



**2016/0282(COD)**

21.3.2017

# **AMENDMENTS**

## **8 - 39**

**Draft opinion**

**Daniele Viotti**

(PE597.563v01-00)

Financial rules applicable to the general budget of the Union

Proposal for a regulation

(COM(2016)0605 – C8-0372/2016 – 2016/0282(COD))



**Amendment 8**  
**Tomáš Zdechovský**

**Proposal for a regulation**  
**Recital 80**

*Text proposed by the Commission*

(80) It is important to be able to reinforce the deterrent effect achieved by the exclusion and the financial penalty. In that regard, the deterrent effect should be reinforced by the possibility to publish the information related to the exclusion and/or to the financial penalty, with full respect for the data protection requirements set out in Regulation (EC) No 45/2001 of the European Parliament and of the Council (6) and in *Directive 95/46/EC* of the European Parliament and of the Council (7). This should contribute to ensuring that the same conduct is not repeated. For reasons of legal certainty and in accordance with the principle of proportionality it should be specified in which situations a publication should not take place. In its assessment, the authorising officer responsible should have regard to any recommendation of the panel. As far as natural persons are concerned, personal data should only be published in exceptional cases justified by the seriousness of the conduct or its impact on the Union's financial interests.

*Amendment*

(80) It is important to be able to reinforce the deterrent effect achieved by the exclusion and the financial penalty. In that regard, the deterrent effect should be reinforced by the possibility to publish the information related to the exclusion and/or to the financial penalty, with full respect for the data protection requirements set out in Regulation (EC) No 45/2001 of the European Parliament and of the Council (6) and in **Regulation (EU) 2016/679** of the European Parliament and of the Council. This should contribute to ensuring that the same conduct is not repeated. For reasons of legal certainty and in accordance with the principle of proportionality it should be specified in which situations a publication should not take place. In its assessment, the authorising officer responsible should have regard to any recommendation of the panel. As far as natural persons are concerned, personal data should only be published in exceptional cases justified by the seriousness of the conduct or its impact on the Union's financial interests.

Or. en

**Amendment 9**  
**Monica Macovei, Valdemar Tomaševski, Anders Primdahl Vistisen, Tomáš Zdechovský, Patricija Šulin, Barbara Spinelli, Richard Sulík**

**Proposal for a regulation**  
**Recital 105**

*Text proposed by the Commission*

(105) It is appropriate that different cases usually referred to as situations of conflict

*Amendment*

(105) It is appropriate that different cases usually referred to as situations of conflict

of interest be identified and treated distinctly. The notion of a ‘conflict of interest’ should be *solely* used for cases where an entity or person with responsibilities for budget implementation, audit or control or an official or an agent of a Union institution is in such a situation. In cases where an economic operator attempts to unduly influence a procedure or obtain confidential information, this should be treated as grave professional misconduct. In addition, economic operators may be in a situation where they should not be selected to implement a contract because of a professional conflicting interest. For instance, a company should not evaluate a project in which it has participated or an auditor should not be in a position to audit accounts it has previously certified.

of interest be identified and treated distinctly. The notion of a ‘conflict of interest’ should be used for cases where an entity or person with responsibilities for budget implementation, audit or control or an official or an agent of a Union institution is in such a situation. *All persons or entities potentially subject to conflict of interest should be encouraged to publish their declarations of interest, instead of a declaration of absence of conflict of interest. A self-evaluation of conflict of interest is a conflict of interest in itself. Therefore, the evaluation of conflict of interest should be done by an independent third party.* In cases where an economic operator attempts to unduly influence a procedure or obtain confidential information, this should be treated as grave professional misconduct. In addition, economic operators may be in a situation where they should not be selected to implement a contract because of a professional conflicting interest. For instance, a company should not evaluate a project in which it has participated or an auditor should not be in a position to audit accounts it has previously certified. *A record of all cases of conflict of interest and revolving door identified in the Union institutions should be published on a regular basis.*

Or. en

#### **Amendment 10**

**Monica Macovei, Valdemar Tomaševski, Anders Primdahl Vistisen, Tomáš Zdechovský, Patricija Šulin, Barbara Spinelli, Richard Sulík**

#### **Proposal for a regulation**

#### **Recital 108**

*Text proposed by the Commission*

(108) Union public procurement should ensure that Union funds are used in an effective, transparent, and appropriate way. In that regard, electronic procurement should contribute to the better use of Union

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*Amendment*

(108) Union public procurement should ensure that Union funds are used in an effective, transparent, and appropriate way. In that regard, electronic procurement should contribute to the better use of Union

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funds and enhance access to contracts for all economic operators.

funds and enhance access to contracts for all economic operators. ***All Union institutions conducting public procurement should publish clear rules on their websites regarding acquisition, expenditure and monitoring, as well as all contracts awarded, including their value.***

Or. en

## **Amendment 11**

**Monica Macovei, Valdemar Tomaševski, Anders Primdahl Vistisen, Tomáš Zdechovský, Patricija Šulin, Barbara Spinelli, Richard Sulík**

### **Proposal for a regulation**

#### **Recital 113**

##### *Text proposed by the Commission*

(113) A contracting authority should be able to cancel a procurement procedure before the contract is signed, without the candidates or tenderers being entitled to claim compensation. This should be without prejudice to situations where the contracting authority has acted in such a way that it may be held liable for damages in accordance with the general principles of Union law.

##### *Amendment*

(113) A contracting authority should be able to cancel a procurement procedure before the contract is signed, ***including on grounds of suspicion of conflict of interest, revolving doors or grave professional misconduct***, without the candidates or tenderers being entitled to claim compensation. This should be without prejudice to situations where the contracting authority has acted in such a way that it may be held liable for damages in accordance with the general principles of Union law.

Or. en

## **Amendment 12**

**Jean Lambert**

### **Proposal for a regulation**

#### **Recital 131**

##### *Text proposed by the Commission*

(131) In order to facilitate the participation of small organisations in the implementation of the EU policies in an environment of limited availability of

##### *Amendment*

(131) In order to facilitate the participation of small organisations in the implementation of the EU policies in an environment of limited availability of

resources, it is necessary to recognise the value of the work provided by volunteers as eligible costs. As a result, such organisations may rely to a greater extent on volunteers' work for sake of providing co-financing to the action. Without prejudice to the maximum co-financing rate specified in the basic act, in such cases, the Union grant needs to be limited to the estimated eligible costs other than those covering volunteers' work. As volunteers work is a work provided by third parties without a remuneration being paid to them by the beneficiary, the limitation avoids reimbursing costs which the beneficiary did not incur.

resources, it is necessary to recognise the value of the work provided by volunteers as eligible costs. As a result, such organisations may rely to a greater extent on volunteers' work for sake of providing co-financing to the action. ***Only genuine volunteer work, which is that in which there are no apparent issues of exploitation or vulnerability, should be covered. In order to address the risk of for-profit businesses hiring a disproportionate amount of volunteers to reduce personnel costs, it should only be possible for non-profit beneficiaries to declare personnel costs for the work carried out by volunteers.*** Without prejudice to the maximum co-financing rate specified in the basic act, in such cases, the Union grant needs to be limited to the estimated eligible costs other than those covering volunteers' work. As volunteers work is a work provided by third parties without a remuneration being paid to them by the beneficiary, the limitation avoids reimbursing costs which the beneficiary did not incur.

Or. en

#### *Justification*

*Declaring costs for volunteer work is very helpful for small NGOs in the field of migration or asylum, for example. This amendment makes sure that only "genuine volunteer work" is declared, i.e. that in which there are no apparent issues of exploitation or vulnerability. It also limits this paragraph to the non-profit sector, in order to avoid that businesses abuse EU funding by hiring unpaid workers.*

### **Amendment 13** **Beatrix von Storch**

#### **Proposal for a regulation** **Recital 161 a (new)**

*Text proposed by the Commission*

*Amendment*

***(161 a) Funding of political parties should be conducted in a neutral and fair manner without prejudice to the goals, views and values of the political parties.***

**Amendment 14**  
**Jean Lambert**

**Proposal for a regulation**  
**Recital 164**

*Text proposed by the Commission*

(164) The Commission should be authorised to create and manage Union trust funds for emergency, post-emergency or thematic actions *not* only in external actions *but also in EU-internal actions. Recent events in the European Union show the need for increased flexibility for funding within the EU. As the boundaries between external and internal policies are increasingly blurred, this would also provide a tool for replying to cross-border challenges.* It is necessary to specify the principles applicable to the contributions to Union Trust Funds, to clarify the responsibilities of the financial actors and of the Board of the Trust Fund. It is also necessary to define rules ensuring a fair representation of the participating donors in the Board of the Trust Fund and a mandatory positive vote of the Commission for the use of the funds.

*Amendment*

(164) The Commission should be authorised to create and manage Union trust funds for emergency, post-emergency or thematic actions only in external actions. It is necessary to specify the principles applicable to the contributions to Union Trust Funds, to clarify the responsibilities of the financial actors and of the Board of the Trust Fund. It is also necessary to define rules ensuring a fair representation of the participating donors in the Board of the Trust Fund and a mandatory positive vote of the Commission for the use of the funds.

Or. en

*Justification*

*The revised financial regulation extends the use of Union trust funds for actions within the Union. However, Union trust funds are a controversial financing instrument. The European Court of Auditors, in its opinion No 1/2017, considers that extending the use of Trust Funds to internal actions in the Union is "premature" and "raises issues of administration, costs and accountability." This amendment proposes to keep Trust Funds for external actions only until a proper assessment has been made of their efficiency.*

**Amendment 15**  
**Tomáš Zdechovský**

**Proposal for a regulation**

## Article 5 – paragraph 1

*Text proposed by the Commission*

Personal data collected pursuant to this Regulation shall be processed in accordance with **Directive 95/46/EC** <sup>(28)</sup> and Regulation (EC) **No 45/2001**. A candidate or tenderer in a procurement procedure, an applicant in a grant award procedure, an expert in a procedure for the selection of experts, an applicant in a contest for prizes or an entity or person participating in a procedure for implementing Union funds in accordance with point (c) of Article 61(1) as well as a beneficiary, a contractor, a remunerated external expert or any person or entity that receives prizes or implements Union funds pursuant to point (c) of Article 61(1) shall be informed accordingly.

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<sup>28</sup> OJ L 281, 23.11.1995, p. 31.

*Amendment*

Personal data collected pursuant to this Regulation shall be processed in accordance with **Regulation (EU) 2016/679 of the European Parliament and of the Council** and Regulation (EC) **No 45/2001**. A candidate or tenderer in a procurement procedure, an applicant in a grant award procedure, an expert in a procedure for the selection of experts, an applicant in a contest for prizes or an entity or person participating in a procedure for implementing Union funds in accordance with point (c) of Article 61(1) as well as a beneficiary, a contractor, a remunerated external expert or any person or entity that receives prizes or implements Union funds pursuant to point (c) of Article 61(1) shall be informed accordingly.

Or. en

## Amendment 16 Barbara Spinelli

### Proposal for a regulation Article 32 – paragraph 1

*Text proposed by the Commission*

1. Programmes and activities which entail **significant** spending shall be subject to ex-ante and retrospective evaluation ("evaluation"), which shall be proportionate to the objectives and expenditure.

*Amendment*

1. Programmes and activities which entail spending shall be subject to ex-ante and retrospective evaluation ("evaluation"), which shall be proportionate to the objectives and expenditure.

Or. en

## Amendment 17 Barbara Spinelli



**Proposal for a regulation**  
**Article 32 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

**1 a. Result indicators and measurable targets based on the activities undertaken shall be defined at policy and project levels. Qualitative and quantitative indicators shall be established. Such indicators shall be stable over time and be comparable in order to measure the impact of Union funds and the achievement of their objectives. Quantified data shall be systematically collected.**

Or. en

**Amendment 18**  
**Barbara Spinelli**

**Proposal for a regulation**  
**Article 32 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. Retrospective evaluations shall assess the performance of the programme or activity, including aspects such as effectiveness, efficiency, coherence, relevance and EU added value. They shall be undertaken periodically and in sufficient time for the findings to be taken into account in ex-ante evaluations which support the preparation of related programmes and activities.

3. **3. Ongoing and** retrospective evaluations shall assess the performance of the programme or activity, including aspects such as effectiveness, efficiency, coherence, relevance and EU added value. They shall be undertaken periodically and in sufficient time for the findings to be taken into account in ex-ante evaluations which support the preparation of related programmes and activities.

Or. en

**Amendment 19**  
**Barbara Spinelli**

**Proposal for a regulation**  
**Article 33 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

Any amendment to a proposal or initiative submitted to the legislative authority which may have **appreciable** implications for the budget, including changes in the number of posts, shall be accompanied by a financial statement prepared by the institution proposing the amendment.

*Amendment*

Any amendment to a proposal or initiative submitted to the legislative authority which may have implications for the budget, including changes in the number of posts, shall be accompanied by a financial statement prepared by the institution proposing the amendment.

Or. en

**Amendment 20**  
**Barbara Spinelli**

**Proposal for a regulation**

**Article 45 – paragraph 3 – subparagraph 1 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

***(a a) For optimal transparency and clarity, dedicated budget lines of the draft budget shall reflect individual key objectives or priorities of Union funding, or both. A single budget line in the Union budget shall not correspond to the financing of several main objectives or priorities in the same Union trust fund.***

Or. en

**Amendment 21**  
**Barbara Spinelli**

**Proposal for a regulation**

**Article 54 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. Citizens **may** be consulted on the implementation of the Union budget by the Commission, Member States or any other entity implementing the Union budget.

3. Citizens **and civil society organisations shall** be consulted on the implementation of the Union budget by the Commission, Member States or any other entity implementing the Union budget. ***Effective partnership principles for civil society organisations shall be established, securing the involvement of such***

*organisations in the preparation, planning, monitoring, implementation and evaluation of funding at both national and Union level.*

Or. en

**Amendment 22**  
**Barbara Spinelli**

**Proposal for a regulation**  
**Article 68 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a.** *All members of steering committees and boards of decentralised or executive Union agencies shall publish on an annual basis a "declaration of interests" on the website of their agency. To ensure clarity with regard to such declarations, the Commission shall provide a template for such "declarations of interests" which may be adapted for each agency.*

Or. en

**Amendment 23**  
**Monica Macovei, Valdemar Tomaševski, Tomáš Zdechovský, Patricija Šulin, Barbara Spinelli**

**Proposal for a regulation**  
**Article 131 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a.** *In order to have an efficient early detection and exclusion system, clear rules shall be put in place for a real protection of whistle-blowers. Regular reports on whistle-blowers cases handled and finalised shall be published by relevant bodies.*

Or. en

**Amendment 24**

**Monica Macovei, Valdemar Tomaševski, Anders Primdahl Vistisen, Tomáš Zdechovský, Patricija Šulin, Richard Sulik**

**Proposal for a regulation**

**Article 165 – paragraph 1**

*Text proposed by the Commission*

The contracting authority may, before the contract is signed, cancel the procurement procedure without the candidates or tenderers being entitled to claim any compensation.

*Amendment*

The contracting authority may, before the contract is signed, cancel the procurement procedure, ***including on grounds of suspicion of conflict of interest, revolving doors or grave professional misconduct***, without the candidates or tenderers being entitled to claim any compensation.

Or. en

**Amendment 25**

**Barbara Spinelli**

**Proposal for a regulation**

**Article 174 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

In the case of an operating grant, the grant shall take the form of a financial contribution to the work programme of the body.

*Amendment*

In the case of an operating grant, the grant shall take the form of a financial contribution to the work programme of the body.

***Direct grants shall not preclude smaller structures, especially NGOs, from accessing Union funding. The Commission and Member States should keep a balance between large-scale and small-scale projects.***

Or. en

**Amendment 26**

**Jean Lambert**

**Proposal for a regulation**

**Article 175 – paragraph 8**

*Text proposed by the Commission*

8. Beneficiaries may declare personnel costs for the work carried out by volunteers under an action or work programme, on the basis of unit costs authorised in accordance with paragraphs 1 to 6.

*Amendment*

8. **Non-profit** beneficiaries may declare personnel costs for the **genuine** work carried out by volunteers under an action or work programme, on the basis of unit costs authorised in accordance with paragraphs 1 to 6.

Or. en

*Justification*

*Declaring costs for volunteer work is very helpful for small NGOs in the field of migration or asylum, for example. This amendment makes sure that only "genuine volunteer work" is declared, i.e. that in which there are no apparent issues of exploitation or vulnerability. It also limits this paragraph to the non-profit sector, in order to avoid that businesses abuse EU funding by hiring unpaid workers.*

**Amendment 27**  
**Barbara Spinelli**

**Proposal for a regulation**  
**Article 182 – paragraph 1 – point e a (new)**

*Text proposed by the Commission*

*Amendment*

***(e a) effective partnership principles for civil society organisations shall be established, securing their involvement in preparation, planning, monitoring, implementation and evaluation of funding at both national and Union levels.***

Or. en

**Amendment 28**  
**Monica Macovei, Valdemar Tomaševski, Anders Primdahl Vistisen, Tomáš Zdechovský, Patricija Šulin, Barbara Spinelli, Richard Sulík**

**Proposal for a regulation**  
**Article 183 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. All grants awarded in the course of a financial year shall be published in  
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2. All grants awarded in the course of a financial year shall be published in  
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accordance with paragraphs 1 to 4 of Article 36.

accordance with paragraphs 1 to 4 of Article 36. ***In addition, all Union institutions conducting public procurement shall publish on their websites clear rules regarding acquisition, expenditure and monitoring, as well as all contracts awarded, including their value.***

Or. en

**Amendment 29**  
**Barbara Spinelli**

**Proposal for a regulation**  
**Article 184 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

Co-financing may take the form of the beneficiary's own resources, income generated by the action or work programme or financial or in-kind contributions from third parties.

*Amendment*

Co-financing may take the form of the beneficiary's own resources, income generated by the action or work programme or financial or in-kind contributions from third parties. ***Co-financing requirements shall be reduced for small entities such as NGOs. Member States shall be invited to take responsibility for providing matching funds for supported activities led by those actors and carry out systematic pre-financing of successful applicants.***

Or. en

**Amendment 30**  
**Tomáš Zdechovský**

**Proposal for a regulation**  
**Article 185 – paragraph 4 – point b**

*Text proposed by the Commission*

(b) direct support paid to natural persons most in need, such as unemployed persons ***and refugees.***

*Amendment*

(b) direct support paid to natural persons most in need, such as unemployed persons.

Or. en

**Amendment 31**  
**Beatrix von Storch**

**Proposal for a regulation**  
**Article 215 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

**4 a.** *The application of equal treatment shall be without prejudice to the goals, views and values of the political parties.*

Or. en

**Amendment 32**  
**Jean Lambert**

**Proposal for a regulation**  
**Article 227 – title**

*Text proposed by the Commission*

*Amendment*

Trust Funds

Trust Funds *for external actions*

Or. en

*Justification*

*The revised financial regulation extends the use of Union trust funds for actions within the Union. However, Union trust funds are a controversial financing instrument. The European Court of Auditors, in its opinion No 1/2017, considers that extending the use of Trust Funds to internal actions in the Union is "premature" and "raises issues of administration, costs and accountability." This amendment proposes to keep Trust Funds for external actions only until a proper assessment has been made of their efficiency.*

**Amendment 33**  
**Jean Lambert**

**Proposal for a regulation**  
**Article 227 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. For emergency, post-emergency or thematic actions, the Commission may create, after informing the European

1. For emergency, post-emergency or thematic actions *outside Union territory*, the Commission may create, after

Parliament and the Council, trust funds under an agreement concluded with other donors. The constitutive act of each trust fund shall define the objectives of the trust fund. The Commission decision establishing the trust fund shall include a description of the fund's objectives, the justification for its creation in accordance with paragraph 3, an indication of its duration and the preliminary agreements with other donors.

informing the European Parliament and the Council, trust funds under an agreement concluded with other donors. The constitutive act of each trust fund shall define the objectives of the trust fund. The Commission decision establishing the trust fund shall include a description of the fund's objectives, the justification for its creation in accordance with paragraph 3, an indication of its duration and the preliminary agreements with other donors.

Or. en

### *Justification*

*The revised financial regulation extends the use of Union trust funds for actions within the Union. However, Union trust funds are a controversial financing instrument. The European Court of Auditors, in its opinion No 1/2017, considers that extending the use of Trust Funds to internal actions in the Union is "premature" and "raises issues of administration, costs and accountability." This amendment proposes to keep Trust Funds for external actions only until a proper assessment has been made of their efficiency.*

### **Amendment 34** **Tomáš Zdechovský**

#### **Proposal for a regulation** **Article 227 – paragraph 1**

##### *Text proposed by the Commission*

1. For emergency, post-emergency or thematic actions, the Commission may create, after informing the European Parliament and the Council, trust funds under an agreement concluded with other donors. The constitutive act of each trust fund shall define the objectives of the trust fund. The Commission decision establishing the trust fund shall include a description of the fund's objectives, the justification for its creation in accordance with paragraph 3, an indication of its duration and the preliminary agreements with other donors.

##### *Amendment*

1. For emergency, post-emergency or thematic **external** actions, the Commission may create, after informing the European Parliament and the Council, trust funds under an agreement concluded with other donors. The constitutive act of each trust fund shall define the objectives of the trust fund. The Commission decision establishing the trust fund shall include a description of the fund's objectives, the justification for its creation in accordance with paragraph 3, an indication of its duration and the preliminary agreements with other donors.

Or. en



**Amendment 35**  
**Tomáš Zdechovský**

**Proposal for a regulation**  
**Article 227 – paragraph 2**

*Text proposed by the Commission*

2. The Commission shall submit its draft decisions concerning the establishment, the extension and the liquidation of a Union trust fund to the competent committee where provided for in the basic act under which the Union contribution to the Union trust fund is provided.

*Amendment*

2. The Commission shall ***consult the Parliament by establishing the fund and later*** submit its draft decisions concerning the establishment, the extension and the liquidation of a Union trust fund to the competent committee where provided for in the basic act under which the Union contribution to the Union trust fund is provided.

Or. en

**Amendment 36**  
**Barbara Spinelli**

**Proposal for a regulation**  
**Article 227 – paragraph 3 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(b a) The use of Union trust funds should be limited and such trust funds shall not be a standard financial instrument at Union level. In any event, Union trust funds shall be established only when it is indispensable to conduct the actions targeted. Where trust funds are set up with third countries, they shall not be linked to the capacity or the willingness of the third countries concerned to collaborate in migration control, for example through readmission clauses***

Or. en

**Amendment 37**  
**Jean Lambert**

**Proposal for a regulation**  
**Article 250 – paragraph 1**

*Text proposed by the Commission*

1. The Court of Auditors shall transmit to the Commission and the institutions concerned, by **15 June**, any observations which are, in its opinion, such that they should appear in the annual report. ***Those observations shall remain confidential and shall be subject to an adversarial procedure.*** Each institution shall address its reply to the Court of Auditors by 15 October. The replies of institutions other than the Commission shall be sent to the Commission at the same time.

*Amendment*

1. The Court of Auditors shall transmit to the Commission and the institutions concerned, by **30 June**, any observations which are, in its opinion, such that they should appear in the annual report ***to enable the institution concerned to comment upon them. Those observations shall remain confidential.*** Each institution shall address its reply to the Court of Auditors by 15 October. The replies of institutions other than the Commission shall be sent to the Commission at the same time.

Or. en

*Justification*

*Based on the comments by the European Court of Auditors in their Opinion No 1/2017 - the deadline of 15 June is too short to ensure their independent work. Also, "adversarial procedure" is unclear - it is better to state clearly that the institution concerned may comment on the Court's observations.*

**Amendment 38**  
**Jean Lambert**

**Proposal for a regulation**  
**Article 251 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

The Court of Auditors shall transmit to the institution or the body concerned any observations which are, in its opinion, such that they should appear in a special report. ***Those observations shall remain confidential and shall be subject to an adversarial procedure.***

*Amendment*

The Court of Auditors shall transmit to the institution or the body concerned any observations which are, in its opinion, such that they should appear in a special report ***to enable the institution concerned to comment upon them. Those observations shall remain confidential.***

Or. en

*Justification*

*Based on the comments by the European Court of Auditors in their Opinion No 1/2017. "Adversarial procedure" is unclear - it is better to state clearly that the institution concerned may comment on the Court's observations.*

**Amendment 39**  
**Jean Lambert**

**Proposal for a regulation**  
**Article 251 – paragraph 1 – subparagraph 6**

*Text proposed by the Commission*

The Court of Auditors shall take all necessary steps to ensure that the replies to its observations from each institution or body concerned are published ***next to or after each observation to which they relate, and publish the timeline for the drawing up of*** the special report.

*Amendment*

The Court of Auditors shall take all necessary steps to ensure that the replies to its observations from each institution or body concerned are published ***together with*** the special report.

Or. en

*Justification*

*Based on the comments by the European Court of Auditors in their Opinion No 1/2017. The proposal would oblige the Court to present its reports in a certain way and threatens its independence. The Court should have the power to decide how to present its reports in accordance with international standards on auditing.*