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Subject: Proposal for a Regulation of the European Parliament and of the Council
on the financial rules applicable to the general budget of the Union and
amending Regulations (EC) No 2012/2002, and Regulations
(EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013,
(EU) No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013,
(EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013,
(EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 and
(EU) No 652/2014 of the European Parliament and of the Council and
Decision No 541/2014/EU of the European Parliament and of the Council

– *Presidency report on the state of play*

I. INTRODUCTION

1. In accordance with Article 2 of the MFF Regulation, the Commission presented on 14 September 2016 a Communication on the mid-term Review/Revision of the MFF 2014-2020¹. The Communication was accompanied by several legislative acts including the Regulation amending the financial rules applicable to the general budget of the Union and amending sectorial acts (referred to as the “Omnibus proposal”). This MFF mid-term review package was presented to COREPER on 14 and 19 September 2016, followed by a presentation at the General Affairs Council on 20 September 2016.
2. Proposed in a single act, the Omnibus proposal revises the general financial rules as laid down in the Financial Regulation and sectorial rules set out in 15 legislative acts, also taking into account the recent evolution of financial rules.
3. This report presents the progress made under the Slovak Presidency on the Omnibus proposal. It summarises the main lines of discussions and working methods chosen in the Council. Subject to the general principle of “nothing is agreed until everything is agreed”, the report also identifies points on which provisional agreement has been found at working party level as well as issues that are still open and require further discussion. This Presidency report on the state of play aims to facilitate the work of the incoming Presidency.

¹ Communication from the Commission to the European Parliament and the Council on mid-term review/revision of multiannual financial framework, COM(2016) 603 final

II. STATE OF PLAY

1. Working methods in the Council

On 19 September, COREPER entrusted the examination of the proposal to the Budget Committee (COMBUD) and relevant and appropriate sectorial working parties. Due to the complexity and magnitude of the Omnibus proposal, the Slovak Presidency has established a specific working method entrusting expertise to the following competent Council working groups: the Budget Committee (COMBUD), the Working Party on Structural Measures (SMWP), the Working Party on Social Questions (SQWP), the Special Committee on Agriculture (SCA), and the Working Party Transport - Intermodal Questions and Networks (INTERMODAL). See Annex I for a more detailed explanation on working methods.

2. Budget Committee – COMBUD

The Commission presented its proposal for the revision of the Financial Regulation in 6 meetings on 23 and 30 of September and on 4, 10, 14 and 24 October 2016, whereby the presentations as well as the discussion were focused on guiding principles only. The Court of Auditors was invited to all of the above-mentioned meetings while the EIB was invited to the meeting on financial instruments held on 10 October 2016. Generally, Member States stressed the necessity to thoroughly analyse the proposal, and voiced scrutiny reservations, which are still pending. Therefore positions expressed by delegations should be seen as preliminary. Member States also asked for an impact assessment of the entire proposal and examples or case studies, where appropriate, to be provided by the Commission. In order to provide a comprehensive basis for technical work, in particular regarding the move towards a single rule book with the integration of the Financial Regulation (FINREG) and the Rules of Application (RAP), the Commission produced a list of articles of both legislative acts, FIN REG as well as RAP, which are proposed to remain unchanged (see annex II) and Questions & Answers papers to facilitate the discussions. The above mentioned documents might assist Member States to be well prepared for an article by article reading which will most likely start in early 2017.

a) **Block 1:** *General Presentation*

Delegations generally welcomed the aim to simplify budget management, create some flexibility and focus on results.

b) **Block 2:** *Focus on results and simplification for recipients of EU funds*

Member States considered it positive to focus on results while recalling that undue complexity of indicators and additional administrative burden should be avoided. Simplification was considered positive, but there were many questions with respect to how single lump sums (SLS) and simplified cost options (SCO) would work in practice. Preliminary, Member States expressed scepticism on the removal of the no-profit principle for beneficiaries.

c) **Block 3:** *Cross-reliance on audit, assessment, reporting requirements and single set of rules for hybrid actions*

Member States were generally positive on cross-reliance provided that there would be no lowering of audit standards. Member States showed interest towards the combination of instruments, but preliminarily remained sceptical - in particular regarding a shift from shared management rules to indirect/direct management rules.

d) **Block 4:** *More effective use of financial instruments; budgetary guarantees and financial assistance*

Some delegations were critical of extending the use of financial instruments and sceptical about the proposed treatment of reflows from financial instruments. According to them, there is a need for additional information and deeper analysis. The envisaged "contingent liability" needs to be carefully assessed to ensure that it will respect the Own Resources Ceiling. Many Member states were sceptical about the common provisioning fund.

e) **Block 5**: *More flexible budget management*

Particularly in this case preliminary reactions of delegations should be seen in the context of the on-going negotiations of the MFF 2014-2020 regulation revision. Once there is a deal on the MFF revision the substance of this block might be narrowed down. Member States were sceptical of extending the possibility of carry-overs as this would contravene the principle of annuality. Member States were also critical of the increased use of Trust Funds, especially for internal purposes. Member States were very critical on the utilisation of internal assigned revenue for other purposes other than currently foreseen. Many Member States expressed criticism towards the Flexibility Cushion – but some were in favour. Most delegations were critical of the proposed new Article 125, opposing the possibility to shift funds from shared to direct/indirect management. Many Member States were in favour of simplification as regards the mobilisation of EUSF and EGF.

f) **Block 6**: *Streamlining of reporting and other issues (conflict of interest, sponsoring, citizen's participation, panel on financial irregularities).*

This block will have to be analysed in more detail during the article by article reading, as the time was too limited for delegates to express their views. The Commission has expressed its assurance that the streamlined reporting would not reduce the quality and the quantity of information to be provided, but would only regroup it and simplify it in two annual reporting packages.

3. **Structural Measures Working Party - SMWP**

SMWP has been responsible for the examination of the European Structural and Investment (ESI) Funds provisions - modifications to the Common Provisions Regulation (CPR) as well as to fund-specific regulations of the European Social Fund (ESF), the European Regional Development Fund (ERDF) and the European Union Solidarity Fund (EUSF).

The Slovak Presidency grouped the corresponding provisions of the proposal and organised discussions in SMWP into 4 thematic blocks (see below) which were defined in coordination with COMBUD. In SMWP, the provisions related to the ESI Funds have so far been discussed in seven meetings (22 and 29 September; 12, 19 and 26 October; and 14 and 24 November). On 13 October, the Presidency organised a technical meeting with the Commission and the EIB/EIF to facilitate discussion on provisions related to financial instruments. Before the end of this year, additional discussion in SMWP will take place on 8 December 2016.

a) ***Block 1: Simplification for beneficiaries: Simplified Cost Options (SCOs) and Joint Action Plans (JAPs)***

In general, delegations have expressed support to the amendments on flat rate financing, JAPs and the broadened range of SCOs. Several delegations requested more clarity on the relation between SCOs and State Aid, as well as SCOs and Public Procurement. The main outstanding issue has been the extension of the obligation to use SCOs proposed by the Commission in article 67.2a CPR. The Presidency has clarified in its compromise texts the scope of the obligation and provided more flexibility for managing authorities to avoid excessive administrative burden and bottlenecks in the implementation. From the Presidency's viewpoint, the compromise texts prepared for this block on the basis of the Commission's proposal have established a good basis for an agreement among the delegations.

b) ***Block 2: Financial instruments***

This block has been subdivided by the Presidency into a part on the complementarity between EFSI and the ESI Funds and other provisions. This block seems to be the most technical part of the ESI Funds amendments.

Delegations have welcomed the new possibility to entrust the implementation of financial instruments through direct award to national promotional banks (article 38 CPR), even though some further work is needed to define specific conditions for this direct award. The new article 39a CPR, defining special rules for the combination of the ESI Funds and the EFSI, has required thorough examination. Some delegations felt that there is room for additional simplification measures for national and regional financial instruments. A horizontal solution and alignment with other legislative acts will have to be found on tax avoidance provisions.

c) ***Block 3: Other provisions (ESI Funds and EUSF)***

This block contains a wide range of topics, with a general aim to increase legal certainty, introduce new possibilities and additional flexibility into the implementation. So far, discussions on this block have shown that further work might be needed on some provisions, e.g. the eligibility of operations depending on the location (article 70 CPR). However, the Presidency has noted that for this block the delegations proposed several additional amendments beyond the Commission's proposal, e.g. deletion of some common ESF indicators. Some delegations noted that modifications to EUSF have budgetary implications.

d) ***Block 4: Linkages to the Financial Regulation***

The Presidency has decided to postpone the discussion on articles included in this block due to the cross-references with the Financial Regulation (not yet fully examined by COMBUD - see also Annex III of this report). However, several delegations expressed concerns on article 30a CPR (linked to article 125 of the Financial Regulation) which would enable Member States to transfer the ESI Funds resources to other EU instruments.

The working method used for the ESI Funds provisions has proven particularly useful and effective. It included numerous exchanges of views and deliberations based on Questions & Answers documents for blocks 1, 2 and 3 prepared by the Commission services on the basis of questions from Member States. This working method has enabled the Presidency to proceed quickly with the drafting phase. Three compromise texts for block 1 (WK 586/2016 INIT, WK 847/2016 INIT, WK 1525/2016 INIT) have already been presented to the delegations and a compromise text for block 3 (WK 1375/2016 INIT) will be discussed at working party level before the end of the year. Further work will continue during the incoming Presidency, in particular on blocks 2, 3 and 4.

4. Social Questions Working Party – SQWP

SQWP has been tasked with examining amendments to the provisions of three different Regulations - the Employment and Social Innovation Programme (EaSI), the European Globalisation Adjustment Fund (EGF) and the Fund for European Aid to the Most Deprived (FEAD).

The Presidency convened two WP sessions to discuss these provisions. During the first session held on 18 October 2016, the Commission presented its proposal focused on provisions related to EaSI, EGF and FEAD. Based on questions from the Member States, the Commission prepared a Questions & Answers document. These replies from the Commission have contributed towards a better understanding of the proposal, while also allowing Member States to examine the text more thoroughly. The second WP session held on 10 November 2016 was based on COM's replies to the written questions. Member States were also given the opportunity to present further reactions on the proposal.

a) *EaSI (Article 263)*

Several Member States expressed concerns about the proposal to modify the indicative percentages allocated to the axis of the EaSI Programme. They felt that the text would lose the right balance and that it would shift the original social focus of EaSI away. On the other hand, some Member States were supportive of the proposal and underlined that it was important for EaSI to be flexible, so that resources could be allocated where they are most needed, not least in order to face current challenges and support employment policies. Moreover, it should be noted that there is an on-going public consultation on the EaSI Programme launched by the COM in the context of a mid-term evaluation until 11 January 2017. The consultation should contribute to the assessment of the relevance, effectiveness, and other aspects of the EaSI Programme.

b) *EGF (Article 271)*

Overall Member States support COM proposal and did not identify any specific concerns. However, several scrutiny reservations have been placed.

c) *FEAD (Article 273)*

Even though there is broad support for the proposal among the Member States, several scrutiny reservations remain.

To summarise, provisions on EGF and FEAD as proposed by the Commission preliminary do not seem to cause any problem to Member States. There are some outstanding issues to be solved in the proposal on EaSI and some technical matters to be taken into account within FEAD. In addition, several Member States have placed scrutiny reservations on all three articles, requesting more time to analyse the current proposal in more detail. Therefore the work on this file will need to continue during the incoming Presidency.

5. Special Committee on Agriculture – SCA

SCA has been responsible for the examination of changes proposed to all four basic acts establishing the current legal framework for the common agricultural policy (CAP): Regulation (EU) 1305/2013 (rural development), Regulation (EU) 1306/2013 (the "horizontal" regulation), Regulation (EU) 1307/2013 (direct payments) and Regulation (EU) 1308/2013 (common market organisation).

In the field of agriculture, the proposal constitutes a second phase of the ongoing CAP simplification exercise. It follows several waves of modifications to simplify Commission guidelines and delegated and implementing acts. The aim of simplification is to ease the burden on, and make life easier for, both farmers and national and regional authorities.

The Commission presented the agricultural part of the proposal at the SCA on 26 September 2016 and at the AGRI/FISH Council on 10 October 2016. The SCA then embarked on a detailed examination of the proposal at its meetings on 24 October and 7 and 21 November 2016 and considered the present report at its meeting on 28 November.

A detailed account of the discussions so far can be found in doc 13216/4/16 REV4. These discussions have enabled the Presidency to establish the following provisional classification of the amendments proposed by the Commission:

a) Rural development

Acceptable as is or with minor editorial changes: promotion of quality products

Need further discussion: definitions, content of rural development programmes, investments in physical assets, farm and business development basic services and village renewal, risk management, mutual funds, income stabilization tool, investments, selection of operations, fund contribution, eligibility of expenditure, verifiability and controllability of measures and Monitoring Committee

Unacceptable: -

b) *Horizontal regulation*

Acceptable as is or with minor editorial changes: automatic decommitment for rural development programmes

Need further discussion: financial discipline, assignment of revenue and undue payments and administrative penalties

Unacceptable: 50/50 rule

c) *Direct payments*

Acceptable as is or with minor editorial changes: voluntary coupled support

Need further discussion: national ceilings for single area payment scheme, active farmer, and payment for young farmers

Unacceptable: -

d) *Common market organisation*

Acceptable as is or with minor editorial changes: allocation process of tariff quotas

Need further discussion: coaching to producer organizations

Unacceptable: national financial assistance

Member States' requests for additional amendments

In addition to commenting on the Commission's proposal, delegations suggested several additional amendments to provisions in the four basic acts: they are set out as well as initial reactions to them in doc. 13216/4/16 REV 4.

Veterinary and phytosanitary-related provisions

The Chief Veterinary Officers Working Party and Chief Plant Health Officers Working Party discussed the changes proposed to Regulation (EU) 652/2014 at their meetings on 8 November and 25 November respectively. During the examination of these changes from a veterinary and phytosanitary point of view delegations did not indicate any objections.

Next steps

In addition to the present State of play report, the Presidency will also provide a more detailed technical document by the end of the year to summarize the state of play of discussions on the agricultural provisions, *inter alia* by reflecting the additional amendments suggested by delegations, and to provide a basis for continued discussions under the incoming Presidency.

6. Working Party on Transport - Intermodal Questions and Networks – INTERMODAL

Working Party on Transport – Intermodal Questions and Networks has been responsible for taking stock of modifications in three regulations: regulation 1316/2013 establishing the Connecting Europe Facility, regulation 283/2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and regulation 541/2014 establishing a Framework for Space Surveillance and Tracking Support.

INTERMODAL WP decided to entrust the expert scrutiny to the following working parties:

- Working Party on Land Transport (H.1) has been examining parts of the proposal related to land transport – articles 16 and 17 of Reg. N° 1316/2013.
- Telecommunications and Information Society Working Party (H.5) has been examining parts of the proposal related to telecommunications infrastructure – Reg. N° 283/2014 and article 22 of Reg. N° 1316/2013.
- Working Party on Space (G.22) has been examining parts of the proposal related to space – Dec. N° 541/2014.

Chairs of the three working parties transmit the result of their examination to the Intermodal Working Party. Intermodal Working Party informs the delegations about the on-going work related to transport, telecommunications and space.

WP on Land Transport discussed the Omnibus provisions related to changes in Reg. 1316/2013 (article 16 and 17) in the meetings of 7 October and 25 November. The delegations concluded that the purpose and practical application of article 16a on CEF blending facilities is still not clear and has to be discussed in the context of the revision of the Financial Regulation.

The Telecommunications and Information Society WP started discussion on the Omnibus proposal on 29 November 2016, with a presentation of the Commission. Deliberations on individual articles will be held on 8 and possibly on 12 December 2016, if deemed necessary.

The Space WP informed its delegates about the amendments related to decision N° 541/2014 (part of the Omnibus proposal) on 18 October 2016. The Space WP examined the amendments related to dec. N° 541/2014, Space Surveillance and Tracking (SST) programme on 3 November and considered that the text proposed could be accepted without any changes. The position of the Space WP on the above mentioned modifications has already been transmitted to the INTERMODAL Working Party. One Member State has a general scrutiny reservation on the SST proposal.

III. HORIZONTAL ISSUES

1. The Commission insisted on the need for speedy adoption to allow entry into force on 1 January 2018 with a view of benefiting from the simplification and increased flexibility during the second half of the current MFF. The Commission has repeatedly stressed that co-legislators should avoid tabling additional amendments beyond the original legislative proposal.

2. The Presidency reiterates that there is a legal hierarchy between general financial rules stipulated in Financial Regulation and sectorial financial rules stipulated in the 15 legislative acts. That is why an enhanced coordination of work streams and alignment in different Working Parties will be needed.
3. Due to hierarchical legal relation between the Common Provisions Regulation (CPR) and Fund-specific regulations for the 5 ESI Funds, any modifications to the CPR require alignment with the Fund-specific regulations.
4. The Presidency recalls that during the discussions on the adoption of the FEAD Regulation in 2013, it was agreed that the FEAD would use the same management and control system and financial management system as the one provided in the CPR. From this point of view, the provisions of the FEAD Regulation which are linked to financial management and management and control should, as far as possible and where appropriate, correspond with those of the CPR.

IV. WAY FORWARD

The Slovak Presidency has closely collaborated with the incoming Maltese Presidency to ensure continuity in the work on the proposal within the Council and its preparatory bodies.

The Presidency notes that the European Parliament is giving high priority to this dossier and encourages the EP to take decision on the modalities of internal cooperation by the end 2016. The Presidency would welcome a working method in the EP which is similar to the one decided in the Council.

V. CONCLUSION

From the Presidency's viewpoint, clear progress has been made on the examination of the Omnibus proposal during the Slovak term, particularly on the provisions concerning the ESI Funds. Nevertheless, the examination of the overall Omnibus proposal is still, in general terms, at an early stage and further work is required to reach an agreement at the Council level.

Coreper is invited to take note of the state of play of examination and negotiations on the Omnibus proposal.

Working method in the Council in relation to examining an “OMNIBUS” proposal to simplify financial rules under the Financial regulation and relevant basic acts

Budget Committee (D.7 COMBUD) will be responsible for the technical scrutiny of the following provisions of the OMNIBUS regulation:

Introductory parts, Financial regulation (Articles 1 – 261), Final and Transitional provisions (**Articles 277 – 280**), ANNEX 1 (ST 12187/16 ADD1)

Working Party on Structural Measures (B.5 SMWP) will be responsible for the technical scrutiny of the following provisions of the OMNIBUS regulation:

1. Modifications to the Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (**Article 264**)
2. Modifications to the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (**Article 265**)
3. Modifications to the Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (**Article 266**)
4. Modifications to the Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund (**Article 262**)

Working Party on Social Questions (I.1 SQWP) will be responsible for the technical scrutiny of the following provisions of the OMNIBUS regulation:

1. Modifications to the Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (**Article 263**)
2. Modifications to the Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (**Article 271**)
3. Modifications to the Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (**Article 273**)

Special Committee on Agriculture (A.8 SCA) will be responsible for the technical scrutiny of the following provisions of the OMNIBUS regulation:

1. Modifications to the Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (**Article 267**)
2. Modifications to the Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (**Article 268**)
3. Modifications to the Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (**Article 269**)

4. Modifications to the Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (**Article 270**)
5. Modifications to the Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC (**Article 275**)

Working Party Transport - Intermodal Questions and Networks (H.04 INTERMODAL) will be responsible for the technical scrutiny of the following provisions of the OMNIBUS regulation:

1. Modifications to the Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (**Article 272**)
2. Modifications to the Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC Text with EEA relevance (**Article 274**)
3. Modifications to the Decision No 541/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Framework for Space Surveillance and Tracking Support (**Article 276**)

Table - list of articles of the Financial Regulation and Rules of Application, which are proposed to remain unchanged (not to be modified).

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 1(1)	Article 1(1)	Minor modification ("Euratom")
Article 2.13	Article 2(s)	
Article 2.18	Article 2(r)	
Article 2.24	Article 2(m)	
Article 2.30	Article 2(l)	
Article 2.34	Article 2(k)	
Article 2.44	Article 2(j)	
Article 2.46	Article 2(n)	
Article 2.50	Article 2(o)	
Article 2.52	Article 2(q)	
Article 2.58	Article 2(a)	
Article 2.59	Article 2(b)	Minor modification ("Union added")
Article 3	Article 3	Minor modification ("comply" instead of "respect")
Article 4	Article 4	Minor modification (lawyer-linguist)
Article 7.2,3,4,5	Article 10+Article 3RAP	
Article 9	Article 9	Minor modification
Article 16	Article 17	Minor modification
Article 19	Article 20	Minor modif (title of Art.)

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 25	Article 23	Minor modification (lawyer-linguist)
Article 26(1)	Article 24	
Article 26(2) 2 nd §	Article 28(1)	
Article 26(2)3rd &4th §	Article 13 RAP	
Article 27(2)(3)	Article 25(2)(3)	
Article 28(1)(a)&(b)	Article 26(1)(a)&(b)	
Article 28(2)	Article 26(2)+Article 16RAP	
Article 33(1)(2)(3)	Article 31+Article 19RAP	Minor modification in Art. 33(3) – Addition of "non- achievement of objectives"
Article 33(4)	Article 33	
Article 34(2)(4)(5)	Article 32(2)(4)(5)	
Article 37	Article 36	
Article 40	Article 39	
Article 41	Article 40	Reference to Regulation 1150/2000 updated
Article 42(2)&(4)	Article 41(2) + Article 24 RAP	
Article 43	Article 42	
Article 44	Article 43	
Article 45 (1)& (2)4th sub- paragraph	Article 44(1) & Article 25 RAP	
Article 45(3)	Article 44(3)	
Article 47	Article 46	

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 51	Article 50	
Article 52	Article 51	
Article 53	Article 52	
Article 56	Article 54+Article 30RAP+Article 39(2)(f)	
Article 58(1)	Article 56(1)	
Article 64.2	Article 197	
Article 64(3)	Article 196(2)	
Article 67	Article 1(2)	
Article 69 (4)to(6)	Article 208(2) to (4)	
Article 71(1)	Article 64(1)	
Article 71(2)	Article 45(1) RAP	
Article 72(1) to (4)	Article 65(1) to (4)	
Article 72(7)	Article 65(9)	
Article 73(3) and (4)	Article 66(3) and (4)	
Article 75(3)	Article 67(3) to (5)	
Article 77(1) and (2)	Article 54(1) and (2)RAP	
Article 77(3)	Article 55(1) RAP	
Article 80(4)	Article 52 RAP, 68(4) FR	
Article 80(6)	Article 68(5)	
Article 80(7) and (8)	Article 151(1) and (2)	
Article 81(1)	Article 153	
Article 81(2) to (4)	Article 154(1) to (3)	

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 82(4)	Article 68(8)	
Article 84(2)	Article 157(2)	
Article 86(3)	Article 70(2)	
Article 87(1) and (2)	Article 71(1) and (2)	
Article 88(1)	Article 72(1)	
Article 89(1) and (3) to (4)	Article 73(1) and (3) to (4)	
Article 92(1)	Article 74(1)	
Article 95(1) to (2)	Article 77(1) to (2)	
Article 96(3)	Article 81 RAP	
Article 96(5)	Article 78(3)	
Article 98(1)	Article 79(1)	
Article 99(3) and (4)	Article 91(2) RAP	
Article 99(7) to (9)	Article 80(3) to (5)	
Article 100(3)	Article 87(3) RAP	
Article 101	Article 88(1) and 88(2) RAP	
Article 102	Article 89 RAP	
Article 103 (2),(3),(4),(5),(6)	Article 93 (1) to (5)RAP	
Article 104	Article 82	
Article 106(2)	Article 90(2) RAP	
Article 108(3)	Article 94(4) RAP	
Article 110(2)	Article 85(4)	
Article 110(4)	Article 95(1) and 96(2) RAP	
Article 111(2)	Article 170(2)	

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 111(4) and (5)	Article 171(1) and (3)	
Article 113(1)	Article 91	
Article 113(3) and (4)	Article 90(2) and (3)	
Article 115(1) and (2)	Article 98	
Article 115 (3) to (7)	Article 114(1) to (5) RAP	
Article 116 (1) and (2)	Article 99(1) and (2)	
Article 116(3)	Article 99(3) FR and Article 117(2) RAP	
Article 116(4) and (5)	Article 117(1) and (5) RAP	
Article 116 (6), (7) and (9)	Article 99(3a), (4) and (6)	
Article 116(10)	Article 115 RAP	
Article 117	Article 116 RAP	
Article 119	Article 119 RAP	
Article 120	Article 120 RAP	
Article 141(2)	Article 94	
Article 143 (2) and (3)	Article 121 (9) and (10) RAP	
Article 154(1),(2),(3)	Article 102	Minor modification (title of the Article)
Article 157	Article 103	
Article 158	Article 104	
Article 160	Article 105	
Article 165	Article 114	
Article 168(2)	Article 167 RAP	
Article 169	Article 118	Minor modifications

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 170(1)	Article 119	
Article 171	Article 120	
Article 173	Article 191	
Article 179 (1) and (3)	Article 124(3)	
Article 180 (3)	Article 126(2)	
Article 181(2)	Article 122(1)	
Article 191(3)	Article 202(2)	
Article 193 (1)	Article 133(1)	
Article 193 (4) and (5)	Article 204 (4) and (5)	
Article 199(1)	Article 138(1)	
Article 199(3)	Article 138(4)	
Article 181	Article 122	
Article 185(1) 3rd sub-paragraph	Article 193 RAP	
Article 200(5)	Article 213 RAP	
Article 214	Article 204a	
Article 215	Article 204b	
Article 216	Article 204c	
Article 217	Article 204d	
Article 221	Article 204k	
Article 222	Article 204l	
Article 223	Article 204m	
Article 226	Article 204p	

<u>PROPOSAL</u>	<u>CURRENT FINREG/ RAP</u>	<u>COMMENTS</u>
Article 227(2)	Article 187(8)	
Article 227(3)	Article 187(3)	
Article 227(5)	Article 187(5)	
Article 228(1)	Article 187(2)	
Article 229(4)	Article 186(4)	
Article 248	Article 160	
Article 230(2)	Article 204 second subparagraph	
Article 230(4)	Article 287(3) RAP	
Article 249	Article 161	
Article 251	Article 163	
Article 252	Article 164	
Article 253	Article 165	
Article 254	Article 166	
Article 255	Article 167	
Article 256(2)	Article 283 RAP	
Article 256(3)	Article 203(2)	
Article 256(4)	Article 284 RAP	
Article 258(2)	Article 203(4)	
Article 258(4)	203(6)	
Article 258(6)	203(8)	
Article 259	Article 286 (2) to (5) RAP	
Article 260	Article 206	

<u>PROPOSAL</u> <u>Annex</u>	<u>CURRENT FINREG/ RAP</u>
Point 6 of the Annex	Article 128RAP
Point 7 of the Annex	Article 129 RAP
Point 8 of the Annex	Article 130 RAP
Point 9 of the Annex	Article 131 RAP
Point 10 of the Annex	Article 132 RAP
Point 11 of the Annex	Article 134 RAP
Point 12 of the Annex	Article 135 RAP
Point 13 of the Annex	Article 136 RAP
Point 14 of the Annex	Article 136a RAP
Point 16 of the Annex	Article 138 RAP
Point 17 of the Annex	Article 139 RAP
Point 18 of the Annex	Article 146 RAP
Point 20 of the Annex	Article 148 RAP
Point 33 of the Annex	Article 168 RAP
Point 34 of the Annex	Article 169 RAP
Point 35 of the Annex	Article 171 RAP
Point 40 of the Annex	Article 273 RAP

Source: European Commission, DG BUDGET

*All paragraphs related to the empowerment of the Commission of Regulation (EU, Euratom) No 966/2012 have been deleted with the exception of Articles 69 (Bodies set up under the TFEU and the Euratom Treaty), 70 (Public-private partnership bodies) and 155 (Annex on procurement and exercise of the delegation) of the current proposal.

An indicative list of cross-references and linkages between the Financial Regulation (FR) and sector-specific regulations within the Omnibus proposal where consistency and alignment should be maintained

Structural Measures Working Party	
<p><i>Corresponding articles of the Omnibus regulation</i></p>	<p><i>Corresponding articles of the sectoral legislation</i></p>
<p>Article 262</p>	<p>Articles in the Regulation 2012/2002 linked to FR Art. 4 EUSF Regulation - Art. 28 FR</p>
<p>Article 265 – paragraphs 6 10 11, 13 14 22</p>	<p>Articles in the Regulation 1303/2013 linked to FR Art. 30a CPR (linked to Article 125 FR) Art. 37 CPR (possibility for ex-ante assessments to take into account ex-ante evaluations for EU-level instruments linked to Article 202(1)(h) FR) Articles 38 and new 39a CPR (conflict of interest rules linked to Article 59 FR; tax compliance rules linked to Article 150 FR; direct award extended to publicly-owned banks linked to Article 201 FR) Art. 40 CPR (avoiding double audit linked to Article 123 FR) Art. 58 CPR Technical assistance at the initiative of the Commission (linked to Art. 45 FR Budget Nomenclature)</p>
<p>2, 10b, 11c, 12a, 13, 31 to 35, 50b, 51 to 56, 58 and 59</p>	<p>Art. 4, 37, 38, 39, 39a, 75, 76, 79, 83, 84, 125, 126, 127, 134, 137, 138, 139, 145, 147 CPR – References to FR – <i>only changes in the number of referenced articles</i></p>

Articles in the Financial Regulation of relevance for Regulations 1301/2013, 1303/2013, and 1304/2013:

Art. 54 FR – Budget implementation in accordance with the principle of sound financial management and citizens' opinion

Art. 14 FR – Making de-committed appropriations available again

Art. 59 FR – Conflict of interest

Art. 62 FR – Shared implementation with Member States

Art. 121 FR – Forms of Union contribution

Art. 122 - Cross-reliance on assessment

Art. 123 FR – Cross-reliance on audits

Art. 125 FR – Transfer of resources to instruments established under this regulation or sector specific Regulations

Art. 175 FR - Lump sums, unit costs and flat-rate financing

Art. 176 FR - Single lump sums

Art. 177 FR - Checks and controls on beneficiaries related to lump sums, unit costs and flat rates

Art. 182 FR - General principles applicable to grants

Art. 150 (2) FR – Implementation (*of indirect implementation*)

Art. 201 FR – Scope and implementation (*of Financial Instruments*)

Art. 202 FR – Principles and conditions applicable to financial instruments and budgetary guarantees

Art. 208 FR – Rules and implementation (*of financial instruments*)

Art. 210 FR – Treatment of contributions under shared implementation

Art. 280 FR – Entry into force

Special Committee on Agriculture

<i>Corresponding articles of the Omnibus regulation</i>	<i>Corresponding articles of the sectoral legislation</i>
Article 268 – paragraph 1	<p>Article in the Regulation 1306/2013 linked to FR</p> <p>Art. 26(5) – reimbursement of appropriations carried over - Art. 12(2)d FR</p> <p>Articles in Financial Regulation of relevance to Agriculture [(including regarding the EAGF and EAFRD)]:</p> <p>[Art. 10(5) FR – booking of expenditures under the EAGF</p> <p>Art. 11(2) FR – small commitments under EAGF]</p> <p>Art. 12(2)(d) FR – carry over of appropriations art. 26 - 1306/2013</p> <p>Art. 12(3)(d) FR – carry over of appropriations - [EAGF and] art. 41 - 1306/2013</p> <p>[Art. 28(1) FR – transfer of appropriations - EAGF</p> <p>Art. 29(5) FR – transfer proposals submitted to EP/Council - EAGF]</p> <p>Art. 30(3) FR – transfer of internal assigned revenues - EAGF/EAFRD</p> <p>[Art. 62 FR – shared implementation with Member States - EAGF / EAFRD]</p> <p>Art. 62(5), (8) FR – shared implementation with Member States (use of guidelines, deadlines) - EAGF / EAFRD and corresponding provisions in 1305/2013 and 1306/2013</p> <p>[Art. 111 FR – commitments for EAGF appropriations]</p> <p>Art. 201 FR – Scope and implementation (<i>of Financial Instruments</i>)</p> <p>Art. 202 FR – Principles and conditions applicable to financial instruments and budgetary guarantees</p> <p>Art. 208 FR – Rules and implementation (<i>of financial instruments</i>)</p> <p>Art. 210 FR – Treatment of contributions under shared implementation</p>

Social Questions Working Party

<i>Corresponding articles of the Omnibus regulation</i>	<i>Corresponding articles of the sectoral legislation</i>
Article 271 – paragraph 3	Articles in the Regulation 1309/2013 linked to FR Art. 15(4) - Budgetary procedure – Art. 30(5) FR
Article 273 – paragraphs 2 and 3	Articles in Financial Regulation of relevance for Regulation 223/2014 Articles 25 and 26 – simplified cost options – Title VIII FR Grants – in particular Article 175 FR

WG INTERMODAL - Transport, telecommunications and space working parties

<i>Corresponding articles of the Omnibus regulation</i>	<i>Corresponding articles of the sectoral legislation</i>
Article 272 – paragraph 1	Articles in the Regulation 1316/2013 linked to FR Art. 16a - CEF blending facilities - Art. 153 FR

Source: SK PRES and European Commission