Council of the
European Union

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BUDGET 12

EXPLANATORY MEMORANDUM

Subject:	Draft amending budget No 3 to the general budget for 2021: Entering the surplus of the financial year 2020: Council position of 21 June 2021
	- *Technical annex*

TECHNICAL ANNEX

VOLUME 1

TOTAL REVENUE

A. FINANCING OF THE UNION'S ANNUAL BUDGET

Calculation of the financing of the budget

Allocation of resources of the Union in order to ensure, pursuant to Article 311 of the Treaty on the Functioning of the European Union (TFEU), the financing of the Union's annual budget

Revenue description	Budget 2021[1]	Budget 2020[2]	Change (%)
Miscellaneous revenue (Titles 3 to 6)	9 193 040 514	2 174 450 061	+ 322,78
Surplus available from the preceding financial year (Chapter 2 0, Article 2 0 0)	1 768 617 610	3 218 373 955	– 45,05
Balances and Adjustments (Chapters 2 1 to 2 6)	p.m.	-1 116 600 000	—
Total revenue for Titles 2 to 6	10 961 658 124	4 276 224 016	+ 156,34
Net amount of customs duties and sugar levies (Chapters 1 1 and 1 2)	17 605 700 000	18 507 300 000	– 4,87
VAT-based own resource at the uniform rate (Tables 1 and 2, Chapter 1 3)	17 967 491 250	17 344 303 050	+ 3,59
Remainder to be financed by the additional resource (GNI-based own resource, Table 3, Chapter 1 4)	124 023 032 480	123 980 214 681	+ 0,03
Appropriations to be covered by the own resources referred to in Article 2 of Decision 2014/335/EU, Euratom[3]	**159 596 223 730**	**159 831 817 731**	- 0,15
Total revenue[4]	**170 557 881 854**	**164 108 041 747**	**+ 3,93**

1 The figures in this column correspond to those in the 2021 budget (OJ L 93, 17.3.2021, p. 1) plus amending budget No 1/2021 (presented by the Commission as draft amending budget No 2/2021) and draft amending budgets No 1/2021 and 3/2021.

2 The figures in this column correspond to those in the 2020 budget (OJ L 57, 27.2.2020, p. 1) plus amending budgets No 1/2020 to No 9/2020.

3 The own resources for the 2021 budget are determined on the basis of the budget forecasts adopted at the 178th meeting of the Advisory Committee on Own Resources on 25 May 2020.

4 The third subparagraph of Article 310(1) of the Treaty on the Functioning of the European Union reads: 'The revenue and expenditure shown in the budget shall be in balance'.

TABLE 1

Calculation of capping of harmonised value added tax (VAT) bases to point (b) of Article 2(1) of Decision 2014/335/EU, Euratom

Member State	1 % of non-capped VAT base	1 % of gross national income	Capping rate (in %)	1 % of gross national income multiplied by capping rate	1 % of capped VAT base[5]	Member States whose VAT base is capped
	(1)	(2)	(3)	(4)	(5)	(6)
Belgium	2 028 734 000	4 864 031 000	50	2 432 015 500	2 028 734 000	
Bulgaria	291 150 000	617 870 000	50	308 935 000	291 150 000	
Czechia	911 337 000	2 022 941 000	50	1 011 470 500	911 337 000	
Denmark	1 208 577 000	3 211 846 000	50	1 605 923 000	1 208 577 000	
Germany	14 780 532 000	36 264 852 000	50	18 132 426 000	14 780 532 000	
Estonia	134 821 000	280 944 000	50	140 472 000	134 821 000	
Ireland	951 441 000	2 666 688 000	50	1 333 344 000	951 441 000	
Greece	754 773 000	1 819 032 000	50	909 516 000	754 773 000	
Spain	5 698 488 000	12 257 502 000	50	6 128 751 000	5 698 488 000	
France	11 282 949 000	25 060 938 000	50	12 530 469 000	11 282 949 000	
Croatia	345 339 000	519 832 000	50	259 916 000	259 916 000	Croatia
Italy	7 006 691 000	17 641 425 000	50	8 820 712 500	7 006 691 000	
Cyprus	163 410 000	210 748 000	50	105 374 000	105 374 000	Cyprus
Latvia	131 092 000	311 137 000	50	155 568 500	131 092 000	
Lithuania	198 676 000	485 620 000	50	242 810 000	198 676 000	
Luxembourg	322 535 000	459 919 000	50	229 959 500	229 959 500	Luxembourg
Hungary	569 796 000	1 353 414 000	50	676 707 000	569 796 000	
Malta	94 519 000	124 136 000	50	62 068 000	62 068 000	Malta
Netherlands	3 338 002 000	8 010 440 000	50	4 005 220 000	3 338 002 000	
Austria	1 833 938 000	4 029 570 000	50	2 014 785 000	1 833 938 000	
Poland	2 508 642 000	4 961 645 000	50	2 480 822 500	2 480 822 500	Poland
Portugal	1 084 059 000	2 094 027 000	50	1 047 013 500	1 047 013 500	Portugal
Romania	869 094 000	2 218 111 000	50	1 109 055 500	869 094 000	
Slovenia	233 705 000	483 776 000	50	241 888 000	233 705 000	
Slovakia	367 499 000	952 528 000	50	476 264 000	367 499 000	
Finland	1 064 162 000	2 408 894 000	50	1 204 447 000	1 064 162 000	
Sweden	2 051 027 000	4 745 718 000	50	2 372 859 000	2 051 027 000	
Total	**60 224 988 000**	**140 077 584 000**		**70 038 792 000**	**59 891 637 500**	

5 The base to be used does not exceed 50 % of GNI.

TABLE 2

Breakdown of own resources accruing from VAT pursuant to point (b) of Article 2(1) of Decision 2014/335/EU, Euratom (Chapter 1 3)

Member State	1 % of capped VAT base	Uniform rate of VAT own resource (in %)	VAT-based own resource at uniform rate
	(1)	(2)	(3) = (1) × (2)
Belgium	2 028 734 000	0,30	608 620 200
Bulgaria	291 150 000	0,30	87 345 000
Czechia	911 337 000	0,30	273 401 100
Denmark	1 208 577 000	0,30	362 573 100
Germany	14 780 532 000	0,30	4 434 159 600
Estonia	134 821 000	0,30	40 446 300
Ireland	951 441 000	0,30	285 432 300
Greece	754 773 000	0,30	226 431 900
Spain	5 698 488 000	0,30	1 709 546 400
France	11 282 949 000	0,30	3 384 884 700
Croatia	259 916 000	0,30	77 974 800
Italy	7 006 691 000	0,30	2 102 007 300
Cyprus	105 374 000	0,30	31 612 200
Latvia	131 092 000	0,30	39 327 600
Lithuania	198 676 000	0,30	59 602 800
Luxembourg	229 959 500	0,30	68 987 850
Hungary	569 796 000	0,30	170 938 800
Malta	62 068 000	0,30	18 620 400
Netherlands	3 338 002 000	0,30	1 001 400 600
Austria	1 833 938 000	0,30	550 181 400
Poland	2 480 822 500	0,30	744 246 750
Portugal	1 047 013 500	0,30	314 104 050
Romania	869 094 000	0,30	260 728 200
Slovenia	233 705 000	0,30	70 111 500
Slovakia	367 499 000	0,30	110 249 700
Finland	1 064 162 000	0,30	319 248 600
Sweden	2 051 027 000	0,30	615 308 100
Total	**59 891 637 500**		**17 967 491 250**

TABLE 3

Determination of uniform rate and breakdown of resources based on gross national income pursuant to point (c) of Article 2(1) of Decision 2014/335/EU, Euratom (Chapter 1 4)

Member State	1 % of gross national income	Uniform rate of 'additional base', own resource	'Additional base' own resource at uniform rate
	(1)	(2)	(3) = (1) × (2)
Belgium	4 864 031 000		4 306 555 392
Bulgaria	617 870 000		547 054 774
Czechia	2 022 941 000		1 791 087 983
Denmark	3 211 846 000		2 843 730 377
Germany	36 264 852 000		32 108 470 101
Estonia	280 944 000		248 744 487
Ireland	2 666 688 000		2 361 053 946
Greece	1 819 032 000		1 610 549 371
Spain	12 257 502 000		10 852 646 978
France	25 060 938 000		22 188 657 448
Croatia	519 832 000		460 253 091
Italy	17 641 425 000		15 619 508 584
Cyprus	210 748 000		186 593 781
Latvia	311 137 000	0,8853881[6]	275 477 012
Lithuania	485 620 000		429 962 192
Luxembourg	459 919 000		407 206 831
Hungary	1 353 414 000		1 198 296 713
Malta	124 136 000		109 908 543
Netherlands	8 010 440 000		7 092 348 625
Austria	4 029 570 000		3 567 733 514
Poland	4 961 645 000		4 392 981 671
Portugal	2 094 027 000		1 854 026 684
Romania	2 218 111 000		1 963 889 187
Slovenia	483 776 000		428 329 536
Slovakia	952 528 000		843 357 001
Finland	2 408 894 000		2 132 806 194
Sweden	4 745 718 000		4 201 802 464
Total	**140 077 584 000**		**124 023 032 480**

6 Calculation of rate: (124 023 032 480) / (140 077 584 000) = 0, 885388146614522.

TABLE 4

Summary of financing[7] of the general budget by type of own resource and by Member State

Member State	Traditional own resources (TOR)				VAT and GNI-based own resources				Total own resources[8]
	Net sugar sector levies (80 %)	Net customs duties (80 %)	Total net traditional own resources (80 %)	Collection costs (20 % of gross TOR) (p.m.)	VAT-based own resource	GNI-based own resource	Total 'national contributions'	Share in total 'national contributions' (%)	
	(1)	(2)	(3) = (1) + (2)	(4)	(5)	(6)	(7) = (5) + (6)	(8)	(9) = (3) + (7)
Belgium	p.m.	2 077 800 000	2 077 800 000	519 450 000	608 620 200	4 306 555 392	4 915 175 592	3.46	6 992 975 592
Bulgaria	p.m.	82 400 000	82 400 000	20 600 000	87 345 000	547 054 774	634 399 774	0.45	716 799 774
Czechia	p.m.	265 200 000	265 200 000	66 300 000	273 401 100	1 791 087 983	2 064 489 083	1.45	2 329 689 083
Denmark	p.m.	338 600 000	338 600 000	84 650 000	362 573 100	2 843 730 377	3 206 303 477	2.26	3 544 903 477
Germany	p.m.	3 940 700 000	3 940 700 000	985 175 000	4 434 159 600	32 108 470 101	36 542 629 701	25.74	40 483 329 701
Estonia	p.m.	39 700 000	39 700 000	9 925 000	40 446 300	248 744 487	289 190 787	0.20	328 890 787
Ireland	p.m.	252 900 000	252 900 000	63 225 000	285 432 300	2 361 053 946	2 646 486 246	1.86	2 899 386 246
Greece	p.m.	243 000 000	243 000 000	60 750 000	226 431 900	1 610 549 371	1 836 981 271	1.29	2 079 981 271
Spain	p.m.	1 306 000 000	1 306 000 000	326 500 000	1 709 546 400	10 852 646 978	12 562 193 378	8.85	13 868 193 378
France	p.m.	1 698 600 000	1 698 600 000	424 650 000	3 384 884 700	22 188 657 448	25 573 542 148	18.01	27 272 142 148
Croatia	p.m.	38 400 000	38 400 000	9 600 000	77 974 800	460 253 091	538 227 891	0.38	576 627 891
Italy	p.m.	1 708 400 000	1 708 400 000	427 100 000	2 102 007 300	15 619 508 584	17 721 515 884	12.48	19 429 915 884
Cyprus	p.m.	25 800 000	25 800 000	6 450 000	31 612 200	186 593 781	218 205 981	0.15	244 005 981
Latvia	p.m.	40 000 000	40 000 000	10 000 000	39 327 600	275 477 012	314 804 612	0.22	354 804 612
Lithuania	p.m.	100 500 000	100 500 000	25 125 000	59 602 800	429 962 192	489 564 992	0.34	590 064 992
Luxembourg	p.m.	19 300 000	19 300 000	4 825 000	68 987 850	407 206 831	476 194 681	0.34	495 494 681
Hungary	p.m.	183 100 000	183 100 000	45 775 000	170 938 800	1 198 296 713	1 369 235 513	0.96	1 552 335 513
Malta	p.m.	16 100 000	16 100 000	4 025 000	18 620 400	109 908 543	128 528 943	0.09	144 628 943
Netherlands	p.m.	2 614 300 000	2 614 300 000	653 575 000	1 001 400 600	7 092 348 625	8 093 749 225	5.70	10 708 049 225

7 p.m. (own resources + other revenue = total revenue = total expenditure); (159 596 223 730 + 10 961 658 124 = 170 557 881 854 = 170 557 881 854).

8 Total own resources as percentage of GNI: (159 596 223 730) / (14 007 758 400 000) = 1,14 %; own resources ceiling as percentage of GNI: 1,20 %.

Austria	p.m.	201 100 000	201 100 000	50 275 000	550 181 400	3 567 733 514	4 117 914 914	2.90	4 319 014 914
Poland	p.m.	780 600 000	780 600 000	195 150 000	744 246 750	4 392 981 671	5 137 228 421	3.62	5 917 828 421
Portugal	p.m.	197 800 000	197 800 000	49 450 000	314 104 050	1 854 026 684	2 168 130 734	1.53	2 365 930 734
Romania	p.m.	174 500 000	174 500 000	43 625 000	260 728 200	1 963 889 187	2 224 617 387	1.57	2 399 117 387
Slovenia	p.m.	83 800 000	83 800 000	20 950 000	70 111 500	428 329 536	498 441 036	0.35	582 241 036
Slovakia	p.m.	82 700 000	82 700 000	20 675 000	110 249 700	843 357 001	953 606 701	0.67	1 036 306 701
Finland	p.m.	147 600 000	147 600 000	36 900 000	319 248 600	2 132 806 194	2 452 054 794	1.73	2 599 654 794
Sweden	p.m.	448 800 000	448 800 000	112 200 000	615 308 100	4 201 802 464	4 817 110 564	3.39	5 265 910 564
United Kingdom	p.m.	498 000 000	498 000 000	124 500 000	—	—	—	—	498 000 000
Total	**p.m.**	**17 605 700 000**	**17 605 700 000**	**4 401 425 000**	**17 967 491 250**	**124 023 032 480**	**141 990 523 730**	**100,00**	**159 596 223 730**

B. GENERAL STATEMENT OF REVENUE BY BUDGET HEADING

REVENUE —

Figures

Title	Heading	Budget 2021	Council position on DAB No 3/2021	New amount
1	OWN RESOURCES	161 364 841 340	-1 768 617 610	159 596 223 730
2	SURPLUSES, BALANCES AND ADJUSTMENTS	p.m.	1 768 617 610	1 768 617 610
3	ADMINISTRATIVE REVENUE	1 725 783 332		1 725 783 332
4	FINANCIAL REVENUE, DEFAULT INTEREST AND FINES	119 376 456		119 376 456
5	BUDGETARY GUARANTEES, BORROWING-AND-LENDING OPERATIONS	p.m.		p.m.
6	REVENUE, CONTRIBUTIONS AND REFUNDS RELATED TO UNION POLICIES	7 347 880 726		7 347 880 726
	Total	**170 557 881 854**		**170 557 881 854**

TITLE 1 — OWN RESOURCES

Figures

Title Chapter	Heading	Budget 2021	Council position on DAB No 3/2021	New amount
1 1	LEVIES AND OTHER DUTIES PROVIDED FOR UNDER THE COMMON ORGANISATION OF THE MARKETS IN SUGAR (POINT (A) OF ARTICLE 2(1) OF DECISION 2014/335/EU, EURATOM)	p.m.		p.m.
1 2	CUSTOMS DUTIES AND OTHER DUTIES REFERRED TO IN POINT (A) OF ARTICLE 2(1) OF DECISION 2014/335/EU, EURATOM	17 605 700 000		17 605 700 000
1 3	OWN RESOURCES ACCRUING FROM VALUE ADDED TAX PURSUANT TO POINT (B) OF ARTICLE 2(1) OF DECISION 2014/335/EU, EURATOM	17 967 491 250		17 967 491 250
1 4	OWN RESOURCES BASED ON GROSS NATIONAL INCOME PURSUANT TO POINT (C) OF ARTICLE 2(1) OF DECISION 2014/335/EU, EURATOM	125 791 650 090	-1 768 617 610	124 023 032 480
1 5	CORRECTION OF BUDGETARY IMBALANCES	—		—
1 6	GROSS REDUCTION IN THE ANNUAL GNI-BASED CONTRIBUTION GRANTED TO CERTAIN MEMBER STATES	—		—
	Title 1 — Total	**161 364 841 340**	**-1 768 617 610**	**159 596 223 730**

CHAPTER 1 4 — OWN RESOURCES BASED ON GROSS NATIONAL INCOME PURSUANT TO POINT (C) OF ARTICLE 2(1) OF DECISION 2014/335/EU, EURATOM

Figures

Title Chapter Article Item	Heading	Budget 2021	Council position on DAB No 3/2021	New amount
1 4	OWN RESOURCES BASED ON GROSS NATIONAL INCOME PURSUANT TO POINT (C) OF ARTICLE 2(1) OF DECISION 2014/335/EU, EURATOM			
1 4 0	***Own resources based on gross national income pursuant to point (c) of Article 2(1) of Decision 2014/335/EU, Euratom***	125 791 650 090	-1 768 617 610	124 023 032 480
	Chapter 1 4 — Total	**125 791 650 090**	**-1 768 617 610**	**124 023 032 480**

Article 1 4 0 — Own resources based on gross national income pursuant to point (c) of Article 2(1) of Decision 2014/335/EU, Euratom

Figures

Budget 2021	Council position on DAB No 3/2021	New amount
125 791 650 090	-1 768 617 610	124 023 032 480

Remarks

The GNI-based resource is an ‘additional’ resource, providing the revenue required to cover expenditure in excess of the amount yielded by traditional own resources, VAT-based payments and other revenue in any particular year. By implication, the GNI-based resource ensures that the budget is always balanced *ex ante*.

The GNI call rate is determined by the additional revenue needed to finance the budgeted expenditure not covered by the other resources (VAT-based resource, traditional own resources and other revenue). Thus a call rate is applied to the GNI of each of the Member States.

The rate to be applied to the Member States’ GNI for financial year 2021 is 0,8854 %.

Legal basis

Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 105), and in particular point (c) of Article 2(1) thereof.

Member State	Budget 2021	Council position on DAB No 3/2021	New amount
Belgium	4 367 968 579	- 61 413 187	4 306 555 392
Bulgaria	554 855 992	- 7 801 218	547 054 774
Czechia	1 816 629 607	- 25 541 624	1 791 087 983
Denmark	2 884 283 100	- 40 552 723	2 843 730 377
Germany	32 566 349 613	- 457 879 512	32 108 470 101
Estonia	252 291 682	- 3 547 195	248 744 487
Ireland	2 394 723 511	- 33 669 565	2 361 053 946
Greece	1 633 516 444	- 22 967 073	1 610 549 371
Spain	11 007 410 026	- 154 763 048	10 852 646 978
France	22 505 076 500	- 316 419 052	22 188 657 448
Croatia	466 816 483	- 6 563 392	460 253 091
Italy	15 842 248 969	- 222 740 385	15 619 508 584
Cyprus	189 254 682	- 2 660 901	186 593 781
Latvia	279 405 423	- 3 928 411	275 477 012
Lithuania	436 093 623	- 6 131 431	429 962 192
Luxembourg	413 013 762	- 5 806 931	407 206 831
Hungary	1 215 384 899	- 17 088 186	1 198 296 713
Malta	111 475 882	- 1 567 339	109 908 543
Netherlands	7 193 488 328	- 101 139 703	7 092 348 625
Austria	3 618 610 808	- 50 877 294	3 567 733 514
Poland	4 455 627 331	- 62 645 660	4 392 981 671
Portugal	1 880 465 840	- 26 439 156	1 854 026 684
Romania	1 991 895 026	- 28 005 839	1 963 889 187
Slovenia	434 437 685	- 6 108 149	428 329 536
Slovakia	855 383 606	- 12 026 605	843 357 001
Finland	2 163 220 856	- 30 414 662	2 132 806 194
Sweden	4 261 721 833	- 59 919 369	4 201 802 464
United Kingdom	—	—	—
Article 1 4 0 — Total	**125 791 650 090**	**-1 768 617 610**	**124 023 032 480**

TITLE 2 — SURPLUSES, BALANCES AND ADJUSTMENTS

Figures

Title Chapter	Heading	Budget 2021	Council position on DAB No 3/2021	New amount
2 0	SURPLUS FROM PREVIOUS FINANCIAL YEAR	p.m.	1 768 617 610	1 768 617 610
2 1	VAT AND GNI BALANCES ADJUSTMENT	p.m.		p.m.
2 2	ADJUSTMENT FOR THE NON-PARTICIPATION OF CERTAIN MEMBER STATES IN SPECIFIC POLICIES	p.m.		p.m.
2 3	ADJUSTMENT FOR THE IMPLEMENTATION OF OWN RESOURCES DECISIONS	p.m.		p.m.
2 4	ADJUSTMENT FOR EXCHANGE RATE DIFFERENCES FOR OWN RESOURCES	p.m.		p.m.
2 6	ADJUSTMENT FOR THE UNITED KINGDOM CORRECTION	p.m.		p.m.
	Title 2 — Total	**p.m.**	**1 768 617 610**	**1 768 617 610**

CHAPTER 2 0 — SURPLUS FROM PREVIOUS FINANCIAL YEAR

Figures

Title Chapter Article Item	Heading	Budget 2021	Council position on DAB No 3/2021	New amount
2 0	SURPLUS FROM PREVIOUS FINANCIAL YEAR			
2 0 0	***Surplus from previous financial year***	p.m.	1 768 617 610	1 768 617 610
	Chapter 2 0 — Total	**p.m.**	**1 768 617 610**	**1 768 617 610**

Article 2 0 0 — Surplus from previous financial year

Figures

Budget 2021	Council position on DAB No 3/2021	New amount
p.m.	1 768 617 610	1 768 617 610

Remarks

In accordance with Article 18 of the Financial Regulation, the balance from each financial year, whether surplus or deficit, is entered as revenue or expenditure in the budget of the subsequent financial year.

The relevant estimates of such revenue or expenditure are entered in the budget during the budgetary procedure and, where appropriate, in a letter of amendment submitted pursuant to Article 39 of the Financial Regulation. They are drawn up in accordance with the principles set out in Article 1(1) of Regulation (EU, Euratom) No 608/2014.

After the closure of the accounts for each financial year, any discrepancy in relation to the estimates is entered in the budget for the following financial year through an amending budget that must be presented by the Commission within 15 days following the submission of the provisional accounts.

A deficit is entered in Article 16 05 01 of the statement of expenditure in Section III ‘Commission’.

Legal basis

Council Regulation (EU, Euratom) No 608/2014 of 26 May 2014 laying down implementing measures for the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 29).

Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (OJ L 168, 7.6.2014, p. 39).

Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 105), and in particular Article 7 thereof.

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 (OJ L 193, 30.7.2018, p. 1) and in particular Article 18 thereof.