

Laws

Constitutional bylaw No. 2001-692 of 1 August 2001 on budget acts (1)

NOR: ECOX0104681L

The National Assembly and the Senate have adopted,
The Constitutional Council has declared in compliance with the Constitution,
The President of the Republic enacts the law with the following terms:

TITLE I
BUDGET ACTS

Article 1

In accordance with the conditions and within the limits set by this constitutional bylaw, the budget acts determine, for one fiscal year, the nature, amount and grant of the State's resources and charges, together with the resulting budget and financial balance. These acts take into account a defined economic equilibrium as well as the objectives and results of the programmes that they determine.

The fiscal year covers a calendar year.

The following are deemed to be budget acts:

- 1) The year's budget act and the supplementary budget acts;
- 2) The budget review act;
- 3) The acts provided for in Article 45.

TITLE II
THE STATE'S RESOURCES AND CHARGES

Article 2

The State's resources and charges consist of budget resources and charges and cash resources and charges.

No tax receipt of any kind may be directly earmarked to a third party unless it is related to a public service assignment entrusted to the said third party and without prejudice to articles 34, 36 and 51.

Chapter I
Budget resources and charges

Article 3

The State's budget resources consist of:

- 1) Taxes of all kinds;
- 2) Current revenue from its industrial and commercial activities, its financial holdings and its other assets and interests, State property, remuneration of services rendered by it, withholdings and social security contributions paid to it, income from fines, the payments of public and private bodies other than those that come under cash transactions, and income from cash transactions other than government loan issue premiums;
- 3) Cost-sharing contributions, as well as gifts and bequests granted to it;

- 4) Miscellaneous current revenue;
- 5) Reimbursements of loans and advances;
- 6) Income from its financial holdings as well as from its other assets and interests from the sale of State property;
- 7) Miscellaneous extraordinary income.

Article 4

The remuneration of services rendered by the State may be set and paid in accordance with Conseil d'Etat (French Supreme Administrative Court) decrees passed on the basis of a report from the minister in charge of finance and the minister concerned. These decrees shall become null and void in the absence of ratification in the very next budget act relating to the year concerned.

Article 5

I. – The State's budget charges are grouped under the following classes:

- 1) Amounts allocated to State governing bodies;
- 2) Personnel expenditure;
- 3) Operating expenditure;
- 4) Public debt interest payments;
- 5) Capital expenditure;
- 6) Intervention expenditure;
- 7) Expenditure on financial transactions.

II. – Personnel expenditure consists of:

- Earned remuneration;
- Social security contributions and taxes;
- Welfare benefits and miscellaneous allowances.

Operating expenditure consists of:

- Operating expenditure other than personnel expenditure;
- Subsidies for public service obligations.

Public debt interest payments consist of:

- Interest on negotiable financial debt;
- Interest on non-negotiable financial debt;
- Miscellaneous financial charges.

Capital expenditure consists of:

- Expenditure on the State's tangible fixed assets;
- Expenditure on the State's intangible fixed assets;

Intervention expenditure consists of:

- Transfers to households;
- Transfers to businesses;
- Transfers to local and regional authorities;
- Transfers to other authorities;
- Exercise of guarantees.

Expenditure on financial transactions consists of:

- Loans and advances;
- Equity endowments;
- Expenditure on financial holdings.

Article 6

The State's budget resources and charges are described in the budget in the form of revenue and expenditure.

For a given year, the budget details all the State's budget revenue and expenditure. The entire sum of income is entered as revenue without any netting between revenue and expenditure.

Since all the revenue ensures the execution of all the expenditure, all revenue and expenditure is detailed in a single account called the general budget.

A set amount of the State's revenue can be reconveyed directly to the local and regional authorities or to the European Communities to cover expenses to be paid by these recipients or to offset exemptions from, reductions in or ceilings on taxes paid to the local and regional authorities. These deductions from the State's revenue are precisely and distinctly defined and evaluated in terms of their destination and amount.

Chapter II

The nature and scope of budget authorisations

Article 7

I. – The appropriations made by the budget acts to cover each of the State's budget charges are grouped by mission coming under one or more departments in one or more ministries.

A mission covers a set of programmes designed to contribute to a defined public policy. Only a government-initiated budget act provision can create a mission.

Nevertheless, a specific mission groups together the State governing bodies' appropriations, with each appropriation forming the subject of one or more grants. Likewise, a mission groups together the appropriations for the following two types of grants:

- 1) A grant for emergency expenditure, to handle disasters, and for contingency expenditure.
- 2) A grant for general pay measures that cannot be accurately apportioned by programme when the appropriations are passed.
- 3) A programme covers appropriations for implementing an action or a consistent set of actions coming under the same ministry and involving both specific objectives, defined in the public interest, and expected results subject to review.

II. – The appropriations are specialised by programme or by grant.

The appropriations for a programme or grant are presented in keeping with the classes detailed in Article 5.

The presentation of the appropriations by class is intended as a guideline. Nevertheless, the appropriations made for each programme's personnel expenditure class form the limit for expenditure of this kind.

III. – With the exception of appropriations for the grant mentioned in paragraph 2) of I, the appropriations made for the personnel expenditure class are accompanied by authorisation limits on jobs remunerated by the State. These limits are specific to each ministry.

IV. – The appropriations are apportioned to the ministers.

Changes to the appropriations may only be made by a budget act or, exceptionally, pursuant to the provisions stipulated in articles 11 to 15, 17, 81 and 21.

The allotment of authorised jobs among the ministries may only be modified by a budget act or, exceptionally, pursuant to II of Article 12.

Article 8

The appropriations made comprise commitment authorisations and cash-limit appropriations. The commitment authorisations set the upper limit on the expenditure that may be committed. In the case of an investment transaction, the commitment authorisation covers a consistent whole able to be implemented or executed without any additions.

The cash-limit appropriations set the upper limit for the expenditure that may be authorised for payment or paid during the year to cover commitments contracted under commitment authorisations.

The sum of commitment authorisations made for personnel expenditure is equal to the sum of cash-limit appropriations made.

Article 9

The appropriations are capped, subject to the provisions of articles 10 and 24. Expenditure may only be committed and authorised for payment within the limit of the appropriations made.

The conditions governing the commitment of expenditure in advance of appropriations for the following year are defined by a budget act provision.

There is a ceiling on employment authorisations.

Article 10

The appropriations relating to public debt interest payments, to repayments, refunds and relief and to the exercise of government-granted guarantees are open-ended. They are made for programmes distinct from the programmes with capped appropriations.

The expenditure to which the open-ended appropriations apply is charged, where necessary, in excess of the appropriations made.

Should this occur, the minister in charge of finance informs the National Assembly and Senate finance committees of the reasons for the overrun and the projected execution through to the end of the year.

Open-ended appropriation overruns form the subject of a motion for appropriations to be made in the very next budget bill relating to the year concerned.

The appropriations stipulated in the first paragraph may form the subject neither of rescissions associated with the movements provided for in articles 12 and 13 nor of movements of appropriations provided for in Article 15.

Article 11

The appropriations made for the contingency and emergency expenditure grant are allotted by programme as needed, by a decree passed on the basis of the report from the minister in charge of finance.

The appropriations made for the general pay measures grant are apportioned by programme by an order of the minister in charge of finance. This order may only increase appropriations made for the personnel expenditure class.

Article 12

I. – Reallocations may change the allotment of appropriations among programmes within a given ministry. The cumulative sum of appropriations reallocated within a given year may not exceed 2% of the appropriations made by the year's budget act for each of the programmes concerned. This ceiling also applies to appropriations made for the personnel expenditure class for each of the programmes concerned.

II. – Transfers may change the allotment of appropriations among different ministries' programmes, provided that the use of the appropriations transferred for a defined purpose corresponds to the initial programme's actions. These transfers may be combined with changes to the allotment of authorised jobs among the ministries concerned.

III. – Reallocations and transfers are effected by a decree passed on the basis of a report from the minister in charge of finance, following the notification of the National Assembly and Senate finance committees and the other committees concerned. The use of the reallocated or transferred appropriations gives rise to a special report enclosed with the report drawn up pursuant to paragraph 4) of Article 54.

IV. – No reallocation or transfer may be made to programmes not stipulated by a budget act. No reallocation or transfer may be made to the personnel expenditure class from another class.

Article 13

In the event of an emergency, supplemental appropriation decrees passed on the basis of an opinion from the Conseil d'Etat (French supreme administrative court) and following the notification of the National Assembly and Senate finance committees may make supplementary appropriations without affecting the budget balance defined by the latest budget act. To this end, supplemental appropriation decrees rescind appropriations and establish supplementary revenue. The cumulative sum of appropriations made in this way may not exceed 1% of the appropriations made by the year's budget act.

Each assembly's finance committee notifies the Prime Minister of its opinion within seven days of receiving notification of the proposed decree. The decree may only be signed after receipt of the opinions from these committees or, failing this, after the above-mentioned deadline has expired.

Parliament is asked to ratify, on the basis of the above two paragraphs, the changes made to the appropriations made by the latest budget act in the very next budget bill relating to the year in question.

In the event of an emergency or pressing need in the national interest, supplementary appropriations may be made by supplemental appropriation decree passed by the council of ministers based on an opinion from the Conseil d'Etat and following notification of the National Assembly and Senate finance committees. A budget bill ratifying these appropriations is tabled immediately or when the very next Parliamentary session opens.

Article 14

I. – An appropriation may be rescinded by decree passed on the basis of a report from the minister in charge of finance in order to prevent deterioration in the budget balance defined by the latest budget act relating to the year in question. An appropriation that has become irrelevant may be rescinded by a decree passed on the same terms.

Before being published, all rescission decrees are sent to the National Assembly and Senate finance committees and other relevant committees for information.

The cumulative sum of appropriations rescinded by decree pursuant to this article and Article 13 may not exceed 1.5% of the appropriations made by the budget acts relating to the year in progress.

II. – Appropriations whose rescission is proposed by a supplementary budget bill are not available for the commitment or authorisation of payment of expenditure from the date of tabling the bill through to the entry into force of the said act or, where applicable, the Constitutional Council's decision to prohibit the implementation of these rescissions pursuant to the first paragraph of Article 62 of the Constitution.

III. – The National Assembly and Senate finance committees are informed of all acts, regardless of their nature, whose purpose or effect is to make appropriations unavailable.

Article 15

I. – Subject to the provisions governing commitment authorisations, appropriations made and employment authorisation limits set for a given year generate no rights as regards the following years.

II. – The commitment authorisations available in a programme at the end of the year may be reappropriated to the same programme or, failing this, to a programme with the same objectives, by joint order of the minister in charge of finance and the minister concerned, increasing the following year's appropriations accordingly.

These reappropriations may not increase the appropriations in the personnel expenditure class. Subject to the provisions laid down in Article 21, the cash-limit appropriations available for a programme at the end of the year may be reappropriated to the same programme or, failing this, to a programme with the same objectives, by joint order of the minister in charge of finance and the minister concerned, on the following terms:

- 1) The appropriations in the personnel expenditure class of the programme receiving the reappropriation may be increased by up to 3% of the initial appropriations shown in the same class of the programme from which the appropriations are reappropriated;
- 2) The appropriations in the other classes of the programme receiving the reappropriation may be increased by up to 3% in total of all the initial appropriations shown in the same classes of the programme from which the appropriations are reappropriated. This ceiling may be raised by a budget act provision.

III. – The appropriations made for a programme pursuant to the provisions of II of Article 17 and available at the end of the year are reappropriated to the same programme or, failing this, to a programme with the same objectives, by joint order of the minister in charge of finance and the minister concerned.

The sum of appropriations reappropriated in this way may not exceed the difference between the revenue and expenditure established on the basis of the above-mentioned provisions.

The cash-limit appropriation reappropriations made pursuant to this paragraph are not included in the evaluation of the limits set in 1) and 2) of II.

IV. – The reappropriation orders are published at the latest by 31 March of the year following the year at the end of which the availability of the commitment authorisations or cash-limit appropriations is established.

Chapter III Assignment of revenue

Article 16

Some revenue may be directly allocated to certain expenditure. Such assignments take the form of specific budgets, special accounts and specific accounting procedures in the general budget, a specific budget or special account.

Article 17

I. – The specific procedures used to allocate revenue within the general budget or a specific budget or special account are the cost-sharing contribution procedure, the earmarked-income procedure and the appropriation restoration procedure.

II. – Cost-sharing contributions comprise, firstly, non-tax funds paid by legal entities or natural persons to contribute to public-interest expenditure and, secondly, income from bequests and donations to the State.

Cost-sharing contributions are entered directly as revenue in the general budget or in the specific budget or special account in question. A supplementary appropriation of the same amount is made by order of the minister in charge of finance for the programme or grant concerned.

Cost-sharing contribution revenue is provided for and evaluated by the budget act. The limits on expenditure and charges provided for in I, 6) of Article 34 include the sum of appropriations liable to be made by means of cost-sharing contributions.

The use of the funds must comply with the intention of the party that provides them. To this end, a Conseil d'Etat decree defines the rules for the use of appropriations made by means of cost-sharing contributions.

III. – Revenue earned from the remuneration of services regularly provided by a government agency may, by decree passed based on a report of the minister in charge of finance, form the subject of an earmarked-income procedure. The rules governing cost-sharing contributions are applicable to this revenue. The appropriations made under this procedure are assigned to the agency concerned.

IV. – The following may give rise to the restoration of appropriations in accordance with conditions set by order of the minister in charge of finance:

- 1) Revenue derived from the restitution to the Treasury of sums unduly or temporarily paid from budget appropriations;
- 2) Revenue derived from transfers between government agencies giving rise to payment from budget appropriations.

Article 18

I. – Specific budgets may record, as provided in a budget act, solely the transactions of unincorporated government agencies resulting from their goods-producing or service-providing activities giving rise to the payment of fees, when they are the main activity of the said agencies.

The creation of a specific budget and the allocation of a receipt to a specific budget can only result from a budget act provision.

II. – A specific budget constitutes a mission, as defined by articles 7 and 47. Subject to the particular rules defined in this article, specific budget transactions are provided for, authorised and executed on the same terms as general budget transactions.

Notwithstanding the provisions of II in Article 7 and Article 29, specific budgets are presented in accordance with French company accounting system standards, in two parts. The current transactions part records current revenue and expenditure. The capital transactions part records revenue and expenditure relating to capital expenditure and variations in indebtedness.

Notwithstanding the provisions of III in Article 7, employment authorisation limits with their associated appropriations made under the personnel expenditure class are specialised by specific budget.

If, during the year, actual revenue is higher than the budget act projections, debt redemption appropriations may be duly increased by joint order of the minister in charge of finance and the minister concerned.

None of the movements of appropriations provided for in articles 11 and 12 may be made between the general budget and a specific budget.

Article 19

Special appropriation accounts may only be opened by a budget act. The categories of special account are as follow:

- 1) Special fund accounts;

- 2) Special accounts for trading unincorporated government agencies;
- 3) Special accounts for monetary transactions;
- 4) Special accounts for financial assistance.

The allocation of a receipt to a special account may only result from a budget act provision.

Article 20

I. – It is prohibited to charge directly to a special account any expenditure resulting from the payment of wages, salaries, remuneration and benefits of any kind.

Subject to the particular rules stipulated in articles 21 to 24, special account transactions are provided for, authorised and executed on the same terms as general budget transactions. Save as otherwise provided in a budget act, the balance of each special account is carried forward to the following year.

II. – Each special account with appropriations constitutes a mission as defined by articles 7 and 47. Its appropriations are specialised by programme.

None of the movements of appropriations provided for by articles 11 and 12 may be made between the general budget and a special account with appropriations.

Article 21

I. – Special fund accounts record, as provided in a budget act, budget transactions financed using specific revenue that is, by nature, directly related to the expenditure concerned. This expenditure may be supplemented by general budget disbursements up to a limit of 10% of each account's initial appropriations.

Transactions related to assets managed in connection with the State's financial holdings, excepting any current transactions, are automatically recorded in a single special fund account. Disbursements from the general budget to this account are not subject to the limit stipulated in the first paragraph.

The same holds true for transactions concerning pensions and additional benefits.

Disbursements from the general budget to this account are not subject to the limit stipulated in the first paragraph.

II. – Save as otherwise expressly provided by a budget act, no disbursement may be made from a special fund account to the general budget, a specific budget or a special account. The total expenditure committed and authorised for payment from a special fund account may not exceed the total revenue recognised over the year, except during the three months following its creation. During this latter period, the overdraft may not exceed a sum set by the budget act creating the account.

If, during the year, actual revenue is higher than the budget act evaluations, supplementary appropriations may be made by order of the minister in charge of finance up to the limit of the surplus.

Yet prior to this, the minister in charge of finance informs the National Assembly and Senate finance committees of the reasons for this surplus, the planned use for the appropriations accordingly made and the projected account execution through to the end of the year.

Commitment authorisations and cash-limit appropriations available at the end of the year are carried forward to the following year, as provided in II and IV of Article 15, for a sum that cannot exceed the account's balance.

Article 22

I. – Special accounts for trading unincorporated government agencies record industrial and commercial transactions conducted by way of a secondary activity by unincorporated government agencies. The revenue estimates and expenditure projections for these accounts

are for guidance only. Only the overdraft set for each of them is capped. Save as otherwise expressly provided by a budget act, it is prohibited to execute financial investment, loan or advance transactions or borrowing transactions from these accounts.

II. – Budget transactions relating to the public debt and the State’s cash position, excluding any current transaction, are recorded in an established special treasury account for trading unincorporated government agencies. This account is divided into sections that separate out the transactions by their nature.

Each section has an overdraft authorisation.

The following are determined by a budget act provision:

- The nature of the transactions authorised for each section each year;
- The capped or open-ended nature of each overdraft authorisation;
- The general methods for informing Parliament of the account’s movements and the particular arrangements by which the minister in charge of finance informs the National Assembly and Senate finance committees of any overdraft authorisation overrun;
- The general conditions for running the account.

Article 23

Special treasury accounts for monetary transactions record monetary revenue and expenditure. In this category of accounts, the revenue estimates and expenditure projections are for guidance only. Only the overdraft set for each of them is capped.

Article 24

Special treasury accounts for financial assistance record the loans and advances granted by the State. A separate account must be opened for each debtor or category of debtors.

These accounts have capped appropriations, with the exception of accounts opened for foreign governments and central banks associated with France by means of an international monetary agreement, which have open-ended appropriations.

Loans and advances are granted for a set period of time. They are associated with an interest rate that cannot be lower than that for government securities with the same maturity or, failing this, the nearest maturity. Dispensation from this provision can only be obtained by Conseil d’Etat decree.

The amount of the capital repayment of loans and advances is recorded in the relevant accounts revenue.

Any instalment not honoured by the stipulated date must be made the subject, depending on the debtor’s situation, of:

- An immediate collection decision, or, failing collection, actual proceedings initiated within six months;
- A rescheduling decision published in the French Official Journal;
- Or the reporting of a probable loss in a specific budget act provision entered in the revenue and expenditure account of the current year under the terms stipulated in Article 37. Subsequent repayments are entered in the general budget’s revenue.

Chapter IV

Cash resources and charges

Article 25

The State’s cash resources and charges result from the following transactions:

- 1) The movement of the State’s liquid assets;
- 2) The discounting and collection of bills of all kinds drawn up for the State;
- 3) The management of funds deposited by correspondents;

- 4) The issue, conversion, management and repayment of government loans and other public debts. The cash resources and charges relating to these transactions include issue premiums and discounts.

Article 26

The transactions provided for in Article 25 are conducted in accordance with the following provisions:

- 1) The investment of the State's liquid assets is made in accordance with the general or specific annual authority given by the year's budget act;
- 2) No overdraft may be granted to the correspondents referred to in 3) of Article 25;
- 3) Save as otherwise expressly provided by a budget act, the local and regional authorities and their public establishments are bound to deposit all their liquid assets with the State ;
- 4) Government loans are issued, converted and managed in accordance with the general or specific annual authority given by the year's budget act. Save as otherwise expressly provided by a budget act, government loans are denominated in euros. They cannot provide for tax relief. Loans issued by the government or any other public entity cannot be used to pay a public item of expenditure. Government loan repayments are made in accordance with the issue contract.

Chapter V The State's accounts

Article 27

The State keeps budget revenue and expenditure accounts and general accounts for all its transactions.

It also implements an accounting system designed to analyse the costs of the different actions taken under the programmes.

The State's accounts must be lawful, faithful and give a true and fair view of its net assets and financial situation.

Article 28

Recognition of budget revenue and expenditure obeys the following principles:

- 1) Revenue is recognised for the budget of the year in which it is collected by a public accountant;
- 2) Expenditure is recognised for the budget of the year in which it is paid by the accountants commissioned to the expenditure. All expenditure must be charged to the appropriations for the year in question, regardless of the receivable date.

In accordance with conditions laid down by a Conseil d'Etat decree, budget revenue and expenditure may be recognised in a period in excess of the calendar year, provided this period does not exceed twenty days. Moreover, when a supplementary budget act is enacted in the last month of the calendar year, the revenue and expenditure transactions that it provides for may be executed during this supplementary period.

The revenue and expenditure recognised in the temporary charging accounts is recorded in the final accounts at the latest on the date of expiry of the supplementary period. Revenue transactions that are, extraordinarily, unable to be charged to a final account by this date are detailed in the appendix provided for by 7) of Article 54.

Article 29

Cash resources and charges are charged to cash accounts by transaction. Budget revenue and expenditure resulting from the execution of cash transactions is charged in accordance with the conditions stipulated in Article 28.

Article 30

The general public accounting system is based on the accrual basis principle. Transactions are entered for the fiscal year to which they apply, regardless of their date of payment or collection.

The rules applicable to general public accounting only differ from those applicable to companies in terms of the specific nature of government action.

They are decided on following an opinion from a committee of public and private experts as provided in the budget act. This opinion is communicated to the National Assembly and Senate finance committees and is published.

Article 31

The public accountants responsible for keeping and drawing up the public accounts ensure that they comply with the principles and rules mentioned in articles 27 to 30. In particular, they ensure faithful accounting and compliance with procedures.

TITLE III CONTENT AND PRESENTATION OF THE BUDGET ACTS

Chapter I

The principle of faithful representation

Article 32

The budget acts give a faithful representation of all the State's resources and charges. Their sincerity can be assessed based on the information available and projections that may reasonably result from this information.

Article 33

[Provisions ruled as non-compliant with the Constitution by Constitutional Council decision No. 2001-448 DC of 25 July 2001.]

Subject to the provisions of Article 13 of this constitutional bylaw, when legislative or regulatory provisions are liable to affect the State's resources or charges during the year, the effects of each provision on the components of the financial balance must be evaluated and authorised in the very next budget act referring to the year in question.

Chapter II

Budget act provisions

Article 34

The year's budget act is made up of two separate parts.

I. – In the first part, the year's budget act:

- 1) Authorises, for the year, collection of the State's resources and taxes of all kinds allocated to legal entities other than the State;
- 2) Contains the provisions concerning the State's resources affecting the budget balance;

- 3) Contains all provisions concerning the assignment of revenue within the State budget;
- 4) Evaluates each of the deductions mentioned in Article 6;
- 5) Contains the evaluation of each of the items of budget revenue;
- 6) Sets the limits on expenditure from the general budget and each specific budget, the limits on charges for each category of special account and the authorisation limit on jobs remunerated by the State;
- 7) Gives the general outlines of budget balance, presented in a table;
- 8) Contains the authorisations for the government loans and liquid assets provided for in Article 26 and evaluates the cash resources and charges contributing to the financial balance, which are presented in a cash flowstatement;
- 9) Sets the ceiling on the net variation, assessed at the end of the year, in the public negotiable debt taken for more than one year.

II. – In the second part, the year’s budget act:

- 1) Sets the amount of commitment authorisations and cash-limit appropriations per mission for the general budget;
- 2) Sets the ceiling on employment authorisations per ministry and per specific budget;
- 3) Sets the amount of commitment authorisations and cash-limit appropriations made or overdrafts authorised per specific budget and per special account;
- 4) Sets the limit amount per programme for the reappropriations provided for in II 2) of Article 15 for the general budget, the specific budgets and the special accounts;
- 5) Authorises the granting of government guarantees and lays down their relevant procedure;
- 6) Authorises the State to defray the debts of third parties and to make any other commitment corresponding to a unilateral recognition of debt and lays down the procedure for this defrayment and commitment;
- 7) May:
 - a) Include provisions regarding the basis of assessment, the rate and the collection procedure for taxes of all kinds that do not affect the budget balance;
 - b) Include provisions that directly affect the year’s budget expenditure;
 - c) Define the procedure for allotting government financial assistance to local and regional authorities;
 - d) Approve financial agreements;
 - e) Include any provisions regarding Parliament’s notification and control of the management of public finances;
 - f) Include any provisions regarding the State’s accounts and the regime governing public service officials’ liability to payment of compensation.

III. – The year’s budget act must include the provisions stipulated in 1), 5), 6), 7) and 8) of I and 1), 2) and 3) of II.

Article 35

Subject to exceptions provided for by this constitutional bylaw, only the supplementary budget acts may, during the year, amend the year’s budget act provisions stipulated in 1) and 3) to 9) of I and in 1) to 6) of II of Article 34. Where necessary, they ratify the amendments made by supplemental appropriation decree to the appropriations made by the last budget act. Supplementary budget acts must contain the provisions stipulated in 6) and 7) of I of Article 34.

Supplementary budget acts are presented in part or in whole in the same form as the year’s budget act. The provisions of Article 55 apply to them.

Article 36

The total or partial allocation to a legal entity other than the State of a resource appropriated to the State can only result from a budget act provision.

Article 37

- I. – The budget review act lays down the final sum of revenue and expenditure for the budget to which it refers, as well as the resulting budget outturn.
- II. – The budget review act lays down the final sum of cash resources and charges that have contributed to the corresponding year's financial balance, presented in a cash flow statement.
- III. – The budget review act approves the income statement for the year, drawn up based on the resources and charges reported as provided in Article 30. It allocates the accounting results of the year to the balance sheet and approves the post-allocation balance sheet and its appendices.
- IV. Where necessary, the budget review act:
 - 1) Ratifies the amendments made by supplemental appropriation decree to the appropriations made by the last budget act for the year in question;
 - 2) Makes, for each programme or grant concerned, the appropriations required to straighten out reported overruns resulting from duly justified circumstances beyond control and rescinds appropriations that have neither been used nor reappropriated;
 - 3) Increases, for each special account concerned, the overdraft amount authorised to the level of the overdraft reported;
 - 4) Lays down the balances for special accounts not carried forward to the following fiscal year;
 - 5) Settles the profits and losses occurring on each special account.
- V. – The budget review act can also include any provisions concerning Parliament's information and audit of the management of public finances, as well as the State's accounts and the regime governing public service officials' liability to payment of compensation.

TITLE IV DELIBERATION AND VOTE ON BUDGET BILLS

Article 38

Under the authority of the Prime Minister, the minister in charge of finance prepares the budget bills, which are deliberated by the council of ministers.

Chapter I The year's budget bill and supplementary budget bills

Article 39

The year's budget bill, including the documents provided for in articles 50 and 51, is tabled and distributed at the latest by the first Tuesday of October in the year preceding the year of budget execution. It is immediately sent on for consideration by the finance committee. Nevertheless, all general appendices intended for Parliamentary information and control are submitted to the assemblies' offices and distributed at least five clear days before the National Assembly, on first reading, considers the revenue and appropriations to which they refer.

Article 40

The National Assembly must reach a decision, on first reading, within forty days of the tabling of a budget bill.

The Senate must reach a decision, on first reading, within twenty days of the bill being placed before it.

Should the National Assembly fail to vote on first reading on the entire bill by the deadline provided for in the first paragraph, the Government places before the Senate the text it initially presented, modified where necessary by amendments voted on by the National Assembly and accepted by it. The Senate must then reach a decision within fifteen days of the text being placed before it.

Should the Senate fail to vote on first reading on the entire budget bill by the set deadline, the Government again places before the Assembly the text submitted to the Senate, modified, where necessary, by amendments voted on by the Senate and accepted by it.

The budget bill is then considered in accordance with the emergency procedure as provided in Article 45 of the Constitution.

If Parliament has not reached a decision within seventy days of the bill being tabled, the bill's provisions may be brought into force by ordinance.

Article 41

The year's budget bill may not be debated by an assembly until it has voted, on first reading, on the budget review bill referring to the year preceding the year of the debate of the said budget bill.

Article 42

The second part of the year's budget bill and, where appropriate, of the supplementary budget bills, may not be debated by an assembly before the adoption of the first part.

Article 43

An overall vote is cast for the revenue evaluations for the general budget, the specific budgets and the special accounts.

A single vote is cast for the evaluations of cash resources and charges.

The debate on general budget appropriations gives rise to a vote per mission. The votes concern both commitment authorisations and cash-limit appropriations.

A single vote is cast for the ceilings on employment authorisations.

The appropriations for the specific budgets and the appropriations or overdrafts for the special accounts are voted on per specific budget and per special account.

Article 44

Once the year's budget act or a supplementary budget act has been enacted or the ordinance published as provided for by Article 47 of the Constitution, the Government passes decrees:

1) Allotting the appropriations made per programme or grant for each mission, specific budget and special account;

2) Setting the amount of appropriations made per programme for personnel expenditure.

These decrees allot and set the appropriations in accordance with the explanatory appendices provided for in 5) and 6) of Article 51 and 2) of Article 53, amended, where necessary, by Parliament's votes.

The appropriations set by the allotment decrees may only be changed as provided in this constitutional bylaw.

Article 45

In the case provided for in the fourth paragraph of Article 47 of the Constitution, the Government may apply one of the two procedures stipulated below:

- 1) It may ask the National Assembly, by 11 December of the year preceding the start of the fiscal year, to cast a separate vote on the entire first part of the year's budget act. This partial bill is submitted to the Senate in accordance with the emergency procedure;
- 2) If the procedure stipulated in 1) is not applied or fails, the Government submits to the National Assembly, by 19 December of the year preceding the start of the fiscal year, a special bill authorising it to continue collecting the existing taxes through to the vote on the year's budget act. This bill is debated in accordance with the emergency procedure.

If the year's budget act can neither be enacted nor implemented pursuant to the first paragraph of Article 62 of the Constitution, the Government immediately submits to the National Assembly a special bill authorising it to continue collecting the existing taxes through to the vote on the year's budget act. This bill is debated in accordance with the emergency procedure.

Once the authorisation to continue collecting the taxes has been received, either by the enactment of the first part of the year's budget act or by the enactment of a special act, the Government passes decrees making appropriations to meet existing commitments. The publication of these decrees does not interrupt the debate on the year's budget bill, which proceeds as provided in articles 45 and 47 of the Constitution and articles 40, 42, 43 and 47 of this constitutional bylaw.

The existing commitments, as defined by the fourth paragraph of Article 47 of the Constitution, represent the minimum appropriations that the Government deems vital to continue to provide the public services in the manner approved by Parliament the previous year. They cannot exceed the sum of appropriations made by the year's latest budget act.

Chapter II Budget review bill

Article 46

The budget review bill, including the documents provided for by Article 54 and by 4) and 5) of Article 58, is tabled and distributed by 1 June of the year following the year of the execution of the budget to which the bill refers.

Chapter III Common provisions

Article 47

As defined by articles 34 and 40 of the Constitution, the item of public expenditure concerned by amendments applying to appropriations is taken to mean the mission.

Any amendment must state the reasons on which it is based and be accompanied by explanations of the means that justify it.

Amendments that do not comply with the provisions of this constitutional bylaw are not admissible.

TITLE V
INFORMATION ON AND AUDIT
OF PUBLIC FINANCES

Chapter I
Information

Article 48

With a view to Parliament's deliberation of and vote on the following year's budget bill, the Government presents, in the last quarter of the ordinary session, a report on developments in the national economy and public finance trends comprising:

- 1) An analysis of economic developments observed since drafting the report mentioned in Article 50;
- 2) A description of its economic and fiscal policy guidelines with regard to France's European commitments;
- 3) A medium-term evaluation of the State's resources and charges broken down by main functions;
- 4) The list of missions, programmes and performance indicators associated with each of these programmes, planned for the following year's budget bill.

This report may give rise to a debate in the National Assembly and the Senate.

Article 49

With a view to deliberating and voting on the year's budget bill, and without prejudice to any other provision relating to Parliament's information on and audit of the management of public finances, the National Assembly and Senate finance committees and the other committees concerned send questionnaires to the Government by 10 July of each year. The Government answers these questionnaires in writing at the latest within eight clear days of the date mentioned in the first paragraph of Article 39.

Article 50

Enclosed with the year's budget bill is a report on the nation's economic, social and financial situation and outlook. It includes, in particular, the presentation of the assumptions, methods and results of the forecasts on the basis of which the year's budget bill is drawn up. It presents and explains, for at least the four years following the tabling of the budget bill, projected growth in revenue, expenditure and the balance for all the public administrations detailed by sub-sectors and expressed in accordance with national accounting conventions, with regard to France's European commitments, and, where necessary, recommendations made to France on the basis of the treaty establishing the European Community.

Enclosed with this appendix are the reports on the nation's accounts, which include a presentation of the previous years' accounts.

Article 51

The following are enclosed with the year's budget bill:

- 1) An explanatory appendix comprising the list and evaluation, per recipient or category of recipients, of tax revenue of all kinds allocated to legal entities other than the State;
- 2) An analysis of changes to the budget presentation, showing their effects on revenue, expenditure and the budget balance for the year concerned;
- 3) A presentation of budget revenue and expenditure with an operating section and a capital section;

- 4) An explanatory appendix analysing the forecasts for each item of budget revenue and presenting the tax expenditure;
- 5) Explanatory appendices detailing, in accordance with the provisions of Article 5, for the current year and the year considered, per programme and per grant, the sum of appropriations presented by class and presenting, under the same conditions, an estimate of appropriations liable to be made by means of cost-sharing contributions. These appendices are accompanied by the annual performance plan for each programme detailing:
 - a) The presentation of its actions, associated costs and goals, and results obtained and expected for coming years measured by a justified choice of accurate indicators;
 - b) The evaluation of tax expenditure;
 - c) The justification of changes in appropriations compared with actual expenditure for the previous year, appropriations made by the current year's budget act and these same appropriations increased where necessary by appropriations reappropriated from the previous year, indicating their projected subsequent growth;
 - d) The schedule of cash-limit appropriations associated with the commitment authorisations;
 - e) The projected distribution by category of government-paid jobs, presented by corps or profession or by type of contract and the justification of variations compared with the existing situation;
- 6) Explanatory appendices accounting for the sum of overdraft or revenue and appropriations proposed by programme or by grant for each specific budget and each special account. These appendices are accompanied by the annual performance plan for each of them, as provided in 5), with a justification of the projected revenue and, where appropriate, the overdraft;
- 7) General appendices provided for by the acts and regulations intended for Parliament's notification and control.

Article 52

With a view to Parliament's consideration of and vote on the budget bill and the social security finance bill for the following year, the Government presents a report at the opening of the ordinary session detailing all the tax and social security contributions along with their growth.

This report includes the financial evaluation of each of the legislative and regulatory provisions planned by the Government for the current year and the following two years. This report may be debated by the National Assembly and the Senate.

Article 53

The following are enclosed with all supplementary budget bills:

- 1) A report presenting changes in the economic and budgetary situation justifying the provisions it contains;
- 2) An explanatory appendix detailing the proposed appropriation adjustments;
- 3) Tables summarising the appropriation movements made by regulatory means for the current year.

Article 54

The following are enclosed with the budget review bill:

- 1) The detailed presentation of general budget revenue;
- 2) Explanatory appendices accounting for the final sum of appropriations made and expenditure established by programme or grant, showing deviations with the presentation

- of appropriations made by class and requested appropriation adjustments. They also present the deviation between the estimated and actual cost-sharing contributions;
- 3) An explanatory appendix presenting the State's actual budget revenue and expenditure in keeping with the conventions provided for in 3) of Article 51 and including, for each programme, justification of the circumstances leading to the non-commitment of the expenditure corresponding to the appropriations made to finance the expenditure referred to in I 5) of Article 5;
 - 4) The annual performance reports showing, by programme, and highlighting deviations from the budget act projections for the year in question as well as from the actual sums reported in the latest budget review act:
 - a) The objectives, expected and actual results, indicators and associated costs;
 - b) The justification, for each class, of appropriation movements and recognised expenditure, detailing, where necessary, the reason for appropriation overruns exceptionally recorded due to circumstances beyond control;
 - c) The management of employment authorisations detailing, firstly, the allotment of actual jobs according to the terms and conditions set forth in 5) e) of Article 51 and the corresponding costs and, secondly, the measures justifying the variation in the number of jobs presented in accordance with the same methods and the costs associated with these measures;
 - 5) Explanatory appendices accounting for the final sum of revenue and expenditure recognised, appropriations made and overdrafts authorised as well as requested adjustments to appropriations and overdrafts by programme or by grant for each specific budget and each special account. These appendices are accompanied by the annual performance report for each of them as provided in 4);
 - 6) Explanatory appendices presenting the accounting results in accordance with the provisions stipulated in the second paragraph of Article 27;
 - 7) The State's general account, which comprises the trial balance, the income statement, the balance sheet and its appendices, and an evaluation of the State's off-balance sheet commitments. It is accompanied by a presentation report, which shows, in particular, changes to methods and accounting rules applied during the fiscal year.

Article 55

Each budget bill provision affecting the State's resources and charges is quantitatively evaluated for its effect on the year considered and, where appropriate, on the following years.

Article 56

The decrees and orders provided for by this constitutional bylaw are published in the French Official Journal. The same holds true for the reports presenting their arguments, save for subjects of a secret nature concerning national defence, the State's internal and external security, and foreign affairs.

Chapter II Audit

Article 57

The National Assembly and Senate finance committees monitor the execution of Budget Acts and evaluate any public finance issue. This task is assigned to their respective chairmen, general rapporteurs and special rapporteurs in their assigned fields. To this end, they conduct all documentary and on-the-spot investigations and all hearings they deem useful.

All the financial and administrative information and documents they request, including any reports drawn up by the bodies and agencies responsible for the supervision of the administration, save subjects of a secret nature concerning national defence and the State's internal and external security and observance of investigative and medical secrecy, must be provided to them.

Persons whose hearing is deemed necessary by the chairman and general rapporteur of each assembly's finance committee are bound to comply. They are released from the obligation of professional secrecy save where provided for in the paragraph above.

Article 58

[Provisions ruled as non-compliant with the Constitution by Constitutional Council decision No. 2001-448 DC of 25 July 2001.]

The Parliamentary assistance task assigned the State Audit Office by the last paragraph of Article 47 of the Constitution comprises, in particular:

- 1) The obligation to respond to assistance requests from the chairman and the general rapporteur of each assembly's finance committee for the audit and evaluation missions provided for in Article 57;
- 2) The execution of any investigation requested by the National Assembly and Senate finance committees of the management of the agencies or bodies it supervises. The conclusions of these investigations must be communicated within eight months of the formulation of the request to the committee issuing the request, which rules on their publication;
- 3) The filing of a preliminary report in conjunction with the filing of the report mentioned in Article 48 regarding the previous fiscal year's outturn;
- 4) The filing of a report in conjunction with the filing of the budget review bill, relating to the previous fiscal year's outturn and the associated accounts, which, in particular, analyse the utilisation of appropriations by mission and by programme;
- 5) Certification that the State's accounts are lawful, faithful and present a true and fair view. This certification is appended to the budget review bill and is accompanied by the report on the audits conducted;
- 6) The submission of a report in conjunction with the submission of all budget bills on the appropriation movements made by administrative means whose ratification is requested in the said budget bill.

The reports referred to in 3), 4) and 6) are, where necessary, accompanied by responses from the ministers concerned.

Article 59

When, in the course of an audit and evaluation assignment, the communication of information requested pursuant to Article 57 cannot be obtained following a reasonable lead time, assessed with regard to the difficulty of putting the information together, the chairmen of the National Assembly and Senate finance committees may ask the court of competent

jurisdiction, ruling by injunction, to put an end to this barrier by applying periodic penalty payments for further delay.

Article 60

When an audit and evaluation assignment gives rise to observations notified to the Government, the latter replies in writing within two months.

TITLE VI ENTRY INTO FORCE AND APPLICATION OF THE CONSTITUTIONAL BYLAW

Article 61

Within three years of the publication of this constitutional bylaw, any government guarantee that has not been expressly authorised by a budget act provision must form the subject of such an authorisation.

An appendix listing the government guarantees that have not been expressly authorised by a budget act by 31 December 2004 is enclosed with the budget review bill for the 2004 budget.

Article 62

I. – The provisions of II of Article 15 apply to those ordinary expenditure appropriations and cash-limit appropriations for the 2005 fiscal year that are liable to be reappropriated.

II. – The provisions of III of Article 15 apply to the appropriations made as provided in the second paragraph of Article 19 of Ordinance No. 59-2 of 2 January 1959 establishing the constitutional bylaw on budget acts and which are available at the end of the 2005 fiscal year.

Article 63

In the absence of specific legislative provisions, the taxes regularly collected in the second year following that of the publication of this constitutional bylaw pursuant to Article 4 of the above-mentioned Ordinance No. 59-2 of 2 January 1959 may be collected through to 31 December of this year, in accordance with the basis of assessment, rate and collection methods in force on the date of their establishment.

Article 64

The deadline in Article 46 and the provisions of 7) of Article 54 apply for the first time to the budget review bill on the execution of the budget relating to the fourth year following that of the publication of this constitutional bylaw.

The budget review bills relating to the previous years are tabled and distributed at the latest by 30 June of the year following that of the execution of the budget to which the bills refer.

Article 65

The provisions of articles 14, 25 and 26, with the exception of 3), 32, 33 and 36, the second paragraph of Article 39, articles 41, 42, 29, 50, 52, 53, 55, 57 and 58, with the exception of 4) and 5), and 59, 60 and 60 shall apply as of 1 January 2002.

The provisions of Article 48, with the exception of 4), shall apply as of 1 January 2003.

The provisions of 3) of Article 26 shall apply as of 1 January 2004.

Article 66

I. – Enclosed with the budget bill for 2005 is a document presenting, for guidance, the general budget's appropriations in keeping with the principles adopted by this constitutional bylaw.

II. – During the preparation of the budget bill for 2006, the National Assembly and Senate finance committees shall be informed by the Government of its planned classification for the missions and programmes provided for in Article 7.

Article 67

Subject to the provisions of articles 61 to 66, the above-mentioned Ordinance No. 59-2 of 2 January 1959 is repealed on 1 January 2005. Nevertheless, its provisions shall continue to apply to the budget acts relating to 2005 and the previous years.

Subject to articles 61 to 66 and the last sentence of the above paragraph, this constitutional bylaw shall enter into force on 1 January 2005

Article 68

Conseil d'Etat decrees shall provide, where necessary, for the enforcement of this constitutional bylaw. This act shall be enforced as a State law.

Done in Paris on 1 August 2001

Jacques Chirac
by The President of the Republic

The Prime Minister,
Lionel Jospin

The Minister of the Economy,
Finance and Industry
Laurent Fabius

The Minister of State in charge
of the budget
Florence Parly

(1) Act No. 2001-692.

- Preparatory work:

National Assembly:

Bill for a constitutional bylaw, No. 2540

Report by Mr Didier Migaud on behalf of the special committee, No. 2908;

Discussion on 7 and 8 February 2001 and adoption on 8 February 2001.

Senate:

Bill for a constitutional bylaw adopted by National Assembly, No. 226 (2000-2001);

Report by Mr Alain Lambert on behalf of the finance committee, No. 343 (2000-2001);

Discussion on 7, 12 and 13 June 2001 and adoption on 13 June 2001.

National Assembly

Bill for a constitutional bylaw amended by the Senate, No. 3139;

Report by Mr Didier Migaud on behalf of the special committee, No. 3150;

Discussion and adoption on 21 June 2001.

Senate:

Bill adopted with amendments by the National Assembly on a second reading, No. 408 (2000-2001);

Report by Mr Alain Lambert on behalf of the finance committee, No. 413 (2000-2001);

Discussion and adoption on 28 June 2001.

- Constitutional Council:

Decision No. 2001-448 DC of 25 July 2001 published in the French Official Journal of this day.