



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 17.07.1998
COM(1998) 455 final

Proposal for a

COUNCIL REGULATION (EC, ECSC, Euratom)

**ADJUSTING THE DAILY SUBSISTENCE ALLOWANCE RATES FOR OFFICIALS ON MISSION
WITHIN THE EUROPEAN TERRITORY OF THE MEMBER STATES OF THE EUROPEAN
UNION LAID DOWN IN ARTICLE 13 OF ANNEX VII TO THE STAFF REGULATIONS OF
OFFICIALS OF THE EUROPEAN COMMUNITIES**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. BACKGROUND

- (1) Under Article 13 of Annex VII the daily subsistence allowance rates for officials on mission within the European territory of the Member States of the European Union may be adjusted by the Council acting by qualified majority on a Commission proposal
- (2) The current allowances were set by the Council on 22 July 1991 (Regulation No 2232/91) following a survey of hotel rates and restaurant prices.
- (3) The scales fixed then no longer reflect prevailing economic conditions and this, compounded by the accession of three new Member States, means that the daily subsistence allowance rates and the ceilings for the reimbursement of hotel expenses for missions within the Member States urgently need revision.
- (4) On 23 September 1996, the Commission sent the Council a proposal,¹ which set out to:
 - (a) bring allowances for the twelve Member States already covered by the Staff Regulations into line² with levels applied by Parliament since 1996;
 - (b) (i) bring the daily allowances for Austria, Finland and Sweden within the scope of the Staff Regulations and (ii) update them at the same time;
 - (c) extend the scales for A4-A8 and category B officials to category C and D officials for missions to headquarters;

¹ COM(96) 451 final 96/0232(CNS)

² on the basis of Eurostat's consumer price indices for the hotel and catering industries and the exchange rates applied from 1990 to 1996.

- (d) introduce a simple automatic annual adjustment procedure, whereby the Commission takes the decision to adjust the rates and informs the other institutions.
- (5) Annex VII to the Staff Regulations gives the Council the power to adjust allowances by adopting a decision on the basis of a Commission proposal, without the need for consultation. However, it must seek the opinion of the other institutions for amendments to the Staff Regulations³ (points b, c and d).
- (6) The Court of Auditors and Court of Justice had no comments to make in response to the Council's letter of 21 October 1996, but on 12 March 1997, Parliament adopted the Tappin report⁴ calling for seven amendments to the Commission proposal.
- (7) On 31 July 1997, the Commission sent the Council an amended proposal⁵ incorporating some of Parliament's amendments and bringing the scales in line with those most recently adopted by Parliament⁶ (on 4 February 1997).
- (8) The Council's Staff Regulations working party examined the proposal on 8 March 1997 and the amended proposal on 8 July 1997, 7 October 1997 and 18 November 1997. It transpired that:
 - (a) a qualified majority was prepared to accept adjustment based on the indices for the hotel and catering industries and exchange rates, without using Parliament's scale as a starting point;
 - (b) there would be no problems incorporating Austria, Finland and Sweden into the Staff Regulations;
 - (c) most countries wanted the system to be revised in a way that reflected different national practices (comparative study, use of averages for the fifteen Member States, a single scale for all grades, reimbursement of actual costs etc.);
 - (d) there was unanimous opposition to any form of annual adjustment procedure.

³ Article 24 of the Treaty establishing a single Council and Commission of the European Communities

⁴ EP A4-0039/97

⁵ COM(97) 429 final 96/0232(CNS)

⁶ The proposal took the scale used by Parliament in 1997 as its starting point.

- (9) The chair of the Council's Staff Regulations working party asked the Commission to present a proposal which did not provide for any automatic adjustment or a "starting point".

2. PROPOSED DECISION

Consequently, the Commission has decided to remove the automatic adjustment procedure and the "starting point" from its proposal and, for procedural reasons, to:

- (1) present, on the basis of Article 13 of Annex VII to the Staff Regulations, the attached proposal dealing solely with the adjustment of the scales for the twelve Member States already covered by the Staff Regulations (on the basis of price trends⁷ and exchange rates and without taking Parliament's scale as a starting point);
- (2) present, on the basis of Article 24 of the Treaty, a second proposal to bring the scales for Austria, Finland and Sweden within the scope of the Staff Regulations, without adjusting them.
The purpose is simply to acknowledge the fact that they are now inside the Community, without changing the scales used, thus neutralising the impact on the budget. Nevertheless, the proposal requires a separate procedure: the Staff Regulations Committee and the other institutions must be invited to give their opinion for any amendment to the Staff Regulations);
- (3) consider a comparative study into the situation in the Member States with a view to a possible reform of the system.⁸

The attached proposal sets out to adjust the daily subsistence allowance rates for the twelve Member States already covered by Article 13 of Annex VII to the Staff Regulations.

⁷ as reflected in the harmonised price indices for the hotel and catering industries.

⁸ Any such reform might for example, resurrect the idea of applying the scale for A and B grade staff to grades C and D, for missions to headquarters.

**PROPOSAL FOR A
COUNCIL REGULATION (EC, EEC, EURATOM) No ...
OF**

**ADJUSTING THE DAILY SUBSISTENCE ALLOWANCE RATES FOR OFFICIALS ON MISSION
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UNION LAID DOWN IN ARTICLE 13 OF ANNEX VII TO THE STAFF REGULATIONS OF
OFFICIALS OF THE EUROPEAN COMMUNITIES**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing a single Council and a single Commission of the European Communities,

Having regard to the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities laid down by Regulation (EEC, Euratom, ECSC) No 259/68,¹ as last amended by Regulation (EC, Euratom, ECSC) No 2591/97,² and in particular Article 13 of Annex VII to the Staff Regulations and Articles 22 and 67 of the Conditions of Employment,

Having regard to the proposal from the Commission,

Whereas the rates of daily subsistence allowance for officials on mission should be adjusted in order to take account of the changes in prices and exchange rates recorded in the different mission locations within the European Union since 1991;

HAS ADOPTED THIS REGULATION:

¹ OJ L 56, 4.3.1969

² OJ L 351, 23.12.1997

Article 1

Article 13 of Annex VII to the Staff Regulations is amended as follows:

1. The scale in paragraph 1(a) is replaced by the following:

(Belgian francs)

Member States	I	II	III
	Grades A1 - A3 and LA3	Grades A4 - A8, LA4 - LA8 and category B	Other categories
Belgium	3391	6036	5586
Denmark	3699	7232	6688
Germany	2991	5127	4745
Greece	2663	4566	4225
Spain	2779	5700	5275
France	2928	5256	4865
Ireland	3265	6664	6161
Italy	2434	5237	4845
Luxembourg	3308	5788	5351
Netherlands	3157	5958	5514
Portugal	2780	5768	5337
United Kingdom	3505	8036	7436

2. The first sentence in paragraph 2 is replaced by the following:

“2. In addition to the rates set out in Column I of the foregoing scale, the hotel bill covering room, service and taxes, but excluding breakfast, shall be reimbursed up to a maximum of

BFR 4723 for Belgium
BFR 5974 for Denmark
BFR 3914 for Germany
BFR 4019 for Greece
BFR 5106 for Spain
BFR 3924 for France
BFR 5620 for Ireland
BFR 4612 for Italy
BFR 4313 for Luxembourg
BFR 5315 for Netherlands
BFR 5038 for Portugal
BFR 6011 for United Kingdom

Article 2

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

For the Council
The President

1998 daily subsistence allowances

Annex I

	1991 Staff Reg. amounts					1991 Staff Reg. amounts					1998 indexed amounts					1998 indexed amounts					Proposed change in BFR terms (%)
	BFR				Exchange rate to BFR	National currencies				Hotel and catering CPI	National currencies				Exchange rate to BFR	BFR					
	A1 to A3	A1 to A3	A4 to A8 and B	Other grades		A1 to A3	A1 to A3	A4 to A8 and B	Other grades		A1 to A3	A1 to A3	A4 to A8 and B	Other grades		A1 to A3	A1 to A3	A4 to A8 and B	Other grades		
	Daily allow. not incl. hotel	Ceiling hotel	Daily allow. incl. hotel	Daily allowance incl. hotel		Daily allow. not incl. hotel	Ceiling hotel	Daily allow. incl. hotel	Daily allowance incl. hotel		Daily allow. not incl. hotel	Ceiling hotel	Daily allow. incl. hotel	Daily allowance incl. hotel		Daily allow. not incl. hotel	Ceiling hotel	Daily allow. incl. hotel	Daily allowance incl. hotel		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
B	2635	3670	4690	4340	1	2635,0	3670,0	4690,0	4340,0	28,7%	3391,2	4723,3	6036,0	5585,6	1	3391	4723	6036	5586	B	28,7%
DK	3130	5055	6120	5660	5,3912	580,6	937,6	1135,2	1049,9	17,6%	682,8	1102,7	1335,0	1234,6	5,4173	3699	5974	7232	6688	DK	18,2%
D	2465	3225	4225	3910	20,599	119,67	156,56	205,11	189,82	21,2%	145,04	189,75	248,59	230,06	20,625	2991	3914	5127	4745	D	21,3%
GR	1680	2535	2880	2665	0,20915	8033	12120	13770	12742	154,0%	20403	30786	34976	32365	0,13054	2663	4019	4566	4225	GR	58,5%
E	2550	4685	5230	4840	0,32874	7757	14251	15909	14723	46,8%	11387	20921	23355	21613	0,24408	2779	5106	5700	5275	E	9,0%
F	2395	3210	4300	3980	6,1532	389,23	521,68	698,82	646,82	22,2%	475,64	637,49	853,96	790,41	6,1551	2928	3924	5256	4865	F	22,2%
IRL	2565	4415	5235	4840	55,287	46,39	79,86	94,69	87,54	32,5%	61,47	105,81	125,46	115,99	53,113	3265	5620	6664	6161	IRL	27,3%
I	2610	4945	5615	5195	0,027517	94850	179707	204056	188792	22,3%	116002	219782	249560	230893	0,020984	2434	4612	5237	4845	I	-6,7%
L	2535	3305	4435	4100	1	2535,0	3305,0	4435,0	4100,0	30,5%	3308,2	4313,0	5787,7	5350,5	1	3308	4313	5788	5351	L	30,5%
NL	2625	4420	4955	4585	18,269	143,69	241,94	271,22	250,97	20,1%	172,57	290,57	325,74	301,42	18,292	3157	5315	5958	5514	NL	20,2%
P	2000	3625	4150	3840	0,23150	8639	15659	17927	16587	59,3%	13762	24944	28557	26424	0,20198	2780	5038	5768	5337	P	39,0%
UK	2510	4305	5755	5325	60,433	41,53	71,24	95,23	88,11	43,2%	59,48	102,01	136,37	126,18	58,930	3505	6011	8036	7436	UK	39,6%

Daily mission allowances (all grades) + hotel expenses for A1-A3 (Parliament already grants allowances of higher or equal value and is therefore not included)

Officials and other staff

Budget headings		Annual amount in BFR million							Total for all institutions
		Commission Operating	Commission Research	Commission Sub-total	Council	Court of Auditors	Court of Justice	ESC-CoR	
	Belgium	47,601	30,146	77,747	0,395	9,167	0,027	0,027	87,364
	Denmark	11,427	4,377	15,804	0,246	0,547	0,017	0,017	16,630
A701	Germany	27,098	19,793	46,891	1,783	1,624	0,123	0,123	50,544
A1040	Greece	13,305	4,352	17,657	0,182	0,488	0,013	0,013	18,353
sub-section	Spain	30,172	20,598	50,770	1,130	1,781	0,078	0,078	53,837
B6 and									
B21830,	France	64,224	41,966	106,190	5,647	2,131	0,389	0,389	114,747
B43070	Ireland	19,292	3,196	22,488	3,130	0,740	0,216	0,216	26,790
for	Italy	52,081	37,096	89,178	2,411	1,715	0,166	0,166	93,636
the research	Luxembourg	36,781	4,126	40,908	14,727	0,010	1,016	1,016	57,675
budget	Netherlands	19,544	6,377	25,921	6,611	0,462	0,456	0,456	33,906
	Portugal	16,205	4,229	20,434	0,470	0,487	0,032	0,032	21,456
	United Kingdom	35,696	45,363	81,059	1,194	1,720	0,082	0,082	84,138
Total in BFR million		373,427	221,620	595,047	37,925	20,872	2,616	2,616	659,075
Total in ECU million*		9,2	5,4	14,6	0,9	0,5	0,1	0,1	16,2
Adjustment		Total difference in BFR million							
Belgium	28,7%	13,662	8,652	22,313	0,113	2,631	0,008	0,008	25,073
Denmark	18,2%	2,080	0,797	2,876	0,045	0,100	0,003	0,003	3,027
Germany	21,3%	5,772	4,216	9,988	0,380	0,346	0,026	0,026	10,766
Greece	58,5%	7,784	2,546	10,330	0,107	0,286	0,007	0,007	10,736
Spain	9,0%	2,715	1,854	4,569	0,102	0,160	0,007	0,007	4,845
France	22,2%	14,258	9,316	23,574	1,254	0,473	0,086	0,086	25,474
Ireland	27,4%	5,267	0,872	6,139	0,854	0,202	0,059	0,059	7,314
Italy	-6,7%	-3,489	-2,485	-5,975	-0,162	-0,115	-0,011	-0,011	-6,274
Luxembourg	30,5%	11,218	1,259	12,477	4,492	0,003	0,310	0,310	17,591
Netherlands	20,2%	3,948	1,288	5,236	1,335	0,093	0,092	0,092	6,849
Portugal	39,0%	6,320	1,649	7,969	0,183	0,190	0,013	0,013	8,368
United Kingdom	39,6%	14,136	17,964	32,100	0,473	0,681	0,033	0,033	33,319
Total in BFR million		83,669	47,928	131,597	9,176	5,050	0,633	0,633	147,088
Total in ECU million*		2,1	1,2	3,2	0,2	0,1	0,0	0,0	3,6

*Rate at 1.3.98 ECU 1 = BFR 40.7757

Detached national experts

Daily mission allowances

Budget headings	Annual amount in ECU million			Adjustment	Difference in ECU million		
	Operating	Research	Total		Operating	Research	Total
A7003	18,5	0,0	18,5	0,3	5,3	0,0	5,3

Experts attending meetings

Subsistence expenses

Budget headings	Annual amount in ECU million			Adjustment	Difference in ECU million		
	Operating	Research	Total		Operating	Research	Total
A2520	0,054	0,000	0,054	33,5%	0,018	0,000	0,018
A2540	0,054	0,000	0,053	33,5%	0,018	0,000	0,018
A2541	0,059	0,000	0,059	33,5%	0,020	0,000	0,020
A2560	0,058	0,000	0,058	33,5%	0,020	0,000	0,020
A7030	1,132	0,000	1,132	33,5%	0,379	0,000	0,379
A7031	0,500	0,000	0,500	33,5%	0,167	0,000	0,167
A7032	0,622	0,000	0,622	33,5%	0,208	0,000	0,208
A7033	0,115	0,000	0,115	33,5%	0,038	0,000	0,038
B21830	0,000	0,018	0,018	33,5%	0,000	0,006	0,006
B43070	0,000	0,047	0,047	33,5%	0,000	0,016	0,016
B67111	0,000	0,011	0,011	33,5%	0,000	0,004	0,004
B67112	0,000	0,018	0,018	33,5%	0,000	0,006	0,006
B67113	0,000	0,028	0,028	33,5%	0,000	0,009	0,009
B67211	0,000	0,035	0,035	33,5%	0,000	0,012	0,012
B67311	0,000	0,010	0,010	33,5%	0,000	0,003	0,003
Total	2,6	0,2	2,8		0,9	0,1	0,9

* The difference with the adjustment in BFR terms (28.7%) results of changes in the ECU-BFR exchange rate, from 42.2812 on 1/8/91 to 40.7757 on 1/3/98.

Summary

Officials and other staff	3,6
Detached national experts	5,3
Experts attending meetings	- 0,9
Total cost of adjusting daily mission allowances in ECU million	9,8

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