



**COUNCIL OF
THE EUROPEAN UNION**

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COR 1**

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**FIN 431
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CORRIGENDUM TO NOTE

from :	General Secretariat of the Council
to :	Permanent Representatives Committee
No. prev. doc.:	10803/12 FIN 400 CODEC 1535 + COR 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)

1. In the Annex, point a) of the introduction should read as follows:

- a) better distinction of the two categories of reflows, namely
- revenues (i.e. dividends, ~~capital gains~~, guarantee fees, interest on loans and on amounts on fiduciary accounts), and
 - repayments (i.e. capital repayments in equity instruments, guarantees released, and repayments of the principal in the case of loans;

2. In the Annex, point c) of the introduction should read as follows:

- c) repayments normally occur at a later stage in the instrument. The Commission proposes authorising the reuse of annual repayments as assigned revenue up to a predefined ceiling. Annual repayments above the ceiling will be entered in the general budget, unless the European Parliament and the Council decide in the context of the budgetary procedure to allow the re-use of reflows above the ceiling.

3. In the Annex, point a) of the new wording for Title VIII, should read as follows:

- a) Article 131(5) would be reworded as follows:

"Amounts corresponding at least to the Union contribution, or, where applicable, multiples thereof shall be used for the attainment of the specific policy objectives targeted through the financial instrument and shall not generate undue advantages, in particular in the form of undue dividends or profits for third parties.

*Without prejudice to sector-specific rules for shared management, **revenues, including dividends, capital gains, guarantee fees and interest on loans and on amounts on fiduciary accounts** ~~interest, capital resources, paid back to the Commission or fiduciary accounts opened for financial instruments from investments or from the release of resources committed for guarantee contracts, guarantee fees, dividends, capital gains or any other income receipts~~ and attributable to the support from the Union budget under a financial instrument, shall **be entered into the general budget after deduction of management costs and fees.***

Annual repayments, including capital repayments, guarantees released, and repayments of the principal of loans, paid back to the Commission or fiduciary accounts opened for financial instruments and attributable to the support from the Union budget under a financial instrument, shall ~~may~~ constitute internal assigned revenue in accordance with Article 18, if so specified in a basic act. In such cases, and without prejudice to paragraph 6a, they and shall be used for the same financial instrument, without prejudice to paragraph 6a, for a period not exceeding the period for the commitment of appropriations plus two years, unless specified otherwise in a basic act.

~~Each year, the cumulative resources paid back to a financial instrument under this paragraph, minus any amounts already returned to the Union budget as general revenue, will be compared to the cumulative EU contribution committed to the financial instrument up to the relevant year. In case the cumulative resources paid back exceed the cumulative EU contribution committed to the instrument, the difference shall be entered in the Union budget as general revenue."~~