplified version of the research and investment appropriations in Chapter 33 of the section of the budget relating to the Commission;

Whereas these amendments should be adopted as swiftly as possible,

HAS ADOPTED THIS REGULATION:

Article 1

The Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities ⁽³⁾ is hereby amended as follows:

⁽¹⁾ OJ No C 160, 6. 7.1978, p. 11
⁽²⁾ OJ No C 261, 6.11.1978, p. 15
⁽³⁾ OJ No L 356, 31.12.1977, p. 1

1. Article 6, paragraph 3, shall be replaced by the following:

"3. In the case of the appropriations referred to in paragraph 1(b), the Commission shall submit to the Council and shall forward to the European Parliament, by 25 April at the latest, the requests to carry over appropriations, duly substantiated, made by the European Parliament, the Council, the Court of Justice, the Court of Auditors and the Commission itself.

Upon receipt of the request to carry over appropriations the Council shall consult the European Parliament which shall deliver its Opinion in good time, i.e. normally not more than four weeks as from the date on which the Council's request for an Opinion is received.

Unless the Council, acting by a qualified majority, decides otherwise within six weeks from receipt of the request to carry over appropriations, the carry-over of appropriations shall be deemed to have been approved."

2. In Article 89, the second and third paragraphs shall be replaced by the following:

"Appropriate remarks on each subdivision shall include, in particular:

- (a) a summary description of the action involved;

(b) in respect of budget implementation:

- the number of staff authorized for the current financial year;
- a simplified presentation of the timetable of commitments and payments referred to in the third paragraph.

The following shall be annexed to Section III - Commission - of the Budget:

- a comparative table giving a breakdown by purpose and type of expenditure of the appropriations made available in Chapter 33, in accordance with the classification provided for the first subparagraph of Article 90(3);
- a provisional timetable of commitments and payments, drawn up for each Article and Item and showing for each tranche the chronological breakdown for the utilization of the corresponding commitment and payment appropriations. The timetable shall be reviewed annually;
- the decision, taken pursuant to Article 94(2), authorizing the Commission to make certain transfers."

3. In Article 90, the second subparagraph of paragraph 2 shall be replaced by the following paragraph:

"3. For the research and investment objectives or other activities of Part I, the appropriation accounts of Part II and the accounts showing staff expenditure of Part III, the expenditure shall be broken down by type into sub-items as follows:

<u>Sub-item</u>	<u>Heading</u>
1	Staff expenditure
2	Administrative operating expenditure
3	Technical operating expenditure
4	Expenditure on investment
5	Expenditure under contracts
9	Provisional appropriations.

For management purposes, the sub-items may be subdivided into categories and headings which, as regards similar expenditure, correspond to the Chapters and Items of the budgetary nomenclature decided in accordance with Article 15(3)."

Paragraphs 3, 4, 5 and 6 of Article 90 shall be deleted.

4. Article 91 shall be replaced by the following:

"Article 91

1. An appropriation account shall be provided for each instrument of implementation referred to in Article 90(2)(b).

Each appropriation account shall show the appropriations made available in the different Articles and Items in Part I specifically for the use of the corresponding instrument of implementation. Within the appropriation accounts and the accounts referred to in Article 90(2)(c) the appropriations shall be classified according to their type.

2. The charges to the accounts showing staff expenditure referred to in Article 90(2)(c) shall not exceed the amounts earmarked for this purpose in Part I of the financial plan.

The charges to the appropriation accounts shall not exceed the amount of the appropriations entered in the Articles and Items in Part I of the financial plans referred to in Article 90(2)(a). However, in the case of transfers or of additional amounts made available as a result of supplementary receipts from outside bodies and individuals, expenditure may be increased accordingly:

- for commitments, up to the amount of the repayments provided for in the contracts concluded with requesting outside bodies and individuals,
- for payments, up to the amount of the entitlements for such repayments.

3. The charges to the staff expenditure accounts shall be allocated monthly to Parts I and II of each financial plan.

The charges to the appropriation accounts shall be allocated monthly to the research and investment objectives and other activities in Part I of the financial plan according to the relevant share of the work done by the instruments.

Such bookings shall be transmitted to the financial controller for approval, and then to the accounting officer.

The charges booked to research and investment objectives and other activities in Part I of the financial plan shall be allocated monthly in the budget to the Articles and Items in the special chapter provided for in Article 87, by the issue of proposals for commitment and of payment orders, which shall be transmitted to the financial controller for approval, and then to the accounting officer.

4. A document shall be attached to the revenue and expenditure account showing the results of operations charged to each appropriation account and of those charged to the staff expenditure account.

This document shall show the statement of the balances of the appropriation accounts."

5. In Article 94, paragraph 3 shall be deleted and paragraphs 4, 5 and 6 shall become paragraphs 3, 4 and 5 respectively.
6. The Annex entitled "Budgetary nomenclature provided for in Article 89 of the Financial Regulation" shall be deleted.

Article 2

This Regulation shall enter into force on 1 January 1979.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg,
For the Council
The President
