accordance with their share of the Community's uniform VAT base for 1984, viz:

Belgium	3,45
Denmark	1,99
Germany	28,76
Greece	1,53 (1)
France	22,79
Ireland	0,86
Italy	15,33
Luxembourg	0,25
Netherlands	4,99
United Kingdom	20,05

Article 3

The funds shall be made available by the Member States on the dates indicated by the Commission as budgetary requirements arise and before 31 December 1984.

Article 4

The funds shall be repaid in eight equal six-monthly instalments beginning on 30 June 1986.

Article 5

The Council, acting by a qualified majority on a proposal from the Commission shall lay down detailed rules for implementing this Regulation.

Article 6

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities.*

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

(1) In the case of Greece, a financial contribution.

Amended proposal for a Council Decision on the Communities' system of own resources (1)

COM(84) 384 final

(Submitted by the Commission to the Council pursuant to the second paragraph of Article 149 of the EEC Treaty and the second paragraph of Article 119 of the EAEC Treaty on 10 July 1984)

(84/C 193/06)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 201 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 173 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas the Council Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (2), hereinafter referred to as 'the Decision of 21 April 1970,' introduced a Community system of own resources;

Whereas the own resources system should be extended while the existing sources of revenue introduced by the Decision of 21 April 1970 should be retained, the 1 % limit to the rate applied to the uniform basis for assessing value added tax should be increased;

Whereas customs duties on products within the scope of the Treaty establishing the European Coal and Steel Community should be included in the Communities' own resources;

Whereas any Member State bearing an excessive budgetary burden in relation to its relative prosperity should benefit at the appropriate time from a correction;

(1) OJ No C 145, 3. 6. 1983, p. 5.

(2) OJ No L 94, 28. 4. 1970, p. 19.

Whereas such a correction should now be applied to the United Kingdom,

HAS LAID DOWN THESE PROVISIONS, WHICH IT RECOMMENDS TO THE MEMBER STATES FOR ADOPTION:

Article 1

The budget of the Communities shall, irrespective of other revenue, be financed entirely from the Communities' own resources.

Article 2

Revenue from:

(a) Levies, premium, additional or compensatory amounts, additional amounts or factors and other duties established or to be established by the institutions of the Communities in respect of trade with non-member countries within the framework of the common agricultural policy, and also contributions and other duties provided for within the framework of the organization of the markets in sugar;

(b) Common Customs Tariff duties and other duties established or to be established by the institutions of the Communities in respect of trade with non-member countries, including customs duties on products within the scope of the Treaty establishing the European Coal and Steel Community;

shall constitute own resources to be entered in the budget of the Communities.

Article 3

1. Shall also constitute own resources, revenue accruing from the application of the value added tax to an assessment basis which is determined in a uniform manner for Member States according to Community rules, and obtained in accordance with the provisions of this Article.

2. This revenue shall be obtained by the application of rates of value added tax, none of which shall exceed 1,4 %. These rates shall be fixed, taking into account all other receipts, within the framework of the budgetary procedure.

3. The rates shall be calculated as follows:

(a) A uniform rate shall be determined in relation to the assessment basis referred to in paragraph 1 above.

(b) As regards the rate to be applied to the United Kingdom:

— from the amount payable under the uniform rate a deduction shall be made by:

(i) calculating the difference, in the preceding budgetary year, between the percentage share of the United Kingdom in the value added tax which would have been paid in that year, including adjustments in respect of previous years, had the uniform rate been applied, and the percentage share of the United Kingdom in total allocated expenditure;

(ii) applying the difference thus obtained to total allocated expenditure;

(iii) multiplying the result by 0,66.

The reduced amount shall be divided by the assessment basis of the United Kingdom.

(c) As regards the rates to be applied to the other Member States:

— a sum equivalent to the deduction referred in paragraph 3 (b) above shall be borne by them. The allocation of this sum shall first be calculated according to their shares in value added tax payments payable under the uniform rate, the United Kingdom being excluded; and shall secondly be adjusted so as to limit the participation of the Federal Republic of Germany to two-thirds of the share produced by that calculation.

The rates to be applied to these Member States shall be obtained by dividing the amounts payable under the uniform rate together with their shares in the additional sum by the assessment bases of each Member State.

(d) Where paragraph 7 below applies, financial contributions shall be substituted for payments of value added tax in the calculations referred to above for any Member State concerned.

4. The provisions of paragraphs 3 (b) and (c) above shall first apply to the budgetary exercise of 1986.

In respect of the budgetary exercise of 1985, the uniform rate referred to in paragraph 3 (a) shall initially apply. However on the entry into force of this decision a forfeitary deduction of 1 000 million ECU shall be made from the amount of VAT payable by the United Kingdom. A sum equivalent to this deduction shall be borne by the other Member States, its allocation being claculated in accordance with paragraph 3 (c) above.

5. The Commission shall carry out the calculations necessary for the application of paragraphs 3 and 4 above.

6. If at the beginning of the financial year the budget has not been adopted the rates of value added tax previously fixed shall remain applicable until the entry into force of new rates.

7. By way of derogation from paragraph 1 above, if on 1 October 1985 the rules determining the uniform basis for assessing the value added tax have not yet been applied in all Member States, the financial contribution to the budget of the Communities to be made by a Member State not yet applying the uniform basis for assessing the value added tax shall be determined according to the proportion of its gross national product to the sum total of the gross national products of the Member States. The balance of the budget shall be covered by revenue accruing from the value added tax in accordance with paragraph 1 above, collected by the other Member States. This derogation shall cease to have effect as soon as the rules for determining the uniform basis for assessing the value added tax are applied in all Member States.

Article 4

1. The revenue referred to in Articles 2 and 3 shall be used without distinction to finance all expenditure entered in the budget of the Communities.

2. Financing expenditure connected with research programmes from the Communities' own resources shall not exclude entry in the budget of the Communities of expenditure relating to supplementary programmes nor the financing of such expenditure by means of financial contributions from Member States determined according to a special scale fixed pursuant to a decision of the Council acting unanimously.

Article 5

In order to cover expense incurred in collection, each Member State may be refunded up to 10 % of the amounts of the own resources set out in Article 2. The rate applicable shall be fixed on a proposal from the Commission, by the budgetary authority, the Council acting unanimously and Parliament acting by a majority of its members and three-fifths of the votes cast.

Article 6

Any balance between the Communities' own resources and actual expenditure during a financial year shall be regulated in accordance with provisions to be adopted pursuant to Article 209 of the Treaty establishing the European Economic Community and Article 183 of the Treaty establishing the European Atomic Energy Community.

Article 7

1. The Community resources referred to in Articles 2 and 3 shall be collected by the Member States in accordance with national provisions imposed by law, regulation or administrative action, which shall, where necessary, be amended for that purpose. Member States shall make these resources available to the Commission.

2. Without prejudice to the auditing of accounts provided for in Article 206 (a) of the Treaty establishing the European Economic Community, or to the inspection arrangements made pursuant to Article 209 (c) of that Treaty, the Council shall, acting unanimously on a proposal from the Commission and after consulting the European Parliament, adopt provisions relating to the supervision of collection, the making available to the Commission, and the payment of the revenue referred to in Articles 2 and 3, and also the detailed rules for applying Article 3.

Article 8

Member States shall be notified of this Decision by the Secretary-General of the Council of the European Communities; it shall be published in the *Official Journal of the European Communities.*

Member States shall notify the Secretary-General of the Council of the European Communities without delay of the completion of the procedures for the adoption of this Decision in accordance with their respective constitutional requirements.

This Decision shall enter into force on 1 October 1985. At the same time the Decision of 21 April 1970 shall be repealed.

This Decision shall enter into effect on 1 January 1985.

To the extent necessary, any reference to the Decision of 21 April 1970 shall be understood as referring to the present Decision.