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COMMISSION OF THE EUROPEAN COMMUNITIES

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PROPOSAL FOR A
REGULATION MODIFYING THE FINANCIAL REGULATION OF 25 APRIL 1973
APPLICABLE TO THE
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES

(submitted to the Council by the Commission)

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PROPOSAL FOR A REGULATION MODIFYING 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 78 (7) 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 some projects of the Communities necessarily extend over several financial years;

Whereas the commitment of the relevant appropriations often extends over several financial years;

Whereas the budgetary appropriations committed for these projects cannot be utilized during the financial year in which they were set up because the payments relating to these projects are spread over several years,

Whereas it is opportune, for such projects, to draw a distinction between the appropriations required to cover the commitments legally entered into and the appropriations needed to make the payments in accordance with those commitments for the realization of the projects,

Whereas such a distinction shall not prejudice the general principle of the annual nature of the budget nor prejudice any special provisions already agreed in respect of certain expenditure

HAS ADOPTED THIS FINANCIAL REGULATION:

Article 1

The financial regulation of 25 April 1973 applicable to the general budget of the European Communities is modified as follows:

The article 16^(bis) which follows, is added to Title II, Section II:

" Article 16^(bis)

1. When budgetary appropriations are intended to carry out projects that extend over several years there shall be shown in the budget under the heading of the projects
 - a) Commitment appropriations
 - b) Payment appropriations
2. Commitment appropriations are intended to cover all the legal obligations which the Commission may contract. They shall represent the upper limit of expenditure to which the Commission may commit itself in the carrying out of the projects to which the appropriations relate.

Commitment appropriations not utilized before the end of the year for which they were written into the budget shall remain valid until they are cancelled under the budgetary procedure.
3. Payment appropriations shall represent the upper limit of expenditure which may be incurred or authorized in the course of each financial year to cover the commitments entered into during the current or preceding years.
4. The projects to which this article shall apply shall be decided upon a proposal from the Commission within the framework of the budgetary procedure.
5. The commentaries accompanying the lines in the budget used for such projects shall include, if the circumstances of the realization of such projects permit, a timetable suggesting the order of commitments and payments to be estimated for the following years."

Article 2

This financial regulation shall enter into force the day following its publication in the Official Journal of the European Communities.