



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 12 October 2012**

**14913/12**

**STAT 38**  
**FIN 748**

**“I/A” ITEM NOTE**

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From: Secretariat  
To: Coreper/Council  
Subject: Draft Council conclusions on the Report of the Commission to the Council on the exception clause (Article 10 of Annex XI to the Staff Regulations)  
- Adoption

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1. Further to the Council's request to the Commission of 19 March 2012<sup>1</sup>, in conformity with Article 241 TFEU, to monitor closely the evolution of the economic and social situation and to present, on the basis of Article 10 of Annex XI of the Staff Regulations (Exception clause), a report assessing, whether, in the light of objective data supplied by the Commission, there is a serious and sudden deterioration in the economic and social situation within the Union and to submit appropriate proposals whenever this is the case, but in any case in time for the European Parliament and the Council to examine and adopt them before the end of 2012, the Commission submitted to the Council on 31 August 2012 its report on the exception clause<sup>2</sup>.

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<sup>1</sup> Council document 7421/12 of 12 March 2012.

<sup>2</sup> Council document 13327/12.

2. The Commission report concluded that the legal criteria of Article 10 of Annex XI were not met during the reference period of 1 July 2011 to mid-May 2012, and that therefore, it was not appropriate to submit a proposal under Article 10 of Annex XI to the Staff Regulations. The report was presented to the Working Party on Staff Regulations (WP) at its meeting on 12-13 September 2012, whilst a further exchange of views took place at the subsequent WP meeting on 25 September 2012. The conclusion of the Commission report was contested by several delegations.
  3. At the last WP meeting on 12 October 2012, all delegations agreed on the draft Council conclusions as set out in the Annex.
  4. In view of the above, COREPER is requested to invite the Council to adopt, as an A-item at one of its next sessions, the draft Council conclusions as set out in the Annex to this document.
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**DRAFT COUNCIL CONCLUSIONS  
ON THE REPORT FROM THE COMMISSION TO THE COUNCIL  
ON THE EXCEPTION CLAUSE  
(ARTICLE 10 OF ANNEX XI TO THE STAFF REGULATIONS)**

The Council

RECALLS the Council's request of March 2012 for a report assessing, whether, in the light of objective data supplied by the Commission, there was a serious and sudden deterioration in the economic and social situation within the Union and to submit appropriate proposals whenever this is the case,

TAKES NOTE of the report from the Commission to the Council on the exception clause (Article 10 of Annex XI to the Staff Regulations) of 31 August 2012 answering that request,

REGRETS the Commission's conclusions that there is no reason to depart from the 'normal method' and therefore it is not appropriate to submit a proposal under Article 10 of Annex XI to the Staff Regulations,

DOES NOT SHARE the Commission's interpretation of the current Article 10 of Annex XI to the Staff Regulations,

CONSIDERS that the applicability of the exception clause must be assessed in the light of all objective data permitting to appreciate the economic and social situation in a larger sense,

CONSIDERS that the said Commission assessment as presented in the report does not reflect the serious and sudden deterioration in the economic and social situation in the Union, as the publicly available objective economic data suggest, such as, e.g. the European Commission's Annual Growth Survey 2011 and 2012,

DISAGREES with the analysis provided by the Commission with respect to the indicator regarding the number of Member States with an ongoing excessive deficit procedure, and REGRETS that the Commission decided not to apply this data in its decision on the exception clause,

MAKES A NEW REQUEST, on the basis of Article 241 TFEU, to the Commission to submit, in accordance with Article 10 of Annex XI to the Staff Regulations and in the light of objective data submitted by the Commission so far, an appropriate proposal for this year's EU-salary adjustment in time for the European Parliament and the Council to examine and adopt it before the end of 2012.

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