

THE EU FINANCING RULES (OWN RESOURCES)

1. OVERVIEW OF THE LEGAL FRAMEWORK
 - a. The Treaty
 - b. The own resources (O.R.) decision
 - c. The Financial Regulation
 - d. Implementation of the O.R. decision

1. LEGAL FRAMEWORK

a) CONSOLIDATED TREATY ESTABLISHING THE EUROPEAN COMMUNITY

Art. 268: THE REVENUE AND EXPENDITURE SHOWN IN THE BUDGET SHALL BE IN BALANCE

Art. 269: PROCEDURE FOR RATIFICATION OF OWN RESOURCES DECISION

- ↓ Commission proposal
- ↓ Consultation of European Parliament
- ↓ Council decision by unanimity
- ↓ Ratification by all Member States in accordance with their respective constitutional requirements

Art. 272 §2: THE PDB SHALL CONTAIN AN ESTIMATE OF REVENUE

1. LEGAL FRAMEWORK

b) COUNCIL DECISION 2000/597/EC (O.R. Decision)

Art. 1: BUDGET FINANCED WHOLLY FROM O.R.

Art. 2: §1: CATEGORIES OF O. R.

§3: 25% COLLECTION FEE FOR TOR'S

§4: CALCULATION OF UNIFORM RATE For VAT

§7: GNP =GNI in ESA 95

Art. 3: §1: ESTABLISHMENT OF O. R. CEILING
(1.24% OF GNI) for payment appropriations

§2: ESTABLISHMENT OF O. R. CEILING
(1.31% OF GNI) for commitment approp.

COM(2001) 801 final

Art. 4/5: CALCULATION AND FINANCING OF THE UK REBATE

Art. 6: REVENUE NEEDED TO COVER THE RESERVES
WILL NOT BE CALLED UNTIL THE RESERVES
ARE IMPLEMENTED

Art. 7: ANY SURPLUS OF REVENUE OVER TOTAL
ACTUAL EXPENDITURE



CARRIED OVER TO NEXT YEAR

Art. 8:

- TOR'S SHALL BE COLLECTED BY MEMBER STATES
- MADE AVAILABLE TO THE COMMISSION
- INSPECTION

LEGAL FRAMEWORK

c) FINANCIAL REGULATION (1605/2002)

Art. 36§2: Final adoption of the budget imposes an obligation on each Member State to make over to the Community the payments due under this budget

Art. 40:

- General statement of revenue must be drawn up

LEGAL FRAMEWORK

d) IMPLEMENTATION OF THE OR Decision

1 REGULATION 1150/2000

(last amended by Regulation 2028/2004)

-Establishing, collecting, making available and controlling of traditional own resources

-Making available of VAT- and GNI-based resources

-Interest on late payments

LEGAL FRAMEWORK

d) IMPLEMENTATION OF THE O.R. DECISION



REGULATION 1553/89

(last amended by Regulation 807/2003)

-Lays down detailed provisions for the calculation of the VAT base

-Detailed statement concerning the VAT base to be provided before 31 July N+1

-Control procedures

LEGAL FRAMEWORK

d) IMPLEMENTATION OF THE O.R. DECISION

3 REGULATION 1287/2003 (GNI)

- Establishes criteria for harmonised compilation of GNI at market prices**
- Before 22 September provide figures for aggregate GNI for N-1**
- Reporting requirements and control**

LEGAL FRAMEWORK

d) IMPLEMENTATION OF THE O.R. DECISION



REGULATION 2223/96

(last amended by Regulation 1267/2003)

-GNI aggregate forms part of the definitions laid down in the European system of Integrated Economic Accounts (last version = ESA 95)