



HM TREASURY

Post-legislative scrutiny memorandum:

European Communities (Finance)
Act 2008



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European Communities (Finance) Act 2008

Presented to Parliament by
the Financial Secretary to the
Treasury by Command of
Her Majesty

March 2013

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Introduction

1.1 This memorandum has been prepared by the Treasury for submission to the Treasury Committee and will be published as part of the post-legislative scrutiny process as set out in command paper 7320, *Post-legislative scrutiny – the Government’s approach*.

1.2 The European Communities (Finance) Act 2008 (‘the Act’) received Royal Assent on 19 February 2008.

2

Summary of the objectives of the Act

2.1 The purpose of the Act was the approval, or ratification, in the United Kingdom of Council Decision of 7 June 2007 on the system of the European Communities' own resources, referred to as the Own Resources Decision (ORD), as required by Article 269 of the Treaty Establishing the European Community, now Article 311 of the Treaty on the Functioning of the European Union.

2.2 The ORD sets down the system by which Member States finance the annual EU Budget, including any provision for corrections in respect of budgetary imbalances, e.g. the UK abatement. Each successive ORD has first to be agreed unanimously by Member States and then approved by each of them in accordance with their respective constitutional requirements.

2.3 The current ORD was agreed unanimously by Member States in June 2007, following which the approval process began. In the UK this was, as has always been the case, by means of a European Communities (Finance) Bill which was taken through both Houses over the period 7 November 2007 to 18 February 2008. House of Commons 7 November 2007 to 15 January 2008 and House of Lords 16 January to 18 February 2008. The Bill then received Royal Assent, becoming the European Communities (Finance) Act 2008, on 19 February 2008.

2.4 The Act consists of just two sections. Section 1 provides for the new ORD to be added to the list of Community Treaties in section 1(2) of the European Communities Act 1972. Section 2 repeals the previous European Communities (Finance) Act, in this case the 2001 Act, since the wording of section 1(2)(e) of the European Communities Act 1972 substituted by Section 1 of the 2008 Act supersedes that substituted by the 2001 Act.

2.5 The Act has been fully implemented.

2.6 There have been no amendments or reviews of the Act.

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Conclusion

3.1 The European Communities (Finance) Act 2008 has been used effectively and successfully since it was implemented, and has enabled the UK to meet its financial obligations fully and as intended without interruption or delay.

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