

Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

PART ONE

**FINANCIAL REGULATION**

TITLE II

**BUDGET AND BUDGETARY PRINCIPLES**

*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*

**Budgetary accounting for revenue and appropriations**

1 The revenue of a financial year shall be entered in the accounts for that year on the basis of the amounts collected during it. However, the own resources for the month of January of the following financial year may be made available in advance pursuant to Regulation (EU, Euratom) No 609/2014.

2 The entries in respect of the Value Added Tax (VAT) and Gross National Income-based own resources may be adjusted in accordance with Regulation (EU, Euratom) No 609/2014.

3 Commitments shall be entered in the accounts for a financial year on the basis of the legal commitments entered into up to 31 December of that year. However, the global budgetary commitments referred to in Article 112(4) shall be entered in the accounts for a financial year on the basis of the budgetary commitments up to 31 December of that year.

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

5 By way of derogation from paragraphs 3 and 4:

---

*Status: This is the original version (as it was originally adopted).*

---

- a the expenditure of the European Agricultural Guarantee Fund (EAGF) shall be entered in the accounts for a financial year on the basis of the repayments made by the Commission to Member States by 31 December of that year, provided that the payment order has reached the accounting officer by 31 January of the following financial year;
- b expenditure implemented under shared management with the exception of the EAGF shall be entered in the accounts for a financial year on the basis of the reimbursements made by the Commission to Member States by 31 December of that year, including the expenditure charged by 31 January of the following financial year as laid down in Articles 30 and 31.

#### *Article 11*

### **Commitment of appropriations**

- 1 The appropriations entered in the budget may be committed with effect from 1 January, once the budget has been definitively adopted.
- 2 As of 15 October of the financial year, the following expenditure may be committed in advance against the appropriations provided for the following financial year:
  - a routine administrative expenditure, provided that such expenditure has been approved in the last budget duly adopted, and only up to a maximum of one quarter of the total corresponding appropriations decided upon by the European Parliament and by the Council for the current financial year;
  - b routine management expenditure for the EAGF, provided that the basis for such expenditure is laid down in an existing basic act, and only up to a maximum of three quarters of the total corresponding appropriations decided upon by the European Parliament and by the Council for the current financial year.

#### *Article 12*

### **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, unless they are carried over in accordance with paragraphs 2 to 8.
- 2 The following appropriations may be carried over by a decision taken pursuant to paragraph 3, but only to the following financial year:
  - a commitment appropriations and non-differentiated appropriations, for which most of the preparatory stages of the commitment procedure have been completed by 31 December of the financial year. Such appropriations may be committed up to 31 March of the following financial year, with the exception of non-differentiated appropriations related to building projects which may be committed up to 31 December of the following financial year;
  - b appropriations 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 that purpose by 31 December of that year. Such appropriations may be committed up to 31 December of the following financial year;
  - c payment appropriations which are needed to cover existing commitments or commitments linked to commitment appropriations carried over, where the payment

---

*Status: This is the original version (as it was originally adopted).*

---

- appropriations provided for in the relevant budget lines for the following financial year are insufficient;
- d non-committed appropriations relating to the actions referred to in Article 4(1) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council<sup>(1)</sup>.

With regard to point (c) of the first subparagraph, the Union 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.

Carry-overs of non-committed appropriations as referred to in point (d) of the first subparagraph of this paragraph shall not exceed, within a limit of 2 % of the initial appropriations voted by the European Parliament and by the Council, the amount of the adjustment of direct payments applied in accordance with Article 26 of Regulation (EU) No 1306/2013 during the preceding financial year. Appropriations which are carried over shall be returned to the budget lines which cover the actions referred to in point (b) of Article 4(1) of Regulation (EU) No 1306/2013.

3 The Union institution concerned shall take its decision on carry-overs as referred to in paragraph 2 by 15 February of the following financial year. It shall inform the European Parliament and the Council by 15 March of that year of the carry-over decision it has taken. It shall also state, for each budget line, how the criteria in points (a), (b) and (c) of the first subparagraph of paragraph 2 have been applied to each carry-over.

- 4 Appropriations shall be automatically carried over in respect of:
- a commitment appropriations for the Emergency Aid Reserve and for the European Union Solidarity Fund. Such appropriations may be carried over only to the following financial year and may be committed up to 31 December of that year;
- b appropriations corresponding to internal assigned revenue. Such appropriations may be carried over only to the following financial year and may be committed up to 31 December of that year, with the exception of the internal assigned revenue from lettings and the sale of buildings and land which may be carried over until it is fully used. Commitment appropriations, as referred to in Regulation (EU) No 1303/2013 and in Regulation (EU) No 514/2014 of the European Parliament and of the Council<sup>(2)</sup>, which are available on 31 December arising from repayments of pre-financing payments may be carried over until the closure of the programme and used when necessary, provided that other commitment appropriations are no longer available;
- c appropriations corresponding to external assigned revenue. Such appropriations shall be fully used by the time all the operations relating to the programme or action to which they are assigned have been carried out or they may be carried over and used for the succeeding programme or action. This shall not apply to the revenue referred to in point (iii) of Article 21(2)(g) for which appropriations not committed within five years shall be cancelled;
- d payment appropriations related to the EAGF resulting from suspensions in accordance with Article 41 of Regulation (EU) No 1306/2013.

5 The treatment of external assigned revenue as referred to in point (c) of paragraph 4 of this Article resulting from the participation of European Free Trade Association (EFTA) States in certain Union programmes in accordance with point (e) of Article 21(2) shall be in line with Protocol No 32 annexed to the Agreement on the European Economic Area (EEA Agreement).

6 In addition to the information provided for in paragraph 3, the Union institution concerned shall submit to the European Parliament and to the Council information on appropriations which were automatically carried over, including the amounts involved and the provision of this Article under which the appropriations were carried over.

7 Non-differentiated appropriations legally committed at the end of the financial year shall be paid until the end of the following financial year.

8 Without prejudice to paragraph 4, appropriations placed in reserve and appropriations for staff expenditure shall not be carried over. For the purposes of this Article, staff expenditure comprises remuneration and allowances for members and for staff of Union institutions who are subject to the Staff Regulations.

### *Article 13*

#### **Detailed provisions on cancellation and carry-over of appropriations**

1 The commitment appropriations and the non-differentiated appropriations referred to in point (a) of the first subparagraph of Article 12(2) may be carried over only if the commitments could not be made before 31 December of the financial year for reasons not attributable to the authorising officer and if the preparatory stages are sufficiently advanced to make it reasonable to expect that the commitment will be made by 31 March of the following financial year, or, in relation to building projects, by 31 December of the following financial year.

2 The preparatory stages referred to in point (a) of the first subparagraph of Article 12(2), which shall be completed by 31 December of the financial year in order to allow a carry-over to the following financial year, are in particular:

- a for individual budgetary commitments within the meaning of point (a) of the first subparagraph of Article 112(1), the completion of the selection of potential contractors, beneficiaries, prize winners or delegates;
- b for global budgetary commitments within the meaning of point (b) of the first subparagraph of Article 112(1), the adoption of a financing decision or the closing of the consultation of the departments concerned within each Union institution on the adoption of the financing decision.

3 Appropriations carried over in accordance with point (a) of the first subparagraph of Article 12(2) which have not been committed by 31 March of the following financial year, or by 31 December of the following financial year for amounts relating to building projects, shall be automatically cancelled.

The Commission shall inform the European Parliament and the Council of the appropriations cancelled in accordance with the first subparagraph within one month following the cancellation.

### *Article 14*

#### **Decommitments**

1 Where budgetary commitments are decommitted in any financial year after the year in which they were made as a result of the total or partial non-implementation of the actions for which they were earmarked, the appropriations corresponding to such decommitments shall be cancelled, unless otherwise provided in Regulations (EU) No 1303/2013 and (EU) No 514/2014 and without prejudice to Article 15 of this Regulation.

2 Commitment appropriations referred to in Regulations (EU) No 1303/2013 and (EU) No 514/2014 shall be decommitted automatically in accordance with those Regulations.

3 This Article does not apply to external assigned revenue referred to in Article 21(2).

### *Article 15*

#### **Making appropriations corresponding to decommitments available again**

1 The appropriations corresponding to decommitments referred to in Regulations (EU) No 1303/2013, (EU) No 223/2014 and (EU) No 514/2014 may be made available again in the event of a manifest error attributable solely to the Commission.

To that end, the Commission shall examine decommitments made during the preceding financial year and shall decide, by 15 February of the current financial year, on the basis of requirements, whether it is necessary to make the corresponding appropriations available again.

2 In addition to the case referred to in paragraph 1 of this Article, the appropriations corresponding to decommitments shall be made available again in the event of:

- a the decommitment from a programme under the arrangements for the implementation of the performance reserve established in Article 20 of Regulation (EU) No 1303/2013;
- b the decommitment from a programme dedicated to a specific financial instrument in favour of small and medium-sized enterprises (SMEs) following the discontinuance of the participation of a Member State in the financial instrument, as referred to in the seventh subparagraph of Article 39(2) of Regulation (EU) No 1303/2013.

3 Commitment appropriations corresponding to the amount of decommitments made as a result of total or partial non-implementation of corresponding research projects may also be made available again to the benefit of the research programme the projects belong to or its successor in the context of the budgetary procedure.

### *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 budget for the preceding 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 budget for 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 budget for the preceding financial year, as referred to 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 Union action and management needs so require, the Council, acting by qualified majority on a proposal from the Commission, may authorise expenditure in excess of one provisional twelfth but not exceeding a 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. The Council shall without delay forward its decision on authorisation to the European Parliament.

The decision referred to in the first subparagraph shall enter into force 30 days after its adoption unless the European Parliament takes any of the following actions:

- a acting by a majority of its component members, decides to reduce the expenditure before the expiry of the 30 days, in which case the Commission shall submit a new proposal;
- b informs the Council and the Commission that it does not wish to reduce the 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 Union action 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 for 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, shall in no circumstances be exceeded.

- (1) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ([OJ L 347, 20.12.2013, p. 549](#)).
- (2) Regulation (EU) No 514/2014 of the European Parliament and of the Council of 16 April 2014 laying down general provisions on the Asylum, migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime and crisis management ([OJ L 150, 20.5.2014, p. 112](#)).