



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 May 2012

**Interinstitutional File:
2010/0395 (COD)**

**10256/12
ADD 1 COR 1 REV 1**

**FIN 355
CODEC 1402**

REVISED CORRIGENDUM TO ADDENDUM TO NOTE

from :	General Secretariat of the Council
to :	Permanent Representatives Committee
No. prev. doc.:	9626/1/11 REV 1 FIN 286 CODEC 730 + ADD 1
No. Cion prop.:	5129/11 FIN 5 CODEC 21 - COM(2010) 815 final
Subject :	Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union (first reading)

On page 63, paragraph 5 of Article 56 should read as follows:

5. **Bodies designated pursuant to paragraph 3, Member States at the appropriate level shall provide the Commission on a yearly basis by 15 February with:**

On pages 67 and 68, paragraphs 4 and 5 of Article 57 should read as follows:

4. The Commission may suspend payments to entities and persons referred to in paragraph 1, in particular when systemic errors which question the reliability of the internal control systems of the entity or person concerned or the legality and regularity of the underlying transactions are detected.

Notwithstanding Article 89, ~~the~~ authorising officer by delegation may interrupt payments to such entities or persons fully or partially for the purpose of further checks when information comes to his notice indicating a significant deficiency in the functioning of the internal control system or that the expenditure certified by the entity or person concerned is linked to a serious irregularity and has not been corrected, provided the interruption is necessary to prevent significant damage to the financial interests of the Union.

5. The entities and persons referred to in paragraph 1 shall provide the Commission with:
- (a) a report on the implementation of the tasks entrusted;
 - (b) ~~their accountings information on drawn up for~~ the expenditure made in the execution of the tasks entrusted ~~and presented to the Commission for reimbursement, and sums disbursed for which recovery procedures are underway.~~ **These information accounts** shall be accompanied by a ~~statement of management~~ **declaration** responsibilities confirming that, ~~in the opinion of those in charge of the management of the funds:~~
 - this information is properly presented, complete and accurate;
 - the expenditure has been used for its intended purpose, as defined ~~in the sector-specific rules or~~ in the delegation agreements concluded with the entrusted entities, **or, where applicable, in the relevant sector-specific rules;**
 - the control ~~procedures~~ **systems** put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions;
 - (c) a summary ~~of the results~~ of the final audits reports **and of controls carried out,** including an analysis of ~~recurrent~~ **the nature and extent of errors and weaknesses in systems identified,** as well as corrective actions taken or planned;