

Annual budgetary procedure

Caption: Table showing the course of the annual budgetary procedure which follows the official timetable laid down in Article 272 of the Treaty establishing the European Economic Community (EEC).

Source: European Commission - Summaries of Legislation. Budget: introduction - The budgetary procedure. [ON-LINE]. [Brussels]: European Commission, [25.07.2006]. Available on <http://europa.eu/scadplus/leg/en/lvb/l34013.htm>.

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1 July	Each institution draws up estimates of expenditure that the Commission groups in the preliminary draft budget.
5 October	The Council takes a decision on the preliminary draft, which now becomes the draft budget (prior concertation with the Parliament having taken place on the matter of compulsory expenditure)
Within 45 days	<p>Parliament examines the draft budget.</p> <p>Three situations can be envisaged:</p> <ul style="list-style-type: none"> - Parliament takes no action: the budget is deemed approved. - Parliament approves the budget: the procedure is complete. - Parliament decides to make changes: <p>* It proposes changes in the compulsory expenditure.</p> <p>* It proposes amendments to non-compulsory expenditure.</p>
Within 15 days	<p>At second reading, the Council examines the points raised by Parliament</p> <ul style="list-style-type: none"> - The Council is entitled to amend non-compulsory expenditure. In this case, the text goes back to Parliament. - Two scenarios for compulsory expenditure can be envisaged: <ul style="list-style-type: none"> 1. Proposals for amendments by Parliament increase the overall budget. Such amendments can only be incorporated in the budget following a qualified majority vote by the Council. Without this majority the proposals are definitively rejected. 2. Proposals for amendments by Parliament do not increase the overall budget. In this case, only a qualified majority vote by the Council can reject these proposals. Silence signifies approval
End of procedure	<p>Silence on its part signifies approval. It is entitled to amend non compulsory expenditure (within the limits of the maximum rate of increase) by an absolute majority of its members and three fifths of the votes cast. Rejection of the budget calls for an absolute majority of the members and two thirds of the votes cast.</p> <p>Finally, if there is no adverse reaction by the Council or its representatives during the vote in plenary, Parliament's President tacitly notes the Council's agreement and accordingly adopts the budget.</p>