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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	11108/15 FIN 429 INST 292 CODEC 1503 - COM(2014) 358 final
No. prev. doc.:	7774/15 FIN 261 INST 105 CODEC 464
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 (first reading) – <i>Confirmation of the final compromise text with a view to agreement</i>

1. On 18 June 2014, the Commission adopted a proposal to amend Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union.
2. This proposal aims at aligning the procurement procedures used by Union institutions for awarding contracts to those of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC¹ and of Directive 2014/23/EU of the European Parliament and of the Council on the award of concession contracts², which will have to be transposed by Member States by 18 April 2016.

¹ OJ L 94, 28.3.2014, p. 65.

² OJ L 94, 28.3.2014, p. 1.

3. The proposal is based on Article 322 of the TFEU (ordinary legislative procedure). The Court of Auditors delivered its opinion No 1/2015 on 15 January 2015¹. The European Data Protection Supervisor has been consulted and expressed an opinion on 3 December 2014.
4. The Committee on Budgets of the European Parliament voted on a draft legislative resolution on 26 February 2015.
5. After examination in the Budget Committee, the Permanent Representatives Committee gave a mandate to the Presidency on 16 April 2015² to enter into informal trilogues with the European Parliament.
6. As a result of these trilogues held between April and June 2015, the European Parliament and the Council reached an agreement on the Regulation amending Regulation (EU, Euratom) No 966/2012. The main elements of the compromise text are the following:
 - alignment of the procurement rules to Directive 2014/24/EU and to Directive 2014/23/EU;
 - setting-up of a system for the early detection of risks to the Union's financial interests and for the exclusion of economic operators from procurement procedures, grants and prices in order to protect those interests;
 - creation of a panel to centralise the assessment of grounds for excluding economic operators, which is only convened in cases where there is no final judgment or final administrative decision at national level establishing a situation of exclusion;
 - obligation for the institutions to include in their annual activity reports information on the extent to which their operational expenditure has contributed to policy achievements and generated Union added value, as well as an obligation for the institutions to publish these reports on their internet sites subject to confidentiality and security considerations;
 - streamlining of the time-line for the drawing up and adoption of special reports of the European Court of Auditors;

¹ OJ C 52, 13.2.2015, p. 1.

² Doc. 7774/15.

- provision of a separate discharge to be given to public-private partnership bodies, as foreseen in the Joint Statement attached to Regulation (EU, Euratom) No 547/2014 of the European Parliament and of the Council of 15 May 2014 amending Regulation (EU, Euratom) No 966/2012¹;
- clarification and circumscription of empowerments given to the Commission to adopt delegated acts, in particular, as regards the assimilation of non-governmental organisations to international organisations in relation to the implementation of the general budget of the Union.

7. The Budget Committee examined the compromise text during its meetings on 18 and on 23 June 2015, and agreed, by qualified majority, to the compromise text as set out in addendum 1 to this note².

8. The Permanent Representatives Committee is invited to:

- confirm the final compromise text with a view to an agreement on that text as 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, subject to revision by the legal linguists of both institutions, 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.

¹ OJ L 163, 29.5.2014, p. 21.

² Doc. 10274/15 ADD 1.