

These notes refer to the European Communities (Finance) Act 2008 (c.1) which received Royal Assent on 19 February 2008

EUROPEAN COMMUNITIES (FINANCE) ACT 2008

EXPLANATORY NOTES

FINANCIAL EFFECTS OF THE ACT

17. The calculation of the UK correction shall be adjusted by progressively excluding expenditure allocated to Member States which have acceded to the EU after 30 April 2004, except for agricultural direct payments and market related expenditure, and that part of rural development expenditure originating from the European Agricultural Guidance and Guarantee Fund (EAGGF), Guarantee Section. This change will be phased in as follows: 20% budgeted in 2009, 70% in 2010, 100% from 2011 onwards.
18. The additional UK contribution resulting from the reduction in allocated expenditure is limited to €10.5bn in 2004 prices over the period 2007 to 2013. In the event of further enlargement before 2013, except for the accession of Bulgaria and Romania, the amount will be adjusted accordingly.
19. The effect of the new Decision on the United Kingdom's net contribution to the Community budget will depend on the total size and pattern of Community expenditure.