
ASSIGNED REVENUE IN THE BUDGET OF THE EUROPEAN PARLIAMENT¹

A DEROGATION ESSENTIAL FOR THE SOUND MANAGEMENT OF THE BUDGET OF THE EUROPEAN PARLIAMENT

While assigned revenue is effectively an exception to the principle of universality, it also takes account of the specific nature of such revenue and makes it possible to use it for its natural purpose.

In certain cases, such as insurance payments serving to provide compensation for damages or to correct errors, the principle of universality is not applicable, or only with great difficulty. Moreover, assigned revenue is not always 'true revenue'. In the two examples above, which in fact concern compensation for damage or correction of errors, pooling them according to the principle of budgetary universality would not make sense.

Article 21 of the current Financial Regulation defines assigned revenue and distinguishes between external assigned revenue (Article 21(2)) and internal assigned revenue (Article 21(3)). Article 21 of the Financial Regulation is reproduced in its entirety in Annex I.

THE VOLUME OF ASSIGNED REVENUE IN THE BUDGET OF THE EUROPEAN PARLIAMENT

At the European Parliament, assigned revenue is **internal assigned revenue** as referred to in Article 21(3)² of the Financial Regulation.

The table in Annex II presents, for the last three financial years, all revenue accruing to the European Parliament, with the revenue that is defined as assigned revenue highlighted (in red italics in the table).

Total revenue accounted for a little less than 10% of the final budget of the European Parliament. This value is stable over the three years shown here.

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² There is one exception: a payment by the Belgian State to cover land, which is external revenue within the meaning of Rule 21(2) of the Financial Regulation. The commitments associated with this revenue relate to the purchase of the Martens building in accordance with the Bureau decision of 30 November 2011.

The share of assigned revenue in total revenue varies between 15% and a little less than 17%.

Assigned revenue accounts for between 1.5% and 1.7% of the final budget of the European Parliament.

FROM WHAT SOURCES IS ASSIGNED REVENUE DERIVED, AND WHAT BUDGET ITEMS GENERATE IT?

In the case of assigned revenue, the three **main sources** of that accruing to the European Parliament are the other **European institutions (42%** of total assigned revenue), **third parties - 21%** (e.g. shops inside Parliament, etc.) and the **political groups - 18%**.

The following table describes all the budget headings under which assigned revenue accrues, according to source.

Here is a brief overview of the main budget lines concerned:

- Expenditure on other staff (Item 1400 Other staff) is a very important source of re-invoicing. The European Parliament manages the staff of political groups and subsequently re-invoices them for this.
- The crèches (Item 1654 Childcare facilities) are co-financed by the institutions and the parents who use them. Without the contributions from parents, the amount of the budget item would have to be doubled.
- Item 1402 (Expenditure on Interpretation) covers the re-invoicing of interpreting services provided either to the other institutions or to the political groups.
- Finally, rent (2000 Rent) is also an important item. For example, the Data Supervisor, the European Ombudsman or shops inside the Parliament use Parliament's premises and therefore pay for that use.

In conclusion, it is easy to see that the use of internal assigned revenue at the European Parliament in practice permits more transparent monitoring of financial flows.

Furthermore, assigned revenue contributes to better management of the budget in the sense that this revenue is used to cover specific services rendered or damage suffered.

Without this option, these amounts could not be allocated to their natural destination, but would be returned to the 'common pot' (or possibly the Member States). An increase in the budget lines concerned would then be inevitable and would therefore lead to an increase in the general budget of the European Parliament.

Lastly, the revenue expected from assigned revenue is taken into account in setting the budget for the following year, thus reducing the appropriations requested by a corresponding amount.

It should be borne in mind that assigned revenue was introduced in the 2002/2003 reform of the Financial Regulation³ precisely in order to have more transparency and control over such financial flows.

³ Previously, most of these cash flows were simply recorded in extra-budgetary suspense accounts before being incorporated into the budget en bloc, without any real control by the budgetary authority.

Sources of assigned revenue

DEBTORS	ASSIGNED REVENUE BUDGET LINE		TOTAL RECEIVED IN 2016 (EUR)
EU Institutions	01402	Freelance interpreters (re-invoicing)	2 729 801
	02000	Rents	2 448 751
	01654	Kindergarten (including parents' contributions)	2 165 789
	01400	Contractual Agents - (re-invoicing)	1 372 031
	02003	Building acquisition - (re-invoicing)	1 188 448
	03247	House of European History	800 000
	02007	Fitting out premises	623 441
	01632	Social measures - staff sports/culture associations	498 245
	01010	MEP medical insurance	355 014
	01200	Staff salaries	287 716
	03244	EUVP programme	254 559
	02024	Energy consumption - utilities	133 799
	02100	Lease payments	28 037
EU INSTITUTIONS TOTAL			12 885 631 (42%)
3rd parties	02000	Rents	2 483 459
	01652	Restaurants, canteens	1 434 588
	02024	Energy consumptions - utilities	1 346 240
	02007	Fitting out premises	503 370
	02100	Lease payments	379 905
	03244	MEP visitor groups	92 418
	01200	Staff salaries	77 980
	01632	Social measures - staff sports/culture associations	43 593
	02003	Building acquisition - (re-invoicing)	11 906
	01400	Contractual Agents - (re-invoicing)	7 892
3RD PARTIES TOTAL			6 381 351 (21%)
Political Groups	01400	Contractual Agents - (re-invoicing)	3 095 008
	04000	Political groups	1 953 663
	01402	Freelance interpreters (re-invoicing)	435 380
POLITICAL GROUPS TOTAL			5 484 051 (18%)

EP staff	01654	Kindergarten	2 006 619
	01652	Restaurants, canteens, KAD shop	369 001
	04220	MEP Assistance allowance, APAs	35 384
	01200	Staff salaries	16 700
	01400	Contractual Agents - (re-invoicing)	4 367
EP STAFF TOTAL			2 432 071 (8%)
EP Members	04220	MEP Assistance allowance, local assistants	751 388
	01654	Kindergarten	109 092
EP MEMBERS TOTAL			860 480 (3%)
OTHER	Various		2 546 203 (8%)
GRAND TOTAL			30 589 787 (100%)

Source: European Parliament, DG Finance

ANNEX 1

Article 21 of the current Financial Regulation

Article 21 - Assigned revenue

1. External assigned revenue and internal assigned revenue shall be used to finance specific items of expenditure.
2. The following shall constitute external assigned revenue:
 - a) financial contributions from Member States to certain research programmes pursuant to Regulation [\(EC, Euratom\) No 1150/2000](#);
 - b) financial contributions from Member States and third countries, including in both cases their public agencies, entities or natural persons, to certain external aid projects or programmes financed by the Union and managed by the Commission on their behalf;
 - c) interest on deposits and the fines provided for in [Council Regulation \(EC\) No 1467/97 of 7 July 1997](#) on speeding up and clarifying the implementation of the excessive deficit procedure;
 - d) revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution;
 - e) financial contributions, not covered by point b), to Union activities from third countries or from non-Union bodies ;
 - f) assigned revenue referred to in [Articles 181\(2\) and 183\(2\)](#);
 - g) internal assigned revenue referred to in paragraph 3, to the extent that it is ancillary to the other revenue under this paragraph.
3. The following shall constitute internal assigned revenue:
 - a) revenue from third parties in respect of goods, services or work supplied at their request;
 - b) proceeds from the sale of vehicles, equipment, installations, materials, and scientific and technical apparatus which are replaced or scrapped when the book value is fully depreciated;
 - c) revenue arising from the repayment, in accordance with [Article 80](#), of amounts wrongly paid;
 - d) revenue arising from interest on pre-financing payments, subject to [Article 8\(4\)](#);
 - e) proceeds from the supply of goods, services and works for other departments within an institution, institutions or bodies, including refunds by other institutions or bodies of mission allowances paid on their behalf;
 - f) insurance payments received;
 - g) revenue from lettings;
 - h) revenue from the sale of publications and films, including those on an electronic medium;
 - i) repayments to financial instruments pursuant to [Article 140\(6\)](#);
 - j) revenue arising from subsequent reimbursement of taxes pursuant to [point \(b\) of Article 23\(3\)](#).

4. A basic act may also assign the revenue for which it provides to specific items of expenditure. Unless specified otherwise in the basic act, such revenue shall constitute internal assigned revenue.

5. The budget shall include lines to accommodate external assigned revenue and internal assigned revenue and wherever possible shall indicate the amount.

Assigned revenue may be included in the draft budget only for the amounts which are certain at the date of the establishment of the draft budget.

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning the establishment of the structure to accommodate external and internal assigned revenue and the provision of the corresponding appropriations, and concerning rules for the contribution from Member States to research programmes. Furthermore, the Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning the proceeds of sanctions imposed pursuant to [Article 126\(11\) TFEU](#), and concerning assigned revenue resulting from the participation of EFTA states in certain Union programmes.

ANNEX 2

Revenue for the financial years 2016, 2015 and 2014 and final budget of the European Parliament

CHAPTER	HEADING	2016	2015	2014
40	Miscellaneous taxes and deductions	82 251 089	79 427 275	81 269 362
41	Contributions to the pension scheme	68 455 454	67 797 490	64 991 224
Title 4 - Miscellaneous taxes and deductions		150 706 543	147 224 765	146 260 586
50	<i>Proceeds from the sale of movable property (supply of goods) and immovable property</i>	<i>189 447</i>	<i>81 397</i>	<i>19 164</i>
51	<i>Proceeds from letting</i>	<i>2 989 324</i>	<i>2 824 279</i>	<i>2 739 603</i>
52	Revenue from investments or loans granted, bank and other interest	23 473	216 417	442 336
55	<i>Revenue from the proceeds of services supplied and work carried out</i>	<i>5 542 356</i>	<i>6 286 413</i>	<i>6 337 496</i>
57	<i>Other contributions and refunds in connection with the administrative operation of the institution</i>	<i>7 173 581</i>	<i>6 768 495</i>	<i>6 790 341</i>
58	<i>Miscellaneous payments</i>	<i>217 498</i>	<i>179 793</i>	<i>185 508</i>
Title 5 - Revenue accruing from the administrative operation of the Institution		16 135 679	16 356 793	16 514 448
<i>Title 6 - Contributions and refunds in connection with Union agreements and programmes</i>		<i>14 477 581</i>	<i>11 848 214</i>	<i>10 906 919</i>
Title 9 - Miscellaneous revenue		2 061 711	937 952	754 899
TOTAL		183 381 513	176 367 724	174 436 852
FINAL BUDGET OF THE EUROPEAN PARLIAMENT		1 838 613 983	1 794 929 112	1 755 631 742
TOTAL REVENUE/FINAL BUDGET (%)		10%	9.8%	10%
ASSIGNED REVENUE/FINAL BUDGET (%)		<i>1.7%</i>	<i>1.6%</i>	<i>1.5%</i>

In red italics: assigned revenue

Sources: Report on budgetary and financial management, Section I: European Parliament, 2016 and 2015 financial years, calculations by the author

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