

## Council Regulation (EC, ECSC, Euratom) No 2779/98 (17 December 1998)

**Caption:** Council Regulation (EC, ECSC, Euratom) No 2779/98 of 17 December 1998 amending the Financial Regulation of 21 December 1977 in order to take into account the introduction of the euro as a single currency.

**Source:** Official Journal of the European Communities (OJEC). 23.12.1998, n° L 347. [s.l.]. ISSN 0378-6978.

**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/council\\_regulation\\_ec\\_ecsc\\_euratom\\_no\\_2779\\_98\\_17\\_december\\_1998-en-73d744f9-7993-4498-8f64-322a4f658981.html](http://www.cvce.eu/obj/council_regulation_ec_ecsc_euratom_no_2779_98_17_december_1998-en-73d744f9-7993-4498-8f64-322a4f658981.html)

**Publication date:** 05/09/2012

## Council Regulation (EC, ECSC, Euratom) No 2779/98 of 17 December 1998 amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities

THE COUNCIL OF THE EUROPEAN UNION,

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

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

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

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(3)</sup>,

Having regard to the opinion of the Court of Auditors <sup>(4)</sup>,

Having regard to the opinion of the Committee of the Regions,

Whereas the conciliation provided for by the Joint Declaration of 4 March 1975 by the European Parliament, the Council and the Commission has taken place in a conciliation committee;

Whereas it is appropriate to amend the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities <sup>(5)</sup>, hereinafter referred to as the 'Financial Regulation', in order to take account of the start of the third phase of economic and monetary union;

Whereas, in accordance with Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro <sup>(6)</sup>, all references to the ecu are replaced by references to the euro at the rate of EUR 1 to ECU 1; whereas, in accordance with Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro <sup>(7)</sup>, the euro will be the currency of those Member States which have adopted the single currency within the meaning of the Treaty establishing the European Community;

Whereas, any reference in this Regulation to the euro must be read as a reference to the currency unit referred to in the second sentence of Article 2 of Regulation (EC) No 974/98;

Whereas, following the adoption of Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure <sup>(8)</sup>, a mechanism must be provided for ensuring that the revenue from fines imposed on Member States by the Council is allocated to the expenditure intended for the distribution of such revenue between the Member States participating in the euro which do not have an excessive deficit, while guaranteeing that the requirements of budgetary transparency in those operations are met,

HAS ADOPTED THIS REGULATION:

### Article 1

The Financial Regulation is hereby amended as follows:

1. The following indent shall be inserted after the first indent in the second subparagraph of Article 4(2):

'- interest on the deposits and fines referred to in Section 4 of Regulation (EC) No 1467/97 (\*), in accordance with Article 132a.

---

(\*) OJ L 209, 2.8.1997, p. 6 and corrigenda in OJ L 46, 17.2.1998, p. 20 and OJ L 128, 30.4.1998, p. 71`.

2. Article 11 shall be replaced by the following:

*'Article 11*

1. The budget shall be drawn up in euro.
2. The euro shall be the single currency as defined in Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (\*).
3. Without prejudice to specific provisions deriving from the application of sector-specific rules governing either revenue or expenditure, the rights and obligations of the Communities shall be expressed and executed in euro.
4. Conversions between the euro and the currencies of the Member States which have not adopted the euro shall be made at the exchange rate applicable on the day of the operation; derogations from this principle may be permitted in exceptional cases, in accordance with the implementing rules referred to in Article 139.
5. The daily euro exchange rates for the currencies not participating in the single currency shall be available each day and shall be published in the *Official Journal of the European Communities*.

---

(\*) OJ L 139, 11.5.1998, p. 1.`

3. In Article 19(5), the term 'ecus` shall be replaced by 'euro`.
4. In the first subparagraph of Article 28a, after 'imposed by the Commission`, the words 'or the Council` shall be added.
5. In Article 31, the term 'ecus` shall be replaced by 'euro`.
6. In Article 33(5), the term 'ecu` shall be replaced by 'euro`.
7. Article 35 shall be replaced by the following:

*'Article 35*

The Commission shall, every three months, send the Member States a statement of the transfers effected between their currencies.`

8. In the third indent of Article 44, the term 'ecus` shall be replaced by 'euro`.
9. In Article 69, the term 'ecus` shall be replaced by 'euro`.
10. In Article 111(2) and (3), the term 'ecus` shall be replaced by 'euro`.
11. The following Title shall be inserted after Title XI:

'TITLE XIa

**SPECIAL PROVISIONS APPLICABLE TO THE SANCTIONS REFERRED TO IN SECTION 4 OF REGULATION (EC) No 1467/97**

*Article 132a*

The budgetary structure for the proceeds of the sanctions referred to in Section 4 of Regulation (EC) No 1467/97 shall be as follows:

(a) the statement of revenue shall carry a budget heading to receive the amounts of the fines and the interest on the deposits and the fines imposed by the Council on a Member State in accordance with Section 4 of Regulation (EC) No 1467/97;

(b) in parallel, and without prejudice to Article 28a, commitment and payment appropriations shall be entered in a heading in the statement of expenditure to match these amounts in the statement of revenue. These appropriations shall be executed in accordance with Article 16 of Regulation (EC) No 1467/97`.

**Article 2**

This Regulation shall enter into force on 1 January 1999.

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

Done at Brussels, 17 December 1998.

*For the Council*  
*The President*  
W. MOLTERER

(<sup>1</sup>) OJ C 149, 15. 5. 1998, p. 21.

(<sup>2</sup>) OJ C 313, 12. 10. 1998, p. 34.

(<sup>3</sup>) OJ C 284, 14. 9. 1998, p. 54.

(<sup>4</sup>) Opinion delivered on 22 October 1998 (not yet published in the Official Journal).

(<sup>5</sup>) OJ L 356, 31. 12. 1977, p. 1. Regulation as last amended by Regulation (EC, ECSC, Euratom) No 2548/98 (OJ L 320, 28. 4. 1998, p. 1).

(<sup>6</sup>) OJ L 162, 19. 6. 1997, p. 1.

(<sup>7</sup>) OJ L 139, 11. 5. 1998, p. 1.

(<sup>8</sup>) OJ L 209, 2. 8. 1997, p. 6 and corrigenda in OJ L 46, 17. 12. 1998, p. 20 and OJ L 128, 30. 4. 1998, p. 71.