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LIMITE

**EPPO 13
EUROJUST 71
CATS 43
FIN 307
COPEN 150
GAF 17
CSC 100**

NOTE

From: Presidency
To: CATS
Subject: EPPO
- Financial issues

After more than 3,5 years of negotiations, agreement has been reached at technical level on almost the whole text of the draft Regulation. The Presidency therefore considers that the draft Regulation implementing enhanced cooperation on the European Public Prosecutor's Office is now almost ready to be referred to Coreper and Council for a general approach.

One issue which is still under consideration is how the EPPO will be financed. There is broad support for the model described in Article 49(6) and (7) of the draft Regulation, in particular amongst the participating Member States. The model means that expenditure of the EPPO shall be borne by the Member States which participate in enhanced cooperation on the establishment of the EPPO, whereby, to that end, Article 11 of Council Regulation No 609/2014 shall apply. The model shall, however, not apply to the administrative costs entailed for the Union's Institutions resulting from implementation of enhanced cooperation on the establishment of the EPPO¹.

¹ The model and the rationale behind it is described in detail in the opinion of the Council Legal Service (doc 9373/17).

Some delegations have raised concerns as regards the proposed financing model², whereas some have also questioned whether it is clear that the model as such is the most appropriate. In brief, most of these arguments aim at clarifying the model further than what has been done in the above-mentioned Article 49(6) and (7) of the draft Regulation.

The Presidency notes that there is support for the financing model and for the current text of the Regulation³.

In principle, the Presidency therefore considers that it should be possible to confirm the text of Articles 49(6) and (7) as it stands in document 8750/17. Nonetheless, the Presidency takes note of the wish of some Member States to clarify the model further in the operative part of the Regulation.

With a view to meeting those concerns, the Presidency would suggest a slight amendment of Article 49(6) of the draft Regulation, in order to explicitly clarify that non-participating Member States will be entitled to an adjustment calculated in accordance with Article 11 of Council Regulation No 609/2014.

Questions to CATS:

- Delegations are requested to confirm the model for the financing of the EPPO presented above.
- The Presidency invites delegations to consider and confirm the following wording of Article 49(6) and (7) in the draft Regulation:

"[...]"

6. *In accordance with Article 332 TFEU, the expenditure of the EPPO referred to in paragraphs 4 and 5, shall be borne by the Member States which participate in enhanced cooperation on the establishment of the EPPO. ~~To that end,~~ Member States which do not participate in the enhanced cooperation shall be entitled to an adjustment, calculated in accordance with Article 11 of Council Regulation No 609/2014 shall apply*⁴.

7. *Paragraph 6 shall not apply to the administrative costs entailed for the Union's institutions resulting from implementation of enhanced cooperation on the establishment of the EPPO."*

² The arguments are outlined in document 9278/17.

³ See the opinion of the Council Legal Service (9373/17).

⁴ Changes in relation to document 8750/17 are indicated in underlined or ~~strikethrough~~.