



**COUNCIL OF
THE EUROPEAN UNION**

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"I" ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)

Subject: Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU, EURATOM) No 966/2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (**first reading**)
- Publication of a statement in the Official Journal

1. On 20 September 2013 the Commission sent the above proposal¹, based on Article 322 TFEU and Article 106a of the Euratom Treaty, to the Council. That proposal aimed at amending the Financial Regulation to take account of the outcome of the negotiations on the multiannual financial framework for the years 2014-2020.
2. On 20 January 2014, the Council endorsed the joint statement by the European Parliament, the Council and the Commission set out in document 5103/14. That joint statement includes a commitment by the Commission to propose certain modifications related to Joint Undertakings in the framework of a future revision of the Financial Regulation.

¹ 14048/13.

3. On 6 May 2014, the Council approved the European Parliament's position on the proposal for a Regulation as set out in PE CONS 78/14. The legislative act thus adopted did not contain any provisions on Joint Undertakings. Consequently, it is considered relevant to recall the joint statement and the statement should be published jointly with the adopted text of the Regulation.
 4. The Permanent Representatives Committee is therefore invited to decide to publish the statement, as set out in the Annex to this note, in the Official Journal together with the adopted text of the Regulation.
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Joint statement on the separate discharge for Joint Undertakings under Article 209 of the Financial Regulation

1. The European Parliament, the Council and the Commission agree that in order for the Joint Undertakings to benefit from simplified financial rules better adapted to their public-private nature, they should be set up under Article 209 of the Financial Regulation.

However, they also agree that:

- In view of the specific nature and the current status of the Joint Undertakings, and in order to ensure continuity with the 7th Framework Programme, the Joint Undertakings should continue to be subject to a separate discharge to be given by the European Parliament upon recommendation of the Council. For this reason, specific derogations from Article 209 of the Financial Regulation shall be introduced in the constituent acts of the Joint Undertakings to be set up under Horizon 2020 Programme. Those derogations will refer to the separate discharge and will include any additional necessary adaptations.
- In order to allow the Joint Undertakings to benefit immediately from the simplifications introduced in the new financial framework, it is necessary that the Commission delegated regulation of 30 September 2013 on the model financial regulation for PPP bodies under Article 209 of the Financial Regulation enters into force.

2. The European Parliament and the Council take note that the Commission:

- will ensure that the financial rules of the Joint Undertakings include derogations from the Model Financial Regulation for PPP bodies to reflect the introduction of the separate discharge in their constituent acts;
- intends to propose relevant modifications to Articles 209 and 60(7) of the Financial Regulation in the framework of the future revision of the Financial Regulation.