EUROPEAN PARLIAMENT

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A6-0342/2008

11.9.2008

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REPORT

on the proposal for a Council regulation amending Regulation (EC, Euratom) No 1150/2000 implementing Decision 2000/597/EC, Euratom on the system of the Communities' own resources (COM(2008)0223 – C6-0197/2008 – 2008/0089(CNS))

Committee on Budgets

Rapporteur: Alain Lamassoure

RR\409372EN.doc PE409.372v02-00

EN EN

Symbols for procedures

- * Consultation procedure *majority of the votes cast*
- **I Cooperation procedure (first reading)

 majority of the votes cast
- **II Cooperation procedure (second reading)

 majority of the votes cast, to approve the common position

 majority of Parliament's component Members, to reject or amend
 the common position
- *** Assent procedure

 majority of Parliament's component Members except in cases

 covered by Articles 105, 107, 161 and 300 of the EC Treaty and

 Article 7 of the EU Treaty
- ***I Codecision procedure (first reading)

 majority of the votes cast
- ***II Codecision procedure (second reading)

 majority of the votes cast, to approve the common position

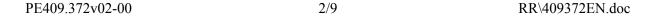
 majority of Parliament's component Members, to reject or amend
 the common position
- ***III Codecision procedure (third reading)

 majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

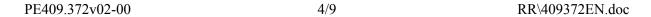
Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in *bold italics*. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.



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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council regulation amending Regulation (EC, Euratom) No 1150/2000 implementing Decision 2000/597/EC, Euratom on the system of the Communities' own resources (COM(2008)0223 – C6-0197/2008 – 2008/0089(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2008)0223),
- having regard to Article 279(2) of the EC Treaty and Article 183 of the Euratom Treaty, pursuant to which the Council consulted Parliament (C6-0197/2008),
- having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹ and in particular Declaration No 3 on the review of the financial framework, annexed to that agreement,
- having regard to Rule 51 of its Rules of Procedure,
- having regard to the report of the Committee on Budgets (A6-0342/2008),
- 1. Approves the Commission proposal as amended;
- 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty and pursuant to Article 119, second paragraph, of the Euratom Treaty;
- 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
- 4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
- 5. Instructs its President to forward its position to the Council and Commission.

Amendment 1

Proposal for a regulation – amending act Recital 1

Text proposed by the Commission

Amendment

(1) The European Council meeting in (1) The European Council meeting in

¹ OJ C 139, 14.6.2006, p. 1.

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ΕN

Brussels on 15 and 16 December 2005 issued a number of conclusions concerning the system of the Communities' own resources, which led to the adoption of Decision 2007/436/EC, Euratom.

Brussels on 15 and 16 December 2005 issued a number of conclusions concerning the system of the Communities' own resources, which led to the adoption of Decision 2007/436/EC, Euratom; it also called on the Commission to undertake a full, wide-ranging review covering all aspects of EU spending and of resources and to report in 2008/2009.

Justification

Not only did the European Council meeting of December 2005 agree upon a number of changes to the Own Resources system, it also called for a comprehensive review of EU expenditure and revenue. This should also be mentioned to give a complete picture.

Amendment 2

Proposal for a regulation – amending act Recital 1 a (new)

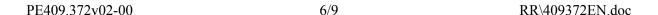
Text proposed by the Commission

Amendment

(1a) The Commission will therefore undertake a general review of the operation of the own resources system, accompanied by appropriate proposals for which the work and recommendations of the European Parliament will be fully taken into account, in compliance with the conditions laid down in Declaration No 3 on the review of the financial framework, annexed to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

Justification

In accordance with the Interinstitutional Agreement, the European Parliament has to be fully associated with the review at all stages in full respect of its established rights



EXPLANATORY STATEMENT

Background

European Council December 2005 and new Own Resources Decision

On 7 June 2007, the Council adopted a decision amending the EU's system of own resources for the financing of its general budget. This decision gave effect to the conclusions of the European Council meeting of December 2005 as regards the EU's budgetary framework for 2007-2013, introducing "adjustments" to update the existing decision on own resources dating back to 2000. These adjustments concern in particular the budgetary correction mechanism in favour of the United Kingdom, which remains in full for all expenditure, except for that in relation to Member States which joined the EU after 30 April 2004. In addition, four Member States will benefit from a reduced rate of call of VAT and two Member States from temporary reductions in their GNI contribution

EP resolution of 4 July 2006 on the proposal for the new Own Resources Decision

In his report adopted by plenary on 4 July 2006 (under consultation procedure), your rapporteur concluded that the proposed Council decision would make *the financing of the European Union's budget certainly not more, but less, transparent* and would not meet *the requirements for a new system as adopted by the European Parliament in its position on the last own resources proposal of 1999*. In consequence, your rapporteur considered it pointless to make amendments to this Commission proposal since there was a fundamentally different approach between Council and Parliament towards this issue.

Your rapporteur therefore declared that he would not even try and *amend the provisions of the current Commission proposal* because he was deeply convinced that *EU revenue needed to be thoroughly reformed*. For him, the *full and wide-ranging review of all areas of EU expenditure and revenue, including the British rebate, which the Commission had been invited to undertake by the Brussels European Council may offer a last chance in the foreseeable future, to create such a new, truly European, system.*

Six EP amendments to the proposal for a decision were eventually adopted by plenary, concentrating on two issues, namely 1) the need for a fundamentally different new own resources system and 2) the importance of the review process to realise such a new system.

2007 Own initiative report on the future of the European Union's own resources

Instead of trying to amend the controversial proposal for a Council decision as such, your rapporteur decided instead to present the results of the work on own resources conducted jointly by the national parliaments and the EP in an own initiative report on the future of the EU's own resources in order to provide some common guidelines for the Commission's review work, thus giving a clear signal to the Heads of State and government of what their parliaments' concepts for the future may be. This own-initiative report was adopted by plenary on 29 March 2007 by a vast majority.

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Current proposal

Commission proposal

The purpose of the current Commission proposal is to <u>update the own resources implementing regulation</u> in line with the new Council Decision on own resources of 7 June 2007. In addition, the proposal also takes into account some aspects connected to the evolution of Community legislation over the past few years.

The amendments proposed by the Commission can be summarised as follows:

- 1) Provisions to be amended as a result of the new Own Resources Decision, i.e.:
 - Elimination of the distinction between agricultural duties and import duties
 - ➤ Inclusion of gross reductions for the Netherlands and Sweden in their annual GNI-based contributions for the period 2007 2013
- 2) Technical amendments not linked to the new Own Resources Decision, concerning:
 - ➤ GNP/GNI references
 - ➤ Bringing forward of monthly twelfths based on specific needs of EAGF and the Community's cash position
 - Reserve relating to loans and loan guarantees and reserve for emergency aid
 - > Efficient management of own resources accounts
 - Consolidating Article 10

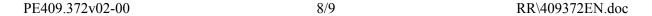
The changes relating to the new Own Resources Decision 2007 can only enter into force once the decision has been adopted by all Member States in accordance with their constitutional requirements. Therefore, the Commission proposes that the new implementing regulation should enter into force on the same day as the decision itself enters into force, with retroactive effect as of 1 January 2007.

Rapporteur's conclusions

Firstly, your rapporteur would like to point out that Parliament is involved in this procedure by Consultation only.

Secondly, in its position on the Own Resources Decision itself, in 2006, Parliament had decided not to get involved in the details of what it considers a deeply outdated, unjust and untransparent system which the new decision as it was would make even more complicated by adding more and more exceptions and special "gifts" for certain Member States.

For consistency reasons, your rapporteur follows the same strategy with the current proposal regarding the implementing regulation. His amendments concern the review process (for which the Commission has now presented a new date - 12 November 2008 - for its big conference, originally planned for May of this year). As to the substance of the proposed regulation itself, any direct amendments do not appear to be consistent with the approach Parliament has taken so far.



PROCEDURE

Title	System of the Communities' own resources	
References	COM(2008)0223 - C6-0197/2008 - 2008/0089(CNS)	
Date of consulting Parliament	19.5.2008	
Committee responsible Date announced in plenary	BUDG 22.5.2008	
Committee(s) asked for opinion(s) Date announced in plenary	CONT 22.5.2008	
Not delivering opinions Date of decision	CONT 2.6.2008	
Rapporteur(s) Date appointed	Alain Lamassoure 20.9.2004	
Discussed in committee	15.7.2008 10.9.2008	
Date adopted	10.9.2008	
Result of final vote	+: 22 -: 0 0: 0	
Members present for the final vote	Richard James Ashworth, Reimer Böge, Paulo Casaca, Brigitte Douay, James Elles, Szabolcs Fazakas, Vicente Miguel Garcés Ramón, Louis Grech, Nathalie Griesbeck, Catherine Guy-Quint, Jutta Haug, Alain Lamassoure, Vladimír Maňka, Jan Mulder, Margaritis Schinas, Nina Škottová, László Surján, Helga Trüpel, Kyösti Virrankoski, Ralf Walter	
Substitute(s) present for the final vote	Giovanni Robusti, José Albino Silva Peneda	