COMMISSION REGULATION (EC) No 1687/2001

of 21 August 2001

amending Regulation (Euratom, ECSC, EC) No 3418/93 laying down detailed rules for the implementation of certain provisions of the Financial Regulation of 21 December 1977

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities [1], as last amended by Council Regulation (EC) No 762/2001 [2], and in particular Article 139 thereof,

After consulting the European Parliament and the Council,

Having regard to the opinions of the Court of Justice, the Court of Auditors, the Economic and Social Committee, the Committee of the Regions and the Ombudsman,

Whereas:

(1) Commission Regulation (Euratom, ECSC, EC) No 3418/93 of 9 December 1993 laying down detailed rules for the implementation of certain provisions of the Financial Regulation of 21 December 1977 [3], as last amended by Decision 2000/716/EC [4], must be amended as a result of the amendments made to the Financial Regulation.

(2) Provisions on the evaluation of projects, programmes and operations must be introduced to comply with the principles of sound financial management.

(3) All references to the ecu were replaced by references to the euro at the rate of one euro to one ecu from 1 January 1999, in accordance with Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro [5], as amended by Regulation (EC) No 2595/2000 [6]. All references to the ecu in Regulation (Euratom, ECSC, EC) No 3418/93 should be read as references to the euro.

(4) The rate of the euro against each of the currencies which the institutions use for the implementation of the budget should be determined by the Commission on the basis of the reference exchange rates published by the European Central Bank.

(5) A new reference rate of interest, i.e. the rate applied by the European Central Bank to its refinancing operations, must be set now that the European Monetary Cooperation Fund (EMCF) no longer exists.

(6) The notion of confusion of interests needs to be defined.

(7) The transparency of subcontracted operations must be guaranteed.

(8) A new provision on the validation of payments by the accounting officer should be introduced in view of the development of integrated computer systems.

(9) The procedure for setting up imprest accounts and appointing imprest administrators needs to be adapted to match the requirements and urgency that warrant recourse to the procedure. In this area the authorising officer should be given the initiating role and the accounting officer the decision-making role.

(10) The principles governing the performance of internal auditing need to be set out.

(11) Following amendment of Article 36 of the Financial Regulation to give a stronger guarantee that legal commitments correspond to accounting commitments, a number of provisions in Title VII need to be adjusted.

(12) A provision on the establishment of a third party ledger should be introduced to increase the security of payments by transfer.

(13) The provisions relating to contracts must be grouped together and rationalised to bring them into line with the Plurilateral Agreement on Government Procurement (WTO) and the Council directives.

(14) In the interests of simplification and harmonisation of the procedures for the award of contracts and of empowerment of authorising officers, the threshold above which the ACPC's responsibility comes into play should be raised for the Commission, given the volume of its contracts, and to a lesser extent for the other institutions. It is proposed that the referral threshold for the Commission's ACPC be raised in two stages, with an intermediate evaluation, so that the impact of the rise can be gauged.

(15) The accounts must record changes in value by writing down the value of assets where appropriate and record the depreciation of assets by constituting corresponding provisions. In accordance with the principle of prudence, the accounting officer must also enter provisions for liabilities and charges.

(16) The Commission no longer receives advances in respect of the activities it conducts on behalf of third parties in the field of research and technological development and has dissolved the ACPC-JRC.

[1] OJ L 356, 31.12.1977, p. 1.
[2] OJ L 111, 20.4.2001, p. 1.
[3] OJ L 315, 16.12.1993, p. 1.
[4] OJ L 290, 17.11.2000, p. 52.
[5] OJ L 162, 19.6.1997, p. 1.
[6] OJ L 300, 29.11.2000, p. 1.

(17) The Commission decision of 21 August 2001 updating the fixed amounts provided for in this Regulation must be incorporated with effect from 1 January 2001,

HAS ADOPTED THIS REGULATION:

Article 1

1. The first recital is replaced by the following:

'Whereas certain provisions of Articles 11, 22, 23, 24, 25, 28, 29, 36, 37, 38, 41, 45, 46, 49, 53, 54, 56, 58, 59, 60, 63, 64a, 65, 66, 70, 70a, 75, 94, 97 and 123 of the Financial Regulation explicitly provide that detailed rules will be drawn up for their implementation;'.

2. The following title is inserted:

'TITLE I

EVALUATION OF EXPENDITURE

(Article 2 of the Financial Regulation)

Article 1

1. Proposals for all new programmes and actions occasioning expenditure from the general budget of the European Communities shall be the subject of an *ex ante* evaluation, which shall identify:

(a) the need to be met in the short or long term;

(b) the objectives to be realised;

(c) the results expected and the indicators needed to measure them;

(d) the added value of Community involvement;

(e) the risks, including fraud, linked with the proposals and the alternative options available;

(f) the lessons learned from similar experiences in the past;

(g) the volume of appropriations, human resources and other administrative expenditure to be allocated with due regard to the cost-effectiveness principle;

(h) the monitoring system to be set up.

2. All programmes or actions shall then be the subject of an *ex post* evaluation in terms of the human and financial resources allocated and the results obtained in order to verify that they were in keeping with the objectives set.

3. The results obtained in carrying out a multiannual programme shall be periodically evaluated in accordance with a timetable which will allow the findings of this evaluation to be taken into account for any decision on the continuation, modification or suspension of the programme.

Actions financed on an annual basis shall have their results evaluated at least every six years.'

3. Title I is renumbered Title Ia. In Title Ia, the word 'ecu' is replaced by the word 'euro'.

4. The following Article is inserted:

'*Article 1a*

1. The Commission shall determine the rate of the euro against each of the currencies which the institutions have to use for the implementation of the budget on the basis of the reference exchange rates established by the European Central Bank and published in the *Official Journal of the European Communities*.

2. Conversions between the euro and national currencies shall be made at the daily euro rate published in the *Official Journal of the European Communities*. However, for the accounting purposes provided for in Articles 69 to 72 of the Financial Regulation, pursuant to Article 11(4) of the Financial Regulation, conversion between the euro and national currencies shall be made at the monthly euro rates calculated on the basis of the rate on the penultimate working day of the month preceding that for which the rates are established.

3. The Commission shall use any source of information it considers reliable when determining the rate of the euro against currencies for which the daily rate is not published in the *Official Journal of the European Communities*.'

5. In Articles 2, 3, 4, 5 and Article 136(8) 'Article 1' is replaced by 'Article 1a'. A further linguistic change is made which does not affect the English language version. In Articles 2, 3, 4, 5, 94, 136 and 145 'ecu' is replaced by 'euro'.

6. In Article 3, 'Commission Regulation (EEC) No 2776/88' is replaced by 'Commission Regulation (EC) No 296/96'.

7. The heading of Title II is replaced by the following:

'TITLE II

DELEGATIONS AND SUBCONTRACTING

(Article 22 of the Financial Regulation)'

8. The following Articles 9a and 9b are inserted:

'*Article 9a*

Before embarking on any act implementing the budget, delegators and delegatees shall declare to their hierarchical superior, in writing, any confusion or conflict of interests which might impair their ability to perform their duties impartially and objectively. This confusion or conflict of interests may arise in particular through family or emotional ties, political or national affinity, economic interest or any other pertinent connection with the beneficiary. The hierarchical superior of the delegator or delegatee shall confirm in writing whether or not a confusion or conflict of interests exists. If it does, the act may not be carried out by this delegator or delegatee.

Delegators or delegatees who fail to declare the existence of a confusion or conflict of interests shall be liable to disciplinary action and payment of compensation in accordance with Articles 73 to 77 of the Financial Regulation. They shall be similarly liable if they carry out an act implementing the budget when their hierarchical superior has confirmed the existence of a confusion or conflict of interests.

Article 9b

In order to guarantee the transparency of subcontracted operations, management costs and expenses shall be broken down separately and the interest and other revenue from the funds held by the co-contractor on behalf of the Commission shall be identified.

The contracts concluded shall contain appropriate provisions concerning matters such as the treatment of interest and other revenue, the keeping of accounts and the recovery of unduly paid amounts.

Rules on the management of funds made available to subcontractors, especially as regards payments to the beneficiaries of Community programmes or actions, and rules of conduct as regards incompatibilities, confusion of interest and confidentiality shall be laid down in the contracts which the institutions conclude with subcontractors.'

9. Article 10 is amended as follows:

(a) in paragraph 1, a correction is made which does not affect the English language version;

(b) in paragraph 2(f), 'payment orders and recovery orders' is replaced by:

'payment orders, estimates of amounts receivable and recovery orders. This shall also apply to the replacement of original supporting documents by electronic document management systems.';

(c) the following paragraph is added:

'3. When operations are managed by integrated computer systems in accordance with paragraphs 1 and 2, the verifications carried out by the accounting officer to validate payment operations may be replaced or supplemented by regular verifications of these systems which may be carried out on the spot if necessary.'

10. The following second paragraph is added to Article 14:

'Imprest administrators shall be appointed on the grounds of their particular qualifications as evidenced by diplomas or by equivalent professional experience or appropriate prior training, having due regard to the size of the imprests they are required to administer.'

11. Article 19 is deleted.

12. In Article 24, 'Regulation (EEC, Euratom) No 1552/89' is replaced by 'Regulation (EC, Euratom) No 1150/2000'.

13. Article 27 is deleted.

14. In Article 30, 'Article 215' is replaced by 'Article 288'.

15. Article 31 is replaced by the following:

'Article 31

The monthly amount of the special allowance referred to in Article 75(4) of the Financial Regulation shall be:

(a) EUR 139 for the accounting officer;

(b) EUR 94 for assistant accounting officers;

(c) EUR 47 for imprest administrators, where the amount of the imprest is at least EUR 3 800 and where the period of the imprest is at least 30 consecutive days.

This allowance shall be denominated in euro and the appropriate amount shall be credited in euro to the guarantee account provided for in Article 32.'

16. The third sentence of the first paragraph of Article 32 is replaced by the following:

'This account shall be credited periodically with the monthly allowance referred to in Article 31 and with annual interest corresponding to the annual average of the monthly rates applied by the European Central Bank to its main refinancing operations in euro.'

17. The heading of Title V is replaced by the following:

'TITLE V

RULES APPLICABLE TO THE FINANCIAL CONTROLLER, THE ASSISTANT FINANCIAL CONTROLLERS AND THE INTERNAL AUDITOR

(Articles 24 and 24a of the Financial Regulation)'

18. The following Articles 43a and 43b are inserted:

'Article 43a

The internal audit function shall be performed in accordance with the relevant international standards. Internal audit activities shall focus on the effectiveness and efficiency of management and control systems. The audit reports shall be sent to the services audited and to the bodies designated by each institution to ensure that its services follow up the recommendations.

Article 43b

The internal auditor shall be chosen from nationals of the Member States on the grounds of their particular qualifications.'

19. In the first paragraph of Article 44, the first sentence is replaced by the following:

'In accordance with Article 28(1) of the Financial Regulation, the competent authorising officer shall draw up an estimate of amounts receivable for any measure or situation which may give rise to or modify a debt due to the Communities.'

20. In Article 45(2), 'by requesting the debtor to pay the sum due by the date indicated' is deleted.

21. In Article 46, a correction is made which does not affect the English language version.

22. In Article 49, a correction is made which does not affect the English language version.

23. Articles 52 and 53 are replaced by the following:

'Article 52

Decisions of principle taken by the institution and entailing an obligation vis-à-vis third parties to incur expenditure shall constitute commitments of expenditure.

Article 53

If an item of expenditure requires a decision of principle by the institution, the draft of that decision cannot be adopted by the institution unless it has first received the agreement of the financial controller. The financial controller shall give his agreement only if the draft satisfies the requirements of sound financial management. The authorising officer shall submit a commitment proposal in respect of the decision of principle to the financial controller together with the draft decision itself.

When the institution has approved the draft decision, the corresponding global commitment proposal together with the corresponding draft legal commitment, as appropriate, shall be submitted to the financial controller for approval.

Where the institution does not approve the draft decision or reduces the amount of expenditure proposed, the commitment proposal shall be amended or cancelled or, where applicable, replaced by an appropriate commitment proposal, which shall be submitted to the financial controller for approval.

The authorising officer shall conclude the individual legal commitments within the time limits laid down in Article 36(2) of the Financial Regulation. Before being signed by the authorising officer, each individual budget commitment shall be submitted to the financial controller for approval in accordance with the second paragraph of Article 37 of the Financial Regulation, recorded in the accounts by the authorising officer and booked to the global budget commitment.

On expiry of the time limit for implementation of the global commitment, the authorising officer shall, without delay and, at the latest, within three months, decommit the difference between the amount of the commitment referred to in the second paragraph and the sum of the of the amounts recorded in the central accounts in accordance with the fourth paragraph.'

24. In the final paragraph of Article 54, the words 'or translators' are inserted after 'interpreters'.

25. In Article 81 'ECU 400' is replaced by 'EUR 420'.

26. The following new Article 81a is inserted:

'Article 81a

1. The accounting officer may make payments by bank credit transfer or post office giro only if the payment beneficiary's bank account details have previously been entered in a ledger managed centrally by each institution.

Entry in the ledger of the beneficiary's bank account details or modification of those details shall be carried out on the basis of a document issued on paper or in electronic form by the beneficiary's bank or, in the case of payments to officials and other servants, by the beneficiary.

2. With a view to payment by bank credit transfer or post office giro, authorising officers may enter into a commitment vis-a-vis a third party on behalf of their institution only if that third party has provided the documentation required for its entry in the ledger.

Authorising officers shall ensure that the bank account details communicated by the beneficiary remain valid during the period corresponding to the institution's commitment vis-a-vis the beneficiary. Where appropriate, the authorising officer shall update the bank account details in accordance with the second subparagraph of paragraph 1.'

27. The second paragraph of Article 82 is replaced by the following:

'Decisions to set up imprest accounts or to amend or substantially alter the conditions governing their operation shall be taken by the accounting officer on a duly reasoned proposal from the authorising officer after obtaining the financial controller's approval.'

28. The first paragraph of Article 83 is replaced by the following:

'Decisions to appoint imprest administrators shall be taken by the accounting officer on a duly reasoned proposal from the authorising officer.'

29. In the first indent of Article 94(1) the words 'European Monetary Cooperation Fund to its operations in ecu' are replaced by 'European Central Bank to its main refinancing operations in euro'.

30. The heading of Title XV is replaced by the following:

'TITLE XV

PROCUREMENT PROCEDURES

(Articles 56 and 58 of the Financial Regulation)'

31. The text of Article 97 is replaced by the following:

'Article 97

1. The Council directives on public works, supply and service contracts shall be applicable to the award of contracts by the institutions whenever the amounts involved are equal to or greater than the amounts provided for in those directives.

The provisions of these directives govern in particular:

(a) contract award procedures;

(b) common advertising rules;

(c) common rules on technical specifications;

(d) common rules on participation;

(e) qualitative selection criteria;

(f) contract award criteria.

2. This shall also apply to contracts awarded by the Commission in accordance with the provisions of the Plurilateral Agreement on Government Procurement concluded within the World Trade Organisation. The rules of procedure which the Commission is to follow in applying this agreement are those contained in the Council directives coordinating the procedures for the award of public works, supply and service contracts.'

32. The following Articles 97a to 97f are inserted:

'*Article 97a*

The terms "works contracts", "supply contracts" and "service contracts" shall be construed in accordance with the definitions laid down in the directives referred to in Article 97.

Article 97b

Where the contracts are financed from appropriations entered in their own section of the budget of the European Communities, the institutions shall be regarded as the "contracting authorities" within the meaning of the directives referred to in Article 97, save when the institutions act for a beneficiary non-member country or a body it has designated.

Article 97c

For contracts other than those referred to in Articles 97 to 97b, Articles 97d and 97e shall apply.

Article 97d

1. Contracts shall be awarded by invitation to tender, by open or restricted procedure, or by private treaty or by negotiated procedure.

2. Contracts by invitation to tender are contracts concluded between the contracting parties following a competitive tendering procedure.

An open tendering procedure is one where any bidder may submit a tender; a restricted procedure is one where only bidders selected by the institution on the strength of their particular qualifications may submit tenders.

3. Contracts shall be concluded by private treaty or by negotiated procedure where the contracting authorities consult the tenderers of their choice and negotiate the terms of the contract with one or more of them.

Article 97e

For contracts to which the directives do not apply, the deadline for the submission of tenders shall be fixed according to the nature of the contract and shall be dependent on the length of time necessary for the preparation of the reply to the invitation to tender.

For open or restricted procedures, it may not be less than 21 calendar days. In cases of emergency making it impossible to comply with this time limit, the deadline for the submission of tenders may be reduced to 10 calendar days, in the case of a restricted procedure, provided it allows genuine competition between tenderers.

Article 97f

The following provisions shall apply to all contracts.'

33. Article 98 is replaced by the following:

'*Article 98*

The contract notices shall be drawn up in accordance with the models annexed to the Council directives on public contracts referred to in Article 97.'

34. The following Articles 98a and 98b are inserted:

'*Article 98a*

1. The purpose of the contract must be stated in comprehensive, clear and precise terms.

2. In all procurement procedures the following selection criteria shall apply:

(a) admissibility of the bidder for the contract in question after verification of the cases of exclusion;

(b) criteria for assessing the bidders' financial and economic standing and technical and professional competence.

3. In all procurement procedures the following award criteria shall apply:

(a) either to the lowest among comparable bids submitted that are in order and satisfy the conditions laid down;

(b) or to the bid offering the best value for money having regard, in particular, to the price proposed, running costs, technical merit and characteristics, methodology, time required for performance or delivery, and after-sales service. The documentation for the invitation to tender must specify any weighting of award criteria and the method used to determine value for money.

4. Criteria for selection and awarding of contracts must be set out in the contract notice, the specifications or the call for tenders.

Article 98b

1. The invitation to tender shall clearly state whether a firm, non-revisable price must be quoted.

If this is not the case, it shall lay down the conditions and/or formulas for revision of prices during the lifetime of the contract.

2. If prices can be revised during the lifetime of the contract, the institution shall take particular account of:

(a) the type of goods/services and the economic situation in which they are to be supplied;

(b) the type of contract and its duration;

(c) the institution's financial interests.'

35. Article 99 is amended as follows:

(a) the opening words of the first paragraph are replaced by the following:

'In addition, every invitation to tender shall:';

(b) point (h) is amended as follows:

(i) the opening words are replaced by the following:

'prohibit any contact between the institution and tenderers during a procurement procedure save in the following exceptional circumstances:';

(ii) in the first point, the two indents are replaced by the following:

'— at the instance of tenderers:

the institutions may provide additional information solely for the purpose of clarifying the nature of the contract; such information shall be communicated simultaneously to all tenderers who have requested the specifications,

— at the instance of the institution:

if the institution's departments notice an error, a lack of precision, an omission or any other clerical defect in the text of the contract notice, the invitation to tender or the specifications, they may inform those concerned simultaneously under exactly the same conditions as for the invitation to tender;'

(iii) the second point is replaced by the following:

'after the opening of tenders:

if some clarification is required in connection with a tender or if obvious clerical errors in the tender need to be corrected, the institution may contact the tenderer provided that the terms of the tender are not modified as a result.'

36. Article 101 is replaced by the following:

'Article 101

Specifications shall be drawn up for each contract and attached to the invitation to tender. The general terms and conditions applicable to contracts shall also be attached.'

37. Article 102 is deleted.

38. In the second indent of the first paragraph of Article 103, the words 'private messenger services' are replaced by 'messenger services'.

39. Article 104 is replaced by the following:

'Article 104

1. All tenders that satisfy the requirements of Article 103 shall be opened.

2. Tenders shall be opened by an opening committee appointed for this purpose.

The committee shall have at least three members, representing at least two different departments, a department being one of the highest tier administrative units created within the institution.

The financial controller shall be informed of the opening of tenders. The financial controller or his representative may be present as an observer if he considers it necessary.

3. The members of the opening committee shall:

(a) either initial each page of each tender, or

(b) initial the cover page and the pages containing the financial details of each tender, the integrity of the initial tender being guaranteed by the placing of seals or any other equivalent technique by a department that is independent of the department handling the tender, and

(c) sign a written record of the opening of the tenders received, listing those tenders which satisfy the requirements and those which do not, and stating the grounds on which tenders rejected do not satisfy the requirements.

4. All tenders declared to satisfy the requirements shall be evaluated by an evaluation committee appointed for this purpose which also carries out a classification among the tenders.

The committee shall have at least three members, representing at least two different departments. The committee may be composed of the same members as the committee opening the tenders.

Tenders which do not satisfy the essential requirements set out in the supporting documentation for invitations to tender or the specific requirements of the contract notice, the invitation to tender and/or the specifications shall be eliminated. However, the evaluation committee may ask candidates or tenderers to supply additional material or to clarify within a deadline it fixes the supporting documents submitted, where it is a question of documentation for the purpose of determining whether candidates or tenderers satisfy the selection criteria.

A written record of the evaluation and classification of tenders declared to satisfy the requirements shall be drawn up and signed by all the members of the committee. It shall be kept for future reference.'

40. The heading of Title XVI is replaced by the following:

'TITLE XVI

DETERMINATION OF THE VARIOUS THRESHOLDS IN RESPECT OF CONTRACTS'

41. Article 106 is replaced by the following:

'*Article 106*

The limit below which contracts may be made by private treaty under point (a) of Article 59 of the Financial Regulation shall be EUR 13 800.'

42. Article 107 is replaced by the following:

'*Article 107*

1. The limit above which the powers of the Advisory Committee on Procurement and Contracts provided for in Article 63 of the Financial Regulation take effect shall be:

(a) EUR 500 000 for the Commission;

(b) EUR 100 000 for the other institutions.

In the case of contracts worth between EUR 50 000 and EUR 500 000 for the Commission or between EUR 50 000 and EUR 100 000 for the other institutions, the authorising officer shall send the ACPC an information sheet to enable it to decide whether or not an opinion should be given on the contract. The ACPC shall inform the authorising officer of its decision within five working days of receiving the request. In the meantime the authorising officer may not enter into any commitments on behalf of the institution.

2. An authorising officer may also request that the ACPC deliver an opinion a contract which he has submitted.

3. Information sheets and requests for opinions by authorising officers shall be examined by a permanent department under the authority of the chair of the ACPC. This department shall make recommendations to the ACPC, in the light of volume, risks involved and unusual nature, as to which items should be examined in detail by the ACPC.'

43. Articles 108, 109 and 110 are replaced by the following:

'*Article 108*

The threshold for compulsory security provided for in Article 64a of the Financial Regulation shall be EUR 345 000.

Article 109

The limits below which contracts may be made against an invoice or a bill of costs under Article 60 of the Financial Regulation shall be:

(a) EUR 1 050 for expenditure at the places of work of the institution;

(b) EUR 2 700 for expenditure away from the places of work of the institution.

Article 110

In accordance with Article 97 of the Financial Regulation, with regard to the award of contracts relating to research and technological development appropriations, the limit below which contracts may be made by private treaty (Article 59(a) of the Financial Regulation) shall be EUR 103 500 for scientific and technical equipment and for works contracts.

The limit above which the powers of the ACPC take effect shall be fixed in accordance with Article 107 of this Regulation. For scientific and technical contracts and for works contracts the threshold above which the authorising officer shall submit the information sheet referred to in the second subparagraph of Article 107(1) shall be EUR 103 500.'

44. The heading of Title XVII is replaced by the following:

'TITLE XVII

FUNCTIONING OF THE ADVISORY COMMITTEE ON PROCUREMENT AND CONTRACTS (ACPC)

(Articles 63 and 97 of the Financial Regulation)'

45. In Article 111, 'in accordance with the provisions of Articles 60, 61 and 97 of the Financial Regulation' in the opening words is replaced by 'in accordance with the provisions of Articles 63, 64 and 97 of the Financial Regulation'.

46. In Article 115, 'Article 126' is replaced by 'Article 97'.

47. Section II of Title XVII is deleted.

48. The heading of Title XVIII is replaced by the following:

'TITLE XVIII

GUARANTEES AND PRELIMINARY DEPOSIT BY WAY OF GUARANTEE OF PERFORMANCE OF CONTRACTS

(Article 64A of the Financial Regulation)'

49. In Article 125, 'of Article 62' is replaced by 'of Article 64a'.

50. Title XIX is deleted.

51. In Article 130, 'ECU 400' is replaced by 'EUR 420'.

52. The following title is inserted:

'TITLE XXA

RULES FOR WRITING DOWN THE VALUE OF ASSETS AND CONSTITUTING PROVISIONS

(Article 70a of the Financial Regulation)

Article 131a

The Commission's accounting officer shall lay down the accounting rules applicable to depreciation and inventories after consulting the accounting officers of the other institutions, in accordance with the procedure laid down in Article 21 of this Regulation.

Article 131b

1. The value of fixed assets, other than financial fixed assets, at the closure of accounts (balance sheet value) shall be determined in accordance with a depreciation plan.

2. The depreciation plan shall apply the straight-line method of depreciation for each full year since the year when the asset came into service.

3. When the current value of non-depreciable fixed assets is lower than their book value, an exceptional depreciation shall be applied if the loss in value is judged to be irreversible.

Article 131c

1. A reduction in the value of an asset or an increase in liabilities due in the more or less long term must lead to the establishment of provisions.

2. The establishment of these provisions must result from causes whose effects are not necessarily irreversible.'

53. In Article 132, 'ECU 7 700' and 'ECU 372 900' are replaced by 'EUR 8 100' and 'EUR 391 100' respectively.

54. Article 133 is replaced by the following:

'*Article 133*

The accounts shall distinguish between general accounts and budget accounts, and these two accounts shall be coordinated with one another. The chart of accounts shall be drawn up so as to permit the keeping of these two sets of accounts.'

55. In Article 135, paragraphs 1 to 4 are replaced by the following:

'1. The general accounts shall make it possible to ascertain the institution's assets and liabilities.

2. The list of accounts to be used for the general accounts shall be drawn up on the basis of a decimal classification system.

3. The list of accounts shall consist of the following classes:

— class 1: fixed capital account,

— class 2: fixed asset accounts,

— class 3: stock accounts,

— class 4: accounts with third parties,

— class 5: financial accounts,

— class 6: expenditure accounts,

— class 7: income accounts,

— class 8: special accounts.

4. Each class shall be divided into groups and subgroups, depending on the requirements of the institution, to allow operations to be entered in accordance with the accounting principles referred to in Article 136(10).'

56. Article 136 is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. The accounts shall be kept by means of a computer program.';

(b) in the second subparagraph of paragraph 4, 'fixed asset accounts — as provided for in Article 130' is replaced by 'fixed asset accounts — as provided for in Article 135(3)';

(c) paragraph 7 is deleted;

(d) paragraphs 8 to 10 are replaced by the following:

'8. The financial (bank and post office giro) accounts shall be kept in national currencies and in euro.

Amounts expressed in national currencies shall be converted into euro at rates to be determined in accordance with Article 1a. The balances in euro of accounts held in national currencies shall be revalued each month.

9. The accounts of the Joint Research Centre shall be consolidated in the Commission's general accounts.

10. The financial statements must comply with the rules and be accurate and comprehensive and present a true and fair view of assets, the financial situation and the outturn of the financial year. They shall be drawn up on the basis of generally accepted accounting principles. The practical arrangements for applying these principles, which will be updated periodically, shall be laid down in accordance with the provisions of Article 21.';

(e) the following paragraphs 11 and 12 are added:

'11. The accounting officer shall enter provisions for liabilities and charges to cover past or ongoing events of a specified nature whose outcome is uncertain.

12. The provisions for liabilities and charges provided for in paragraph 11, for reductions in the value of assets provided for in Article 131c and for depreciations provided for in Article 131b shall be entered in the non-budget expenditure and income account and shown separately in the annex to the balance sheet.'

57. Article 139 is deleted.

58. In the heading of Title XXIV, 'Articles 121, 122 and 123' is replaced by 'Articles 121 and 123'.

59. In Article 143, 'Article 60' is replaced by 'Article 63'.

60. The heading of Title XXV is replaced by the following:

'TITLE XXV

TRANSITIONAL AND FINAL PROVISIONS'

61. The following Article 144a is inserted:

'Article 144a

For a transitional period, the limit referred to in Article 107 above which the powers of the ACPC take effect shall be reduced, for the Commission, to EUR 300 000 from the entry into force of this amending regulation until such time as the Commission approves an evaluation report relating to the first six months of its application and showing that the threshold of EUR 500 000 is appropriate in view of the quality requirements for the control of Community management.'

Article 2

This Regulation shall enter into force on the seventh 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.

Done at Brussels, 21 August 2001.

For the Commission

Michaele SCHREYER

Member of the Commission