II

(Preparatory Acts)

COMMISSION

Proposal for a Council Regulation (ECSC, EEC, Euratom) amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities

COM(88) 838 final

(Submitted by the Commission on 16 December 1988)

(89/C 115/01)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 78H thereof,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 209 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 183 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Court of Auditors,

Whereas the conciliation provided for in the Joint Declaration of 4 March 1975 of the European Parliament, the Council and the Commission (1) took place in a Conciliation Committee;

Whereas Article 107 of the Financial Regulation of 21 December 1977 (2), as last amended by Regulation (ECSC, EEC, Euratom) No 2049/88 (3) (hereinafter referred to as 'the Financial Regulation'), provides for the Financial Regulation to be examined by the European Parliament and the Council in the light of a proposal from the Commission;

Whereas, in view of the evolution of the general budget of the European Communities and of the application of the Financial Regulation, it is necessary to adjust many of the provisions of the said Financial Regulation; whereas the European Council of 11, 12 and 13 February 1988 called for a general revision of the Financial Regulation by the end of 1988;

Whereas provision should be made for an appropriate budgetary structure for all expenditure in order to give a clearer picture of the policy breakdown of appropriations and thus create the conditions essential for effective management; whereas, to this end, the present Section III of the budget should be reserved for Commission staff and administrative appropriations and a new section should be introduced for expenditure common to all the institutions, as well as several sections for operating appropriations, taking into account past changes in the contents of the budget and future prospects;

Whereas it is necessary to produce a more transparent presentation of the appropriations for research and technological development and to introduce appropriate rules for this presentation;

Whereas, in order to cover all the appropriations entered in the general budget of the European Communities, the Financial Regulation should contain special provisions for the budgetary management of Community external aid;

Whereas, in view of the changes to the rules on food aid, it is no longer necessary to include special provisions in the Financial Regulation;

Whereas special provisions should be entered in the Financial Regulation, to be supplemented by implementing measures, to meet the specific requirements of managing the administrative appropriations relating to staff serving outside the Community and related administration;

Whereas budgetary appropriations should be presented in a more uniform manner with the appropriations for all administrative expenditure, for the European Agricultural Guidance and Guarantee Fund Guarantee Section, and

(1) OJ No C 89, 22. 4. 1975, p. 1.
(2) OJ No L 356, 31. 12. 1977, p. 1.
(3) OJ No L 185, 15. 7. 1988, p. 3.

some technical appropriations being non-differentiated, while appropriations for the various policies intended to cover multiannual operations are differentiated;

Whereas, in the light of the experience acquired since its entry into force, certain provisions of the Financial Regulation need to be made more detailed or revised notably in respect of the arrangements for provisional twelfths and transfers;

Whereas, in order to improve interinstitutional relations, the Financial Regulation should include provisions on the procedure for supplementary and amending budgets, the establishment of the financial statement to accompany proposals, improvements to the organization of relations between the institutions and the Court of Auditors and the information to be given to the budgetary authority on the utilization of advances from the EAGGF Guarantee Section;

Whereas, in connection with the repayment of Community aids, the Financial Regulation should contain provisions concerning the payment of interest;

Whereas, in view of the technological advances in management and accounting systems, rules should be laid down to allow the budget to be implemented in a computerized environment;

Whereas, since the cost of living is rising constantly, it has become essential that, for the determination of certain amounts in connection with the awarding of contracts and with inventories, reference be made to the rules for the implementation of this Regulation, so that these amounts can be adjusted by a legislative procedure that is more appropriate from the technical angle;

Whereas, following the entry into force of this Regulation, a consolidated version of the Financial Regulations should be published in the 'C' series of the *Official Journal of the European Communities*, taking account of the various amendments made to it since its adoption,

HAS ADOPTED THIS REGULATION:

Article 1

The Financial Regulation is hereby amended as follows:

1. In the second subparagraph of Article 1(1), the third indent is replaced by the following:

'— the revenue and expenditure of the European Atomic Energy Community which may be credited to or charged against the budget pursuant to the Euratom Treaty and to the measures taken in implementation thereof.'

2. In Article 1(2), the second subparagraph is replaced by the following:

'Expenditure may not be authorized for a period extending beyond the financial year.'

3. Article 1(3) is replaced by the following:

'3. Administrative expenditure arising from:

— contracts which have been concluded, in accordance with local usage, or

— contractual provisions relating, in particular, to the supply of equipment,

for periods extending beyond the financial year shall be charged to the budget for the financial year in which it is effected.'

4. In Article 1, paragraphs 3a, 4 and 5 are replaced by the following:

'4. Staff and administrative expenditure, expenditure under the European Agricultural Guidance and Guarantee Fund, Guarantee Section and expenditure on repayments to the Member States, as well as loan guarantees, shall be entered in the budget in the form of non-differentiated appropriations.

Other expenditure shall be entered in the form of differentiated appropriations.

Commitment appropriations shall cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

Payment appropriations shall cover expenditure arising from commitments entered into in the current financial year and/or preceding financial years.

5. Differentiated appropriations shall be shown in the budget as follows:

— the commitment appropriation authorized for the financial year concerned and the payment appropriation for the same financial year shall be entered under the appropriate heading,

— the estimated annual payment appropriations required for subsequent financial years shall be set out against the commitment appropriations in an indicative schedule in the remarks column.

6. The sum of the non-differentiated appropriations and the commitment appropriations shall constitute the appropriations for commitments.

The sum of the non-differentiated appropriations and the payment appropriations shall constitute the appropriations for payments.

7. The legal commitments entered into for measures extending over more than one financial year shall contain a time limit for implementation which must be specified to the recipient in due form when the aid is granted.

This time limit shall be determined with due regard to the need for multiannual implementation of the operations financed and the specific conditions of implementation in relation to the various spheres of intervention.

The Commission may, in special circumstances, adjust the time limit for implementation of these commitments, on the basis of appropriate proof supplied by the recipients.'

5. The following new Article 3 is inserted:

'*Article 3*

Where proposals submitted to the Council and Parliament may have budgetary consequences, including significant changes in the number of posts, the Commission shall draw up a financial statement.

In the case of multiannual operations, this financial statement shall contain the estimated schedule of annual requirements in appropriations and posts.'

6. Article 3 is renumbered Article 4. It is replaced by the following:

'*Article 4*

1. Subject to Article 27, all revenue and expenditure shall be entered in full in the budget and in the accounts without any adjustment against each other.

2. Total revenue shall cover total appropriations; revenue shall not be assigned to a specific purpose.

However, certain revenues shall not be used for any other purpose, notably:

— financial contributions from Member States to certain research programmes pursuant to the second paragraph of Article 6 and Article 11(2)(c) of Council Decision 88/376/EEC, Euratom of 24 June 1988 on the system of the Communities' (1) own resources, hereinafter referred to as 'the Decision of 24 June 1988',

— revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts, bequests,

— contributions to Community activities from non-Member States or various bodies,

— revenue from third parties in respect of work carried out at their request.

3. The total appropriations referred to in paragraph 2 shall be represented by the appropriations for payments.

4. The Commission may accept any donation made to the Communities, and in particular foundations, subsidies, gifts and bequests.

The Commission may accept donations which may involve some financial charge only subject to prior authorization from Parliament and the Council, which shall act on the matter within two months of the date of receipt of the request from the Commission. If no objection has been made within this period, the Commission shall take a final decision in respect of acceptance.

(1) OJ No L 185, 15. 7. 1988, p. 24.'

7. Article 4 is renumbered Article 5. The present text is numbered paragraph 1 and the following paragraph 2 is added:

'2. No expenditure may be committed or authorized in excess of the authorized appropriations, without prejudice to Article 27(2).'

8. Article 5 is renumbered Article 6. It is replaced by the following:

'*Article 6*

The financial year shall run from 1 January to 31 December.

The revenue of a financial year shall be entered in the accounts for the financial year on the basis of the amounts collected during the financial year, with the exception of the own resources for the month of January of the next financial year, in respect of which advance payment may be made pursuant to Article 10(2) of Council Regulation (EEC, Euratom, ECSC) No 2891/77 of 19 December 1977 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (1).

The readjustment of entries in respect of value added tax own resources and, if appropriate, of financial contributions, shall be carried out in accordance with the third subparagraph of Article 10(3) of the abovementioned Regulation.

The alloted appropriations shall be used solely to cover expenditure properly entered into and paid in the financial year for which they were granted, save as otherwise provided in Articles 7 and 104, and to cover the debts relating to preceding financial years for which no appropriation was carried forward.

The commitments shall be entered in the accounts of the basis of the commitments contracted up to 31 December.

The expenditure of a financial year shall be entered in the accounts for that year on the basis of the expenditure for which authorization reached the financial controller not later than 31 December and the accounting officer not later than the following 10 January, and for which payment was effected by the accounting officer not later than 15 January.

Notwithstanding the two preceding subparagraphs, the expenditure of the EAGGF Guarantee Section, shall be taken into account for a financial year in accordance with the rules laid down in Article 102.

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(1) OJ No L 336, 27. 12. 1977, p. 1.'

9. Article 6 is renumbered Article 7.

(a) Paragraph 1 is replaced by the following:

'1. In the case of budget headings where there is no distinction between commitment appropriations and payment appropriations:

(a) appropriations relating to remunerations and allowances of members and staff of the institutions may not be carried over;

(b) a decision may be taken to carry over to the next financial year only the portion of the other appropriations still uncommitted at the close of the financial year;

(c) appropriations in respect of payments still outstanding by virtue of commitments duly entered into before the close of the financial year shall be carried over automatically to the next financial year only.'

(b) Paragraph 3 is replaced by the following:

'3. In the case of appropriations for which a decision to carry over may be taken in accordance with paragraph 1(b) above, the Commission shall submit to the budgetary authority, not later than 15 February, the duly substantiated requests to carry over appropriations made by Parliament, the Council, the Court of Justice, the Court of Auditors and by the Commission itself.

The Council shall consult Parliament and, acting by qualified majority, shall decide on the requests to carry over appropriations in respect of expenditure necessarily resulting from the Treaties or acts adopted in accordance therewith.

Parliament shall consult the Council and act on the requests to carry over appropriations in respect of expenditure other than that necessarily resulting from the Treaties or acts adopted in accordance therewith.

If no decision is taken by the budgetary authority within six weeks, the requests to carry over appropriations shall be deemed to have been approved.'

(c) Paragraph 4 is replaced by the following:

'4. Unused revenue and appropriations available at 31 December arising from the specific revenue referred to in Article 4(2) shall be carried over automatically.'

(d) Paragraph 5 is replaced by the following:

'5. The following appropriations shall lapse at the end of the year:

(a) appropriations from the previous financial year:

— appropriations carried over by decision of the budgetary authority under paragraph 1(b) which have been neither committed nor paid,

— appropriations carried over automatically under paragraph 1(c) which have not been paid,

— commitment appropriations and payment appropriations carried over by the Commission under paragraph 2 and remaining unused at the end of the financial year;

(b) appropriations of the financial year which have not been carried over.'

(e) Paragraph 7 is replaced by the following:

'7. The revenue and expenditure account shall show the automatic carryovers, the appropriations carried over by decision of the budgetary authority, those carried over by decision of the Commission and the appropriations made available again by the decision of the Commission after commitments have been cancelled.'

10. Article 7 is renumbered Article 8, and

— the first and second paragraphs are numbered 1 and 2,

— the third paragraph is replaced by the following:

'3. Expenditure relating to rents or certain associated expenditure which is payable in advance in accordance with provisions laid down by law or contracts may give rise to payments from 20 December onwards to be charged to the appropriations for the next financial year.'

11. Article 8 is renumbered Article 9. It is replaced by the following:

'*Article 9*

1. If the budget is not finally adopted at the beginning of the financial year, Article 78b of the ECSC Treaty, Article 204 of the EEC Treaty and Article 178 of the Euratom Treaty shall apply to commitment and payment of expenditure already approved in principle in the last budget duly adopted.

An item of expenditure shall be considered as having been approved in principle in the last budget duly adopted if it could have been charged to a specific budget heading under the financial year concerned.

2. (a) Commitments may be entered into in respect of any chapter:

— for up to one quarter of the total appropriations entered in the relevant chapter for the preceding financial year, account being taken of all transfers, plus one twelfth for each completed month,

— without exceeding the appropriations provided for in the draft budget or, in the absence thereof, in the preliminary draft budget.

The global provisional commitments of the EAGGF Guarantee Section referred to in Article 100 shall be treated as commitments for the purposes of these provisions.

(b) Payments may be made monthly in respect of any chapter:

— up to one twelfth of the total appropriations entered in the chapter concerned for the preceding financial year, account being taken of all transfers,

— as long as this measure does not have the effect of placing at the disposal of the Commission, for any month, appropriations in excess of one twelfth of those provided for in the draft budget or, in the absence thereof, in the preliminary draft budget.

3. The draft budget referred to in paragraphs 2(a) and (b) above shall be the draft in the form in which it stands at the start of the financial year when the provisional-twelfths arrangements began to be applied.

4. Where the absence of a budget is due to the rejection of the draft budget by Parliament, as provided for by Article 78(8) of the ECSC Treaty, Article 203(8) of the EEC Treaty and Article 117(8) of the Euratom Treaty, the appropriations referred to in the second indent of paragraph 2(a) and in the rejected draft budget or, where appropriate, in the new draft budget drawn up, following the rejection decision, before the start of the financial year.

5. If the continuity of Community activities and administrative needs so require:

(a) for compulsory expenditure, the Council, acting by a qualified majority, may, at the request of the Commission and after consulting Parliament, authorize simultaneously two or more provisional twelfths for both commitments and payments in addition to those automatically made available under paragraphs 2(a) and (b);

(b) for non-compulsory expenditure, the second subparagraph of Article 78b(2) of the ECSC Treaty, the third paragraph of Article 204 of the EEC Treaty and the third paragraph of Article 178 of the Euratom Treaty shall apply.

The additional twelfth shall be authorized in whole and may not be split.

Where this procedure is to be applied, the annual amount authorized for each chapter as twelfths may not exceed the amount in the chapter of the budget for the previous year, account being taken of transfers, or the amount in the chapter of the draft budget or, in the absence thereof, the preliminary draft budget.

6. If, for a given chapter, the expenditure required to prevent any interruption of Community action in the sector concerned cannot be met by application of the procedures referred to in paragraphs 2 to 5, appropriations available under the twelfths arrangements may, on a proposal from the Commission, be transferred between chapters.

Decisions on the proposal for transfer shall be taken in accordance with the procedure laid down in Article 78b(2) of the ECSC Treaty, Article 204 of the EEC Treaty and the third paragraph of Article 178 of the Euratom Treaty.

If, however, in the case of transfers involving both expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith and other expenditure, the Council and Parliament disagree on the amount to be transferred, the smaller of the amounts accepted by one of the two institutions shall be deemed to have been approved. Where one of the institutions rejects the principle of the transfer, such transfer shall not be made.

7. The decisions referred to in the preceding paragraphs shall specify the requisite measures in respect of resources for the purposes of this Article.

8. The budgetary authority shall seek to limit the period for which the system of provisional twelfths is applied.'

12. Article 9 is renumbered Article 10. The following second paragraph is added:

'Publication shall, under normal circumstances, take place within one month of the final adoption of the budget.'

13. Article 10 is renumbered Article 11. It is replaced by the following:

'*Article 11*

1. The budget shall be drawn up in ecus.

2. The ecu is the sum of specified amounts of the currencies of the Member States as set out in Council Regulation (EEC) No 3180/78 of 18 December 1978 changing the value of the unit of account used by the European Monetary Cooperation Fund (1) (2).

Any change in the composition of the ecu decided on in accordance with Regulation (EEC) No 3180/78, shall automatically apply to this provision.

The value of the ecu in a given currency shall be equal to the sum of the equivalent in that currency of the amounts of the currencies which make up the ecu.

3. The financial rights and obligations of the Communities shall be expressed and implemented in ecus.

4. When the principle set out in the third paragraph cannot be complied with because of special derogations arising from the application of sectoral rules governing debts or expenditure, any conversion between the ecu and a national currency shall be effected in accordance with the implementing rules in Article 128.

(1) OJ No L 379, 30. 12. 1978, p. 1, as last amended by Council Regulation (EEC) No 2626/84 (OJ No L 247, 16. 9. 1984, p. 1).

(2) The following amounts applied when this Regulation entered into force:
— German marks: 0,719,
— Pounds sterling: 0,0878,
— French francs: 1,31,
— Italian lira: 140,00,
— Dutch guilders: 0,256,
— Belgian francs: 3,71,
— Luxembourg francs: 0,14,
— Danish kroner: 0,219,
— Irish pounds: 0,00871,
— Greek drachmas: 1,15.'

14. Title II: the heading is replaced by the following:

'TITLE II

ESTABLISHMENT AND STRUCTURE OF THE BUDGET'

15. Section I: the heading is replaced by the following:

'SECTION I

ESTABLISHMENT OF THE BUDGET'

16. Article 11 is renumbered Article 12. It is replaced by the following:

'*Article 12*

Parliament, the Council, the Court of Justice and the Court of Auditors shall, each year before 1 July, draw up an estimate of their revenue and expenditure for the following year.

The Economic and Social Committee shall, before 1 June, forward to the Council an estimate of its revenue and expenditure for the following year.

These estimates shall be forwarded to the Commission and, for information, to Parliament and the Council, no later than 1 July.'

17. Article 12 is renumbered Article 13. It is replaced by the following:

'*Article 13*

1. The Commission shall, in the preliminary draft budget which it places before the Council not later than 1 September of each year, draw up a general statement of revenue of the Communities and consolidate the estimates referred to in Article 12.

It shall at the same time forward the preliminary draft budget to Parliament.

2. The Commission shall prepare a general introduction to the preliminary draft budget. This introduction shall contain in particular:

(a) financial tables covering the entire budget; and

(b) as regards the Commission sections:

— a description of the policies for which the appropriations are requested,

— an explanation of the changes in appropriations from one financial year to the next,

— a detailed statement on borrowing and lending policy.

3. Each of the sections of the preliminary draft budget shall be preceded by an introduction prepared by the institution concerned. The Commission shall prepare a single introduction to its sections.

4. The preliminary draft budget shall be accompanied by working documents containing the following information:

(a) in respect of staff:

— for each category of staff, a detailed list of budgetary posts and numbers of persons in post on the date of the submission of the preliminary draft budget, indicating their distribution by grade and administrative unit (or principal operational unit for the establishments of the Joint Research Centre),

— where a change in the number of persons in post is proposed and in particular the creation, regrading or conversion of posts, a statement in support of such changes;

(b) in respect of subsidies to the bodies set up pursuant to the Treaties or acts adopted in accordance therewith, and having legal personality, and subsidies to the European Schools, an estimate of revenue and expenditure prefaced by an explanatory statement drawn up by the bodies concerned.

5. The Commission shall also attach to the preliminary draft budget:

— an analysis of the financial management for the preceding financial year, as provided for in Article 81, and a balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year, as provided for in Article 82, and

— an opinion on the estimates of the other institutions; this opinion may contain different estimates, accompanied by the reasons therefore.'

18. The following new Article 14 is inserted:

'*Article 14*

The Commission may, on its own initiative or if requested by Parliament, the Council, the Court of Justice or the Court of Auditors in respect of their section, present to the Council a letter of amendment to the preliminary draft budget necessitated by the receipt of new information which was not available at the time the preliminary draft was established.'

19. The following new Article 15 is inserted:

'*Article 15*

1. In the event of unavoidable, exceptional or unforeseen circumstances, the Commission may submit preliminary draft supplementary and/or amending budgets.

Preliminary draft supplementary budget means any proposal which would alter the total amount of appropriations and hence of revenue or which would finance one or more new operations without, however, increasing the total amount of appropriations.

Preliminary draft amending budget means any proposal which would not change or would reduce total appropriations or revenue and which involves internal financial or technical changes to the budget.

2. Preliminary draft supplementary and/or amending budgets shall be subject to the provisions of

Article 78 of the ECSC Treaty, Article 203 of the EEC Treaty and Article 177 of the Euratom Treaty.

They shall be submitted, examined, established and finally adopted in the same form and according to the same procedure as the budget whose estimates they are amending. They must be substantiated by reference to the latter.

3. All preliminary draft supplementary and/or amending budgets must, as a general rule, be forwarded to the Council by the date laid down for the submission of the preliminary draft budget for the following financial year.

The competent authorities shall discuss them in the light of their urgency.

4. Requests for supplementary and/or amending budgets from Parliament, the Council, the Court of Justice or the Court of Auditors shall be forwarded by the Commission to the budgetary authority. The Commission may attach a dissenting opinion.

5. Where the Commission proposes a preliminary draft supplementary and/or amending budget, the Council must present a draft supplementary and/or amending budget. However, if the Council does not consider it necessary to establish a draft budget, it shall consult with Parliament and the Commission.

6. Preliminary draft and draft supplementary and/or amending budgets shall be accompanied by statements of grounds and the information available on the implementation of the current budget at the time of their establishment.

7. Preliminary draft supplementary and/or amending budgets shall take into account the transfers approved up to the time of their establishment.'

20. Article 13 is renumbered Article 16.

21. Article 14 is renumbered Article 17. It is replaced by the following:

'*Article 17*

1. The budget shall be adopted in accordance with Article 78 of the ECSC Treaty, Article 203 of the EEC Treaty and Article 177 of the Euratom Treaty.

2. Once the budget has been declared finally adopted by the President of Parliament, each Member State shall, from 1 January of the following financial year or from the date of the formal declaration if it is made after 1 January, be bound to make over to the Community the payments due as specified in the texts implementing the Decision on the system of the Communities' own resources.'

22. The following new Article 18 is inserted:

'*Article 18*

The Commission and the budgetary authority may agree to bring forward certain dates for the adoption and transmission of the preliminary draft and draft budgets. This agreement may not, however, have the effect of reducing or delaying the periods allowed for consideration of these texts under Article 78 of the ECSC Treaty, Article 203 of the EEC Treaty and Article 177 of the Euratom Treaty.'

23. Section II: the heading is replaced by the following:

'SECTION II

STUCTURE AND PRESENTATION OF THE BUDGET'

24. Article 15 is renumbered Article 19. It is replaced by the following:

'*Article 19*

1. The budget shall consist of:

— a general statement of revenue,

— a general statement of expenditure, consisting of:

— one part for the staff and administrative expenditure of the institutions, divided into a section each for Parliament, the Council, the Commission, the Court of Justice and the Court of Auditors containing a statement of revenue and expenditure, and a section for expenditure common to the institutions.

The revenue and expenditure of the Economic and Social Committee shall be entered in an annex to the Council section and presented in the form of a statement of revenue and expenditure.

The revenue and expenditure of the Office for Official Publications of the European Communities shall be attached to the section for expenditure common to all the institutions, in accordance with Article 125(2),

— one part for operating expenditure, divided into as many sections as are required.

2. Within each section, the items of revenue and expenditure shall be classified according to their type or the use to which they are assigned under titles, chapters, articles and items.

3. The budgetary nomenclature shall be determined as regards the apportionment of revenue and expenditure under separate titles, chapters and articles, during the budgetary procedure.

4. Each section of the part relating to staff and administrative appropriations may include a chapter for 'provisional appropriations' and a 'contingency reserve' chapter. The appropriations entered in these chapters may be used only by means of transfer in accordance with the procedure laid down in Article 26.

5. The part of the budget relating to operating expenditure shall include a section for 'provisional appropriations' and a 'contingency reserve'.

This section may include a 'negative reserve' limited to a maximum amount of 200 million ecus. This reserve, which shall be entered in a separate chapter, may comprise both appropriations for commitments and appropriations for payments.

The appropriations in this section may be utilized and the negative reserve applied only in accordance with the procedure laid down in Article 26.

6. The section for EAGGF Guarantee Section expenditure shall include a monetary reserve, for which the entry, utilization and financing conditions are determined by Council Decision 88/377/EEC of 24 June 1988 concerning budgetary discipline (1), and the Decision of 24 June 1988 and the provisions adopted for implementing the latter.

7. In addition, the document showing all the borrowing and lending operations referred to in point 5 of Article 20 shall be annexed to the part relating to operating expenditure.

(1) OJ No L 185, 15. 7. 1988, p. 29.'

25. Article 16 is renumbered Article 20. It is replaced by the following:

'*Article 20*

The budget shall show:

1. In the general statement of revenue:

— the estimated revenue of the Communities for the financial year in question, divided into titles, chapters, articles and items,

— the revenue for the preceding financial year, divided into titles, chapters, articles and items,

— appropriate remarks on each subdivision.

2. In the Commission sections and the section for each of the other institutions:

(a) as regards the statement of revenue:

— the estimated revenue for each institution for the financial year in question, divided into titles, chapters, articles and items, following a decimal classification system,

— the revenue entered in the budget for the preceding financial year and the revenue established for the last financial year for which accounts have been closed, using the same classification,

— appropriate remarks on each revenue heading;

(b) as regards the statement of expenditure:

(ba) in the case of the various items, articles, chapters and titles:

— the appropriations made available for the financial year in question, these appropriations being the commitment appropriations and the payment appropriations for the budget headings for which this distinction has been agreed,

— the appropriations made available for the preceding financial year,

— the actual expenditure in the last financial year for which the accounts have been closed, determined as follows:

— for the headings where the distinction between commitment appropriations and payment appropriations has not been made:

— actual payments in the last financial year for which the accounts have been closed plus the carryovers to the next financial year,

— for the headings where the distinction between commitment appropriations and payment appropriations has been made:

— in commitments: commitments entered into during the financial year against appropriations for that financial year and against appropriations carried over from the preceding financial year,

— in payments: payments made during the financial year against appropriations for that financial year and against appropriations carried over from the preceding financial year;

(bb) in the case of operations covered by commitment appropriations and payment appropriations: in the remarks column, an indicative schedule of the payments for the financial year concerned and subsequent financial years;

(bc) appropriate remarks on each subdivision. These remarks shall include:

— basic legal instrument, where one exists,

— all such explanations as may be necessary concerning the nature and purpose of the appropriations.

3. As regards staff:

— for each section of the part of the budget for staff and administrative appropriations, an establishment plan setting the number of permanent and temporary posts for each grade in each category and in each service authorized within the limits of the budget appropriations. The staff of the Supply Agency shall be shown separately in the Commission's establishment plan,

— an establishment plan for staff paid from the research and technological development appropriations, classified by category and grade and distinguishing between permanent and non-permanent staff, authorized within the limits of the budget appropriations.

As regards scientific and technical staff, the classification may be based on groups of grades, in accordance with the conditions laid down in each budget. The establishment plan must specify the number of highly qualified technical or scientific personnel who are accorded special advantages under the Staff Regulations applicable to these officials.

— an establishment plan setting the number of posts for each grade in each category in:

— the Office for Official Publications,

— the European Centre for the Development of Vocational Training,

— the European Foundation for the Improvement of Living and Working Conditions.

The establishment plan shall show next to the number of posts authorized for the financial year the number authorized for the preceding year.

4. The establishment plan shall constitute an absolute limit for each institution; no appointment may be made in excess of the limit set.

In cases of half time work authorized by the appointing authority in accordance with Article 55a of the Staff Regulations of Officials of the European Communities, a post in a given grade may serve for the assignment of two officials of the same grade or of a lower grade. Such assignment shall automatically terminate when the authorization expires.

5. As regards borrowing and lending operations:

(a) in the appropriate section of the part for operating expenditure:

— the budget headings relating to the categories of operation and carrying a token entry so long as no effective charge which has to be covered by specific resources has arisen,

— remarks giving a reference to the legal basis and, where appropriate, the volume of the operations envisaged and the financial guarantee given by the Communities in respect of these operations;

(b) in a document annexed to the part for operating expenditure, as an indication:

— current capital operations and current debt management,

— the capital operations and debt management for the financial year in question.'

26. Article 17 is renumbered Article 21.

27. Article 18 is renumbered Article 22. Paragraph 3 is replaced by the following:

'3. With the exception of decisions overruling the Financial Controller provided for in Articles 40, 50 and 53, the Commission and each of the other institutions may delegate their powers of budgetary implementation in accordance with the conditions laid down by their internal rules of procedure and within the limits which they themselves lay down in the act of delegation.

Those so empowered may act only within the limits of the powers expressly conferred upon them.

The acts of delegation shall be communicated to all the parties concerned in accordance with the implementing rules provided for in Article 128.'

28. The following new Article 23 is inserted:

'Article 23

Where revenue and expenditure operations are managed by means of integrated computer systems, the provisions of Sections II and III and of Title VI shall apply with due allowance for the possibilities and requirements deriving from computerized management. To this end:

— the supporting documents may remain with the authorizing officer for the purposes of checking,

— signatures and approvals may be in appropriate computerized form.

The conditions for implementing this Article shall be determined by the implementing rules provided for in Article 128.'

29. Article 19 is renumbered Article 24. It is replaced by the following:

'Article 24

Each institution shall appoint a financial controller.

He shall be responsible for monitoring:

— the commitment and authorization of all expenditure,

— the establishment and collection of all revenue.

The financial controller shall be consulted on all accounting systems applied by the institution to which he is attached. He shall access to the information contained in these accounts.

Monitoring shall be carried out by that official by means of inspection of the files relating to expenditure and revenue and, if necessary, on the spot.

The financial controller may be assisted in his duties by one or more assistant financial controllers.

The special rules applicable to such officials, which shall be laid down in the implementing rules provided for in Article 128, shall be such as to guarantee that they are independent in the performance of their duties. Their appointment, their promotion and disciplinary rules or transfer, and any interruption or termination of appointment by whatever procedure shall be the subject of reasoned decisions to be forwarded, for information, to Parliament, the Council, the Commission and the Court of Auditors.

The persons concerned and the institutions to which they belong may institute proceedings before the Court of Justice.'

30. Article 20 is renumbered Article 25. It is replaced by the following:

'Article 25

In each institution, the collection of revenue and the payment of expenditure shall be carried out by an accounting officer.

The accounting officer shall be appointed by the institution.

Without prejudice to the system provided for in Articles 4 and 5 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (1), and subject to the second paragraph of Article 54 on payments procedures, to Article 55 on imprests and to Article 112 on the financing of external aid of this Regulation, the accounting officer alone is empowered to manage monies and other assets. He shall be responsible for their safekeeping.

The accounting officer shall be responsible for preparing the financial statements provided for in Articles 79, 80, 81 and 82 of this Regulation.

He may be assisted in his duties by one or more assistant accounting officers, appointed under the same conditions as the accounting officer.

The special rules applicable to the accounting officer and to assistant accounting officers shall be laid down in the implementing rules provided for in Article 128.

(1) OJ No L 94, 28. 4. 1970, p. 13.'

31. Article 21 is renumbered Article 26. It is replaced by the following:

'Article 26

1. Appropriations shall be earmarked for specific purposes by chapter and article.

2. Parliament, the Council, the Court of Justice and the Court of Auditors may transfer appropri-

ations from one chapter to another and from one article to another within their own sections of the budget.

The Court of Justice and the Court of Auditors shall inform the budgetary authority and the Commission three weeks before making such transfers.

3. The Commission may, within its own sections of the budget:

(a) transfer appropriations from one article to another within each chapter;

(b) transfer appropriations from one chapter to another within each of the titles relating to staff and administrative expenditure. It shall inform the budgetary authority three weeks before making such transfers;

(c) transfer payment appropriations from one chapter to another;

(d) transfer appropriations entered in the chapter of the budget containing the provisional appropriations to the budget heading for which they were initially earmarked provided that the suspensive condition that originally gave rise to entry of the appropriations in this special chapter has been satisfied. It shall inform the budgetary authority three weeks before making such transfers.

4. Without prejudice to the transfers which it may make on its own authority in accordance with paragraph 3, the Commission may make proposals to the budgetary authority for transfers from one chapter to another.

5. The budgetary authority shall take decisions on transfers of appropriations as follows:

(a) in the case of proposals for transfers relating to expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith, the Council shall, after consulting Parliament, act by a qualified majority within six weeks, except in urgent cases. Parliament shall deliver its opinion within such time as will permit the Council to be apprised of it and to act within the time limit indicated. Where the Council does not act within this time limit, the proposals for transfers shall be deemed to be approved;

(b) in the case of proposals for transfers relating to expenditure other than that necessarily resulting from the Treaties or from acts adopted in accordance therewith, Parliament shall, after consulting the Council, act within six weeks, except in urgent cases. The Council shall deliver its opinion within such time as will permit Parliament to be apprised of it and to act within the time limit indicated. Where Parliament does not act within this time limit, the proposals for transfers shall be deemed to be approved;

(c) proposals for transfers relating both to expenditure necessarily resulting from the Treaties or from acts adopted in accordance therewith, and to other expenditure shall be deemed to be approved if neither the Council nor Parliament has decided otherwise within six weeks of the date on which the two institutions received the proposals;

(d) if, in the case of proposals for transfers referred to in (c), Parliament and the Council reduce the proposal for a transfer by different amounts, whichever is the smaller of the amounts accepted by one of the two institutions shall be deemed to be approved. Where only one of the institutions rejects the principle of the transfer, such transfer shall not be made.

6. For the purposes of the Article the Commission sections shall be treated as a single section.

7. Only appropriations for the current financial year may be transferred. By way of exception, appropriations carried over may be transferred by a decision of the budgetary authority in accordance with paragraph 5.

8. Appropriations may also be transferred, by decision of the budgetary authority, between headings where a distinction is made between commitment appropriations and payment appropriations and headings where no such distinction is made.

9. Every proposal for a transfer within a chapter or from one chapter to another shall be subject to the approval of the financial controller, who shall certify that the appropriations are available.

10. Appropriations may be transferred only to budget headings for which the budget has authorized appropriations or carried a token entry.

11. This Article shall apply to the appropriations corresponding to revenue earmarked for a specific purpose under Article 4(2) only as long as the revenue is not used for any other purpose.

12. Transfers within the titles of the budget devoted to the European Agricultural Guidance and

Guarantee Fund, Guarantee Section shall be the subject of special provisions under Article 105.

13. As regards the section for expenditure common to all the institutions, the Commission may, without prejudice to the provisions of Article 125, transfer appropriations from one chapter to another within the same title, and from one article to another. It shall inform the budgetary authority three weeks before making such transfers.'

32. Article 22 is renumbered Article 27:

(a) In the first subparagraph of paragraph 1, the reference 'from Article 3' is replaced by 'from Article 4'.

(b) Paragraph 2 is replaced by the following:

'2. Notwithstanding Articles 4 and 5, the following sums may be reused under the heading to which the initial expenditure was charged:

(a) revenue arising from the refund of amounts paid in error against budget appropriations;

(b) proceeds from the supply of goods and services to other institutions or bodies, including refunds by such institutions or bodies of mission allowances paid on their behalf;

(c) insurance payments received;

(d) revenue from the sale of buildings or sums connected with lettings;

(e) revenue from the sale of publications and films;

(f) refunds of taxes — incorporated in the price of the products or services provided to the Communities — effected by Member States pursuant to the provisions of the Protocol on the Privileges and Immunities of the European Communities;

(g) revenue from the supply of goods and services against payment;

(h) proceeds from the sale of vehicles, equipment and installations and scientific and technical apparatus, equipment and materials which are being replaced or scrapped.

Such sums must be reused before the end of the financial year following that in which the revenue was collected.

The chart of accounts shall include suspense accounts to record reuse operations in both evenue and/or expenditure.'

(c) In paragraph 3, the reference 'Article 3' is replaced by 'Article 4'.

(d) Paragraphs 4 and 5 are replaced by the following:

'4. Notwithstanding Article 4, adjustments must be made in respect of exchange differences occurring in budget operations. The final gain or loss shall be included in the balance for the year.

5. In the cases referred to in paragraphs 1(c) and 2(b), (d), (e), (g) and (h), reuse and deduction shall be possible only if provision therefor is made in the remarks column in the budget.

6. Revenue from the repayment of advances made by recipients of Community aid shall be entered in suspense accounts.

At the beginning of each financial year the Commission shall examine the volume of this revenue and assess, in the light of requirements, the need for reuse under the heading to which the initial expenditure was charged.

The Commission shall take this decision by 15 February of each financial year, and shall inform the budgetary authority by 15 March of the decision taken.

Revenue not reused shall be entered as miscellaneous revenue for the financial year in which it was entered in the accounts.'

33. Article 23 is renumbered Article 28.

(a) In the first subparagraph of paragraph 1, the second sentence is replaced by the following:

'Such proposals shall be sent to the financial controller of the institution for his approval and to the accounting officer for provisional registration.'

(b) In the final sentence of the final subparagraph of paragraph 1, 'every three months' is replaced by 'within one month'.

34. Article 24 is renumbered Article 29.

(a) The following sentence is added to the third subparagraph of paragraph 1:

'If necessary, he shall initiate the recovery procedure.'

(b) In the final sentence of the third subparagraph of paragraph 2, 'every three months' is replaced by 'within one month'.

35. Article 25 is renumbered Article 30.

36. Article 26 is renumbered Article 31.

The reference 'in Article 4(2) and (3) of the Decision of 21 April 1970' is replaced by 'in Article 2(7) of the Decision of 24 June 1988'.

37. Article 27 is renumbered Article 32. It is replaced by the following:

'*Article 32*

The balance from each financial year, calculated in accordance with Article 15 of Council Regulation (EEC, Euratom, ECSC) No 2891/77, shall be entered as revenue in the case of a surplus or expenditure in the case of a deficit in a supplementary or amending budget in the following financial year.'

38. Article 28 is renumbered Article 33.

(a) Paragraph 1 is replaced by the following:

'1. The contributions for the financing of certain supplementary research programmes provided for in Article 11(2) (c) of the Decision of 24 June 1988 shall be paid over as follows:

— seven twelfths of the amount shown in the budget not later than 31 January,

— the remaining five twelfths not later than 15 July.

2. If the budget is not finally adopted before the start of the financial year, the contributions provided for in paragraph 1 shall be based on the amount shown in the draft budget, as referred to in Article 9(3) and (4) of this Regulation or, if this does not exist, in the preliminary draft budget.'

(b) Paragraph 2 is renumbered paragraph 3.

(c) Paragraph 3 is renumbered paragraph 4.

39. Article 29 is renumbered Article 34. It is replaced by the following:

'*Article 34*

The Commission shall, four times a year, present to Parliament and the Council a report on the implementation of the budget and of any supplementary or amending budgets and on the Communities' financial situation, covering both revenue and expenditure. This report shall also give details of the utilization of appropriations carried forward from previous financial years.

This report shall at the same time be sent to the Court of Auditors.'

40. Article 30 is renumbered Article 35. It is replaced by the following:

'*Article 35*

The financial contributions referred to in Article 11(2)(c) of the Decision of 24 June 1988 (for the completion of supplementary research programmes) shall be converted at the rate for the ecu applying on the last but one working day of the month preceding the final date for entry in the accounts.'

41. Article 31 is renumbered Article 36.

42. Article 32 is renumbered Article 37.

(a) In paragraph 2, 'Article 96' is replaced by 'Article 100'.

(b) In paragraph 3, 'Article 106' is replaced by 'Article 128'.

43. Article 33 is renumbered Article 38. On the last line, 'Article 106' is replaced by 'Article 128'.

44. Article 34 is renumbered Article 39.

(a) The first paragraph is renumbered paragraph 1.

(b) The following paragraph 2 is added:

'2. Approval may not be conditional.'

(c) The second paragraph is renumbered paragraph 3.

45. Article 35 is renumbered Article 40.

(a) In the first paragraph, 'Article 34' is replaced by 'Article 39(1)'.

(b) In the second paragraph, the phrase 'in the first two paragraphs of Article 18' is replaced by 'in the first two paragraphs of Article 22'.

(c) In the final sentence of the final paragraph, 'every three months' is replaced by 'within one month'.

46. Article 36 is renumbered Article 41.

47. Article 37 is renumbered Article 42.

(a) In paragraph 1, 'Article 106' is replaced by 'Article 128'.

(b) Paragraph 2 is deleted.

(c) Paragraph 3 is renumbered paragraph 2.

48. Article 38 is renumbered Article 43.

49. Article 39 is renumbered Article 44.

50. Article 40 is renumbered Article 45. The third indent is replaced by the following:

'— the amount to be paid (in figures and words), expressed in ecus or in national currency.'

51. Article 41 is renumbered Article 46. In the first paragraph 'Article 106' is resplaced by 'Article 128' and 'Article 59' is replaced by 'Article 66'.

52. Article 42 is renumbered Article 47.

(a) The second paragraph is replaced by the following:

'The authorizing officer may grant advances if the Staff Regulations or the rules governing the policy concerned specifically provide therefor.'

(b) In the third paragraph 'Article 106' is replaced by 'Article 128'.

(c) In the fourth paragraph 'Article 49' is replaced by 'Article 55'.

53. The following new Article 48 is inserted:

'*Article 48*

Interest shall be due, in accordance with the implementing rules provided for in Article 128, on any amount paid to recipients of Community aid:

— either as an advance,

— or under the normal payment procedure,

which gives rise to repayment to the general budget.'

54. Article 43 is renumbered Article 49.

55. Article 44 is renumbered Article 50. The reference 'Article 35' is replaced by 'Article 40'.

56. Article 45 is renumbered Article 51.

57. Article 46 is renumbered Article 52.

58. Article 47 is renumbered Article 53.

59. Article 48 is renumbered Article 54. In the second paragraph 'Article 106' is replaced by 'Article 128'.

60. Article 49 is renumbered Article 55.

(a) In the first paragraph 'Article 106' is replaced by 'Article 128'.

(b) The following new second paragraph is added:

'Only the accounting officer may replenish the imprest accounts, save in exceptional cases defined in the implementing rules.'

(c) The second paragraph becomes the third paragraph.

61. The following new section is inserted:

'SECTION IV

MANAGEMENT OF POSTS'

62. The following new Article 56 is inserted:

'*Article 56*

Within each institution the following shall be established:

(a) an establishment plan;

(b) an organization chart showing the organization of the departments.'

63. In Title IV the title of Section I is replaced by the following:

'SECTION I

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES; CONTRACTS FOR PURCHASE, LEASE AND HIRE'

64. Article 50 is renumbered Article 57. Paragraph 1 is replaced by the following:

'1. Contracts for the purchase or hiring of buildings or goods, for the provision of services or for the performance of construction work shall be in writing. Apart from contracts relating to the purchase of a building already constructed or to the leasing of a building, all such contracts shall be concluded after an invitation to tender has been issued either by the automatic public tendering procedure or the discretionary tendering procedure.

However, contracts may be made by private treaty in the circumstances referred to in Article 59.

Contracts may be made against invoice or bill of costs in cases provided for in Article 64.'

65. Article 51 is renumbered Article 58. In paragraph 3 'Article 106' is replaced by 'Article 128'.

66. Article 52 is renumbered Article 59.

(a) In point (a), 'where the contract ... involves an amount not exceeding 6 500 ecus' is replaced by the phrase 'within the limit laid down in the implementing rules provided for in Article 128'.

(b) In point (b) 'Article 51' is replaced by 'Article 58'.

67. Article 53 is renumbered Article 60.

68. Article 54 is renumbered Article 61. It is replaced by the following:

'*Article 61*

Each institution shall set up its own advisory committee on procurements and contracts to express an opinion on contracts before the authorizing officer takes the decision.

If required, an advisory committee on procurements and contracts common to all the institutions may be set up.

Details of the operation of these committees and the limit values for the contracts of which they are to be consulted shall be laid down in the implementing rules provided for in Article 128.'

69. Article 55 is renumbered Article 62. In the first paragraph 'Article 54' is replaced by 'Article 61'.

70. Article 56 is renumbered Article 63. The third paragraph is replaced by the following:

'Beyond the limit laid down by the implementing rules provided for in Article 128, the provision of security shall be obligatory. A guarantee may be retained until final acceptance.'

71. Article 57 us renumbered Article 64. It is replaced by the following:

'*Article 64*

Contracts may be made against invoice or bill of costs within the limits laid down by the implementing rules provided for in Article 128.'

72. Article 58 is renumbered Article 65. It is replaced by the following:

'*Article 65*

Without prejudice to the provisions laid down in this Financial Regulation, when concluding contracts referred to in this Regulation, each institution shall comply with the Council Directives [1] on public works and supplies, whenever the amounts involved are equal to or greater than the amounts provided for in those Directives.

The implementing rules provided for in Article 128 shall include the supplementary provisions which may be required in order to implement this article.

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(1) The following Directives were in force at the time this Regulation was drawn up:
(a) *public works:*
Directive 71/305/EEC of 26 July 1971 (OJ No L 185, 16. 8. 1971, p. 5), as amended by Directive 78/669/EEC of 2 August 1978 (OJ No L 225, 16. 8. 1978, p. 41).
(b) *supplies:*
Directive 77/62/EEC of 21 December 1976 (OJ No L 13, 15. 1. 1977, p. 1), as amended by Directive 80/767/EEC of 22 July 1980(OJ No L 215, 18. 8. 1980, p. 1).'

73. Article 59 is renumbered Article 66:

(a) In the first paragraph, 'permanent quantitative inventories' is replaced by 'permanent inventories showing the quantity and value'.

(b) In the final paragraph, the following phrase is added:

'in accordance with the implementing rules provided for in Article 128.'

74. Article 60 is renumbered Article 67. In the first paragraph, 'Article 106' is replaced by 'Article 128'.

75. Article 61 is renumbered Article 68. In the first paragraph the phrase 'disposed of' is replaced by 'sold, given away free of charge, ...'.

76. Article 62 is renumbered Article 69. In the first paragraph, 'Article 59' is replaced by 'Article 66'.

77. Article 63 is renumbered Article 70. In the last sentence, the phrase 'in European units of account' is replaced by 'in ecus'.

78. Article 64 is renumbered Article 71. It is replaced by the following:

'*Article 71*

The chart of accounts shall make a clear distinction between budgetary accounts and cash accounts.

It shall comprise two parts:

(a) accounts of budgetary expenditure and revenue, which show the detailed implementation of the budget;

(b) the balance sheet accounts, which disclose the assets of the institutions. These accounts shall show the expected effect of the Communities' legal obligations.

The detailed conditions for the establishment and operation of the chart of accounts for transactions relating both to assets and to the implementation of the budget shall be determined by the implementing rules provided for in Article 128.

These accounts shall make it possible to draw up an annual balance of assets and a monthly statement of revenue and expenditure by chapter and article.

These statements shall be forwarded to the financial controller, the authorizing officer and the Court of Auditors.'

79. Article 65 is renumbered Article 72.

(a) In the first paragraph, 'Articles 96 and 102' is replaced by 'Article 100'.

(b) In the second paragraph, 'Article 42' is replaced by 'Article 47'.

80. Article 66 is repealed.

81. Article 67 is renumbered Article 73.

82. Article 68 is renumbered Article 74. The following sentence is added:

'The same shall apply if they neglect to issue payment orders or are, without justification, late in issuing them, thereby rendering the institution liable to civil action by third parties.'

83. Article 69 is renumbered Article 75.

84. Article 70 is renumbered Article 76.

(a) In the first subparagraph of paragraph 1, 'the third paragraph of Article 46' is replaced by 'the third paragraph of Article 52'.

(b) In paragraphs 3 and 5, 'Article 106', is replaced by 'Article 128'.

(c) The third and fourth subparagraphs of paragraph 3 are numbered paragraph 4.

(d) Paragraph 4 is renumbered paragraph 5.

85. Article 71 is renumbered Article 77.

86. Article 72 is renumbered Article 78.

87. Article 73 is renumbered Article 79.

(a) The introductory words and point 1 are replaced by the following:

'The Commission shall draw up, not later than 1 May of the following year, a consolidated revenue and expenditure account of the general budget of the European Communities for the financial year ended 31 December. The consolidated revenue and expenditure account shall include:

1. a table of revenue comprising:

— estimated revenue for the financial year,

— amendments to the revenue estimates as a result of supplementary or amending budgets and additional revenue as specified in the second subparagraph of Article 4(2),

— entitlements established in the course of the financial year,

— entitlements still to be collected from the preceding financial year,

— revenue collected during the financial year and revenue carried over pursuant to Article 7(4),

— amounts still to be collected at the end of the financial year.

Statements shall be attached to this table showing revenue carried over pursuant to Article 7(4) and, where appropriate, the balance and gross amounts of the operations referred to in Article 27(2).'

(b) In the last indent of point 2, 'Article 6' is replaced by 'Article 7'.

(c) In point 3:

— Fourth indent: 'Article 6' is replaced by 'Article 7'.

— Fifth indent: 'Article 6' is replaced by 'Article 7'.

— In the second paragraph, 'Article 22(2)' is replaced by 'Article 27(2)'.

88. Article 74 is renumbered Article 80. It is replaced by the following:

'Article 80

Each institution shall, not later than 15 February, transmit to the Commission, after submitting it to its financial controller, the information required for drawing up the revenue and expenditure account and the balance sheet, together with a contribution to the analysis of the financial management referred to in Article 81.'

89. Article 75 is renumbered Article 81. (Amendment does not affect English version.)

90. Article 76 is renumbered Article 82. It is replaced by the following:

'Article 82

1. The Commission shall draw up not later than 1 May a consolidated balance sheet of assets and liabilities of the Communities as at 31 December of the preceding financial year. A statement showing the movements and balances of the accounts at the same date shall be attached thereto.

2. These documents shall be submitted to the financial controller.'

91. Article 77 is renumbered Article 83. '1 June' is replaced by '1 May.

92. Article 78 is renumbered Article 84. It is replaced by the following:

'Article 84

1. The Court of Auditors and its members may, in carrying out the task of the Court, be assisted by officers of the Court. The Court itself or one of its members shall notify the authorities with which the delegated officer is to work of the tasks delegated to him.

2. Parliament, the Council and the Commission shall inform the Court of Auditors, as soon as possible, of all decisions and rules taken pursuant to Articles 4(4), 7(2), (3) and (6), 9, 17(1) and 26.

3. The institutions shall transmit to the Court of Auditors any rules of procedure in respect of financial matters.

4. The Court of Auditors shall be informed of the appointment of authorizing officers, financial controllers, accounting officer and administrators of imprest accounts and of the acts of delegation or appointment under Articles 22, 24, 25 and 55.'

93. Article 79 is renumbered Article 85. 'Article 19 of Council Regulation (EEC, Euratom, ECSC) No 2891/77 and to Article 80 of this Financial Regulation' is replaced by 'Article 18 of Council Regulation (EEC, Euratom, ECSC) No 2891/77 and to Article 86 of this Financial Regulation'.

94. Article 80 is renumbered Article 86.

(a) (Amendment does affect English version.)

(b) In the second paragraph, 'Article 82' is replaced by 'Article 88'.

(c) In the third paragraph, 'Articles 18 and 19 of Regulation (EEC, Euratom, ECSC) No 2891/77' is replaced by 'Articles 17 and 18 of Regulation (EEC, Euratom, ECSC) No 2891/77'.

(d) The following fourth paragraph is added:

'At the request of the Court of Auditors, each institution shall authorize outside persons to permit the Court to make any checks to ensure that external data tally with the accounts.'

95. Article 81 is renumbered Article 87.

96. Article 82 is renumbered Article 88.

(a) In point (b) of the second paragraph, 'the first paragraph of Article 80' is replaced by 'the first paragraph of Article 86'.

(b) The final paragraph is replaced by the following:

'The grant of Community funds to beneficiaries outside the institutions shall be subject to the agreement in writing by the recipients to an audit being carried out by the Court of Auditors on the utilization of the amounts granted.'

97. Article 83 is renumbered Article 89. It is replaced by the following:

'*Article 89*

The annual report of the Court of Auditors provided for in Article 78 of the ECSC Treaty, Article 206a of the EEC Treaty and Article 180a of the Euratom Treaty shall be governed by the following provisions.

1. The Court of Auditors shall transmit to the Commission and the institutions concerned, by 15 July at the latest, any comments which are, in its opinion, of such a nature that they should appear in the annual reports. These comments must remain confidential. Each institution shall address its reply to the Court of Auditors by 31 October at the latest. The replies of the institutions other than the Commission shall be sent simultaneously to the Commission.

2. The annual report shall contain an assessment of the soundness of financial management.

3. The annual report shall comprise a section for each institution. Each section shall contain all the comments of the Court of Auditors on the relevant institution. The replies of each institution shall be published immediately following the comments relating to that institution.

4. The Court of Auditors shall transmit to the authorities responsible for giving discharge and to the other institutions, by 30 November at the latest, its annual report accompanied by the replies and it shall ensure publication thereof in the *Official Journal of the European Communities*.'

98. Article 84 is repealed.

99. Article 85 is renumbered Article 90. It is replaced by the following.

'*Article 90*

1. Parliament, upon a recommendation from the Council, acting by a qualified majority, shall, before 30 April of the next year, give a discharge to the Commission in respect of the implementation of the budget. If that date cannot be met, Parliament or the Council shall inform the Commission of the reasons for the postponement.

2. Parliament shall deliver its opinion on the discharge, in particular on the basis of the accounts of all revenue and expenditure of the Communities audited by the Court of Auditors.

3. The financial controller shall take account of the comments in the decisions giving discharge.

4. The institutions shall take all appropriate steps to act on the comments appearing in the decisions giving discharge.

5. At the request of Parliament or the Council, the institutions shall report on the rules taken in the light of these comments, and, in particular, on the instructions given to those of their departments which are responsible for the implementation of the budget. Such reports shall also be transmitted to the Court of Auditors.

6. If Parliament decides to postpone the discharge the Commission must as rapidly as possible remove any obstacles to the discharge decision.

7. Supporting documents pertaining to the accounts and the preparation of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the date of the decision giving discharge in respect of the implementation of the budget.

However, the documents relating to transactions not finally closed shall be kept for longer than the said period until the end of the year following the year in which such transactions are finally closed.'

100. The following new Article 91 is inserted:

'*Article 91*

1. In addition to the annual report, the Court of Auditors may also, at any time, submit observations, in the form of special reports, on specific questions and deliver opinions at the request of one of the institutions of the Communities.

2. The special reports shall be transmitted to the institution or body concerned.

The institution concerned shall have two and a half months in which to inform the Court of Auditors of any comments it wishes to make on the observations in question.

Should the Court of Auditors decide to have such observations published in the *Official Journal of the European Communities*, it shall include after them any comments submitted by the institution or institutions concerned.

3. If the opinions referred to in paragraph 1 do not relate to proposals for legislation or draft legislation on which it has been consulted, the Court of Auditors shall not publish them unless the institution which has requested the opinion and the institution concerned agree. In this case, these opinions shall be accompanied by the replies of the institution or institutions concerned.'

101. Title VII: the heading is replaced by the following:

'TITLE VII

SPECIAL PROVISIONS APPLICABLE TO RESEARCH AND TECHNOLOGICAL DEVELOPMENT APPROPRIATIONS'

102. Articles 86 to 94 are replaced by the following:

'*Article 92*

The provisions of Titles I to VI and XII shall apply to the research and technological development appropriations entered in the special section provided for in Article 93, save as otherwise provided in this Title or where they are incompatible with the special provisions of this title.

Article 93

1. The appropriations relating to the activities covered by this Title shall be entered in a special section in the part of the budget devoted to operating appropriations.

This section shall contain the appropriations intended for the realization of research and technological development objectives through the implementation of the following:

(a) direct action, consisting of research programmes carried out by the establishments of the Joint Research Centre (JRC) and in principle entirely financed from the general budget of the European Communities;

(b) indirect action, consisting of programmes carried out under contracts to be concluded with third parties and in principle partially financed from the general budget of the European Communities (shared-cost action projects);

(c) concerted action, consisting of work undertaken by the Community to coordinate the individual research projects carried out in the Member States, in respect of which the administrative expenditure alone is financed from the general budget of the European Communities;

(d) possible financial contributions by the Community to supplementary programmes in accordance with Article 130l of the EEC Treaty, or to research and development programmes undertaken by several Member States, including participation in the structures created for the execution of those programmes, in accordance with Article 130m of the EEC Treaty, or cooperation with third countries or international organizations as provided for in Article 130n of the EEC Treaty;

(e) other activities of the JRC such as exploratory research, scientific and technical support activities for the Commission and services for outside bodies and individuals.

2. The appropriations for projects under the framework programme of activities in the field of research and technological development shall be entered separately in this section.

Article 94

1. The nomenclature of the special section provided for in Article 93 shall be based on the purpose of the expenditure in achieving research and technological development objectives or in the other activities referred to in that Article.

The remarks for each subdivision shall also show:

— the number of staff assigned for the current year,

— details of supplementary programmes, programmes undertaken by several Member States and cooperation with third countries or international organizations, with an indication of the amount of any financial contribution from the Community.

2. However, staff appropriations for the Joint Research Centre shall be entered separately in a single chapter.

Article 95

The following shall be annexed to the special section referred to in Article 93:

— a table of equivalence giving the breakdown by purpose and type of expenditure of the appropriations made available in the section, as specified in the implementing rules provided for in Article 128. For management purposes, the Commission may create appropriation accounts corresponding to the instruments of implementation,

— a provisional schedule of commitments and payments showing the planned utilization of the commitment appropriations and the corresponding payment appropriations.

The schedule shall be reviewed annually.

Article 96

Notwithstanding Article 26, the Commission may, within the special section referred to in Article 93, transfer appropriations from one chapter to another within a limit of 15 % for the commitment appropriations relating to the activities referred to in Article 93(1)(a) and (e), provided that these activities fall under the framework programme.

These transfers may not have the effect of increasing the appropriations earmarked for exploratory research by more than 5 % of the initial allocation for the total appropriations in respect of the JRC under the framework programme.

This special provision does not concern staff appropriations for the JRC.

Article 97

1. The Commission may provide services for outside bodies or individuals, in accordance with the remarks in the budget for the chapters and articles in question.

Notwithstanding Article 5, the resulting revenue may give rise to additional appropriations:

— in commitments, equal to the amount of the repayments provided for in the contracts concluded with the outside bodies or individuals,

— in payments, equal to the entitlements established from these repayments.

2. Notwithstanding Article 7(2), additional appropriations shall be maintained until they are cancelled by means of the revenue and expenditure account.

3. Where provision is made in the remarks column for certain categories of expenditure to be repaid to the general budget, such repayments shall be booked to the statement of revenue, in accordance with the implementing rules, under headings entered specifically for this purpose.

Article 98

With regard to the award of contracts in the fields falling under this Title, the implementing rules provided for in Article 128 may lay down special provisions on:

— the limit values determining the conditions for concluding contracts,

— the operation and the determination of the powers of the advisory committee on procurements and contracts.'

103. Article 95 is renumbered Article 99. It is replaced by the following:

'*Article 99*

This Title shall apply to expenditure financed under the EAGGF, Guarantee Section, in accordance with Regulation (EEC) No 729/70, effected through the authorities or bodies referred to in Article 4(1) of Regulation (EEC) No 727/70, under the implementing provisions adopted pursuant to Article 5(3) of that Regulation.

Special operations which the Commission manages directly, shall be implemented in accordance with the rules laid down in Title III of this Regulation.'

104. Article 96 is renumbered Article 100.

(a) The first and second paragraphs are numbered paragraph 1.

(b) The following paragraph 2 is added:

'2. The Commission shall make a monthly report to Parliament and the Council. This communication on actual expenditure shall be accompanied by any information which it deems appropriate within the context of the early warning system provided for in Article 6 of Decision 88/377/EEC.'

105. Article 97 is renumbered Article 101. In paragraph 2, 'Article 96' is replaced by 'Article 100'.

106. Article 98 is renumbered Article 102.

107. Article 99 is renumbered Article 103. In paragraph 3, 'Articles 97 and 98' is replaced by 'Articles 101 and 102'.

108. Article 100 is renumbered Article 104. It is replaced by the following:

'*Article 104*

Global provisional commitments which have been made for a financial year in accordance with Article 100 and which have not been specifically committed under the budget nomenclature in accordance with Article 101 by 1 February of the following financial year, shall be released under the original financial year.'

109. Article 101 is renumbered Article 105. It is replaced by the following:

'*Article 105*

1. Transfers from one article to another within each chapter shall be made by decision of the Commission, to be taken not later than 31 January in

accordance with the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

The Commission shall inform the budgetary authority of such transfers.

2. Not later than one month before 31 January of the following financial year, the Commission may submit proposals to the budgetary authority for transfers of appropriations from one chapter to another. Acting by a qualified majority, the Council shall take a decision within three weeks, after consulting Parliament, in accordance with Article 26. If it does not act within that period, the transfers of appropriations shall be deemed to be approved.

3. Decisions on transfers relating to the monetary reserve referred to in Article 19(6) shall be taken by the budgetary authority in accordance with Article 26(5)(a).

4. Decisions on transfers between the EAGGF Guarantee Section headings to which refunds in connection with food aid are charged and the food aid chapter, which are made necessary by changing requirements, in relation to the appropriations authorized, in the parts of the expenditure chargeable to the respective headings shall be taken by the Commission.

The Commission shall inform the budgetary authority of such transfers 15 days in advance.'

110. Title IX and Article 102 are deleted.

111. The following new Title IX is inserted:

'TITLE IX

SPECIAL PROVISIONS APPLICABLE TO EXTERNAL AID

SECTION I
GENERAL PROVISIONS

Article 106

1. Subject to derogation, the provisions of Titles I to VI and XII shall apply to foreign aid financed from the Community budget, in so far as they are not incompatible with the provisions of this Title.

2. The appropriations assigned by the Community to its cooperation policy shall be used either under cooperation agreements with a financial protocol ('preferential agreements') or as aid granted unilaterally.

3. The appropriations may be earmarked in particular for grant aid, special loans, risk capital or interest rate subsidies, and shall be used by the Commission, which may confer authority on behalf of the Community to administer a part thereof, either on the European Investment Bank or, under its responsibility, on other organizations.

This provision shall not prejudice the audit powers of the Court of Auditors under Article 206a of the EEC Treaty.

4. The following provisions shall govern the use of appropriations by the Commission.

5. The amount of special loans and risk capital granted shall be shown in the balance sheet provided for in Article 82.

Article 107

1. Any cooperation project adopted by the Commission may be covered by:

— a financing agreement drawn up between the Commission, acting for the Community, and the Government of the recipient State or the governing bodies of the recipient organizations or institutions, hereinafter referred to as the recipient,

— or a contract with international organizations, or natural or legal persons responsible for carrying out the project..

2. The financing agreement or contract shall determine the financial commitment of the Community for the measure concerned. No expenditure in excess of this amount may be charged to the budget without an additional commitment.

3. In addition, a loan contract shall be drawn up between the Commission, acting for the Community, and the borrower in respect of any investment project financed by a special loan.

SECTION II

IMPLEMENTATION

Article 108

Projects covered by a financing agreement shall be implemented by the recipient in close collaboration with the Commission, which shall retain responsibility for the utilization of appropriations.

Article 109

1. The functions performed by the Commission may be referred to in the preferential agreements or the financing agreements as those of chief authorizing officer.

2. The Commission, in close cooperation with the recipient, shall ensure that participants in tendering procedures can compete on an equal footing, that there is no discrimination and that the tender selected is economically the most advantageous. In particular, it shall approve the terms of the invitation to tender before it is issued, be apprised of the results of the examination of the tenders, and approve the proposal for the award of the contract.

Article 110

1. In the case of preferential agreements in particular, the recipient may appoint a national authorizing officer to represent the national authorities in all operations relating to projects financed by the Community which are the subject of an agreement between the recipient State and the Community.

2. The recipient shall submit invitations to tender to the Commission for agreement before issuing them. On the basis of the decisions thus endorsed and in close cooperation with the Commission, the recipient shall issue invitations to tender, receive tenders, preside over the examination of tenders and establish the results of the tendering procedure.

3. It shall transmit to the Commission for agreement the results of the examination of the tendering procedure and a proposal for the award of the contract. It shall sign contracts, additions to contracts, and estimates and shall notify the Commission thereof. For contracts, additions to contracts, and estimates, the Commission, where appropriate, shall enter into individual commitments in accordance with the procedures laid down in Articles 37 to 40. Individual commitments shall count towards the commitments under the financing agreements provided for in Article 107(2).

4. Where appropriate, the recipient shall validate and authorize any expenditure which is the subject of an agreement between that State and the Community against appropriations committed by the Commission. It shall remain financially liable to the Commission until the Commission clears the operations for the execution of which the recipient is responsible.

Article 111

1. For the purposes of applying the preferential agreement or convention between the Community and the recipient State, and in respect of the appropriations for which it is the authorizing officer, the Commission may be represented in the recipient State by a representative approved by that State.

2. While operations are in progress the Commission's representative shall verify, on the basis of documents and on the spot, that the work or services comply with their description in the financing agreements, contracts or estimates.

Article 112

1. For payments in a currency other than that of the recipient State, the Commission shall make payment direct for services provided in connection with projects financed with grant aid.

2. For payments in the currency of the recipient State, accounts denominated in ecus may be opened with a financial institution in the recipient State in the name of the Commission or of the recipient.

In the case of preferential agreements, the tasks referred to in paragraphs 5 and 6 may be entrusted to a financial institution, referred to as the paying agent.

3. The accounts referred to in paragraph 2 shall be replenished to meet actual cash requirements. Transfers shall be made in ecus or, exceptionally, in the currency of a Member State and converted into the currency of the recipient State as payments fall due, at the exchange rate ruling on the day of payment.

4. Interest on the deposits in the accounts referred to in paragraph 2 shall be used exclusively for the projects concerned, unless agreed otherwise when the functions of paying agent are being exercised by a public financial institution.

The paying agent shall not be remunerated for his services.

5. Within the limits of the funds available, the paying agent, after obtaining the approval of the Commission's representative, shall make the payments authorized after verifying that the supporting documents provided are substantively accurate and in order.

6. At regular intervals, and at least once a quarter, the paying agent shall send the Commission a

statement of actual expenditure and revenue, together with supporting documents.

7. Payments made and revenue received in the currency of the recipient State shall be subject to a clearance procedure before they are finally booked to the budget appropriations. Clearance shall consist of an examination by the Commission to establish that validation, authorization and payment and the collection of revenue have been properly effected, in accordance with this Regulation.

SECTION III

AWARD OF CONTRACTS

Article 113

Notwithstanding Title IV of this Financial Regulation, the award of contracts financed by the Community for recipients of external aid shall be governed by the following provisions.

Article 114

The procedure to be followed for the award of works, supply or service contracts, or the conclusion of technical cooperation contracts, shall be specified in the financing agreement, subject to the following principles.

Article 115

1. Participation in tendering procedures shall be open on equal terms to all natural and legal persons coming within the scope of application of the Treaties and to all natural and legal persons in the recipient State.

The specifications shall therefore require tenderers to state their nationality and to present the supporting evidence normally acceptable under their own law.

2. By way of exception, it may be decided, on the basis of the specific conditions laid down in the basic instruments governing cooperation, to allow nationals of third countries to compete for contracts financed by the Community.

Article 116

The Commission and the recipient shall take the necessary implementing measures to ensure that participants in tendering procedures and other procedures for the award of contracts financed by the Community can compete on an equal footing.

To this end, without prejudice to Articles 117 and 119, care shall be taken in particular to:

(a) ensure advance publication in reasonable time of invitations to tender in the *Official Journal of the European Communities* and the official journal of the recipient State;

(b) eliminate any discriminatory practice or technical specification liable to hamper participation on equal terms by all natural or legal persons of the Member States and of the recipient State.

Article 117

In urgent cases or where the nature, small scale or particular characteristics of certain works or supplies so warrant, the Commission or the recipient may, by agreement with the Commission stating the reasons therefor, exceptionally authorize:

— the award of contracts after open invitations to tender, confined to a specific geographical area,

— the award of contracts after restricted invitations to tender,

— the conclusion of contracts by private treaty,

— the performance of contracts through public works departments.

Article 118

The Commission and the recipient shall ensure that Articles 116, 117 and 119 are observed for each operation and that the tender selected is economically the most advantageous, with due regard notably to the price, utilization costs, technical value, the qualifications of and the guarantees offered by the tenderers, the nature and conditions of execution of the works or supplies.

The Commission and the recipient shall ensure that all the selection criteria are specified in the invitation to tender.

The result of invitations to tender shall be published at the earliest possible date in the *Official Journal of the European Communities.*

Article 119

1. Contracts for services and technical cooperation shall be awarded after restricted invitations to tender.

2. However, some contracts may be awarded by private treaty, particularly in the following cases:

— short projects or projects of minor importance,

— projects being carried out by non-profit institutions or associations,

— extensions to projects already under way,

— where the invitation to tender has been unsuccessful.

3. Contracts for services and technical cooperation shall, as a rule, be prepared, negotiated and concluded by the Commission.

4. In the case of preferential agreements, or in cases where express provision is made therefor in the financing agreements, the tasks referred to in paragraph 3 shall be delegated to the recipient, in agreement and in collaboration with the Commission's representative.

Article 120

Only service contracts awarded in the interests of the Commission shall be governed by the provisions of Articles 57 to 65.

SECTION IV

AUDITING OF ACCOUNTS

Article 121

1. Each agreement shall make express provision for the Court's power of audit.

2. Should the Court of Auditors wish to carry out audits on the territory of recipient States, or States in which recipients are located, it shall do so by agreement with the relevant authorities of the State concerned. Such audits shall be limited to the inspection agreements implemented pursuant to the provisions governing Community aid and shall not apply in respect of the execution arrangements which are the responsibility of the national authorizing officer.'

112. The following new Title X is inserted:

'TITLE X

SPECIAL PROVISIONS APPLICABLE TO THE MANAGEMENT OF APPROPRIATIONS RELATING TO STAFF SERVING OUTSIDE THE COMMUNITY AND TO THEIR ADMINISTRATION

Article 122

The provision of Titles I to VI and XII shall apply to activities in this field, in so far as they are not incompatible with the provisions of this Title.

Article 123

The expenditure of a financial year shall be booked to the accounts for that year on the basis of the expenditure for which notification of authorization reaches the Financial Controller not later than 31 December and in respect of which payment is made before 15 January. However, expenditure involving payments made not later than 31 December under the imprest accounts may still be booked to the accounts for that year up to 15 February of the following year.

Article 124

In accordance with Article 128 the Commission shall adopt implementing rules relating, in particular, to:

— the award of contracts,

— the keeping of inventories,

— the system of accounts,

— imprest accounts.'

113. Title X is renumbered Title XI.

114. Article 103 is renumbered Article 125.

(a) Paragraph 2 is replaced by the following:

'2. The appropriations for the Office, the total amount of which shall be entered under a special budget heading within the section for expenditure common to all the institutions, shall be set out in detail in an annex to that section. The appropriations shown under this specific budget heading may be transferred in accordance with the conditions set out in Article 26.

The annex shall take the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the budget.

The appropriations entered in that annex shall cover all the financial requirements of the Office in the performance of its duties in the service of the Community's institutions.

3. Where necessary, the estimates may be adjusted during the financial year by the Management Committee of the Office, which shall take decisions on the transfers required within the annex as a result of such adjustments. It shall inform the budgetary authority three weeks before effecting transfers from one chapter to another.'

(b) Paragraph 3 is renumbered paragraph 4. The third subparagraph is deleted.

(c) Paragraph 4 is deleted.

(d) In the second subparagraph of paragraph 6, 'Article 22' is replaced by 'Article 27'.

(e) In the second subparagraph of paragraph 8, the sentence 'such payments may not exceed the total amount of the appropriations entered for this purpose in the Commission budget' is replaced by 'such payments may not exceed the total amount of the appropriations entered for this purpose in the section for expenditure common to all the institutions, which contains all the appropriations for the Publications Office'.

(f) In paragraph 9, 'Articles 73 and 76' is replaced by 'Articles 79 and 82'.

115. The following new article 126 is inserted:

'Article 126

The financial rules of Community bodies with legal personality which receive subsidies from the general budget shall take over as far as possible the provisions of this Regulation and diverge from them only when their specific operational requirements warrant.'

116. Article 104 is renumbered Article 127.

117. Article 105 is deleted.

118. Article 106 is renumbered Article 128. It is replaced by the following:

'Article 128

After consulting the other institutions, whose opinions must be given within two months, the Commission shall adopt rules for implementing this Financial Regulation. It shall inform all the Institutions of these rules.'

119. Article 107 is renumbered Article 129. It is replaced by the following:

'Article 129

'Amendments to this Financial Regulation, proposed by the Commission, shall be adopted by the Council after conciliation with Parliament.'

120. Article 108 is deleted.

121. The following new Article 130 is inserted:

'Article 130

Until the entry into force of the implementing rules provided for in Article 128, the limit values to be specified for the purposes of Articles 59, 61, 63, 64 and 98 shall be as follows:

— Article 59, first paragraph, subparagraph (a): the limit below which contracts may be made by private treaty shall be 15 000 ecus,

— Article 61: the limit above which the powers of the Advisory Committee on Procurements and Contracts take effect shall be 50 000 ecus,

— third paragraph of Article 63: the threshold for compulsory security shall be 350 000 ecus,

— Article 64: the limits below which contracts may be made against invoice or bill of costs shall be 750 and 2 000 ecus respectively for expenditure away from the provisional places of work,

— Article 98: the limit below which contracts may be made by private treaty shall be 75 000 ecus for scientific and technical equipment and for works contracts,

— the limits for the powers of the Advisory Committee on Procurements and Contracts shall be:

  — 350 000 ecus for scientific and technical contracts and contracts relating to the purchase of buildings,

  — 75 000 ecus for equipment and supply contracts not of a scientific or technical nature,

  — 25 000 ecus for equipment and supply contracts not of a scientific or technical nature, to which the provisions of Article 59 (c), (d) and (e) apply.'

Article 2

This Regulation shall enter into force on ...

This Regulation shall be binding in its entirety and directly applicable in all Member States.