

Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

PART FIVE

FINANCIAL PROVISIONS

Chapter 2

***THE UNITED KINGDOM'S CONTRIBUTION TO
AND PARTICIPATION IN THE UNION BUDGET***

Article 144

Financial instruments under direct or indirect implementation financed by the programmes of the MFF 2014-2020 or under earlier financial perspectives

1 From the date of entry into force of this Agreement until the full amortisation of the financial operations referred to in point (a) of this subparagraph, the Union shall identify the financial operations that:

- a before the date of entry into force of this Agreement, have been decided upon by the European Commission and, where necessary, approved by the financial institutions which have been entrusted by the European Commission with the implementation of a financial instrument under a programme of the MFF 2014-2020 or under earlier financial perspectives under direct or indirect implementation; and
- b have been decided upon and, where necessary, approved on or after the date of entry into force of this Agreement.

On 31 July 2019, in the report referred to in the second subparagraph of Article 143(1), the Union shall provide the following information concerning the financial instruments, under direct or indirect implementation, financed by the programmes of the MFF 2014-2020 or financed under earlier financial perspectives:

- a the financial liabilities arising from the operations decided upon before the date of entry into force of this Agreement by the European Commission or the entity entrusted by the European Commission with the implementation of the financial instrument; and
- b the payments made by the European Commission for the financial instruments and the amounts committed for the financial instruments that have not yet been paid at that date.

The liability of the Union to the United Kingdom in relation to the financial operations referred to in this paragraph shall not be affected by a restructuring of those financial operations, to the extent that such restructuring does not increase the financial exposure to the counterparty, in nominal terms, as it stood immediately prior to the restructuring.

2 On 31 March of each year, starting in 2021, until their amortisation, expiry or termination, for each financial instrument referred to in paragraph 1, the Union shall communicate to the United Kingdom the available information regarding the financial operations referred to in paragraph 1 that have been decided upon or approved before the date of entry into force of this Agreement and those that have been decided upon or approved on or after that date. For each instrument, the information shall contain:

- a the financial liabilities as at 31 December of the preceding year arising from the financial operations decided upon by the European Commission, or approved by the entity entrusted by the European Commission with the implementation of the financial instrument, before the date of entry into force of this Agreement;
 - b the total financial liabilities as at 31 December of the preceding year arising from the financial operations decided upon by the European Commission, or by the entity entrusted by the European Commission with the implementation of the instrument;
 - c the ratio between the amounts referred to in points (a) and (b);
 - d the payments made from the provisioning fund or from fiduciary accounts with the entrusted entities, where such payments relate to financial operations that were decided upon by the European Commission or were approved by the entity entrusted by the European Commission with the implementation of the financial instrument, after the date of entry into force of this Agreement;
 - e the part of the amounts paid back to the Union in accordance with Article 209(3) of the Financial Regulation, other than the returns provided for in point (f) of this paragraph, related to financial operations decided upon or approved before the date of entry into force of this Agreement;
 - f returns on resources of the financial instrument in the provisioning fund or in fiduciary accounts;
 - g the part of the amount of the provisioning fund or fiduciary accounts which has not been disbursed and which has been recovered by the European Commission;
 - h if necessary, other useful information concerning the financial operations in the preceding year.
- 3 The Union shall be liable to the United Kingdom for the United Kingdom's share of any amount referred in points (d) to (g) of paragraph 2.
- 4 For the purposes of this Article, where financial liabilities, payments, recoveries or other amounts relate to financial operations referred to in paragraph 1 but cannot be directly determined to arise from a particular financial operation as a result of the application of risk mutualisation or subordination mechanisms, the relevant financial liabilities, payments, recoveries or other amounts required to be determined for the application of this Article shall be calculated on a pro-rata basis, based on the ratio referred to in point (c) of paragraph 2.