Council of the European Union
General Secretariat

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CM 4173/24

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CODEC
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PROCED

COMMUNICATION

WRITTEN PROCEDURE

Contact:	codecision.adoption@consilium.europa.eu
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Subject:	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financial rules applicable to the general budget of the Union (recast) **(first reading)** Outcome of the written procedure initiated by CM 4171/24 – Adoption of the legislative act – Approval of statements **= END OF WRITTEN PROCEDURE**

Delegations are informed that the written procedure, opened by CM 4171/24 of 18 September 2024 was completed on 19 September 2024 at 11h49 and that:

1. All delegations voted in favour of, except for Hungary that voted against, the adoption of the Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast), as set out in PE-CONS 99/23.

2. All delegations voted in favour of, except for Hungary that voted against, the approval of the joint statements, as set out in 13015/24 ADD 1.

The required qualified majority has been reached. Therefore, the above Regulation is adopted and the accompanying joint statements are approved which will be published in the *Official Journal of the European Union*[1].

The above joint statements and the statements by the European Commission are reproduced in the Annex to this CM.

The above statements will be included in the summary of the acts adopted by written procedure as statements to be entered in the Council minutes, in accordance with the third subparagraph of Article 12(1) of the Council's Rules of Procedure.

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ANNEX

Joint statement on the budgetary treatment of interest or other charges due on cancelled or reduced fines, other penalties or sanctions on the occasion of the adoption of Regulation 2024/...[2]

"The European Parliament and the Council agreed that any interest or other charges due on cancelled or reduced fines, other penalties or sanctions will be recorded as negative revenue for the duration of the current multiannual framework. This is an exception to the prohibition on negative revenue, which is limited to this specific, unforeseeable situation.

Without prejudice to the respective prerogatives, the European Parliament, the Council and the Commission agree, taking into account past experience and expected future developments, to examine a long-term sustainable solution, in line with the application of the budgetary principles of the Financial Regulation, for the financing of such interest or other charges, to apply after 2027, including with respect to the rate of interest to pay on the amount of the fines or other penalties to be repaid as an adequate compensation for the recipient undertakings in such situations."

[2] OJ: please insert the number of the act in COD 2022/0162.

Joint statement of the European Parliament, the Council and the Commission on the single data-mining and risk-scoring tool provided for in Article 36 of the Financial Regulation on the occasion of the adoption of Regulation 2024/...[3]

"The European Parliament, the Council and the Commission ("the three Institutions") recognise the importance to enhance the protection of the Union's financial interests as acknowledged in the Inter-institutional Agreement ('IIA') of 16 December 2020 and as set out in Article 325 TFEU.

The three Institutions agree that it is necessary to further develop the tool in accordance with IT security and data protection rules. With a view to reducing the administrative burden and avoiding disproportionate IT costs for the Member States and the other users, established approved systems in Member States will be taken into account.

The three Institutions commit to cooperate towards further development of the tool. The Commission confirms that it will continue to develop the tool in consultation with its users and to offer the Member States support to address any technical queries. The Member States will cooperate with the Commission in order to enable synergies necessary for interoperability with relevant IT systems and databases.

Following an assessment by the Commission establishing the readiness of the tool based on the criteria referred to in Article 36(6) of the Financial Regulation, the three Institutions, without prejudice to their respective competences, commit to examine and re-discuss the compulsory use of the tool during the post-2027 multiannual financial framework."

Statement by the Commission on decommitments on the occasion of the adoption of Regulation 2024/...[3]

"In the context of the preparation for the post-2027 multiannual financial framework, the Commission will examine the question of widening the scope of making appropriations corresponding to decommitments available again. This is without prejudice to the future Commission's proposal on the post-2027 multiannual financial framework and to the right of legislative initiative of the Commission, as established in the Treaties."

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[3] OJ: please insert the number of the act in COD 2022/0162.

Statement by the Commission on the Early Detection and Exclusion System on the occasion of the adoption of Regulation 2024/...[1]

"The European Commission acknowledges the importance of minimising the administrative burden upon Member States' authorities in the context of the targeted extension of the Early Detection and Exclusion System (EDES) to shared management and direct management with Member States.

The Commission is committed to developing comprehensive guidance and offering training sessions to Member States on the implementation of EDES and the use of its database.

The Commission will continue improving the EDES database, for example by enabling the searches of multiple entities and improving the layouts of the database.

The Commission will strive to ensure IT interoperability between EDES and relevant national systems to streamline the process and allow for swifter checks on the exclusion situations of relevant persons or entities.

The Commission confirms that any request for additional information for the purposes of EDES will not go beyond what is strictly necessary and proportionate, and will be treated in conformity with applicable data protection rules. It is recalled that the opinion of the European Data Protection Supervisor on the Commission proposal for a recast of the Financial Regulation did not raise any concerns in respect of EDES.

The Commission is committed to facilitate a smooth transition towards the application of EDES in full cooperation with the Member States."

Statement by the Commission in relation to the data-mining and risk-scoring tool and the publication of data on recipients of EU funds

"The Commission confirms that the reference in Article 36(10) to Article 38(1) in relation to the notion of recipients does not expand the scope of the obligations of the Member States laid down in sector-specific rules."