

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 1*

**GENERAL PROVISIONS**

*Article 133*

**Currency to be used between the Union and the United Kingdom**

Without prejudice to the applicable Union law concerning the Union's own resources, all amounts, liabilities, calculations, accounts and payments referred to in this Part shall be drawn up and implemented in euro.

*Article 134*

**Facility offered to auditors in relation to the financial provisions**

The United Kingdom shall inform the Union about the entities it has entrusted to carry out its audit of the implementation of the financial provisions covered by this Part.

On the United Kingdom's request, the Union shall provide those entrusted entities with any information that may reasonably be requested as regards the United Kingdom's rights and obligations under this Part and shall provide them with adequate assistance to allow them to accomplish their task. In providing information and assistance under this Article, the Union shall act in accordance with applicable Union law, in particular with Union rules on data protection.

The authorities of the United Kingdom and of the Union may agree on appropriate administrative arrangements to facilitate the application of the first and second paragraphs.

## *Chapter 2*

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

#### *Article 135*

#### **The United Kingdom's contribution to and participation in the implementation of the Union budgets for the years 2019 and 2020**

1 For the years 2019 and 2020, in accordance with Part Four, the United Kingdom shall contribute to and participate in the implementation of the Union budgets.

2 By way of derogation from Part Four, amendments to Council Regulation (EU, Euratom) No 1311/2013<sup>(1)</sup> or Decision 2014/335/EU, Euratom that are adopted on or after the date of entry into force of this Agreement shall not apply to the United Kingdom insofar as those amendments have an impact on the United Kingdom's financial obligations.

#### *Article 136*

#### **Provisions applicable after 31 December 2020 in relation to own resources**

1 The applicable Union law concerning the Union's own resources relating to financial years until 2020 shall continue to apply to the United Kingdom after 31 December 2020, including where the own resources concerned are to be made available, corrected or subject to adjustments after that date.

2 Without prejudice to Article 135(2), the Union law referred to in paragraph 1 of this Article shall include in particular the following acts and provisions, including any amendment thereto, irrespective of the date of adoption, entry into force or application of the amendment:

- a Decision 2014/335/EU, Euratom;
- b Regulation (EU, Euratom) No 609/2014, and in particular Article 12 thereof in relation to the interest on amounts made available belatedly and Article 11 thereof in relation to the handling of the opt-out;
- c Regulation (EU, Euratom) No 608/2014 and in particular Article 1 thereof in relation to the calculation of the balance and Articles 2 to 8 thereof in relation to the implementing measures for the system of own resources;
- d Council Regulation (EEC, Euratom) No 1553/89<sup>(2)</sup>;
- e Council Regulation (EC, Euratom) No 1287/2003<sup>(3)</sup>;
- f Commission Implementing Decision (EU, Euratom) 2018/195<sup>(4)</sup>;
- g Commission Implementing Decision (EU, Euratom) 2018/194<sup>(5)</sup>;
- h Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>(6)</sup> (the "Financial Regulation");
- i Article 287 TFEU on the role of the Court of Auditors as well as other rules concerning that institution;
- j Article 325 TFEU on combatting fraud and related acts, in particular Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>(7)</sup> and Council Regulation (EC, Euratom) No 2988/95<sup>(8)</sup>;
- k the annual budgets for the financial years until 2020 or, in the event that the annual budget has not been adopted, the rules applicable in accordance with Article 315 TFEU.

3 By way of derogation from paragraphs 1 and 2, the following rules shall apply to the United Kingdom after 31 December 2020:

- a any amounts resulting, in respect of the United Kingdom, from adjustments to own resources entered into the budget and from adjustments related to the surplus or deficit, in relation to the financing of the Union budgets until 2020 in accordance with the Union law referred to in paragraphs 1 and 2, shall be due by or to the United Kingdom;
- b if, in accordance with the applicable Union law concerning the Union's own resources, the date on which the own resources are to be made available is after 28 February 2021, the payment shall be made on the earliest date referred to in Article 148(1) following the date on which the own resources are to be made available;
- c for the purpose of payment by the United Kingdom of traditional own resources after 28 February 2021, the amount of entitlements established in accordance with Article 2 of Regulation (EU, Euratom) No 609/2014 after the reduction of the collection costs in accordance with Articles 2(3) and 10(3) of Decision 2014/335/EU, Euratom shall be reduced by the United Kingdom's share of this amount;
- d by way of derogation from Article 7 of this Agreement, the representatives or experts of the United Kingdom, or experts designated by the United Kingdom may, upon invitation, exceptionally attend, without voting rights, the meetings of any committee established by the applicable Union law referred to in paragraphs 1 and 2 of this Article, such as the meetings of the Advisory Committee on Own Resources established by Article 7 of Regulation (EU, Euratom) No 608/2014 or the GNI Committee established by Article 4 of Regulation (EC, Euratom) No 1287/2003, to the extent that the work of such committees concerns the financial years until 2020;
- e any correction or adjustment to the own resources based on VAT and gross national income shall only be made if the relevant measures pursuant to the provisions referred to in paragraphs 1 and 2 are decided upon no later than 31 December 2028;
- f the separate account for traditional own resources referred to in the second subparagraph of Article 6(3) of Regulation (EU, Euratom) No 609/2014 shall be fully liquidated by 31 December 2025. Prior to 20 February 2026, a share of the amounts still in that account on 31 December 2025 and not being subject to European Commission inspection findings communicated prior to that date under the own resources legislation shall be made available to the Union budget corresponding to the share of the amounts made available to the Union on the amounts reported by the United Kingdom to the European Commission in the framework of the procedure laid down in Article 13 of Regulation (EU, Euratom) No 609/2014 during the period between 1 January 2014 and 31 December 2020.

#### *Article 137*

### **The United Kingdom's participation in the implementation of the Union programmes and activities in 2019 and 2020**

1 In accordance with Part Four, the Union programmes and activities committed under the multiannual financial framework for the years 2014-2020 ("MFF 2014-2020") or previous financial perspectives shall be implemented in 2019 and 2020 with regard to the United Kingdom on the basis of the applicable Union law.

Regulation (EU) No 1307/2013 of the European Parliament and of the Council<sup>(9)</sup> as applicable in the year 2020 shall not apply in the United Kingdom for claim year 2020. However, Article 13 of that Regulation shall apply in respect of the United Kingdom direct payments scheme for claim year 2020, provided that such scheme is equivalent to the scheme of Regulation (EU) No 1307/2013, as applicable in the year 2020.

2 By way of derogation from Part Four, the United Kingdom and projects located in the United Kingdom shall only be eligible for financial operations carried out within financial instruments managed directly or indirectly under Title X of the Financial Regulation or financial operations guaranteed by the Union budget under the European Fund for Strategic Investments (EFSI) established by Regulation (EU) 2015/1017 of the European Parliament and of the Council<sup>(10)</sup> and the European Fund for Sustainable Development (EFSD) established by Regulation (EU) 2017/1601 of the European Parliament and of the Council<sup>(11)</sup>, provided that those financial operations were approved by the entities and bodies, including the EIB and the European Investment Fund ("EIF"), or by persons entrusted with the implementation of part of those actions before the date of entry into force of this Agreement, even if the signature of those financial operations took place after that date. In relation to those financial operations approved after the date of entry into force of this Agreement, entities established in the United Kingdom shall be treated as entities located outside the Union.

#### *Article 138*

#### **Union law applicable after 31 December 2020 in relation to the United Kingdom's participation in the implementation of the Union programmes and activities committed under the MFF 2014-2020 or previous financial perspectives**

1 In respect of the implementation of the Union programmes and activities committed under the MFF 2014-2020 or previous financial perspectives, applicable Union law, including the rules on financial corrections and on clearance of accounts, shall continue to apply to the United Kingdom after 31 December 2020 until the closure of those Union programmes and activities.

2 The applicable Union law referred to in paragraph 1 shall include in particular the following provisions, including any amendments to those provisions, irrespective of the date of adoption, entry into force or application of the amendment:

- a the Financial Regulation;
- b the basic acts, within the meaning of point (4) of Article 2 of the Financial Regulation, establishing Union programmes or activities referred to in the budget remarks concerning titles, chapters, articles or items under which the appropriations have been committed;
- c Article 299 TFEU on the enforceability of pecuniary obligations;
- d Article 287 TFEU on the role of the Court of Auditors as well as other rules concerning that institution;
- e Article 325 TFEU on combatting fraud and related acts, in particular Regulation (EU, Euratom) No 883/2013 and Regulation (EC, Euratom) No 2988/95.

3 By way of derogation from Article 7, the representatives or experts of the United Kingdom, or experts designated by the United Kingdom, may, upon invitation, exceptionally attend, without voting rights, meetings of the committees that assist the European Commission in the implementation and management of the programmes established by Union law referred to in paragraph 1 or established by the European Commission in respect of the implementation of that law, to the extent that their work concerns the financial years until 2020.

4 By way of derogation from Article 8, the United Kingdom shall have access, to the extent strictly necessary for the implementation of the programmes and activities referred to in point (b) of paragraph 2, to the networks, information systems and the databases established under the relevant basic acts or by the related implementation rules derived from those basic acts.

5 On a proposal from the Committee on the financial provisions referred to in point (f) of Article 165(1), the Joint Committee may adopt, in conformity with the rules established in Article 166, technical measures to facilitate the closure of the programmes and activities referred to in paragraph 1 of this Article or to exempt the United Kingdom from obligations to take actions, during or after the closure of those programmes and activities, which are not relevant for a former Member State, provided that such technical measures respect the principle of sound financial management and do not result in an advantage in favour of the United Kingdom or the United Kingdom beneficiaries compared to Member States or third countries participating in the same programmes and activities financed by the Union budget.

#### *Article 139*

### **Share of the United Kingdom**

The United Kingdom's share referred to in points (a) and (c) of Article 136(3), and in Articles 140 to 147 shall be a percentage calculated as the ratio between the own resources made available by the United Kingdom in the years 2014 to 2020 and the own resources made available during that period by all Member States and the United Kingdom as adjusted by the amount communicated to the Member States before 1 February 2022 in accordance with Article 10b(5) of Regulation (EU, Euratom) No 609/2014.

#### *Article 140*

### **Outstanding commitments**

1 Unless otherwise provided for in this Agreement, the United Kingdom shall be liable to the Union for the United Kingdom's share of the budgetary commitments of the Union budget and the budgets of the Union decentralised agencies outstanding on 31 December 2020 and for the United Kingdom's share of the commitments made in 2021 on the carryover of commitment appropriations from the budget for 2020.

The first subparagraph shall not apply to the following commitments outstanding on 31 December 2020:

- a those commitments related to the programmes and bodies to which Article 11 of Regulation (EU, Euratom) No 609/2014 applies with regard to the United Kingdom;
- b those commitments financed by assigned revenue in the Union budget.

With regard to the Union's decentralised agencies, the amount of their commitments referred to in the first subparagraph shall only be taken into account in proportion to the share of contributions from the Union budget in their overall revenues for the period 2014-2020.

2 The Union shall calculate the amount of commitments referred to in paragraph 1 on 31 December 2020. It shall communicate that amount to the United Kingdom by 31 March 2021, adding a list with the reference key of each commitment, the associated budget lines, and the amount for each associated budget line.

3 The Union shall, by 31 March of each year, starting in 2022, with regard to the commitments referred to in paragraph 1, communicate to the United Kingdom:

- a information on the amount of commitments outstanding on 31 December of the previous year and on the payments and decommitments made in the previous year, including an update of the list referred to in paragraph 2;

- b an estimate of the expected payments in the current year based on the level of payment appropriations in the budget;
- c an estimate of the expected contribution of the United Kingdom to the payments referred to in point (b); and
- d other information, such as a medium term payment forecast.

4 The annual amount payable shall be calculated as the United Kingdom's share of the estimate referred to in point (b) of paragraph 3 adjusted by the difference between the payments made by the United Kingdom in the previous year and the United Kingdom's share of the payments made by the Union in the previous year on the outstanding commitments referred to in paragraph 1, reduced by the amount of net financial corrections in relation to programmes and activities financed under the MFF 2014-2020 or previous financial perspectives and reduced by the proceeds of any infringement procedures concerning the failure of a Member State to make available own resources related to financial years until 2020, provided that those amounts have been received by the budget in the previous year and are definitive. The annual amount payable by the United Kingdom shall not be adjusted in the given year.

In 2021, the annual amount payable by the United Kingdom shall be reduced by the United Kingdom's share in the financing of the budget for 2020 of the amount of payment appropriations carried over from 2020 to 2021 in accordance with Articles 12 and 13 of the Financial Regulation and by the United Kingdom's share of the total amount of traditional own resources made available to the Union in January and February 2021 in respect of which the Union's entitlements were established in accordance with Article 2 of Regulation (EU, Euratom) No 609/2014 in November and December 2020. The Union shall also reimburse to the United Kingdom the United Kingdom's share of the total amount of traditional own resources made available by the Member States after 31 December 2020 for goods released for free circulation in respect of ending or discharge of temporary storage or customs procedures referred to in Article 49(2) started before or on this date.

5 At the request of the United Kingdom, made at the earliest after 31 December 2028, the Union shall make an estimate of the remaining amounts to be paid by the United Kingdom under this Article, on the basis of a rule taking into account the amount of outstanding commitments at the end of the year and an estimate of any decommitments on those outstanding commitments, any financial corrections and any proceeds from the infringement procedures after the end of the year. After the confirmation by the United Kingdom of the acceptance of the proposal to the Committee on the financial provisions referred to in point (f) of Article 165(1) and the Joint Committee, the United Kingdom shall pay the estimated amount, as adjusted in accordance with paragraph 4 of this Article, in relation to the payments made by the United Kingdom in the previous year. The payment of the amounts referred to in this paragraph shall extinguish the remaining obligations of the United Kingdom or the Union under this Article.

#### *Article 141*

#### **Fines decided upon before or on 31 December 2020**

1 In respect of a fine decided upon by the Union before or on 31 December 2020 that has become definitive and that does not constitute assigned revenue, the Union shall reimburse the United Kingdom for its share of the amount of the fine collected by the Union, unless that amount has already been recorded as budget revenue in the Union budget before or on 31 December 2020.

2 In respect of a fine decided upon by the Union after 31 December 2020 in a procedure referred to in Article 92(1), the Union shall reimburse the United Kingdom for its share of the amount of the fine collected by the Union once that fine has become definitive.

#### *Article 142*

### **Union liabilities at the end of 2020**

1 The United Kingdom shall be liable to the Union for its share of the financing of the Union's liabilities incurred until 31 December 2020, with the exception of the following:

- a liabilities with corresponding assets, including: Union financial assistance loan assets and the associated balance sheet liabilities, assets corresponding to property, plant and equipment and provisions related to the Joint Research Centre's nuclear sites dismantlement, and all lease-related obligations, intangible assets and inventories, any assets and liabilities relating to the management of foreign currency risk, accrued and deferred income and all provisions other than in respect of fines, legal proceedings and financial guarantee liabilities; and
- b liabilities and assets which are related to the operation of the budget and the management of own resources, including outstanding pre-financing advances, receivables, cash, payables, and accrued charges, including those related to the European Agricultural Guarantee Fund or already included in the outstanding commitments (RAL).

2 In particular, the United Kingdom shall be liable for its share of the Union's liability for pension rights and rights to other employment-related benefits accrued on or before 31 December 2020. Payments related to this liability shall be made in accordance with paragraphs 5 and 6.

3 The Union shall communicate to the United Kingdom by 31 March of each year, starting in 2022, the payments made during the previous year corresponding to the liabilities outstanding at 31 December 2020 and the amount of the contribution of the United Kingdom to those payments.

4 By 31 March of each year, starting in 2022, the Union shall communicate to the United Kingdom a specific document on pensions relating to the situation at 31 December of the preceding year in respect of the liability referred to in paragraph 2, which shall provide:

- a the remaining amounts still to be paid in relation to the liabilities described in paragraph 5;
- b the calculations made and the data and assumptions used to determine the amount that the United Kingdom is to pay, by 30 June of the current year, in relation to staff pension payments and the Union budget contributions to the Joint Sickness Insurance Scheme (JSIS) made in the preceding year in accordance with paragraph 6 and an estimate of those amounts for the current year;
- c concerning the population at 31 December 2020, information on the numbers of actual beneficiaries and estimated future beneficiaries of the staff pension and sickness insurance schemes at the end of the previous year and their accumulated post-employment rights at that time; and
- d the outstanding United Kingdom liabilities calculated using actuarial valuations made in accordance with the relevant International Public Sector Accounting Standards and an explanation of the evolution of this liability compared to the previous year.

That document may be updated by 30 September of the same year to reflect the definitive figures for the preceding year.

5 With respect to the United Kingdom's liability for the pension rights and rights to other employment-related benefits referred to in paragraph 2 as regards pensions of the Members and EU high-level public office holders covered by Council Regulation No 422/67/EEC, 5/67/Euratom<sup>(12)</sup>, Decision 2005/684/EC, Euratom of the European Parliament<sup>(13)</sup> and Council Regulation (EU) 2016/300<sup>(14)</sup>, the United Kingdom shall contribute to the liabilities as they are recorded in the consolidated accounts of the Union for the financial year 2020 in 10 instalments starting on 31 October 2021.

6 With respect to the United Kingdom's liability for the pension rights and rights to other employment-related benefits referred to in paragraph 2 as regards pensions of officials of the Union established in accordance with Articles 77 to 84 of the Staff Regulations of Officials of the European Union and as regards the pensions of temporary staff, contract staff and parliamentary assistants established in accordance with Articles 33 to 40, Articles 101 to 114 and Article 135, respectively, of the Conditions of Employment of Other Servants of the European Union, the United Kingdom shall contribute annually to the net payments made from the Union budget to each beneficiary and to the related contribution of the Union budget to the JSIS for each beneficiary or person who benefits through a beneficiary. The payments of that contribution shall start on 30 June 2022.

For the pensions referred to in the first subparagraph, the payment by the United Kingdom shall be the sum of the net payments made by the Union budget in the preceding year for each beneficiary, multiplied by the United Kingdom's share and by a percentage that is specific to each beneficiary ("specific percentage"). The specific percentage shall be as follows:

- a for a beneficiary receiving pension on 1 January 2021, the specific percentage shall be 100 %;
- b for any other beneficiary of a pension, the specific percentage shall be calculated as the ratio between the pension rights acquired in accordance with the Staff Regulations of Officials of the European Union and in particular in Annex VIII thereto on or before 31 December 2020, including pension rights transferred in at that date, and the acquired pension rights at the date of retirement or death if earlier, or at the date the person leaves the scheme;
- c for the purposes of the contribution of the budget to the JSIS, the specific percentage shall be calculated as the ratio between the number of years during which the beneficiary contributed to the pension scheme until 31 December 2020 and the total number of years at retirement during which the beneficiary, or the person covered by the Staff Regulations of Officials of the European Union who is the basis for the rights under the JSIS, contributed to the pension scheme.

For a beneficiary of a survivor's pension or an orphan's pension established in accordance with the Staff Regulations of Officials of the European Union, the calculation shall be made on the basis of the career of the person covered by those Staff Regulations which is the basis for the survivor's pension or the orphan's pension.

As long as the liability in relation to this paragraph is not extinguished, in any given year ("year N") the United Kingdom may send the Union before 1 March of year N a request to pay the outstanding liability at 31 December of year N. The Union shall establish the amount of the outstanding liability in relation to the pension and JSIS post-employment benefits, using the same methodology as used in point (d) of paragraph 4. If the United Kingdom agrees, it shall pay that amount in five instalments, with the first payment taking place in the year N+1. The United Kingdom shall also cover its liability for the year N through the procedure set out in this paragraph. After that payment has been completed, and provided that the payments referred to in paragraph 5 have been completed, the remaining obligations under this Article shall be extinguished.



The Committee on the financial provisions referred to in point (f) of Article 165(1) and the Joint Committee shall be informed of this situation.

### *Article 143*

#### **Contingent financial liabilities related to loans for financial assistance, EFSI, EFSD and the external lending mandate.**

1 The United Kingdom shall be liable to the Union for its share of the contingent financial liabilities of the Union arising from financial operations that were:

- a decided upon by the European Parliament and the Council or by the European Commission before the date of entry in force of this Agreement, where such financial operations relate to loans for financial assistance decided in accordance with Council Regulation (EU) No 407/2010<sup>(15)</sup>, Council Regulation (EC) No 332/2002<sup>(16)</sup>, or the decisions of the European Parliament and the Council providing macro-financial assistance to various countries on the basis of a provisioning in accordance with Council Regulation (EC, Euratom) No 480/2009<sup>(17)</sup> or Council Regulation (EC, Euratom) No 2728/94<sup>(18)</sup>;
- b approved before the date of entry into force of this Agreement by the bodies, entities or persons that are directly entrusted with the implementation of financial operations in relation to budgetary guarantees that either were given in favour of the EIB through the EFSI in accordance with Regulation (EU) 2015/1017 or through the external lending mandate in accordance with Regulation (EC, Euratom) No 480/2009 or Regulation (EC, Euratom) No 2728/94 and Decision No 466/2014/EU of the European Parliament and of the Council<sup>(19)</sup> or Decision No 1080/2011/EU of the European Parliament and of the Council<sup>(20)</sup>, or were given in favour of eligible counterparts (EFSD).

On 31 July 2019, the Union shall provide the United Kingdom with a specific report concerning those financial operations, providing, for each type of instrument, information on:

- a the financial liabilities arising from those financial operations on the date of entry into force of this Agreement;
- b where applicable, the provisions held on the date of entry into force of this Agreement in the respective guarantee funds or fiduciary accounts to cover the financial liabilities referred to in point (a) and the respective provisions committed and not yet paid.

In the consolidated accounts of the Union relating to the years 2019 and 2020, the payments made out of the provisions referred to in point (b) of the second subparagraph from the date of entry into force of this Agreement until 31 December 2019 and 2020, respectively, shall be disclosed for the same financial operations as referred to in this paragraph but which are decided upon on or after the date of entry into force of this Agreement.

The liability of the United Kingdom to the Union in relation to the financial operations referred to in this paragraph shall not be affected by any restructuring of those financial operations. In particular, the financial exposure of the United Kingdom shall not increase, in nominal terms, in comparison with the situation immediately prior to the restructuring.

2 For the financial operations referred to in paragraph 1, the Union shall be liable to the United Kingdom for its share of:

- a any amounts recovered by the Union from defaulting debtors or related to undue payments; and

- b any net revenue resulting from the difference between financial and operational revenues and financial and operational expenses, entered as revenue, general or assigned, in the Union budget.

For revenue of the asset management of the provisioning of instruments having a provisioning, the Union shall calculate a percentage of revenue as the ratio between the net revenue of the asset management of the previous year and the total provisioning existing at the end of the previous year. The amount of the liability toward the United Kingdom for revenue of the asset management of the provisioning shall be the amount obtained by multiplying the United Kingdom's current provisioning as referred to in paragraph 5 by that percentage of revenue.

3 By 31 March 2021, for each instrument referred to in paragraph 1 that provides for provisioning from the Union's budget, the Union shall communicate to the United Kingdom:

- a its initial provisioning, calculated as the United Kingdom's share of the sum of:
  - (i) the provisions made in the corresponding guarantee fund by 31 December 2020;
  - (ii) the amount of provisions committed and not yet paid by 31 December 2020; and
  - (iii) the payments made from the date of entry into force of this Agreement until 31 December 2020 related to financial operations decided upon on or after the date of entry into force of this Agreement; and
- b its default provisioning rate, calculated as the ratio between the United Kingdom's initial provisioning for that instrument and the amount of the financial operations referred to in paragraph 1 as at 31 December 2020 decided upon before the date of entry into force of this Agreement.

4 On 31 March of each year, starting in 2021, until the amortisation, expiry or termination of the financial operations referred to in paragraph 1, the Union shall communicate to the United Kingdom information concerning those financial operations. The information shall contain, for each type of instrument:

- a the contingent liabilities outstanding at 31 December of the preceding year;
- b the payments made in the preceding year by the Union in relation to those financial operations and the amounts of such payments that have accumulated after 31 December 2020;
- c the United Kingdom's current provisioning and its current provisioning rate as set out in paragraph 5;
- d the reimbursements made to the United Kingdom in the preceding year in accordance with point (a) of paragraph 6 and the amounts of such reimbursements that have accumulated after 31 December 2020;
- e the amounts recovered and the net revenues entered in the Union budget as referred to in paragraph 2 for the preceding year;
- f if necessary, other useful information concerning the financial operations in the preceding year.

5 By 31 March of each year, for each instrument referred to in paragraph 1, where the basic act establishes provisioning from the Union budget, the Union shall:

- a calculate the United Kingdom's current provisioning, defined as the amount of the United Kingdom's initial provisioning reduced by:

- (i) the United Kingdom's share of the accumulated payments referred to in point (b) of paragraph 4 made from the Union budget after 31 December 2020 in relation to financial operations decided upon before the date of entry into force of this Agreement;
    - (ii) the United Kingdom's share of the amount of decommitments made in the previous years on the outstanding commitments referred to in point (a)(ii) of paragraph 3 of this Article, as communicated pursuant to Article 140(3);
    - (iii) the accumulated level of reimbursements made to the United Kingdom as of 1 January 2021, as referred to in point (d) of paragraph 4;
  - b communicate to the United Kingdom the current provisioning rate defined as the ratio between the United Kingdom's current provisioning and the amount of financial operations referred to in point (a) of paragraph 4.
- 6 Every year from 2022 onwards:
- a if the United Kingdom's current provisioning rate for an instrument exceeds its default provisioning rate for that instrument, the Union shall be liable to the United Kingdom for that instrument for the amount obtained by multiplying the amount of the financial liabilities referred to in point (a) of paragraph 4 by the difference between the current provisioning rate and the default provisioning rate. The Union's liability shall not exceed the United Kingdom's current provisioning as calculated in paragraph 5;
  - b if, in a given year, the United Kingdom's current provisioning rate for an instrument becomes negative, the United Kingdom shall be liable to the Union for that instrument for the amount of the negative current provisioning. In the following years, the United Kingdom shall be liable to the Union for that instrument for its share of the payments made as communicated in accordance with point (b) of paragraph 4 of this Article and the United Kingdom's share of the amount of decommitments made in the previous year on the outstanding commitments referred to in point (a)(ii) of paragraph 3 of this Article, as communicated pursuant to Article 140(3).
- 7 If the United Kingdom's current provisioning is positive once the Union's financial operations related to an instrument referred to in paragraph 1 are extinguished, the Union shall be liable to the United Kingdom for the amount of the United Kingdom's current provisioning as calculated in accordance with paragraph 5.
- 8 After 31 December 2020, if payments are made from the Union budget for the financial operations referred to in paragraph 1 in relation to an instrument for which the basic act does not establish provisioning, the United Kingdom shall be liable to the Union for that instrument for its share of the payments made as communicated in accordance with point (b) of paragraph 4.
- 9 For the purposes of this Article, where financial liabilities, payments, recoveries or other amounts relate to financial operations referred to in paragraph 1 but it cannot be directly determined whether they 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 that are required to be determined for the application of this Article shall be calculated on a pro-rata basis based on the ratio between the amount of financial operations decided upon or approved before the date of entry into force of this Agreement on 31 December of the year before the calculation is made and the total amount of financial operations on the latter date.
- 10 Where financial operations as referred to in paragraph 1 are non-amortising, such financial operations shall be considered after 10 years as amortising in proportion to the amortisation of the remaining amortising operations.

*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;

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- 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.

#### *Article 145*

### **The European Coal and Steel Community**

The Union shall be liable to the United Kingdom for its share of the net assets of the European Coal and Steel Community in liquidation on 31 December 2020.

The Union shall reimburse the United Kingdom for the relevant amount in five equal annual instalments on 30 June of each year, starting on 30 June 2021.

#### *Article 146*

### **Union investment in the EIF**

The Union shall be liable to the United Kingdom for its share of the Union's investment in the paid-up capital of the EIF on 31 December 2020.

The Union shall reimburse the United Kingdom for the relevant amount in five equal annual instalments on 30 June of each year starting on 30 June 2021.

#### *Article 147*

### **Contingent liabilities related to legal cases**

1 The United Kingdom shall be liable for its share of the payments required to discharge the contingent liabilities of the Union that become due in relation to legal cases concerning financial interests of the Union related to the budget and, in particular, in relation to Regulation (EC, Euratom) No 2988/95 or in relation to legal cases resulting from the execution of Union programmes and policies, provided that the facts forming the subject matter of those cases occurred no later than 31 December 2020.

The Union shall be liable to the United Kingdom for its share of any amount of subsequent recoveries related to the payments referred to in the first subparagraph.

2 The Union shall communicate to the United Kingdom the amounts referred to in paragraph 1 by 31 March of each year.

#### *Article 148*

#### **Payments after 2020**

1 The reference dates for payments by the United Kingdom to the Union or by the Union to the United Kingdom made after 31 December 2020 shall be 30 June and 31 October of every year for the amounts:

- a referred to in Article 49(2), Articles 50 and 53, Article 62(2), point (e) of Article 63(1), and Articles 63(2), 99(3), and 100(2);
- b referred to in Article 84(1);
- c referred to in points (a), (b), (c), (e) and (f) of Article 136(3), by the next reference date following the date of adjustment or correction;
- d resulting from corrective measures to be taken by the United Kingdom with regard to own resources due for financial years until 2020 as a result of controls executed under Regulation (EU, Euratom) No 608/2014 or Regulation (EEC, Euratom) No 1553/89 or for any other reason, by the next reference date following the date of the corrective measure;
- e referred to in Article 140(4), in two instalments on the reference dates for payments, the first instalment amounting to half of the second one;
- f referred to in Article 140(5), on 30 June following the confirmation by the United Kingdom of the acceptance of the proposal of the Union to the Committee on the financial provisions referred to in point (f) of Article 165(1) and the Joint Committee;
- g referred to in Article 141, by the next reference date following the adjustment of the own resources for the Member States resulting from the definitive entry of the fine into the Union budget;
- h referred to in Article 142(1), by the next reference date following the date of the communication referred to in paragraph 3;
- i referred to in Article 142(5) and the fourth subparagraph of Article 142(6), on 31 October of each year;
- j referred to in the first subparagraph of Article 142(6), on 30 June of each year;
- k referred to in Articles 143 and 144, by the next reference date following the date of the communication referred in Articles 143(4) and 144(2);
- l referred to in Articles 145 and 146;
- m referred to in Article 147(2), by the next reference date following the date of the communication referred to therein;
- n referred to in paragraph 3 as possible accrued interest.

Payments shall be made in four equal monthly instalments for payments that have a reference date of 30 June and in eight equal monthly instalments for payments that have a reference date of 31 October. All payments shall be made by the last working day of each month, starting on the reference date or, where the reference date is not a working day, the last working day before the reference date.

2 As long as there are still payments to be made by the Union to the United Kingdom or by the United Kingdom to the Union, the Union shall communicate to the United Kingdom

on 16 April and on 16 September of each year a document specifying the relevant amounts to be paid, expressed in euro and in British pounds, based on the conversion rate applied by the European Central Bank on the first working day of the month. The Union or the United Kingdom shall pay the net amounts by the dates referred to in paragraph 1.

3 Any delay in payments by the United Kingdom to the Union or by the Union to the United Kingdom shall be subject to the payment of interest in accordance with Article 12 of Regulation (EU, Euratom) No 609/2014.

### *Chapter 3*

#### **EUROPEAN CENTRAL BANK**

##### *Article 149*

#### **Reimbursement of the paid-in capital**

The European Central Bank shall, on behalf of the Union, reimburse the Bank of England for the paid-in capital provided by the Bank of England. The date of the reimbursement and other practical arrangements shall be established in accordance with Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank.

### *Chapter 4*

#### **EUROPEAN INVESTMENT BANK**

##### *Article 150*

#### **Continued liability of the United Kingdom and reimbursement of the paid-in capital**

1 The United Kingdom shall remain liable, as set out in this Article, for the financial operations approved by the EIB before the date of entry into force of this Agreement, as further specified in paragraph 2 ("EIB financial operations"), even if the resulting financial exposure is assumed on or after the date of entry into force of this Agreement, and shall remain liable for other risks assumed by the EIB as set out in the second subparagraph.

The liability of the United Kingdom shall extend to the EIB financial operations and to asset#liability management risks and operational risks attributable to the EIB financial operations, in accordance with paragraph 6. For other such risks that are not associated with specific financial operations and are not attributable to the stock of financial operations built after the date of entry into force of this Agreement, the amount of the liability of the United Kingdom shall be proportional to the ratio between the remaining exposure due to EIB financial operations and the total amount of financial operations at the time the liability of the United Kingdom is triggered in accordance with paragraph 6.

The implementation of any post-withdrawal growth strategy of the EIB is not covered by the scope of this Article.

2 The EIB financial operations shall include loans, guarantees, fund investments, equity investments, bonds and other loan substitute products, and any other financing operations,

with counterparties or regarding projects inside and outside the territory of the Member States, including operations guaranteed by third parties including the Member States or the Union.

The liability of the United Kingdom for EIB financial operations shall apply where the financial exposure of the EIB:

- a is based on an approval by the Board of Directors of the EIB given prior to the date of entry into force of this Agreement, or based on a decision adopted on the basis of a delegation by the Board of Directors given prior to the date of entry into force of this Agreement;
- b results from the restructuring of an EIB financial operation, 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;
- c results from a change to an EIB financial operation, where that change was approved by the Board of Directors of the EIB on or after the date of entry into force of this Agreement, to the extent that such change does not increase the financial exposure to the counterparty as it stood immediately prior to the change; or
- d results from the institutional participation of the EIB in the capital of the EIF and the European Bank for Reconstruction and Development, as it stood immediately prior to the date of entry into force of this Agreement.

For the purposes of establishing the limits on the liability of the United Kingdom pursuant to paragraphs 3 and 5, the exposure of the EIB on account of EIB financial operations which, due to their nature, are not subject to amortisation, in particular equity-type investments, revolving mandates granted to the EIF, and the participation in the capital of the EIF and the European Bank for Reconstruction and Development, shall be considered to amortise as follows: for a period of 10 years from the entry into force of this Agreement, the amount of the non-amortising exposure under the EIB financial operation shall be considered to remain at the amount as approved by the EIB prior to the entry into force of this Agreement, reduced by any disposal made by the EIB since this date. After this period, the amount shall be treated as decreasing in proportion to the amortisation of the remaining amortising exposure on account of EIB financial operations.

3 For the purposes of paragraph 1, the United Kingdom shall be liable for its share of the uncalled subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement. The United Kingdom shall make payments to the EIB, up to the amount of its liability pursuant to this paragraph, when its liability is triggered in accordance with paragraph 6.

That total liability pursuant to this paragraph shall at no point exceed the amount of the United Kingdom's share of the uncalled subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement.

When the amount of the remaining exposure of the EIB under the EIB financial operations referred to in paragraph 1 is lower than the total amount of subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement, the amount of the liability of the United Kingdom pursuant to this paragraph shall, at any given time, be limited to the amount obtained by applying the ratio of the United Kingdom subscribed capital of the EIB and the total subscribed capital of the EIB as they stood immediately prior to the date of entry into force of this Agreement ("the United Kingdom share of the subscribed capital") to the difference between the amount of that remaining exposure at that time, and the total paid-in subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement.



4 The EIB shall pay to the United Kingdom on behalf of the Union an amount equal to the United Kingdom's share of the paid-in subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement. That payment shall be made in accordance with Protocol No 5 on the Statute of the European Investment Bank. It shall be made in 12 yearly instalments. The first 11 instalments, each equal to EUR 300 000 000, shall be due on 15 December of each year starting in 2019. The balance of EUR 195 903 950 shall be due on 15 December 2030. The payments made in accordance with this paragraph shall not release the United Kingdom from its liability under paragraph 5.

5 In addition to its liability under paragraph 3, for the purposes of paragraph 1, the United Kingdom shall be liable for its paid-in subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement. The United Kingdom shall make payments to the EIB, up to the amount of its liability, in accordance with this paragraph, when its liability is triggered under paragraph 6.

The total liability pursuant to this paragraph shall at no point exceed the amount of the paid-in subscribed capital of the United Kingdom in the EIB as it stood immediately prior to the date of entry into force of this Agreement.

When the remaining exposure of the EIB on account of the EIB financial operations referred to in paragraph 1 is lower than the total paid-in subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement, the amount of the liability of the United Kingdom pursuant to this paragraph shall, at any time, be limited to an amount obtained by applying the ratio of the United Kingdom share of the subscribed capital to the amount of that remaining exposure at that time.

6 The liability of the United Kingdom in accordance with this Article shall be triggered, on a *pari-passu* basis with respect to the Member States, in the event that the EIB requires the Member States to make payments on account of their uncalled subscribed capital or when the paid-in subscribed capital of the Member States is used.

When the liability of the United Kingdom pursuant to paragraph 3 is triggered, the United Kingdom shall pay the amount due to the EIB under the same conditions as apply to the Member States (including the timing and the terms of the payment), as decided by the Board of Directors of the EIB at the relevant time. The decision of the EIB requiring the Member States to make payments on account of their uncalled subscribed capital may, in particular, be related to the nature of underlying risk events and the financial position of the EIB in the light of its payment obligations, the state of its assets and liabilities, its standing in capital markets, and the provisions of its contingency and recovery planning as applicable at the relevant time.

When the liability of the United Kingdom pursuant to paragraph 5 is triggered, the United Kingdom shall pay the amount due to the EIB, in euro, within 30 days from the first demand from the EIB, and subject to the fourth subparagraph of this paragraph.

The liability of the United Kingdom triggered in accordance with paragraph 5 shall be fulfilled from the United Kingdom's share of paid-in subscribed capital of the EIB as it stood immediately prior to the date of entry into force of this Agreement up to the amount not yet paid to the United Kingdom in accordance with paragraph 4. The amount of annual instalments referred to in paragraph 4 shall be reduced accordingly. If the liability of the United Kingdom cannot be fully met in accordance with this method, the United Kingdom shall pay to the EIB the remaining amount due.

The EIB shall, on behalf of the Union, in each case establish the attribution of the events underlying the triggering of the liability of the United Kingdom to the relevant stock

of financial operations or risks and the amount which the United Kingdom is obliged to pay to the EIB as follows:

- a to the extent that underlying events are attributable to EIB financial operations, or are attributable to associated asset-liability management risk or operational risk, the United Kingdom shall pay to the EIB an amount equal to the United Kingdom share of the subscribed capital of the total sum which the Member States are required to pay, or an amount equal to the United Kingdom share of the subscribed capital of the total sum by which the paid-in subscribed capital of the Member States is used, respectively;
- b to the extent that underlying events are attributable to other risks, and are not attributable to any specific financial operation or to the stock of financial operations built after the date of entry into force of this Agreement, the United Kingdom shall pay to the EIB the amount resulting from point (a) multiplied by the ratio of the remaining exposure due to EIB financial operations to the total amount of financial operations at the time the liability of the United Kingdom is triggered.

7 Except for the payments provided for in paragraph 4, the EIB shall not be obliged to make any other payment, return or remuneration on account of the termination of the membership of the United Kingdom of the EIB or on account of the retention by the United Kingdom of a liability in accordance with this Article.

8 On 31 July 2019, the EIB shall communicate to the United Kingdom the United Kingdom's exposure under the EIB financial operations, and the limit on the liability of the United Kingdom in accordance with paragraphs 3 and 5, reflecting the financial situation of the EIB and the liability of the United Kingdom as of the date of entry into force of this Agreement.

On 31 March of every year, starting in 2020, until the extinction of the liability of the United Kingdom in accordance with this Article, the EIB shall communicate to the United Kingdom the remaining exposure of the United Kingdom under the EIB financial operations, and the limit on the liability of the United Kingdom in accordance with paragraphs 3 and 5, reflecting the financial situation of the EIB and the liability of the United Kingdom as at 31 December of the preceding year. The report shall also disclose any material changes which, in the opinion of the EIB, have a material impact on the liability of the United Kingdom. The EIB shall also provide timely information if such changes occur during the year.

The EIB shall provide the United Kingdom with timely information regarding any upcoming triggering of the liability of the United Kingdom pursuant to this Article, in line with the information provided to the Member States. That information shall include information on the nature of the triggering event and the calculation of the amounts to be paid. The United Kingdom shall treat that information as strictly confidential until the EIB lifts the confidentiality or until the liability of the United Kingdom is triggered, whichever occurs first.

#### *Article 151*

##### **Participation of the United Kingdom in EIB group after the withdrawal date**

As from the date of entry into force of this Agreement, neither the United Kingdom nor projects located in the United Kingdom shall be eligible for new financial operations from the EIB group that are reserved for Member States, including those under Union mandates. Entities established in the United Kingdom shall be treated as entities located outside the Union.

The signature of financial operations relating to the United Kingdom, to United Kingdom entities, or to United Kingdom projects approved by the EIB group before the date of entry into force of this Agreement, may take place after that date on the same basis as that on which they were originally approved.

## *Chapter 5*

### **EUROPEAN DEVELOPMENT FUND AND THE UNITED KINGDOM'S GUARANTEE UNDER THE EDF INTERNAL AGREEMENTS**

#### *Article 152*

#### **Participation in the European Development Fund**

1 The United Kingdom shall remain party to the European Development Fund ("EDF") until the closure of the 11th EDF and all previous unclosed EDFs, and shall in this respect assume the same obligations as the Member States under the Internal Agreement by which it was set up ("the 11th EDF Internal Agreement")<sup>(21)</sup>, and shall assume the obligations resulting from previous EDFs until their closure, including any such obligations under Council Regulations (EU) 2015/322<sup>(22)</sup> and (EU) 2015/323<sup>(23)</sup>, subject to the conditions laid down in this Agreement. The United Kingdom shall be bound by the decisions of the Council setting out the annual contributions of Member States as adopted under Article 21 of Regulation (EU) 2015/323. United Kingdom beneficiaries shall remain eligible to participate in projects under the 11th EDF and previous EDFs under the same conditions as before the date of entry into force of this Agreement.

2 By way of derogation from Article 7 of this Agreement, the United Kingdom may participate, as an observer without voting rights, in the EDF Committee as established in accordance with Article 8 of the 11th EDF Internal Agreement and in the Investment Facility Committee as established in accordance with Article 9 of the 11th EDF Internal Agreement.

3 The overseas countries and territories referred to in point (e) of Article 3(1) shall benefit from the 11th EDF until its closure and from previous EDFs until their closure.

4 The United Kingdom's share of the Investment Facility of the EDF from successive EDF periods shall be reimbursed to the United Kingdom as the investment matures. The method for making this reimbursement shall be the same as the method set out in Article 144. Unless agreed otherwise, the United Kingdom's capital share shall not be recommitted beyond the end of the 11th EDF commitment period or rolled over into subsequent periods.

#### *Article 153*

#### **Reuse of the decommitments**

Where the amounts from projects under the 10th EDF or the amounts from previous EDFs have not been committed in accordance with Article 1(3) of the 11th EDF Internal Agreement, or have been decommitted in accordance with Article 1(4) of the 11th EDF Internal Agreement on the date of entry into force of this Agreement, the United Kingdom's share of those amounts shall not be reused.

The first paragraph shall apply to the United Kingdom's share of funds not committed or decommitted under the 11th EDF after 31 December 2020.

### *Article 154*

#### **The United Kingdom's guarantee under the successive EDF Internal Agreements**

The United Kingdom shall remain liable in respect of its guarantees under Article 9 of the 4th EDF Internal Agreement<sup>(24)</sup>, Article 8 of the 5th<sup>(25)</sup>, 6th<sup>(26)</sup>, 7th<sup>(27)</sup> and 8th EDF Internal Agreement<sup>(28)</sup>, Article 6 of the 9th EDF Internal Agreement<sup>(29)</sup> and Article 4 of the 10th<sup>(30)</sup> and 11th EDF Internal Agreement.

The United Kingdom shall remain entitled to its share of any amounts recovered under the terms of the Member States' guarantees and to the balance of its Member State Call Account. The United Kingdom's share referred to in this subparagraph shall be in proportion to its respective participation in each guarantee agreement.

### *Chapter 6*

#### ***TRUST FUNDS AND FACILITY FOR REFUGEES IN TURKEY***

### *Article 155*

#### **Commitments toward the Trust Funds and the Facility for Refugees in Turkey**

1 The United Kingdom shall honour the commitments it made before the date of entry into force of this Agreement to the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa, established by Commission Decision of 20 October 2015<sup>(31)</sup>, to any future European Union Trust Fund created before the date of entry into force of this Agreement, and to the Facility for Refugees in Turkey, established by Commission decision of 24 November 2015<sup>(32)</sup> and any amendments thereto adopted before the date of entry into force of this Agreement.

2 The United Kingdom may participate in the relevant bodies related to the Facility for Refugees in Turkey, following the rules established for donors in accordance with Article 234(4) of the Financial Regulation.

### *Chapter 7*

#### ***AGENCIES OF THE COUNCIL AND COMMON SECURITY AND DEFENCE POLICY OPERATIONS***

### *Article 156*

#### **The United Kingdom's obligations from the date of entry into force of this Agreement**

Until 31 December 2020, the United Kingdom shall contribute to the financing of the European Defence Agency, the European Union Institute for Security Studies, and the European Union Satellite Centre, as well as to the costs of Common Security and Defence Policy operations, on the basis of the contribution keys set out in point (a) of Article 14(9) of Council Decision (EU) 2016/1353<sup>(33)</sup>, in Article 10(3) of Council Decision 2014/75/CFSP<sup>(34)</sup>, in Article 10(3) of Council Decision 2014/401/CFSP<sup>(35)</sup>

and in the second subparagraph of Article 41(2) of the Treaty on European Union, respectively, and in accordance with Article 5 of this Agreement.

*Article 157*

**The United Kingdom's obligations after 31 December 2020**

1 Based on the accounts of the agencies, to the extent that the relevant liabilities have not been provisioned on 31 December 2020, the United Kingdom shall pay its share of the following liabilities in accordance with its contribution key for each of those agencies on the basis of their audited accounts on 31 December 2020:

- a the pension liabilities for the personnel of the European Defence Agency, the European Union Institute for Security Studies, and the European Union Satellite Centre;
- b any liabilities arising from the liquidation of the Western European Union.

2 The payment in relation to the liabilities referred to in paragraph 1 shall be made by 30 June 2021.

- (1) Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 ([OJ L 347, 20.12.2013, p. 884](#)).
- (2) Council Regulation (EEC, Euratom) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of own resources accruing from value added tax ([OJ L 155, 7.6.1989, p. 9](#)).
- (3) Council Regulation (EC, Euratom) No 1287/2003 of 15 July 2003 on the harmonisation of gross national income at market prices (GNI Regulation) ([OJ L 181, 19.7.2003, p. 1](#)).
- (4) Commission Implementing Decision (EU, Euratom) 2018/195 of 8 February 2018 establishing forms for reporting on fraud and irregularities affecting entitlements to traditional own resources and on inspections relating to traditional own resources pursuant to Council Regulation (EU, Euratom) No 608/2014 ([OJ L 36, 9.2.2018, p. 33](#)).
- (5) Commission Implementing Decision (EU, Euratom) 2018/194 of 8 February 2018 establishing models for statements of accounts for entitlements to own resources and a form for reports on irrecoverable amounts corresponding to the entitlements to own resources pursuant to Council Regulation (EU, Euratom) No 609/2014 ([OJ L 36, 9.2.2018, p. 20](#)).
- (6) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([OJ L 193, 30.7.2018, p. 1](#)).
- (7) Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 ([OJ L 248, 18.9.2013, p. 1](#)).
- (8) Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests ([OJ L 312, 23.12.1995, p. 1](#)).
- (9) Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 ([OJ L 347, 20.12.2013, p. 608](#)).
- (10) Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments ([OJ L 169, 1.7.2015, p. 1](#)).
- (11) Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund ([OJ L 249, 27.9.2017, p. 1](#)).
- (12) Regulation No 422/67/EEC, 5/67/Euratom of the Council of 25 July 1967 determining the emoluments of the President and members of the Commission and of the President, Judges, Advocates-General and Registrar of the Court of Justice ([OJ P 187, 8.8.1967, p. 1](#)).
- (13) Decision 2005/684/EC, Euratom of the European Parliament of 28 September 2005 adopting the Statute for Members of the European Parliament ([OJ L 262, 7.10.2005, p. 1](#)).
- (14) Council Regulation (EU) 2016/300 of 29 February 2016 determining the emoluments of EU high-level public office holders ([OJ L 58, 4.3.2016, p. 1](#)).
- (15) Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism ([OJ L 118, 12.5.2010, p. 1](#)).
- (16) Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments ([OJ L 53, 23.2.2002, p. 1](#)).
- (17) Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions ([OJ L 145, 10.6.2009, p. 10](#)).
- (18) Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions ([OJ L 293, 12.11.1994, p. 1](#)).

- (19) Decision No 466/2014/EU of the European Parliament and the Council of 16 April 2014 granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (OJ L 135, 8.5.2014, p. 1).
- (20) Decision No 1080/2011/EU of the European Parliament and of the Council of 25 October 2011 granting an EU guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Union and repealing Decision No 633/2009/EC (OJ L 280, 27.10.2011, p. 1).
- (21) Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013, p. 1).
- (22) Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund (OJ L 58, 3.3.2015, p. 1).
- (23) Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund (OJ L 58, 3.3.2015, p. 17).
- (24) OJ L 25, 30.1.1976, p. 168.
- (25) OJ L 347, 22.12.1980, p. 210.
- (26) OJ L 86, 31.3.1986, p. 210.
- (27) OJ L 229, 17.8.1991, p. 288.
- (28) OJ L 156, 29.5.1998, p. 108.
- (29) OJ L 317, 15.12.2000, p. 355.
- (30) OJ L 247, 9.9.2006, p. 32.
- (31) Commission Decision of 20 October 2015 on the establishment of a European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa (C(2015) 7293).
- (32) Commission Decision of 24 November 2015 on the coordination of the actions of the Union and of the Member States through a coordination mechanism — the Refugee Facility for Turkey (OJ C 407, 8.12.2015, p. 8).
- (33) Council Decision (EU) 2016/1353 of 4 August 2016 concerning the financial rules of the European Defence Agency and repealing Decision 2007/643/CFSP (OJ L 219, 12.8.2016, p. 98).
- (34) Council Decision 2014/75/CFSP of 10 February 2014 on the European Union Institute for Security Studies (OJ L 41, 12.2.2014, p. 13).
- (35) Council Decision 2014/401/CFSP of 26 June 2014 on the European Union Satellite Centre and repealing Joint Action 2001/555/CFSP on the establishment of a European Union Satellite Centre (OJ L 188, 27.6.2014, p. 73).