

EXECUTION OF THE BUDGET



1. THE TREASURY SYSTEM

1. THE TREASURY SYSTEM

Overview

1.1. The accounts with MS Treasuries / Central banks

- the Art. 9 account
- accounts held at the Central Bank

1.2. Accounts with commercial banks

- their function
- transactions
- calls for tenders

1.1. MS TREASURIES AND CENTRAL BANKS

The Art.9 account

- Function of the account
- Opened in national currency, in the name of the EC
- State treasury or Central Bank?
- Transactions on the account
 - credits for own resources
 - debits for payments
 - debits/credits for transfers to/from other EC accounts
- Reporting (account statements)

1.1. MS TREASURIES AND CENTRAL BANKS

Accounts held at the Central Bank

- Art.9 account?
- The Euro account
 - purpose
 - transactions
 - currency conversions
- Conditions (interest and charges)
- Operated via SWIFT

1.1. MS TREASURIES AND CENTRAL BANKS

2005 Figures

- 1.5 million payments in total
- of which < 1% from MS treasuries and Central Banks accounts
- representing 75% of total amounts paid

1.2. COMMERCIAL BANKS

Function

- Payments
- Receipts
- Special purposes
- In principle one in each MS
(exceptions and NC accounts)

1.2. COMMERCIAL BANKS

Transactions

- Payments (mainly high volume/low value)
- 1.4 million payments executed in 2005 from commercial bank accounts
- Receipts on one single account held at present with Commerzbank Brussels
- Currency conversions in limited number of cases

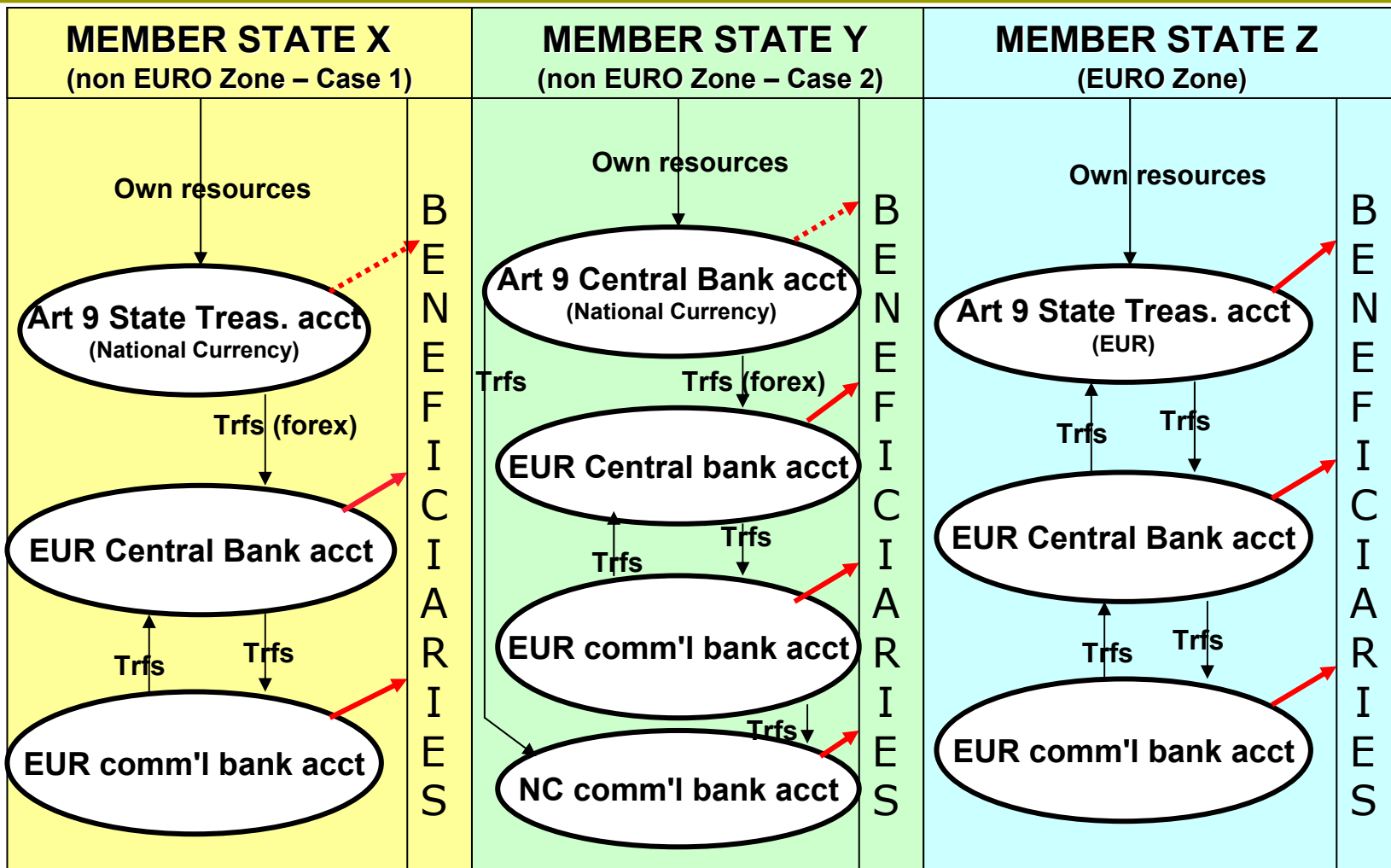
1.2. COMMERCIAL BANKS

Calls for tenders

- Whenever a commercial bank has to be selected
- Published in Official Journal
- Contracts are renewable on yearly basis. Max. period 4 years

TREASURY STRUCTURE

(W/O Cross-country transactions)



→ = Payments

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2. PAYMENTS

2. PAYMENTS

2.1. SWIFT network

- EC is a member of SWIFT
- Payments workflow
- The payment run

2.2. Third party file

- Bank accounts file
- Legal entities file
- The Early Warning System (EWS)

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Contacts, further information, etc...

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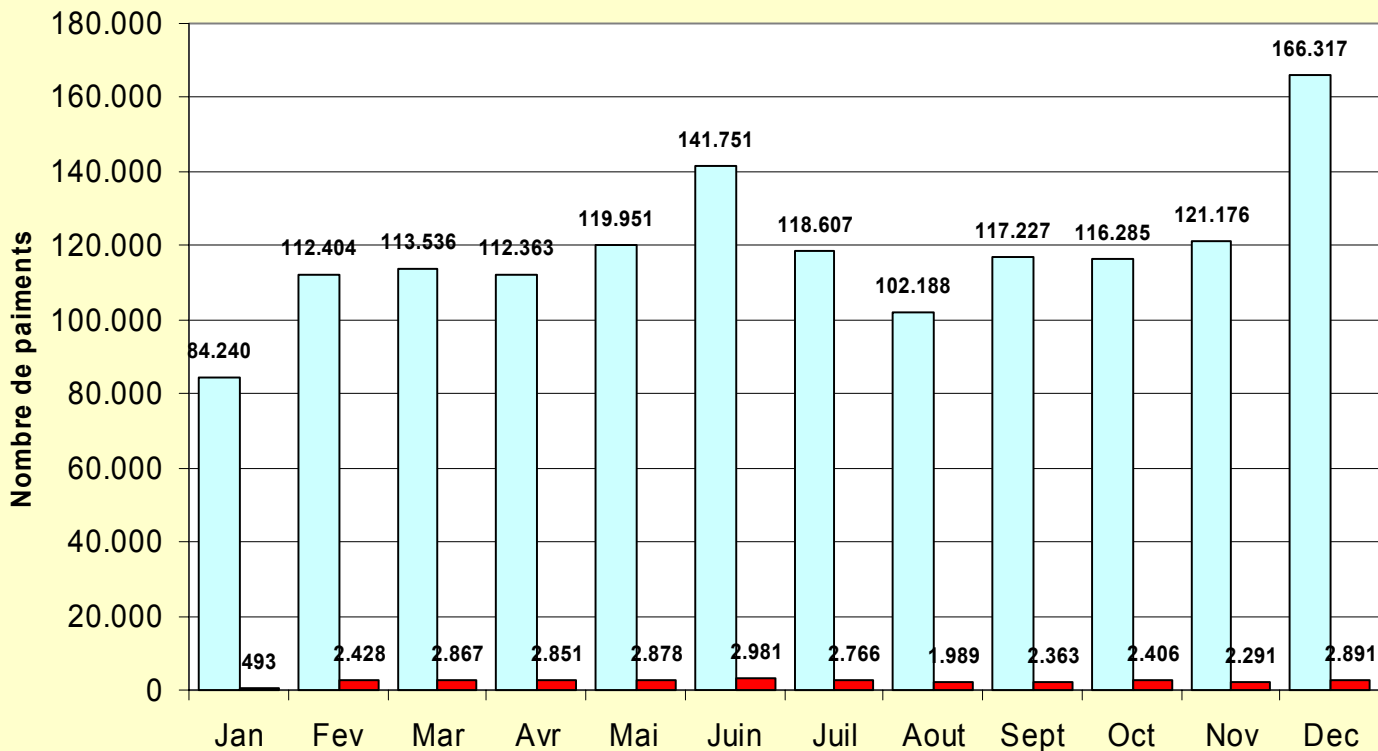
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Backup slides

Payments statistics

COMPARAISON DU NOMBRE DE PAIEMENTS
PAR TYPE DE HOUSE BANK 2005

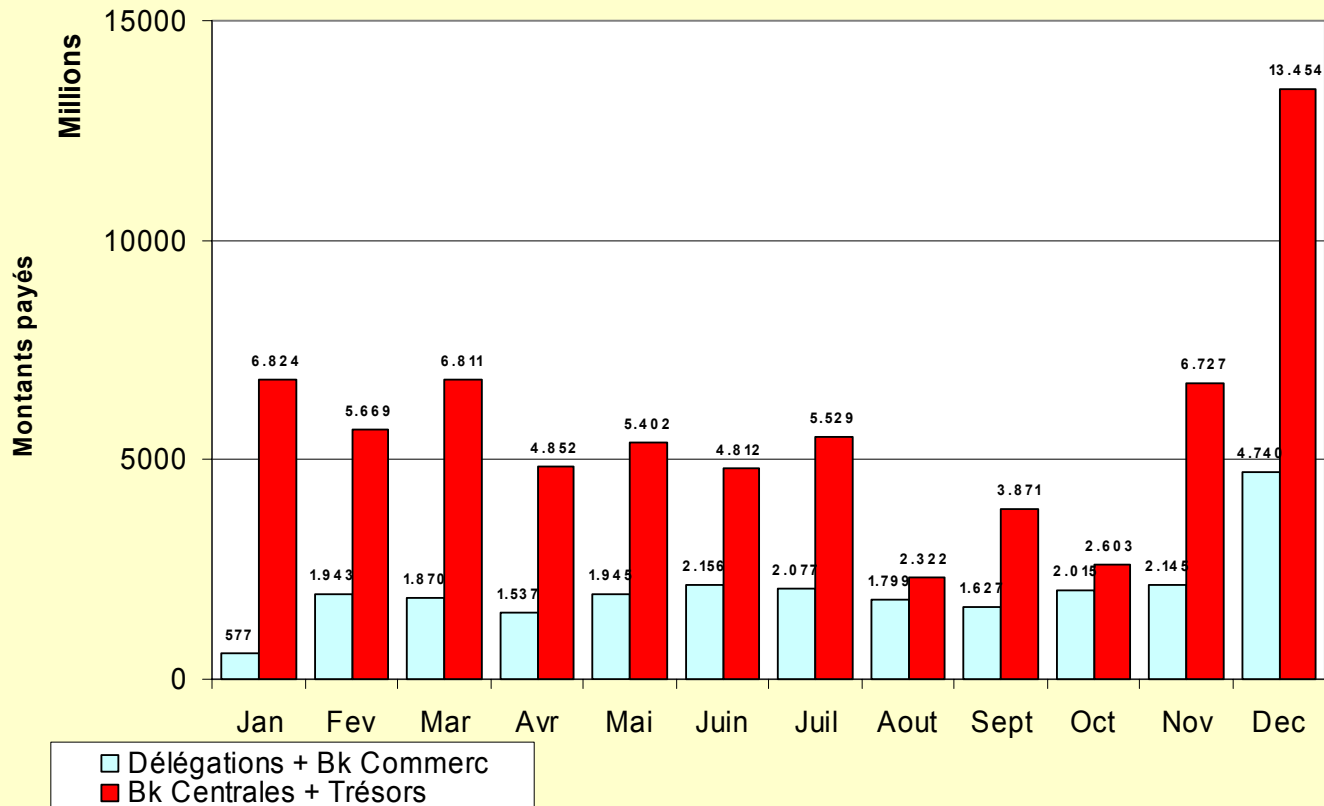


Janvier	84.733
Février	114.832
Mars	116.403
Avril	115.214
Mai	122.829
Juin	144.732
Juillet	121.373
Août	104.177
Septembre	119.590
Octobre	118.691
Novembre	123.467
Décembre	169.208
Total	1.455.249

■ Délégations + Bk Commerc
■ Bk Contrôles + Trésors

Payments statistics

COMPARAISON DES MONTANTS PAYES
PAR TYPE DE HOUSE BANK 2005



Janvier	7.401.197.598
Février	7.612.691.556
Mars	8.681.312.790
Avril	6.389.478.905
Mai	7.346.975.474
Juin	6.967.998.394
Juillet	7.606.568.879
Août	4.120.979.147
Septembre	5.497.805.366
Octobre	4.617.761.229
Novembre	8.871.696.568
Décembre	18.194.110.373
	93.308.576.279

Cash flow 2005

COMMISSION CASH FLOW - YEAR 2005

(in EUR Mill)

		TOTALS RESULTS	BUDGET 2005 and OTHER PAYMENT APPROPRIATIONS
	INITIAL AMOUNTS		
	Initial Treasury balance	5.322	0
	Other payment appropriations (carry-overs etc)	0	3.253
3	Surplus available from the preceding financial year	526	3.263
	TOTAL INITIAL AMOUNTS	5.848	6.516
	REVENUE		
1	Traditional own resources	14.063	13.944
1	Own resources accruing from VAT	15.619	15.556
1	Own resources based on GNI	68.551	68.438
1	Own resources GNI-Reserve for loans and loan guarantees	140	223
1	Own resources GNI-Emergency Aid reserve	0	223
3	Balances and adjustment of balances VAT and GNI	2.437	2.451
4 à 9	Other revenue	2.765	1.586
	TOTAL REVENUE	103.575	102.421
	PAYMENTS		
1	Agriculture	-48.466	-48.908
2	Structural operations	-32.763	-32.838
3	Internal policies	-7.972	-9.754
4	External actions	-5.013	-5.435
5	Administration (Commission)	-3.952	-4.448
5	Administration - other institutions	-1.735	-2.356
6	Guarantee reserve	-140	-223
6	Emergency aid reserve	0	-123
7	Pre-accession aid	-2.985	-3.547
8	Compensations	-1.305	-1.305
	Other payments and regularisations	-103	0
	TOTAL PAYMENTS	-104.434	-108.937
	FINAL TREASURY BALANCE	4.989	0

The table shows the revenue and payments registered on Commission bank accounts at 31 December 2005 (treasury accounts, central bank accounts, commercial bank accounts). Results may deviate from the figures in the books because of operations outside the budget (advances, other accounts payables/receivables...).

The "Budget" column is mentioned for comparison purposes to the results table and relates to the general budget of the European Union, adopted by the President of the European Parliament including the amending budgets No 1, 2, 3, 4, 5, 6, 7 and 8, and also including the other types of available payment appropriations.