

Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (repealed)

PART ONE

COMMON PROVISIONS

TITLE II

BUDGETARY PRINCIPLES

Article 6

Respect for budgetary principles

The budget shall be established and implemented in accordance with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management which requires effective and efficient internal control, and transparency as set out in this Regulation.

CHAPTER 1

Principles of unity and of budgetary accuracy

Article 7

Scope of the budget

- 1 The budget shall comprise:
 - a the revenue and expenditure of the Union, including administrative expenditure occasioned for the institutions by the provisions of the TEU relating to the Common Foreign and Security Policy, and the operational expenditure occasioned by implementation of those provisions where this is charged to the budget;
 - b the revenue and expenditure of the European Atomic Energy Community.
- 2 The budget shall record the guarantees for borrowing-and-lending operations entered into by the Union, including the European Financial Stability Mechanism and Balance of Payment Facility operations, in accordance with point (d) of Article 49(1).

Article 8

Specific rules on the principles of unity and budgetary accuracy

- 1 Without prejudice to Article 83, no revenue shall be collected and no expenditure effected unless booked to a line in the budget.

2 No expenditure may be committed or authorised in excess of the authorised appropriations.

3 An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

4 Interest generated by pre-financing payments made from the budget shall not be due to the Union except as otherwise provided for in the delegation agreements, with the exception of those agreements concluded with third countries or the bodies they have designated. In cases in which it is provided for, such interest shall either be re-used for the corresponding action, deducted from payment requests in accordance with point (c) of the first subparagraph of Article 23(1) or recovered.

The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the accounting of interest generated by pre-financing payments.

CHAPTER 2

Principle of annuality

Article 9

Definition

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

Article 10

Type of appropriations

1 The budget shall contain differentiated appropriations, which consist of commitment appropriations and payment appropriations, and non-differentiated appropriations.

2 Commitment appropriations shall cover the total cost of the legal commitments entered into during the financial year, subject to Article 86(4) and Article 189(2).

3 Payment appropriations shall cover payments made to honour the legal commitments entered into in the financial year or preceding financial years.

4 Paragraphs 1 and 2 of this Article are without prejudice to the special provisions of Titles I, IV and VI of Part Two and shall not prevent appropriations being committed globally or budgetary commitments being made in annual instalments.

Article 11

Accounting for revenue and appropriations

1 The revenue of a financial year shall be entered in the accounts for the financial year on the basis of the amounts collected during that financial year. However, the own resources for the month of January of the following financial year may be made available in advance pursuant

to Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000 implementing Decision 2007/436/EC, Euratom on the system of the European Communities' own resources⁽¹⁾.

2 The entries in respect of value-added-tax own resources, of the additional resource based on gross national income and of any financial contributions may be adjusted in accordance with Regulation (EC, Euratom) No 1150/2000.

3 The appropriations authorised for a financial year shall be used solely to cover expenditure committed and paid in that financial year and to cover amounts due against commitments from preceding financial years.

The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules for appropriations for the financial year.

4 Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December. By way of exception, the global budgetary commitments referred to in Article 86(4) and the financing agreements referred to in Article 189(2) and concluded with third countries shall be entered in the accounts on the basis of the budgetary commitments up to 31 December.

5 Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year.

6 By way of derogation from paragraphs 3, 4 and 5, the expenditure of the European Agricultural Guarantee Fund shall be entered in the accounts for a financial year in accordance with the rules laid down in Title I of Part Two.

Article 12

Commitment of appropriations

The appropriations entered in the budget may be committed with effect from 1 January, once the budget has been definitively adopted, except as otherwise provided for in Title I and Title VI of Part Two.

Article 13

Cancellation and carry-over of appropriations

1 Appropriations which have not been used by the end of the financial year for which they were entered shall be cancelled.

However, they may be carried over, but only to the following financial year, by a decision taken by 15 February by the institution concerned, in accordance with paragraphs 2 and 3, or they may be carried over automatically in accordance with paragraph 4.

2 Differentiated commitment appropriations and non-differentiated appropriations not yet committed at the end of the financial year may be carried over in respect of:

- a amounts corresponding to commitment appropriations, or to non-differentiated appropriations relating to building projects, for which most of the preparatory stages of the commitment procedure have been completed by 31 December. Such amounts may then be committed up to 31 March of the following year, or up to 31 December of the following year for amounts relating to building projects;

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- b amounts which are necessary when the legislative authority has adopted a basic act in the final quarter of the financial year and the Commission has been unable to commit the appropriations provided for this purpose by 31 December.

3 Payment appropriations may be carried over in respect of amounts needed to cover existing commitments or commitments linked to commitment appropriations carried over, where the payment appropriations provided for in the relevant budget lines for the following financial year are not sufficient to cover requirements.

The institution concerned shall first use the appropriations authorised for the current financial year and shall not use the appropriations carried over until the former are exhausted.

4 Non-differentiated appropriations corresponding to obligations duly contracted at the end of the financial year shall be carried over automatically to the following financial year only.

5 The institution concerned shall inform the European Parliament and the Council by 15 March of the carry-over decision it has taken and shall state, for each budget line, how the criteria in paragraphs 2 and 3 have been applied to each carry-over.

6 Without prejudice to Article 14, appropriations placed in reserve and appropriations for staff expenditure shall not be carried over. For the purpose of this Article, staff expenditure comprises the remuneration and allowances for members and staff of the institutions to which the Staff Regulations apply.

7 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules for the cancellation and carry-over of appropriations.

Article 14

Carry-over rules for assigned revenue

Carry-over of assigned revenue referred to in Article 21, and of appropriations not used and available at 31 December arising from such revenue, shall comply with the following rules:

- (a) external assigned revenue shall be carried over automatically and shall be fully used by the time all the operations relating to the programme or action to which it is assigned have been carried out. External assigned revenue received during the last year of the programme or action may be used in the first year of the succeeding programme or action;
- (b) internal assigned revenue shall be carried over for one year only, with the exception of internal assigned revenue defined in point (g) of Article 21(3), which shall be carried over automatically.

Article 15

Decommitment of appropriations

Without prejudice to Articles 178 and 182, where appropriations are decommitted in any financial year after that in which the appropriations were entered in the budget as a result of total or partial non-implementation of the actions for which they were earmarked, the appropriations concerned shall be cancelled.

Article 16

Rules applicable in the event of late adoption of the budget

1 If the budget has not been definitively adopted at the beginning of the financial year, the procedure set out in the first paragraph of Article 315 TFEU (the provisional twelfths regime) shall apply. Commitments and payments may be made within the limits laid down in paragraph 2 of this Article.

2 Commitments may be made per chapter up to a maximum of one quarter of the total appropriations authorised in the relevant chapter of the previous financial year plus one twelfth for each month which has elapsed.

The limit of the appropriations provided for in the draft budget shall not be exceeded.

Payments may be made monthly per chapter up to a maximum of one twelfth of the appropriations authorised in the relevant chapter of the preceding financial year. That sum shall not, however, exceed one twelfth of the appropriations provided for in the same chapter of the draft budget.

3 The appropriations authorised in the relevant chapter of the preceding financial year, as specified in paragraphs 1 and 2, shall be understood as referring to the appropriations voted in the budget, including by amending budgets, and after adjustment for the transfers made during that financial year.

4 If the continuity of action by the Union and management needs so require, the Council, acting by qualified majority on a proposal of the Commission, may authorise expenditure in excess of one provisional twelfth but not exceeding the total of four provisional twelfths, except in duly justified cases, both for commitments and for payments over and above those automatically made available in accordance with paragraphs 1 and 2. It shall forward the decision on authorisation without delay to the European Parliament.

The decision shall enter into force 30 days following its adoption unless the European Parliament:

- a acting by a majority of its component Members, decides to reduce that expenditure within that time limit, in which case the Commission shall submit a new proposal; or
- b informs the Council and the Commission that it does not wish to reduce that expenditure, in which case the decision shall enter into force before the expiry of the 30 days.

The additional twelfths shall be authorised in full and shall not be divisible.

5 If, for a given chapter, the authorisation of four provisional twelfths granted in accordance with paragraph 4 is not sufficient to cover the expenditure necessary to avoid a break in continuity of action by the Union in the area covered by the chapter in question, authorisation may exceptionally be given to exceed the amount of the appropriations entered in the corresponding chapter of the budget of the preceding financial year. The European Parliament and the Council shall act in accordance with the procedures provided for in paragraph 4. However, the overall total of the appropriations available in the budget of the preceding financial year or in the draft budget, as proposed, may in no circumstances be exceeded.

CHAPTER 3

Principle of equilibrium

Article 17

Definition and scope

- 1 Revenue and payment appropriations shall be in balance.
- 2 The Union and the bodies referred to in Article 208, may not raise loans within the framework of the budget.

Article 18

Balance from financial year

- 1 The balance from each financial year shall be entered in the budget for the following financial year as revenue in the case of a surplus or as a payment appropriation in the case of a deficit.
- 2 The estimates of such revenue or payment appropriations shall be entered in the budget during the budgetary procedure and in a letter of amendment presented pursuant to Article 39. The estimates shall be drawn up in accordance with Regulation (EC, Euratom) No 1150/2000.
- 3 After the presentation of the provisional accounts for each financial year, any discrepancy between those accounts and the estimates shall be entered in the budget for the following financial year through an amending budget devoted solely to that discrepancy. In such a case, the Commission shall submit the draft amending budget simultaneously to the European Parliament and the Council within 15 days of submission of the provisional accounts.

CHAPTER 4

Principle of unit of account

Article 19

Use of euro

- 1 The multiannual financial framework and the budget shall be drawn up and implemented in euro and the accounts shall be presented in euro. However, for the cash-flow purposes referred to in Article 68(1), the accounting officer and, in the case of imprest accounts, the imprest administrators, and, for the needs of the administrative management of the Commission and the EEAS, the authorising officer responsible, shall be authorised to carry out operations in other currencies as laid down in the delegated acts adopted pursuant to this Regulation.
- 2 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the rate of conversion between euro and other currencies.

CHAPTER 5

Principle of universality

Article 20

Definition and scope

Without prejudice to Article 21, total revenue shall cover total payment appropriations. Without prejudice to Article 23, all revenue and expenditure shall be entered in full without any adjustment against each other.

Article 21

Assigned revenue

- 1 External assigned revenue and internal assigned revenue shall be used to finance specific items of expenditure.
- 2 The following shall constitute external assigned revenue:
 - a financial contributions from Member States to certain research programmes pursuant to Regulation (EC, Euratom) No 1150/2000;
 - b financial contributions from Member States and third countries, including in both cases their public agencies, entities or natural persons, to certain external aid projects or programmes financed by the Union and managed by the Commission on their behalf;
 - c interest on deposits and the fines provided for in Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure⁽²⁾;
 - d revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution;
 - e financial contributions, not covered by point (b), to Union activities from third countries or from non-Union bodies;
 - f assigned revenue referred to in Articles 181(2) and 183(2);
 - g internal assigned revenue referred to in paragraph 3, to the extent that it is ancillary to the other revenue under this paragraph.
- 3 The following shall constitute internal assigned revenue:
 - a revenue from third parties in respect of goods, services or work supplied at their request;
 - b proceeds from the sale of vehicles, equipment, installations, materials, and scientific and technical apparatus which are replaced or scrapped when the book value is fully depreciated;
 - c revenue arising from the repayment, in accordance with Article 80, of amounts wrongly paid;
 - d revenue arising from interest on pre-financing payments, subject to Article 8(4);
 - e proceeds from the supply of goods, services and works for other departments within an institution, institutions or bodies, including refunds by other institutions or bodies of mission allowances paid on their behalf;
 - f insurance payments received;
 - g revenue from lettings;

- h revenue from the sale of publications and films, including those on an electronic medium;
- i repayments to financial instruments pursuant to Article 140(6);
- j revenue arising from subsequent reimbursement of taxes pursuant to point (b) of Article 23(3).

4 A basic act may also assign the revenue for which it provides to specific items of expenditure. Unless specified otherwise in the basic act, such revenue shall constitute internal assigned revenue.

5 The budget shall include lines to accommodate external assigned revenue and internal assigned revenue and wherever possible shall indicate the amount.

Assigned revenue may be included in the draft budget only for the amounts which are certain at the date of the establishment of the draft budget.

6 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning the establishment of the structure to accommodate external and internal assigned revenue and the provision of the corresponding appropriations, and concerning rules for the contribution from Member States to research programmes. Furthermore, the Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning the proceeds of sanctions imposed pursuant to Article 126(11) TFEU, and concerning assigned revenue resulting from the participation of EFTA states in certain Union programmes.

Article 22

Donations

1 The Commission may accept any donation made to the Union, such as foundations, subsidies, gifts and bequests.

2 Acceptance of a donation of a value of EUR 50 000 or more which involves a financial charge, including follow-up costs, exceeding 10 % of the value of the donation made, shall be subject to the authorisation of the European Parliament and of the Council, both of which shall act on the matter within two months of receiving the request from the Commission. If no objection is made within that period, the Commission shall take a final decision regarding the acceptance of the donation.

3 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the acceptance of donations made to the Union.

Article 23

Rules on deductions and exchange rate adjustments

1 The following deductions may be made from payment requests which shall then be passed for payment of the net amount:

- a penalties imposed on parties to procurement contracts or beneficiaries;
- b discounts, refunds and rebates on individual invoices and cost statements;
- c interest generated by pre-financing payments;
- d adjustments for amounts unduly paid.

The adjustments referred to in point (d) of the first subparagraph may be made, by means of direct deduction, against a new interim payment or payment of a balance to the same payee under the chapter, article and financial year in respect of which the excess payment was made.

Union accounting rules shall apply to the deductions referred to in points (c) and (d) of the first subparagraph.

2 The cost of products or services, provided to the Union, incorporating taxes refunded by the Member States pursuant to the Protocol on the Privileges and Immunities of the European Union, shall be charged to the budget for the ex-tax amount.

3 The cost of products or services, provided to the Union, incorporating taxes refunded by third countries on the basis of relevant agreements, may be charged to the budget for:

- a the ex-tax amount; or
- b the tax-inclusive amount. In such a case, subsequently reimbursed taxes shall be treated as internal assigned revenue.

4 Adjustments may be made in respect of exchange differences occurring in the implementation of the budget. The final gain or loss shall be included in the balance for the year.

5 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the accounts for recoverable taxes.

CHAPTER 6

Principle of specification

Article 24

General provisions

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Article 25

Transfers by institutions other than the Commission

1 Any institution other than the Commission may, within its own section of the budget, transfer appropriations:

- a from one title to another up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made;
- b from one chapter to another and from one article to another without limit.

2 Three weeks before making a transfer, as referred to in paragraph 1, the institution shall inform the European Parliament and the Council of its intention to do so. In the event that duly justified reasons are raised within that period by either the European Parliament or the Council, the procedure laid down in Article 27 shall apply.

3 Any institution other than the Commission may propose to the European Parliament and the Council, within its own section of the budget, transfers from one title to another

exceeding the limit of 10 % of the appropriations for the year shown on the line from which the transfer is to be made. Those transfers shall be subject to the procedure laid down in Article 27.

4 Any institution other than the Commission may, within its own section of the budget, make transfers within articles without informing the European Parliament and the Council beforehand.

5 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the calculation of percentages of transfers by institutions other than the Commission.

Article 26

Transfers by the Commission

- 1 The Commission may, within its own section of the budget, autonomously:
 - a transfer appropriations within each chapter;
 - b with regard to expenditure on staff and administration which is common to several titles, transfer appropriations from one title to another up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made, and up to a maximum of 30 % of the appropriations for the year shown on the line to which the transfer is made;
 - c with regard to operational expenditure, transfer appropriations between chapters within the same title, up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made.

Three weeks before making the transfers referred to in point (b) of the first subparagraph, the Commission shall inform the European Parliament and the Council of its intention to do so. In the event that duly justified reasons are raised within that period by the European Parliament or the Council, the procedure laid down in Article 27 shall apply.

By way of exception from the second subparagraph, the Commission may, during the last two months of the financial year, autonomously transfer appropriations concerning expenditure on staff, external staff and other agents from one title to another within the total limit of 5 % of the appropriations for the year. The Commission shall inform the European Parliament and the Council within two weeks after its decision on those transfers.

2 The Commission may, within its own section of the budget, decide on the following transfer of appropriations from one title to another, provided it immediately informs the European Parliament and the Council of its decision:

- a transfer of appropriations from the "provisions" title referred to in Article 46, where the only condition for lifting the reserve is the adoption of a basic act pursuant to Article 294 TFEU;
- b in duly justified exceptional cases such as international humanitarian disasters and crises occurring after 1 December of the financial year, transfer unused appropriations for that financial year still available in the budget titles falling under heading 4 of the multiannual financial framework to the budget titles concerning crisis management aid and humanitarian aid operations.

3 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the calculation of percentages of internal transfers by the Commission, and grounds for transfer requests.

Article 27

Transfer proposals submitted to the European Parliament and the Council by the institutions

1 Each institution shall submit its transfer proposals simultaneously to the European Parliament and the Council.

2 The European Parliament and the Council shall take decisions on transfers of appropriations as provided for in paragraphs 3 to 6 of this Article, except as otherwise provided for in Title I of Part Two.

3 Except in urgent circumstances, the European Parliament and the Council, the latter acting by qualified majority, shall deliberate upon each transfer proposal within six weeks of its receipt by both institutions.

4 The transfer proposal shall be approved, if, within the six-week period, any of the following occurs:

- a the European Parliament and the Council approve it;
- b either the European Parliament or the Council approves it and the other institution refrains from acting;
- c the European Parliament and the Council refrain from acting or do not take a decision to amend or refuse the transfer proposal.

5 The six-week period referred to in paragraph 3 shall be reduced to three weeks, unless either the European Parliament or the Council requests otherwise, in the following cases:

- a the transfer represents less than 10 % of the appropriations of the line from which the transfer is made and does not exceed EUR 5 000 000;
- b the transfer concerns only payment appropriations and the overall amount of the transfer does not exceed EUR 100 000 000.

6 If either the European Parliament or the Council has amended the amount of the transfer while the other institution has approved it or refrains from acting, or if the European Parliament and the Council have both amended the amount of the transfer, the lesser of the two amounts shall be deemed approved, unless the institution concerned withdraws its transfer proposal.

Article 28

Specific rules on transfers

1 Appropriations may only be transferred to budget lines for which the budget has authorised appropriations or which carry a token entry "*pro memoria*".

2 Appropriations corresponding to assigned revenue may be transferred only if such revenue is used for the purpose for which it is assigned.

Article 29

Transfers subject to special provisions

1 Transfers within the titles of the budget devoted to the European Agricultural Guarantee Fund, the Structural Funds, the Cohesion Fund, the European Fisheries Fund, the European Agricultural Fund for Rural Development and Research shall be the subject of special provisions under Titles I, II and III of Part Two.

2 Decisions on transfers to allow the use of the Emergency Aid Reserve shall be taken by the European Parliament and the Council on a proposal from the Commission. A separate proposal shall be submitted for each emergency action.

For the purposes of this paragraph, the procedure provided for in Article 27(3) and 27(4) shall apply. If the European Parliament and the Council do not agree to the Commission proposal and cannot reach a common position on the use of this reserve, they shall refrain from acting on the Commission's transfer proposal.

3 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on requests for transfers from the Emergency Aid Reserve.

CHAPTER 7

Principle of sound financial management

Article 30

Principles of economy, efficiency and effectiveness

1 Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

2 The principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency concerns the best relationship between resources employed and results achieved.

The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

3 Specific, measurable, achievable, relevant and timed objectives shall be set for all sectors of activity covered by the budget. The achievement of those objectives shall be monitored by performance indicators for each activity, and the information referred to in point (e) of Article 38(3) shall be provided by the spending authorities to the European Parliament and the Council. That information shall be provided annually and at the latest in the documents accompanying the draft budget.

4 In order to improve decision-making, institutions shall undertake both *ex ante* and *ex post* evaluations in line with guidance provided by the Commission. Such evaluations shall be

applied to all programmes and activities which entail significant spending and evaluation results shall be disseminated to the European Parliament, the Council and spending administrative authorities.

5 The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on *ex ante*, mid-term and *ex post* evaluations.

Article 31

Compulsory financial statement

1 Any proposal or initiative submitted to the legislative authority by the Commission, the High Representative of the Union for Foreign Affairs and Security Policy (the "High Representative") or by a Member State, which may have an impact on the budget, including changes in the number of posts, shall be accompanied by a financial statement and by an *ex ante* evaluation as provided for in Article 30(4).

Any amendment to a proposal or initiative submitted to the legislative authority which may have appreciable implications for the budget, including changes in the number of posts, shall be accompanied by a financial statement prepared by the institution proposing the amendment.

The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the requirements of the financial statement.

2 During the budgetary procedure, the Commission shall provide the necessary information for a comparison between changes in the appropriations required and the initial forecasts made in the financial statement in the light of the progress of deliberations on the proposal or initiative submitted to the legislative authority.

3 In order to reduce the risk of fraud and irregularities, the financial statement referred to in paragraph 1 shall provide information on the internal control system set up, an estimate of the costs and benefits of the controls implied by such system and an assessment of the expected level of risk of error, as well as existing and planned fraud prevention and protection measures.

Such analysis shall take into account the likely scale and type of errors, as well as the specific conditions of the policy area concerned and the rules applicable thereto.

Article 32

Internal control of budget implementation

1 The budget shall be implemented in compliance with effective and efficient internal control as appropriate in each method of implementation, and in accordance with the relevant sector-specific rules.

2 For the purposes of the implementation of the budget, internal control is defined as a process applicable at all levels of management and designed to provide reasonable assurance of achieving the following objectives:

- a effectiveness, efficiency and economy of operations;
- b reliability of reporting;
- c safeguarding of assets and information;
- d prevention, detection, correction and follow-up of fraud and irregularities;

- e adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.
- 3 Effective internal control shall be based on best international practices and include, in particular, the following:
- a segregation of tasks;
 - b an appropriate risk management and control strategy including control at recipient level;
 - c avoidance of conflicts of interests;
 - d adequate audit trails and data integrity in data systems;
 - e procedures for monitoring of performance and for follow-up of identified internal control weaknesses and exceptions;
 - f periodic assessment of the sound functioning of the internal control system.
- 4 Efficient internal control shall be based on the following elements:
- a the implementation of an appropriate risk management and control strategy coordinated among appropriate actors involved in the control chain;
 - b the accessibility for all appropriate actors in the control chain of the results of controls carried out;
 - c reliance, where appropriate, on management declarations of implementation partners and independent audit opinions, provided that the quality of the underlying work is adequate and acceptable and that it was performed in accordance with agreed standards;
 - d the timely application of corrective measures including, where appropriate, dissuasive penalties;
 - e clear and unambiguous legislation underlying the policies;
 - f the elimination of multiple controls;
 - g improving the cost-benefit ratio of controls.
- 5 If, during implementation, the level of error is persistently high, the Commission shall identify the weaknesses in the control systems, analyse the costs and benefits of possible corrective measures and take or propose appropriate action, such as simplification of the applicable provisions, improvement of the control systems and re-design of the programme or delivery systems.

Article 33

Cost-effective control systems

When presenting revised or new spending proposals, the Commission shall estimate the costs and benefits of control systems, as well as the level of risk of error as referred to in Article 31(3).

CHAPTER 8

Principle of transparency

Article 34

Publication of accounts, budgets and reports

1 The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency.

2 The President of the European Parliament shall have the budget and any amending budget, as definitively adopted, published in the *Official Journal of the European Union*.

The budgets shall be published within three months of the date on which they are declared definitively adopted.

The consolidated annual accounts and the report on budgetary and financial management drawn up by each institution shall be published in the *Official Journal of the European Union*.

The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the provisional publication of the budget.

Article 35

Publication of information on recipients and other information

1 Information on borrowing-and-lending operations contracted by the Union for third parties shall appear in an Annex to the budget.

2 The Commission shall make available, in an appropriate and timely manner, information on recipients, as well as the nature and purpose of the measure financed from the budget, where the latter is implemented directly in accordance with point (a) of Article 58(1), and information on recipients as provided by the entities, persons and Member States to which budget implementation tasks are entrusted under other methods of implementation.

The obligation set out in the first subparagraph shall also apply to the other institutions with regard to their recipients.

3 This information shall be made available with due observance of the requirements of confidentiality and security, in particular the protection of personal data.

Where natural persons are concerned, the publication shall be limited to the name and locality of the recipient, the amount awarded and the purpose of the award. The disclosure of those data shall be based on relevant criteria such as the periodicity of award, or the type or importance of the award. The criteria for disclosure and the level of detail published shall take into account the specificities of the sector and of each method of implementation.

The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning the establishment of detailed rules on the publication of information on recipients. Where applicable, the level of detail and criteria shall be defined in the relevant sector-specific rules.

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- (1) OJ L 130, 31.5.2000, p. 1.
- (2) OJ L 209, 2.8.1997, p. 6.