

AMENDMENT FORM

Suggestion for amendment of Article : I-52

By Mr : Hain

Status : - Member

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1. *Okay.*
 2. *Okay.*
 3. The expenditure shown in the budget shall be authorised for the annual budgetary period in accordance with the European law of the Council referred to in Article [ex 279].
 4. Except as provided in Part III, The implementation of expenditure shown in the budget shall require the prior adoption of a binding legal act other than under this Title providing a legal basis for Union action and for the implementation of the expenditure in accordance with the European law of the Council referred to in Article [ex 279)]. This act must take the form of a European law, a European framework law, a European regulation or a European decision.
 5. With a view to maintaining budgetary discipline, the Commission shall not make any proposal for a Union act, or alter its proposals, or adopt any implementing or delegated measure ~~Union shall not adopt any act~~ which is likely to have appreciable implications for the budget without providing an assurance that the proposal or measure in question is capable of being financed within the limit of the Union's own resources and the expenditure ceilings set by the multiannual financial framework referred to in Article I-54.
 6. The Union's budget shall be adopted and implemented in accordance with the principle of sound financial management. Member States shall cooperate with the Union to ensure that the appropriations entered in the budget are used in accordance with the principles of sound financial management.
 7. *Okay.*
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Explanation (if any) :

I.52.3 : Because of its relevance to budget revenues, as well as to maintaining discipline on budget expenditure, the UK believes that Article III-314 [ex Article 279] should not become subject to co-decision. To reflect that, here and subsequently, references to “the European law referred to in Article [ex 279]” should be to “the European law of the Council”.

I.52.4 : The requirement for prior adoption of a binding legal act is currently covered expressly in the Interinstitutional Agreement of 6 May 1999, and is subject to certain exceptions, e.g. for pilot schemes and preparatory actions, under para 37 of that Agreement. The legal act in question must provide a basis for EU action distinct from the act establishing the budget or Multiannual Financial Framework.

I.52.5 : The Praesidium’s text would require the Union to refrain from adopting any act unless it gives the assurance above. This is impracticable – only the Commission, which has responsibility for implementing the budget – is capable of giving such an assurance. It should be clear that it should relate to the individual expenditure ceilings of the financial framework, not the framework

as a whole.

I.52.6 : The principle of sound financial management should apply to the adoption as well as implementation of the budget, e.g. in informing decisions of the budgetary authority in the allocation of resources.