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**DRAFT AMENDING BUDGET N° 5
TO THE GENERAL BUDGET 2010**

GENERAL STATEMENT OF REVENUE

DRAFT AMENDING BUDGET N°5 TO THE GENERAL BUDGET 2010

GENERAL STATEMENT OF REVENUE

Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, and in particular Article 37 thereof,
- the general budget of the European Union for the financial year 2010 adopted on 17 December 2009²,

The European Commission hereby presents to the budgetary authority the Draft Amending Budget No 5 to the 2010 budget.

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 64, 12.3.2010.

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CHANGES TO THE GENERAL STATEMENT OF REVENUE

The changes to the general statement of revenue are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

1. INTRODUCTION

The Draft Amending Budget No 5 to the Budget for 2010 (DAB 5/2010) covers the following elements:

- the modifications to the establishment plan of OLAF, without additional financial provisions
- the revision of the forecast of Traditional Own Resources (TOR, i.e. customs duties and sugar sector levies), VAT and GNI bases, the budgeting of the relevant UK corrections as well as their financing and revision of financing of GNI reductions in favour of the Netherlands and Sweden in 2010, resulting in a change in the distribution between Member States of their own resources contributions to the EU budget.

2. OLAF

When OLAF was established, there was a need to recruit rapidly a large number of operational fraud specialists, who were not available in Commission services. To face this situation, the budget authority transformed a large number of permanent posts into temporary posts in 2003, so that the Office could become operational as soon as possible.

A large intake of temporary agents took place at the time. As these staff approached the end of their contracts, OLAF needed to take measures to avoid massive departures and the loss of know-how developed over time.

A first temporary measure was the renewal of temporary contracts that became indefinite contracts. However, only the increase of the proportion of officials to temporary agents over time would provide a long-term stable solution.

With this perspective, an agreement was reached between the Commission and the Staff Associations in 2007 to launch external and internal competitions to facilitate the recruitment of OLAF temporary agents as officials. External competitions will also provide laureates that are not currently OLAF temporary agents and thus constitute an additional source for qualified specialists in view of future recruitment.

Thanks to the approval of Amending Budget n° 8/2009 including the modification of the establishment plan of OLAF, the Commission was able to use the available lists of laureates resulting from the external competitions (AD11, AD8, AST4).

New lists of laureates of the internal competition (AD8 & AD10) were published in March 2010. OLAF now has the opportunity to bring the adaptation of its establishment plan to an end by recruiting a significant number of these laureates as permanent officials and hence to fulfil the initial political agreement.

OLAF wishes however to avoid potential departures of its laureates to other DGs before the establishment plan has been adopted in the 2011 Budget. Moreover, posts cannot be converted while being occupied. Therefore, both coverages in its establishment plan should be allowed for a limited period of time, i.e. of the old posts of laureates (temporary agents) as well as of their new posts with their new grades (permanent posts).

To carry out this conversion, OLAF requests an amendment to the 2010 establishment plan with 20 additional AD10 permanent posts required for the recruitment of laureates. This does not entail any additional financial provision for 2010 because, as noted in the proposed establishment plan below, the cumulated number of permanent and temporary staff in place may not exceed 384 authorised posts.

The 2011 Draft Budget already integrates the reduction of the equivalent number of AD10 temporary posts from OLAF's establishment plan, i.e. the establishment plan 2011 shows no increases in the number of posts compared to 2010.

The establishment plan proposed is included in annex.

3. OWN RESOURCES

The following summary table shows the distribution of total own resources payments between Member States as budgeted in:

- the Budget 2010,
- the Amending Budget (AB) 1/2010³ modifies the 2010 budget in order to cover the impact related to the entry into force of the Lisbon Treaty for the European Parliament as adopted in its draft statement of estimates. It increases the 2010 budget by EUR 9.4 million and the establishment plan with 150 posts.
- DAB 2/2010⁴ modifies the 2010 budget in order to cover the impact related to the entry into force of the Lisbon Treaty for the European Economic and Social Committee (EESC), and the Committee of Regions (CoR) and modifications to the establishment plan of BEREC (Body of European Regulators for Electronic Communications) Office, without additional financial provisions and without additional post. This DAB proposes to increase the 2010 budget by an overall amount of EUR 10.5 million and the establishment plan of the two institutions concerned with 59 posts.
- DAB 3/2010⁵ modifies the 2010 budget in order to include appropriations related to the establishment of the financing of the Banana Accompanying Measures (BAM) in favour of the main ACP banana-supplying countries affected by the Most Favoured Nation (MFN) liberalisation in the framework of the World Trade Organisation (WTO), following the proposal of amending Regulation (EC) No 1905/2006. The net financial impact of this amending budget is EUR 19.2 million in additional commitment appropriations, with no new request for payment appropriations.
- DAB 4/2010⁶ modifies the 2010 budget in order to budget the surplus from the previous year. The implementation of the budget year 2009 shows a surplus of EUR 2 253 591 199, which is therefore entered as revenue in the 2010 budget.

³ As adopted on 19 May 2010.

⁴ COM(2010) 108 final of 19/3/2010

⁵ COM(2010) 149 final of 8/4/2010

⁶ COM(2010) 169 final of 16/4/2010

– The present DAB 5/2010.

amounts in million euro

	Budget 2010	AB 1/2010	DAB 2/2010	DAB 4/2010	DAB 5/2010		DAB 5/2010 vs. DAB 4/2010
	(1)	(2)	(3)	(4)	(6)	in %	(7) = (6) – (5)
BE	4 878.6	4 878.9	4 879.1	4 814.4	4 692.0	3.93%	- 122.3
BG	416.4	416.4	416.4	409.9	364.5	0.31%	- 45.4
CZ	1 477.3	1 477.4	1 477.5	1 453.1	1 423.5	1.19%	- 29.6
DK	2 639.8	2 639.9	2 640.1	2 594.2	2 464.8	2.07%	- 129.3
DE	23 725.7	23 727.4	23 729.4	23 270.3	23 826.9	19.98%	+ 556.6
EE	156.1	156.1	156.1	153.6	140.0	0.12%	- 13.6
IE	1 523.9	1 524.0	1 524.1	1 498.4	1 387.9	1.16%	- 110.5
EL	2 618.5	2 618.6	2 618.8	2 572.7	2 405.1	2.02%	- 167.6
ES	11 340.8	11 341.5	11 342.3	11 146.2	10 489.2	8.79%	- 657.0
FR	20 328.1	20 329.4	20 331.0	19 959.4	19 754.7	16.56%	- 204.7
IT	16 207.0	16 208.0	16 209.2	15 921.3	15 690.3	13.16%	- 231.0
CY	214.7	214.7	214.7	211.4	191.0	0.16%	- 20.4
LV	186.3	186.3	186.3	182.9	180.7	0.15%	- 2.1
LT	310.4	310.4	310.4	305.4	293.3	0.25%	- 12.1
LU	298.6	298.6	298.6	293.2	271.3	0.23%	- 21.9
HU	925.2	925.3	925.4	909.3	964.1	0.81%	+ 54.8
MT	68.6	68.6	68.6	67.5	62.2	0.05%	- 5.4
NL	6 107.9	6 108.2	6 108.7	5 998.1	5 942.8	4.98%	- 55.3
AT	2 661.9	2 662.1	2 662.3	2 610.1	2 586.3	2.17%	- 23.8
PL	3 210.1	3 210.3	3 210.5	3 155.9	3 520.3	2.95%	+ 364.4
PT	1 664.1	1 664.2	1 664.3	1 634.8	1 654.0	1.39%	+ 19.2
RO	1 408.2	1 408.3	1 408.4	1 383.6	1 203.5	1.01%	- 180.1
SI	442.5	442.5	442.5	435.6	402.2	0.34%	- 33.4
SK	805.4	805.5	805.5	792.4	687.2	0.58%	- 105.2
FI	1 905.6	1 905.7	1 905.9	1 871.7	1 765.5	1.48%	- 106.1
SE	2 771.5	2 771.7	2 771.9	2 715.9	2 810.0	2.36%	+ 94.2
UK	13 213.6	13 214.7	13 216.0	12 909.8	14 097.5	11.82%	+ 1 187.7
EU	121 506.7	121 514.7	121 524.4	119 270.8	119 270.8	100%	+ 0

3.1. Revision of the forecast of TOR, VAT and GNI bases

According to established practice the Commission proposes to revise the financing of the budget on the basis of more recent economic forecasts, adopted at a meeting of the Advisory Committee on Own Resources (ACOR).

The revision concerns the forecast of TOR to be paid to the budget in 2010 as well as the forecast of the 2010 VAT and GNI bases. The forecast in the Budget 2010 (and in the AB 1/2010 to DAB 4/2010) was established at the 145th ACOR meeting on 12 May 2009. The revised forecast taken into account in the present DAB 5/2010 was adopted at the 148th ACOR meeting on 18 May 2010. The use of an updated forecast of own resources improves

the accuracy of the payments that Member States are asked to make during the budgetary year and reduces the unavoidable forecasting errors from the previous year.

As compared to the forecast agreed in May 2009, the forecast agreed in May 2010 has been revised as follows:

- The total forecast of 2010 net sugar sector levies has not changed and remains EUR 123.4 million (after deduction of 25 % in collection costs).
- Total 2010 net customs duties (including duties on agricultural products) are now forecast at EUR 15 595.8 million (after deduction of 25 % in collection costs), which represents an increase by +10.8 % relative to the May 2009 forecast of EUR 14 079.7 million. The main reason for this increase is higher forecast of 2010 extra-EU imports of goods and, a higher forecast of the weighted average tariff (1.56 %, as compared to 1.41 % last year). The forecast was made on a Member State basis, using forecast growth rates of extra-EU imports as published in the spring 2010 economic forecasts on 5 May 2010.
- The total 2010 EU uncapped VAT base is now forecast at EUR 5 307 999.8 million, which represents a decrease of –5.4 % as compared to the May 2009 forecast of EUR 5 609 119.7 million. The total 2010 EU capped VAT base⁷ is forecast at EUR 5 252 084.10 million, which represents a decrease of –4.3 % as compared to the May 2009 forecast of EUR 5 489 325.75 million.
- The total 2010 EU GNI base is forecast at EUR 12 056 189.4 million, which represents an increase of +2.0 % as compared to the May 2009 forecast of EUR 11 825 562.6 million.

The exchange rates of 31 December 2009 have been used for converting the forecast VAT and GNI bases in national currency into euro (for the eleven Member States that are not members of the euro zone). This avoids distortions since it is this rate which is used to convert budgeted own resources payments from euro into national currency when the amounts are called in (as stipulated in Article 10(3) of Council Regulation No 1150/2000).

The revised forecasts of TOR, uncapped VAT bases and GNI bases for 2010, as adopted at the 148th ACOR meeting on 18 May 2010, are set out in the following table (rounded figures):

⁷ In accordance with Council Decision No 2007/436; if the VAT base of a Member State exceeds 50 % of its GNI, then it is capped at these 50 %. For the DAB 6/2010, 8 Member States will have their VAT base capped at 50 % of GNI: Ireland, Cyprus, Lithuania, Luxembourg, Malta, Poland, Portugal and Slovenia.

Revised forecasts of TOR, VAT and GNI bases for 2010 (in million EUR)

	Sugar sector levies (75 %)	Customs duties (75 %)	Uncapped VAT bases	GNI bases	Capped VAT bases
BE	6.6	1 440.4	143 942.0	350 057.4	143 942.00
BG	0.4	52.7	15 763.2	33 014.2	15 763.20
CZ	3.4	177.4	61 869.6	131 405.3	61 869.60
DK	3.4	301.9	93 201.2	236 215.5	93 201.20
DE	26.3	3 154.6	1 060 967.8	2 488 996.3	1 060 967.80
EE	0.0	15.8	6 460.4	13 129.2	6 460.40
IE	0.0	172.2	65 481.8	128 058.4	64 029.20
EL	1.4	163.0	108 211.5	231 304.5	108 211.50
ES	4.7	1 036.9	390 464.2	1 029 757.3	390 464.20
FR	30.9	1 280.6	867 275.6	1 977 940.6	867 275.60
IT	4.7	1 701.7	604 589.1	1 529 325.7	604 589.10
CY	0.0	31.2	16 004.6	16 793.4	8 396.70
LV	0.0	19.5	6 767.5	17 390.2	6 767.50
LT	0.8	44.2	13 808.5	26 288.3	13 144.15
LU	0.0	11.4	19 788.6	27 509.8	13 754.90
HU	2.0	100.0	41 167.0	93 133.9	41 167.00
MT	0.0	9.8	4 233.7	5 497.8	2 748.90
NL	7.3	1 877.2	257 072.0	582 069.4	257 072.00
AT	3.2	159.9	127 296.4	279 822.6	127 296.40
PL	12.8	336.0	183 316.1	332 072.4	166 036.20
PT	0.2	128.2	99 745.1	159 946.8	79 973.40
RO	1.0	131.2	44 705.0	117 245.8	44 705.00
SI	0.0	73.5	18 855.7	34 469.9	17 234.95
SK	1.4	88.2	25 274.0	64 859.1	25 274.00
FI	0.8	124.9	77 416.2	175 637.8	77 416.20
SE	2.6	422.3	138 929.6	314 113.4	138 929.60
UK	9.5	2 541.1	815 393.4	1 660 134.4	815 393.40
EU	123.4	15 595.8	5 307 999.8	12 056 189.4	5 252 084.10

3.2. 2006 UK correction, 2008 UK correction and 2009 UK correction

The correction of budgetary imbalances in favour of the United Kingdom (UK correction), to be budgeted in the present DAB, concerns three years: 2006, 2008 and 2009. As the UK correction of a certain year is to be financed in the following year, all 27 Member States participate in the financing of all the three UK corrections, including the 2006 UK correction.

The 2006 UK correction is subject to the rules of Council Decision (EC) No 2000/597 and its accompanying working document, the 2000 Calculation method⁸. Pursuant to the rules of this Decision, the net “windfall gains” of the UK resulting from the increase as from 2001 in the

⁸ Council Decision n° 2000/597 of 29 September 2000 on the system of the EU own resources, available on: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:163:0017:0021:EN:PDF> Commission working document of 21 September 2000 "Calculation, financing, payment and entry in the budget of the correction of budgetary imbalances in accordance with Articles 4 and 5 of Council Decision [2000/597] on the system of the EU own resources" referred as the *2000 Calculation Method* and available on: http://ec.europa.eu/budget/library/documents/revenue_expenditure/own_resources/calc_own_res_en.pdf.

percentage of TOR retained by Member States as a compensation for their collection costs are neutralised in the calculation of the UK correction, as well as pre-accession expenditure (PAE) paid under appropriations for payments relating to the year preceding the enlargement. The same adjustment for PAE will be followed at the occasion of each future enlargement of the Union but it will cease to apply as from the correction to be budgeted for the first time in 2014.

The 2008 and 2009 UK corrections are subject to the rules of Council Decision (EC) No 2007/436 and its accompanying working document, the *2007 Calculation Method*⁹. Pursuant to the rules of this Decision, the net TOR “windfall gains” are still neutralised in the calculation of the UK correction. Moreover, the allocated expenditure is adjusted by:

- the pre-accession expenditure (PAE);
- 20 % for 2008 correction and 70% for 2009 correction of total allocated expenditure in Member States that have acceded to the EU after 30 April 2004, except for agricultural direct payments and market-related expenditure as well as that part of the rural development expenditure originating from the EAGGF, Guarantee section. This reduction is to be phased-in progressively (20 % for 2008 correction budgeted in 2009, 70 % for 2009 correction budgeted in 2010 and 100 % as from 2010 correction budgeted in 2011).

Furthermore, the share of Austria, Germany, the Netherlands and Sweden in the financing of the UK correction is reduced to one fourth of their normal share. The reduction is financed by the other Member States, excluding the UK. For the 2006 UK correction these financing rules have an impact on the uniform rate of call of VAT, calculated as the difference between the maximum rate of call (0.50 % of the capped VAT base) and the frozen rate (whose calculation is based on the 2007 UK correction).

The difference between the 2006 UK correction (*definitive amount*) and the amount previously budgeted (in 2007) as well as the result of the entire recalculation of the *financing* of the whole amount of the 2006 UK correction on the basis of the latest data for 2007 is entered under chapter 35 of the budget, without any impact on the uniform rate of call of VAT.

The difference between the 2nd update of the 2008 UK correction and the amount previously budgeted (1st update in AB 6/2009) is entered under chapter 36 of the DAB 5/2010.

The amount of the 1st update of the 2009 UK correction is entered under chapter 15 of the DAB 5/2010, as a replacement of the *provisional amount* of the 2009 UK correction entered under chapter 15 of the Budget 2010.

⁹ Council Decision n° 2007/436 of 7 June 2007 on the system of the EU own resources, available on: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2000:253:0042:0046:EN:PDF> and Commission working document of 23 May 2007 "Calculation, financing, payment and entry in the budget of the correction of budgetary imbalances in accordance with Articles 4 and 5 of Council Decision [2007/436] on the system of the EU own resources" referred as the *2007 Calculation Method* and available on: http://ec.europa.eu/budget/library/documents/revenue_expenditure/own_resources/calc_own_res_2007_en.pdf.

3.2.1. Calculation of the corrections

In the present DAB, the calculation and financing of the *1st update* of the 2009 UK correction, *2nd update* of the 2008 UK correction as well as of the *definitive amount* of the 2006 UK correction are entered.

As far as the 2007 UK correction is concerned, the Commission shall (according to the *2000 and 2007 Calculation Method*) propose to budget an update if it differs significantly from the corresponding previously budgeted calculation. According to the Commission's current calculations, the amount of the 2007 UK correction does not differ significantly from, the *2nd update* of the 2007 UK correction entered in AB 3/2009. Consequently, an update is not proposed for budgeting in the present DAB 5/2010.

3.2.1.1. 2009 UK correction

The following table summarises the changes between the *provisional amount* of the 2009 UK correction entered in Budget 2010 and the *1st update* of the 2009 UK correction to be entered in DAB 5/2010.

2009 UK correction		2009 UK correction PROVISIONAL Budget 2010	2009 UK correction 1st UPDATE DAB 5/2010	Difference
(1)	UK share of uncapped VAT base	13.8313%	15.3708%	+ 1.5395%
(2)	UK share of enlargement-adjusted total allocated expenditure	7.2604%	7.2824%	+ 0.0220%
(3)	= (1) - (2)	6.5709%	8.0884%	+ 1.5175%
(4)	Total allocated expenditure	104 614 895 122	102 757 465 239	- 1 857 429 883
(5)	Enlargement-related expenditure = (5a) + (5b)	12 586 767 352	16 329 279 323	+ 3 742 511 970
(5a)	Pre-accession expenditure	3 023 312 156	3 025 371 614	+ 2 059 458
(5b)	Expenditure related to Art 4(1)(g)	9 563 455 197	13 303 907 709	+ 3 740 452 512
(6)	Enlargement-adjusted total allocated expenditure = (4) - (5)	92 028 127 769	86 428 185 916	- 5 599 941 853
(7)	UK correction original amount = (3) x (6) x 0.66	3 991 091 896	4 613 827 364	+ 622 735 468
(8)	UK advantage	19 427 650	1 094 564 313	+ 1 075 136 663
(9)	Core UK correction = (7) - (8)	3 971 664 245	3 519 263 051	- 452 401 195
(10)	TOR windfall gains	13 121 864	-216 427	- 13 338 291
(11)	UK correction = (9) - (10)	3 958 542 381	3 519 479 477	- 439 062 904

The *1st update* of the 2009 UK correction is EUR 439.1 million lower as compared to the *provisional amount* of the 2009 UK correction entered in Budget 2010.

For the 2009 UK correction the difference in original amount of the UK correction between ORD 2000 and ORD 2007 is EUR 1 270.1 million in 2004 prices and EUR 1 349.6 million in current prices.

3.2.1.2. 2008 UK correction

The following table summarises the changes between the *1st update* of the 2008 UK correction entered in AB 6/2009 and the *2nd update* of the 2008 UK correction to be entered in DAB 5/2010.

2008 UK correction	2008 UK correction 1st update AB 6/2009	2008 UK correction 2nd update DAB 5/2010	Difference
(1) UK share of uncapped VAT base	15.3765%	15.7045%	+ 0.3280%
(2) UK share of enlargement-adjusted total allocated expenditure	7.1985%	7.3387%	+ 0.1402%
(3) = (1) - (2)	8.1780%	8.3658%	+ 0.1878%
(4) Total allocated expenditure	105 572 261 496	105 538 033 501	- 34 227 995
(5) Enlargement-related expenditure = (5a) + (5b)	5 923 110 090	5 908 600 354	- 14 509 737
(5a) Pre-accession expenditure	3 009 254 322	3 014 323 610	+ 5 069 288
(5b) Expenditure related to Art 4(1)(g)	2 997 216 436	2 894 276 744	- 102 939 692
(6) Enlargement-adjusted total allocated expenditure = (4) - (5)	99 649 151 406	99 629 433 147	- 19 718 258
(7) UK correction original amount = (3) x (6) x 0.66	5 378 550 722	5 500 964 647	+ 122 413 925
(8) UK advantage	31 432 569	289 477 443	+ 258 044 874
(9) Core UK correction = (7) - (8)	5 347 118 153	5 211 487 204	- 135 630 949
(10) TOR windfall gains	-31 474 531	-42 810 700	- 11 336 168
(11) UK correction = (9) - (10)	5 378 592 685	5 254 297 904	- 124 294 781

The 2nd update of the 2008 UK correction is EUR 124.3 million lower as compared to the 1st update of the 2008 UK correction entered in AB 6/2010.

For the 2008 UK correction the difference in original amount of the UK correction between ORD 2000 and ORD 2007 is EUR 278.2 million in 2004 prices and EUR 300 million in current prices.

3.2.1.3. 2006 UK correction

The table hereafter summarises the changes between the 1st update of the 2006 UK correction entered in AB 5/2007 and the definitive amount of the 2006 UK correction to be entered in DAB 5/2010.

2006 UK correction	1st UPDATE AB 5/2007	DEFINITIVE DAB 5/2010	Difference
(1) UK share of uncapped VAT base	17.6888%	17.2771%	- 0.4117%
(2) UK share of PAE-adjusted total allocated expenditure	8.6868%	8.6928%	+ 0.0060%
(3) = (1) - (2)	9.0020%	8.5843%	- 0.4177%
(4) Total allocated expenditure	96 930 892 220	97 195 051 529	+ 264 159 309
(5) Pre-accession expenditure (PAE)	1 837 927 773	1 837 296 087	- 631 686
(6) PAE-adjusted total allocated expenditure = (4) - (5)	95 092 964 446	95 357 755 442	+ 264 790 995
(7) UK correction original amount = (3) x (6) x 0.66	5 649 772 605	5 402 613 496	- 247 159 109
(8) UK advantage	339 974 729	26 640 660	- 313 334 069
(9) Core UK correction = (7) - (8)	5 309 797 876	5 375 972 836	+ 66 174 960
(10) TOR windfall gains	-21 571 097	-9 196 589	+ 12 374 508
(11) UK correction = (9) - (10)	5 331 368 973	5 385 169 425	+ 53 800 452

The *definitive amount* of the 2006 UK correction is EUR 53.8 million higher as compared to the *1st update* of the 2006 UK correction entered in the AB 5/2007. The difference is due to the combined effect of five factors, which can be quantified as follows:

- The decrease in the UK share of uncapped VAT base decreases the 2006 UK correction by around EUR 258.4 million.
- The increase in the UK share of PAE-adjusted total allocated expenditure decreases the 2006 UK correction by around EUR 3.8 million.
- The increase in PAE-adjusted total allocated expenditure increases the 2006 UK correction by around EUR 15 million.
- The decrease in the so-called “UK advantage” increases the 2006 UK correction by EUR 313.3 million.
- The increase in the so-called “TOR windfall gains” decreases the 2006 UK correction by EUR 12.4 million.

3.2.1.4. EUR 10.5 billion ceiling

According to article 4(2) of Decision 2007/436, during the period 2007-2013 the additional contribution of the United Kingdom resulting from the reduction of allocated expenditure by the expenditure related to enlargement as referred to in paragraph (1)(g) of ORD 2007 shall not exceed EUR 10.5 billion, measured in 2004 prices. The cumulative effect of 2007, 2008 and 2009 is EUR 1 548.3 million in 2004 prices and EUR 1 649.6 million in current prices.

2007-2012 UK corrections		Difference in current prices	Difference in constant 2004 prices
Difference in original amount in reference to EUR 10.5 billion threshold (ORD 2007 vs. ORD 2000), in EUR			
(A)	2007 UK correction	0	0
(B)	2008 UK correction	- 299 990 334	- 278 238 906
(C)	2009 UK correction	-1 349 647 274	-1 270 060 542
(D)	2010 UK correction	n/a	n/a
(E)	2011 UK correction	n/a	n/a
(F)	2012 UK correction	n/a	n/a
(G)	Sum of differences = (A) + (B) + (C) + (D) + (E) + (F)	-1 649 637 608	-1 548 299 448

3.2.2. *Entry in the DAB 5/2010 of the 1st update of the 2009 UK correction, 2nd update of the 2008 UK correction and of the definitive amount of the 2006 UK correction*

3.2.2.1. 2009 UK correction (chapter 15)

The amount of the UK correction to be budgeted in chapter 15 of the present DAB 5/2010 is the amount of the *1st update* of the 2009 UK correction (i.e. EUR 3 519 479 477, replacing the EUR 3 958 542 381 entered in Budget 2010).

This amount is to be financed along the revised 2010 GNI bases of the present DAB 5/2010. The budgeting of this amount in chapter 15 is summarised below:

2009 UK correction			
Chapter 15			
BE	166 903 516	LU	13 116 370
BG	15 740 807	HU	44 405 219
CZ	62 652 601	MT	2 621 291
DK	112 624 951	NL	49 263 430
DE	210 656 145	AT	23 682 779
EE	6 259 858	PL	158 328 466
IE	61 056 836	PT	76 260 874
EL	110 283 440	RO	55 901 507
ES	490 976 949	SI	16 434 869
FR	943 060 313	SK	30 924 105
IT	729 165 665	FI	83 742 170
CY	8 006 908	SE	26 584 980
LV	8 291 456	UK	-3 519 479 477
LT	12 533 972	Total	0

3.2.2.2. 2008 UK correction (chapter 36)

The amount of the UK correction to be budgeted in chapter 36 of the present DAB 5/2010 is the difference between the 2nd update of the 2008 UK correction (i.e. EUR 5 254 297 904) and the 1st update of the 2008 UK correction (i.e. EUR 5 378 592 685 entered in AB 6/2009) that amounts to EUR 124 294 781.

This amount is to be financed along the revised 2009 GNI bases as known at the end of 2009. The budgeting of this amount in chapter 36 is summarised below:

2008 UK correction			
Chapter 36			
BE	-3 504 541	LU	-2 092 216
BG	-1 523 420	HU	-2 763 065
CZ	496 143	MT	-170 277
DK	-8 155 544	NL	-5 075 335
DE	-213 638	AT	-501 383
EE	-602 251	PL	-2 489 164
IE	-7 602 523	PT	-312 262
EL	-7 281 407	RO	-10 996 050
ES	-17 398 703	SI	-1 405 069
FR	-22 865 571	SK	-3 676 917
IT	-18 521 220	FI	-7 803 260
CY	-379 606	SE	1 895 807
LV	224 016	UK	124 294 781
LT	-1 577 325	Total	0

3.2.2.3. 2006 UK correction (chapter 35)

The financing of the *definitive amount* of the 2006 UK correction is entered in chapter 35 of the present DAB 5/2010 along the 2007 GNI (and VAT) bases as known at the end of 2009. The amount budgeted in chapter 35 includes:

- the adjustment as regards the **direct effect**, i.e. the difference between what each Member State should pay for the *definitive amount* of the 2006 UK correction (along the 2007 GNI bases as known at the end of 2009) *and* the corresponding amounts previously budgeted (i.e. the payments for the financing of the 1st *update* of the 2006 UK correction budgeted in AB 5/2007),
- the adjustment as regards the **indirect effect**, i.e. the difference between the implicit impact¹⁰ on Member States' VAT and GNI payments of the *definitive amount* of the 2006 UK correction (along the 2007 VAT and GNI bases as known at the end of 2009) *and* the implicit impact on Member States' VAT and GNI payments of the 1st *update* of the 2006 UK correction in AB 5/2007 (along the 2007 VAT and GNI bases in AB 5/2007).

¹⁰ Due to the effect of the UK correction on the uniform rate of call of VAT (reduced by the 'frozen rate') and therefore also on the uniform rate of call of GNI (increased to compensate for the reduced VAT payments). This effect ceased to apply retrospectively from 1 January 2007 as the Decision 2007/436 sets the rate of call at 0.30% for all Member States, except for Austria (0.225%), Germany (0.15%), Sweden and the Netherlands (0.10%) for the period 2007-2013 only.

The financing of the *definitive amount* of the 2006 UK correction in chapter 35 of the present DAB 5/2010 is summarised below:

	Definitive amount (direct effect along 2007 GNI bases, as known at end 2009)	1st update (direct effect budgeted in AB 5/2007, i.e. along 2007 GNI bases as of AB 5/2007)	Adjustment direct effect	Definitive amount (indirect effect on VAT/GNI contributions in the 2007 budget, as recalculated at end 2009)	1st update (indirect effect on VAT/GNI contributions in the AB 5/2007)	Adjustment indirect effect	TOTAL (to be budgeted in chapter 35 of DAB 5/2010)
	(1)	(2)	(3) = (1) - (2)	(4)	(5)	(6) = (4) - (5)	(7) = (3) + (6)
BE	+ 249 940 431	+ 247 212 185	+ 2 728 246	+ 22 212 022	+ 19 914 357	+ 2 297 665	+ 5 025 912
BG	+ 21 167 891	+ 20 764 704	+ 403 187	- 1 800 949	- 1 887 005	+ 86 056	+ 489 243
CZ	+ 87 728 118	+ 87 357 575	+ 370 543	- 7 131 775	- 7 938 671	+ 806 896	+ 1 177 440
DK	+ 169 243 569	+ 172 772 662	- 3 529 093	+ 12 899 436	+ 18 568 078	- 5 668 642	- 9 197 734
DE	+ 324 788 939	+ 318 742 577	+ 6 046 362	+ 176 292 715	+ 143 159 304	+ 33 133 411	+ 39 179 773
EE	+ 10 714 712	+ 10 859 310	- 144 598	- 911 600	- 986 846	+ 75 246	- 69 352
IE	+ 119 985 370	+ 121 023 454	- 1 038 084	- 10 208 267	- 13 870 115	+ 3 661 848	+ 2 623 764
EL	+ 162 432 190	+ 152 627 502	+ 9 804 688	- 13 819 611	- 69 543 065	+ 55 723 454	+ 65 528 142
ES	+ 760 257 178	+ 765 255 697	- 4 998 519	- 64 682 120	- 92 265 129	+ 27 583 009	+ 22 584 489
FR	+ 1 420 519 729	+ 1 392 588 247	+ 27 931 482	- 61 518 081	- 10 998 078	- 50 520 003	- 22 588 521
IT	+ 1 136 622 087	+ 1 139 811 242	- 3 189 155	+ 68 752 962	+ 160 473 916	- 91 720 954	- 94 910 109
CY	+ 11 246 640	+ 11 199 633	+ 47 007	- 956 856	- 1 017 773	+ 60 917	+ 107 925
LV	+ 15 195 336	+ 14 173 037	+ 1 022 299	- 1 292 808	- 1 287 983	- 4 825	+ 1 017 474
LT	+ 20 433 796	+ 19 622 507	+ 811 289	- 1 738 492	- 201 238	- 1 537 254	- 725 966
LU	+ 22 019 517	+ 22 469 561	- 450 044	- 1 873 404	- 2 041 935	+ 168 530	- 281 514
HU	+ 69 259 368	+ 69 777 536	- 518 168	+ 550 108	+ 6 731 327	- 6 181 219	- 6 699 387
MT	+ 3 918 643	+ 3 802 778	+ 115 865	- 333 395	- 345 580	+ 12 184	+ 128 050
NL	+ 75 278 731	+ 73 440 295	+ 1 838 436	- 18 170 730	- 27 052 672	+ 8 881 942	+ 10 720 377
AT	+ 34 780 819	+ 35 128 529	- 347 710	+ 4 986 328	+ 5 137 671	- 151 343	- 499 052
PL	+ 221 717 357	+ 213 586 087	+ 8 131 270	- 18 863 549	- 19 409 762	+ 546 213	+ 8 677 483
PT	+ 115 780 545	+ 115 125 921	+ 654 624	- 9 850 523	- 10 462 136	+ 611 613	+ 1 266 237
RO	+ 89 574 476	+ 85 592 444	+ 3 982 032	+ 9 388 194	+ 6 874 380	+ 2 513 814	+ 6 495 846
SI	+ 25 060 496	+ 23 502 134	+ 1 558 362	- 2 132 128	- 2 135 770	+ 3 642	+ 1 562 004
SK	+ 39 482 418	+ 38 324 928	+ 1 157 490	+ 4 471 219	+ 1 150 679	+ 3 320 540	+ 4 478 030
FI	+ 133 402 138	+ 132 254 957	+ 1 147 181	+ 11 061 910	+ 7 555 724	+ 3 506 186	+ 4 653 367
SE	+ 44 618 930	+ 44 353 471	+ 265 459	+ 20 478 709	+ 14 705 770	+ 5 772 939	+ 6 038 398
UK	- 5 385 169 425	- 5 331 368 973	- 53 800 452	- 115 809 314	- 122 827 447	+ 7 018 133	- 46 782 319
Total	0	0	0	0	0	0	0

3.3. Revision of the financing of the gross reductions in GNI payments of Sweden and the Netherlands in 2010

The gross reductions in the GNI payments of the Netherlands and Sweden for 2010 were established in Budget 2010. The amounts were adjusted to current prices by applying the GDP deflator for the EU expressed in Euro, as provided by the Commission in the 2009 Spring Economic Forecast, i.e. that were available when the preliminary draft budget 2010 was drawn up. The gross amounts are EUR 651.4 million for the Netherlands and EUR 161.5 million for Sweden and they do not and will not change.¹¹

The reductions are to be financed by all Member States according to the shares in GNI. The financing is therefore modified according to the update of the GNI bases for 2010 as agreed during the 148th ACOR Forecast meeting on 18 May 2010.

The following table provides an overview of the financing of the gross reductions for 2010:

Reductions in 2010 GNI payments of the Netherlands and Sweden			
BE	23 602 839	LU	1 854 865
BG	2 226 003	HU	6 279 611
CZ	8 860 084	MT	370 693
DK	15 926 977	NL	- 612 147 160
DE	167 822 128	AT	18 867 213
EE	885 244	PL	22 390 189
IE	8 634 417	PT	10 784 513
EL	15 595 850	RO	7 905 371
ES	69 432 028	SI	2 324 155
FR	133 363 878	SK	4 373 165
IT	103 115 739	FI	11 842 488
CY	1 132 305	SE	- 140 323 242
LV	1 172 545	UK	111 935 597
LT	1 772 505	Total	0

¹¹ According to Article 2(5) of the Council Decision 2007/436/EC, Euratom the amounts are adjusted to the current prices by applying the most recent GDP deflator for the EU expressed in euro, as provided by the Commission, which is available when the preliminary draft budget is drawn up.