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from: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 5 March 2010

to: Mr Pierre de BOISSIEU, Secretary-General of the Council of the European  
Union

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Subject: Draft Interinstitutional Agreement between the European Parliament, the  
Council and the Commission on cooperation in budgetary matters

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Draft

**Interinstitutional Agreement**

**between the European Parliament, the Council and the Commission on cooperation in  
budgetary matters**

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Draft

## **Interinstitutional Agreement**

### **between the European Parliament, the Council and the Commission on cooperation in budgetary matters**

THE EUROPEAN PARLIAMENT, THE COUNCIL OF THE EUROPEAN UNION AND THE EUROPEAN COMMISSION,

hereinafter referred to as the 'institutions',

HAVE AGREED AS FOLLOWS

1. The purpose of this Agreement adopted in accordance with Article 295 of the Treaty on the functioning of the European Union (hereinafter "TFEU") is to improve the functioning of the annual budgetary procedure and cooperation between the institutions on budgetary matters.
2. The Agreement is binding on all the institutions for as long as it is in force.
3. This Agreement does not alter the respective budgetary powers of the institutions as laid down in the Treaties, in the Regulation laying down the Multiannual Financial Framework<sup>1</sup> (hereinafter referred to as "MFF regulation") and in the Financial Regulation<sup>2</sup>.

Where reference is made to this Point, the Council will act by a qualified majority and the European Parliament by a majority of its members and three fifths of the votes cast.

4. Any amendment of this Agreement requires the consent of all the institutions.
5. This Agreement is in three parts:
  - Part I contains complementary provisions related to the multiannual financial framework and provision on special instruments not included in the financial framework.
  - Part II relates to the interinstitutional collaboration during the budgetary procedure.
  - Part III contains provisions related to sound financial management of EU funds.

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<sup>1</sup> OJ L , p. .

<sup>2</sup> Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p. 1).

6. This Agreement enters into force on the same day as the MFF Regulation and replaces the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>3</sup>.

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<sup>3</sup> OJ C 139, 14.5.2006, p. 1.

# **PART I – FINANCIAL FRAMEWORK and SPECIAL INSTRUMENTS**

## **A. PROVISIONS RELATED TO THE FINANCIAL FRAMEWORK**

7. Information relating to operations not included in the general budget of the European Union and the foreseeable development of the various categories of Union's own resources is set out, by way of indication, in separate tables. This information will be updated annually together with the documents accompanying the draft budget.
8. Except in sub-heading 1b 'Cohesion for growth and employment' of the financial framework, for the purposes of sound financial management, the institutions will ensure as far as possible during the budgetary procedure and at the time of the budget's adoption that sufficient margins are left available beneath the ceilings for the various headings.

### *Updating of forecasts for payment appropriations after 2013*

9. In 2010, the Commission will update the forecasts for payment appropriations after 2013. That update will take into account the real implementation of budget appropriations for commitments and budget appropriations for payments, as well as the implementation forecasts. It will also consider the rules defined to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations and the growth forecasts of the European Union Gross National Income (GNI).

## **B. PROVISIONS RELATED TO THE SPECIAL INSTRUMENTS NOT INCLUDED IN THE FINANCIAL FRAMEWORK**

### **B.1. Emergency Aid Reserve**

10. The Emergency Aid Reserve is intended to allow a rapid response to the specific aid requirements of third countries following events which could not be foreseen when the budget was established, first and foremost for humanitarian operations, but also for civil crisis management and protection where circumstances so require. The annual amount of the Reserve is fixed at EUR 221 million for the duration of the financial framework, in 2004 prices.

The Reserve is entered in the general budget of the European Union as a provision.

When the Commission considers that the Reserve needs to be called on, it will present to the two arms of the budgetary authority a proposal for a transfer from the Reserve to the corresponding budgetary lines.

Any Commission proposal for a transfer to draw on the Reserve must, however, be preceded by an examination of the scope for reallocating appropriations.

In the case of disagreement a trilogue procedure will be initiated.

The transfers will be made in accordance with Article 26 of the Financial Regulation.

## **B.2. European Union Solidarity Fund**

11. The European Union Solidarity Fund is intended to allow rapid financial assistance in the event of major disasters occurring on the territory of a Member State or of a candidate country, as defined in the relevant basic act. There will be a ceiling on the annual amount available for the Fund of EUR 1 billion (current prices). On 1 October each year, at least one quarter of the annual amount will remain available in order to cover needs arising until the end of the year. The portion of the annual amount not entered in the budget may not be rolled over in the following years.

In exceptional cases and if the remaining financial resources available in the Fund in the year of occurrence of the disaster, as defined in the relevant basic act, are not sufficient to cover the amount of assistance considered necessary by the budgetary authority, the Commission may propose that the difference be financed through the annual amounts available for the following year. The annual amount of the Fund to be budgeted in each year may not, under any circumstances, exceed EUR 1 billion.

When the conditions for mobilising the Fund as set out in the relevant basic act are met, the Commission will make a proposal to deploy it. Where there is scope for reallocating appropriations under the heading requiring additional expenditure, the Commission shall take this into account when making the necessary proposal, in accordance with the Financial Regulation, by means of the appropriate budgetary instrument. The decision to deploy the Fund will be taken jointly by the two arms of the budgetary authority in accordance with Point 3.

In the case of disagreement a trilogue procedure will be initiated.

## **B.3. Flexibility Instrument**

12. The Flexibility Instrument with an annual ceiling of EUR 200 million (current prices) is intended to allow the financing, for a given financial year and up to the amount indicated, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings.

The portion of the annual amount which is not used may be carried over up to year  $n+2$ . If the Flexibility Instrument is mobilised, any carryovers will be drawn on first, in order of age. The portion of the annual amount from year  $n$  which is not used in year  $n+2$  will lapse.

The Commission will make a proposal for the Flexibility Instrument to be used after it has examined all possibilities for re-allocating appropriations under the heading requiring additional expenditure.

The proposal will identify the needs to be covered and the amount. It may be presented, for any given financial year, during the budgetary procedure.

The decision to deploy the Flexibility Instrument will be taken jointly by the two arms of the budgetary authority in accordance with Point 3.

Agreement will be reached in the framework of the annual budgetary procedure.

#### **B.4. European Globalisation Adjustment Fund**

13. The European Globalisation Adjustment Fund is intended to provide additional support for workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market.

The Fund may not exceed a maximum annual amount of EUR 500 million (current prices) which can be drawn from any margin existing under the global expenditure ceiling of the previous year, and/or from cancelled commitment appropriations from the previous two years, excluding those related to heading 1b of the financial framework.

The appropriations will be entered in the general budget of the European Union as a provision through the normal budgetary procedure as soon as the Commission has identified the sufficient margins and/or cancelled commitments, in accordance with the second paragraph.

When the conditions for mobilising the Fund, as set out in the relevant basic act, are met, the Commission will make a proposal to deploy it. The decision to deploy the Fund will be taken jointly by the two arms of the budgetary authority in accordance with Point 3.

At the same time as it presents its proposal for a decision to deploy the Fund, the Commission will present to the two arms of the budgetary authority a proposal for a transfer to the relevant budgetary lines. In the case of disagreement a trilogue procedure will be initiated.

Transfers related to the Fund will be made in accordance with Article 24(4) of the Financial Regulation.



## **PART II – IMPROVEMENT OF INTERINSTITUTIONAL COLLABORATION DURING THE BUDGETARY PROCEDURE**

### **A. THE INTERINSTITUTIONAL COLLABORATION PROCEDURE**

14. The details of interinstitutional collaboration in budgetary matters are set out in the Annex.

### **B. INCORPORATION OF FINANCIAL PROVISIONS IN LEGISLATIVE ACTS**

15. Each legislative act concerning a multiannual programme adopted under the ordinary legislative procedure will contain a provision in which the legislative authority lays down the financial envelope for the programme.

That amount will constitute the prime reference for the budgetary authority during the annual budgetary procedure.

The budgetary authority and the Commission, when it draws up the draft budget, undertake not to depart by more than 5% from that amount for the entire duration of the programme concerned, unless new, objective, long-term circumstances arise for which explicit and precise reasons are given, with account being taken of the results obtained from implementing the programme, in particular on the basis of assessments. Any increase resulting from such variation must remain within the existing ceiling for the heading concerned, without prejudice to the use of instruments mentioned in the MFF regulation and in this Agreement.

This Point does not apply to appropriations for cohesion adopted under the ordinary legislative procedure and pre-allocated by Member States which contain a financial envelope for the entire duration of the programme.

16. Legislative acts concerning multiannual programmes not subject to the ordinary legislative procedure will not contain an 'amount deemed necessary'.

Should the Council wish to include a financial reference, this will be taken as illustrating the will of the legislative authority and will not affect the powers of the budgetary authority as defined by the TFEU. This provision will be mentioned in all legislative acts which include such a financial reference.

If the amount concerned has been the subject of an agreement pursuant to the conciliation procedure provided for in the Joint Declaration of the European Parliament, the Council and the Commission of 4 March 1975<sup>4</sup>, it will be considered a reference amount within the meaning of Point 15 of this Agreement.

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<sup>4</sup> OJ C 89, 22.4.1975, p. 1.

## **C. EXPENDITURE RELATING TO FISHERIES AGREEMENTS**

17. The expenditure on fisheries agreements will be subject to the following specific rules:

The Commission undertakes to keep the European Parliament regularly informed about the preparation and conduct of the negotiations, including the budgetary implications.

In the course of the legislative process relating to fisheries agreements, the institutions undertake to make every effort to ensure that all procedures are carried out as quickly as possible.

Amounts foreseen in the budget for new agreements or renewal of agreements which come into force after January 1 of the related budget year shall be put in reserve.

If appropriations relating to fisheries agreements (including the reserve) prove insufficient, the Commission will provide the budgetary authority with the necessary information for an exchange of views in the form of a trilogue, possibly simplified, on the causes of the situation, and on the measures which might be adopted under established procedures. Where necessary, the Commission will propose appropriate measures.

Each quarter, the Commission will present to the budgetary authority detailed information about implementation of agreements in force and a financial forecast for the remainder of the year.

## **D. FINANCING OF THE COMMON FOREIGN AND SECURITY POLICY (CFSP)**

18. As regards CFSP expenditure which is charged to the general budget of the European Union in accordance with Article 41 of the Treaty on European Union, the institutions will endeavour, in the conciliation committee, and on the basis of the draft budget established by the Commission, to secure agreement each year on the amount of the operating expenditure to be charged to the budget of the European Union and on the distribution of this amount between the articles of the CFSP budget chapter suggested in the fourth paragraph of this Point. In the absence of agreement, it is understood that the European Parliament and the Council will enter in the budget the amount contained in the previous budget or the amount proposed in the draft budget, whichever is the lower.

The total amount of operating CFSP expenditure will be distributed between the articles of the CFSP budget chapter as suggested in the fourth paragraph of this Point. Each article will cover instruments already adopted, instruments which are foreseen but not yet adopted and all future - that is unforeseen - instruments to be adopted by the Council during the financial year concerned.

Since, under the Financial Regulation, the Commission has the authority to transfer appropriations autonomously between articles within the CFSP budget chapter, the flexibility deemed necessary for speedy implementation of CFSP actions will accordingly be assured. In the event of the amount of the CFSP budget chapter during the financial year being insufficient to cover the necessary expenses, the

European Parliament and the Council will seek a solution as a matter of urgency, on a proposal from the Commission, taking into account Article 2 of the MFF regulation and Point 10 of this Agreement.

Within the CFSP budget chapter, the articles into which the CFSP actions are to be entered could read along the following lines:

- crisis management operations, conflict prevention, resolution and stabilisation, monitoring and implementation of peace and security processes,
- non-proliferation and disarmament,
- emergency measures,
- preparatory and follow-up measures,
- European Union Special Representatives.

The amount for measures entered under the article mentioned in the third indent may not exceed 20 % of the overall amount of the CFSP budget chapter.

19. Each year, the High Representative of the Union for Foreign Affairs and Security Policy will consult the European Parliament on a forward-looking document, which will be transmitted by June 15 for the year in question, setting out the main aspects and basic choices of the CFSP, including the financial implications for the general budget of the European Union and an evaluation of the measures launched in the year n-1. Furthermore, the High Representative of the Union for Foreign Affairs and Security Policy will keep the European Parliament informed by holding joint consultation meetings at least five times a year, in the framework of the regular political dialogue on the CFSP, to be agreed at the latest in the Conciliation committee. Participation in these meetings shall be as follows:

- European Parliament: the bureaux of the two Committees concerned
- Council: The Chairman of the Political and Security Committee.

The Commission will be invited to participate at these meetings.

Whenever the Council adopts a decision in the field of the CFSP entailing expenditure, the High Representative of the Union for Foreign Affairs and Security Policy will immediately, and in any event no later than five working days following the final decision, send the European Parliament an estimate of the costs envisaged ('financial statement'), in particular those regarding time-frame, staff employed, use of premises and other infrastructure, transport facilities, training requirements and security arrangements.

Once a quarter the Commission will inform the budgetary authority about the implementation of CFSP actions and the financial forecasts for the remaining period of the year.

# PART III – SOUND FINANCIAL MANAGEMENT OF EU FUNDS

## A. FINANCIAL PROGRAMMING

20. The Commission will submit twice a year, the first time in May/June (together with the documents accompanying the draft budget) and the second time in December/January (after the adoption of the budget), a complete financial programming for Headings 1A, 2 (for environment and fisheries), 3A, 3B and 4 of the financial framework. This document, structured by heading, policy area and budget line, should identify:
- (a) the legislation in force, with a distinction being drawn between multiannual programmes and annual actions:
    - for multiannual programmes the Commission should indicate the procedure under which they were adopted (ordinary and special legislative procedure), their duration, the reference amounts, the share allocated to administrative expenditure;
    - for annual actions (pilot projects, preparatory actions, Agencies) and actions financed under the prerogatives of the Commission, the Commission should provide multiannual estimates and (for pilot projects and preparatory actions) the margins left under the authorised ceilings fixed in Article 32 of the Implementing rules of the FR<sup>5</sup>;
  - (b) pending legislative proposals: ongoing Commission proposals referenced by budget line (lower level), chapter and policy area. A mechanism should be found to update the tables each time a new proposal is adopted in order to evaluate the financial consequences.

The Commission should consider ways of cross-referencing the financial programming with its legislative programming to provide more precise and reliable forecasts. For each legislative proposal, the Commission should indicate whether or not it is included in the May-December programme. The budgetary authority should in particular be informed of:

- (a) all new legislative acts adopted but not included in the May-December document (with the corresponding amounts);
- (b) all pending legislative proposals presented but not included in the May-December document (with the corresponding amounts);

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<sup>5</sup> Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p. 1).

- (c) legislation foreseen in the Commission's annual legislative work programme with an indication of actions likely to have a financial impact (yes/no).

Whenever necessary, the Commission should indicate the reprogramming entailed by new legislative proposals.

## **B. AGENCIES AND EUROPEAN SCHOOLS**

21. When the Commission presents its proposal for the creation of any new agency, the Commission will assess the budgetary implications for the expenditure heading concerned. On the basis of that information and without prejudice to the legislative procedures governing the setting up of the agency, the two arms of the budgetary authority commit themselves, in the framework of budgetary cooperation, to arrive at a timely agreement on the financing of the agency.

A similar procedure is to be applied when the creation of a new European school is envisaged.

The following procedural steps will be applied:

- Firstly, the Commission will systematically present any proposal for setting up a new agency to the first trilogue following the adoption of its proposal, and will present the financial statement accompanying the legal act proposing the creation of the agency and illustrate its consequences for the remaining period of the financial programming;
- Secondly, taking into consideration the progress made in the legislative process, and provided that each arm of the budgetary authority is in a position to take a stance on the financial consequences of the proposal in advance of the adoption of the legal act, the creation of the new agency will be placed on the agenda of a subsequent trilogue (in urgent cases, in simplified form), in view of reaching an agreement on the financing;
- Thirdly, the agreement reached during a trilogue will be confirmed in a joint declaration, subject to the approval by each arm of the budgetary authority in accordance with its own rules of procedure.

## **C. NEW FINANCIAL INSTRUMENTS**

22. The institutions agree that the introduction of co-financing mechanisms is necessary to reinforce the leverage effect of the European Union budget by increasing the funding incentive.

They agree to encourage the development of appropriate multiannual financial instruments acting as catalysts for public and private investors.

When presenting the draft budget, the Commission will report to the budgetary authority on the activities financed by the European Investment Bank, the European Investment Fund and the European Bank for Reconstruction and Development to support investment in research and development, trans-European networks and small and medium-sized enterprises.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

*For the Commission*  
*Member of the Commission*

## **ANNEX - INTERINSTITUTIONAL COLLABORATION IN THE BUDGETARY SECTOR**

### **Part A. Calendar of the budgetary procedure**

1. The institutions shall follow the calendar defined in the points 2, 3, 8, 9, 11, 12 and 14 below for the various steps of the budgetary procedure. In due time before the start of the budgetary procedure, they can agree jointly, if needed, on any adjustments deemed appropriate to this calendar.

### **Part B. Priorities for the Budget Procedure**

2. In due time before the adoption of the draft budget by the Commission and at the latest in April, a meeting of the trilogue will be convened to discuss the possible priorities for the budget of the forthcoming financial year.

### **Part C. Establishment of the Draft Budget and Updating of Estimates**

3. The Commission will adopt the draft budget in the last week of April or at the latest during the first week of May.
4. The Commission will present each year a draft budget showing the European Union's actual financing requirements.

It will take into account:

- a) forecasts in relation to the Structural Funds provided by the Member States,
  - b) the capacity for utilising appropriations, endeavouring to maintain a strict relationship between appropriations for commitments and appropriations for payments,
  - c) the possibilities for starting up new policies through pilot projects and/or new preparatory actions or continuing multiannual actions which are coming to an end, after assessing whether it will be possible to secure a basic act, within the meaning of Article 49 of the Financial Regulation (definition of a basic act, necessity of a basic act for implementation and exceptions),
  - d) the need to ensure that any change in expenditure in relation to the previous year is in accordance with the constraints of budgetary discipline.
5. The institutions will, as far as possible, avoid entering items in the budget involving insignificant amounts of expenditure on operations.
  6. The two arms of the budgetary authority also undertake to bear in mind the assessment of the possibilities for implementing the budget made by the Commission in its drafts and in connection with implementation of the current budget.
  7. In the interest of sound financial management and owing to the effect of the major changes in the budget nomenclature in the titles and chapters on the management reporting responsibilities of Commission departments, the two arms of the budget

authority undertake to discuss any major changes with the Commission during the conciliation.

8. Until such time as the Conciliation Committee is convened, the Commission may, if necessary, amend the draft budget in accordance with Article 314(2) TFEU including by an amending letter updating expenditure estimates for agriculture. The Commission will submit information on updates to the two arms of the budget authority for their consideration as soon as they are available. It will supply the budgetary authority with all the duly justified reasons it may require.

#### **Part D. Budgetary procedure before the Conciliation**

9. A trilogue meeting will be convened in good time before the Council's reading to allow the institutions to have an exchange of views on the draft budget.
10. In order for the Commission to be able to assess in due time the implementability of amendments envisaged by the budgetary authority which create new preparatory actions/pilot projects or prolong existing ones, both arms of the budgetary authority will inform the Commission by mid-June of their intentions in this regard, so that a first discussion may already take place at this trilogue.
11. The Council completes its reading by the end of July at the latest.
12. The European Parliament's Committee on Budgets (COBU) votes on its reading by the end of September or early October at the latest and the European Parliament's Plenary votes on its reading mid October.

#### **Part E. Conciliation process**

13. If the European Parliament adopts amendments the Conciliation Committee shall be convened by the President of the European Parliament, with the agreement of the President of the Council and with due regard to the provisions of the FFEU. The convening of the Conciliation Committee should be signed and transmitted at the same time as the plenary session vote on the budget.
14. The institutions cooperate closely with a view to completing the work of the Conciliation Committee within 21 days by mid-November.
15. In order to prepare for an agreement on a joint text by the Conciliation Committee, the necessary documentation is exchanged between the institutions as soon as possible.
16. A technical preparatory meeting could be organised before the vote of the European Parliament in order to define the organisation of the work.
17. The Conciliation Committee shall be chaired jointly by representatives of the European Parliament and of the Council. Committee meetings shall be chaired by the co-chair of the institution hosting the meeting. Each institution, in accordance with its own rules of procedure, will designate its participants for each meeting and define its mandate for the negotiations.



18. In accordance with Article 314(5) TFEU, second subparagraph, the Commission shall take part in the conciliation proceedings and shall take all the necessary initiatives with a view to reconciling the positions of the European Parliament and the Council.
19. The dates and the agendas for the Conciliation Committee's meetings shall be set jointly by the co-chairs with a view to the effective functioning of the Conciliation Committee throughout the conciliation procedure. The Commission shall be consulted on the dates envisaged.
20. Trilogues shall take place throughout the conciliation procedure, at different levels of representation, with the aim of resolving outstanding issues and preparing the ground for an agreement to be reached in the Conciliation Committee.
21. The meeting of the Conciliation Committee and of the trilogues will be held alternately at the premises of the European Parliament and the Council, with a view to an equal sharing of facilities, including interpretation facilities.
22. The Secretariat of the European Parliament and the General- Secretariat of the Council shall act as the Conciliation Committee's secretariat, in association with the Directorate-General for Budget of the Commission, on the basis of a clear and prior definition of the tasks between the three institutions.
23. The Conciliation Committee shall have available to it the Commission draft budget, the Council's position and the European Parliament's amendments. Additionally, the Commission will present its opinion on the executability of the Council's position and of the European Parliament's amendments and possibly its information note on budget implementation.
24. Agreement on a joint text shall be established at a meeting of the Conciliation Committee or, subsequently, by an exchange of letters between the co-chairs. Copies of such letters shall be forwarded to the Commission.
25. Each arm of the budgetary authority will take whatever steps are required to ensure that the results which may be secured in the conciliation process are respected throughout the budgetary procedure in accordance with the provisions of the TFEU.
26. The institutions will endeavour to hold a joint press conference to announce the successful outcome of the conciliation. They will also endeavour to issue joint press releases.
27. Once the Conciliation Committee has agreed a joint text, the European Parliament and the Council will endeavour to approve the outcome of the Conciliation Committee as soon as possible within the framework of Article 314(6) TFEU, in accordance with their respective internal rules of procedures.

## **Part F. Amending Budgets**

### *General principles*

28. Having in mind that amending budgets are frequently focused on specific and sometimes urgent issues, the institutions agree on the principles below to ensure

appropriate interinstitutional cooperation for a smooth and swift adoption of the amending budgets while avoiding, as far as possible, to have to convene a conciliation meeting for amending budgets.

29. As far as possible, the institutions will endeavour to limit the number of amending budgets.

#### *Calendar*

30. The Commission will inform in advance the two arms of the budgetary authority of the possible dates of adoption of draft amending budgets without prejudice to the final date of adoption.
31. In accordance with its internal rules of procedure, each arm of the budgetary authority will endeavour to examine the draft amending budget proposed by the Commission at an early opportunity after adoption by the Commission.
32. In order to speed up the procedure, the two arms of the budgetary authority will ensure that their respective calendars of work are coordinated as far as possible in order to enable proceedings to be conducted in a coherent and convergent fashion. They will therefore seek as soon as possible to establish an indicative timetable for the various stages leading to the final adoption of the amending budget.

The two arms of the budgetary authority will take into account the relative urgency of the amending budget and the need to approve it in due time to be effective during the year concerned.

#### *Cooperation during the reading of each arm of the Budgetary Authority*

33. The institutions will cooperate in good faith throughout the procedure clearing the way, as far as possible, for the adoption of amending budgets at an early stage of the procedure.

When appropriate and when there is a potential divergence, each arm of the budgetary authority, before taking its final position on the amending budget, or the Commission, may propose to convene a specific trilogue, to discuss the divergences and to try to reach a compromise.

34. All draft amending budgets proposed by the Commission and not yet finally approved will be systematically on the agenda of the trilogues planned for the annual budgetary procedure. The Commission will present the draft amending budgets and the two arms of the budgetary authority will, as far as possible, notify their respective position ahead of the trilogue.
35. If a compromise is reached during a trilogue, each arm of the budgetary authority undertakes to consider the results of the trilogue when deliberating on the amending budget in accordance with the Treaty and its internal rules of procedure.

#### *Cooperation after the reading of each arm of the budgetary authority*

36. If the European Parliament approves without amendments the position of the Council, the amending budget shall be adopted.

37. If the European Parliament adopts amendments by a majority of its component members, Article 314(4)(c) TFEU apply. However, before the Conciliation Committee meets a trilogue will be called.
- If an agreement is reached during the trilogue and subject to the agreement of each arm of the budgetary authority on the results of the trilogue, the conciliation will be closed by an exchange of letters without a meeting of the Conciliation Committee.
  - If no agreement is reached during the trilogue, the Conciliation Committee shall meet and organise its work in accordance with the circumstances, with a view of completing as much as possible the decision-making process before the twenty-one-day deadline laid down in Article 314(6) TFEU. The Conciliation Committee may conclude by an exchange of letters.