

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 10 March 1977

AMENDED PROPOSAL

in accordance with Articles 149/EEC and 119/EAEK,
for a Council Regulation (ECSC, EEC, Euratom)
amending the Financial Regulation of 25 April 1973
applicable to the general budget of the European
Communities

(Submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. At its sitting of 14 December 1976, the European Parliament adopted a resolution embodying its opinion on the proposal from the Commission to the Council for a Regulation amending the Financial Regulation of 25 April 1973. In this opinion Parliament suggests certain amendments to the proposal from the Commission.
2. The Commission feels that most of the amendments proposed by Parliament do not warrant any objection on its part, and that they may be incorporated as they stand. These amendments concern:
 - (i) the recitals,
 - (ii) Articles 1(2), 3, 4, 5, 6(1), (2) and (5), 7, 8, 12, 13, 17, 23, 24, 27, 31, 42, 73, 75, 81, 85, 90, 91, 92, 93, 94, 95, 98(2), 107, 113 and 119 of the Financial Regulation of 25 April 1973,
 - (iii) the new Article providing for the re-examination of the Financial Regulation every three years.

These amendments would improve the initial draft without impairing its structure.

3. On the other hand, the Commission feels that it has to express certain reservations, or give preference to the initial text of its draft regulation, as regards some Articles:
 - (a) Amendment to Article 6(2) and deletion of Article 27.

As regards resources, the Commission's proposal, based on the "cash budget" concept, provided that "the revenue of a financial year shall be entered in the accounts for that financial year on the basis of the amounts collected during the financial year" and that the own resources paid (by the Member States) shall be credited to the current financial year regardless of the date of establishment.

The European Parliament endorses the Audit Board's suggestion that the "financial year theory" be applied. The wording adopted by Parliament therefore states that "the revenue of a financial year shall be entered in the accounts for that financial year on the basis of entitlements recorded up to and including 31 December".

The Commission basically shares the European Parliament's viewpoint, but has to weigh up the financial management implications. It is therefore examining these in conjunction with the financial and technical authorities in the Member States in order to find a solution which is satisfactory from the financial management angle.

(b) Amendment to Articles 1(3), 6(3), and 16(2).

Article 1(3) concerns the introduction of a distinction in the budget between appropriations for commitment and appropriations for payment, Article 6(3) with the utilization and maintenance of appropriations and Article 16(2)(b) with the budgetary presentation of appropriations.

The Commission accepts Parliament's proposal to replace the expression "appropriations for commitment" by "commitment authorizations". The new term describes the actual nature of the operation (basically an authorization, through the budget, to contract an obligation to be charged to Community funds) better than the word "appropriation" the meaning of which is much less precise and the use of which is a potential source of ambiguity, particularly when translated into other Community languages. With the expression "commitment authorization" replacing "appropriation for commitment", it would seem preferable to retain the wording initially adopted by the Commission for these three Articles.

There is no basic contradiction between the respective texts proposed by Parliament and the Commission. However, the advantage of keeping the Commission's text is that it will permit a more logical sequence for the three Articles in question as well as greater consistency and clarity. Furthermore, by keeping to the original wording of Article 6(3), the Commission will ensure that the unused appropriations for payment are still treated "globally", one of the fundamental aspects of the new system proposed, which implies greater rigidity as regards commitments but calls for more flexibility as regards payments, the inevitable outcome of commitments.

(c) Amendment to Article 21: Transfer of appropriations.

Paragraph 2, which Parliament proposes to delete, makes provision for the adjustment of appropriations for payment, and should be retained in order to provide greater flexibility in the utilization of appropriations for payment. Retention of paragraph 2 means that paragraphs 3 and 4 should also be retained, to ensure that the transfer provisions are worded as clearly and consistently as possible.

(d) Article 85a: staff of the Court of Auditors.

The European Parliament suggests that the proposal for an amendment incorporate the present Article 85 as Article 85a. This Article stipulates that the members of the Audit Board shall act collectively and that they may seek assistance from staff within the limits laid down and made known to the authorities in whose organization they are to carry out their work.

The provisions regarding staff seem to be in keeping with the prerogatives of the Court of Auditors and have been included in the amended text, but the principle of collegial action has been omitted, as it was affirmed by the Treaty of 22 July 1975 for only one act, adoption of the annual report. This reflected the wish to leave the matter open so that the Court itself could decide on its modus operandi. To make provision here and now in the Financial Regulation for collective action by the Court of Auditors would be to anticipate the decisions to be taken in its rules of procedure. It was therefore impossible to include the first two paragraphs of the existing Article 85 in the Commission's amended proposal.

(e) New Article 92a: Making available to the European Parliament by all institutions and all staff of the European Communities of any documents and information which Parliament calls for in the context of its exercise of control of the general budget of the European Communities.

This additional Article has clearly been proposed by Parliament as a result of the discussions on the "malt" issue and the draft motion of censure. The Commission's viewpoint was given during these discussions. It seems unacceptable to create an obligation to provide "any documents" without first defining the scope of the word "document", making requisite provision for secrecy in the areas where this is required: banking, competition, Euratom, etc., and consolidating the rules guaranteeing the complete independence of the financial controllers of the respective institutions. It would therefore seem clear that the wording of the new Article 92a may go no further than to require the provision of "any information" which the European Parliament calls for.

- (f) Amendment to Article 98(5): Non-deduction of Community tax from the staff expenditure account (research appropriations).

Parliament's proposal to delete from the first subparagraph of paragraph 5 the phrase "after deduction of the Community tax" would mean that the tax deducted from the pay of research staff, which is now regarded as a resource for the staff appropriation account (the "staff expenditure account" in the proposal), would in future be credited to the statement of revenue in the budget. Furthermore, assignment to the appropriation accounts and research objectives of expenditure provisionally charged to the staff expenditure account would entail additional charges relating to this tax, ultimately creating additional requirements as regards the programme allocations which are now calculated net of tax.

It would therefore seem preferable to keep the present system without precluding, at a later date, where appropriate, the possibility of the European Parliament's proposed amendment being incorporated in the forthcoming revision of the provisions concerning research and investment appropriations.

The amended draft regulation is accompanied by two working papers designed to make the text easier to understand:

- (i) a table listing the proposed amendments,
 - (ii) parallel texts comprising the Financial Regulation of 25 April 1973, the Commission's initial draft and the final draft amended in accordance with Articles 149/EEC and 119/EAEC.
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AMENDED PROPOSAL

in accordance with Articles 149/EEC and 119/EAGC,
for a Council Regulation (ECSC, EEC, Euratom) amending
the Financial Regulation of 25 April 1973 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 78f 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 183 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas the Treaty of 22 July 1975 amended certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a Single Council and a Single Commission of the European Communities; and whereas, in the light of these amendments changes need to be made to the provisions of the Financial Regulation relating to the adoption of the budget and the measures to be taken if, at the beginning of a budget year, the budget has not yet been adopted;

Whereas account should also be taken of the changed distribution of the powers of the two institutions which hold the budgetary authority by amending the provisions concerning transfers to reflect the fact that both these institutions, i.e. the Council and the European Parliament, are involved and that the Council takes the final decision on transfers relating to expenditure resulting necessarily from the Treaties and acts adopted in accordance therewith, and the European Parliament the final decision on transfers of all other expenditure;

Whereas the Treaty of 22 July 1975 established a Court of Auditors which replaces the Audit Board and the ECSC Auditor; whereas, moreover, the Court of Auditors should have the same status as an institution in matters concerning the establishment and implementation of its budget; whereas, however, the Financial Regulation should define more clearly the jurisdiction and powers of the Court and the manner in which it should exercise those powers once it becomes operational; and whereas it is therefore appropriate to stress the need to review that part of the Financial Regulation which relates to the Court of Auditors;

Whereas there should be conferred upon all the Institutions the right to apply the practices current in some of the Institutions in respect of the implementation of their budgets, and whereas in particular all the Institutions should be empowered to effect themselves any necessary transfers within their own budget section;

whereas in respect of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund the Commission should - because of the requirement that the accounts be closed on 31 March - be empowered to carry out between 1 January and 31 March of the subsequent financial year any transfers between chapters that may be required; whereas pursuant to the provisions of Regulation (EEC) No 2681/74, it is essential that the Commission should be empowered to make transfers as necessary between chapters of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and the Food Aid chapter;

Whereas the definition of the unit of account and the methods applicable to making conversions between the unit of account and the currencies of the Member States, embodied in the text of Article 10 of the Financial Regulation of 25 April 1973 are no longer appropriate to the current international monetary situation, and whereas in its report of 4 March 1975 the Monetary Committee took the view that a unit of account based on a basket of Community currencies would be best suited to the requirements of the Community in general;

Whereas the Council has already adopted such a unit of account to express the amounts of aid mentioned in Article 42 of the ACP-EEC Lomé Convention in Decision No 75/250/EEC¹; whereas the Commission of the European Communities has adopted the same unit of account for the implementation of the ECSC Treaty in Decision No 3289/75/ECSC; and whereas the same definition should be adopted for the purposes of implementing the EEC and EAEC Treaties;

Whereas it is necessary to harmonize the various budgetary procedures currently used for the Social Fund, the Regional Fund and the European Agricultural Guidance and Guarantee Fund, Guidance Section; whereas it is essential that these procedures be brought in line with the general system; whereas, notwithstanding this, transitional provisions must be introduced to enable the arrangements used for these Funds to be gradually adapted to the general system;

Whereas a distinction should be made between commitment authorizations and appropriations for payment in the case of projects lasting several years and the projects to which such a distinction applies should be determined under the budgetary procedure;

Whereas, in the case of research and investment appropriations, account should be taken of the need for budgetary clarity and whereas an initial breakdown of research appropriations by article and item should be given in a special chapter of the section of the budget relating to the Commission; whereas, moreover, in the light of the experience acquired in the preparation and management of the function-orientated budget applicable to these research and investment appropriations, the system used for their functional presentation needs to be rationalized and simplified;

Whereas the Official Publications Office carries out work for all the Institutions, thus constituting a joint service, and it is consequently necessary to improve the presentation and implementation of the budget for this Office; whereas the appropriations for the Official Publications Office should consequently be entered in an Annex to the "Commission" section in which all these appropriations will be entered under a specific budget heading and - in order to avoid unnecessary inflation of the budget - the Institutions should no longer be required to make payments to the Office;

Whereas, to take account of developments in Community activities, the budgetary nomenclature may be changed each year under the budgetary procedure;

¹OJ No L 104 of 24.4.1975, p. 35.

Whereas the definitive application of the own resources system from 1 January 1978 necessitates the modification of certain financial provisions and the introduction of new provisions in order to ensure the Communities' financial autonomy by the assignment of the total sum of own resources;

Whereas, once this financial autonomy is achieved, the effecting of expenditure will no longer require the carrying-over of appropriations which had not been committed by the end of the financial year; whereas the provision for such carry-overs should therefore be abolished;

Whereas the Community must nevertheless be able to meet the commitments into which it has entered; whereas it is consequently necessary for the appropriations corresponding to these commitments and not spent during the financial year to be maintained in full to cover these obligations;

Whereas borrowing has been recognized as a means of financing Community activities and the provisions of the Financial Regulation call for modification to take account of this possibility;

Whereas account must be taken of the trends in prices since the Financial Regulation of 25 April 1973 was drawn up and to modify the amounts referred to in Articles 62, 64, 65 and 103 accordingly;

HAS ADOPTED THIS REGULATION:

Article 1

The Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities (73/91/ECSC, EEC, Euratom) shall be amended as follows:

1. The following Articles shall be worded as follows:

Article 1

1. The Budget of the European Communities (hereinafter called 'Budget') is the instrument which sets out forecasts of, and authorizes in advance, the expected revenue and expenditure of the Communities for each budget year. For the purposes of this Financial Regulation, the revenue and expenditure of the Communities shall comprise:

- the administrative expenditure of the European Coal and Steel Community and the corresponding revenue;
- the revenue and expenditure of the European Economic Community;
- the revenue and expenditure of the European Atomic Energy Community;

The abovementioned expenditure shall comprise that arising from the activities of the institutions.

The Budget also sets out forecasts of, and authorises, borrowing and lending operations.

2. The appropriations shown in the budget shall be authorized for one financial year.

No expenditure may be incurred or authorized in excess of the authorized appropriations.

3. The appropriations intended to finance multianual operations may include commitment authorizations and appropriations for payment.

The commitment authorizations enable the legal obligations which have to be contracted to cover the total cost of operations which are to be implemented over several financial years to be entered into. They represent the upper limit of that expenditure the commitment of which has been authorized in order to enable the operations in question to be implemented.

The expression "commitment authorizations" is used in this Regulation for the purpose of applying the financial provisions of the treaties, and in particular articles 203 EEC, 177 EAEC and 78 ECSC in addition to the present regulation, with the same meaning as the expression "commitment appropriations" used in the EAEC Treaty and, by way of derogation, for research and investment appropriations, in Title VII of this Regulation.

The appropriations for payment enable expenditure which has been committed during the current or preceding financial years to be paid. They represent the upper limit of expenditure involved in the payment of the commitments in question.

Save as otherwise provided in the provisions relating to research and investment appropriations, the operations in respect of which a distinction is made between commitment authorizations and appropriations for payment shall be decided during the budgetary procedure.

4. Without prejudice to the provisions of the preceding paragraph, expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the Budget.

Operating expenditure arising from contracts which have been concluded in accordance with local usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the Budget for the financial year in which it is incurred.

Article 3

1. All estimated revenue and all estimated expenditure shall be entered in full in the budget.

2. All revenue and all expenditure shall be entered in full in the accounts.

Article 4

The total revenue shall be used to finance the total expenditure, subject to the provisions of the second paragraph of Article 93.

In the case of budget headings under which appropriations for payment and commitment authorizations have been entered, it is the amount entered as appropriations for payment which is to be used for the purposes of the preceding subparagraph.

Article 5

Notwithstanding the provisions of Article 4, the revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

The Commission may accept any donation made to the Communities, and in particular foundations, subsidies, gifts and bequests.

The Commission may accept donations which may involve some financial charge only subject to prior authorization from the European Parliament and the Council, which shall act on the matter within two months from the date of receipt of the request from the Commission. If no objection has been made within this period, the Commission shall take a final decision in respect of acceptance.

Article 6

1. The financial year shall run from 1 January to 31 December.

2. The revenue of a financial year shall be entered in the accounts for that financial year on the basis of the entitlements established up to and including 31 December.

3. The following rules shall govern the utilization of appropriations:

(a) Under the budget headings where there is a distinction between commitment authorizations and appropriations for payment:

- the commitments shall be entered in the accounts on the basis of the commitments contracted up to 31 December. The portion of the commitment authorization which is not utilized by 31 December shall lapse, unless the Budgetary Authority decides otherwise during the budgetary procedure;
- the payments for a financial year shall be entered in the accounts for that year on the basis of the expenditure in respect of which the authorization reached the Financial Controller not later than 31 December, and for which payment was effected by the accounting officer not later than the following 15 January. The portion of the appropriations for payment which has not been utilized by 31 December, but which corresponds to commitments incurred shall not lapse but shall be used in the subsequent financial year(s) towards the total amount of the commitments contracted but not paid in the preceding financial year(s).

- The portion of the appropriations for payment which, at 31 December, exceeds the total amount of commitments entered into in the preceding financial year(s) shall lapse.
- (b) Under the budget headings where there is no distinction between commitment authorizations and appropriations for payment (non-differentiated appropriations):
 - the commitments shall be entered in the accounts on the basis of the commitments contracted up to 31 December. The portion of the appropriations which has not been committed by 31 December shall lapse;
 - the payments for a financial year shall be entered in the accounts for that year on the basis of the expenditure in respect of which the authorization reached the Financial Controller not later than 31 December, and for which payment was effected by the accounting officer not later than the following 15 January. The portion of the appropriations which was committed but not paid by 31 December shall not lapse but shall be used in the subsequent financial year(s) towards the total amount of the commitments contracted but not paid in the preceding financial year(s).

4. However, the appropriations for the Guidance Section of the European Agricultural Guidance and Guarantee Fund may be used by way of exception to finance projects for which they were not initially committed in accordance with Regulation 3171/75 of 3 December 1975.

5. The budgetary authority is to be informed, in the context of the quarterly report provided for at Article 31 of this Financial Regulation, of the utilization of the appropriations referred to at paragraphs 3 and 4 above.

Article 7

The appropriations entered in the budget may be committed with effect from 1 January, once the budget has been finally adopted.

This provision shall not apply to current administrative expenditure which, as from 15 November of each financial year, may be charged as an expected commitment against the appropriations provided for in respect of the next financial year. Such commitments shall not, however, exceed one quarter of the total corresponding appropriations for the current financial year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the budget of the current financial year.

The advances intended within the meaning of Articles 107 and 114 to finance the expenditure of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and expenditure on food aid may be paid from 10 December onwards.

¹or L 315 of 5.12.1975.

Article 8

If the Budget is not finally adopted at the beginning of the financial year, Article 78b of the Treaty establishing the European Coal and Steel Community, Article 204 of the Treaty establishing the European Economic Community and Article 178 of the Treaty establishing the European Atomic Energy Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last budget duly adopted.

Payments may be made monthly in respect of any chapter up to one twelfth of the appropriations in respect of the relevant chapter for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Commission monthly appropriations in excess of one twelfth of the sum provided for in the draft budget or, in the absence thereof, in the preliminary draft budget. Commitments may be entered into up to one quarter of the total appropriations in respect of the relevant chapter for the preceding financial year increased by one twelfth for each completed month; these commitments may not, however, exceed the limit of the appropriations provided for in the draft budget or, in the absence thereof, in the preliminary draft budget.

At the request of the Commission, and without prejudice to the provisions of the second paragraph, the Council may, acting by a qualified majority, and as dictated by administrative requirements, and after consulting the European Parliament authorize the simultaneous expenditure of two or more provisional twelfths.

Decisions concerning several provisional twelfths and relating to expenditure other than that necessarily resulting from the Treaties or from acts adopted in accordance therewith shall be taken pursuant to the procedure laid down in Article 78b(2) of the ECSC Treaty, Article 204 of the EEC Treaty and the third paragraph of Article 178 of the Euratom Treaty, as amended by Articles 4, 13 and 21 of the Treaty of 22 July 1975.

The decisions referred to in the previous paragraphs shall include the requisite measures in respect of resources for the purposes of this Article.

As regards research and investment appropriations, the provisions of Article 101 shall apply.

Article 9

The Budget and the supplementary or amending budgets, as finally adopted, shall be published in the Official Journal of the European Communities, at the instance of the President of the European Parliament.

Article 10

1. The budget shall be drawn up in European units of account (EUA). The unit of account shall be expressed as the sum of the following amounts of the currencies of the Member States of the European Communities:

DM	0.828
£ Stg.	0.0885
FF	1.15
Lit	109
Fl	0.286
Bfrs	3.66
Lfrs	0.14
Dkr	0.217
£ Irl	0.00759

2. The value of the unit of account in a national currency shall be equal to the sum of the equivalents in that currency of the amounts of the currencies set out in Paragraph 1. It shall be determined by the Commission on the basis of the exchange rates recorded each day on the exchange markets¹.

The daily rates for conversion into the various national currencies shall be available each day: they shall be published in the Official Journal of the European Communities.

3. Any operations involving conversion of the European unit of account (EUA) into a national currency shall, where appropriate, be effected on the basis of the exchange rate applicable on that day, without prejudice to the special provisions of Article 119.

Article 11

The European Parliament, the Council, the Court of Justice and the Court of Auditors shall, each year before 1 July, draw up an estimate of their expenditure and their own revenues for the following year.

The Economic and Social Committee shall, before 15 June, forward to the Council an estimate of its expenditure and its revenue for the following year.

These estimates shall be forwarded to the Commission and, for information, to the European Parliament and to the Council not later than 1 July.

Article 12

1. The Commission shall

- prepare a general statement of revenue of the Communities and
- consolidate the estimates referred to in Article 11

in the preliminary draft budget which it shall place before the Council each year not later than 1 September. It shall, at the same time, forward the preliminary draft budget to the European Parliament.

2. The Commission shall prepare the general introduction to the preliminary draft budget, containing in particular:

- (a) financial tables covering the entire budget,

¹OJ No C 21 of 30.1.1976.

(b) as regards the Commission section:

- a definition of the policies justifying the requests for appropriations;
- an explanation of the changes in appropriations from one financial year to the next;
- a detailed statement on the borrowings and loans policy.

3. Every other section of the preliminary draft budget shall be preceded by an introduction prepared by the institution concerned.

4. The preliminary draft budget shall be accompanied by working documents containing the following information:

(a) in respect of staff:

- for each category of staff, a detailed list of budgetary posts and numbers of persons in post on the date of the submission of the preliminary draft budget, indicating their distribution by grade and administrative unit (or principal operational unit for the establishments of the Joint Research Centre);
- where a change in the number of persons in post is proposed, a statement justifying such changes;

(b) in respect of expenditure including commitment authorizations and appropriations for payment:

- a table showing all the commitment authorizations and the corresponding appropriations for payment for the financial year in question;

(c) in respect of subsidies to the bodies set up pursuant to the Treaties or acts adopted in accordance therewith, to the Supply Agency and to the European Schools:

- a forecast of revenue and expenditure prefaced by an explanatory statement drawn up by the bodies concerned.

5. Furthermore, the Commission shall attach to the preliminary draft budget:

- an analysis of the financial management for the preceding financial year, as envisaged in Article 83, and a balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year as envisaged at Article 84, and
- an opinion on the estimates in respect of the other institutions; that opinion may contain different estimates, which shall be accompanied by a full statement of grounds.

6. The Commission may, on its own initiative and, if appropriate, at the request of the European Parliament, the Council, the Court of Justice and the Court of Auditors, present - by means of a letter of amendment - proposals for changes to the preliminary draft budget necessitated by the receipt of new information which was not available at the time the budget was drawn up.

However, such a letter of amendment must be put before Parliament by the Council at least 15 days before the first reading of the draft budget, save in very exceptional circumstances.

7. In the event of unavoidable, exceptional and unforeseen circumstances arising, the Commission may submit preliminary draft supplementary budgets. Also, particularly to enable policies to be adapted, the Commission may submit preliminary draft amending budgets which would not alter the total amount of the annual budget and to which would be attached the corresponding necessary draft regulations. Requests for supplementary or amending budgets from the European Parliament, the Council, the Court of Justice or the Court of Auditors shall be forwarded by the Commission to the Budgetary Authority. The Commission may attach a different opinion. These budgets shall be submitted, examined, prepared and finally adopted in the same form and according to the same procedure as for the budget whose estimates they are amending. They must be substantiated by reference to the latter. The competent authorities shall discuss them in the light of their urgency. All supplementary budgets must, as a general rule, be forwarded to the Council by the date laid down for the submission of the preliminary draft budget for the following financial year.

Article 13

1. The Council shall establish the draft budget in accordance with the procedure laid down in Article 78 of the Treaty establishing the European Coal and Steel Community, Article 203 of the Treaty establishing the European Economic Community and Article 177 of the Treaty establishing the European Atomic Energy Community.

The draft Budget shall be forwarded to the European Parliament and placed before it not later than 5 October. The Council shall attach to that draft budget an explanatory memorandum defining in particular:

- the relationship between the principal objectives of the Communities and the requests for appropriations;
- the changes in appropriations compared with the preceding financial year;
- the Council's detailed reasons for departing from the preliminary draft budget, if it has done so.

2. The provisions of paragraph 1 are applicable, mutatis mutandis, to draft supplementary and/or amending budgets.

Article 14

The Budget shall be finally adopted in accordance with Article 78 of the Treaty establishing the European Coal and Steel Community, Article 203 of the Treaty establishing the European Economic Community and Article 177 of the Treaty establishing the European Atomic Energy Community.

Once the Budget has been finally adopted, each Member State shall be bound to place at the Commission's disposal the payments due in accordance with the procedure laid down by this Financial Regulation.

Article 15

1. The Budget shall consist of

- a general statement of the revenue of the European Communities and
- separate sections subdivided into statements of revenue and expenditure of the European Parliament, the Council, the Commission, the Court of Justice and the Court of Auditors. The revenue and expenditure of the Economic and Social Committee shall be entered in the section dealing with the Council and presented in the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the Budget and subject to the same rules.

2. In each section, the items of revenue and expenditure shall be classified according to their type or the use to which they are assigned under titles, chapters, articles and items.

3. The budgetary nomenclature shall be decided during the budgetary procedure in respect of the apportionment of the revenue and expenditure under separate titles, chapters and articles.

4. Each section of the Budget may include a chapter in respect of provisional appropriations and a chapter in respect of expenditure not specially provided for. The appropriations entered in these chapters shall be used only by means of transfer in accordance with the procedure laid down in Article 21.

5. The following Annexes shall be attached to the Commission section:

- the statement of revenue and expenditure in respect of research and investment activities referred to in Article 94,
- the statement of revenue and expenditure in respect of the Official Publications Office of the European Communities referred to in Article 115(2).

In addition, the document showing all the borrowing and lending operations referred to in Article 16(3) shall be annexed to the Budget.

Article 16

The Budget shall show:

1. In the general statement of revenue:

- forecasts of revenue in respect of the European Communities for the financial year in question divided into titles, chapters, articles and items;
- revenue for the preceding financial year divided into titles, chapters, articles and items;
- appropriate comments on each subdivision.

2. In the section referring to each institution:

(a) as regards the statement of revenue:

- the forecast of revenue for each institution for the financial year in question, divided into titles, chapters, articles and items, following a decimal classification system;
- the revenue entered in the Budget for the preceding financial year and the revenue established for the last financial year for which accounts have been closed, using the same decimal classification;
- appropriate comments for each revenue heading.

(b) as regards the statement of expenditure:

- concerning the budget headings for which no distinction is made between commitment authorizations and appropriations for payment;

- the budget appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system;
- the budget appropriations made available for the preceding financial year and the actual expenditure for the last financial year for which accounts have been closed, using the same decimal classification;

- concerning the budget headings which include commitment authorizations and appropriations for payment

- the appropriations for payment made available for the financial year in question and the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, using the same decimal classification system;

- in the remarks column;

(a) the commitment authorizations for the financial year in question and for the previous financial year, and

(b) the commitments entered into during the last financial year for which the accounts have been closed, as well as a schedule of due dates for payments.

- appropriate comments on each subdivision; such comments may be binding, in which case this fact shall be specifically mentioned;

(c) as regards total staff:

- in an annex to the Budget, a list of posts fixing the number of posts for each grade in each category and in each service;
- annexed to the Commission section, a list of posts in respect of officials, establishment staff of the Joint Research Centre and temporary staff occupying permanent posts, classified by categories and grades, whose employment is authorized within the limits of the budget appropriations.

However, as regards scientific and technical staff, the classification may be based on different groups of grades, in accordance with the conditions laid down in each budget. The list of posts must mention the number of highly-qualified technical or scientific personnel who are accorded special advantages under the Staff Regulations applicable to these officials.

The list of posts shall constitute an absolute limit for each institution; no appointment may be made in excess of the limit set;

3. as regards borrowing and lending operations:

(a) in the Commission sections:

- the budgetary headings corresponding to the categories of operation, which are generally accorded a token entry,
- remarks which show in particular the legal basis, where appropriate the annual volume of operations envisaged and the financial guarantee given by the Commission in respect of these operations;

(b) annexed to the Commission sections:

- current capital operations and debt management,
- for information, the capital operations and debt management for the financial year in question.

Article 17

The Budget shall be implemented in accordance with the principle that the authorizing officers and accounting officers are different individuals.

The appropriations shall be administered by the authorizing officer who alone is empowered to enter into commitments regarding expenditure, establish entitlements to be collected and issue recovery orders and payment orders. The operations of collection or payment shall be carried out by the accounting officer. No financial controller or accounting officer can exercise the functions of an authorizing officer.

No revenue shall be collected and no expenditure effected unless credited to or charged against an article in the budget.

Article 18

The Commission shall implement the Budget on its own responsibility in accordance with the provisions of this Financial Regulation and within the limits of the appropriations allotted.

The requisite powers for the implementation of the sections of the Budget relating to the European Parliament, the Council, the Court of Justice and the Court of Auditors are conferred by the Commission upon each of these institutions.

With the exception of the cases provided for in Articles 43, 52 and 55, the Commission and the other institutions may delegate powers in accordance with the conditions laid down by their internal rules of procedure and within the limits which they themselves lay down in the act of delegation.

Delegates may act only within the limits of the powers expressly conferred upon them. The acts of delegation shall be communicated to all the parties concerned in accordance with the measures of implementation envisaged in Article 118.

Save as otherwise provided, the Court of Auditors and the Economic and Social Committee shall, for the purposes of this Financial Regulation, be treated as institutions of the Communities.

Article 21

1. The appropriations shall be classified by Chapter and Article.

2. Each institution may adjust the appropriations for payment in its section of the Budget to meet its requirements. It shall inform the Commission and the Budgetary Authority accordingly.

3(a) The European Parliament, the Council, the Court of Justice and the Court of Auditors may make transfers between chapters of a Title in their sections of the Budget and within each Chapter. Transfers by the Economic and Social Committee shall be decided by the Council. The Commission and the Budgetary Authority shall be informed of these transfers.

(b) The Commission may make transfers between chapters of Titles relating to staff and operating expenditure, and, in any Title, within each Chapter.

4. Other transfers shall be subject to the following procedures:

Requests for transfers shall be sent to the Commission and forwarded by the latter to the European Parliament and the Council.

Transfers relating to expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith shall be deemed to be approved if the Council, acting by qualified majority and after consulting the European Parliament, has not taken a decision to the contrary within six weeks from the date on which the Council received the request for a transfer.

Transfers relating to expenditure not necessarily resulting from the Treaties or from acts adopted in accordance therewith shall be deemed to be approved if the European Parliament, after consulting the Council, has not taken a decision to the contrary within six weeks from the date on which the European Parliament received the request.

Transfers relating to expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith and other expenditure shall be deemed to be approved if neither the Council nor the European Parliament has taken a decision to the contrary within six weeks from the date on which the two institutions received the request.

If, in the case provided for in the preceding subparagraph, the European Parliament and the Council reduce the transfer by different amounts the lower amount accepted by one of the two institutions shall be deemed to be approved.

5. Every proposal for an adjustment to the appropriations for payment or for a transfer within a Chapter or between Chapters shall be subject to the approval of the Financial Controller, who shall attest that the appropriations are available.

6. Unless otherwise decided in due and proper form under the budgetary procedure, appropriations can be transferred only to Articles in the Budget for which the Budget has authorized appropriations or carries a 'token entry'.

7. This Article shall apply to the appropriations corresponding to revenue earmarked for a specific purpose under Article 5, only as long as the revenue is not used for any other purpose.

Article 22

1. Notwithstanding Articles 3 and 23, the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

- (a) fines imposed on a party to a contract;
- (b) adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the Chapter, Article and financial year in respect of which the excess payment was made;

- (c) the value of apparatus and equipment for scientific and technical purposes, and the value of vehicles, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue.

2. Notwithstanding Article 3, the following sums may be re-used:

- (a) revenue arising from the refund of amounts paid in error against budget appropriations;
- (b) proceeds from the supply of goods and services to other institutions or bodies, including refunds by such institutions or bodies of mission allowances paid on their behalf;
- (c) insurance payments received;
- (d) revenue from the sale of publications and films;
- (e) refunds of taxes - incorporated in the price of the products or services provided to the Communities - effected by Member States pursuant to the provisions of the Protocol on the Privileges and Immunities of the European Communities;
- (f) revenue from the supply of goods and services against payment;
- (g) proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical and scientific purposes, disposed of when replaced;

Such sums must be re-used before the end of the financial year following that in which the revenue was collected.

The accounting system shall include suspense accounts in order to record the re-use of sums in respect of revenue and of expenditure.

3. Notwithstanding Articles 3 and 23, repayments made by third parties may be deducted from expenditure in cases where the Institution has effected a payment for which it is legally liable to its creditors but where all or a part thereof has been paid on behalf of those third parties.

4. Notwithstanding Article 3, adjustments may be made in respect of losses and gains made on exchange rates when transferring funds and also on debtor and creditor interest rates relating to financial transactions, only the balance being shown as revenue or expenditure.

5. In the cases referred to in paragraphs 1(c) and 2(b), (d), (f) and (g), re-use and deduction are possible only if provision is made therefor in the remarks column in the Budget.

Article 23

1. Every measure such as to give rise to or to modify a debt due to the Communities must be preceded by a proposal from the competent authorizing officer. Such proposals shall be forwarded to the Financial Controller of the institution for his approval. They shall mention, in particular, the type of revenue, the estimated amount thereof and the budget item to which it is to be booked and also the name and description of the debtor. The purpose of the approval of the Financial Controller shall be to establish that:

- (a) the revenue is booked to the correct budget item;
- (b) the proposal is in order and conforms to the relevant provisions, in particular, of the Budget and of the regulations and also of all acts made in implementation of the Treaties and of the Regulations, and to the principles of sound financial management.

Forward proposals may be made in respect of certain items of current revenue in accordance with the measures of implementation envisaged in Article 118.

The Financial Controller may withhold his approval. The superior authority of the institution may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule this refusal. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall quarterly inform the Court of Auditors of all such decisions.

2. The competent authorizing officer shall draw up, in respect of every debt established, a recovery order which shall be sent with supporting documents to the Financial Controller for his prior approval. Such recovery orders shall, after they have received the approval of the Financial Controller, be registered by the accounting officer in accordance with the measures of implementation envisaged in Article 118.

The purpose of the approval shall be to establish that:

- (a) the revenue is booked to the correct budget item;
- (b) the order is in order and conforms to the relevant provisions;
- (c) the supporting documents are in order;
- (d) the debtor is correctly described;
- (e) the due date is indicated;
- (f) the order conforms to sound financial management;
- (g) the amount and currency of the sum to be recovered are correct.

If approval is withheld, the second subparagraph of paragraph 1 of this Article shall apply.

Article 24

1. The accounting officer shall assume responsibility for the recovery orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates indicated in the recovery orders, and he shall see to it that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorizing officer and the Financial Controller of any revenue not recovered within the time-limits laid down.

2. If the authorizing officer waives the right to recover an established debt, he shall send beforehand a proposal for cancellation to the Financial Controller for his approval and to the accounting officer for information.

The purpose of the approval of the Financial Controller shall be to establish that the waiver is in order and conforms with the principles of sound financial management. The proposal concerned shall be registered by the accounting officer.

If approval is withheld, the superior authority of the institution may, by a decision stating the full reasons therefor, and on its sole responsibility, override this refusal. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall quarterly inform the Court of Auditors of all such decisions.

3. When the Financial Controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the institution thereof.

4. The measures of implementation in respect of this Article shall be laid down in accordance with the provisions of Article 118.

Article 26

1. Estimates of the own resources and, if appropriate, of the contributions referred to in Article 4(2) and (3) of the Decision of 21 April 1970 to be paid by each Member State shall be entered in the budget, expressed in units of account as defined in Article 10. They shall be made available and paid over in accordance with Title II of Council Regulation (EEC, Euratom, ECSC) No 2/71 of 2 January 1971 implementing the Decision of 21 April 1970¹ on the replacement of financial contributions from Member States by the Communities' own resources, as last amended by Regulation

2. This provision takes account of Article 131 of the Act of Accession in respect of the new Member States.

¹OJ No L 345.1.1971, p. 1.

²Regulation currently being drawn up to amend Regulation No 2/71.

2. Articles 27 and 28 are deleted.
3. The following Articles shall be worded as follows:

Article 29

The balance from each financial year, calculated in accordance with Article 24 of Regulation (EEC, Euratom, ECSC) No 2/71 as amended, shall be entered as revenue in the case of a surplus or expenditure in the case of a deficit in the budget of the second subsequent financial year.

However, if the situation requires, a decision may be taken to previously enter all or part of this balance in a supplementary budget for the financial year immediately following the financial year in question.

Article 30

1. The contributions provided for in Article 4(6) of the Decision of 21 April 1970 shall be paid over as follows:

- seven-twelfths of the amount shown in the budget not later than 31 January;
- the remaining five-twelfths not later than 15 July.

2. Any contribution or additional payment due to the Budget from the Member States must be entered in the account(s) of the Commission within thirty days from the date on which funds are called for.

3. These various payments shall be entered in the account provided for in Article 7(1) of Regulation No 2/71 and shall be subject to the provisions of Article 9(2) of this Regulation.

Article 31

The Commission shall, four times a year, present the European Parliament and the Council with a report on the Communities' financial situation, including both receipts and expenditure.

There shall be attached to these reports a comprehensive statement on the sums maintained from previous years, as well as on any changes brought about by supplementary or amending budgets.

Article 32

The payments of own resources provided for in Articles 26 and 30 shall be effected in national currency and converted into and entered in the accounts in units of account.

The contributions referred to in Articles 26 and 30 shall be expressed in units of account; their payment shall be effected in national currency.

Article 33

The Commission shall, once a quarter, send each Member State a statement indicating the transfers effected in that Member State's national currency into another currency and vice versa.

4. Articles 34 to 39 are deleted.

5. The following Articles shall be worded as follows:

Article 40

1. All measures which may give rise to expenditure chargeable to the Budget must be preceded by a proposal for commitment of expenditure from the relevant authorizing officer. A provisional commitment may be entered into in respect of current expenditure.

2. Without prejudice to the provisions of Article 107, the decisions taken by the Commission to grant financial aid from the various funds or similar operations shall constitute commitments of expenditure.

3. The procedure for implementing the provisions of paragraphs 1 and 2 above shall be laid down as provided for in Article 118. This procedure shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Article 41

In each institution, proposals for commitments, accompanied by the supporting documents, shall be transmitted to the Financial Controller and to the accounting officers; they shall show, in particular, the purpose of the expenditure, the estimated amount involved, indicating the currency where possible, the budget item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller, as provided for in the measures of implementation envisaged in Article 118.

Article 42

The purpose of the approval of proposals for commitments of expenditure given by the Financial Controller shall be to establish that:

- (a) the expenditure has been charged to the correct item in the budget;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular of the Budget and the Regulations, and of all acts made in implementation of the Treaties and of the Regulations;

- (d) the principles of sound financial management have been applied.

The measures of implementation of these provisions shall be determined in accordance with Article 118.

Article 43

The Financial Controller may withhold his approval. If he withholds his approval he shall furnish a written statement, stating the full reasons therefor. The authorizing officer shall be notified accordingly.

If approval is withheld and the authorizing officer maintains his proposal, this refusal shall be referred for a decision to the superior authority of the competent institution among those listed in the first two paragraphs of Article 18.

Except where the availability of the appropriations is in doubt, the said superior authority may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule such a refusal. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall periodically inform the Court of Auditors of all such decisions.

Article 44

Clearance of expenditure is the act by which the authorizing officer shall:

- verify the existence of the creditor's claim;
- determine or verify the existence and the amount of the sum due;
and;
- verify the conditions under which payment falls due.

Article 45

1. Clearance of any expenditure shall be subject to the submission of supporting documents showing the creditor's claim and the service rendered or the existence of a document justifying payment. The measures of implementation envisaged in Article 118 shall lay down the nature and the contents of the supporting documents to be enclosed with the payment order.
2. Supporting documents save those in respect of transactions not finally closed, pertaining to the accounts and the drawing-up of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the granting of the discharge, referred to in Article 92, in respect of implementation of the Budget.
3. The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

Article 47.

Authorization is the act whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

Article 48

The payment order shall state:

- the financial year against which the payment shall be charged;
- the Budget Article and any other subdivision that may apply;
- the amount to be paid (in figures and words) showing the currency;
- the name and address of the payee;
- the purpose of the expenditure;
- and the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

Article 49

The payment order shall be accompanied by the original supporting documents, as determined by the measures of implementation envisaged in Article 118; those documents shall be certified in respect of - or accompanied by a certificate confirming - the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventories, referred to in Article 67.

It shall show the numbers of the relevant approvals of commitment. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Article 50

For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's claim to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

The authorizing officer may grant advances to personnel if the Staff Regulations or the provisions laid down by regulation specifically provide therefor.

The authorizing officer may grant advances to cover disbursements to be effected by an official or other member of staff on behalf of his institution. The measures of implementation of this provision shall be determined in accordance with Article 118.

Apart from the imprest accounts referred to in Article 57, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 51

Payment orders shall be sent for prior approval to the Financial Controller.

This prior approval shall confirm that:

- (a) the payment order was properly issued;
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct;
- (c) the expenditure is charged to the correct item of the Budget;
- (d) the appropriations are available;
- (e) the supporting documents are in order;
- (f) the payee is correctly described.

Article 52

Should approval be refused, Article 43 shall apply.

Article 53

After approval, the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

Article 62

In each institution, before the authorizing officer takes a decision, contracts involving amounts exceeding 15 000 units of account shall be submitted for the opinion of an Advisory Committee on Procurements and Contracts whose rules of procedure shall be laid down in the measures of implementation envisaged in Article 118.

Article 64

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors, by a clause included among the warranty clauses, that they make a preliminary deposit under conditions to be laid down in the measures of implementation envisaged in Article 118.

The amount of the deposit shall be fixed:

- according to the usual trade terms of contracts for supplies;
- according to the special conditions governing building contracts.

For building works involving an amount exceeding 200 000 units of account, a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been carried out or completion has been late, the institution shall ensure that it is adequately compensated in respect of all damages, interest and costs by the deduction of the amount from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 65

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied does not exceed 250 units of account. This limit shall be increased to 600 units of account for expenditure to be entered into outside the provisional places of work of the institution.

Article 71

The accounts shall be kept in units of account by the double entry method, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year. They shall be authenticated by supporting documents.

The revenue and expenditure account and the balance sheet shall be drawn up in units of account.

Article 72

Entries relating to the budget accounts and to commitments and recovery orders accounts shall be made on the basis of an accounting system comprising a nomenclature of budgetary items which makes a clear distinction between the balance sheet accounts and the accounts of budgetary expenditure and revenue.

These entries shall make it possible to draw up a general monthly balance, and a statement by Chapter and Article, of budgetary revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 73

Except for the advances referred to in Articles 107 and 114, any advance, other than regular advances which are periodically re-examined, shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

However, the advances referred to in the third sub-paragraph of Article 50 shall be settled within six weeks as a general rule following completion of the project for which they were granted.

Article 75

The accounts shall be closed at the end of the financial year to enable a balance sheet of the Communities and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

Article 76

Authorizing officers who, when establishing entitlements to be recovered or issuing recovery orders, entering into a commitment of expenditure or signing a payment order do so without complying with this Financial Regulation and the rules for its implementation render themselves liable to disciplinary action and, where appropriate, may be required to make restitution. The same shall apply if they omit to draw up a document establishing a debt or if they neglect to issue recovery orders or are, without justification, late in issuing them.

Article 81

The Commission shall draw up, not later than 1 June of the following year, a revenue and expenditure account for the Communities, which shall include the following tables broken down in accordance with the budget nomenclature.

1. A table of revenue including:

- estimated revenue for the financial year,
- amendments to the revenue estimates as a result of supplementary or amending budgets,
- revenue collected during the financial year,
- entitlements still to be collected from the preceding financial year,
- entitlements established in the course of the financial year,
- amounts still to be collected at the end of the financial year;

2. Tables showing the budgetary pattern for the financial year distinguishing between appropriations entered under items, articles, chapters and titles of the budget and commitment authorizations, and indicating:

- the initial entries,
- any amendments introduced by means of supplementary or amending budgets,
- any amendments to appropriations introduced by means of transfer,
- the appropriations maintained under Article 6(3),
- the final figures for appropriations for the financial year;

3. Tables showing the utilization of the figures entered as at paragraph 2 above: appropriations maintained and cancellations shall also be indicated.

A statement shall be annexed to these tables, where appropriate, showing the revenue, expenditure and balances for the re-use operations referred to in Article 22(2).

4. Tables showing the use of the authorizations and appropriations maintained from preceding financial years, indicating a detailed breakdown of the figures into commitments, payments made, unused appropriations being maintained and cancellations.

5. Annexed to the revenue and expenditure account shall be a document showing capital operations and debt management, indicating:

- a)

- (a) the total amount of loans approved;
- (b) the total amount of the repayments made on borrowings contracted and of the charges on such borrowings;

- b)

- (a) the amount of borrowings contracted;
- (b) the total amount of repayments of capital and payments of interest made on loans granted.

Article 82

Each institution shall, not later than 1 April, forward to the Commission the information required for drawing up the revenue and expenditure account and the balance sheet, plus a contribution to the analysis of the financial management referred to in Article 83.

Article 83 -

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year for each institution. It shall be submitted in the same form and following the same subdivisions as the Budget.

Article 84

The Commission shall draw up, within the time-limit provided for in Article 81, a balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year. A statement, showing the movements and balances of the accounts, drawn up on the same date, shall be attached thereto.

Section II

Auditing of the accounts

Provisions relating to the Court of Auditors

Article 85

The Commission shall forward the revenue and expenditure account, the financial analysis and the balance sheet to the European Parliament, the Council and the Court of Auditors by 1 June at the latest.

6. Insertion of a new Article 85a, worded as follows:

Article 85a

Where, for the performance of certain tasks or certain audits the members of the Court of Auditors seek assistance from staff of the Court, the tasks delegated to these officials must be specifically laid down and limited to the time necessary for their completion. The Court itself or one of its members shall notify these tasks to the authorities in whose organization the person delegated is to carry out his work.

7. The following Articles shall be worded as follows:

Article 86

Each institution shall forward to the Court of Auditors on a quarterly basis and at the latest within the month which follows the end of the quarter, and, in the case of the fourth quarter, at the latest within the month which follows the close of the financial year, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the Budget and relating to commitments and payments, and to the establishment and collection of revenue, subject to the application of Article 14 of Council Regulation (EEC, Euratom, ECSC) No 2/71 and of Article 87 of this Financial Regulation. The Court of Auditors may question each institution on the subject of the said supporting documents.

To this end, the officials whose operations are checked by the Court of Auditors shall in particular:

Article 87

The audit carried out by the Court of Auditors shall be based on records and, if necessary, performed on the spot. Its purpose shall be to establish that all revenue has been received and all expenditure incurred in a lawful and proper manner having regard to the provisions of the Treaties, the Budget, the Financial Regulations and all other measures taken pursuant to the Treaties, and that the financial management has been sound.

For the performance of its task, the Court of Auditors shall be entitled to consult, in the manner provided for in Article 89, all documents and information relating to the financial management of the departments or bodies subject to its inspection; it has the power to make enquiries of any official responsible for a revenue or expenditure operation, and to use any of the auditing procedures appropriate to those departments or agencies.

The Court of Auditors, in order to obtain all the necessary information for the performance of the task entrusted to it by the Treaties and the measures taken to implement them, may be present, at its request, during the operations carried out by the Commission in implementation of Articles 8 and 9 of Regulation (EEC) No 729/70 and Articles 13 and 14 of Regulation (EEC, Euratom, ECSC) No 2/71. This measure shall also apply to the inspection of any fund set up by the Communities.

Article 88

The Court of Auditors shall ensure that all securities and cash on deposit or in hand are checked against vouchers signed by the depositaries or against official memoranda of cash and securities held. The Court may carry out such checks itself.

Article 89

The Commission and the other institutions shall afford the Court of Auditors all the facilities and give it all the information which the Court may consider necessary for the performance of its task, and shall in particular afford all the information obtained as a result of the checks which they have carried out, as required by the rules laid down by the Community, within the departments responsible for the management of the Communities' finances and for effecting expenditure on their behalf. In particular, they shall place at the disposal of the Court of Auditors all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Court of Auditors may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

- (a) show their records of cash in hand, any other cash, securities and materials of all kinds, and also the supporting documents in respect of their stewardship of the funds with which they are entrusted, and also any books, registers and other documents relating thereto;
- (b) present the correspondence and any other document required for the full implementation of the audit referred to in the first paragraph of Article 87.

The information supplied under (b) may be requested only by the Court of Auditors or by one of its members, and such request shall be in writing.

The Court of Auditors shall be empowered to audit the documents in respect of the revenue and expenditure of the Communities which are held by the departments of the institutions and, in particular, by the departments responsible for decisions in respect of such revenue and expenditure.

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner and that the financial management has been sound, shall embrace the utilization by bodies outside the institutions of Community funds received by way of aid.

The granting of aid to bodies outside the institutions shall be subject to the agreement by the recipients to an audit being carried out by the Court of Auditors on the utilization of the amounts granted as aid.

Article 90

The Court of Auditors shall transmit to the Commission and the institutions concerned, by 15 July at the latest, any comments which are, in its opinion, of a nature such that they should appear in the report provided for in Article 78f of the Treaty establishing the European Coal and Steel Community, Article 206a of the Treaty establishing the European Economic Community and Article 180a of the Treaty establishing the European Atomic Energy Community.

Each institution shall address its reply to the Court of Auditors by 31 October at the latest. The replies of the institutions other than the Commission shall be forwarded simultaneously to the Commission.

The Court of Auditors shall attach to the annual report an assessment of the soundness of the financial management.

Before or after the accounts for a financial year have been closed, any institution may request the Court of Auditors to forward, in addition to the annual report, reports or analyses in respect of specific problems relating to the general budget of the European Communities.

The Court of Auditors may, on its own initiative, place similar reports or analyses before any institution.

Article 91

The Court of Auditors shall transmit to the authorities responsible for giving discharge and to the other institutions, by 30 November at the latest, its annual report accompanied by the replies, and it shall ensure publication thereof in the Official Journal.

Article 92

The European Parliament, upon a recommendation from the Council which shall act by a qualified majority, shall, before 30 April of the next year, give a discharge to the Commission in respect of the implementation of the Budget. If that date cannot be met, the European Parliament or the Council shall inform the Commission of the reasons for the postponement.

The Financial Controller and all the institutions are to take into account the comments given by the European Parliament in the decisions giving discharge. At the request of the European Parliament or of the Council, the institutions shall report to the European Parliament on the measures taken in the light of these comments and, in particular, on the instructions given to their departments which are responsible for the implementation of the budget. Such reports shall also be forwarded to the Court of Auditors and to the Commission of the European Communities.

8. Insertion of a new Article 92a worded as follows:

Article 92a

All institutions and all staff of the European Communities shall provide to the European Parliament any information which it calls for in the context of its exercise of control of the general budget of the European Communities.

9. The following Articles shall be worded as follows:

Article 93

1. The provisions of Titles I to VI and XI shall apply to the research and investment appropriations set out in the annex provided for in Article 94, hereinafter called annex, and the financial scheme referred to in Article 98, save as otherwise provided in this Title or where they are incompatible with the special provisions of this Title.

2. The financing of the expenditure relating to the supplementary research programmes is governed by the provisions of Article 4(6) of the Decision of 21 April 1970.

Article 94

Research and investment appropriations shall be entered in a special chapter in the section of the budget relating to the Commission.

A detailed functional breakdown of these appropriations shall be given in an annex to this section.

That annex, which forms an integral part of the Budget, shall contain:

- appropriations intended to finance all the research and investment objectives;
- appropriations for other activities.

Article 95

1. An overall allocation covering several years (hereinafter called "tranche") shall be made to the chapter of the Budget corresponding to each research and investment objective as defined by the Council in its decisions relating to programmes or corresponding decisions.

In budgetary terms, the tranche shall be the total allocation provided in the Budget for each research and investment objective, taking into account any financial reserves, except where the objective is to consist of several specific stages each forming a self-contained whole.

2. Amounts authorized annually in the Budget to cover research and investment expenditure shall include appropriations for commitment and appropriations for payment.

3. The appropriations for commitment within each tranche are intended to enable the Commission to meet all the legal obligations which it may contract.

They represent the upper limit of expenditure to which the Commission may commit itself during the financial year in question for the attainment of the objectives to which this expenditure relates.

Notwithstanding the provisions of Article 6 the appropriations for commitment shall remain valid until they are cancelled under the budgetary procedure.

4. Appropriations for payment represent the upper limit of expenditure which may be incurred or authorized during each financial year to cover commitments entered into during the current or preceding financial years.

Notwithstanding the provisions of Article 6, those appropriations for payment corresponding to appropriations for commitment which remain valid shall be carried forward until cancelled under budgetary procedure.

10. Article 96 is deleted.

11. The following Articles shall be worded as follows:

Article 97

Notwithstanding the provisions of paragraphs 2 and 3 of Article 15, the nomenclature of the annex shall be based, as regards the description of chapters and articles, on the use of expenditure resulting mainly from carrying out research objectives and other activities.

Within the Chapters and Articles, expenditure shall be classified according to its nature into categories which shall be subdivided into headings; in the Budget, however, this classification shall only be used in respect of categories.

Article 98

1. In addition to the documents referred to in Article 12, a financial scheme shall be drawn up to support the preliminary draft annex. This shall contain, in the form of appropriation accounts, the appropriations made available in the Chapters and Articles of the abovementioned annex corresponding to the instruments of implementation.

For example, such instruments are:

- the scientific divisions;
- the general services;
- the scientific and technical services.

In addition, the financial scheme shall contain a staff expenditure account.

2. The financial scheme, amended if necessary in accordance with the Budget, shall serve as the basis for management.

Expenditure in respect of the instruments of implementation and the staff expenditure account shall be entered provisionally in this scheme.

3. An appropriation account shall be provided for each instrument of implementation. The appropriations entered therein in the different chapters of the annex for these instruments shall be classified according to their nature pursuant to the second subparagraph of Article 97.

This same classification shall also be used for expenditure in the staff expenditure account.

4. The expenditure entered provisionally in the staff expenditure account shall not exceed the amounts made available in the appropriation accounts.

The expenditure entered provisionally in each appropriation account shall not exceed the appropriations authorized in respect of the Chapters and Articles in the annex for the instrument in question, save where, as a result either of transfers within Chapters and Articles of this annex or of additional amounts made available for third parties, surplus resources make it possible to increase expenditure accordingly. These additional amounts shall be made available as:

- commitments, up to the amount of the repayment provided for in the contracts concluded with requesting third parties,
- payments, up to the amount of the entitlements for repayment,

5. The provisional entries in the staff expenditure account shall be distributed over the appropriation accounts each month after deduction of the Community tax.

The provisional entries in the appropriation accounts shall be distributed - by means of final entries - over the research objectives and other activities each month proportionately according to the work done by the instruments.

6. A document shall be appended to the revenue and expenditure account showing the results of the operations provisionally charged to each appropriation account and operations charged to the staff expenditure account.

Article 100

1. A schedule of amounts of and due dates for commitments and payments, forming an integral part of the Budget, shall be attached to the annex provided for in Article 94 and shall be drawn up as follows by chapter and article:

- (a) for each tranche, the schedule of amounts and due dates shall show the timetable for the utilization of the appropriations for commitment; this shall be subject to annual review;
- (b) for each estimated appropriation for commitment, the schedule of amounts and due dates shall show the annual timetable laid down for the payments.

Article 101

If, at the beginning of a financial year, the Budget has not yet been finally adopted, expenditure shall be effected as follows:

- (a) Regarding the appropriations made available in each Chapter for the instruments Article 8 shall apply.

- (b). Regarding the specific appropriations of the chapters in the annex, payments may be effected monthly in respect of any chapter, up to an amount not exceeding one-twelfth of the annual estimates shown for that financial year in the schedule of amounts and due dates for payment in respect of the estimated appropriations for commitment. Commitments may be effected up to an amount not exceeding one-fourth of each appropriation shown in the schedule of due dates for the estimated commitments for the financial year concerned, increased by one-twelfth for each month elapsed, provided that they do not exceed the amount provided for in the draft budget, or in the absence thereof, in the preliminary draft budget.

Article 102

1. Every decision relating to transfers shall be subject to prior approval by the Financial Controller, who shall certify that the funds are available and that these operations are in order and in accordance with the provisions in force.
2. However, if the Financial Controller considers that he cannot ascertain in advance the effects of such transfers on the financial balance of the appropriation accounts of the financial scheme, he shall confine himself to delivering an opinion.

In that case, and in so far as he is empowered, the authorizing officer may on his sole responsibility effect the transfer, provided that he makes available each month to the Financial Controller all appropriate information enabling an assessment to be made of the financial effects of such transfers.

If as a result of such information the Financial Controller finds that a financial imbalance has occurred in any appropriation account, he shall inform the authorizing officer thereof.

3. Adjustments between categories of the staff expenditure account and within the specific appropriations in the appropriation accounts shall be communicated to the Financial Controller but shall not require his prior approval.

4. In order to enable the last definitive entries to be made transfers may be made even after the end of the financial year.

Article 103

1. Notwithstanding Article 21(4), the Commission may, within the limits and in the conditions fixed at the final adoption of the statement of expenditure on research and investment, make transfers of appropriations between chapters, which shall thereupon be specified by name in the statement.

2. Notwithstanding Article 21(6), the prohibitions of transfers referred to therein shall not be applicable to the classification of expenditure according to its nature, within the meaning of Article 97.

3. Notwithstanding Article 60(a), a contract for scientific and technical equipment or building work may be let by private treaty where the amount does not exceed 20 000 units of account, without prejudice to those cases where private treaties are allowed under Article 60 (b), (c) and (d) and without prejudice to the general obligation to invite competitive tenders, as far as possible and by all suitable means, from those capable of supplying the goods and services required by the contract.

4. Notwithstanding Article 62, the following shall be submitted, before the decision of the authorizing officer, for the opinion of an Advisory Committee on Procurements and Contracts, whose composition and functioning shall be settled by the measures of implementation envisaged in Article 118:

- (a) contracts of a scientific or technical nature, for sums exceeding 100 000 units of account, and the acquisition of immovable property;
- (b) contracts for supplies and equipment of a nature other than scientific or technical, for sums exceeding 25 000 units of account;
- (c) contracts for supplies and equipment of a nature other than scientific or technical for sums exceeding 5 000 units of account, to which points (a), (b) and (c) of Article 60 apply.

5. Notwithstanding the provisions of the first subparagraph of Article 68, scientific and technical equipment may be sold, without first being advertised, following a decision taken by the authorizing officer after he has consulted the Advisory Committee on Procurements and Contracts.

12. Title VIII, "Special provisions applicable to the European Social Fund" (Articles 104 and 105), is deleted.

13. Title IX becomes Title VIII.

Articles 107, 108, 110 and 111 shall be worded as follows:

Article 107

Provisional global commitments shall be entered into, corresponding to the advances to be made to the Member States, in respect of the appropriations for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

The Commission Decisions fixing the amounts of these advances, in accordance with Article 5(2)(a) of Regulation (EEC) No 729/70 constitute provisional global commitments. The approval of the Financial Controller shall have the sole purpose of establishing that the commitments correspond to the amount of the advances decided by the Commission, after consultation with the Fund Committee, and that they are within the limits of the total amount of appropriations in the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

However, when the Commission considers that a measure may be of a nature that would result in the appropriations under a particular chapter being exceeded substantially, the proposal in question should be transmitted to the European Parliament for its opinion. In such cases, Parliament should give its reaction within one month.

Article 108

1. The expenditure effected by the departments and agencies in application of Article 4 of Regulation (EEC) No 729/70 shall be the subject of a commitment by chapter, article and item, and shall also be charged as a payment, after examination of the statements transmitted by the Member States in accordance with the provisions laid down in application of Article 5(3) of the said Regulation, and after the approval of the Financial Controller.

The commitment shall be entered into within two months after reception of the statements transmitted by the Member States. The charging as a payment shall, in general, be carried out within the same period.

This article shall apply, without prejudice to the clearance of accounts provided for in Article 5(2)(b) of Regulation (EEC) No 729/70.

2. The commitments envisaged under this Article shall be deducted from the provisional global commitments referred to in Article 107.

Article 110

Any differences which may exist between the expenditures charged to a financial year, pursuant to Article 109, and those recognized by the Commission at the time of clearance of the accounts, as provided for in Article 5(2)(b), of Regulation (EEC) No 729/70, shall be charged as under- or over-expenditure to the financial year during which the accounts are cleared.

Article 111

1. Appropriations which have been globally committed in accordance with Article 107, and which have not been the subject of a commitment under the budgetary nomenclature in accordance with Article 108 by 1 April of the subsequent financial year, shall be maintained with a view to covering the expenditure chargeable to the original financial year.

2. Any appropriations in excess of such expenditure shall be cancelled under the original financial year.

A provisional global amount corresponding to this sum shall be committed from the appropriations for the current financial year.

14. Article 112 is deleted.

15. Article 113 shall be worded as follows:

Article 113

1. Transfers from one article to another within each chapter shall be made by decision of the Commission taken not later than 31 March of the subsequent financial year, in accordance with the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

2. Transfers between chapters, whether within or between the titles created in the budget for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, shall be made by the Commission, as necessary, up to 31 March of the following year.

3. The Commission may make transfers between the 'Food Aid' chapter and the chapters of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund up to 31 March of the following financial year in accordance with the limits set by the application of Regulation (EEC) 2681/74 of 21 October 1974 for payments imputed to the financial year concerned.

4. It shall take decisions to transfer not earlier than one month after it has informed the budgetary authority of its proposals in regard to such transfers

16. Article 114 is deleted.

17. Title X becomes Title IX

18. Article 115 becomes Article 114, worded as follows:

Article 114

Every food aid programme shall, once adopted by the Council, be made the subject of a proposal for commitment in accordance with the procedure laid down in Articles 40 to 43.

The advances paid to Member States shall be entered globally against the abovementioned commitments; the sum set aside for the commitments may not be exceeded.

As regards the booking as payment of the expenditure effected by the Member States using the funds advanced by the Commission, and as regards the clearance of accounts, the provisions of Articles 108 to 110 shall apply.

The Commission may decide, up to 31 March of the following financial year, on transfers from one article to another within the said chapter.

19. A new Title X, worded as follows, has been introduced:

TITLE X

SPECIAL PROVISIONS RELATING TO THE OFFICIAL PUBLICATIONS
OFFICE OF THE EUROPEAN COMMUNITIES

Article 115

1. Without prejudice to the other provisions of the Financial Regulation, the following special provisions shall apply to the functioning of the Official Publications Office of the European Communities.

2. The appropriations for the Official Publications Office, the total amount of which shall be entered under a special budget heading within the section of the Budget relating to the Commission, shall be set out in detail in an Annex to that section. The appropriations shown under this specific budget heading may be transferred in accordance with the conditions set out in Article 21.

The Annex shall take the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the Budget.

The appropriations entered in that Annex shall cover all the financial requirements of the Official Publications Office in the performance of its duties in the service of the Community's institutions as defined in the Decision of 16 January 1969 setting up the Office.

Where necessary, the estimates may be adjusted during the financial year by the Managing Board of the Office which shall decide on the transfers required within the Annex as a result of such adjustments.

3. The remarks on the page facing the specific budget heading under which is entered the total appropriation for the Official Publications Office shall show an estimate of the cost of services rendered by the Office to each of the Institutions. This shall be based on the forecasts of the analytical accounts provided for in paragraph 5 below.

The total costs of services rendered by the Office shall correspond to the total expenditure shown in its statement of expenditure.

A paper setting out the basic data underlying the estimate of the allocation of the Office's services as between the Institutions shall be provided as a supporting document for the preliminary draft budget.

4. Each institution shall, for guidance, enter in its section of the Budget a pro forma appropriation corresponding to the services which it expects the Office to render to it during the financial year concerned.

5. The Official Publications Office shall draw up analytical accounts of its expenditure, enabling the proportion of its services rendered to each of the institutions to be assessed each month. The Managing Board shall lay down the criteria on which the accounting system shall be based.

The Office shall notify the institutions concerned of the results of the analytical accounts.

6. On a proposal from the Managing Board the Commission shall, for the appropriations entered in the Annex for the Official Publications Office, delegate the powers of authorization to the Director of the Office and shall fix the limits and conditions of such delegation.

Each institution shall retain the powers of authorization for expenditure charged to the appropriations for the publication of all work entrusted to outside bodies by the Office.

7. The Financial Controller shall delegate powers to an official responsible for the control of commitment and authorization of expenditure and for the control of the revenue of the Office.

The Commission, on a proposal from the Managing Board of the Office, shall appoint an assistant accounting officer specially responsible for the collection of revenue and the settlement of expenditure effected directly by the Office.

8. To meet the cash requirements of the Office, bank accounts or post office giro accounts may be opened on its behalf by the Commission, on a proposal from the Managing Board.

The accounts shall be financed regularly by payments effected by the Commission upon receipt of calls for funds from the Office. Such payments may not exceed the total amount of the appropriations entered for this purpose in the Commission Budget.

The final cash position for each year shall be adjusted between the Office and the Commission at the end of the financial year.

9. The net proceeds from sales of publications by the Office shall be re-used by the institution which drew up the publication, pursuant to Article 22(2).

10. The revenue and expenditure account and the balance sheet in respect of the Office shall form an integral part of the revenue and expenditure account and of the balance sheet of the Communities referred to in Articles 81 and 84 of the Financial Regulation.

11. The Managing Board of the Office shall determine the detailed rules for the application of the preceding provisions, and also specific rules governing the terms of sale of publications and the corresponding accounting system.

20. Title Xa is deleted.
21. Title XI bears the title: Transitional and final provisions
22. In Article 117 the term "Audit Board" is replaced by "Court of Auditors".
23. Article 119 is worded as follows:

Article 119

1(a) The provisions amending Articles 26, 28 and 29 shall not apply until 1 January 1978.

(b) The provisions of Articles 26 to 31, 33, 34(1), the first subparagraph of Article 34(2), and Articles 37(1) and 38 of Financial Regulation No 73/91 (ECSC, EEC, Euratom) of 25 April 1973 shall remain in force until 31 December 1977.

When the accounts for the 1976 and 1977 financial years are closed, the Commission shall draw up a statement of sums paid, comparing the sums actually paid by the Member States with those due to have been paid under the statements of revenue and expenditure for the financial year in question. This shall be followed by a clearance of the difference shown in the statement.

(c) The provisions of Article 38 shall remain in force until the final date set for implementing the finance mechanism established by Council Regulation No 1172/76 of 17 May 1976.

2. The provisions of the fourth paragraph of Article 8, and Article 9 and the first paragraph of Article 92 (insofar as they amend the current rules) and the provisions concerning the Court of Auditors shall not come into force until the date of the ratification of the Treaty of 22 July amending certain financial provisions of the Treaties establishing the European Communities and the Treaty establishing a Single Council and a Single Commission of the European Communities.

3. The provisions of Articles 86 to 92 shall be reviewed, in accordance with the procedure laid down for this purpose in the Treaties, after the Court of Auditors has issued its opinion on these provisions.

Pursuant to the provisions of Article 28 of the Treaty of 22 July 1975, the terms of office of the members of the Audit Board and that of the auditor shall expire on the day they submit their Report on the financial year preceding that in which the members of the Court of Auditors are appointed; their powers of audit shall be confined to operations relating to that financial year. These powers shall be exercised in accordance with the provisions of Articles 85 to 92 of Financial Regulation No 73/91/ECSC, EEC, Euratom of 25 April 1973.

After the members of the Court of Auditors have been appointed, the three authorities responsible for external control shall confer and take the appropriate measures to assure continuity of control.

4. Appropriations committed but not paid at the end of the financial year (date of entry into force of the amendments) shall be recorded as appropriations maintained under Article 6(3)(b).

5. Commitment authorizations for the Social Fund issued on (date of the entry into force of the amendments) on the basis of Article 104 of Financial Regulation No 73/91 (EEEC, EEC, Euratom) of 25 April 1973 shall remain in force during the financial year for which they were issued and the sums committed under these authorizations shall be added to the appropriations for commitment for the financial year for which they were opened.

6. Exceptionally:

- payments made up to 31 January 1973 for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund by the bodies and departments referred to in Article 4 of Regulation (EEC) No 729/70 shall be included in the account for 1972.

- in the case of the Guidance Section of the European Agricultural Guidance and Guarantee Fund a special entry shall be made in the remarks column of the Budget regarding the appropriations reserved for improving agricultural structures which have been carried over from previous financial years but commitment of which is not planned during the financial year concerned. In that year they will not require to be covered by revenue. However, insofar as they were the subject of commitment decisions pursuant to the provisions established under the common agricultural policy, they constitute commitment authorizations. Where this is the case, the appropriate amendments on the revenue side shall be effected through budgetary procedure.

7. The appropriations for commitment entered in the budgets for 1975, 1976 and 1977 for the European Regional Development Fund and not committed by the end of the financial year for which they were entered in the Budget shall remain available for the two subsequent financial years.

8(a) The provisions amending Articles 10 and 71 shall not enter into force until 1 January 1978.

From that date the term "unit of account" used in this Financial Regulation shall be taken to mean the European unit of account (EUA) as defined in Article 10.

Until 31 December 1977 the provisions of Articles 10, 27 and 71 of Financial Regulation No 73/91/EEEC, EEC, Euratom of 25 April 1973 shall remain in force.

(b) The conditions in which the European unit of account (EUA) is to be applied to revenue and expenditure shall be decided in accordance with the implementing measures envisaged in Article 118 of this Financial Regulation.

24. Annexes I, II, III and IV are deleted.

Article 2

The following shall be repealed:

- The Financial Regulation of 18 March 1975 supplementing the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities (75/184/Euratom, ECSC, EEC)¹;
- The Financial Regulation of 24 November 1975 derogating from Article 6(1) of the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities (75/717/Euratom, ECSC, EEC)²;

All other provisions contrary to the present Regulation shall also be repealed.

Article 3

At three yearly intervals the European Parliament and the Council of the European Communities shall examine the Financial Regulation in the light of a proposal from the Commission of the European Communities to take account of developments. Any amending regulations shall be adopted by the Council after recourse to the concertation procedure if Parliament so requests.

Article 4

This Regulation shall enter into force on

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

¹ OJ No L 73 of 21.3.1975

² OJ No L 307 of 27.11.1975

LIST OF AMENDMENTS PROPOSED BY PARLIAMENT AND

ACTION TAKEN BY THE COMMISSION

Type of amendment	Reference	ACTION TAKEN BY THE COMMISSION		
		Amendment accepted as it stands	Amendment accepted subject to alteration	Amendment not accepted (= initial Commission text retained)
(1) Definition of the annuality of of appropriations (= non-differentiated appropriations)	Article 1(2)	X		
(2) Provisions concerning differentiated appropriations (= commitment authorizations and appropriations for payment)	Article 1(3)			X (with the exception of 3) Except that it has been agreed to replace "appropriation for payment" by "commitment authorisation" (in this article and elsewhere).
(3) Definition of appropriations	Article 1(3)	X		
(4) Entry in full of all revenue and all expenditure	Article 3(2)	X		
(5) Drafting amendment	Article 4	X		
(6) Drafting amendment	Article 5	X		
(7) Drafting amendment	Article 6(1)	X		
(8) Revenue entered in the accounts on the basis of entitlements established up to and including 31 December (instead of on the basis of the amounts collected)	Article 6(2)	X		
(9) Provisions concerning the utilization and maintenance of appropriations	Article 6(3)			X
(10) Informing the budgetary authority of the utilization of appropriations	Article 6(5)*	X		
(11) Drafting amendment	Article 7	X		
(12) Drafting amendment ¹ (twelfths)	Article 8	X		
(13) Drafting amendment	Article 12(2)(b)	X		
(14) Explanatory statement drawn up by "satellite" bodies	Article 12(4)(c)	X		

* Addition proposed by Parliament.

¹Parliament proposes, among other things, that the Council should consult it on compulsory expenditure.

Type of amendment	Reference	ACTION TAKEN BY THE COMMISSION		
		Amendment accepted as it stands	Amendment accepted subject to alteration	Amendment not accepted (= initial Commission text retained)
(15) Balance sheet of assets and liabilities to be attached to the preliminary draft budget	Article 12(5)*	X		
(16) Letters of amendment	Article 12(6) second subparagraph	X		
(17) Supplementary and amending budgets	Article 12(7)	X		
(18) Drafting amendment	Article 13	X		
(19) Presentation of appropriations in the budget	Article 16(2)(b)			X (with the exception of 3)
(20) Drafting amendment	Article 17	X		
(21) Transfer provisions	Article 21 (paragraphs 2, 3 and 4)			X
(22) Drafting amendment	Article 21(7)	X		
(23) Drafting amendment	Article 23	X		
(24) Drafting amendment	Article 24	X		
(25) Deletion of Article 27 as a result of rejecting "cash budget" principle		X		
(26) Quarterly report on receipts and expenditure	Article 31	X		
(27) Drafting amendment	Article 42	X		
(28) Drafting amendment	Article 73	X		
(29) Deletion of the provision for adjustments to be appended to the sheets for 31 December	Article 75 second subparagraph	X		
(30) Drafting amendments	Article 81 (paragraphs 1, 2, 3 and 4)	X		
(31) Forwarding the revenue and expenditure account	Article 85	X		
(32) Powers of the Court of Auditors	Article 85*	X	*third paragraph only	
(33) The dates "15 July" and "31 October" for the presentation of accounts	Article 90	X		

* Addition proposed by Parliament (ex Article 85).

Type of amendment	Reference	ACTION TAKEN BY THE COMMISSION		
		Amendment accepted as it stands	Amendment accepted subject to alteration	Amendment not accepted (= initial Commission text retained)
(34) Specific reports, Court of Auditors	Article 90	X		
(35) Transmission of the annual report of the Court of Auditors	Article 91	X		
(36) Drafting amendment (action to be taken on the comments in the decisions giving discharge)	Article 92	X		
(37) Providing Parliament with any documents and information	Article 92a *		Amendment accepted subject to the deletion of "and any documents" (leaving "any information")	
(38) Various adjustments concerning research appropriations	Articles 93, 94, 95, 98(2)	X		
(39) Non-deduction of Community tax from the staff expenditure account	Article 98(5)			X
(40) "Guarantee" and "Food Aid" transfers	Article 113 (paragraphs 2, 3 and 4)	X		
(41) The authorities responsible for external control shall confer	Article 119(3) *	X		
(42) New Article 3 (of our overall proposal) = re-examination of the Financial Regulation at three-yearly intervals	(Article 3) *	X		

tion proposed by Parliament.

WORKING PAPER

PARALLEL TEXTS COMPRISING:

1. The Financial Regulation of 25 April 1973
2. The proposal for a Regulation amending the Financial Regulation of 25 April 1973
(presented by the Commission to the Council on 26 May 1976)
3. The proposal of 26 May 1976, as amended on the basis of the opinion of the European Parliament of 14 December 1976.

FINANCIAL REGULATION
of 25 April 1973
applicable to the General Budget of the European
Communities
(73/91/EEC, EEC, Euratom)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the
European Coal and Steel Community, and in
particular Article 78 (f) thereof;

Having regard to the Treaty establishing the
European Economic Community, and in parti-
cular Article 209 thereof;

Having regard to the Treaty establishing the
European Atomic Energy Community, and in
particular Article 183 thereof;

Having regard to the proposal from the
Commission;

Having regard to the Opinion of the
European Parliament;

Proposal for a Council Regulation (ECSC, EEC, Euratom)
amending the Financial Regulation of 25 April 1973
applicable to the General Budget of the European
Communities, (Submitted by the Commission to the
Council on 26 May 1976)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the
European Coal and Steel Community, and in
particular Article 78f 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 183 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European
Parliament,

Whereas the Treaty of 22 July 1975 amended certain
financial provisions of the Treaties establishing the
European Communities and of the Treaty
establishing a Single Council and a Single
Commission of the European Communities; and
whereas, in the light of these amendments, changes
need to be made to the provisions of the Financial
Regulation relating to the adoption of the budget
and the measures to be taken if, at the beginning of
a budget year, the budget has not yet been adopted;

Whereas account should also be taken of the
changed distribution of the powers of the two
institutions which hold the budgetary authority by

Proposal for a Regulation presented by the Commission, after
amendment on the basis of the Opinion of the European
Parliament of 14.12.1976

Unchanged

Unchanged

Unchanged

Unchanged

Unchanged

Unchanged

Whereas account should also be taken of the changed distribution
of the powers of the two institutions which hold the budgetary
authority by amending the provisions concerning transfers to

amending the provisions concerning transfers to reflect the fact that the European Parliament makes the final decision on transfers relating to expenditure which does not necessarily result from the Treaties or from Acts adopted in accordance therewith;

Whereas the Treaty of 22 July 1975 established a Court of Auditors which replaces the Audit Board and the Auditor of the European Coal and Steel Community; whereas the Court of Auditors should have the same status as an institution in matters concerning the establishment and implementation of the budget, and whereas the provisions covering the jurisdiction and powers of the Court of Auditors should be reviewed once the Court has been constituted;

Whereas there should be conferred upon all the institutions the right to apply the practices current in some of the institutions in respect of the implementation of their budgets, and whereas in particular all the institutions should be empowered to effect themselves any necessary transfers within their own budget section; whereas in respect of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund the Commission should — because of the requirement that the accounts be closed on 31 March — be empowered to carry out between 1 January and 31 March of the subsequent financial year any transfers between chapters that may be required; whereas, pursuant to the provisions of Regulation (EEC) No 2681/74, it is essential that the Commission should be empowered to make transfers as necessary between chapters of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and the Food Aid chapter;

Whereas the definition of the unit of account and the methods applicable to making conversions between the unit of account and the currencies of the Member States, embodied in the text of Article 10 of the Financial Regulation of 25 April 1973 (1) are no longer appropriate to the current international monetary situation, and whereas in its report of 4 March 1975 the Monetary Committee took the view that a unit of account based on a basket of Community currencies would be best suited to the requirements of the Community in general;

reflect the fact that both these institutions, i.e. the Council and the European Parliament, are involved and that the Council takes the final decision on transfers relating to expenditure resulting necessarily from the Treaties and acts adopted in accordance therewith, and the European Parliament the final decision on transfers of all other expenditure;

Whereas the Treaty of 22 July 1975 established a Court of Auditors which replaces the Audit Board and the ECSC Auditor; whereas, moreover, the Court of Auditors should have the same status as an institution in matters concerning the establishment and implementation of its budget; whereas, however, the Financial Regulation should define more clearly the jurisdiction and powers of the Court and the manner in which it should exercise those powers once it becomes operational; and whereas it is therefore appropriate to stress the need to review that part of the Financial Regulation which relates to the Court of Auditors;

Unchanged

Unchanged

Unchanged

Whereas the Council has already adopted such a unit of account to express the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé in Decision No 75/250/EEC (7); whereas the Commission of the European Communities has adopted the same unit of account for the implementation of the ECSC Treaty in Decision No 3289/75/ECSC; and whereas the same definition should be adopted for the purposes of implementing the EEC and EAC Treaties;

Unchanged

Whereas it is necessary to harmonize the various budgetary procedures currently used for the Social Fund, the Regional Fund and the European Agricultural Guidance and Guarantee Fund Guidance Section; whereas it is essential that these procedures be brought in line with the general system; whereas, notwithstanding this, transitional provisions must be introduced to enable the arrangements used for these Funds to be gradually adapted to the general system;

Whereas a distinction should be made between appropriations for commitment and appropriations for payment in the case of projects lasting several years and the projects to which such a distinction applies should be determined under budgetary procedure;

Whereas, in the light of the experience acquired in the preparation and management of the function-orientated budget applicable to research and investment appropriations, the system used needs to be rationalized and simplified;

Whereas a distinction should be made between commitment authorizations and appropriations for payment in the case of projects lasting several years and the projects to which such a distinction applies should be determined under the budgetary procedure;

Whereas, in the case of research and investment appropriations, account should be taken of the need for budgetary clarity and whereas an initial breakdown of research appropriations by article and item should be given in a special chapter of the section of the budget relating to the Commission; whereas, moreover, in the light of the experience acquired in the preparation and management of the function-orientated budget applicable to these research and investment appropriations, the system used for their functional presentation needs to be rationalized and simplified;

Whereas the Official Publications Office carries out work for all the institutions, thus constituting a joint service, and it is consequently necessary to improve the presentation and implementation of the budget for this Office; whereas the appropriations for the Official Publications Office should consequently be entered in an Annex to the 'Commission' section in which all these appropriations will be entered under a specific budget heading and — in order to avoid unnecessary inflation of the budget — the institutions should no longer be required to make payments to the Office;

Unchanged

Whereas the budgetary nomenclature needs to be decided each year under the budgetary procedure to take account of the trends in the activities of the Communities;

Whereas, to take account of developments in Community activities, the budgetary nomenclature may be changed each year under the budgetary procedure;

Whereas the definitive application of the own resources system from 1 January 1978 necessitates the modification of certain financial provisions and the introduction of new provisions in order to ensure the Communities' financial autonomy by the assignment of the total sum of own resources;

Unchanged

Whereas, once this financial autonomy is achieved, the effecting of expenditure will no longer require the carrying-over of appropriations which had not been committed by the end of the financial year; whereas the provision for such carry-overs should therefore be abolished;

Unchanged

Whereas the Community must nevertheless be able to meet the commitments into which it has entered; whereas it is consequently necessary for the appropriations corresponding to these commitments and not spent during the financial year to be maintained in full to cover these obligations;

Unchanged

Whereas borrowing has been recognized as a means of financing Community activities and the provisions of the Financial Regulation call for modification to take account of this possibility;

Unchanged

Whereas account must be taken of the trends in prices since the Financial Regulation of 25 April 1973 was drawn up and to modify the amounts referred to in Articles 62, 64, 65 and 103 accordingly,

Unchanged

HAS ADOPTED THIS FINANCIAL REGULATION:

HAS ADOPTED THIS REGULATION:

HAS ADOPTED THIS REGULATION:

TITLE I

TITLE I

TITLE I

GENERAL PRINCIPLES

GENERAL PRINCIPLES

GENERAL PRINCIPLES

Article 1

Article 1

Article 1

1. The Budget of the European Communities (hereinafter called 'Budget') is the instrument which sets out forecasts of, and authorizes in advance, the expected revenue and expenditure of the Communities for each budget year. For the purposes of this Financial Regulation, the revenue and expenditure of the Communities shall comprise:

1. The Budget of the European Communities (hereinafter called 'budget') is the instrument which sets out forecasts of, and authorizes in advance, the expected revenue and expenditure of the Communities for each budget year. For the purposes of this Financial Regulation, the revenue and expenditure of the Communities shall comprise:

1. Unchanged

- the administrative expenditure of the European Coal and Steel Community and the corresponding revenue;
- the revenue and expenditure of the European Economic Community;
- the revenue and expenditure of the European Atomic Energy Community, with the exception of that of the Supply Agency and of the Joint Undertakings.

- the administrative expenditure of the European Coal and Steel Community and the corresponding revenue,

- the revenue and expenditure of the European Economic Community,

- the revenue and expenditure of the European Atomic Energy Community.

The abovementioned expenditure shall comprise that arising from the activities of the institutions.

The budget also sets out forecasts of, and authorizes, borrowing and lending operations.

2. The appropriations entered annually in the budget shall be used to finance the commitments entered into during the financial year and the relevant payments without prejudice to the provisions of paragraph 3 relating to multiannual projects.

No expenditure may be incurred or authorized in excess of the authorized appropriations.

3. The appropriations intended to finance multiannual projects shall include appropriations for commitment and appropriations for payment.

The appropriations for commitment authorize the signature of the legal obligations which have to be contracted to cover the total cost of projects which are to be implemented over several financial years. They represent the upper limit of that expenditure the commitment of which has been authorized in order to enable the projects in question to be implemented.

The appropriations for payment enable expenditure which has been committed during the current or preceding financial years to be paid. They represent the upper limit of expenditure involved in the payment of the commitments in question.

Save as otherwise provided in the provisions relating to research and investment appropriations, the projects in respect of which a distinction is made between appropriations for commitment and appropriations for payment shall be decided during the budgetary procedure.

The abovementioned expenditure shall comprise that arising from the activities of the institutions as set out in the budgetary nomenclature provided for in Article 15 (4).

2. For the purposes of this Financial Regulation, research and investment expenditure shall comprise any expenditure which may be charged to the Budget

under the Treaty establishing the European Atomic Energy Community and under the implementing provisions and in particular:

- expenditure relating to the implementation of the research and training programme of the Community;
- any contribution to the capital of the Supply Agency and to its investment expenditure;
- expenditure relating to the equipment of training centres;
- any contribution to the Joint Undertakings and to certain joint ventures;

2. The appropriations shown in the budget shall be authorized for one financial year.

No expenditure may be incurred or authorized in excess of the authorized appropriations.

3. The appropriations intended to finance multiannual operations may include commitment authorizations and appropriations for payment.

The commitment authorizations enable the legal obligations which have to be contracted to cover the total cost of operations which are to be implemented over several financial years to be entered into. They represent the upper limit of that expenditure the commitment of which has been authorized in order to enable the operations in question to be implemented.

The expression "commitment authorizations" is used in this Regulation with the same meaning as the expression "commitment appropriations" used in Article 176 of the EAEU Treaty and, by way of derogation, for research and investment appropriations, in Title VII of this Regulation.

The appropriations for payment enable (text unchanged)

Save as otherwise provided in the provisions relating to research and investment appropriations, the operations in respect of which a distinction is made between commitment authorizations and appropriations for payment shall be decided during the budgetary procedure.

- the Commission's financial support to prospecting programmes in the territories of Member States in accordance with Article 70 of the Treaty establishing the European Atomic Energy Community and also the financing of emergency stocks which it may be decided to build up pursuant to Article 72 of the same Treaty;

- loans made and charges relating thereto;

- repayment of loans and charges relating thereto;

and also all other expenditure relating to the activities decided on by the Council.

3. Without prejudice to Article 95, 104 and 107, expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the Budget.

Operating expenditure arising from contracts which have been concluded in accordance with local usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the Budget for the financial year in which it is in-

4. Without prejudice to the provisions of the preceding paragraph, expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the budget.

Operating expenditure arising from contracts which have been concluded in accordance with local usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the budget for the financial year in which it is incurred.

4. Unchanged

4. Where necessary, or at the request of the European Parliament, the Council or the Court of Justice, the Commission may submit supplementary or amending budgets in preliminary draft form. Such draft budgets shall be presented, examined, drawn up and finally adopted in the same way and in accordance with the same procedure as the budget whose forecasts they modify. Such a draft budget must be justified by reference to the said budget. In discussing it, the competent authorities shall take into account the urgency of the matter. Preliminary drafts of supplementary budgets must, as a general rule, be submitted to the Council not later than the date laid down for tabling the preliminary draft budget for the next financial year.

5. The final adoption of the Budget places each Member State under the obligation to place the contributions at the disposal of the Commission, in accordance with the rules laid down in this Financial Regulation.

Article 2

The budget appropriations shall be used in accordance with the principles of economy and sound financial management.

Article 3

1. All revenue and all expenditure shall be entered in full in the Budget and in the accounts.

Total revenue shall be used to finance

total expenditure without prejudice to

the provisions of Article 3 (4) and

Article 4 (6) of the Decision of 21 April 1970.

2. Notwithstanding the provisions of the

second subparagraph of paragraph 1, any

revenue earmarked

for a specific purpose,

such as income from foundations, subsidies,

gifts and bequests, shall not be used for any

other purpose.

The Commission may accept any donation made

to the Communities, and in particular found-

ations, subsidies, gifts and bequests.

Article 2

Unchanged

Article 3

All revenue and all expenditure shall be entered in full in the budget and in the accounts without any adjustment against each other.

Article 2

Unchanged

Article 3

1. All estimated revenue and all estimated expenditure shall be entered in full in the budget.

2. All revenue and all expenditure shall be entered in full in the accounts.

The Commission may accept donations which may involve some financial charge only subject to prior authorization from the European Parliament and the Council, which shall act on the matter within two months from the date of receipt of the request from the Commission. If no objection has been made within this period, the Commission shall take a final decision on acceptance.

Article 4

No revenue shall be collected and no expenditure effected unless credited to or charged against an article in the Budget.

Save as otherwise provided in this Financial Regulation, expenditure may not be incurred in excess of the appropriations authorized for the financial year or of the authorizations granted in respect of subsequent financial years.

No expenditure shall be authorized in excess of the allotted appropriations. The total amount of the proceeds shall be entered in the accounts without any adjustment of revenue against expenditure, save as otherwise provided in Article 22.

Article 4

1. The total revenue shall be used to finance the total expenditure.

In the case of budget headings under which appropriations for commitment and appropriations for payment have been entered, it is the amount entered as appropriations for payment which is to be used for the purposes of the preceding paragraph.

2. The financing of the expenditure relating to the supplementary research programmes is governed by the provisions of Article 4 (6) of the Decision of 21 April 1970.

3. Notwithstanding the provisions of paragraph 1, the revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

The Commission may accept any donation made to the Communities, and in particular foundations, subsidies, gifts and bequests.

The Commission may accept donations which may involve some financial charge only subject to prior authorization from the European Parliament and the Council, which shall act on the matter within two months from the date of

Article 4

The total revenue shall be used to finance the total expenditure, subject to the provisions of the second paragraph of Article 93.

In the case of budget headings under which appropriations for payment and commitment authorizations have been entered, it is the amount entered as appropriations for payment which is to be used for the purposes of the preceding subparagraph.

Article 5

The financial year shall correspond to the calendar year.

The revenue of a financial year shall be entered in the accounts for that financial year on the basis of entitlements recorded up to and including 31 December.

The portion of entitlements for a financial year which has not been collected at that

date shall be entered separately Article by Article up to and including 31 December of the next financial year in the accounts for the next financial year as an outstanding amount from the preceding financial year still to be collected.

The allotted appropriations shall be used solely to cover expenditure properly entered into and paid under the budget for the financial year for which they were granted, save as otherwise provided in Articles 6, 95, 104 and 111, and to cover the debts relating to preceding financial years for which no appropriation was carried forward.

receipt of the request from the Commission. If no objection has been made within this period, the Commission shall take a final decision of acceptance.

Article 5

No revenue shall be collected and no expenditure effected unless credited to or charged against an article in the budget.

Article 5

Notwithstanding the provisions of Article 4, the revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

The Commission may accept any donation made to the Communities, and in particular foundations, subsidies, gifts and bequests.

The Commission may accept donations which may involve some financial charge only subject to prior authorization from the European Parliament and the Council, which shall act on the matter within two months from the date of receipt of the request from the Commission. If no objection has been made within this period, the Commission shall take a final decision in respect of acceptance.

he expenditure of a financial year shall be entered in the accounts for that year for tens in respect of which the authorization reached the financial controller not ater than 31 December, and for payments hich were effected not later than the ollowing 15 January.

Article 6

- (a) Appropriations relating to the remuneration and allowances of the members and the staff of the Institutions may not be carried forward.
- (b) Appropriations in respect of payments still outstanding as at 31 December for commitments entered into after 15 December and which relate to the supply of goods and services, as also that portion of the appropriations still uncommitted as at 31 December, may be carried forward to the next financial year only.

Article 6

- 1. The financial year shall correspond to the calendar year.
- 2. The revenue of a financial year shall be entered in the accounts for that financial year on the basis of the amounts collected during the financial year.
- 3. The following rules shall govern the utilization of appropriations:
 - (a) Under the budget headings where there is a distinction between appropriations for commitment and appropriations for payment:
 - the commitments shall be entered in the accounts on the basis of the commitments contracted up to the end of the financial year. The portion of the appropriations for commitment which is not utilized by the end of the financial year shall lapse, unless the Budgetary Authority decides otherwise during the budgetary procedure,

Article 6

- 1. The financial year shall run from 1 January to 31 December.
- 2. The revenue of a financial year shall be entered in the accounts for that financial year on the basis of the entitlements established up to and including 31 December.
- 3. The following rules shall govern the utilization of appropriations:
 - (a) Under the budget headings where there is a distinction between commitment authorizations and appropriations for payment:
 - the commitments shall be entered in (text unchanged)

- the payments for a financial year shall be entered in the accounts for that year on the basis of the expenditure in respect of which the authorization reached the Financial Controller not later than 31 December, and for which payment was effected by the accounting officer not later than the following 15 January. The portion of the appropriations for payment which has not been utilized by the end of the financial year, but which corresponds to commitments incurred shall not lapse but shall be used in the subsequent financial year(s) towards the total amount of the commitments contracted but not paid in the preceding financial year(s).

- the portion of the appropriations for payment which, at the end of the financial year, exceeds the total amount of commitments entered into in the preceding financial year(s) shall lapse;

(b) Under the budget headings where there is no distinction between appropriations for commitment and appropriations for payment (non-differentiated appropriations):

- the commitments shall be entered in the accounts on the basis of the commitments contracted up to the end of the financial year. The portion of the appropriations which has not been committed by the end of the financial year shall lapse,

- the payments for a financial year shall be entered in the accounts for that year on the basis of the expenditure in respect of which the authorization reached the Financial Controller not later than 31 December, and for which payment was effected by the accounting officer not later than the following 15 January. The portion of the appropriations which was committed but not paid by the end of the financial year shall not lapse but shall be used in the subsequent financial year(s) towards the total amount of the commitments contracted but not paid in the preceding financial year(s).

(c) Appropriations in respect of payments still outstanding for commitments properly entered into between 1 January and 31 December, with the exception of commitments entered into after 15 December relating to supply of goods and services, shall be carried forward automatically to the next financial year only.

2. For the appropriations mentioned in paragraph 1 (b), the Commission shall submit to the Council and shall forward to the European Parliament, before 1 May, the duly documented requests to carry forward appropriations made by the European Parliament, the Council, the Court of Justice and the Commission itself.

Should the Council, acting by a qualified majority and after consulting the European Parliament, fail to take a contrary decision within a month, the carrying forward of these appropriations shall be deemed to be approved.

3. Unexpended revenue and appropriations still available on 31 December, arising out of the donations referred to in Article 3, paragraph 2,

- the portion of the appropriations for (text unchanged)

(b) Under the budget headings where there is no distinction between commitment authorizations and appropriations for payment (non-differentiated appropriations):

- the commitments shall be entered in the (text unchanged)

- the payments for a financial year shall be (text unchanged)

4. The appropriations referred to in paragraph 1(b) which are not yet committed on 31 December and for which authority to carry forward to the next financial year has been given shall lapse if they are not committed and paid by the end of the said financial year, with the exception of the appropriations for the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

5. Notwithstanding the provisions of paragraph 1, the appropriations for the Guidance Section of the European Agricultural Guidance and Guarantee Fund in respect of payments still due by reason of commitments entered into between 1 January and 31 December shall be carried forward automatically for a period of five years.

4. However, the appropriations for the Guidance Section of the European Agricultural Guidance and Guarantee Fund may be used by way of exception to finance projects for which they were not initially committed in accordance with Council Regulation (EEC) No 3171/75 of 3 December 1975 (1).

4. Unchanged

5. The budgetary authority is to be informed, in the context of the quarterly report provided for at Article 31 of this Financial Regulation, of the utilization of the appropriations referred to at paragraphs 3 and 4 above.

(1) OJ No L 315, 5. 12. 1975, p. 1.

(1) OJ No L 315, 5. 12. 1975, p. 1.

On expiry of that period, the Commission may submit annually to the Council before 1 May a list of the appropriations still committed, with a request, duly documented, for them to be carried forward. The Council shall act by a qualified majority within a month; if it has not acted at the end of that period, the carrying forward of the appropriations shall be deemed to be approved.

6. The Council and the European Parliament shall be provided for their information before 1 April with a list of the sums to be carried forward automatically.

7. When implementing the Budget, details of the utilization of appropriations carried forward shall be entered separately Article by Article in the accounts for the current financial year.

Article 7

Current administrative expenditure which is chargeable to the next financial year and which, by its nature, arises at the beginning of that financial year may, as from 15 November of each financial year, be charged as an expected commitment against the appropriations provided for in respect of the next financial year up to a maximum of one-quarter of the total corresponding appropriations for the current year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the budget of the then current financial year.

Article 7

Once the budget for the following financial year has been finally adopted, the appropriations entered therein may be committed with effect from 1 January.

However, irrespective of the adoption of this budget, current administrative expenditure which is chargeable to the next financial year and which, by its nature, arises at the beginning of that financial year may, as from 15 November of each financial year, be charged as an expected commitment against the appropriations provided for in respect of the next financial year up to a maximum of one quarter of the total corresponding appropriations for the current year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the budget of the current financial year. Similarly the advances within the meaning of Articles 107 and 114, intended to finance the expenditure of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and expenditure on food aid, may be paid from 10 December onwards.

Article 7

The appropriations entered in the budget may be committed with effect from 1 January, once the budget has been finally adopted.

This provision shall not apply to current administrative expenditure which, as from 15 November of each financial year, may be charged as an expected commitment against the appropriations provided for in respect of the next financial year. Such commitments shall not, however, exceed one quarter of the total corresponding appropriations for the current financial year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the budget of the current financial year.

The advances intended within the meaning of Articles 107 and 114 to finance the expenditure of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and expenditure on food aid may be paid from 10 December onwards.

Article 8

If the Budget is not finally adopted at the beginning of the financial year, Article 78b of the Treaty establishing the European Coal and Steel Community, Article 204 of the Treaty establishing the European Economic Community and Article 178 of the Treaty establishing the European Atomic Energy Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last budget duly adopted.

Article 8

If the budget is not finally adopted at the beginning of the financial year, Article 78b of the Treaty establishing the European Coal and Steel Community, Article 204 of the Treaty establishing the European Economic Community and Article 178 of the Treaty establishing the European Atomic Energy Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last budget duly adopted.

Article 8

Unchanged

Unchanged

Payments may be made monthly in respect of any chapter up to one-twelfth of the

to commitments and payments of expenditure of a kind already approved in principle in the last budget duly adopted.

Payments may be made monthly in respect of any chapter up to one-twelfth of the appropriations in respect of the relevant chapter for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Commission monthly appropriations in excess of one-twelfth of the sum provided for in the draft budget or, in the absence thereof, in the preliminary draft budget. Commitments may be entered into up to one-quarter of the total appropriations in respect of the relevant chapter for the preceding financial year increased by one-twelfth for each completed month; these commitments may not, however, exceed the limit of the appropriations provided for in the draft budget or, in the absence thereof, in the preliminary draft budget.

for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Commission monthly appropriations in excess of one-twelfth of the sum provided for in the draft budget or, in the absence thereof, in the preliminary draft budget. Commitments may be entered into up to one-quarter of the total appropriations in respect of the relevant chapter for the preceding financial year increased by one-twelfth for each completed month; these commitments may not, however, exceed the limit of the appropriations provided for in the draft budget or, in the absence thereof, in the preliminary draft budget.

At the request of the Commission, and without prejudice to the provisions of the second paragraph, the Council may, acting by a qualified majority, and as dictated by administrative requirements, authorize the simultaneous expenditure of two or more provisional twelfths.

At the request of the Commission, and without prejudice to the provisions of the second paragraph, the Council may, acting by a qualified majority, and as dictated by administrative requirements, and after consulting the European Parliament, authorize the simultaneous expenditure of two or more provisional twelfths.

sulting the European Parliament, authorize the simultaneous expenditure of two or more provisional twelfths.

As regards research and investment appropriations, the provisions of Article 101 shall apply.

If this decision concerns expenditure other than compulsory expenditure arising from the Treaty or acts adopted thereunder, the Council shall forward such decision forthwith to the European Parliament within 30 days; the European Parliament may, acting by a majority of its members and three-fifths of the votes cast, take a differing decision on this expenditure in respect of the portion exceeding the one-twelfth referred to in paragraph 2. This part of the Council Decision shall be suspended until the European Parliament has taken its decision. If the European Parliament has not taken a decision differing from that of the Council within the period laid down, the Decision of the Council shall be deemed to be finally adopted.

The decisions referred to in the previous paragraphs shall include the requisite measures in respect of resources for the purposes of this Article.

As regards research and investment appropriations, the provisions of Article 101 shall apply.

18
Decisions concerning several provisional twelfths and relating to expenditure other than that necessarily resulting from the Treaties or from acts adopted in accordance therewith shall be taken pursuant to the procedure laid down in Article 78b(2) of the ECSC Treaty, Article 204 of the EEC Treaty and the third paragraph of Article 178 of the Euratom Treaty, as amended by Articles 4, 13 and 21 of the Treaty of 22 July 1975.

Unchanged

Unchanged

Unchanged

Article 9

The Budget and the supplementary or amending budgets, as finally adopted, shall be published in the Official Journal of the European Communities, at the instance of the President of the European Parliament.

The budget and the supplementary or amending budgets, as finally adopted, shall be published in the Official Journal of the European Communities, at the instance of the President of the European Parliament.

Article 10

Unchanged

1. The budget shall be drawn up in European units of account (EUA). The unit of account shall be expressed as the sum of the following amounts of the currencies of the Member States of the Communities:

DM	0-828
£ Sg	0-0885
FF	1-15
Lit	109
FL	0-285
Bfrs	3-66
Lfrs	0-14
Dkr	0-217
£ IrI	0-00759

Article 10

1. The budget shall be drawn up in units of account; the value of one unit of account shall be 0-88867088 grammes of fine gold.

2. In case of a change in the parity of the currency of one or more Member States in relation to the unit of account, the Commission may submit to the Council within two months of such parity change a preliminary draft of an amending budget adjusting the appropriations and the revenue expressed in units of account, so that the volume of operation provided for in the budget remains unchanged. The adjustment of revenue shall be carried out in accordance with the provisions in Title III, Section II.

2. The value of the unit of account in a national currency shall be equal to the sum of the equivalents in that currency of the amounts of the currencies set out in paragraph 1. It shall be determined by the Commission on the basis of the exchange rates recorded each day on the exchange markets (1).

The daily rates for conversion into the various national currencies shall be available each day; they shall be published in the Official Journal of the European Communities.

3. Any operations involving conversion of the European unit of account (EUA) into a national currency shall, where appropriate, be effected on the basis of the exchange rate applicable on that day, without prejudice to the special provisions of Article 119.

(1) OJ No C 21, 30.1.1976, p. 4

TITLE II

PRESENTATION AND STRUCTURE OF THE BUDGET

Section I
Presentation of the Budget

Article 11

The European Parliament, the Council and the Court of Justice shall, each year before 1 July, draw up an estimate of their expenditure and their own revenues for the following year.

The Audit Board and the Auditor of the European Coal and Steel Community shall, before this date, forward to the European Parliament and the Council an estimate of their expenditure and their own revenues for the coming year.

The Economic and Social Committee shall, before this date, forward to the Council an estimate of its expenditure and its own revenue for the following year.

Not later than 1 July, these estimates shall be forwarded to the Commission and - for information, to the Council.

TITLE II

PRESENTATION AND STRUCTURE OF THE BUDGET

Section I
Presentation of the Budget

Article 11

The European Parliament, the Council, the Court of Justice and the Court of Auditors shall, each year before 1 July, draw up an estimate of their expenditure and their own revenues for the following year.

The Economic and Social Committee shall, before 15 June, forward to the Council an estimate of its expenditure and its revenue for the following year.

These estimates shall be forwarded to the Commission and, for information, to the European Parliament and to the Council not later than 1 July.

TITLE II

PRESENTATION AND STRUCTURE OF THE BUDGET

Section I
Presentation of the Budget

Article 11

Unchanged

Unchanged

Unchanged

Article 12

1. Unchanged

2. The Commission shall prepare the general introduction to the preliminary draft budget, containing in particular:

(a) financial tables covering the entire budget;

(b) as regards the Commission section:

- a definition of the policies justifying the requests for appropriations,
- an explanation of the changes in appropriations from one financial year to the next,
- a detailed statement on the borrowings and loans policy.

3. Unchanged

4. Unchanged

(a) Unchanged

Article 12

1. The Commission shall prepare a general statement of revenue of the Communities and

consolidate the estimates referred to in Article 11 in the preliminary draft budget which it shall place before the Council each year not later than 1 September. It shall, at the same time forward the preliminary draft budget to the European Parliament.

2. The Commission shall prepare the general introduction to preliminary draft budget, containing in particular:

(a) financial tables covering the entire budget;

(b) as regards the Commission section:

- a definition of the policies justifying the requests for appropriations,
- an explanation of the changes in appropriations from one financial year to the next,
- a general statement on the borrowings and loans policy.

3. Every other section of the preliminary draft budget shall be preceded by an introduction prepared by the institution concerned.

4. The preliminary draft budget shall be accompanied by working documents containing the following information:

(a) in respect of staff:

- for each category of staff, a detailed list of budgetary posts and numbers of persons in post on the date of the submission of the preliminary draft budget, indicating their distribution by grade and administrative unit (or principal operational unit for the establishments of the Joint Research Centre),
- where a change in the number of persons in post is proposed, a statement justifying such changes;

Article 12

1. The Commission shall consolidate the estimates referred to in Article 11 in the preliminary draft budget of the European Communities and shall place it before the Council each year not later than 1 September.

2. Each section of the preliminary draft budget shall be preceded by an introduction prepared by the institution concerned.

3. The preliminary draft budget shall be accompanied by the following statements:

- for each category of staff, a detailed list of budgetary posts and actual numbers of persons in post on the date of the submission of the preliminary draft budget, indicating their distribution to career bracket and administrative unit (or principal operational unit as regards the establishments of the Joint Research Centre);

- where a change in the numbers of persons in post is proposed, a statement giving the reason for requesting new posts;

- a monthly estimate of cash payments and receipts;

- a table showing, for the Guidance Section of the European Agricultural Guidance and Guarantee Fund;

(a) a statement of commitments and payments as at 31 December of the preceding year and as at 1 September of the current year;

(b) a schedule of amounts of and due dates for foreseeable payments to the end of the current year;

(c) estimated payments for subsequent financial years.

4. As a preface to the preliminary draft budget, the Commission shall submit a general introductory note containing in particular:

- an outline of the policy justifying the requests for the appropriations;

- an explanation of the changes in appropriations from one financial year to the next.

Furthermore, the Commission shall attach to the preliminary draft budget an opinion on the estimates in respect of the other institutions; that opinion may contain different estimates duly supported.

(b) in respect of expenditure including appropriations for commitment and appropriations for payment:

- a table showing all the appropriations for commitment and the corresponding appropriations for payment for the financial year in question;

(c) in respect of subsidies to the Supply Agency, to the bodies set up pursuant to the Treaties and to the European schools;

- a forecast of revenue and expenditure.

5. Furthermore, the Commission shall attach to the preliminary draft budget:

- a balance sheet of assets and liabilities for the preceding financial year, as envisaged in Article 83, and

- an opinion on the estimates in respect of the other institutions; that opinion may contain different estimates, duly supported.

(b) In respect of expenditure including commitment authorizations and appropriations for payment:

- a table showing all the commitment authorizations and the corresponding appropriations for payment for the financial year in question;

(c) In respect of subsidies to the bodies set up pursuant to the Treaties or acts adopted in accordance therewith, to the Supply Agency and to the European Schools:

- a forecast of revenue and expenditure prefaced by an explanatory statement drawn up by the bodies concerned.

5. Furthermore, the Commission shall attach to the preliminary draft budget:

- an analysis of the financial management for the preceding financial year, as envisaged in Article 83, and a balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year as envisaged at Article 84, and

- an opinion on the estimates in respect of the other institutions; that opinion may contain different estimates, which shall be accompanied by a full statement of grounds.

5. The Commission may - if appropriate and at the request of the European Parliament, the Council or the Court of Justice - file, before the adoption of the Budget, any amendment necessitated by the receipt of additional information.

6. The Commission may, on its own initiative and, if appropriate, at the request of the European Parliament, the Council, the Court of Justice and the Court of Auditors, present - by means of a letter of amendment - proposals for changes to the preliminary draft budget necessitated by the receipt of new information which was not available at the time the budget was drawn up.

However, such a letter of amendment must be put before Parliament by the Council at least 15 days before the first reading of the draft budget, save in very exceptional circumstances.

6. The Commission may, on its own initiative and, if appropriate, at the request of the European Parliament, the Council, the Court of Justice and the Court of Auditors, present - by means of a letter of amendment - proposals for changes to the preliminary draft budget necessitated by the receipt of new information which was not available at the time the budget was drawn up.

7. The Commission may, if necessary, submit supplementary or amending preliminary draft budgets. Requests for supplementary or amending budgets from the European Parliament, the Council, the Court of Justice or the Court of Auditors shall be forwarded by the Commission to the Budgetary Authority. The Commission may attach a different opinion. These budgets shall be submitted, examined and finally adopted in the same form and according to the same procedure as for the budget whose estimates they are amending. They must be substantiated by reference to the latter. The competent authorities shall discuss them in the light of their urgency. All supplementary budgets must be forwarded to the Council by the date laid down for the submission of the preliminary draft budget for the following financial year.

7. In the event of unavoidable, exceptional and unforeseen circumstances arising, the Commission may submit preliminary draft supplementary budgets. Also, particularly to enable policies to be adapted, the Commission may submit preliminary draft amending budgets which would not alter the total amount of the annual budget and to which would be attached the corresponding necessary draft regulations. Requests for supplementary or amending budgets from the European Parliament, the Council, the Court of Justice or the Court of Auditors shall be forwarded by the Commission to the Budgetary Authority. The Commission may attach a different opinion. These budgets shall be submitted, examined, prepared and finally adopted in the same form and according to the same procedure as for the budget whose estimates they are amending. They must be substantiated by reference to the latter. The competent authorities shall discuss them in the light of their urgency. All supplementary budgets must, as a general rule, be forwarded to the Council by the date laid down for the submission of the preliminary draft budget for the following financial year.

The Council shall establish the draft budget in accordance with the procedure laid down in Articles 78 and 78A of the Treaty establishing the European Coal and Steel Community, Articles 203 and 203a of the Treaty establishing the European Economic Community and Articles 177 and 177a of the Treaty establishing the European Atomic Energy Community.

The draft of the Budget shall be forwarded to the European Parliament and placed before it not later than 5 October. The Council shall attach to that draft budget an explanatory memorandum defining in particular:

- the relationship between the principal objectives of the Communities and the requests for appropriations;
- the changes in appropriations compared with the preceding financial year;
- the Council's reasons for departing from the preliminary draft budget, if it has done so.

The Council shall establish the draft budget in accordance with the procedure laid down in Article 78 of the Treaty establishing the European Coal and Steel Community, Article 203 of the Treaty establishing the European Economic Community and Article 177 of the Treaty establishing the European Atomic Energy Community.

The draft budget shall be forwarded to the European Parliament and placed before it not later than 5 October. The Council shall attach to that draft budget an explanatory memorandum defining in particular:

- the relationship between the principal objectives of the Communities and the requests for appropriations,
- the changes in appropriations compared with the preceding financial year,
- the Council's reasons for departing from the preliminary draft budget, if it has done so.

1. Unchanged

Unchanged

- Unchanged

- Unchanged

- the Council's detailed reasons for departing from the preliminary draft budget, if it has done so.

2. The provisions of paragraph 1 are applicable, mutatis mutandis, to draft supplementary and/or amending budgets.

Article 14

The Budget shall be finally adopted in accordance with Articles 78 and 78A of the Treaty establishing the European Coal and Steel Community, Articles 203 and 203a of the Treaty establishing the European Economic Community and Articles 177 and 177a of the Treaty establishing the European Atomic Energy Community.

Section 11

Structure of the Budget

Article 15

1. The Budget shall consist of separate parts, called sections, dealing with the revenue and expenditure of the European Parliament, the Council, the Commission and the Court of Justice.
The revenue and expenditure of the Economic and Social Committee shall be entered in the section dealing with the Council. The revenue and expenditure of the Audit Board and of the Auditor of the European Coal and Steel Community shall be entered in two halves: one half in the section dealing with the Council and the other half in the section dealing with the European Parliament.

Article 14

The budget shall be finally adopted in accordance with Article 78 of the Treaty establishing the European Coal and Steel Community, Article 203 of the Treaty establishing the European Economic Community and Article 177 of the Treaty establishing the European Atomic Energy Community.

Once the budget has been finally adopted, each Member State shall be bound to place at the Commission's disposal the payments due in accordance with the procedure laid down by this Financial Regulation.

Section 11

Structure of the Budget

Article 15

1. The Budget shall consist of
 - a general statement of the revenue of the European Communities, and
 - separate sections subdivided into statements of revenue and expenditure of the European Parliament, the Council, the Commission, the Court of Justice and the Court of Auditors. The revenue and expenditure of the Economic and Social Committee shall be entered in the section dealing with the Council and presented in the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the budget and subject to the same rules.
2. In each section, the items of revenue and expenditure shall be classified according to their type or the use to which they are assigned under titles, chapters, articles and items.

Article 14

Unchanged

Section 11

Structure of the Budget

Article 15

Unchanged

The revenue and expenditure of the Economic and Social Committee, the Audit Board and the Auditor of the European Coal and Steel Community shall be presented in the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the Budget, and subject to the same rules. These statements of their revenue and expenditure shall be annexed to the section dealing with the Council.

2. In each section, the items of revenue and expenditure shall be classified according to their nature or the use to which they are assigned under titles, chapters, articles and items.

3. Each section of the Budget may include a chapter in respect of provisional appropriations not allocated and a chapter in respect of expenditure not specially provided for. The appropriations entered in these chapters shall be used only by means of transfer in accordance with the procedure laid down in Article 21.

3. The budgetary nomenclature shall be decided during the budgetary procedure in respect of the apportionment of the revenue and expenditure under separate titles, chapters and articles.

3. Unchanged

4. The budgetary nomenclature annexed to this Regulation shall be mandatory in respect of the apportionment of the revenue and expenditure under separate titles, chapters and articles. It may be supplemented within the framework of the budgetary procedure, as this may become necessary.

4. Each section of the budget may include a chapter in respect of provisional appropriations and a chapter in respect of expenditure not specially provided for. The appropriations entered in these chapters shall be used only by means of transfer in accordance with the procedure laid down in Article 21.

5. Unchanged

5. The following Annexes shall be attached to the Commission section:

- the statement of revenue and expenditure in respect of the research and investment activities referred to in Article 94,
- the statement of revenue and expenditure in respect of the Official Publications Office of the European Communities referred to in Article 115 (2).

In addition, the document showing all the borrowing and lending operations referred to in Article 16(3) shall be annexed to the Budget.

Article 16

The budget shall show:

1. In the general statement of revenue:
 - forecasts of revenue in respect of the European Communities for the financial year in question divided into titles, chapters, articles and items;
 - revenue for the preceding financial year divided into titles, chapters, articles and items;
 - appropriate comments on each sub-division.

1. Unchanged

Article 16

The Budget shall show in the section relating to each institution:

- (a) the budget appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system;
- (b) the budget appropriations made available for the preceding financial year and the actual expenditure for the last financial year

for which the accounts have been closed, increased by the items carried forward, using the same decimal classification;

(c) appropriate comments on each subdivision; such comments may be binding, in which case this fact shall be specifically mentioned;

(d) in an annex to the Budget, a list of posts fixing the number of posts for each grade in each category and in each service;

(e) annexed to the Commission section, a list of posts in respect of officials, establishment staff of the Joint Research Centre and temporary staff occupying permanent posts, classified by categories and grades, whose appointment is authorized within the limits of the budget appropriations.

However, as regards scientific and technical staff, the classification may be based on different groups of grades, in accordance with the conditions laid down in each budget. The list of posts must mention the number of highly-qualified technical or scientific personnel who are accorded special advantages under the Staff Regulations applicable to these officials.

2. In the section referring to each institution:

(a) as regards the statement of revenue:

- the forecast of revenue for each institution for the financial year in question, divided into titles, chapters, articles and items, - following a decimal classification system,
- the revenue entered in the budget for the preceding financial year and the revenue established for the last financial year for which accounts have been closed, using the same decimal classification,
- appropriate comments for each revenue heading.

(b) as regards the statement of expenditure:

- concerning the budget headings which do not include appropriations for commitment and appropriations for expenditure:
- the budget appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system,
- the budget appropriations made available for the preceding financial year and the actual expenditure for the last financial year for which accounts have been closed, using the same decimal classification,
- as for the budget headings which include appropriations for commitment and appropriations for expenditure:

2. Unchanged
(a) Unchanged

(b) as regards the statement of expenditure:

- concerning the budget headings for which no distinction is made between commitment authorizations and appropriations for payment;
- the budget appropriations made (text unchanged)
- the budget appropriations made available (text unchanged)
- concerning the budget headings which include commitment authorizations and appropriations for payment;

the appropriations for payment made available for the financial year in question and the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, using the same decimal classification system;

in the remarks column the appropriations for commitment entered for the financial year in question and for the previous financial year, and the commitments incurred during the last financial year for which the accounts have been cleared,

appropriate comments on each subdivision; such comments may be binding, in which case this fact shall be specifically mentioned;

(c) as regards total staff:

in an annex to the budget, a list of posts fixing the number of posts for each grade in each category and in each service,

annexed to the Commission section, a list of posts in respect of officials, Research Centre and temporary staff occupying permanent posts, classified by categories and grades, whose employment is authorized within the limits of the budget appropriations.

However, as regards scientific and technical staff, the classification may be based on different groups of grades, in accordance with the conditions laid down in each budget. The list of posts must mention the number of highly-qualified technical or scientific personnel who are accorded special advantages under the Staff Regulations applicable to these officials.

The list of posts shall constitute an absolute limit for each institution; no appointment may be made in excess of the limit set.

The list of posts shall constitute an absolute limit for each institution; no appointment may be made in excess of the limit set.

the appropriations for payment made available for the financial year in question and the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, using the same decimal classification system;

in the remarks column:

- (a) the commitment authorizations for the financial year in question and for the previous financial year, and
- (b) the commitments entered into during the last financial year for which the accounts have been closed, as well as a schedule of due dates for payments.

appropriate comments on each subdivision; such comments may be binding, in which case this fact shall be specifically mentioned;

(c) Unchanged

Unchanged

Unchanged

Unchanged

Unchanged

3. Unchanged

3. as regards borrowing and lending operations:

(a) in the Commission section:

- the budgetary headings corresponding to the categories of operation which are generally accorded a token entry,
- remarks which show in particular the legal basis, where appropriate, the annual volume of operations envisaged and the financial guarantee given by the Commission in respect of these operations;

(b) annexed to the Commission section:

- current capital operations and debt management,
- for information, the capital operations and debt management for the financial year in question.

TITLE III

IMPLEMENTATION OF THE BUDGET

Section I
General Provisions

Article 17

The Budget shall be implemented in accordance with the principle that the authorizing officers and accounting officers are different individuals.

The appropriations shall be administered by the authorizing officer who alone is empowered to enter into commitments regarding expenditures establish sums due to be collected and issue receivable orders and payment orders.

The operations of collection or payment shall be carried out by the accounting officer.

No financial controller or accounting officer can exercise the functions of an authorizing officer.

Article 18

The Commission shall implement the Budget on its own responsibility in accordance with the provisions of this Financial Regulation and within the limits of the appropriations allocated.

TITLE III

IMPLEMENTATION OF THE BUDGET

Section I
General Provisions

Article 17

Unchanged

Unchanged

TITLE III

IMPLEMENTATION OF THE BUDGET

Section I
General Provisions

Article 17

Unchanged

Unchanged

No revenue shall be collected and no expenditure effected unless credited to or charged against an article in the budget.

Article 18

Unchanged

The Commission shall implement the budget on its own responsibility in accordance with the provisions of this Financial Regulation and within the limits of the appropriations allotted.

The requisite powers for the implementation of the sections of the Budget relating to the European Parliament, the Council or the Court of Justice are conferred by the Commission upon each of these institutions.

Unchanged

Unchanged

With the exception of the cases provided for in Articles 43, 52 and 55, the Commission and the other institutions may delegate powers in accordance with the conditions laid down by their internal rules of procedure and within the limits which they themselves lay down in the instrument of delegation of powers.

Unchanged

Unchanged

Those delegated may act only within the limits of the powers expressly conferred upon them.

The instruments of delegation of powers must be notified to all the parties concerned in accordance with the measures of implementation envisaged in Article 118.

Save as otherwise provided, the Economic and Social Committee, the Audit Board and the Auditor of the European Coal and Steel Community shall, for the purposes of this Financial Regulation, be treated as institutions of the Communities.

The requisite powers for the implementation of the sections of the budget relating to the European Parliament, the Council, the Court of Justice and the Court of Auditors are conferred by the Commission upon each of these institutions.

With the exception of the cases provided for in Articles 43, 52 and 55, the Commission and the other institutions may delegate powers in accordance with the conditions laid down by their internal rules of procedure and within the limits which they themselves lay down in the act of delegation.

Delegates may act only within the limits of the powers expressly conferred upon them. The acts of delegation shall be communicated to all the parties concerned in accordance with the measures of implementation envisaged in Article 118.

Save as otherwise provided, the Court of Auditors and the Economic and Social Committee shall, for the purposes of this Financial Regulation, be treated as institutions of the Communities.

Article 19

Each institution shall appoint a financial controller who shall be responsible for monitoring the commitment and authorization of all expenditure, and also for monitoring the receipt of all revenue.

The check shall be carried out by that official by means of inspection of the files relating to expenditure and revenue and, if necessary, on the spot.

The financial controller may be assisted in his duties by one or more assistant financial controllers.

The special rules applicable to such officials, which shall be laid down within the framework of the measures of implementation envisaged

in Article 118, shall be so formulated as to guarantee that they are independent in the discharge of their duties. The measures taken in respect of their appointment and promotion, disciplinary action or transfers, and the various methods of interruption or termination of appointment, shall be covered by decisions

Article 19

Unchanged

Unchanged

Article 19

Article 19

Unchanged

Unchanged

Article 20

Unchanged

Article 20

Unchanged

which give the grounds therefor to be forwarded, for information, to the European Parliament, the Council and the Commission.

The persons concerned, and the institutions employing them, may institute proceedings before the Court of Justice.

Article 20

In each institution, the collection of revenue and the payment of expenditure shall be carried out by an accounting officer.

This accounting officer shall be appointed by the Institution.

Without prejudice to the system provided for in Articles 4 and 5 of Regulation (EEC) No 729/70 and subject to the provisions of Article 56, second paragraph, and of Article 57, the accounting officer alone is empowered to manage funds and assets. He shall be responsible for their care.

He may be assisted in his duties by one or more assistant accounting officers, appointed under the same conditions as the accounting officer.

Article 21

1. The appropriations shall be classified by Chapter and Article.
 2. The appropriations entered under each Chapter of expenditure shall not be used for purposes of other Chapters of expenditure.
 3. However, the Commission may propose to the Council that appropriations be transferred from one Chapter to another. Proposals made by other institutions for transfers between Chapters, shall be automatically forwarded to the Council; the Commission may, when forwarding these, attach its opinion.
- The Council shall act by a qualified majority taking into account the urgency of the matter and shall inform the European Parliament of its decision.
- If the Council has not acted within six weeks, the transfers of appropriations shall be deemed to be approved.
- As regards the transfers of appropriations between Chapters within Title I, the Council shall

Article 21

1. The appropriations shall be classified by chapter and article.
 2. Each Institution may adjust the appropriations for payment in its section of the budget to meet its requirements. It shall inform the Commission and the Budgetary Authority accordingly.
 3. (a) The European Parliament, the Council, the Court of Justice and the Court of Auditors may make transfers between chapters of a title in their sections of the budget and within each chapter.
- Transfers by the Economic and Social Committee shall be decided by the Council. The Commission and the Budgetary Authority shall be informed of these transfers.

Article 21

1. Unchanged
 2. Unchanged
 3. (a) Unchanged
- Unchanged

act by qualified majority within six weeks. If the Council has not acted within that time-limit, the transfers of appropriations shall be deemed to be approved.

With regard to proposals for transfers from the Chapter 'Provisional Appropriations not allocated' to other Chapters, the Council shall, except in cases of extreme urgency, consult the European Parliament without delay upon receipt of the proposal. The European Parliament shall give its opinion early enough to allow the Council to take cognizance of it and to act within the period laid down in this Financial Regulation.

4. In each section, transfers between Articles within each Chapter shall be made by the Commission, which acts taking into account the urgency of the matter. As regards the sections which do not relate to the Commission, such transfers shall be deemed effective if the Commission does not make a decision within six weeks from the date when the proposal is lodged.

(b) The Commission may make transfers between chapters of titles relating to staff and operating expenditure, and, in any title, within each chapter.

4. Other transfers shall be subject to the following procedure:

Requests for transfers shall be sent to the Commission and forwarded by the latter to the European Parliament and the Council.

Transfers relating to expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith shall be deemed to be approved if the Council, acting by qualified majority and after consulting the European Parliament, has not taken a decision to the contrary within six weeks from the date on which the Council received the request for a transfer.

Transfers relating to expenditure not necessarily resulting from the Treaties or from acts adopted in accordance therewith shall be deemed to be approved if the European Parliament, after consulting the Council, has not taken a decision to the contrary within six weeks from the date on which the European Parliament received the request.

Transfers relating to expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith and other expenditure shall be deemed to be approved if neither the Council nor the European Parliament has taken a decision to the contrary within six weeks from the date on which the two institutions received the request.

If, in the case provided for in the preceding subparagraph, the European Parliament and the Council reduce the transfer by different amounts the lower amount accepted by one of the two institutions shall be deemed to be approved.

(b) Unchanged

4. Unchanged

Every proposal for a transfer within a Chapter or between Chapters shall be subject to the approval of the Financial Controller who shall attest that the appropriations are available.

5. Unless otherwise decided in due and proper form under the budgetary procedure, appropriations can be transferred only to entries in the Budget for which the Budget has authorized appropriations or has made a 'token entry'.

6. This Article shall apply to the appropriations for revenue allotted to a purpose under Article 3 (2), only as long as the allotment of such revenue to that specific purpose is maintained.

5. Every proposal for an adjustment to the appropriations for payment or for a transfer within a chapter or between chapters shall be subject to the approval of the Financial Controller, who shall attest that the appropriations are available.

5. Unchanged

6. Unless otherwise decided in due and proper form under the budgetary procedure, appropriations can be transferred only to articles in the budget for which the budget has authorized appropriations or carries a 'token entry'.

6. Unchanged

7. This Article shall apply to the appropriations for revenue allotted to a purpose under Article 4 (3), only as long as the allotment of such revenue to that specific purpose is maintained.

7. This Article shall apply to the appropriations corresponding to revenue earmarked for a specific purpose under Article 5, only as long as the revenue is not used for any other purpose.

Unchanged

Article 22

1. Notwithstanding Articles 3 and 23, the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

- (a) fines imposed on a party to a contract;
- (b) adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the chapter, article and financial year in respect of which the excess payment was made;
- (c) the value of apparatus and equipment for scientific and technical purposes, and the value of vehicles, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue.

2. Notwithstanding Article 3, the following sums may be re-used:

- (a) revenue arising from the refund of amounts paid in error against budget appropriations;
- (b) proceeds from the supply of goods and services to other institutions or bodies, including refunds by such institutions or bodies of mission allowances paid on their behalf;
- (c) insurance payments received;
- (d) revenue from the sale of publications and films;
- (e) refunds of taxes — incorporated in the price of the products or services provided to the Communities — effected by Member States pursuant to the provisions of the Protocol on the Privileges and Immunities of the European Communities;

Article 22

Notwithstanding Article 4,

(a) the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

- fines imposed on a party to a contract or an accepted tender;
- adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the Chapter, Article and financial year in respect of which the excess payment was made;
- the value of apparatus and equipment for scientific and technical purposes, and the value of vehicles, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue;

(b) the following sums shall be re-used:

-- revenue arising from the refund of amounts paid in error against budget appropriations;

-- the proceeds from the supply of goods and services to other institutions or bodies, including refunds by such institutions or bodies of mission duty allowances effected on their behalf;

-- insurance payments received;

-- the revenue arising from the sale of publications and films;

-- refunds of taxes - incorporated

in the price of

the products or services provided to

the Communities - effected by Member

States pursuant to the provisions of

the Protocol on the Privileges and Im-

munities of the European Communities;

(f) revenue from the supply of goods and services against payment;

(g) proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical and scientific purposes, disposed of when replaced;

Such sums must be re-used before the end of the financial year following that in which the revenue was collected.

The accounting system shall include suspense accounts in order to record the re-use of sums in respect of revenue and of expenditure.

3. Notwithstanding Articles 3 and 23, repayments made by third parties may be deducted from expenditure in cases where the institution has effected a payment for which it is legally liable to its creditors but where all or a part thereof has been paid on behalf of those third parties.

4. Notwithstanding Article 3, adjustments may be made in respect of losses and gains made on exchange rates when transferring funds and also on debtor and creditor interest rates relating to financial transactions, only the balance being shown as revenue or expenditure.

5. In the cases referred to in paragraphs 1 (e) and 2 (b), (d), (f) and (g), re-use and deduction are possible only if provision is made therefor in the remarks column in the Budget.

Unchanged

- the revenue from the supply of goods and services against payment;

- the proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical

and scientific purposes, disposed of when replaced.

Such sums must be re-used before the end of the financial year which follows the one in which the revenue was collected;

(c) adjustments may be made in respect of the losses and gains made on the rates of exchange when transferring funds and also on debtor and creditor interest rates relating to financial transactions, only the balance being shown as revenue or expenditure.

The accounting plan shall include suspense accounts in order to record the re-use of sums either in respect of revenue or of expenditure.

Section II

Budgetary revenue
Management of available funds

1. General provisions

Article 23

1. Every measure such as to give rise to a debt due to the Communities must be preceded by a proposal from the competent authorizing officer. Such proposals shall be forwarded to the official responsible for financial control in each institution. They shall mention, in particular, the type, the estimated amount and the budget item to which the revenue is booked and also the name and description of the debtor. They shall be recorded, after approval by the official responsible for financial control, in accordance with conditions to be determined within the framework of the measures of implementation envisaged in Article 118. The purpose of the approval of the official responsible for financial control shall be to establish that:

- (a) the revenue is booked to the correct budget item;

Section II

Budgetary revenue
Management of available funds

1. General provisions

Article 23

1. Every measure such as to give rise to or to modify a debt due to the Communities must be preceded by a proposal from the competent authorizing officer. Such proposals shall be forwarded to the Financial Controller of the institution for his approval. They shall mention, in particular, the type of revenue, the estimated amount thereof and the budget item to which it is to be booked and also the name and description of the debtor. The purpose of the approval of the Financial Controller shall be to establish that:

- (a) the revenue is booked to the correct budget item;

Section II

Budgetary revenue
Management of available funds

1. General provisions

Article 23

1. Unchanged

- (a) Unchanged

(b) Unchanged

(b) the proposal is in order and conforms to the relevant provisions, in particular, of the budget and of the regulations and also of all acts made in implementation of the Treaties and of the Regulations, and to the principles of sound financial management.

Forward proposals may be made in respect of certain items of current revenue in accordance with the measures of implementation envisaged in Article 118.

The Financial Controller may withhold his approval. The superior authority of the institution may, by a decision stating the full reasons therefor, and on its sole responsibility, disregard this. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall periodically inform the Court of Auditors of all such decisions.

The Financial Controller may withhold his approval. The superior authority of the institution may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule this refusal. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall quarterly inform the Court of Auditors of all such decisions.

2. Unchanged

2. The competent authorizing officer shall draw up, in respect of every debt established, a recovery order which shall be sent with supporting documents to the Financial Controller for his prior approval. Such recovery orders shall, after they have received the approval of the Financial Controller, be registered by the accounting officer in accordance with the measures of implementation envisaged in Article 118.

(b) the proposal is in order and conforms to the relevant provisions, in particular, of the Budget and of the regulations and also of all acts made in implementation of the Treaties and of the Regulations, and to the principles of sound financial management.

The official responsible for financial control may withhold his approval. The authorizing officer may, by a decision stating the full reasons therefor, and on his sole responsibility, disregard this. The decision of the authorizing officer shall have executive effect; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall periodically inform the Audit Board of all such decisions.

2. When the authority responsible for the institution waives the right to draw up a document establishing a debt or to recover sums due, it shall inform the official in charge of financial control thereof.

Unchanged

The purpose of the approval shall be to establish that:

- (a) the revenue is booked to the correct budget item;
- (b) the order is in order and conforms to the relevant provisions;
- (c) the supporting documents are in order;
- (d) the debtor is correctly described;
- (e) the due date is indicated;
- (f) the order conforms to sound financial management;
- (g) the amount and currency of the sum to be recovered are correct.

If approval is withheld, the second subparagraph of paragraph 1 of this Article shall apply.

When the official responsible for financial control finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the institution thereof.

1. Unchanged

2. Unchanged

3. Unchanged

4. Unchanged

1. The accounting officer shall assume responsibility for the recovery orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates indicated in the recovery orders, and he shall see to it that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorizing officer and the Financial Controller of any revenue not recovered within the time limits laid down.

2. If the authorizing officer waives the right to recover an established debt, he shall send beforehand a proposal for cancellation to the Financial Controller for his approval and to the accounting officer for information.

The purpose of the approval of the Financial Controller shall be to establish that the waiver is in order and conforms with the principles of sound financial management. The proposal concerned shall be registered by the accounting officer.

If approval is withheld, the superior authority of the institution may, by a decision stating the full reasons therefor, and on its sole responsibility, disregard this. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall periodically inform the Court of Auditors of all such decisions.

3. When the Financial Controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the institution thereof.

4. The measures of implementation in respect of this Article shall be laid down in accordance with the provisions of Article 118.

The accounting officer shall assume responsibility for the receivable orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates stipulated in the receivable orders, and he shall see to it that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorizing officer and the Financial Controller of any revenue not recovered within the time-limits laid down.

If approval is withheld, the superior authority of the institution may, by a decision stating the full reasons therefor, and on its sole responsibility, override this refusal. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall quarterly inform the Court of Auditors of all such decisions.

Article 25

Unchanged

Article 25

Unchanged

Article 25

A receipt shall be issued in respect of all cash payments made to the accounting officer.

2. Own resources

Article 26

1. Estimates of the own resources to be paid by each Member State shall be entered in the budget, expressed in units of account as defined in Article 10. They shall be made available and transferred in accordance with Article 11 of Council Regulation (EEC, Euratom, ECSC) No 2/71 of 2 January 1971 implementing the Decision of 21 April 1970 on the placement of financial contributions from Member States by the Communities' own resources, as amended by Regulation (EEC, EEC, Euratom) No 906/73 (2).

(1) OJ No L 3, 5. 1. 1971, p. 1.

(2) OJ No L 89, 5. 4. 1973, p. 1.

Article 26

1. Estimates of the own resources and, if appropriate, of the contributions referred to in Article 4 (2) and (3) of the Decision of 21 April 1970 to be paid by each Member State shall be entered in the budget, expressed in units of account as defined in Article 10. They shall be made available and paid over in accordance with Title II of Council Regulation (EEC, Euratom, ECSC) No 2/71 of 2 January 1971 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (1), as last amended by Regulation

(1) OJ No L 3 of 5.1.1971, p. 1.

(2) Regulation currently being drawn up to amend Regulation (EEC, Euratom, ECSC) No 2/71.

Article 26

Unchanged

2. This provision takes account of Article 131 of the Act of Accession in respect of the new Member States.

Article 27

Deleted

Article 27

The own resources paid by the Member States pursuant to Title II of Council Regulation (EEC, Euratom, ECSC) No 2/71 of 2 January 1971 shall be credited to the current financial year regardless of the date of establishment defined in Article 2 of this Regulation.

2. However, for the financial year in question, each Member State shall transfer the own resources actually recorded up to the percentage provided for in the fourth subparagraph of Article 3(1) of the Decision of 21 April 1970.

3. Financial contributions from Member States

Article 27

the financial contributions from the Member States fixed by the Budget shall be expressed in units of account as defined in Article 10. They shall be converted into the respective national currencies on the basis of the relationship existing on the day of their payment between the weight of fine gold contained in a unit of account as above defined and the weight of fine gold corresponding to parity in respect of the relevant currency declared to the International Monetary Fund. Should the currency of one or more of the Member States cease to have any declared parity with the International Monetary Fund, the Commission shall propose appropriate measures to the Council.

Article 28

The financial contributions thus expressed in national currencies shall, in accordance with the procedure laid down in Articles 31 to 37 inclusive, be entered by each Member State to the credit of special 'Contributions' accounts, opened by the Commission with the Treasury, or the body appointed by the Member State.

The amounts entered to the credit of those accounts shall be placed at the disposal of the Commission in accordance with the conditions laid down in Article 38. For this purpose, the Commission shall forward to the Treasuries or the bodies appointed by the Member States its orders and instructions which shall be carried out as soon as possible. Such deposit accounts shall be maintained without charge to the Communities, and do not earn interest for them.

Article 28

Deleted

Deleted

Article 28

... accounts entered to the credit of the accounts referred
... in Article 28 shall retain the value corres-
... nding to the parity in force on the day of
... posit in relation to the unit of account as
... fined in Article 10.

... would the parity of the currency of a Member
... late in relation to the unit of account be
... dified, there shall immediately be an ad-
... ustment of the balance of those accounts,
... y means of a further payment made by the
... mber State or Member States concerned or
... y means of a repayment made by the Commission.

Article 30

... n adjustment of the contributions due shall
... e made, where necessary, during the month
... ollowing the final adoption of the amending
... dget as provided for in Article 10 or a
... uncil decision noting the implications of
... rity changes.

... Financing the financial requirements of the
... Committees within the framework of the
... budgetary expenditure

Article 29

The balance from each financial year, calculated
in accordance with Article 24 of Regulation
(EEC, Euratom, ECSC) No 2771 as amended,
shall be entered as revenue in the case of a
surplus or expenditure in the case of a deficit in
the budget of the second subsequent financial
year.

However, if the situation requires, a decision
may be taken to previously enter all or part of
this balance in a supplementary budget for the
financial year immediately following the
financial year in question.

Article 30

1. The contributions provided for in Article 4
(6) of the Decision of 21 April 1970 shall be
paid over as follows:

- seven-twelfths of the amount shown in the
budget not later than 31 January,
- the remaining five-twelfths not later than 15
July.

2. Any contribution or additional payment
due to the budget from the Member States must
be entered in the account(s) of the Commission
within 30 days from the date on which funds
are called for.

3. These various payments shall be entered in
the account provided for in Article 7 (1) of
Regulation (EEC, Euratom, ECSC) No 2771 and
shall be subject to the provisions of Article 9 (2)

Unchanged

Article 30

Unchanged

Article 31

The Commission shall, four times a year, present the European Parliament and the Council with a report on the Communities' financial situation, including both receipts and expenditure.

There shall be attached to these reports a comprehensive statement on the sums maintained from previous years, as well as on any changes brought about by supplementary or amending budgets.

Article 31

The Commission shall, four times a year, present the European Parliament and the Council with a report on the Communities' financial situation.

Article 31

The financial requirements as estimated monthly shall be met by the Member States in proportion to the relative share laid down in the budget for each of them.

In the final adoption of a supplementary or amending budget shall, if this is necessary, give rise to the amendment of the abovementioned relative share.

From the sum due from it each Member State shall deduct the amount of own resources to be paid the same month, in accordance with the

provisions of Article 9 of Regulation (EEC, Euratom, ECSC) No 2/71.

3. However, those Member States which, according to the budget estimates, would not be bound to make financial contributions, shall transfer monthly, as own resources, a sum corresponding to the relative share applied to the financial requirements referred to in paragraph 1.

Article 32

When closing the accounts of each financial year, the Commission shall draw up a table of sums paid showing the difference between the amount actually paid by the Member States and that which they should have paid in accordance with the revenue and expenditure account for the financial year in question.

The total amount thus calculated shall be refunded to them by means of a deduction from the next monthly payment to be made.

At the same time, if required and up to a maximum amount of 400 million units of account, the Member States shall, at the request of the Commission, place at the disposal of the Commission the total amount referred to in the preceding paragraph. In that event, the financial participation from the Member States shall be apportioned as follows:

for the new Member States, in accordance with the percentages laid down in Article 129 of the Act concerning the Conditions of Accession and the Adjustments to the Treaties taking into account the abatement provided for in Article 130 of that Act,

Article 32

The payments of own resources provided for in Article 26 shall be effected in national currency and converted into and entered in the accounts in units of account.

The contributions referred to in Articles 26 and 30 shall be expressed in units of account; their payment shall be effected in national currency.

Unchanged

Article 32

- for the other Member States, and in order to cover the balance, in accordance with the percentages laid down in Article 3 (2) of the Decision of 21 April 1970.

Where the total amount referred to above exceeds 400 million units of account, the excess shall be included in the financial requirements of the Commission.

The amounts thus established shall be booked to the next monthly payment to be made.

Article 33

If, when the Commission calls for funds, the Budget has still not been finally adopted, the relative share taken as the reference figure for determining the participation of each Member State in accordance with Article 31 (1) above shall be that of the draft or preliminary draft budget under consideration.

Article 33

The Commission shall, once a quarter, send each Member State a statement indicating the transfers effected in that Member State's national currency into another currency and *vice versa*.

Unchanged

Article 33

1. The Commission shall inform each Member State

Deleted

Deleted

of the financial requirements referred to in Article 31 (1) not later than the first of the month preceding that to which the estimate relates.

2. The corresponding payments, other than own resources, shall be made by each Member State not later than the fifteenth of the month preceding that to which the estimate relates.

However, the contributions provided for in Articles 3 (4) and 4 (6) of the Decision of 21 April 1970 shall be paid:

- seven-twelfths not later than 15 January;

- the balance not later than 15 July.

These payments shall be credited to a special 'Contributions' account pursuant to Article 28.

Any delay in the entry into this account of the amounts due pursuant to Articles 31 to 34 inclusive shall give rise to payment by the Member State concerned of interest the rate of which shall be equal to the highest discount rate in the Member States applicable on the date when the payment falls due. That rate shall be increased by 0.25 point for each month of delay.

Article 35

Four times a year, the Commission shall submit a report to the European Parliament and to the Council on the implementation of the Budget. This report shall make it possible to examine the financial situation of the Communities and see whether it corresponds with current requirements.

Article 36

The payments provided for in Articles 26 to 34 shall be made in national currencies; they shall be calculated on the basis of the parity declared to the International Monetary Fund in force on the day of payment.

Article 35

Deleted

Article 35

Deleted

Article 36

Deleted

Article 36

Deleted

Article 37

Articles 31 to 36 inclusive shall remain in force until 31 December 1974 or at the latest until the time when, for certain Member States, the financial contributions are replaced by the payment of a part of the value added tax, pursuant to Article 4 of the Decision of 21 April 1970.

Notwithstanding the first subparagraph of Article 34 (2), until 1 October 1973, the payments other than own resources shall be made at the latest by the end of the month preceding that to which the estimate relates.

5. Management of available funds

Article 38

The funds credited to the accounts referred to in Article 28 of this Financial Regulation and Article 7 of Regulation (EEC, Euratom, ECSC) No 2/71 shall be at the disposal of the Commission, in order to replenish its accounts, and in particular:

Article 37

Deleted

Article 37

Deleted

Article 38

Article 38

Deleted

- to cover the payments to be made in the national currencies in which these accounts are denominated,
- to effect the transfers which are necessary for the implementation of the Budget.

Article 39

The Commission shall forward quarterly to each Member State a statement of transfers effected from the currency of that Member State to another currency.

Deleted

Article 39

Deleted

Article 39

Section III

Commitment, validation, authorization and payment of expenditure

1. Commitment of expenditure

Article 40

1. All measures which may give rise to expenditure chargeable to the Budget must be preceded by a proposal for commitment of expenditure from the relevant authorizing officer. A provisional commitment may be entered into in respect of current expenditure.
2. For the purposes of the appropriations of the Guidance Section of the European Agricultural Guidance and Guarantee Fund, the decisions taken by the Commission in accordance with Article 7 of the Regulation (EEC) No 729/70 shall constitute commitments of expenditure.

Article 40

1. All measures which may give rise to expenditure chargeable to the budget must be preceded by a proposal for commitment of expenditure from the relevant authorizing officer. A provisional commitment may be entered into in respect of current expenditure.
2. Without prejudice to the provisions of Article 107, the decisions taken by the Commission to grant financial aid from the various funds or similar operations shall constitute commitments of expenditure.
3. The procedure for implementing the provisions of paragraphs 1 and 2 above shall be laid down as provided for in Article 118. This procedure shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Unchanged

Article 40

3. The procedure for implementing the provisions of paragraphs 1 and 2 above shall be laid down as provided for in Article 118. This procedure shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Article 41

In each institution, proposals for commitment shall be transmitted to the Financial Controller

and then to the department in charge of accounts: they shall show, in particular, the purpose of the expenditure, the estimated amount involved, indicating the currency where possible, the budget item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller, as provided for in the measures of implementation envisaged in Article 118.

Article 41

In each institution, proposals for commitments, accompanied by the supporting documents, shall be transmitted to the Financial Controller and to the accounting officer: they shall show, in particular, the purpose of the expenditure, the estimated amount involved, indicating the currency where possible, the budget item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller, as provided for in the measures of implementation envisaged in Article 118.

Unchanged

Article 41

Article 42

The purpose of the approval of proposals for commitments of expenditure given by the Financial Controller shall be to establish that:

- (a) the expenditure has been charged to the correct item in the budget;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular of the Budget and the Regulations, and of all acts made in implementation of the Treaties and of the Regulations;

(d) the principles of sound financial management have been applied.

The Financial Controller may withhold his approval if it appears from the decision giving discharge that a commitment did not comply with the Regulations.

The measures of implementation of these provisions shall be determined in accordance with Article 118.

Article 42

The purpose of the approval of proposals for commitments of expenditure given by the Financial Controller shall be to establish that:

- (a) the expenditure has been charged to the correct item in the budget;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular of the budget and the Regulations, and of all acts made in implementation of the Treaties and of the Regulations;
- (d) the principles of sound financial management have been applied.

The Financial Controller shall take into account the comments in the decision giving discharge.

The measures of implementation of these provisions shall be determined in accordance with Article 118.

Article 42

Unchanged

Deleted and transferred to Article 92

Unchanged

Unchanged

Article 43

The Financial Controller may withhold his approval. If he withholds his approval he shall furnish a written statement, stating the full reasons therefor. The authorizing officer shall be notified accordingly.

If approval is withheld and the authorizing officer maintains his proposal, this refusal shall be referred for a decision to the superior authority of the competent institution among those listed in the first two paragraphs of Article 18.

Except where the availability of the appropriations is in doubt, the said superior authority may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule such a refusal. This decision shall be final and binding; it shall be communicated for information to the Financial Controller. The superior authority of each institution shall periodically inform the Court of Auditors of all such decisions.

Article 43

If he withholds his approval, the Financial Controller shall furnish a written statement, stating the full reasons therefor. The authorizing officer shall be notified accordingly.

If approval is withheld and the authorizing officer maintains his proposal, this refusal shall be referred for a decision to the superior authority of the competent institution among those listed in the first two paragraphs of Article 18.

Except where the availability of the appropriations is in doubt, the said superior authority may, by a decision stating the full reasons therefor, and on its sole responsibility, disregard such a refusal. This decision shall be final and binding: It shall be communicated for information to the Financial Controller. The superior authority of each institution shall periodically inform the Audit Board of all such decisions.

2. Validation of expenditure

Article 44

The purpose of validation of expenditure by the authorizing officer shall be:

- to verify the existence of the creditor's claim;
- to determine or verify the existence and the amount of the existing debt; and
- to verify the conditions under which payment falls due.

Article 45

Validation of any expenditure shall be subject to the submission of supporting documents showing the creditor's claim and the service rendered or the existence of a document justifying payment. The measures of implementation envisaged in Article 118 shall lay down the nature and the contents of the supporting documents to be enclosed with the payment order.

The authorizing officer empowered to validate expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

2. Clearance of expenditure

Article 44

Unchanged

Clearance of expenditure is the act by which the authorizing officer shall:

- verify the existence of the creditor's claim,
- determine or verify the existence and the amount of the sum due; and
- verify the conditions under which payment falls due.

Article 45

Unchanged

1. Clearance of any expenditure shall be subject to the submission of supporting documents showing the creditor's claim and the service rendered or the existence of a document justifying payment. The measures of implementation envisaged in Article 118 shall lay down the nature and the contents of the supporting documents to be enclosed with the payment order.

2. Supporting documents save those in respect of transactions not finally closed, pertaining to the accounts and the drawing-up of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the granting of the discharge, referred to in Article 92, in respect of implementation of the budget.

3. The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

Article 46

Remuneration and allowances shall be validated in accordance with a collective statement drawn up by the department in charge of personnel, except where individual clearance is necessary.

3. Authorization of expenditure

Article 47

Authorization shall be the formal step whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has validated.

Article 46

Unchanged

3. Authorization of expenditure

Article 47

Authorization is the act whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

Article 46

Unchanged

3. Authorization of expenditure

Article 47

Unchanged

Article 48

Unchanged

Article 48

The payment order shall state:

- the financial year against which the payment shall be charged,
- the budget article; and any other subdivision that may apply,
- the amount to be paid (in figures and words) showing the currency,
- the name and address of the payee,
- the purpose of the expenditure,
- the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

Article 48

The payment order shall state:

- the financial year against which the payment shall be charged;
- the Budget Article and any other subdivision that may apply;
- the amount to be paid (in figures and words) showing the currency;
- the name and address of the payee;
- the purpose of the expenditure;
- and the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

The payment order shall be accompanied by the original supporting documents, as determined by the measures of implementation envisaged in Article 118; those documents shall be certified or accompanied by a certificate confirming the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventories, referred to in Article 67.

It shall show the numbers and dates of the relevant approvals of commitment. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

The payment order shall be accompanied by the original supporting documents, as determined by the measures of implementation envisaged in Article 118; those documents shall be certified in respect of — or accompanied by a certificate confirming — the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventories referred to in Article 67.

It shall show the numbers of the relevant approvals of commitment. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Unchanged

Article 50

Unchanged

Article 50

For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's claim to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

The authorizing officer may grant advances to personnel if the Staff Regulations or the provisions laid down by regulation specifically provide therefor.

The authorizing officer may grant advances to cover disbursements to be effected by an official or other member of staff on behalf of his institution. The measures of implementation of this provision shall be determined in accordance with Article 118.

Apart from the imprest accounts referred to in Article 57, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 50

payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's claim to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

authorizing officer may grant advances to personnel if the Staff Regulations or the provisions laid down by regulation specifically provide therefor, or if an official or servant makes disbursements on behalf of his institution which are charged to the Budget.

Apart from the imprests referred to in Article 57, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 51

Payment orders shall be sent for prior approval to the Financial Controller.

This prior approval shall confirm that:

- (a) the payment order was properly issued;
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct;
- (c) the expenditure is charged to the correct item of the Budget;
- (d) the appropriations are available;
- (e) the supporting documents are in order;
- (f) the payee is correctly described.

Article 52

Should approval be refused, Article 43 shall apply.

Article 53

After approval the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

Article 51

Payment orders shall be sent for prior approval to the Financial Controller.

This prior approval shall confirm that:

- (a) the payment order was properly issued;
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct;
- (c) the expenditure is charged to the correct item of the budget;
- (d) the appropriations are available;
- (e) the supporting documents are in order;
- (f) the payee is correctly described.

Article 52

Should approval be refused, Article 43 shall apply.

Article 53

After approval, the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

Article 51

Unchanged

Article 52

Unchanged

Article 53

Unchanged

4. Payment of expenditure

Article 54

Payment shall be the final action whereby the institution concerned is discharged of its obligations towards its creditors.

Payment shall be made by the accounting officer within the limits of the funds available.

In the event of an error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Financial Regulation, the accounting officer must suspend payment.

4. Payment of expenditure

Article 54

Unchanged

4. Payment of expenditure

Article 54

Unchanged

If payment is suspended, the accounting officer shall give the reasons for his decision in a written statement which he shall send forthwith to the authorizing officer and, for information, to the Financial Controller.

Except where the validity of the discharge is attested, the authorizing officer may place the matter before the authority appointed by the institution in the manner laid down in the rules of procedure of that institution. The said authority may require, in writing, and on its own responsibility, that payment be effected.

Unchanged

Unchanged

Payments shall be effected as a general rule through a bank account or post office giro account.

The procedure for opening, administering and use of such accounts shall be in accordance with the measures of implementation envisaged in Article 118. These measures shall, in particular, identify expenditure the payment of which must necessarily be effected either by cheque or by post office or bank transfer order, and shall require the joint signatures on cheques,

post office or bank transfer orders of two duly authorized officials, one signature necessarily being that of the accounting officer, an assistant accounting officer, or a duly-authorized administrator of an imprest account.

Unchanged

Unchanged

5. Imprests

Article 57

Unchanged

5. Imprests

Article 57

Unchanged

5. Imprests

Article 57

For the payment of certain categories of expenditure, imprest accounts may be set up as provided for in the measures of implementation envisaged in Article 118.

These measures shall contain specific provisions concerning in particular:

- the appointment of administrators of imprest accounts;
- the nature and maximum amount of each expenditure to be incurred;
- the maximum amount of the imprest which may be advanced;
- the time within which supporting documents must be produced;
- the responsibility of the administrators of imprest accounts.

TITLE IV
CONCLUSION OF CONTRACTS, INVENTORIES,
ACCOUNTANCY

SECTION I

Contracts for the supply of goods
and services, and hire contracts

Article 58

Unchanged

TITLE IV
CONCLUSION OF CONTRACTS, INVENTORIES
ACCOUNTANCY

Section I

Contracts for the supply of goods
and services, and hire contracts

Article 58

Unchanged

TITLE IV
CONCLUSION OF CONTRACTS, INVENTORIES,
ACCOUNTANCY

Section I

Contracts for the supply of goods
and services, and hire contracts

Article 58

1. Contracts for the purchase or hiring of goods, for the provision of services or for building works shall be made in writing. They shall be concluded following an automatic public tendering or discretionary tendering procedure. However, contracts may be entered into by private treaty in the circumstances referred to in Article 60. Purchases may be made by way of a bill of costs or invoice in the case provided for in Article 65.

2. Calls for tender shall, as a general rule, be published throughout all the Member States, and, where appropriate, in non-member countries, insofar as this is compatible with the development of the relevant industries in the Communities. However, the distribution of such invitations to tender may be restricted, where the scale or nature of the goods or services is such that they are not appropriate for a general invitation to tender.

Article 59

1. Automatic public tendering is an administrative procedure which precedes the conclusion of a contract and follows a call for tender. Its effect is to confer publicly on the tenderer whose tender is the lowest - out of all those which are entered in due and proper form, meet the conditions laid down, and are comparable with each other - the right to the definitive award of the contract, after the approval of the competent authorizing officer. This tendering procedure is said to be open, where it is open to all comers to submit a tender; it is said to be restricted where tenders may be

Article 59

Unchanged

Article 59

Unchanged

entered only by those whom it has been decided to consult because of their special qualifications.

2. A discretionary tendering contract is a contract entered into by the contracting parties following a call for tender. In this case, the offer considered the most favourable may be chosen at discretion, taking into account the cost of performance, running costs involved, technical merit, the time for performance, together with the financial guarantees and the guarantees of professional competence put forward by each of the tenderers.

Such a call for tender is said to be public or open where a general invitation to tender is involved; it is said to be restricted where it is addressed only to those whom it has been decided to consult because of their special qualifications.

3. The procedure for inviting tenders, both as regards automatic public tendering and discretionary tendering, shall be specified in the measures of implementation envisaged in Article 118.

Contracts may be made by private treaty:

- (a) where the contract for the purchase or hiring of goods, for the provision of services or for building works involves an amount not exceeding 5 000 units of account, the institution being bound, however, as far as possible and by all appropriate means, to enable suppliers who are likely to be able to supply the goods and services in question to compete;
- b) where the purchase or hiring of goods, the provision of services or the construction works are so urgently needed that it is not possible to wait for one of the tendering procedures specified in Article 59 to be carried out;
- c) where the automatic public tendering or discretionary tendering procedures do not give any result or where the prices quoted are not acceptable;
- d) where for technical, practical or legal reasons, the supply of goods and services can only be carried out by a particular contractor or supplier;

Unchanged.

Unchanged.

(e) for contracts for the supply of goods and services or for ancillary works which technically cannot be separated from the main contract.

Article 61

There shall be no discrimination between nationals of Member States on grounds of nationality in respect of contracts entered into by the Communities.

Article 62

In each institution, before the authorizing officer takes a decision, contracts involving amounts exceeding 12 000 units of account shall be submitted for the opinion of a purchases and contracts advisory committee whose rules of procedure shall be laid down in the measures of implementation envisaged in Article 118.

Article 61

Unchanged

Unchanged

Article 61

Article 62

In each institution, before the authorizing officer takes a decision, contracts involving amounts exceeding 15 000 units of account shall be submitted for the opinion of an Advisory Committee on Procurements and Contracts whose rules of procedure shall be laid down in the measures of implementation envisaged in Article 118.

Unchanged

Article 62

Unchanged

Unchanged

The Advisory Committee referred to in Article 62 shall include at least one representative of the department responsible for general administration, one representative of the department responsible for finance and one representative of the department responsible for legal matters; a representative of the Financial Controller shall be present as observer.

The Committee shall deliver an opinion as to whether the procedure followed is in order, on the choice of suppliers and, in general, on the proposed terms of the contract.

Any other problem concerning matters falling under this Title may be referred to the said Committee for an opinion.

Article 64

Unchanged

Article 64

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors, by a clause included among the warranty clauses, that they make a preliminary deposit under conditions to be laid down in the measures of implementation envisaged in Article 118.

The amount of the deposit shall be fixed:

- according to the usual trade terms of contracts for supplies,
- according to the special conditions governing building contracts.

For building works involving an amount exceeding 200 000 units of account, a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been carried out or completion has been late, the institution shall ensure that it is adequately compensated in respect of all damages, interest and costs by the deduction of the amount from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 64

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors, by a clause included among the warranty clauses, that they make a preliminary deposit under conditions to be laid down in the measures of implementation envisaged in Article 118.

The amount of the deposit shall be fixed:

- according to the usual trade terms of contracts for supplies;
- according to the → special conditions governing building contracts.

For building works involving an amount exceeding 100 000 units of account, a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been carried out or completion has been late, the institution shall ensure that it is adequately compensated in respect of all damages, interest and

→ costs by the deduction of the amount

from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 65

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied does not exceed 200 units of account. This limit shall be increased to 500 units of account for expenditure to be entered into outside the provisional places of work of the institution.

Article 66

When concluding contracts referred to in this Financial Regulation, each institution shall comply with the measures laid down in respect of public works by the Council in implementation of the Treaty establishing the European Economic Community.

Article 65

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied does not exceed 250 units of account. This limit shall be increased to 600 units of account for expenditure to be entered into outside the provisional places of work of the institution.

Article 66

Unchanged

Article 65

Unchanged

Article 66

Unchanged

Section II

Inventories of movable and

immovable property

Article 67

Permanent quantitative inventories of all movable and immovable property belonging to the Communities shall be kept in accordance with a model drawn up by the Commission. Only movable property exceeding a specific value provided for in the measures of implementation envisaged in Article 118 shall be entered in those inventories.

Each institution shall carry out its own inspection to ascertain that the entries in the inventory correspond to the facts.

Article 68

The sale of movable property shall be suitably advertised as laid down in the measures of implementation envisaged in Article 118.

Unchanged

Article 68

Unchanged

Section II

Inventories of movable and

immovable property

Article 67

Unchanged

Unchanged

Section II

Inventories of movable and

immovable property

Article 67

Unchanged

Article 68

Unchanged

Apart from sales by an public tender, officials and other servants of the institutions may not acquire any movable property sold by the said institutions.

Article 69

A statement or record shall be drawn up by the authorizing officer and authenticated by the Financial Controller whenever any property in the inventory is disposed of, scrapped, hired out, or missing on account of loss, theft or any other reason.

The statement or record shall refer in particular to any obligation that may devolve on an official or other servant of the Communities or any other person to replace the item in question.

If immovable property or large installations are made available free of charge, they must be covered by contracts submitted to the Financial Controller for approval, and shall be the subject of an annual communication to the European Parliament and the Council when the preliminary draft budget is submitted.

Article 69

Unchanged

Article 69

Unchanged

Unchanged

Unchanged

Article 70

Every purchase of movable or immovable property as defined in Article 67 shall, before payment is made, be entered in the permanent inventories.

That entry shall be recorded in the corresponding invoice or annexed document prepared with a view to paying for the expenditure in question.

Section III

Accounts

Article 71

The accounts shall be kept by the double entry method, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year; they shall be authenticated by supporting documents. They may be kept in the currency of the country where the seat of the Commission is located or, where appropriate, in the currencies of the countries where the establishments of the Joint Research Centre are located without prejudice to the provisions of

Section III

Accounts

Article 71

Unchanged

The accounts shall be kept in units of account by the double entry method, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year. They shall be authenticated by supporting documents.

The revenue and expenditure account and the balance sheet shall be drawn up in units of account.

The revenue and expenditure account and the balance sheet shall be drawn up in units of account.

Any amount expressed in units of account shall be entered in the accounts in terms of the parity in force on the date of transfer or actual payment.

Article 72

Entries relating to the budget accounts and to commitments and established entitlements accounts shall be made on the basis of an accounting plan comprising a nomenclature of budgetary items which makes a clear distinction between the balance sheet accounts and the accounts of budgetary expenditure and revenue.

These entries shall be recorded in books or on cards. These shall make it possible to draw up a general monthly balance, and a statement by Chapter and Article, of budgetary revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 72

Entries relating to the budget accounts and to commitments and recovery orders accounts shall be made on the basis of an accounting system comprising a nomenclature of budgetary items which makes a clear distinction between the balance sheet accounts and the accounts of budgetary expenditure and revenue.

These entries shall make it possible to draw up a general monthly balance, and a statement by chapter and article, of budgetary revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 72

Unchanged

Article 73

Except for the advances referred to in Article 107, any advance shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

Article 74

Details of the method for drawing up and operating the accounting plan shall be laid down in the measures of implementation envisaged in Article 118.

Article 75

The accounts shall be closed at the end of the financial year to enable a balance sheet of the Communities and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

Article 73

Except for the advances referred to in Articles 107 and 114, any advance, other than regular advances which are periodically re-examined, shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

However, the advances referred to in the third subparagraph of Article 50 shall be settled within the two months following completion of the project for which they were granted.

Article 74

Unchanged

Article 75

The accounts shall be closed at the end of the financial year to enable a balance sheet of the Communities and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

The adjustment operations and those in respect of additional periods shall be appended to the sheets for 31 December of the year in question.

Article 73

Unchanged

However, the advances referred to in the third subparagraph of Article 50 shall be settled within six weeks as a general rule following completion of the project for which they were granted.

Article 74

Unchanged

Article 75

Unchanged

Deleted

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS, ACCOUNTING OFFICERS AND ADMINISTRATORS OF IMPREST ACCOUNTS

Article 76

Authorizing officers who, when establishing entitlements to be recovered or issuing receivable orders, entering into commitments of expenditure or signing payment orders do so without complying with this Financial Regulation and the rules for its implementation render themselves liable to disciplinary action and, where appropriate, may be required to make restitution. The same shall apply if they omit to draw up a document establishing a debt or if they neglect to issue receivable orders or are, without justification, late in issuing them.

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS, ACCOUNTING OFFICERS AND ADMINISTRATORS OF IMPREST ACCOUNTS

Article 76

Authorizing officers, who, when establishing entitlements to be recovered or issuing recovery orders, entering into a commitment of expenditure or signing a payment order do so without complying with this Financial Regulation and the rules for its implementation render themselves liable to disciplinary action and, where appropriate, may be required to make restitution. The same shall apply if they omit to draw up a document establishing a debt or if they neglect to issue recovery orders or are, without justification, late in issuing them.

Unchanged

Article 76

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS, ACCOUNTING OFFICERS AND ADMINISTRATORS OF IMPREST ACCOUNTS

Article 77

Financial Controllers render themselves liable to disciplinary action and, where appropriate, may be required to make restitution for any action taken during their term of office, in particular, by granting their approval to transactions in excess of the budgetary appropriations.

Unchanged

Article 77

Unchanged

Article 77

Article 78

1. Accounting officers and assistant accounting officers render themselves liable to disciplinary action and, where appropriate, may be required to make restitution as regards payments made by them in disregard of the third subparagraph of Article 54.

Unchanged

Article 78

Unchanged

Article 78

They render themselves liable to disciplinary action and may be required to make restitution as regards any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from a deliberate breach of duty or serious negligence on their part.

Unchanged

Unchanged

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and the administration of bank accounts and post office giro accounts, and in particular:

(a) where the payments or recoveries made by them do not agree with the amounts on the payment orders or receivable orders;

(b) where they effect payment to a party other than the entitled payee.

2. Administrators of imprest accounts render themselves liable to disciplinary action and, where appropriate, may be required to make restitution in the following cases:

(a) where they cannot show warrant with documents in due and proper form for payments made by them;

(b) where they effect payment to a party other than the entitled payee.

They render themselves liable to disciplinary action and may be required to make restitution in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of a deliberate breach of duty or serious negligence on their part.

3. The accounting officer, assistant accounting officers and administrators of imprest accounts shall insure themselves against the risks arising under this Article.
- The Institution shall cover the insurance costs relating thereto in accordance with the measures of implementation envisaged in Article 118.
- A special indemnity shall be granted in each of the institutions to the accounting officer, assistant accounting officers and administrators of imprest accounts. The sums corresponding to this indemnity shall be credited each month to an account opened by the Institution on behalf of each official in order to establish a guarantee fund to cover any cash or bank shortage for which the person concerned might render himself liable, in so far as such shortages have not been covered by refunds from insurance companies.
- The credit balance in these guarantee accounts shall be paid over to the persons concerned when they terminate their appointment as accounting officer, assistant accounting officer or administrator of imprest accounts.

4. The measures of implementation envisaged in Article 118 shall specify the categories of officials or other staff qualified to be appointed accounting officers or administrators of Imprest accounts.

Unchanged

Article 79

Article 79

The requirement for authorizing officers, financial controllers, accounting officers, assistant accounting officers and administrator of Imprest accounts to make restitution, or their liability to disciplinary action, shall be governed by the provisions of Articles 22 and 86 to 89, respectively, of the Staff Regulations of Officials of the European Communities.

Unchanged

Unchanged

Article 79

Article 80

Article 80

Each institution shall be allowed a period of two years from the date when the revenue and expenditure account is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

Unchanged

Unchanged

TITLE VI

PRESENTATION AND AUDITING OF THE ACCOUNTS

Section I

Presentation of the accounts

Article 81

The Commission shall draw up, not later than 1 June, a revenue and expenditure account for the Communities.

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year for each institution. It shall be submitted in the same form and following the same subdivisions as the Budget.

TITLE VI

PRESENTATION AND AUDITING OF THE ACCOUNTS

Section I

Presentation of the accounts

Article 81

The Commission shall draw up, not later than 1 June, a revenue and expenditure account for the Communities, which shall include the following tables broken down in accordance with the budget nomenclature:

1. A table of revenue including:
 - estimated revenue for the financial year,
 - amendments to the revenue estimates as a result of supplementary or amending budgets,
 - revenue collected during the financial year;

2. Tables showing the trend in appropriations in respect of the financial year, distinguishing between appropriations for commitment, appropriations for payment and appropriations where no such distinction is made, and indicating:
 - the initial appropriations,
 - any amendments introduced by means of supplementary or amending budgets,
 - any amendments to appropriations introduced by means of transfers,
 - the final appropriations for the financial year;

3. Tables of expenditure showing the utilization of the appropriations for the financial year, indicating:
 - the final appropriations, distinguishing between appropriations for commitment, appropriations for payment and appropriations where no such distinction is made,

TITLE VI

PRESENTATION AND AUDITING OF THE ACCOUNTS

Section I

Presentation of the accounts

Article 81

The Commission shall draw up, not later than 1 June of the following year, a revenue and expenditure account for the Communities, which shall include the following tables broken down in accordance with the budget nomenclature:

1. A table of revenue including:
 - estimated revenue for the financial year,
 - amendments to the revenue estimates as a result of supplementary or amending budgets,
 - revenue collected during the financial year,
 - entitlements still to be collected from the preceding financial year,
 - entitlements established in the course of the financial year,
 - amounts still to be collected at the end of the financial year;

2. Tables showing the budgetary pattern for the financial year distinguishing between appropriations entered under items, articles, chapters and titles of the budget and commitments, authorizations, and indicating:
 - the initial entries,
 - any amendments introduced by means of supplementary or amending budgets,
 - any amendments to appropriations introduced by means of transfer,
 - the appropriations maintained under Article 6(3)
 - the final figures for appropriations for the financial year;

- the commitments entered into and chargeable to the financial year, distinguishing between appropriations for commitment and appropriations where no such distinction is made,
- the payments made and chargeable to the financial year, distinguishing between appropriations for payment and appropriations where no such distinction is made,
- the settlement of the commitments in respect of the financial year and the calculation of the amounts still to be paid at the close of the financial year,
- the appropriations for commitment carried forward in accordance with Article 95 and with the decision taken by the Budgetary Authority pursuant to Article 6 (3) (a), first indent,
- the appropriations for payment carried over pursuant to Article 6 (3) (a), first indent,
- the appropriations where no such distinction is made, carried over pursuant to Article 6 (3) (b),
- the appropriations cancelled, distinguishing between appropriations for commitment, appropriations for payment and non-differentiated appropriations.

A statement shall be annexed to these tables, where appropriate, showing the revenue, expenditure and balances for the re-use operations referred to in Article 22(2).

4. Tables showing the use of the appropriations carried forward from preceding financial years, indicating:
- the amount of appropriations carried forward, distinguishing between appropriations for commitment and other appropriations,

3. Tables showing the utilization of the figures entered as at paragraph 2 above; appropriations maintained and cancellations shall also be indicated.

Unchanged

4. Tables showing the use of the authorizations and appropriations maintained from preceding financial years, indicating a detailed breakdown of the figures into commitments, payments made, unused appropriations being maintained and cancellations.

- the commitments entered into and chargeable to the appropriations for commitment carried forward,
- the payments made against the appropriations for payment and against the non-differentiated appropriations carried forward,
- the validation of the amounts still to be paid at the close of the preceding financial year and the amounts still to be paid at the close of the current financial year,
- the unused appropriations to be carried forward to the next financial year,
- the appropriations cancelled, distinguishing between appropriations for commitment and other appropriations;

5. Annexed to the revenue and expenditure account shall be a document showing capital operations and debt management, indicating:

- A
 - (a) the total amount of loans approved;
 - (b) the total amount of the repayments made on borrowings contracted and of the charges on such borrowings;
- B
 - (a) the amount of borrowings contracted;
 - (b) the total amount of repayments of capital and payments of interest made on loans granted.

5. Unchanged

The revenue and expenditure account shall include the following tables broken down in accordance with the budget nomenclature:

1. A table of revenue including:
 - estimated revenue for the financial year;
 - amendments to the revenue estimates as a result of supplementary or amending budgets;
 - entitlements still to be collected from the preceding financial year;
 - entitlements established in the course of the financial year;
 - amounts collected;
 - amounts still to be collected at the end of the financial year.

A statement shall be annexed, where appropriate, to this table, showing the balances and gross amounts of the transactions referred to in Article 22.

2. A table showing the trend in appropriations in respect of the financial year, indicating

Each institution shall, not later than 1 April, forward to the Commission the information required for drawing up the revenue and expenditure account and the balance sheet, plus a contribution to the analysis of the financial management referred to in Article 83.

Unchanged

- the initial appropriations;
 - any amendments to appropriations introduced by means of transfers;
 - any amendments introduced by means of supplementary or amending budgets;
 - the final appropriations for the financial year.
3. A table of expenditure showing the trend in appropriations in respect of the financial year, indicating:
- the total appropriations;
 - the commitments entered into and chargeable to the financial year;
 - the payments made at the end of the period of implementation of the budget;
 - the amounts still to be paid at the close of the financial year;
 - the appropriations carried forward automatically under Article 6(1)(c);
 - the appropriations carried forward under Article 6 (1) (b) relating to contracts concluded after 15 December of the financial year;

- the available appropriations carried forward under Article 6 (1) (b);

- the available appropriations to be cancelled.

A statement shall be annexed to this table, where appropriate, showing the balances and gross amounts of the transactions referred to in Article 22.

4. A table showing the trend in appropriations carried forward from preceding financial years, indicating:

- the amount of appropriations carried forward;
- the payments shown in the accounts at the end of the period of implementation of the budget;
- the unused appropriations to be cancelled;
- the unused appropriations to be carried forward again to the next financial year.

7. A table showing:

- a)

(a) the total amount of loans approved by the Communities;

(b) the total amount of the repayments made on borrowings contracted and of the charges on such borrowings;

- b)

(a) the amount of borrowings contracted;

(b) the total amount of repayments of capital and payments of interest made on loans granted.

A statement shall be annexed to the table showing the state of borrowing and lending by the Community.

Article 8.

The Commission shall draw up, within the time-limit provided for in Article 81, a balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year. A statement of accounts, showing cash movements and balances, drawn up on the same date, shall be attached thereto.

Article 84

Each institution shall, not later than 1 May, forward to the Commission the information required for drawing up the revenue and expenditure account and the balance sheet.

Article 83

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year for each institution. It shall be submitted in the same form and following the same subdivisions as the budget.

Article 84

The Commission shall draw up, within the time limit provided for in Article 81, a balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year. A statement, showing the movements and balances of the accounts, drawn up on the same date, shall be attached thereto.

Article 83

Unchanged

Article 84

Unchanged

Section II

Auditing of the accounts

Provisions relating to the Audit Board

Article 85

There shall be collective action and responsibility in the exercise by the members of the Audit Board of the powers conferred upon them.

The Board may authorize one or more of its members to carry out certain tasks or certain audits. Any member or members so authorized may on their initiative seek assistance from officers of the Board.

The tasks delegated to the officers pursuant to the foregoing provisions must be specifically laid down and limited to the time necessary for their completion. The Board itself or one of its members shall notify the authorities in whose organization the officer delegated is to carry out his work of these tasks.

SECTION II

AUDITING OF THE ACCOUNTS

PROVISIONS RELATING TO THE COURT OF AUDITORS

Article 85

The revenue and expenditure account, the financial analysis and the balance sheet shall be forwarded to the Council and the European Parliament by 1 June at the latest.

The Court of Auditors shall be informed that these documents have been sent.

SECTION II

AUDITING OF THE ACCOUNTS

PROVISIONS RELATING TO THE COURT OF AUDITORS

Article 85

The Commission shall forward the revenue and expenditure account, the financial analysis and the balance sheet to the European Parliament, the Council and the Court of Auditors by 1 June at the latest.

Article 85a

Where, for the performance of certain tasks or certain audits the members of the Court of Auditors seek assistance from staff of the Court, the tasks delegated to these officials must be specifically laid down and limited to the time necessary for their completion. The Court itself or one of its members shall notify these tasks to the authorities in whose organization the person delegated is to carry out his work.

Unchanged

Article 86

Each institution shall forward to the Court of Auditors on a quarterly basis and at the latest within the month which follows the end of the quarter, and, in the case of the fourth quarter, at the latest within the month which follows the close of the financial year, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the budget and relating to commitments and payments, to the establishment and collection of revenue, and subject to the application of Article 14 of Council Regulation (EEC, Euratom, ECSC) No 2/71 and of Article 87 of this Financial Regulation. The Court of Auditors may question each institution on the subject of the said supporting documents.

Article 86

Each institution shall forward to the Audit Board, on a quarterly basis and at the latest within the month which follows the end of the quarter, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the Budget and relating to commitments and payments, and to the establishment and collection of revenue, subject to the application of Article 14 of Council Regulation (EEC, Euratom, ECSC) No 2/71 and of Article 87 of this Financial Regulation. The Audit Board may question each institution on the subject of the said supporting documents.

The revenue and expenditure account and the balance sheet shall be forwarded to the Audit Board within the period laid down in Article 81.

Unchanged

Article 87

The audit carried out by the Court of Auditors shall be based on records and, if necessary, performed on the spot. Its purpose shall be to establish that all revenue has been received and all expenditure incurred in a lawful and proper manner having regard to the provisions of the Treaties, the budget, the Financial Regulations and all other measures taken pursuant to the Treaties, and that the financial management has been sound.

For the performance of its task, the Court of Auditors shall be entitled to consult, in the manner provided for in Article 89, all documents and information relating to the financial management of the departments or bodies subject to its inspection; it has the power to make enquiries of any official responsible for a revenue or expenditure operation, and to use any of the auditing procedures appropriate to those departments or agencies.

The Court of Auditors, in order to obtain all the necessary information for the performance of the task entrusted to it by the Treaties and the measures taken to implement them, may be present, at its request, during the operations carried out by the Commission in implementation of Articles 8 and 9 of Regulation (EEC) No 729/70 and Articles 13 and 14 of Regulation (EEC, Euratom, ECSC) No 271. This measure shall also apply to the inspection of any fund set up by the Communities.

Article 87

The audit carried out by the Audit Board shall be based on records and, if necessary, performed on the spot. Its purpose shall be to establish that all revenue has been received and all expenditure incurred in a lawful and proper manner having regard to the provisions of the Treaties, the Budget, the Financial Regulations and all other measures taken pursuant to the Treaties, and that the financial management has been sound.

For the performance of its task, the Audit Board shall be entitled to consult, in the manner provided for in Article 89, all documents and information relating to the financial management of the departments or bodies subject to its inspection; it has the power to make enquiries of any official responsible for a revenue and expenditure operation, and to use any of the auditing procedures appropriate to those departments or agencies.

The Audit Board, in order to obtain all the necessary information for the performance of the task entrusted to it by the Treaties and the measures taken to implement them, may be present, at its request, during the operations

carried out by the Commission in implementation of Articles 8 and 9 of Regulation (EEC) No 729/70 and Articles 13 and 14 of Regulation (EEC, Euratom, ECSC) No 2/71. This measure shall also apply to the inspection of any fund set up by the Communities.

Article 88

The Audit Board shall ensure that all securities and cash on deposit or in hand are checked against vouchers signed by the depositaries or against official memoranda of cash and securities held. The Board may carry out such checks itself.

Article 88

The Court of Auditors shall ensure that all securities and cash on deposit or in hand are checked against vouchers signed by the depositaries or against official memoranda of cash and securities held. The Court may carry out such checks itself.

Unchanged

Article 88

Article 89

The Commission and the other institutions shall afford the Court of Auditors all the facilities and give it all the information which the Court may consider necessary for the performance of its task, and shall in particular afford all the information obtained as a result of the checks which they have carried out, as required by the rules laid down by the Community, within the departments responsible for the management of the Communities' finances and for effecting expenditure on their behalf. In particular, they shall place at the disposal of the Court of Auditors all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Court of Auditors may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

To this end, the officials whose operations are checked by the Court of Auditors shall in particular:

(a) show their records of cash in hand, any other cash securities and materials of all kinds, and also the supporting documents in respect of their stewardship of the funds with which they are entrusted, and also any books, registers and other documents relating thereto;

(b) present the correspondence and any other document required for the full implementation of the audit referred to in the first paragraph of Article 87.

The information supplied under (b) may be requested only by the Court of Auditors or by one of its members, and such request shall be in writing.

The Court of Auditors shall be empowered to audit the documents in respect of the revenue and expenditure of the Communities which are held by the departments of the institutions and, in particular, by the departments responsible for decisions in respect of such revenue and expenditure.

Article 89

The Commission and the other institutions shall afford the Audit Board all the facilities and give it all the information which the Board may consider necessary for the performance of its task, and shall in particular afford all the information obtained as a result of the checks which they have carried out, as required by the rules laid down by the Community, within the departments responsible for the management of the Communities' finances and for effecting expenditure on their behalf.

In particular, they shall place at the disposal of the Audit Board all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Board may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

To this end, the officials whose operations are checked by the Audit Board shall in particular:

(a) show their records of cash in hand, any other cash, securities and materials of all kinds, and also the supporting documents in respect of their stewardship of the funds with which they are entrusted, and also any books, registers and other documents relating thereto;

(b) present the correspondence and any other document required for the full implementation of the audit referred to in the first subparagraph of Article 87.

The information supplied under (b) may be requested only by the Audit Board or by one of its members, and such request shall be in writing.

The Audit Board shall be empowered to audit the documents in respect of the revenue and expenditure of the Communities which are held by the departments of the institutions and, in particular, by the departments responsible for decisions in respect of such revenue and expenditure.

Unchanged

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner and that the financial management has been sound, includes the utilization by bodies outside the institutions of Community funds received by way of aid.

The granting of aid to bodies outside the institutions shall be subject to the agreement by the recipients to an audit being carried out by the Court of Auditors on the utilization of the amounts granted as aid.

Article 90

Any comments which are, in the opinion of the Audit Board, of a nature such that they should appear in the report provided for in Article 78d of the Treaty establishing the European Coal and Steel Community, Article 206 of the Treaty establishing the European Economic Community, and Article 180 of the Treaty establishing the European Atomic Energy Community shall be communicated to the Commission and the institutions concerned.

Article 90

Any comments which are, in the opinion of the Court of Auditors, of a nature such that they should appear in the report provided for in Article 78d of the Treaty establishing the European Coal and Steel Community, Article 206 of the Treaty establishing the European Economic Community, and Article 180 of the Treaty establishing the European Atomic Energy Community shall be communicated to the Commission and the institutions concerned.

Each institution shall address its reply to the Court of Auditors. The replies of the institutions other than the Commission shall be forwarded simultaneously to the Commission. The Court of Auditors shall attach to the annual report an assessment of the soundness of the financial management.

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner and that the financial management has been sound, shall embrace the utilization by bodies outside the institutions of Community funds received by way of aid.

The granting of aid to bodies outside the institutions shall be subject to the agreement by the recipients to an audit being carried out by the Court of Auditors on the utilization of the amounts granted as aid.

Article 90

The Court of Auditors shall transmit to the Commission and the institutions concerned, by 15 July at the latest, any comments which are, in its opinion, of a nature such that they should appear in the report provided for in Article 78f of the Treaty establishing the European Coal and Steel Community, Article 206a of the Treaty establishing the European Economic Community and Article 180a of the Treaty establishing the European Atomic Energy Community.

Each institution shall address its reply to the Court of Auditors by 31 October at the latest. The replies of the institutions other than the Commission shall be forwarded simultaneously to the Commission.

The Court of Auditors shall attach to the annual report an assessment of the soundness of the financial management.

Each institution shall address its reply to the Audit Board. The replies of the institutions other than the Commission shall be forwarded simultaneously to the Commission. The Audit Board shall attach to the annual report an assessment of the soundness of the financial management.

The European Parliament and the Council may request the Audit Board to forward, in addition to the annual report, reports or analyses in respect of specific problems relating to the accounts of financial years which have been closed. The Audit Board may, on its own initiative, place similar reports or analyses before the European Parliament or the Council.

Before or after the accounts for a financial year have been closed, any institution may request the Court of Auditors to forward, in addition to the annual report, reports or analyses in respect of specific problems relating to the General budget of the European Communities.

The Court of Auditors may, on its own initiative, place similar reports or analyses before any institution.

Article 91

The Audit Board shall conclude its report on the accounts for the preceding financial year not later than 15 July.

The Audit Board shall, not later than that date, make known its observations on the balance sheet.

The revenue and expenditure account, the balance sheet and the report of the Audit Board, together with the replies to the comments, shall be submitted by the Commission to the European Parliament and the Council not later than 31 October.

Article 92

The Council and the European Parliament shall, before 30 April of the next year, give a discharge to the Commission in respect of the implementation of the Budget. If that date cannot be met, the Council or the European Parliament shall inform the Commission of the reasons for the postponement!

Article 91

The Court of Auditors shall transmit its report to the institutions 45 days after receiving the revenue and expenditure account.

The replies from the institutions shall be forwarded to the Court of Auditors three months after they have received the report and the comments referred to above.

Article 91

The Court of Auditors shall transmit to the authorities responsible for giving discharge and to the other institutions, by 30 November at the latest, its annual report accompanied by the replies, and it shall ensure publication thereof in the Official Journal.

Article 92

The European Parliament, upon a recommendation from the Council which shall act by a qualified majority, shall, before 30 April of the next year, give a discharge to the Commission in respect of the implementation of the budget. If that date cannot be met, the European Parliament or the Council shall inform the Commission of the reasons for the postponement.

Article 92

Unchanged

The institutions shall take all appropriate steps to take action on the comments appearing in the decisions giving discharge. At the request of the European Parliament or the Council, the institutions shall report on the measures taken in the light of these comments and, in particular, on the instructions given to their departments which are responsible for the implementation of the budget. Such reports shall also be forwarded to the Court of Auditors.

Subject to the provisions of the second sentence of the second subparagraph, the institutions must give an account, in the Annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

Budget. Such reports shall also be forwarded to the Audit Board.

Subject to the provisions of the second sentence of the second subparagraph, the institutions must give an account, in the annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

The institutions shall take all appropriate steps to take action on the comments appearing in the decisions giving discharge. At the request of the European Parliament or the Council, the institutions shall report on the measures taken in the light of these comments and, in particular, on the instructions given to their departments which are responsible for the implementation of the budget. Such reports shall also be forwarded to the Court of Auditors.

Subject to the provisions of the second sentence of the second subparagraph, the institutions must give an account, in the Annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

The Financial Controller and all the institutions are to conform with the comments given by the European Parliament in the decisions giving discharge. At the request of the European Parliament or of the Council, the institutions shall report to the European Parliament on the measures taken in the light →
of these comments and, in particular, on the instructions given to their departments which are responsible for the implementation of the budget. Such reports shall also be forwarded to the Court of Auditors and to the Commission of the European Communities.

Subject to the provisions of the second sentence
(and the text following - Deleted)

Article 92a

All Institutions and all staff of the European Communities shall provide to the European Parliament any information which it calls for in the context of its exercise of control of the general budget of the European Communities.

SPECIAL PROVISIONS APPLICABLE TO THE
RESEARCH AND INVESTMENT APPROPRIATIONS

Article 93

This Financial Regulation shall apply to the research and investment appropriations set out in the annex provided for in Article 94, save as otherwise provided in this Title or where they are incompatible with the special provisions of this Title.

Article 94

The total amount of research and investment appropriations in terms of appropriations for payment to be financed in accordance with the Decision of 21 April 1970 shall be entered in a special chapter in the section of the Budget relating to the Commission; these research and investment appropriations shall be set out in detail in an annex to that section.

That annex, which forms an integral part of the Budget, shall be drawn up using a

SPECIAL PROVISIONS APPLICABLE TO THE
RESEARCH AND INVESTMENT APPROPRIATIONS

Article 93

The provisions of Titles I to VI and XI shall apply to the research and investment appropriations set out in the Annex provided for in Article 94, hereinafter called Annex, and the financial scheme referred to in Article 98, save as otherwise provided in this title or where they are incompatible with the special provisions of this title.

Article 94

The total amount of research and investment appropriations in terms of appropriations for commitment and appropriations for payment to be financed in accordance with the Decision of 21 April 1970 shall be entered in a special chapter in the section of the budget relating to the Commission; these research and investment appropriations shall be set out in detail in an Annex to that section.

That Annex, which forms an integral part of the budget, shall contain:

- appropriations intended to finance all the research and investment objectives,
- appropriations for other activities.

SPECIAL PROVISIONS APPLICABLE TO THE
RESEARCH AND INVESTMENT APPROPRIATIONS

Article 93

1. Unchanged

2. The financing of the expenditure relating to the supplementary research programmes is governed by the provisions of Article 4(6) of the Decision of 21 April 1970.

Article 94

Research and investment appropriations shall be entered in a special chapter in the section of the budget relating to the Commission.

A detailed functional breakdown of these appropriations shall be given in an annex to this section.

That annex, which forms an integral part of the budget, shall contain:

- appropriations intended to finance all the research and investment objectives,
- appropriations for other activities.

Article 95

Unchanged

Article 95

1. An overall allocation covering several years (hereinafter called 'tranche') shall be made to each research and investment objective as defined by the Council in its decisions relating to programmes or corresponding decisions.

In budgetary terms, the tranche shall be the total allocation provided in the Budget for each research and investment objective, taking into account any financial reserves, except where the objective is to consist of several specific stages each forming a self-contained whole.

2. Amounts authorized annually in the budget to cover research and investment expenditure shall include appropriations for commitment and appropriations for payment.

3. The appropriations for commitment within each tranche are intended to enable the Commission to meet all the legal obligations which it may contract.

They represent the upper limit of expenditure to which the Commission may commit itself during the financial year in question for the attainment of the objectives to which this expenditure relates.

Notwithstanding the provisions of Article 6 the appropriations for commitment shall remain valid until they are cancelled under the budgetary procedure.

4. Appropriations for payment represent the upper limit of expenditure which may be incurred or authorized during each financial year to cover commitments entered into during the current or preceding financial years.

Notwithstanding the provisions of Article 6, those appropriations for payment corresponding to appropriations for commitment which remain valid shall be carried forward until cancelled under budgetary procedure.

Article 95

1. An overall allocation covering several years (hereinafter called 'tranche') shall be made to the chapter of the Budget corresponding to each research and investment objective as defined by the Council in its decisions relating to programmes or corresponding decisions.

In budgetary terms, the tranche shall be the total allocation provided in the Budget for each research and investment objective, taking into account any financial reserves, except where the objective is to consist of several specific stages each forming a self-contained whole.

2. Amounts authorized annually in the Budget to cover research and investment expenditure shall include appropriations for commitment and appropriations for payment.

3. The appropriations for commitment within each tranche are intended to enable the Commission to meet all the legal obligations which it may contract.

They represent the upper limit of expenditure to which the Commission may commit itself during the financial year in question for the attainment of the objectives to which this expenditure relates.

The appropriations for commitment shall remain valid until they are cancelled under the budgetary procedure.

4. Appropriations for payment represent the upper limit of expenditure which may be incurred or authorized during each financial year to cover commitments entered into during the current or preceding financial years.

Article 96

The annex provided for in Article 94 shall be in two parts:

- (a) Part I, the total of which in terms of payment appropriations is shown in a special chapter in the section of the Budget relating to the Commission, shall comprise:
- appropriations for carrying out each research and investment objective;
 - appropriations for other activities, in particular those provided for in Article 174 (2), (b), (c) and (d) of the Treaty establishing the European Atomic Energy Community;
 - appropriations, where necessary, to cover the balances on the appropriation accounts.

- (b) Part II shall comprise the appropriation accounts, in particular those concerning:
- staff;

Article 96

Deleted

Article 96

Deleted

- general infrastructure; general services and overheads;
- scientific and technical auxiliary services;
- major installations;
- services performed on behalf of third parties.

Article 97

The nomenclature of the annex provided for in Article 94 shall be based, as regards the description of chapters and appropriation accounts, on the use of expenditure resulting mainly from carrying out research and investment objectives. This nomenclature is set out in outline in Annex III to this Financial Regulation. The principles embodied in this outline shall be mandatory in particular as regards subdivision into titles, but not as regards subdivision into chapters.

Article 97

Notwithstanding the provisions of paragraphs 2 and 3 of Article 15, the nomenclature of the Annex shall be based, as regards the description of chapters and articles, on the use of expenditure resulting mainly from carrying out research objectives and other activities.

Unchanged

Article 97

Within the chapters and appropriation accounts, expenditure shall be classified according to its nature as shown in Annex IV to this Financial Regulation; in the Budget, however, this classification shall only be used in respect of categories.

Article 98

1. The appropriation accounts referred to in Article 98 (b) shall record the uses and resources of the principal instruments made available for the implementation of the research and investment objectives.

These instruments are: the staff; the infrastructure; general services and overheads; the scientific and technical services; the major installations.

In addition, appropriation accounts may be opened in order to follow the progress of services performed on behalf of outsiders.

2. Under the heading of uses, the appropriation accounts shall record the countervalue of the means used and also the expenditure on behalf of third parties.

Within the chapters and articles, expenditure shall be classified according to its nature into categories which shall be subdivided into headings; in the budget, however, this classification shall only be used in respect of categories.

Article 98

1. In addition to the documents referred to in Article 12, a financial scheme shall be drawn up to support the preliminary draft annex. This shall contain, in the form of appropriation accounts, the appropriations made available in the chapters and articles of the abovementioned Annex corresponding to the instruments of implementation.

For example, such instruments are:

- the scientific divisions,
- the general services,
- the scientific and technical services.

In addition, the financial scheme shall contain a staff expenditure account.

2. The financial scheme, amended if necessary after the adoption of the budget, shall serve as the basis for management.

Expenditure in respect of the Instruments of Implementation and the staff expenditure account shall be entered provisionally in this scheme.

Unchanged

1. Unchanged

Article 98

2. The financial scheme, amended if necessary in accordance with the budget, shall serve as the basis for management.

Unchanged

Under the heading of resources, the appropriation accounts shall record on the one hand, the countervalue of the means used charged either to research objectives or to other appropriation accounts and, on the other hand, the proceeds arising from the use of such means, on behalf of third parties.

The balances of the appropriation accounts resulting from a surplus of uses over resources shall be charged to the corresponding chapter of Part I of the annex provided for in Article 94.

The balance of each appropriation account shall represent the maximum net expenditure to be entered in the corresponding chapter of Part I of the said annex.

The balances of the appropriation accounts resulting from a surplus of resources over uses shall be entered in the statement of revenue in the Budget.

3. Uses and expenditure charged to the appropriation accounts shall not exceed the amounts authorized in respect of such accounts, save where, as a result either of transfers within chapters of Part I of the annex referred to in Article 94 or of additional amounts made available for outsiders, resources in excess of the estimates make it possible to increase uses and expenditure correspondingly,

With reference to the appropriation accounts relating to services performed on behalf of

third parties additional amounts may be entered during the financial year in order to cover additional expenditure specifically incurred in respect of such services. These additional amounts shall be shown as:

- commitments, up to the amount of the repayment provided for in the contracts concluded with requesting third parties,

3. An appropriation account shall be provided for each instrument of implementation. The appropriations entered therein in the different chapters of the Annex for these instruments shall be classified according to their nature pursuant to the second subparagraph of Article 97.

This same classification shall also be used for expenditure in the staff expenditure account.

4. The expenditure entered provisionally in the staff expenditure account shall not exceed the amounts made available in the appropriation accounts.

The expenditure entered provisionally in each appropriation account shall not exceed the appropriations authorized in respect of the chapters and articles in the Annex for the instrument in question, save where, as a result either of transfers within chapters and articles of this Annex or of additional amounts made available for third parties, surplus resources make it possible to increase expenditure accordingly. These additional amounts shall be made available as:

- commitments, up to the amount of the repayment provided for in the contracts concluded with requesting third parties,

- payments, up to the amount of the entitlements for repayment.

5. The provisional entries in the staff expenditure account shall be distributed over the appropriation accounts each month after deduction of the Community tax.

3. Unchanged

4. Unchanged

5. Unchanged

payments, up to the amount of the revenue actually collected as repayment for the above-mentioned expenditure by requesting third parties.

The provisional entries in the appropriation accounts shall be distributed -- by means of final entries -- over the research objectives and other activities each month proportionately according to the work done by the instruments.

6. A document shall be appended to the revenue and expenditure account showing the results of the operations provisionally charged to each appropriation account and operations charged to the staff expenditure account.

Unchanged

6. Unchanged

Article 99

As regards transfers of scientific and technical equipment between research and investment projects, an amount equal to the residual value of that equipment shall be entered as expenditure for the recipient project, while that amount is credited to the donor project by means of an entry showing a reduction of expenditure incurred. The residual value shall be fixed in accordance with a procedure which the Commission shall lay down in advance.

The operations referred to in this Article shall be shown in a special account.

Unchanged

Article 99

Article 99

Unchanged

1. A schedule of amounts of and due dates for commitments and payments, forming an integral part of the Budget, shall be attached to Part I of the annex provided for in Article 94 and shall be drawn up as follows by chapter and article:

article:

(a) for each tranche, the schedule of amounts and due dates shall show the timetable for using the appropriations for commitment; this shall be subject to annual review;

(b) for each estimated appropriation for commitment, the schedule of amounts and due dates shall show the annual timetable laid down for the payments.

2. As regards borrowing and lending, a schedule of amounts and due dates shall be established on the basis of interest and depreciation payments agreed in the relevant contracts or the servicing of such borrowing and ending.

1. A schedule of amounts of and due dates for commitments and payments, forming an integral part of the budget, shall be attached to the Annex provided for in Article 94 and shall be drawn up as follows by chapter and article:

(a) for each tranche, the schedule of amounts and due dates shall show the time table for the utilization of the appropriations for commitment; this shall be subject to annual review;

(b) for each estimated appropriation for commitment, the schedule of amounts and due dates shall show the annual timetable laid down for the payments.

Unchanged

3. The Budget shall also show, for information, an estimate of revenue and expenditure to be effected in the currencies of non-member countries, special mention being made of borrowing and lending in such currencies.

Article 101

If, at the beginning of a financial year, the Budget has not yet been finally adopted, expenditure shall be effected as follows:

(a) Regarding the appropriation accounts referred to in Article 96 (b), Article 178 of the Treaty establishing the European Atomic Energy Community shall apply to commitments and payments relating to expenditure of a kind already approved in principle in the last Budget duly adopted.

Article 101

If, at the beginning of a financial year, the budget has not yet been finally adopted, expenditure shall be effected as follows:

(a) regarding the appropriations made available in each chapter for the Instruments Article 8 shall apply.

Unchanged

Article 101

equivalent to not more than one-
of the total appropriations in
appropriation account in question for
preceding financial year may be spent
with in respect of each appropri-
account, provided that this does
the effect of placing each month
disposal of the Commission appro-
s in excess of one-twelfth of
provided for in the draft budget, or
absence thereof, in the preliminary
budget. Commitments may be effected
appropriation account up to an
not exceeding one-fourth of the
appropriations in the appropriation
in question for the preceding finan-
f, increased by one-twelfth for
additional month, but shall not ex-
amount provided for in the draft
budget, in the absence thereof, in
primary draft budget.

request of the Commission and with-
reference to the preceding subpara-
graph, Council, acting by a qualified
majority, on the basis of admini-
strative requirements authorized simul-

b) Regarding the chapters of Part I of the annex provided for in Article 94 concerning research and investment projects, payments may be effected in respect of any chapter, up to an amount not exceeding one-twelfth of the annual estimates shown for that financial year in the schedule of amounts and due dates for payment in respect of the estimated appropriations for commitment. Commitments may be effected up to an amount not exceeding one-fourth of each appropriation shown in the schedule of due dates for the estimated commitments for the financial year concerned, increased by one-twelfth for each additional month, provided that they do not exceed the amount provided for in the draft budget, or in the absence thereof, in the preliminary draft budget.

(b) regarding the specific appropriations of the chapters in the Annex, payments may be effected monthly in respect of any chapter, up to an amount not exceeding one-twelfth of the annual estimates shown for that financial year in the schedule of amounts and due dates for payment in respect of the estimated appropriations for commitment.

Commitments may be effected up to an amount not exceeding one-fourth of each appropriation shown in the schedule of due dates for the estimated commitments for the financial year concerned, increased by one-twelfth for each month elapsed, provided that they do not exceed the amount provided for in the draft budget, or in the absence thereof, in the preliminary draft budget.

Unchanged

1. Every decision relating to transfers within a chapter or from one chapter to another shall be subject to prior approval by the Financial Controller, who shall certify that the funds are available and that these operations are in order and in accordance with the provisions in force.

2. However, if the Financial Controller considers that he cannot ascertain in advance the effects of such transfers on the financial balance of the appropriation accounts, he shall confine himself to delivering an opinion.

In that case, and in so far as he is empowered, the authorizing officer may on his sole responsibility effect the transfer, provided that he makes available each month to the Financial Controller all appropriate information enabling an assessment to be made of the financial effects of such transfers.

1. Every decision relating to transfers shall be subject to prior approval by the Financial Controller, who shall certify that the funds are available and that these operations are in order and in accordance with the provisions in force.

2. However, if the Financial Controller considers that he cannot ascertain in advance the effects of such transfers on the financial balance of the appropriation accounts of the financial scheme, he shall confine himself to delivering an opinion.

In that case, and in so far as he is empowered, the authorizing officer may on his sole responsibility effect the transfer, provided that he makes available each month to the Financial Controller all appropriate information enabling an assessment to be made of the financial effects of such transfers.

If as a result of such information the Financial Controller finds that a financial imbalance has occurred in any appropriation account, he shall inform the authorizing officer thereof.

3. Adjustments between categories of the staff expenditure account and within the specific appropriations in the appropriation accounts shall be communicated to the Financial Controller but shall not require his prior approval.

4. In order to enable the last definitive entries to be made transfer may be made even after the end of the financial year.

Unchanged

If as a result of such information the Financial Controller finds that a financial imbalance has occurred in any appropriation account, he shall inform the authorizing officer thereof.

1. Notwithstanding Article 21 (2), the Commission may, within the limits and in the conditions fixed at the final adoption of the statement of expenditure on research and development, make transfers of appropriations between chapters, which shall thereupon be specified by name in the statement.

2. Notwithstanding Article 21 (5), the prohibitions of transfers referred to therein shall not be applicable to the classification of expenditure according to its nature, within the meaning of Article 97.

3. Notwithstanding point (a) of Article 60, a contract for scientific and technical supplies may be let by private treaty where the amount does not exceed 20 000 units of account, without prejudice to those cases where private treaties are allowed under Article 60 (b), (c) and (d) and without prejudice to the general obligation to invite competitive tenders, in so far as possible and by all suitable means, from those capable of supplying the goods and services required by the contract.

1. Notwithstanding Article 21 (4), the Commission may, within the limits and in the conditions fixed at the final adoption of the statement of expenditure on research and investment, make transfers of appropriations between chapters, which shall thereupon be specified by name in the statement.

2. Notwithstanding Article 21 (6), the prohibitions of transfers referred to therein shall not be applicable to the classification of expenditure according to its nature, within the meaning of Article 97.

3. Notwithstanding Article 60(a), a contract for scientific and technical equipment or building work may be let by private treaty where the amount does not exceed 20 000 units of account, without prejudice to those cases where private treaties are allowed under Article 60 (b) and (d) and without prejudice to the general obligation to invite competitive tenders, in so far as possible and by all suitable means, from those capable of supplying the goods and services required by the contract.

4. Notwithstanding Article 62, the following shall be submitted, before the decision of the authorizing officer, for the opinion of an Advisory Committee on Procurement and Contracts, whose composition and functioning shall be settled by the measure of implementation envisaged in Article 118:

(a) contracts of a scientific or technical nature, for sums exceeding 100 000 units of account, and the acquisition of immovable property;

(b) contracts for supplies and equipment of a nature other than scientific or technical, for sums exceeding 20 000 units of account.

Unchanged

4. Notwithstanding Article 62, the following shall be submitted, before the decision of the authorizing officer, for the opinion of a purchases and contracts advisory committee, whose composition and functioning shall be settled by the measures of implementation envisaged in

Article 118:

(a) contracts of a scientific or technical

nature, for sums exceeding 100 000 units of account, and the acquisition of immovable property;

(b) contracts for supplies and equipment of a

nature other than scientific or technical, for sums exceeding 200 000 units of account;

(c) contracts for supplies and equipment of a nature other than scientific or technical for sums exceeding 5 000 units of account, to which points (c), (d) and (e) of Article 60 apply.

5. Notwithstanding Article 68, sales of scientific and technical equipment shall not be governed by the first subparagraph of that article, save as where otherwise decided on the opinion of the purchases and contracts advisory committee.

Unchanged

(c) contracts for supplies and equipment of a nature other than scientific or technical for sums exceeding 5 000 units of account, to which points (c), (d) and (e) of Article 60 apply.

5. Notwithstanding the provisions of the first subparagraph of Article 68, scientific and technical equipment may be sold, without first being advertised, following a decision taken by the authorizing officer after he has consulted the Advisory Committee on Procurements and Contracts.

TITLE VIII

SPECIAL PROVISIONS APPLICABLE
TO THE EUROPEAN SOCIAL FUND

Article 104

1. In accordance with the Council Decision of 1 February 1971 and without prejudice to Article 10 (2) of that Decision, the Budget for a given financial year shall include, under the title 'European Social Fund':
 - (a) the appropriations for that financial year;
 - (b) the commitment authorizations for the two following financial years.

2. Subject to Article 6, the appropriations for a given financial year shall cover the payments which fall to be made during that year in respect either of commitments entered into during that same financial year or to commitments entered into during preceding financial years under the authorizations referred to in paragraph 1 (b).

TITLE VIII

SPECIAL PROVISIONS APPLICABLE
TO THE EUROPEAN SOCIAL FUND

(Deleted)

Article 104

Deleted

TITLE VIII

SPECIAL PROVISIONS APPLICABLE
TO THE EUROPEAN SOCIAL FUND

(Deleted)

Article 104

Deleted

1. The commitment authorizations shall fix for the two following financial years the amounts up to which commitments may be entered into during the financial year concerned, under Articles 4 and 5 of the Council Decision of February 1971. They shall be grouped according to budget year and broken down according to the budgetary nomenclature.

Article 105

1. Approval given by the Commission to schemes and applications for aid submitted by the Member States in accordance with Articles 6 and 7 of the Council Decision of 1 February 1971 shall constitute commitment to expenditure for the European Social Fund.

As regards aid from the Fund as referred to in Article 10 (2) of the Council Decision of 1 February 1971, the recognition of the entitlement of Member States or the approval given by the Commission to conversion projects shall constitute commitment to expenditure.

Article 105

Deleted

Article 105

Deleted

SPECIAL PROVISIONS APPLICABLE TO THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

Section I (delete)

GUARANTEE SECTION

Article 106

Unchanged

Article 107

Unchanged

SPECIAL PROVISIONS APPLICABLE TO THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

Section I (deleted)

GUARANTEE SECTION

Article 106

Unchanged

Article 107

Unchanged

SPECIAL PROVISIONS APPLICABLE TO THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

Section I

GUARANTEE SECTION

Article 106

of this section shall apply to financed by the European Agriculture and Guarantee Fund, Guarantee ordinance with Regulation (EEC) 1 January 1971 onwards.

Article 107

Annual commitments shall be entered in the accounts of the Member States, in respect of the advances corresponding to the operations for the Guarantee Section of the Agricultural Guidance and

The Commission Decisions fixing the amounts of these advances, in accordance with point (a) of Article 5 (2) of Regulation (EEC) No 729/70 constitute provisional global commitments.

The approval of the Financial Controller shall have the sole purpose of establishing that the commitments correspond to the amount of the advances decided by the Commission, after consultation with the Fund Committee, and that they are within the limits of the total amount of appropriations in the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Unchanged

Unchanged

However, when the Commission considers that a measure may be of a nature that would result in the appropriations under a particular chapter being exceeded substantially, the proposal in question should be transmitted to the European Parliament for its opinion. In such cases, Parliament should give its reaction within one month.

The expenditure effected by the departments and agencies in application of Article 4 of Regulation (EEC) No 729/70 shall be the subject of a commitment by chapter, article and item, and shall also be charged as a payment, after examination of the statements transmitted by the Member States in accordance with the provisions laid down in application of Article 5 (3) of the said Regulation, and after the approval of the Financial Controller.

The commitment shall be entered into within two months after reception of the statements transmitted by the Member States. The charging as a payment shall, in general, be carried out within the same period.

This article shall apply, without prejudice to the clearance of accounts provided for in Article 5 (2) (b) of Regulation (EEC) No 729/70.

1. The expenditure effected by the departments and agencies in application of Article 4 of Regulation (EEC) No 729/70 shall be the subject of a commitment by chapter, article and item, and shall also be charged as a payment, after examination of the statements transmitted by the Member States in accordance with the provisions laid down in application of Article 5 (3) of the said Regulation, and after the approval of the Financial Controller.

The commitment shall be entered into within two months after reception of the statements transmitted by the Member States. The charging as a payment shall, in general, be carried out within the same period.

This Article shall apply, without prejudice to the clearance of accounts provided for in Article 5 (2) (b) of Regulation (EEC) No 729/70.

2. The commitments envisaged under this Article shall be deducted from the provisional global commitments referred to in Article 107.

Article 109

The expenditure shall be charged to a given financial year on the basis of the payments made up to 31 December by the departments or agencies referred to in Article 4 of Regulation (EEC) No 729/70 provided that notification of the commitment and authorization of these payments has reached the accounting officer not later than 31 March following.

Unchanged

Article 109

Unchanged

Article 109

Article 110

Any differences which may exist between the expenditures charged to a financial year, pursuant to Article 109, and those recognized by the Commission at the time of clearance of the accounts, as provided for in Article 5 (2) (b), of Regulation (EEC) No 729/70, shall be charged to the financial year during which the accounts are cleared.

Unchanged

Article 110

Any differences which may exist between the expenditures charged to a financial year, pursuant to Article 109, and those recognized by the Commission at the time of clearance of the accounts, as provided for in Article 5 (2) (b), of Regulation (EEC) No 729/70, shall be charged as under- or over-expenditure to the financial year during which the accounts are cleared.

Article 111

Unchanged

Article 111

1. Appropriations which have been globally committed in accordance with Article 107, and which have not been the subject of a commitment under the budgetary nomenclature in accordance with Article 108 by 1 April of the subsequent financial year, shall be maintained with a view to covering the expenditure chargeable to the original financial year.

2. Any appropriations in excess of such expenditure shall be cancelled under the original financial year.

A provisional global amount corresponding to this sum shall be committed from the appropriations for the current financial year.

Article 111

Appropriations which have been globally committed in accordance with Article 107, and which have not been the subject of a commitment under the budgetary nomenclature in accordance with Article 108, shall, as regards provisions relating to amounts carried forward, be classified as appropriations as referred to in Article 6 (1) (c), where it has not been possible to effect charging of the sums as payments before 1 April.

Article 112

Deleted

Article 112

Deleted

Article 112

By way of exception, payments made up to 31 January 1973 by the departments and agencies referred to in Article 4 of Regulation (EEC) No 729/70, shall be charged to the 1972 financial year.

Article 113

1. Unchanged

Article 113

1. Transfers from one article to another within each chapter shall be made by decision of the Commission taken not later than 31 March of the subsequent financial year, in accordance with the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

Article 113

1. Appropriations opened in one chapter of expenditure may not be allocated to another chapter of expenditure.

2. Notwithstanding Article 21, for payments chargeable to the financial year concerned, transfers within the Guarantee Section of the European Agricultural Guidance and Guarantee Fund may be effected between 1 January and 31 March of the subsequent financial year by decision of the Commission acting in accordance with the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

2. Transfers between chapters, whether within or between the titles created in the budget for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, shall be made by the Commission, as necessary, up to 31 March of the following year.

However, the Commission may propose transfers of appropriations between chapters to the Council, not later than one month before 31 March.

The Council, acting by a qualified majority, shall take its decision within three weeks. Should it not have taken a decision within that time, the transfers shall be deemed to be approved.

Transfers from one article to another within each chapter shall be made by decision of the Commission taken not later than 31 March, in accordance with the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

3. However, for payments chargeable to the financial year concerned, and up to the limits required for implementing Regulation (EEC) No 2681/74 of 21 October 1974, the Commission may take transfers between the 'Food Aid' Chapter and the 'Guarantee Section' chapters of the European Agricultural Guidance and Guarantee Fund up to 31 March at the latest.

4. The Budgetary Authority shall be informed immediately of any decisions to make transfers under paragraphs 2 and 3 of this Article.

3. The Commission may make transfers between the 'Food Aid' chapter and the chapters of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund up to 31 March of the following financial year in accordance with the limits set by the application of Regulation (EEC) 2681/74 of 21 October 1974 for payments imputed to the financial year concerned.

4. It shall take decisions to transfer not earlier than one month after it has informed the budgetary authority of its proposals in regard to such transfers.

Section II

GUIDANCE SECTION

Article 114

1. The appropriations provided for in Article 6 (5) of Regulation (EEC) No 729/70 shall be entered as such in the budget for the financial years in question and shall be included in the appropriations to be covered in accordance with the financial measures applicable to that financial year.

2. Appropriations to be re-entered from preceding financial years shall be entered as such in the Budget for the financial year in which it is provided that they shall be committed. They shall be covered by revenue in accordance with the financial provisions applicable to the financial year for which they are committed subject to the special provisions of Article 3(5) of the Decision of 21 April 1970, which article governs the appropriations for the Guidance

Section II

GUIDANCE SECTION (DELETED)

Article 114

Deleted

Section II

GUIDANCE SECTION (DELETED)

Article 114

Deleted

Guidance and Guarantee Fund, of which the first entry relates to a Budget before that of the 1972 financial year.

3. Appropriations to be re-entered from preceding financial years, and not expected to be committed in the financial year in question, shall be given a special entry in the 'Remarks' column in the Budget. They shall not require to be covered by the revenues of that financial year. However, they shall constitute commitment authorizations if they are the subject of commitment decisions pursuant to the provisions adopted within the framework of the common agricultural policy. In that case, the corresponding amendments in respect of revenue shall be made in accordance with the budgetary procedure.

TITLE X

SPECIAL PROVISIONS APPLICABLE TO FOOD AID

Article 115

Where the expenditure covered by the appropriations entered in the Chapter of the Budget headed "Expenditure on Food Aid" is financed by the granting of advances to the Member States, Articles 107 to 111 inclusive shall be applicable to such expenditure.

The Commission may decide, up to 31 March of the following financial year, on transfers from one article to another within the said chapter.

TITLE IX

SPECIAL PROVISIONS APPLICABLE TO FOOD AID

Article 115 becomes Article 114, worded as follows:

Article 114

Every food aid programme shall, once adopted by the Council, be made the subject of a proposal for commitment in accordance with the procedure laid down in Articles 40 to 43.

The advances paid to Member States shall be entered globally against the abovementioned commitments; the sum set aside for the commitments may not be exceeded.

As regards the booking as payment of the expenditure effected by the Member States using the funds advanced by the Commission, and as regards the clearance of accounts, the provisions of Articles 108 to 110 shall apply.

The Commission may decide, up to 31 March of the following financial year, on transfers from one article to another within the said chapter.

TITLE IX

SPECIAL PROVISIONS APPLICABLE TO FOOD AID

Unchanged

Article 114

Unchanged

ANNEX I

SPECIAL PROVISIONS RELATING TO THE OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES

(Annex referred to in Article 119 of the Financial Regulation)

Article 1

Without prejudice to the other provisions of the Financial Regulation, the following special provisions shall apply to the functioning of the Office for Official Publications of the European Communities.

Article 2

The appropriations and revenue of the Office shall be entered under each of the chapters in the section of the Budget relating to the Commission. A summary table annexed to the section of the Budget relating to the Commission shall show the aggregate estimates of revenue and expenditure in respect of the Office, subdivided in the same way as the sections of the Budget. The corresponding appropriations shall be used for the Office to the extent of these estimates.

A new Title X, worded as follows, has been introduced:

TITLE X

SPECIAL PROVISIONS RELATING TO THE OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES

Article 115

1. Without prejudice to the other provisions of the Financial Regulation, the following special provisions shall apply to the functioning of the Official Publications Office of the European Communities.

2. The appropriations for the Official Publications Office the total amount of which shall be entered under a special budget heading within the section of the budget relating to the Commission, shall be set out in detail in an Annex to that section. The appropriations shown under this specific budget heading may be transferred in accordance with the conditions set out in Article 21.

The Annex shall take the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the budget.

The appropriations entered in that Annex shall cover all the financial requirements of the Official Publications Office in the performance of its duties in the service of the Community's institutions as defined in the Decision of 16 January 1969 setting up the Office.

Where necessary, the estimates may be adjusted during the financial year by the Managing Board of the Office which shall decide on the transfers required within the Annex as a result of such adjustments.

TITLE X

SPECIAL PROVISIONS RELATING TO THE OFFICIAL PUBLICATIONS OFFICE OF THE EUROPEAN COMMUNITIES

Article 115

Unchanged

Where necessary, the estimates may be adjusted by the Commission during the financial year, on a proposal from the Management Committee of the Office.

Article 3

Any service provided by the Office for an institution shall give rise to the issue of an invoice, based on the cost price established by means of the analytical accounts or, failing this, on the fixed cost laid down by the Management Committee of the Office.

The method of settlement of these invoices shall be defined by the Management Committee of the Office.

Each institution shall retain the power of authorization of expenditure in respect of any work it has submitted to the Office.

Article 4

On a proposal from the Management Committee, the Commission shall delegate the powers of authorization to the Director of the Office and shall fix the limits and conditions of such delegation.

Article 5

The Financial Controller shall delegate the powers to an official responsible for the control of commitment and authorization of expenditure and for the control of the revenue of the Office.

The Commission, on a proposal from the Management Committee of the Office, shall appoint an assistant accounting officer specially responsible for the collection of revenue and the settlement of expenditure effected directly by the Office.

Article 6

To meet the cash requirements of the Office, bank accounts or post office giro accounts may be opened on its behalf by the Commission, on a proposal from the Management Committee.

Unchanged

3. The remarks on the page facing the specific budget heading under which is entered the total appropriation for the Official Publications Office shall show an estimate of the cost of services rendered by the Office to each of the institutions. This shall be based on the forecasts of the analytical accounts provided for in paragraph 5 below.

The total costs of services rendered by the Office shall correspond to the total expenditure shown in its statement of expenditure.

A paper setting out the basic data underlying the estimate of the allocation of the Office's services as between the institutions shall be provided as a supporting document for the preliminary draft budget.

4. Each institution shall, for guidance, enter in its section of the budget a *pro forma* appropriation corresponding to the services which it expects the Office to render to it during the financial year concerned.

5. The Official Publications Office shall draw up analytical accounts of its expenditure, enabling the proportion of its services rendered to each of the institutions to be assessed each month. The Managing Board shall lay down the criteria on which the accounting system shall be based.

The Office shall notify the institutions concerned of the results of the analytical accounts.

6. On a proposal from the Managing Board the Commission shall, for the appropriations entered in the Annex for the Official Publications Office, delegate the powers of authorization to the Director of the Office and shall fix the limits and conditions of such delegation.

Each institution shall retain the powers of authorization for expenditure charged to the appropriations for the publication of all work entrusted to outside bodies by the Office.

Payments effected by the institutions by way of advance, instalment or final payments against invoices issued by the Office, and the proceeds of sale of publications by the Office, shall be paid into those accounts.

The revenue of the Office, other than the taxes and contributions chargeable to the officials under the Staff Regulations, shall also be paid into those accounts.

Where necessary, those accounts shall also be replenished by cash advances made by the Commission.

The final cash position for each year shall be adjusted between the Office and each institution at the end of the financial year.

7. The Financial Controller shall delegate powers to an official responsible for the control of commitment and authorization of expenditure and for the control of the revenue of the Office.

The Commission, on a proposal from the Managing Board of the Office, shall appoint an assistant accounting officer specially responsible for the collection of revenue and the settlement of expenditure effected directly by the Office.

8. To meet the cash requirements of the Office, bank accounts or post office giro accounts may be opened on its behalf by the Commission, on a proposal from the Managing Board.

The accounts shall be financed regularly by payments effected by the Commission upon receipt of calls for funds from the Office. Such payments may not exceed the total amount of the appropriations entered for this purpose in the Commission budget.

The final cash position for each year shall be adjusted between the Office and the Commission at the end of the financial year.

9. The net proceeds from sales of publications by the Office shall be re-used by the institution which drew up the publication, pursuant to Article 22 (2).

10. The revenue and expenditure account and the balance sheet in respect of the Office shall form an integral part of the revenue and expenditure account and of the balance sheet of the Communities referred to in Articles 81 and 84 of the Financial Regulation.

11. The Managing Board of the Office shall determine the detailed rules for the application of the preceding provisions, and also specific rules governing the terms of sale of publications and the corresponding accounting system.

Article 7

The revenue and expenditure account and the balance sheet in respect of the Office shall form an integral part of the revenue and expenditure account and of the balance sheet of the Communities referred to in Articles 81 and 83 of the Financial Regulation. A summary table clearly showing the revenue and expenditure account of the Office shall be annexed thereto.

Article 8

The Management Committee of the Office shall determine the detailed rules for the application of the preceding provisions, and also the rules of business accountancy applicable to the Office concerning both expenditure and revenue and, in particular, the proceeds of sales, taking into account the provisions of Article 22 (b) of the Financial Regulation and the distinctive nature of the Office.

TITLE Xa

Special provisions applicable to the European Regional Development Fund

Article 115a

The provisions of Titles I to VI Inclusive and XI of this Financial Regulation shall apply to the European Regional Development Fund save as otherwise provided by the special provisions of this Title.

Article 115b

1. The budget of the European Communities for a given financial year shall show under the Title for the Fund for the financial year concerned:
 - (a) commitment appropriations; and
 - (b) payment appropriations.
2. The appropriations for commitment shall represent the upper limit of expenditure to which the Commission may commit itself for the implementation of the corresponding operations.

Commitment appropriations which are not used by the end of the financial year for which they are entered in the budget shall remain available during the following two financial years.

3. The appropriations for payment shall represent the upper limit of expenditure which may be authorized or paid during each financial year to cover commitments entered into during the same financial year or preceding years.

Article 115c

Decisions to grant assistance through the Fund taken by the Commission on requests by the Member States, shall be considered as commitments of expenditure for the Fund.

TITLE Xa

Special provisions applicable to the European Regional Development Fund

Deleted

TITLE Xa

Special provisions applicable to the European Regional Development Fund

Deleted

TITLE XI

FINAL PROVISIONS

Article 116

The European Parliament and the Council shall be empowered to require all information or explanations in respect of budgetary matters within their competence.

The Council may be assisted in its tasks by a Committee set up within the framework of the Permanent Representatives Committee.

Article 117

The European Parliament, the Council and the Commission shall inform the Audit Board, each for its own part, as soon as possible, of all decisions and measures taken in implementation of Articles 3, 6(2) and (7), 8, 14 and 21.

The Audit Board shall be informed of the appointment of authorizing officers, financial controllers, accounting officers and administrators of imprest accounts, and of the delegations or appointments made in accordance with Articles 18, 19, 20 and 57.

TITLE XI

TRANSITIONAL AND FINAL PROVISIONS

Article 116

Unchanged

Unchanged

Article 117

The European Parliament, the Council and the Commission shall inform the Court of Auditors, each in respect of its own competence, as soon as possible, of all decisions and measures taken in implementation of Articles 3, 6 (subparagraphs 2 and 7), 8, 14 and 21.

Unchanged

The Court of Auditors shall be informed of the appointment of authorizing officers, financial controllers, accounting officers and imprest-holders, and of the delegations or nominations made in accordance with Articles 18, 19, 20 and 57.

Unchanged

TITLE XI

TRANSITIONAL AND FINAL PROVISIONS

Article 116

The Commission shall inform the Audit Board of the measures of implementation taken under Article 118.

Moreover, the Institutions shall forward to the Audit Board any rules of procedure in respect of financial matters.

The Commission shall inform the Court of Auditors of the measures of implementation taken under Article 118.

Moreover, the Institutions shall forward to the Court of Auditors any rules of procedure in respect of financial matters.

Unchanged

Unchanged

In consultation with the European Parliament and the Council and after the other institutions have have delivered their opinions, the Commission shall adopt measures for the implementation of this Financial Regulation.

Article 119

The special provisions relating to the Office for Official Publications of the European Communities shall be set out in Annex I and form an integral part of this Financial Regulation.

Unchanged

Unchanged

Article 119

1. (a) The provisions amending Articles 26, 28 and 29 shall not apply until 1 January 1978.
- (b) The provisions of Articles 26 to 31, 33, 34 (1), the first subparagraph of Article 34 (2), and Articles 37 (1) and 38 of Financial Regulation No 73/91/ECSC, EEC, Euratom of 25 April 1973 shall remain in force until 31 December 1977.

When the accounts for the 1976 and 1977 financial years are closed, the Commission shall draw up a statement of sums paid, comparing the sums actually paid by the Member States with those due to have been paid under the statements of revenue and expenditure for the financial year in question. This shall be followed by a clearance of the difference shown in the statement.

- (c) The provisions of Article 38 shall remain in force until the final date set for implementing the finance mechanism established by Council Regulation No 1172/76 of 17.5.1976 (1)

Article 119

1. Unchanged

2. The provisions of the fourth paragraph of Article 8, and Article 9 and the first paragraph of Article 92 (in so far as they amend the current rules) and the provisions concerning the Court of Auditors shall not come into force until the date of the ratification of the Treaty of 22 July amending certain financial provisions of the Treaties establishing the European Communities and the Treaty establishing a Single Council and a Single Commission of the European Communities.

3. The provisions of Articles 86 to 92 shall be reviewed, in accordance with the procedure laid down for this purpose in the Treaties, after the Court of Auditors has issued its opinion on these provisions.

Pursuant to the provisions of Article 28 of the Treaty of 22 July 1975, the terms of office of the members of the Audit Board and that of the auditor shall expire on the day they submit their report on the financial year preceding that in which the members of the Court of Auditors are appointed; their powers of audit shall be confined to operations relating to that financial year. These powers shall be exercised in accordance with the provisions of Articles 85 to 92 of Financial Regulation No 73/91/EEC, EEC, Euratom of 25 April 1973.

4. Appropriations committed but not paid at the end of the financial year (date of entry into force of the amendments) shall be regarded as appropriations maintained under Article 6 (3) (b).

2. Unchanged

3. Unchanged

Unchanged

After the members of the Court of Auditors have been appointed, the three authorities responsible for external control shall confer and take the appropriate measures to assure continuity of control.

4. Unchanged

5. Commitment authorizations for the Social Fund issued on (date of the entry into force of the amendments) on the basis of Article 104 of Financial Regulation No 73/91/EEC, EEC, Euratom of 25 April 1973 shall remain in force during the financial year for which they were issued and the sums committed under these authorizations shall be added to the appropriations for commitment for the financial year for which they were opened.

5. Unchanged

6. Exceptionally:

6. Unchanged

— payments made up to 31 January 1973 for the Guarantee Section of the European Agricultural Guidance and Guarantee Fund by the bodies and departments referred to in Article 4 of Regulation (EEC) No 729/70 shall be included in the account for 1972,

— in the case of the Guidance Section of the European Agricultural Guidance and Guarantee Fund a special entry shall be made in the remarks column of the budget regarding the appropriations reserved for improving agricultural structures which have been carried over from previous financial years but commitment of which is not planned during the financial year concerned. In that year they will not require to be covered by revenue. However, in so far as they were the subject of commitment decisions pursuant to the provisions established under the common agricultural policy, they constitute commitment authorizations. Where this is the case, the appropriate amendments on the revenue side shall be effected through budgetary procedure.

7. The appropriations for commitment entered in the budgets for 1975, 1976 and 1977 for the European Regional Development Fund and not committed by the end of the financial year for which they were entered in the budget shall remain available for the two subsequent financial years.

7. Unchanged

8. (a) The provisions amending Articles 10 and 71 shall not enter into force until 1 January 1978.

From that date the term 'unit of account' used in this Financial Regulation shall be taken to mean the European unit of account (EUA) as defined in Article 10.

Until 31 December 1977 the provisions of Articles 10, 27 and 71 of Financial Regulation No 73/91/ECSC, EEC, Euratom of 25 April 1973 shall remain in force.

(b) The conditions in which the European unit of account (EUA) is to be applied to revenue and expenditure shall be decided in accordance with the implementing measures envisaged in Article 118 of this Financial Regulation.

8. (a) Unchanged

(b) Unchanged

Unchanged

Unchanged

Article 120

The following instruments are hereby repealed:

- Financial Regulation of 30 July 1968 on the establishment and implementation of the Budget of the European Communities and on the responsibility of authorizing officers and accounting officers ⁽¹⁾;
- Financial Regulation of 23 October 1961 on the establishment and implementation of the Research and Investment Budget and on the responsibility of authorizing officers and accounting officers (Article 183 (a) and (c) of the Treaty) ⁽²⁾;
- Financial Regulation of 31 January 1961 on the methods and procedure whereby the contributions of Member States are made available to the Commission as referred to in Article 200 (1) and (2) of the Treaty establishing the European Economic Community and on the technical conditions governing the carrying out of the financial operations relating to the European Social Fund (Article 209 (b) of the Treaty) ⁽³⁾;

- Financial Regulation of 31 January 1961 on the methods and procedure whereby the contributions of Member States are made available to the Commission, as referred to in Article 172 (1) of the Treaty establishing the European Atomic Energy Community (Article 183 (b) of the Treaty) ⁽⁴⁾;

- Financial Regulation of 2 April 1962 on methods and procedure whereby the contributions of Member States are made available to the Commission, as referred to in Article 172 (2) of the Treaty establishing the European Atomic Energy Community (Article 183 (b) of the Treaty) ⁽⁵⁾;

⁽¹⁾ OJ No L 199, 10. 8. 1968, p. 1.

⁽²⁾ OJ No 74, 16. 11. 1961, p. 1433/61.

⁽³⁾ OJ No 22, 30. 3. 1961, p. 509/61.

⁽⁴⁾ OJ No 22, 30. 3. 1961, p. 518/61.

⁽⁵⁾ OJ No 32, 30. 4. 1962, p. 1070/62.

-- Financial Regulation of 15 December 1969
determining the procedure for presenting
and auditing accounts ⁽⁶⁾;

-- Financial Regulation of 20 September 1971
on the special arrangements applicable
to Research and Investment
appropriations ⁽⁷⁾;

-- Financial Regulation of 24 April 1972 on
the special arrangements applicable to
the European Social Fund ⁽⁸⁾;

-- Financial Regulation of 7 November 1972
on the special provisions applicable to
the European Agricultural Guidance and
Guarantee Fund, Guarantee Section ⁽⁹⁾;

-- Financial Regulation of 18 January 1973
on the special provisions to cover the
cash needs of the Communities in the
context of budgetary expenditure ⁽¹⁰⁾.

All provisions which are contrary to this
Financial Regulation are also hereby
repealed, except for the provisions
necessary for the application of Article 14

Unchanged

Unchanged

of Council Regulation (EEC) No 728/70 of 21 April 1970 on additional provisions for the financing of the Common Agricultural Policy (¹¹) and Article 16 (1) of Council Regulation (EEC) No 729/70 (¹²) of 21 April 1970, on the financing of the Common Agricultural Policy.

Unchanged

Unchanged

(⁶) OJ No L 326, 29. 12. 1969, p. 34.

(⁷) OJ No L 218, 28. 9. 1971, p. 8.

(⁸) OJ No L 101, 28. 4. 1972, p. 34.

(⁹) OJ No L 257, 15. 11. 1972, p. 22.

(¹⁰) OJ No L 19, 24. 1. 1973, p. 11.

(¹¹) OJ No L 94, 28. 4. 1970, p. 9.

(¹²) OJ No L 94, 28. 4. 1970, p. 13.

Article 121

This Financial Regulation shall enter into force on 1 May 1973.

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

Done at Brussels, 25 April 1973

For the Council
The President
R. VAN ELSLANDE

Article 121

Unchanged

Article 121

Unchanged

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