

Treaty amending Certain Budgetary Provisions (22 April 1970)

Caption: Treaty amending certain budgetary provisions of the Treaties establishing the European Communities and of the Treaty establishing a Single Council and a Single Commission of the European Communities, signed in Luxembourg on 22 April 1970.

Source: Official Journal of the European Communities (OJEC). 02.01.1971, No L 2. [s.l.]. ISSN 0378-6978. "Treaty amending certain budgetary provisions of the treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities (22 April 1970)", p. 1.

Copyright: All rights of reproduction, public communication, adaptation, distribution or dissemination via Internet, internal network or any other means are strictly reserved in all countries.

The documents available on this Web site are the exclusive property of their authors or right holders.

Requests for authorisation are to be addressed to the authors or right holders concerned.

Further information may be obtained by referring to the legal notice and the terms and conditions of use regarding this site.

URL: http://www.cvce.eu/obj/treaty_amending_certain_budgetary_provisions_22_april_1970-en-93a76f6b-b740-40f0-8b30-2c7c25fa625d.html

Last updated: 27/08/2015

Treaty amending certain budgetary provisions of the Treaties establishing the European Communities and of the Treaty establishing a Single Council and a Single Commission of the European Communities

Chapter I — Provisions amending the Treaty establishing the European Coal and Steel Community.....

Chapter II — Provisions amending the Treaty establishing the European Economic Community..

Chapter III — Provisions amending the Treaty establishing the European Atomic Energy Community.....

Chapter IV — Provisions amending the Treaty establishing a Single Council and a Single Commission of the European Communities.....

Chapter V — Final provisions.....

HIS MAJESTY THE KING OF BELGIUM,

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,

THE PRESIDENT OF THE FRENCH REPUBLIC,

THE PRESIDENT OF THE ITALIAN REPUBLIC,

HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,

HER MAJESTY THE QUEEN OF THE NEDERLANDS,

HAVING REGARD to Article 96 of the Treaty establishing the European Coal and Steel Community;

HAVING REGARD to Article 236 of the Treaty establishing the European Economic Community;

HAVING REGARD to Article 204 of the Treaty establishing the European Atomic Energy Community;

CONSIDERING that the Communities will have at their disposal their own resources in order to cover their total expenditure,

CONSIDERING that the replacement of financial contributions of Member States by the Communities' own resources requires a strengthening of the budgetary powers of the European Parliament,

RESOLVED to associate the European Parliament closely in the supervision of the implementation of the budget of the Communities,

HAVE DECIDED TO amend certain budgetary provisions of the Treaties establishing the European Communities and of the Treaty establishing a Single Council and a Single Commission of the European Communities and to this end have designated as their Plenipotentiaries:

HIS MAJESTY THE KING OF BELGIANS:

Mr Pierre HARMEL,
Minister for Foreign Affairs;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Mr Walter SCHEEL,
Minister for Foreign Affairs;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr Maurice SCHUMANN,
Minister for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr Aldo MORO,
Minister for Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr Gaston THORN,
Minister for Foreign Affairs and for External Trade;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr H. J. de KOSTER,
Under-Secretary of State for Foreign Affairs;

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED as follows:

Chapter I — Provisions amending the Treaty establishing the European Coal and Steel Community

Article 1

The following provisions shall be substituted for Article 78 of the Treaty establishing the European Coal and Steel Community:

“Article 78

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

The administrative expenditure of the Community shall comprise the expenditure of the High Authority, including that relating to the functioning of the Consultative Committee, and that of the Court, the European Parliament and the Council.

2. Each institution of the Community shall, before 1 July, draw up estimates of its administrative expenditure. The High Authority shall consolidate these estimates in a preliminary draft administrative budget. It shall attach thereto an opinion which may obtain different estimates.

The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.

3. The High Authority shall place the preliminary draft administrative budget before the Council not later than 1 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the High Authority and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council shall, acting by a qualified majority, establish the draft administrative budget and forward it to the European Parliament.

4. The draft administrative budget shall be placed before the European Parliament not later than 5 October of the year preceding that which the budget is to be implemented.

The European Parliament shall have the right to amend the draft administrative budget, acting by a majority of its members, and to propose to the Council, acting by an absolute majority of the votes cast, modifications to the draft budget relating to expenditure necessarily resulting from this Treaty or from acts adopted in

accordance therewith.

If, within 45 days of the draft administrative budget being placed before it, the European Parliament has given its approval, the administrative budget shall stand as finally adopted. If within this period the European Parliament has not amended the draft administrative budget nor proposed any modifications thereto, the administrative budget shall be deemed to be finally adopted.

If within this period the European Parliament has adopted amendments or proposed modifications, the draft administrative budget together with the amendments or proposed modifications shall be forwarded to the Council.

5. After discussing the draft administrative budget with the High Authority and, where appropriate, with the other institutions concerned, the Council may, acting by a qualified majority, modify any of the amendments adopted by the European Parliament and shall pronounce, also by a qualified majority, on the modifications proposed by the latter. The draft administrative budget shall be modified on the basis of the proposed modifications accepted by the Council.

If, within 15 days of the draft administrative budget being placed before it, the Council has not modified any of the amendments adopted by the European Parliament and has accepted the modifications proposed by the latter, the administrative budget shall be deemed to be finally adopted. The Council shall inform the European Parliament that it has not modified any of the amendments and has accepted the proposed modifications.

If within this period the Council has modified one or more of the amendments adopted by the European Parliament or has not accepted the modifications proposed by the latter, the draft administrative budget shall again be forwarded to the European Parliament. The Council shall inform the European Parliament of the results of its deliberations.

6. Within 15 days the draft administrative budget being placed before it, the European Parliament, which shall have been notified of the action taken on its proposed modifications, shall act, by a majority of its members and three fifths of the votes cast, on the modifications to its amendments made by the Council, and shall adopt the administrative budget accordingly. If within this period the European Parliament has not acted, the administrative budget shall be deemed to be finally adopted.

7. When the procedure provided for in this Article has been completed, the President of the European Parliament shall declare that the administrative budget has been finally adopted.

8. A maximum rate of increase in relation to the expenditure of the same type to be incurred during the current year shall be fixed annually for the total expenditure other than that necessarily resulting from this Treaty or from acts adopted in accordance therewith.

The High Authority shall, after consulting the Conjunctural Policy Committee and the Budgetary Policy Committee, declare what this maximum rate is at as it results from:

- the trend, in terms of volume, of the gross national product within the Community;
- the average variation in the budgets of the Member States;

and

— the trend of the cost of living during the preceding financial year.

The maximum rate shall be communicated, before 1 May, to all the institutions of the Community. The latter shall be required to conform to this during the budgetary procedure, subject to the provisions of the fourth and fifth subparagraphs of this paragraph.

If, in respect of expenditure other than necessarily resulting from this Treaty or from acts adopted in accordance therewith, the actual rate of increase in the draft administrative budget established by the Council is over half the maximum rate, the European Parliament may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate.

Where, in exceptional cases, the European Parliament, the Council or the High Authority considers that activities of the Communities require that the rate determined according to the procedure laid down in this paragraph should be exceeded, another rate may be fixed by agreement between the Council, acting by a qualified majority, and the European Parliament, acting by a majority of its members and three fifths of the votes cast.

9. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of this Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure.

10. Final adoption of the administrative budget shall have the effect of authorizing and requiring the High Authority to collect the corresponding revenue in accordance with the provisions of Article 49."

Article 2

The following provisions shall be added to the Treaty establishing the European Coal and Steel Community:

"Article 78a

By way of derogation from the provisions of Article 78, the following provisions shall apply to budgets for financial years preceding the financial year 1975:

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

The administrative expenditure of the Community shall comprise the expenditure of the High Authority, including that relating to the functioning of the Consultative Committee, and that of the Court, the European Parliament and the Council.

2. Each institution of the Community shall, before 1 July, draw up estimates of its administrative expenditure. The High Authority shall consolidate these estimates in a preliminary draft administrative budget. It shall attach thereto an opinion which may obtain different estimates.

The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.

3. The High Authority shall place the preliminary draft administrative budget before the Council not later

than 1 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the High Authority and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council shall, acting by a qualified majority, establish the draft administrative budget and forward it to the European Parliament.

4. The draft administrative budget shall be placed before the European Parliament not later than 5 October of the year preceding that which the budget is to be implemented.

The European Parliament shall have the right to propose to the Council modifications to the draft budget.

If, within 45 days of the draft administrative budget being placed before it, the European Parliament has given its approval or has given its approval or has not proposed any modifications to the draft budget, the administrative budget shall be deemed to be finally adopted.

If within this period the European Parliament has proposed modifications, the draft administrative budget together with the proposed modifications shall be forwarded to the Council.

5. The Council shall, after discussing the draft administrative budget with the High Authority and, where appropriate, with the other institutions concerned, adopt the administrative budget, within 30 days of the draft budget being placed before it, under the following conditions.

Where a modification proposed by the European Parliament does not have the effect of increasing the total amount of the expenditure of an institution, owing in particular to the fact that the increase in expenditure which it would involve would be expressly compensated by one or more proposed modifications correspondingly reducing expenditure, the Council may, acting by a qualified majority, reject the proposed modification. In the absence of a decision to reject it, the proposal modification shall stand as accepted.

Where a modification proposed by the European Parliament has the effect of increasing the total amount of the expenditure of an institution, the Council must act by a qualified majority in accepting the proposed modifications.

Where, in pursuance of the second or third subparagraphs of this paragraph, the Council has rejected or has not accepted a proposed modification, it may, acting by a qualified majority, either retain the amount shown in the draft administrative budget or fix another amount.

6. When the procedure provided for in this Article has been completed, the President of the Council shall declare that the administrative budget has been finally adopted.

7. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of this Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure.

8. Final adoption of the administrative budget shall have the effect of authorizing and requiring the High Authority to collect the corresponding revenue in accordance with the provisions of Article 49."

Article 3

The following provisions shall be substituted for the last paragraph of Article 78d of the Treaty establishing the European Coal and Steel Community:

“The Council and the European Parliament shall give a discharge to the High Authority in respect of the implementation of the administrative budget. To this end, the report of the Audit Board shall be examined in turn by the Council, which shall act by a qualified majority, and by the European Parliament. The High Authority shall stand discharged only after the Council and the European Parliament have acted.”

Chapter II — Provisions amending the Treaty establishing the European Economic Community**Article 4**

The following provisions shall be substituted for Article 203 of the Treaty establishing the European Economic Community:

“*Article 203*

1. The financial year shall run from 1 January to 31 December.
2. Each institution of the Community shall, before 1 July, draw up estimates of its expenditure. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may obtain different estimates.

The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.

3. The Commission shall place the preliminary draft budget before the Council not later than 1 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the Commission and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council shall, acting by a qualified majority, establish the draft budget and forward it to the European Parliament.

4. The draft budget shall be placed before the European Parliament not later than 5 October of the year preceding that which the budget is to be implemented.

The European Parliament shall have the right to amend the draft budget, acting by a majority of its members, and to propose to the Council, acting by an absolute majority of the votes cast, modifications to the draft budget relating to expenditure necessarily resulting from this Treaty or from acts adopted in accordance therewith.

If, within 45 days of the draft budget being placed before it, the European Parliament has given its approval, the budget shall stand as finally adopted. If within this period the European Parliament has not amended the draft budget nor proposed any modifications thereto, the administrative budget shall be deemed to be finally

adopted.

If within this period the European Parliament has adopted amendments or proposed modifications, the draft budget together with the amendments or proposed modifications shall be forwarded to the Council.

5. After discussing the draft budget with the Commission and, where appropriate, with the other institutions concerned, the Council may, acting by a qualified majority, modify any of the amendments adopted by the European Parliament and shall pronounce, also by a qualified majority, on the modifications proposed by the latter. The draft budget shall be modified on the basis of the proposed modifications accepted by the Council.

If, within 15 days of the draft being placed before it, the Council has not modified any of the amendments adopted by the European Parliament and has accepted the modifications proposed by the latter, the budget shall be deemed to be finally adopted. The Council shall inform the European Parliament that it has not modified any of the amendments and has accepted the proposed modifications.

If within this period the Council has modified one or more of the amendments adopted by the European Parliament or has not accepted the modifications proposed by the latter, the draft budget shall again be forwarded to the European Parliament. The Council shall inform the European Parliament of the results of its deliberations.

6. Within 15 days the draft budget being placed before it, the European Parliament, which shall have been notified of the action taken on its proposed modifications, shall act, by a majority of its members and three fifths of the votes cast, on the modifications to its amendments made by the Council, and shall adopt the budget accordingly. If within this period the European Parliament has not acted, the administrative budget shall be deemed to be finally adopted.

7. When the procedure provided for in this Article has been completed, the President of the European Parliament shall declare that the administrative budget has been finally adopted.

8. A maximum rate of increase in relation to the expenditure of the same type to be incurred during the current year shall be fixed annually for the total expenditure other than that necessarily resulting from this Treaty or from acts adopted in accordance therewith.

The Commission shall, after consulting the Conjunctural Policy Committee and the Budgetary Policy Committee, declare what this maximum rate is at as it results from:

— the trend, in terms of volume, of the gross national product within the Community;

— the average variation in the budgets of the Member States;

and

— the trend of the cost of living during the preceding financial year.

The maximum rate shall be communicated, before 1 May, to all the institutions of the Community. The latter shall be required to conform to this during the budgetary procedure, subject to the provisions of the fourth and fifth subparagraphs of this paragraph.

If, in respect of expenditure other than necessarily resulting from this Treaty or from acts adopted in accordance therewith, the actual rate of increase in the draft budget established by the Council is over half the maximum rate, the European Parliament may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate.

Where, in exceptional cases, the European Parliament, the Council or the Commission considers that activities of the Communities require that the rate determined according to the procedure laid down in this paragraph should be exceeded, another rate may be fixed by agreement between the Council, acting by a qualified majority, and the European Parliament, acting by a majority of its members and three fifths of the votes cast.

9. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of this Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure."

Article 5

The following provisions shall be added to the Treaty establishing the European Economic Community:

"Article 203a

By way of derogation from the provisions of Article 203, the following provisions shall apply to budgets for financial years preceding the financial year 1975:

1. The financial year shall run from 1 January to 31 December.
2. Each institution of the Community shall, before 1 July, draw up estimates of its expenditure. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may obtain different estimates.

The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.

3. The Commission shall place the preliminary draft budget before the Council not later than 1 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the Commission and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council shall, acting by a qualified majority, establish the draft budget and forward it to the European Parliament.

4. The draft budget shall be placed before the European Parliament not later than 5 October of the year preceding that which the budget is to be implemented.

The European Parliament shall have the right to propose to the Council modifications to the draft budget.

If, within 45 days of the draft budget being placed before it, the European Parliament has given its approval

or has not proposed any modifications to the draft budget, the budget shall be deemed to be finally adopted.

If within this period the European Parliament has proposed modifications, the draft budget together with the proposed modifications shall be forwarded to the Council.

5. The Council shall, after discussing the draft budget with the Commission and, where appropriate, with the other institutions concerned, adopt the budget, within 30 days of the draft budget being placed before it, under the following conditions.

Where a modification proposed by the European Parliament does not have the effect of increasing the total amount of the expenditure of an institution, owing in particular to the fact that the increase in expenditure which it would involve would be expressly compensated by one or more proposed modifications correspondingly reducing expenditure, the Council may, acting by a qualified majority, reject the proposal modification. In the absence of a decision to reject it, the proposed modification shall stand as accepted.

Where a modification proposed by the European Parliament has the effect of increasing the total amount of the expenditure of an institution, the Council must act by a qualified majority in accepting the proposed modifications.

Where, in pursuance of the second or third subparagraphs of this paragraph, the Council has rejected or has not accepted a proposed modification, it may, acting by a qualified majority, either retain the amount shown in the draft budget or fix another amount.

6. When the procedure provided for in this Article has been completed, the President of the Council shall declare that the budget has been finally adopted.

7. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of this Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure."

Article 6

The following provisions shall be substituted for the last paragraph of Article 206 of the Treaty establishing the European Economic Community:

"The Council and the European Parliament shall give a discharge to the Commission in respect of the implementation of the administrative budget. To this end, the report of the Audit Board shall be examined in turn by the Council, which shall act by a qualified majority, and by the European Parliament. The Commission shall stand discharged only after the Council and the European Parliament have acted."

Chapter III — Provisions amending the Treaty establishing the European Atomic Energy Community

Article 7

The following provisions shall be substituted for Article 177 of the Treaty establishing the European Atomic Energy Community:

“Article 177

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

Within the meaning of this Article, “budget” shall include the operating budget and the research and investment budget.

2. Each institution of the Community shall, before 1 July, draw up estimates of its expenditure. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may obtain different estimates.

The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.

3. The Commission shall place the preliminary draft budget before the Council not later than 1 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the Commission and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council shall, acting by a qualified majority, establish the draft budget and forward it to the European Parliament.

4. The draft budget shall be placed before the European Parliament not later than 5 October of the year preceding that in which the budget is to be implemented.

The European Parliament shall have the right to amend the draft budget, acting by a majority of its members, and to propose to the Council, acting by an absolute majority of the votes cast, modifications to the draft budget relating to expenditure necessarily resulting from this Treaty or from acts adopted in accordance therewith.

If, within 45 days of the draft budget being placed before it, the European Parliament has given its approval, the budget shall stand as finally adopted. If within this period the European Parliament has not amended the draft budget nor proposed any modifications thereto, the administrative budget shall be deemed to be finally adopted.

If within this period the European Parliament has adopted amendments or proposed modifications, the draft budget together with the amendments or proposed modifications shall be forwarded to the Council.

5. After discussing the draft budget with the Commission and, where appropriate, with the other institutions concerned, the Council may, acting by a qualified majority, modify any of the amendments adopted by the European Parliament and shall pronounce, also by a qualified majority, on the modifications proposed by the latter. The draft budget shall be modified on the basis of the proposed modifications accepted by the Council.

If, within 15 days of the draft being placed before it, the Council has not modified any of the amendments adopted by the European Parliament and has accepted the modifications proposed by the latter, the budget shall be deemed to be finally adopted. The Council shall inform the European Parliament that it has not modified any of the amendments and has accepted the proposed modifications.

If within this period the Council has modified one or more of the amendments adopted by the European Parliament or has not accepted the modifications proposed by the latter, the draft budget shall again be forwarded to the European Parliament. The Council shall inform the European Parliament of the results of its deliberations.

6. Within 15 days the draft budget being placed before it, the European Parliament, which shall have been notified of the action taken on its proposed modifications, shall act, by a majority of its members and three fifths of the votes cast, on the modifications to its amendments made by the Council, and shall adopt the budget accordingly. If within this period the European Parliament has not acted, the administrative budget shall be deemed to be finally adopted.

7. When the procedure provided for in this Article has been completed, the President of the European Parliament shall declare that the administrative budget has been finally adopted.

8. A maximum rate of increase in relation to the expenditure of the same type to be incurred during the current year shall be fixed annually for the total expenditure other than that necessarily resulting from this Treaty or from acts adopted in accordance therewith.

The Commission shall, after consulting the Conjunctural Policy Committee and the Budgetary Policy Committee, declare what this maximum rate is at as it results from:

— the trend, in terms of volume, of the gross national product within the Community;

— the average variation in the budgets of the Member States;

and

— the trend of the cost of living during the preceding financial year.

The maximum rate shall be communicated, before 1 May, to all the institutions of the Community. The latter shall be required to conform to this during the budgetary procedure, subject to the provisions of the fourth and fifth subparagraphs of this paragraph.

If, in respect of expenditure other than necessarily resulting from this Treaty or from acts adopted in accordance therewith, the actual rate of increase in the draft budget established by the Council is over half the maximum rate, the European Parliament may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate.

Where, in exceptional cases, the European Parliament, the Council or the Commission considers that activities of the Communities require that the rate determined according to the procedure laid down in this paragraph should be exceeded, another rate may be fixed by agreement between the Council, acting by a qualified majority, and the European Parliament, acting by a majority of its members and three fifths of the votes cast.

9. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of this Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure."

Article 8

The following provisions shall be added to the Treaty establishing the European Atomic Energy Community:

“Article 177a

By way of derogation from the provisions of Article 177, the following provisions shall apply to budgets for financial years preceding the financial year 1975:

1. The financial year shall run from 1 January to 31 December.
2. Each institution of the Community shall, before 1 July, draw up estimates of its expenditure. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may obtain different estimates.

The preliminary draft budget shall contain an estimate of revenue and an estimate of expenditure.

3. The Commission shall place the preliminary draft budget before the Council not later than 1 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the Commission and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

The Council shall, acting by a qualified majority, establish the draft budget and forward it to the European Parliament.

4. The draft budget shall be placed before the European Parliament not later than 5 October of the year preceding that in which the budget is to be implemented.

The European Parliament shall have the right to propose to the Council modifications to the draft budget.

If, within 45 days of the draft budget being placed before it, the European Parliament has given its approval or has not proposed any modifications to the draft budget, the budget shall be deemed to be finally adopted.

If within this period the European Parliament has proposed modifications, the draft budget together with the proposed modifications shall be forwarded to the Council.

5. The Council shall, after discussing the draft budget with the Commission and, where appropriate, with the other institutions concerned, adopt the budget, within 30 days of the draft budget being placed before it, under the following conditions.

Where a modification proposed by the European Parliament does not have the effect of increasing the total amount of the expenditure of an institution, owing in particular to the fact that the increase in expenditure which it would involve would be expressly compensated by one or more proposed modifications correspondingly reducing expenditure, the Council may, acting by a qualified majority, reject the proposal modification. In the absence of a decision to reject it, the proposed modification shall stand as accepted.

Where a modification proposed by the European Parliament has the effect of increasing the total amount of the expenditure of an institution, the Council must act by a qualified majority in accepting the proposed modifications.

Where, in pursuance of the second or third subparagraphs of this paragraph, the Council has rejected or has not accepted a proposed modification, it may, acting by a qualified majority, either retain the amount shown in the draft budget or fix another amount.

6. When the procedure provided for in this Article has been completed, the President of the Council shall declare that the budget has been finally adopted.

7. Each institution shall exercise the powers conferred upon it by this Article, with due regard for the provisions of this Treaty and for acts adopted in accordance therewith, in particular those relating to the Communities' own resources and to the balance between revenue and expenditure.”

Article 9

The following provisions shall be substituted for the last paragraph of Article 180 of the Treaty establishing the European Atomic Energy Community:

“The Council and the European Parliament shall give a discharge to the Commission in respect of the implementation of the administrative budget. To this end, the report of the Audit Board shall be examined in turn by the Council, which shall act by a qualified majority, and by the European Parliament. The Commission shall stand discharged only after the Council and the European Parliament have acted.”

Chapter IV — Provisions amending the Treaty establishing a Single Council and a Single Commission of the European Communities

Article 10

The following provisions shall be substituted for Article 20 (1) of the Treaty establishing a Single Council and a Single Commission of the European Community:

“1. The administrative expenditure of the European Coal and Steel Community and the revenue thereto, the revenue and expenditure of the European Economic Community, and the revenue and expenditure of the European Atomic Energy Community, with the exception of that of the Supply Agency and the Joint Undertakings, shall be shown in the budget of the European Communities in accordance with the appropriate provisions of the Treaties establishing the three Communities. This budget, which shall be in balance as to revenue and expenditure, shall take the place of the administrative budget of the European Coal and Steel Community, the budget of the European Economic Community and the operating budget and research and investment budget of the European Atomic Energy Community.”

Chapter V — Final provisions

Article 11

This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

Article 12

This Treaty shall enter into force on the first day of the month following the deposit of the instrument of ratification by the last signatory State to take this step.

If, however, the notification provided for in Article 7 of the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources has not been given before that date by all the signatory States, this Treaty shall enter into force on the first day of the month after the last notification has been given.

If this Treaty enters into force during the budgetary procedure, the Council shall, after consulting the Commission, lay down the measures required in order to facilitate the application of this Treaty to the remainder of the budgetary procedure.

Article 13

This Treaty, drawn up in a single original in the Dutch, French, German and Italian languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which shall transmit a certified copy to each of the Governments of the other signatory States.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Treaty.

Done at Luxembourg this twenty-second day of April in the year one thousand nine hundred and seventy.

Pour Sa Majesté le roi des Belges
Voor Zijne Majesteit de Koning der Belgen

Pierre HARMEL

Fuer den Praesidenten der Bundesrepublik Deutschland

Walter SCHEEL

Pour le Président de la République française

Maurice SCHUMANN

Per it Presidente della Repubblica italiana

Aldo MORO

Pour Son Altesse Royale le grand-duc de Luxembourg

Gaston THORN

Voor Hare Majesteit de Koningin der Nederlanden

H. J. DE KOSTER