



**COUNCIL OF
THE EUROPEAN UNION**

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from: General Secretariat of the Council
to: Permanent Representatives Committee

No. prev. doc.: 11634/12 FIN 460 CODEC 1726

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**)
- Approval of the final compromise text with a view to a first reading agreement with the European Parliament

1. On 6 January 2011, the Commission submitted to the Council a proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union, based on Article 322 TFEU (ordinary legislative procedure)¹.
2. As a result of a series of trilogues held between October 2011 and June 2012, the European Parliament and the Council agreed on the compromise text set out in the addendum to this note.

¹ The Court of Auditors delivered its opinions on 21 October 2010 (OJ C 334, 10.12.2010, p.1) and 25 January 2011 (Doc. 6553/11 FIN 83 CODEC 230).

3. In these circumstances, the Permanent Representatives Committee is invited to:

- approve the final compromise text set out in the addendum to this note;
- confirm that the Presidency can indicate to the European Parliament that, should the European Parliament adopt its position at first reading in the exact form set out in the addendum to this note, the Council would approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position, subject to revision by the legal linguists of both institutions.
