EUROPEAN COMMISSION
Budget

Own Resources and financial programming

Brussels, 21 January 2011

UPDATED CHECK-LIST OF ADMINISTRATIVE CONDITIONS IN THE AREA OF THE EUROPEAN UNION's OWN RESOURCES

http://ec.europa.eu/budget/documents/eu_financing_system_en.htm?submenuheader=2

Submission of recurrent information to the Commission – Overview

Information	Deadline
Traditional own resources (TOR) – Statement of the "A" account (statement of established entitlements) (see condition 1.8)	Monthly *At the latest on the 1st working day following the 19th day of each month. The total amount of TOR to be made available should be communicated to the Commission 4 days earlier.*
TOR – Statement of the "B" account (the separate account) (see condition 1.9)	Quarterly *The statement relating to the 1st, 2nd, 3rd and final quarters of a given year should be sent to the Commission by the first working day following the 19th day of May, August, November of the same year and February of the following year, respectively.*
TOR- Estimate of the total amount of entitlements contained in the "B" account at 31 December of a given year for which recovery has become unlikely (see condition 1.9.).	Yearly At the latest on the first working day following the 19th day of February of the following year.
Description of cases of fraud and irregularity detected involving TOR of over EUR 10 000 (see condition 1.12)	Quarterly *In the two months following the end of each quarter.*
Estimate of the GNI for the following year (see condition I.vii)	Preferably not later than the end of April
Estimate of the VAT base for the following year (see conditions I.vii and 2.8)	Preferably not later than the end of April
Annual reports containing information of TOR and inspection results (see condition 1.5.)	By 1 March of the year following the financial year in question
Information on cases where recovery of TOR exceeding EUR 50 000 is impossible, (see condition 1.15)	Within three months of the national administrative decision declaring the debt irrecoverable.
Statement of the VAT base for the previous year (see condition 2.7)	Before 31 July
Outturn figures of GNI for the preceding year (see condition 3.9).	Before 22 September

Introduction

This check-list has been compiled by a working group in DG Budget. It contains the principal administrative conditions in the area of the European Union's own resources that the new Member States should fulfil before joining the European Union.

The paper also gives a brief introduction to the system of own resources as well as to each individual resource.

An overview of the information that has to be supplied to the Commission on a recurrent basis has been included at the beginning of the document.

References to the relevant legal provisions have been included throughout the text. It should be noted, though, that these references have been included in order to make it easier for the reader to seek further information, and that they should not necessarily be seen as exhaustive. All the legislative acts referred to in the paper are listed in annex I.

Annex II contains an organization chart of the directorate in DG Budget dealing with own resources.

The check-list is based on the legal situation as of January 2011. The list, and possible updates, can also be down-loaded from DG Budget's website on the EU's EUROPA server:

http://ec.europa.eu/budget/documents/eu_financing_system_en.htm?submenuheader=2

The Own Resources System

The European Union's own resources may be defined as revenue allocated once and for all to the Union in order to finance its budget and accruing to it automatically without the need for any subsequent decision by the national authorities.

The Union's own resources are established, collected, paid and controlled according to the rules of the own resources system.

At present, the Union's own resources system is based upon Council Decision No 2007/436/EC, Euratom ("ORD 2007") and its two implementing Regulations: Council Regulation (EC, Euratom) No 1150/2000[1] and Council Regulation (EEC, Euratom) No 1553/89.

The own resources of the European Union consist of:

- Traditional Own Resources (TOR), i.e. mainly customs duties and sugar levies. *Customs duties (including also duties on agricultural products*) result from the application of the EU customs legislation on imports from third countries. *Sugar levies*, on the other hand, are imposed on producers in the sugar sector and are used to cover EU expenditure in that sector. TOR are seen as pure EU revenue, resulting directly from EU legislation. It is, however, the Member States that collect these resources and they retain a certain percentage as a compensation for the costs of collecting them (25%).
- A VAT-based resource. It derives from the application of a uniform rate valid for all Member States to the harmonised VAT assessment bases determined according to EU rules. The VAT assessment base of a Member State cannot, however, exceed 50 % of that Member State's GNI (it is 'capped' at 50% of GNI).
- A GNI-based resource. This resource is used to provide the revenue needed to cover expenditure when all other sources of financing have been exhausted. It is calculated by applying a uniform rate to the sum of all Member States' GNI. The GNI of each Member State is determined according to EU rules.

Another feature of the own resources system is the correction in respect of budgetary imbalances. This correction mechanism, the precise rules of which are laid down in the Own Resources Decision and its accompanying working document, reduces the budgetary imbalance of the United Kingdom by a reduction in its VAT - and GNI-based payments. The cost of the correction is borne by the other Member States in relation to their share of EU GNI. However, the financing share of Austria, Germany, the Netherlands and Sweden is restricted to one fourth of their normal share.

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[1] Council Regulation (EC, Euratom) No 1150/2000 codifies Council Regulation (EEC, Euratom) No 1552/89 and its subsequent amendments. . The last amendment has been done by Council Regulation (EC, EURATOM) No 105/2009 of 26 January 2009 (OJ L 36, 5.2.2009, p. 1) and concerns the entry into force of the Council Decision 2007/436/EC, Euratom on the system of Communities own resources that replaced the Council Decision 2000/597/EC, Euratom.

Within this system the Member States and the Commission have different roles.

Member States are, inter alia, responsible for:

- The collection and making available of the traditional own resources to the Commission.
- Calculation of the VAT bases and GNI.
- Payment of the VAT and GNI based resources.

The Commission is, inter alia, responsible for:

- Calculation of Member States' VAT and GNI based contributions, on the basis of the uniform rate of call of VAT, the uniform rate of call of GNI and the UK correction.
- Calculation of the amount of the UK rebate.
- Presenting the draft budget, which is the overall forecast of EU expenditure and its financing for the following year, to the budgetary authority (the Council and the European Parliament)[2].
- Carrying out controls in order to ensure Member States' compliance with the EU legislation in the area of the European Union's own resources and the equal treatment of Member States.

Liaison between the Commission and the Member States is institutionalised through the Advisory Committee on Own Resources (ACOR) and the GNI committee. The committees consist of representatives of the Member States and of the Commission. The chairman of each committee is a representative of the Commission. The ACOR examines questions concerning the implementation of the own resources system as well as the budgetary forecasts of own resources whereas the GNI committee examines Member States' calculations of their GNI at market prices, the statistical sources used, and related methodological problems.

[2] The Commission may also propose amendments to the adopted budget, via draft amending budgets.

Check-list of the principal administrative conditions in the area of the European Union's own resources that the new Member States should fulfil before joining the Union

I. GLOBAL ADMINISTRATIVE CONDITIONS IN THE AREA OF OWN RESOURCES

I.i Co-ordination

The acceding country is strongly recommended to set up a co-ordination service for own resources, e.g. a special co-ordination unit in the Ministry of Finance, to facilitate the calculation, collection, payment and control of own resources. Furthermore, the service should co-ordinate contacts with and reporting to the European Union in this area.

I.ii Transmission of information

The acceding country shall inform the Commission of the names of the departments or agencies responsible for establishing, collecting, making available and controlling own resources, and where appropriate their status (**Article 4(1) of Regulation (EC, Euratom) No 1150/2000**). The acceding country should designate one or more officials who will receive a password from the Commission giving access to the CIRCA intranet, where most of the documents relating to the operation of the own resources system and of the ACOR are available.

The details shall include the names of those responsible, telephone and fax numbers as well as e-mail addresses where available.

I.iii Electronic links

It would be very much appreciated if the acceding country were to establish electronic links with the Commission in order to make contacts easier and enable documents to be sent quickly.

Transmission by electronic means would facilitate and speed up contacts between the acceding country and the Commission. It would also make it easier to send the documents between different Commission departments, should this be necessary later.

I.iv Budgetary calculations

The acceding country should, in its own interest, be able to perform the calculations in the own resources part of the Budget, on the basis of the approved forecast of own resources (see I.vii). It includes being able to calculate the uniform rate of GNI and the financing of the UK correction.

This is fundamental in order to be able to participate in discussions at EU level relating to own resources on an equal footing with existing Member States.

I.v Accounts for own resources

Accounts (*for accounting purposes*) for own resources shall be established by the Treasury of each acceding country or by the body appointed by each acceding country and broken down by type of resource (**Article 6(1) of Regulation (EC, Euratom) No 1150/2000**).

I.vi Account in the name of the Commission

The acceding country shall open an account with the Treasury or the body it has appointed. Following accession, the acceding country shall credit own resources to this account. The account is to be kept free of charge (**Article 9(1) of Regulation (EC, Euratom) No 1150/2000**).

Statements of these accounts shall be sent to the Commission by any appropriate means, preferably electronic ones, as a general rule on the day on which the own resources are entered, but within three working days at the latest. Ideally, the account shall be opened with the Central Bank and all operations shall be carried out using the SWIFT mechanism. This would imply that a statement would be sent to the Commission for each operation.

I.vii Forecast of own resources

The acceding country should be able to transmit an official forecast of its VAT resources base and of its GNI at market prices for the following financial year in advance of the meeting of the Advisory Committee on Own Resources (ACOR), Subcommittee "Forecasts", which normally takes place in May each year. The forecast should also cover the current financial year. For the previous year a provisional estimate, in advance of the supply of the definitive data by 31 July (for VAT) or by 22 September (for GNI), should preferably be supplied. This is needed in order to base the final forecast on the most recent data.

The forecast and the provisional estimate must be established according to ESA 95[3] (for details see **Regulation (EC) No 2223/96**).

The purpose of the ACOR meeting is to establish the forecast of traditional own resources and of the VAT bases and GNI to be entered in the draft budget

(DB) for the following year, as well as the revised forecast of Customs duties and of the VAT bases and GNI to be entered in a draft amending budget (DAB) of the current financial year. Representatives of the Member States as well as of the Commission participate. Each Member State shall be represented by not more than five officials (Article 20(2) of Regulation (EC, Euratom) No 1150/2000).

At the meeting, the Commission's forecast for traditional own resources for the Union as a whole is presented and discussed. The VAT bases and GNI, on the other hand, are

[3] According to Council Decision 2010/196/EU, Euratom on the allocation of financial intermediation services indirectly measured (FISIM) for the establishment of the gross national income (GNI) used for the purposes of the European Union's budget and its own resources, the GNI including FISIM is applied for own resources from 1 January 2010.

forecast on the level of the individual Member States and the Commission's forecast is compared with the forecast of each Member State. The differences are discussed and resolved in order to arrive at the best possible estimates of the VAT and GNI-bases. Member States have, however, only a consultative role, since it is the responsibility of the Commission to present the DB and the DAB.

1. TRADITIONAL OWN RESOURCES (TOR)

General remarks

European Union's traditional own resources (TOR), i.e. mainly customs duties and sugar levies, are defined in Article 2(1) (a) of the Own Resources Decision. The Member States are responsible for the collection of these resources as provided for in Article 8 of that Decision. The Members States establish, account for, recover and make available TOR to the Commission in accordance with the more detailed rules laid down in Regulation (EC, Euratom) No 1150/2000, which implements the Own Resources Decision. In addition, Member States must have an adequate controls infrastructure to ensure that their administrations (especially customs) carry out their tasks in an appropriate manner. The Member States retain 25 %, by way of collection costs, of TOR paid to the Commission.

Traditional own resources are made available to the Commission, on a monthly basis, by the first working day after the 19th day of the second month following the month in which the entitlement was established. Member States inform the Commission of the TOR to be credited to the account, by means of a detailed statement of entitlements established. Any delay in making TOR available to the Commission gives rise to the payment of interest (see 5.1).

The Commission controls the Member States' administrations in order to ensure that the collection of TOR is carried out in accordance with EU customs and sugar legislation and that the financial rules laid down in the Own Resources Decision and in Regulation (EC, Euratom) No 1150/2000 are respected. Moreover, the Member States are financially responsible for any losses of TOR owing to their administrative errors.

Administrative Conditions

1.1 The acceding country shall be able to collect TOR in accordance with national legislation or administrative action, which shall, where appropriate, be adapted to meet the requirements of EU rules (**Article 8 (1) of Decision No 2007/436/EC, Euratom**).

The acceding country must ensure that it has in force the necessary national legislation and administrative rules and instructions for collecting TOR, that are in line with the EU customs and sugar legislation and with Regulation (EC, Euratom) No 1150/2000.

To collect customs duties correctly it is vital that the acceding country has in place an appropriate administrative infrastructure including an effective customs administration with the necessary organisation (customs offices/headquarters) and facilities, and a sufficient number of staff trained to apply EU customs legislation.

If the acceding country produces sugar, isoglucose or inuline it must have a designated department or agency responsible for the collection of sugar levies with staff trained to apply EU sugar regulations.

1.2 The acceding country must be able to establish the Union's entitlement to TOR as soon as the conditions provided for by the customs regulations have been met concerning the entry in the accounts and the notification of the debtor **(Article 2 of Regulation (EC, Euratom) No 1150/2000)**.

The acceding country's customs administration must have in place the necessary procedures for identifying the imports liable to customs duties, requiring customs declarations for these imports, and, for calculating the duties due in accordance with the EU customs tariff.

The customs administration must have in place the necessary procedures and practices to ensure that the customs offices establish and enter customs debts in the accounts correctly and promptly, i.e. within the time limits laid down in the Union's Customs Code (Articles 217–220 of Regulation (EEC) No 2913/92).

The acceding country's customs administration should have a centrally managed computerised customs clearance system for processing customs declarations lodged for imported goods and for recording the established duties in the customs accounting system. The customs clearance system should be capable of carrying out various accuracy and reliability checks on customs declarations (for example on the duty and currency rates or on tariff-headings declared). It would be desirable that the customs clearance system could be directly updated by the electronic TARIC information from the Commission.

1.3 To safeguard the recovery of TOR, the acceding country's customs administration should have adequate procedures and practices in ensuring that the customs duties for goods entered in a customs procedure are either paid or secured in accordance with the rules laid down for the customs procedure in question.

For example, it must be ensured that imported goods are not released for free circulation before the duties due are paid, or, if the importer is authorised for deferred payment, the goods are released only if the customs debt is entirely covered by a security. Similarly it must be ensured that the customs duties for goods, declared for a customs procedure requiring a guarantee, are covered by an adequate guarantee. For customs procedures for which the necessity of a guarantee is at the customs authorities' discretion there should be procedures for analysing the risks involved.

1.4 For sugar production levies, the responsible department must be able to implement the necessary procedures and practices to establish and charge these levies within the time limits laid down in the EU sugar regulations **(Council Regulation (EC) No 1234/2007 and Commission Regulations 952/2006, 967/2006 and 551/2007)**.

Moreover, the acceding country's authorities should be able to ensure that the sugar producing companies' procedures and records permit these companies to produce reliable statements on their provisional and final sugar production.

1.5 The acceding country must be able to report annually, by 1 March of the year following the financial year in question, to the Commission on the inspections in the field of TOR **(Article 17(5) of Regulation (EC, Euratom) No. 1150/2000)**.

To control that imports liable to customs duties are correctly declared, the acceding country's customs administration must have trained staff and the necessary facilities for carrying out physical controls, documentary checks together with post-clearance controls and audits at the operators' premises. It is desirable that the customs authorities are able to target their control activities on the basis of systematic risk-analyses. The acceding country must also have laboratory staff and facilities to analyse samples on imported goods when necessary.

There should be a service responsible for carrying out controls and audits at the sugar producing companies' premises in order to verify the accuracy of their sugar production statements.

1.6 The acceding country must be able to ensure that supporting documents concerning the establishment and making available of TOR are kept for at least three calendar years, counting from the end of the year to which these supporting documents refer **(Article 3 of Regulation (EC, Euratom) No 1150/2000)**.

The acceding country's authorities must have adequate archiving procedures and facilities for retaining the documents and retrieving them for later verifications.

Where operators have been authorised to make their customs declarations by electronic means, without submitting the supporting documents to customs, it should be ensured that they have reliable procedures for keeping the documents at their premises.

1.7 The acceding country shall keep accounts for established TOR **(Article 6(1) of Regulation (EC, Euratom) No 1150/2000)**.

The acceding country must be able to enter established TOR in the accounts, known as "**A" accounts** (see I.v) at the latest on the first working day after the 19th day of the second month following the month in which the entitlement was established **(Article 6(3)(a) of Regulation (EC, Euratom) No 1150/2000)**.

Established TOR which have not been entered in the "A" accounts because they have not been recovered and no security has been provided shall be entered in separate accounts, known as "**B" accounts,** (see I.v) within the period mentioned in Article 6(3)(a). The Member State may adopt this procedure where established TOR for which security has been provided has been challenged **(Article 6(3) (b) of Regulation (EC, Euratom) No 1150/2000)**.

The acceding country's customs administration must have trained accounting staff together with reliable accounting procedures and systems, preferably a centralised computer accounting system directly linked to the customs clearance system, for accounting for established duties, broken down by their type, in the own resources "A" and "B" accounts.

If the "A" and "B" accounts are not kept at the same place, with the help of centralised

computer accounting system, then there must be adequate procedures for centralising the "A" and "B" accounts kept at the local and/or regional levels. This means that the customs offices/regions must produce monthly statements for their "A" account and quarterly statements for their "B" account for verification and centralisation by the headquarters' accounting service.

The department responsible for the collection of sugar levies should also keep "A" and "B" accounts for the established sugar levies.

1.8 The systems of the acceding country should be such that it is possible for a monthly statement of the "A" account (statement of established entitlements) to be sent to the Commission prior to the entry in the accounts (**Article 6(4) (a) of Regulation (EC, Euratom) No 1150/2000)**.

These statements should be sent, at the latest, on the same day as the crediting of the account in the name of the Commission. Nonetheless, the Commission should be informed of the total amount made available, at least 4 days before the deadline for entry in the account, unless the statement is already sent before this date.

The acceding country should nominate a service to be responsible for the centralisation of the monthly data collected from the various national services. This central service should be in charge of sending the Commission a single consolidated monthly statement for the "A" account including customs duties, as well as sugar levies.

Any amounts entered in the accounts which relate to irregularities or delays in the establishment, entry in the accounts and making available of own resources, discovered during inspections carried out by Member States, including those conducted in association with the Commission, should be clearly identified in the annex to the statement.

1.9 The acceding country must be capable of sending the Commission a quarterly statement of the "B" (separate) account on a timely basis (**Article 6(4) (b) of Regulation (EC, Euratom) No 1150/2000)**.

These statements should show the balance brought forward from the previous quarter, the additions or cancellations during the quarter as well as the amounts recovered and entered in the "A" account during the quarter. The balance remaining at the end of the quarter should also be indicated.

Together with the final quarterly statement for a given year, Member States forward an estimate of the total amount of entitlements contained in the separate account at 31 December of that year for which recovery has become unlikely.

1.10 The systems of the acceding country should be such that the statements relating to both the "A" and "B" accounts may be produced in the standard agreed format**.**

The standard format for the aforementioned documents is defined in Decision (EC, Euratom) No 97/245 as last amended by Commission Decision 2009/504 of 28 May 2009.

1.11. The acceding country must be able to inform the Commission of all administrative and accounting records in which amounts of established TOR are entered, in particular those used for drawing up the "A" and "B" accounts**. (Article 4(1) (c) of Regulation (EC, Euratom) No 1150/2000).**

1.12 The acceding country must be able, in the two months following the end of each quarter after accession, to send the Commission a description of cases of fraud or irregularity detected involving TOR of over EUR 10 000 **(Article 6(5) of Regulation (EC, Euratom) No 1150/2000)**.

The acceding country's customs administration must have the necessary procedures for collecting the information referred to in Article 6(5) on cases of fraud or irregularities and adequate computer equipment for preparing and sending fraud reports. A specific web-based application, the OWNRES-programme, has been developed to this end.

1.13 The acceding country must have the necessary systems and procedures in place to enable the crediting, after deduction of 25% by way of collection costs, to the account opened in the name of the Commission (see I.vi), of traditional own resources at the latest on the first working day following the 19th day of the second month following the month during which the entitlement was established. For entitlements shown in separate accounts the entry must be at the latest on the first working day following the 19th day of the second month following the month in which the entitlements were recovered (**Article 10(1) of Regulation (EC, Euratom) No 1150/2000).**

1.14 If necessary, the acceding country must be able to respond to the call from the Commission, to bring forward by one month the entering of resources other than VAT resources and the additional resource on the basis of the information available to them on the 15th of the same month.

Each entry brought forward shall be adjusted the following month when the "normal" entry, detailed in the previous point, is made (**Article 10(2) of Regulation (EC, Euratom) No 1150/2000)**.

1.15 The acceding country must be able to take all the requisite measures to ensure that the amounts of TOR established are made available to the Commission **(Article 17(1) of Regulation (EC, Euratom) No 1150/2000)**.

For amounts of TOR established that have not been paid or secured and may thus have been entered in the "B" account (normally these amounts are established as a result of post-clearance controls), the acceding country must have the necessary legal and administrative framework to enforce recovery.

A Member State shall be free from the obligation to make available amounts of TOR, if for reasons of *force majeure* they have not been collected. In addition, a Member State may disregard this obligation where recovery is impossible in the long term for reasons which cannot be attributed to it. A Member State must report to the Commission cases, where it has written-off an amount of TOR exceeding EUR 50 000 from the B account. A specific web-based application, the WOMIS-programme (Write-of Management and Information System), has been developed to this end. Anyhow, TOR shall be deemed irrecoverable, at the latest, after a period of five years counting from the date of their establishment or, in the event of an administrative or judicial appeal, from the date the final decision has been given, notified or published.

The Commission has six months to forward its comments whether there were justified grounds for the write-off or whether the Member State should make the amount available to the Commission **(Article 17(4) of Regulation (EC, Euratom) No. 1150/2000)**.

The acceding country should have appropriate procedures for informing the central administration of the write-offs from the "B" account made at the local/regional customs offices.

1.16 The acceding country must be able to conduct checks and enquiries concerning the establishment and the making available of TOR. Moreover, the acceding country must be able to carry out additional inspection measures at the Commission's request and associate the Commission, again at its request, with the inspection measures which they carry out **(Article 18(1) and (2) of Regulation (EC, Euratom) No 1150/2000)**.

The acceding country must have a service responsible for internal audit/inspections in the area of TOR and for co-ordinating the Commission's inspections.

It is preferable that the acceding country's customs administration has an internal audit service with trained auditors to carry out inspections and audits relating to establishment and accounting treatment of TOR at all levels of the administration and, to carry out associated inspections with the Commission.

1.17 The acceding country must be able to participate, from the date of accession, in the meetings of the Advisory Committee on the Communities' Own Resources in the field of TOR (**Article 20 of Regulation (EC, Euratom No 1150/2000)**.

The committee examines questions which concern the application of Regulation (EC, Euratom) No 1150/2000 as well as the Commission's inspection reports concerning establishment, accounting and making available of TOR and the Member States' replies to them.

2. THE RESOURCE BASED ON VALUE ADDED TAX (VAT)

General remarks

The VAT-based resource is defined in Article 2(1) (b) of the Own Resources Decision. It derives from the application of a uniform rate valid for all Member States to their harmonised VAT assessment bases. Furthermore, the VAT assessment base to be taken into account for budgetary contributions is capped at 50 % of the relevant Member State's GNI.

The uniform rate is fixed at 0.30% by Article 4 of the Own Resources Decision. For the period 2007-2013, the rate of call of the VAT resource is fixed at 0.225% for Austria, at 15% for Germany and at 0.10% for the Netherlands and Sweden.

The harmonised VAT resources base is calculated by the Member State in question in accordance with Council Directive 2006/112/EC (recast of the 6th VAT Directive 77/388/EEC) and Regulation (EEC, Euratom) 1553/89; the latter lays down the detailed provisions for the calculation of the base. The rules concerning the making available of the VAT resource are laid down in Regulation (EC, Euratom) 1150/2000.

The basic steps in the determination of the base are:

– Calculation of the total net VAT revenue collected by the Member State,

– Dividing the total net VAT revenue by the Weighted Average Rate of VAT to obtain the intermediate base,

– Adjusting the intermediate base with the negative or positive compensations in order to obtain the final harmonised VAT base.

The Commission subsequently carries out controls, together with the competent authorities in the Member State, to ensure that the VAT resources base has been determined in a correct way.

Administrative conditions
2.1 The acceding country must have reliable information on the **total VAT receipts** collected during a calendar year. *To meet this condition, the acceding country must have an established system of state accounts, including a chart of accounts, a judicious classification system allowing a more analytical approach (cost accounting), and the centralisation of accounting data or a mechanism for ensuring that decentralised accounts are properly consolidated, over a 12-month calendar year.* *The local VAT administration system must be organised in such a way that taxpayers can be identified by a registration number in the business registers, small firms can be identified, and tax returns are detailed enough to take account of the specific characteristics of taxed or exempt transactions, so that this information can be used for qualitative purposes in the accounting of receipts and in adjustments to receipts. It should be possible to trace an individual payment of tax through the accounts until it arrives in the centralised VAT receipts – the so-called audit trail.*
2.2 The acceding country must be able to determine the VAT resources base from the taxable transactions referred to in Article 2 of Directive 2006/112/EC (**Article 2 of Regulation (EEC, Euratom) 1553/89)**. Agreed derogations from Directive 2006/112/EC in the form of taxes on activities that should normally be exempt, or vice versa, have to be included in the Accession Treaty and must be taken into account in order to calculate the **negative or positive compensations** to the intermediate VAT base. These derogations also influence the calculation of the **weighted average rate**, which is used to calculate the intermediate base whenever a Member State has more than one rate of VAT.
2.3 The acceding country must have a statistical institute able to compile the data needed to reconstitute the **weighted average rate** in order to determine the harmonised base subject to VAT which forms the VAT statement. *The weighted average rate is reconstituted by breaking down, by VAT rate applied, all transactions which are taxable under national legislation (which must comply with Directive 2006/112/EC) and do not entitle the customer to deduct VAT, plus consumption on the farm by flat-rate farmers and their direct sales to final consumers. The breakdown by VAT rate is applied to the categories listed in Article 4 of Regulation (EEC, Euratom) 1553/89 using figures taken from the national accounts prepared in accordance with the European System of National and Regional Accounts 1995 (ESA95).* *The weighted average rate is based primarily on the statistical data for year n-2 and the VAT rates for year n.*

2.4 The acceding country must be able to calculate the **weighted average rate** in accordance with ESA 95 (**Regulation (EEC, Euratom) No 1553/89** and **Regulation (EC) No 2223/96**[4]).

However, for the purpose of identifying transactions subject to non-deductible VAT and effecting the breakdown by rate of VAT, Member States may refer to data taken from sources complementary to the ESA and capable of being adapted thereto, that is, in the first instance, from internal national accounts if they provide the necessary breakdown, or, if not, from any other appropriate source (Article 4(5) of Regulation (EEC, Euratom) No 1553/89).

2.5 The acceding country must be able to inform the Commission by 30 April of each financial year of the solutions and modifications that they propose to adopt concerning the **corrections to the gross VAT revenue** and the **positive or negative compensations** to the intermediate base (**Article 10 of Regulation (EEC, Euratom) No 1553/89**).

Normally the acceding country will be asked to supply this information already in the year before accession.

2.6 The acceding country must be able to submit, where necessary, requests for an authorisation provided for in Article 4(4) or Article 6(3) of Regulation (EEC/Euratom) 1553/89 to the Commission no later than 30 April of the financial year from which the authorisation is to apply (**Article 13 of Regulation (EEC, Euratom) No 1553/89**).

Article 4.4 concerns the authorisation to use statistics relating to a year other than year n-2 for the calculation of the weighted average rate for year n.

Article 6.3 concerns the authorisation not to take into account in calculating the VAT resources base:

(a) one or more of the categories listed in annex X and Article 391 of Directive 2006/112/EC;

(b) the taxes not collected due to a graduated tax relief scheme under Article 288 of Directive 2006/112/EC;

or to calculate the VAT base in cases (a) and (b) by using approximate estimates.

***These authorisations are preferably to be requested prior to the submission of the first VAT statement** as they are only granted by a Commission decision where precise calculation of the VAT resources base in these cases would be likely to involve administrative burdens which would be unjustified in relation to the effect of the transactions in question on the total VAT base of the Member State in question.*

2.7 The acceding country must be able to send the Commission, before 31 July each year after accession, a statement of the total amount of the VAT resources base for the previous calendar year. The statement shall contain all the data used to determine the base and the data used shall be the most recent available (**Article 7 of**

Regulation (EEC, Euratom) No 1553/89).

In the case of the first VAT statement after accession, special arrangements may be required if, as was the case in 2004, the new Member States join the European Union on a date other than 1 January. This means that the statement will include the relevant Member State's VAT receipts for the part of the year beginning on the date of accession. The precise mechanism to be used for this partial statement will be discussed, if appropriate, with the new Member States following their accession.

In order to produce the statement the acceding country must be able to perform the calculations to determine its VAT resources base which are laid down in Regulation (EEC, Euratom) No 1553/89. This includes being able to calculate the total net VAT revenue collected, the weighted average rate as well as the negative or positive compensations applied to the intermediate VAT base.

2.8 The acceding country must be able to send the Commission, by 15 April each year after accession, an estimate of the VAT resources base for the following financial year (**Article 8 of Regulation (EEC, Euratom) No 1553/89**).

It would be an advantage if the acceding country could provide the estimate for the first time already the year before accession (see also I.vii).

2.9 The acceding country must be able to assist the Commission with the controls to ensure, in particular, that the operations to centralize the assessment base and to determine the weighted average rate and the total net value added tax collected have been performed correctly (**Article 11 of Regulation (EEC, Euratom No 1553/89)**.

At the occasion of the Commission's control visits the new Member State must be able to provide the Commission with detailed figures from the national accounts for the purpose of verifying the coherence between the VAT statement and the national accounts (see also 2.11). The acceding country must have centralised the data needed for the calculation of the VAT assessment base, including agricultural data, information regarding small enterprises etc.

2.10 The acceding country shall provide the Commission with information concerning the procedures which they apply for registering taxable persons and determining and collecting VAT and on the modalities and results of their VAT control systems (**Article 12 of Regulation (EEC, Euratom) No 1553/89**).

Prior to the transmission of the first VAT statement, the acceding country has to implement adequate accounting and control systems in order to obtain accurate figures for the VAT receipts, allow control of the accounting process and avoid fraud.

The acceding country may call on an inspection body (audit board, supervisory institute or other) to ensure the reliability of the accounts and identify VAT fraud.

2.11 The acceding country must be able to keep a) the supporting documents relating to the VAT resources base until 30 September of the fourth year following the financial year in question and b) the supporting documents concerning the establishment and making available of VAT for at least three calendar years, counting from the end of the year to which these supporting documents refer.

The time period is prolonged if verification shows that a correction is required. In this case the Commission places a reservation on the contested element (Member States also have the right to place reservations where they expect to need to change data after the deadline). In case of inspection measures on the spot the agents authorised by the Commission shall have access to the supporting documents and to any other appropriate document connected with those supporting documents (**Article 3 and Article 18(3) in Regulation (EC, Euratom) No 1150/2000)**.

2.12 The acceding country must be able to participate, from the date of accession and with a maximum of five officials, in the meetings of the Advisory Committee on the Communities' Own Resources in the field of VAT (**Article 20 of Regulation (EC, Euratom No 1150/2000 and Article 13 of Regulation (EEC, Euratom) No 1553/89**). The Commission will, however, reimburse travel costs for only one official per Member State.

The committee examines general matters of interpretation of Regulation (EEC, Euratom) 1553/89 as well as the Commission's control reports concerning Member States' VAT statements and the Member States' replies thereto. There is usually one meeting per year that normally takes place in the autumn.

3. THE RESOURCE BASED ON GROSS NATIONAL INCOME (GNI)

General remarks

At EU level, GNI is regarded as the best indicator of a Member State's ability to contribute. It has come to play a growing and decisive role in the funding of the EU budget and is used as a benchmark indicator for structural operations as well as in the context of economic and monetary union.

The criteria for the harmonisation of the compilation of gross national income at market prices (GNImp) are set by Council Regulation 1287/2003/EC, Euratom.

The GNI resource is obtained by the application of a rate – to be determined pursuant to the budgetary procedure in the light of the total of all other revenue – to the sum of all the Member States' GNIs (Article 2(1)(d) of Council Decision 2007/436/EC, Euratom).

At national level, the Member States establish the aggregate in a manner consistent with the European System of National and Regional Accounts (ESA) in force, in the context of their national accounting procedures.

At EU level, the Commission applies uniform control procedures to guarantee that the data, which may form part of EU statistics, are exhaustive, reliable and comparable.

Eurostat

– verifies the calculation of GNI at market prices (GNImp) carried out by the Member States, on the basis of the fundamental principles that EU statistics must satisfy (Regulation (EC) No 322/97),

– requests the opinion of the GNI committee (Article 5 of Council Regulation 1287/2003/EC, Euratom),

– transmits the figures for GNI, adopted by the GNI committee, to DG BUDGET.

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– verifies each year, together with the Member State concerned, that no errors occurred in compilation of the aggregates provided. For this purpose it takes any measures that it may deem necessary (Article 19 of Regulation (EC, Euratom) No 1150/2000);

– where appropriate, notifies the Member State concerned of the Commission's reservations.

Administrative Conditions
3.1 The acceding country must apply the measures laid down by EU legislation to establish GNImp (**Council Regulation 1287/2003/EC, Euratom**) and to improve the exhaustiveness of GNImp (**Decision 94/168/EC**), under the authority of the bodies and institutions in charge of compiling official national statistics**.** *Apart from specific provisions applicable to the calculation of GNI, the basic principles governing EU statistics are defined in Council Regulation (EC) No 322/97 on EU statistics, in particular the principles of impartiality, reliability, relevance, cost-effectiveness, statistical confidentiality and transparency. The same principles are also included in the Treaty on the Functioning of the European Union (Article338). Under that Article, the Council and the European Parliament shall adopt measures for the production of statistics where necessary for the performance of the activities of the Union.*
3.2 The acceding country must ensure that the available data meet the necessary standards of quality (reliability, comparability and exhaustiveness) to guarantee the legitimacy of GNI as a benchmark aggregate at EU level (**Council Regulation 1287/2003/EC, Euratom).** *GNI at market prices is defined in Article 1 of Council Regulation 1287/2003/EC, Euratom. The bases to be used for the calculation of the payments under the GNI resource are those provided under Article 2(2) of that Regulation (subject to the provisions of Articles 4 and 5).*
3.3 The acceding country must establish aggregate GNI and GDP in accordance with the definitions laid down in the European System of National and Regional Accounts *Under Regulation 1287/2003/EC, Euratom, GNI is calculated on the basis of GDP: GNI is equal to GDP minus primary income payable by resident units to non-resident units plus primary income receivable by resident units from the rest of the world. The GNI and GDP aggregates form part of the definitions laid down in the European System of National and Regional Accounts (ESA), the last version of which (ESA 95) was adopted by Regulation (EC) No 2223/96. In ESA 95, the concept of GNP that existed in the previous version (ESA 79) was replaced by that of GNI. ESA 95 GNI replaced ESA 79 GNP in the area of own resources as from the entry into force in 2002 of the Own Resources Decision 2000/597/EC, Euratom.*
3.4. The acceding country must correctly take into account all relevant aspects of national accounts, in particular the legal acts and recommendations of the GNI Committee that were adopted in the harmonisation process of GNI and that could have a significant influence on the comparability of GNI between Member States. The GNI Committee has identified the following areas as being of particular significance in that respect: exhaustiveness, dwelling services, construction services, distributive services, insurance services, FISIM, imputed social contributions, reinvested earnings, public infrastructure, the use of Household Budget Survey, the treatment of software and of entertainment, literary and artistic originals. *The value added of an economy is equal to the value of the goods and services produced, minus intermediate consumption. The final uses of goods and services must*

therefore be distinguished from uses integrated into the production process. This distinction is a basic operation in producing national accounts. If the value of goods and services is wrongly allocated, this has a direct effect on the value of GDP. For example, depending on whether intermediate consumption is under- or overvalued, GDP will be over- or undervalued. The concepts of intermediate consumption and final use are defined by the ESA. The GNI Committee has provided additional classification criteria, where it has deemed it necessary (see 3.13).

3.5 The acceding country must send the Commission an inventory of the procedures and basic statistics used according to ESA95. (**Article 3 of Regulation 1287/2003/EC, Euratom**).

The components of GNI are defined by the European System of National and Regional *Accounts (ESA) (see also 3.3), which provides a framework of statistical standards, concepts, definitions and rules. It is obligatory for Member States to use the ESA.*

Although ESA and Regulation 1287/2003/EC, Euratom establishes standard principles for defining aggregates, they do not impose a common method of calculation on the Member States. This is because of different national circumstances with regard to the availability and updating of data sources, the calculation and assessment methods used and the organisation of the statistical systems.

3.6 The acceding country must produce a description of all the calculations and adjustments deemed necessary, depending on the approach adopted to calculate GNI, to take account of factors that cannot be directly observed (**Article 3 of Regulation 1287/2003/EC, Euratom, Articles 2 and 3 of Decision 94/168/EC, Euratom**).

Illegal activities are also included in the scope of GNI. Eurostat and the GNI Committee are currently working on the formulation of guidelines on the measurement of illegal activities and their inclusion into Member States' GNI data.

3.7 The acceding country must be able to provide the Commission with a test for validating data on employment, a survey of the components of income in kind and tips or gratuities, and a report on the feasibility of using information resulting from tax audits to improve the exhaustiveness of the national accounts (**Decision 94/168/EC, Euratom**).

The aim of Decision 94/168/EC, Euratom is to improve the exhaustiveness of GNI (it defines the relevant terms of reference to be taken into consideration by the Member States) and to make the calculation of GNI more transparent, while providing audit trails which make it possible to appraise the plausibility of certain components of GNI. The acceding country must perform a validity test on employment data, carry out a survey of the components of income in kind and of tips or gratuities, and produce a report on the feasibility of using information from tax audits to improve the exhaustiveness of the national accounts. Another factor, specifically linked to the treatment of VAT fraud in the national accounts, was provided for by Commission Decision 98/527/EC, Euratom (see 3.8).

3.8 The acceding country must take account of the treatment of VAT fraud in the national accounts (**Articles 1 and 2 of Decision 98/527/EC, Euratom**).

The concept of GNI at market prices is such that the value of purchases of goods and

services includes the taxes paid, particularly VAT. If the supplier of goods or services, with the agreement of the purchaser, does not declare a taxable transaction to the tax authorities (evasion with complicity), the GNI calculation takes the purchase into account at the price actually paid (net of VAT). However, where the purchaser has paid the tax and it has not subsequently been paid to the tax authorities by the supplier (evasion without complicity), Member States are required to make adjustments. Decision 98/527/EC, Euratom lays down an ad hoc *method of calculation, but allows Member States the possibility of reaching the same result by other means.*

3.9 The acceding country must be able to allocate financial intermediation services indirectly measured (FISIM) according to **Council Decision (EC, Euratom) No 2010/196 of 16 March 2010.**

Regulation (EC) No 448/98 amended Annex A to Regulation (EC) No 2223/96 in order to introduce in the ESA 95 methodology the principle for allocating FISIM to user sectors and industries. According to Commission Regulation (EC) No 1889/2002 of 23 October 2002, from 2005 onwards, all Member States allocate, in their national accounts, FISIM to user sectors and industries. Council Decision (EC, Euratom) No 2010/196 provides that this change applies for GNI own resource purposes from 1 January 2010.

3.10 Before 22 September of each year, from the year of their accession, Member States must be able to provide the Commission with figures for aggregate GNI for the previous year (**Article 2(2) of Regulation 1287/2003/EC, Euratom**). The standardised GNI questionnaire is used for this purpose. The questionnaire must be accompanied by a quality report that draws attention to any significant changes in sources and methods and identifies any potential weaknesses in the data.

3.11 The acceding country must be able to keep (a) the supporting documents relating to statistical procedures and bases until 30 September of the fourth year following the financial year in question and (b) the supporting documents concerning the establishment and making available of own resources for at least three calendar years, counting from the end of the year to which these supporting documents refer. These time-limits will be extended if verification of the supporting documents shows that a correction is required. In this case the Commission places a reservation on the contested element. In the event of on-the-spot inspections, the agents authorised by the Commission must have access to the supporting documents and to any other appropriate document connected with those supporting documents. (**Articles 3 and 18(3) of Regulation (EC, Euratom) No 1150/2000**).

3.12 The acceding country must be able to check, together with the Commission, that there are no errors in the compilation of the aggregates it provides to the Commission, especially in cases notified within the GNI committee. The acceding country must also be able to carry out additional inspection measures at the Commission's request (the Commission must state the reasons for the additional inspection in its request) and must associate the Commission with those inspection measures, at its request (**Article 19 of Regulation (EC, Euratom) No 1150/2000**).

3.13 The acceding country must be able to take part in meetings of the GNI Committee from the date of accession onwards (**Article 4 of Regulation 1287/2003/EC, Euratom**).

The GNI Committee delivers an opinion on the basis of information supplied by the Member States and the Commission. The Committee, composed of experts in the field, is supplied with information by its members, on the one hand, and obtains data from the Commission's analyses, on the other. In principle, it has all the information it needs to form an overall opinion on the comparability and reliability of the data.

Following the entry into force of Directive 89/130/EEC, Euratom, the Commission set itself the objective of harmonising methods of calculating Member States' GNP. To do so, it applied itself first of all to examining with the GNP Committee inventories of the procedures and statistical bases used by the Member States for calculating GNP and its components. The GNP Committee was transformed into the GNI Committee by Council Regulation 1287/2003/EC, Euratom to take account of the use of ESA 95 GNI for the purposes of own resources.

4. MAKING AVAILABLE VAT & GNI-BASED RESOURCES

General remarks

VAT and GNI-based resources as well as the amounts for the UK correction and for the gross reduction of the annual GNI contribution granted to the Netherlands and Sweden are paid to the Commission every month by crediting the account in the name of the Commission. The amount to be paid is one-twelfth of the amount contained in the approved annual budget, or approved Amending Budget.

Nonetheless, for the specific needs of paying the EAGF expenditure, and depending on the EU's cash position, the Commission may ask Member States to bring forward by one or two months, in the first quarter of the financial year, the entry of one-twelfth or a fraction of one-twelfth of the amounts in the budget for the VAT and/or the GNI-based resource, the UK correction and the gross reduction.

Any delay in making the own resources available to the Commission shall give rise to the payment of interest (see 5.1).

Administrative Conditions

4.1 The acceding country must be in a position to record in the accounts (see Iv), the VAT and GNI-based resources as well as the amounts for the UK correction and for the gross reduction granted to the Netherlands and Sweden. The twelfth referred to in Article 10(3) of Regulation (EC, Euratom) No 1150/2000 shall be recorded on the first working day of each month, while the VAT & GNI balances shall be recorded annually. **(Article 6(3)(c) of Regulation (EC, Euratom) No 1150/2000)**.

4.2 The systems and procedures of the acceding country must allow the appropriate authorities to enter VAT and GNI-based resources as well as the amounts for the UK correction and for the gross reduction granted to the Netherlands and Sweden, in the account in the name of the Commission (see I.vi), on the first working day of each month as regards the twelfth referred to in Article 10(3). The entries made shall be broken down by type of resource. (**Article 10(3) of Regulation (EC, Euratom) No 1150/2000**).

4.3 If invited to do so by the Commission, for the specific needs of paying the EAGF expenditure, and depending on the EU's cash position, the acceding country must be able, after accession, to bring forward by one or two months, in the first quarter of the financial year, the entry of one-twelfth or a fraction of one-twelfth of the amounts in the budget for VAT and GNI-based resources as well as for the amounts for the UK correction and for the gross reduction granted to the Netherlands and Sweden. (**Article 10(3) of Regulation (EC, Euratom) No 1150/2000**).

4.4 The relevant authorities of the acceding country should be capable of entering the VAT and GNI balances, which are calculated on an annual basis, in the account (see I.vi) on the first working day of December (**Articles 10(4) to 10(8) of Regulation (EC, Euratom) No 1150/2000**).

The balances result from the updating of the VAT bases and GNI data and are calculated on an annual basis by the Commission. A particular adjustment may nonetheless be entered at any time if the Member State concerned and the Commission are in agreement.

4.5. The relevant authorities of the acceding country should be capable of entering the adjustments related to the non participation of some Member States in the financing of a specific Union action or policy, which were calculated on an annual basis, in the account (see I vi) on the first working day of December (**Article 10 a of Regulation (EC, Euratom) No 1150/2000**).

The amount of the adjustment is calculated by the Commission on the basis of the data for the amount of the expenditure involved and the GNI data for the Member States. The adjustment shall be made only once and it shall be final in the event of subsequent modification of the GNI data.

4.6 The acceding country needs to be capable of adapting to the requirements of any readjustments in financing, which may result from the adoption of an Amending Budget (AB).

These readjustments shall be carried out when the first entry is made (in the account in the name of the Commission) following the final adoption of the amending budget if it is adopted prior to the 16th of the month. Otherwise, they shall be made when the second entry following final adoption is carried out (Article 10(3) of Regulation (EC, Euratom) No 1150/2000).

5. INTEREST ON LATE PAYMENTS

Administrative Conditions

5.1 Interest shall be paid in respect of any delay in making the entry in the account referred to in Article 9(1). If the Member State belongs to the Economic and Monetary Union, the interest rate shall be equal to the rate which the European Central Bank applied to its refinancing operations on the first day of the month in which the due date fell, increased by two percentage points. If the Member State does not belong to the Economic and Monetary Union, the interest rate shall be equal to the rate applied on the first day of the month in question by the Central Banks for their main refinancing operations, increases by two percentage points, or, for the Member States for which the Central Bank rate is not available, the most equivalent rate applied on the first day of the month in question on the Member State's money market, increased by two percentage points. In all cases, the applied rate shall be increased by 0,25 of a percentage point for each month of delay. The increased rate shall be applied to the entire period of delay. (**Article 11 of Regulation (EC, Euratom) No 1150/2000**).

The acceding country will be required to provide the Commission, after accession and on a regular basis, with the rates of interest to be applied for the calculation of interest on late payments referred to above.

In cases of belated payments, the Commission makes a formal request to the Member State involved requiring the payment of the interest before a certain date.

6. PROTOCOL ON PRIVILEGES AND IMMUNITIES (PPI)

General remarks

The Protocol on the privileges and immunities of the European Union, is part of the Treaty on the Functioning of the EU and lays down the conditions relating to the privileges and immunities that the EU (including its personnel) shall enjoy, in the territories of the Member States, in order to perform its tasks. The same shall apply to the European Central Bank, the European Monetary Institute, and the European Investment Bank. **(Article 343 of the Treaty on the Functioning of the EU (Protocol n° 7).**

The protocol requires the definition of methods of application, which are included in agreements between Member States and the Commission.

Administrative Conditions

6.1 Local VAT legislation of the acceding country should be adapted such that the Protocol on Privileges and Immunities (PPI) may be applied, to local purchases made by the EU, as soon as accession has taken place. The acceding country should officially inform the Commission before accession of the details of the exemption under national law.

The acceding country might choose to grant tax exemption for local purchases via refund, but the Commission suggests direct exemption. This method is greatly preferable, on the grounds of cost-efficiency and simplicity, to a reimbursement procedure. This method also restricts the possibility of abuse, as efficient control is possible at the level of the supplier. If choosing a method of refund, the acceding country should be aware of interest to be paid under article 71(4) of the Financial Regulation applicable to the general budget of the European Communities (Council Regulation No 1605/2002 of 25 June 2002, OJ L 248, 16.09.2002, p.1.) and to Article 86 of the Regulation laying down detailed rules for the implementation of this Regulation (Commission Regulation No 2342/2002 of 23 December 2002, OJ L 357, 31.12.2002, p. 1.). According to these provisions, default interest is payable in the event of late payment or non-payment.

6.2 The acceding country should officially inform the Commission before accession of the details of the direct VAT exemption for purchases provided for under national law for intra-community purchases made by the European Union **(Article 151(1) of Council Directive 2006/112/EC).**

6.3 The acceding country should officially inform the Commission before accession of the details of the direct exemption of excises under the national law for intra-Community purchases of goods **(Article 12 of Council Directive 2008/118/EC and procedure provided for in Regulation (CE) No 31/96 of the Commission).**

6.4 Prior to accession, the acceding country must officially inform the Commission of the threshold, in Euro, for the VAT exemption on VAT and other indirect taxes. For the sake of equity within Member States, this threshold may not exceed 240€ per invoice, taxes included.

ANNEX I. LEGAL REFERENCES

The following is a list of all legal references mentioned in the check-list[5]:

Council Directive 2006/112/EC of 28 November 2006 on the common system of VAT, as last amended by Council Directive 2010/88/EU of 7 December 2010 .

Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC as last amended by Council Directive 2010/12/EU of 16 February 2010.

Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) as last amended by Regulation 1234/2010 of 15 December 2010

Commission Regulation (EC) No 952/2006 of 29 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards the management of the Community market in sugar and the quota system, as last amended by Commission Regulation (EC) No 1053/2009 of 5 November 2009.

Commission Regulation (EC) No 967/2006 of 29 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards sugar production in excess of the quota, as last amended by Commission Regulation (EC) No 863/2010 of 3 October 2010.

Council Directive 89/130/EEC, Euratom of 13 February 1989 on the harmonization of the compilation of gross national product at market prices.

Council Regulation (EC, Euratom) N° 1287/2003 of 15 July 2003 on the harmonisation of the compilation of gross national income at market prices.

Council Regulation (EEC, Euratom) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of own resources accruing from value added tax, last amended by Council Regulation (EC, Euratom) No 807/2003.

Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code, last amended by Commission Regulation (EC) No 273/2009 EC of 2 April 2009.

Commission Regulation (EC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, last amended by Commission Regulation (EU) No 430/2010 of 20 May 2010.

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[5] Legal changes have been taken into account up to January 2011.

94/168/EC, Euratom: Commission Decision of 22 February 1994 on measures to be taken for the implementation of Council Directive 89/130/EEC, Euratom on the harmonization of the compilation of gross national product at market prices.

Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community, last amended by Regulation (EC) No 715/2010 of the European Parliament and of the Council of 30 August 2010.

97/245/EC, Euratom: Commission Decision of 20 March 1997 laying down the arrangements for the transmission of information to the Commission by the Member States under the Communities' own resources system, as last amended by Commission Decision 2009/504/EC of 28 May 2009.

Council Regulation (EC) No 322/97 of 17 February 1997 on Community Statistics, as last amended by Regulation (EC) No 1882/2003 of the European Parliament and the Council of 29 September 2003.

98/527/EC, Euratom: Commission Decision of 24 July 1998 on the treatment for national accounts purposes of VAT fraud (the discrepancies between theoretical VAT receipts and actual VAT receipts) (notified under document number C (1998) 2202) (Text with EEA relevance).

Council Regulation (EC) No 448/98 of 16 February 1998 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA).

Commission Regulation (EC) No 1889/2002 of 23 October 2002 on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA).

Council Decision (EC, Euratom) No 2010/196 of 16 March 2010 on the allocation of financial intermediation services indirectly measured (FISIM) for the establishment of the gross national income (GNI) used for the purposes of the European Union’s budget and its own resources.

Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000 implementing Decision 2007/436/EC, Euratom on the system of the Communities' own resources, as last amended by Council Regulation (EC, Euratom) No 105/2009 of 26 January 2009.

2007/436/EC, Euratom: Council Decision of 7 June 2007 on the system of the European Communities’ own resources (ORD 2007).

Commission Working Document on calculation, financing, payment and entry in the budget of the correction of budgetary imbalances in favour of the United Kingdom ("the UK correction") in accordance with Articles 4 and 5 of Council Decision 2007/436/EC, Euratom on the system of the European Communities' own resources

Treaty on the Functioning of the European Union

Protocol on the privileges and immunities of the European Union, annexed as Protocol n° 7 to the Treaty on the Functioning of the EU

Council Regulation No 1605/2002 of 25 June 2002, (Financial Regulation), as last amended by Council Regulation N° 1081/2010 of 24 November 2010..

Commission Regulation No 2342/2002 of 23 December 2002 (Financial Regulation Implementing Provisions), as last amended by Commission Regulation n° 478/2007 of 23 April 2007.

ANNEX II. ORGANISATION CHART

DG BUDGET - DIRECTORATE B

Directorate B – Own Resources and financial programming

Unit B1. Multiannual financial framework; funding systems and forecasts; budgetary aspects of enlargement

Unit B2. Revenue management

Unit B3. Control of traditional own resources and assistance to the candidate countries

Unit B4. Control of VAT- and GNI-based resources and ACOR secretariat