



INSTITUTE
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RIGHTS



EUROPEAN
FACULTY OF LAW
NOVA GORICA LJUBLJANA

THE NEW DRAFT TREATY FOR THE CONSTITUTION OF THE EUROPEAN UNION



THE BALANCED UNION OF NATIONS,
CIVIL SOCIETIES, AND MARKET ECONOMIES:

FREEDOM WITHIN UNION.
SECURITY FOR THE UNION.
JUSTICE FOR THE UNION'S CITIZENS.



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This draft Treaty for the Constitution of the European Union was prepared by Peter Jambrek to encourage discussion at the International Conference on the Constitutional Process for the European Union, held by the European Faculty of Law, Ljubljana (Slovenia), April 18th and 19th, 2016. Comments and critiques are welcome.

Nova Gorica and Ljubljana, March 2016.

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About the author

Peter Jambrek was born in 1940 and obtained the Ph.D. degree from the University of Chicago in 1971. He is professor of constitutional and human rights law at the European Faculty of Law, Slovenia. His visiting professorships and scholarships include University of Pittsburgh, University of Virginia, University of Zambia, and Center for International Affairs, Harvard University. He was a member of the Scientific Committee of the European Union Agency for Fundamental Rights and a member of the European Commission for Democracy through Law. He served as Judge and President of the Constitutional Court of Slovenia and as Judge of the European Court of Human Rights. He authored and edited numerous books, monographs and articles in the fields of constitutional and human rights law and in sociology. During 1987 – 1991 he contributed to Slovenia's transition to independence and constitutional democracy in co-authoring its founding documents on plebiscite and the new constitution.

Introductory note by the author/editor of the work

This draft is based on texts of the consolidated versions of the Treaty on European Union, the Treaty on the Functioning of the European Union, and the Charter of Fundamental Rights of the European Union. The texts of both ratified treaties and the charter were merged into the current draft Treaty for the Constitution of the European Union, and parts of them were deleted, modified, amended, and rewritten for insertion into new conceptual frameworks, and fitted into the overall structure of the new text.

PREAMBLE

REPRESENTING the people of the Member States and the people of the European Union,

DRAWING INSPIRATION from the cultural, religious and humanist inheritance of Europe, from which have developed the fundamental human rights and freedoms, democracy, equality and the rule of law,

DESIRING to deepen the solidarity between their peoples while respecting their history, culture and traditions, while promoting development of highest possible level of knowledge and education,

RESOLVED to establish an economic and monetary union based upon a single and stable currency, fair competition and abolition of restrictions on international trade,

RESOLVED to implement a common foreign, security and defense policy, thereby reinforcing the European identity in the regionalized world,

RESOLVED to eliminate the barriers which divide Europe, and to facilitate the free movement of persons within the European Union area of freedom, security and justice for their people,

THE HIGH CONTRACTING PARTIES establish by this Treaty among themselves and for the welfare of future generations the European Union as a sovereign subject of the world order based upon international law:



UNION OF NATIONS AND CITIZENS

Article 1

By this Treaty, the high contracting parties establish among themselves a European Union, hereinafter called 'the Union', on which the Member States confer some of their sovereign competences. The Union shall be founded on the present Treaty, which thereby assumes a constitutional value.

Article 2

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

Article 3

1. The Union's constitutional territory is an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with external border controls.
2. The Union shall establish an internal market based on a competitive economy of goods and services.
3. It shall respect Europe's rich cultural and linguistic heritage and diversity.
4. The Union shall establish an economic and monetary union whose currency is the euro.
5. In its relations with the wider world, the Union shall contribute to peace, security, the sustainable development of the Earth, as well as to the observance and the development of international law.
6. The Union shall have legal personality.

Article 4

1. This Treaty organises the functioning of the Union and determines the areas of, delimitation of, and arrangements for exercising its competences. In accordance with Article 5, competences not conferred upon the Union in the Treaty remain with the Member States.
2. The Union shall respect the equality of Member States before the Treaty as well as their national identities, inherent in their fundamental structures, political and constitutional,

inclusive of regional and local self-government. It shall respect their essential State functions, including ensuring the territorial integrity of the State, maintaining law and order and safeguarding national security.

3. The Member States shall take any appropriate measure, general or particular, to ensure fulfilment of the obligations arising out of the Treaties or resulting from the acts of the institutions of the Union.

Article 5

1. The limits of Union competences are governed by the principle of conferral. The use of Union competences is governed by the principles of subsidiarity and proportionality.
2. Under the principle of conferral, the Union shall act only within the limits of the competences conferred upon it by the Member States in the Treaty to attain the objectives set out therein. Competences not conferred upon the Union in the Treaty remain with the Member States.
3. Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level. The institutions of the Union shall apply the principle of subsidiarity as laid down in the Protocol on the application of the principles of subsidiarity and proportionality. National Parliaments ensure compliance with the principle of subsidiarity in accordance with the procedure set out in that Protocol.
4. Under the principle of proportionality, the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties.

Article 6

Fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms and as they result from the constitutional traditions common to the Member States, shall constitute general principles of the Union's law.

Article 7

Every national of a Member State shall be a citizen of the Union. Citizenship of the Union shall be additional to and not replace national citizenship.

Article 8

1. The functioning of the Union shall be founded on representative democracy.
2. Political parties at the Union level contribute to expressing the will of citizens of the Union.

Article 9

1. Citizens and Member States are directly represented at Union level in the bicameral European Parliament, composed of the Council of European Nations, hereinafter called 'the Council', and the Assembly of European Citizens, hereinafter called 'the Assembly'.
2. Executive power shall be vested in the President of the Union, assisted by members of his Cabinet.
3. Judicial Power shall be executed by the Court of Justice, acting in the capacity of supreme and constitutional court of the Union.
4. Division of powers among the legislative, executive and judicial branches of the Union shall be founded upon the principle of democratic legitimacy of each branch, in order to serve best the aims of the Union as the sovereign subject of the world order and international law.

Separation of powers shall be balanced and coordinated in order to ensure rights of Member States, citizens, and associations of civil society.

Article 10

1. Not less than one million citizens who are nationals of a significant number of Member States may take the initiative of inviting the European Parliament to consider a legal act of the Union, required for the purpose of implementing the Treaties.
2. The procedures and conditions required for such a citizens' initiative shall be determined by a Protocol on citizens' initiative.

Article 11

National Parliaments contribute actively to the good functioning of the Union in accordance with the Protocol on the role of national Parliaments in the European Union.

Article 12

Any citizen of the Union, and any natural or legal person residing or having its registered office in a Member State, shall have a right of access to documents of the Union's institutions, bodies, offices and agencies, whatever their medium, subject to the principles and the conditions to be defined.

Article 13

1. The Union respects and does not prejudice the status under national law of churches and religious associations or communities in the Member States.
2. The Union equally respects the status under national law of philosophical and non-confessional organisations.

Article 14

1. Any discrimination on grounds of nationality shall be prohibited.
2. The European Parliament, acting in accordance with the ordinary legislative procedure, may adopt rules designed to prohibit such discrimination.

Article 15

1. Citizenship of the Union is hereby established. Every person holding the nationality of a Member State shall be a citizen of the Union. Citizenship of the Union shall be additional to and not replace national citizenship.
2. Citizens of the Union shall enjoy the rights and be subject to the duties provided for in the Treaty. They shall have, inter alia:
 - (a) the right to move and reside freely within the territory of the Member States;
 - (b) the right to vote and to stand as candidates in elections to the European Parliament and in municipal elections in their Member State of residence, under the same conditions as nationals of that State;
 - (c) the right to enjoy, in the territory of a third country in which the Member State of which they are nationals is not represented, the protection of the diplomatic and consular authorities of any Member State on the same conditions as the nationals of that State;
 - (d) the right to petition the European Parliament and to address the institutions and advisory bodies of the Union in any of the Treaty languages and to obtain a reply in the same language.
3. These rights shall be exercised in accordance with the conditions and limits defined by the Treaty and by the measures adopted thereunder.

Article 16

1. Every citizen of the Union shall have the right to move and reside freely within the territory of the Member States, subject to the limitations and conditions laid down in the Treaties and by the measures adopted to give them effect.
2. If action by the Union should prove necessary to attain this objective and the Treaty has not provided the necessary powers, the European Parliament, acting in accordance with the ordinary legislative procedure, may adopt provisions with a view to facilitating the exercise of these rights.

Article 17

1. Every citizen of the Union residing in a Member State of which he is not a national shall have the right to vote and to stand as a candidate at municipal elections in the Member State in which he resides, under the same conditions as nationals of that State. This right shall be exercised subject to detailed arrangements adopted by the Council, acting unanimously in accordance with a special legislative procedure and after consulting the European Parliament; these arrangements may provide for derogations where warranted by problems specific to a Member State.
2. Every citizen of the Union residing in a Member State of which he is not a national shall have the right to vote and to stand as a candidate in elections to the European Parliament in the Member State in which he resides, under the same conditions as nationals of that State. This right shall be exercised subject to detailed arrangements adopted by the Council, acting unanimously in accordance with a special legislative procedure and after consulting the European Parliament; these arrangements may provide for derogations where warranted by problems specific to a Member State.

Article 18

1. Every citizen of the Union shall, in the territory of a third country in which the Member State of which he is a national is not represented, be entitled to protection by the diplomatic or consular authorities of any Member State, on the same conditions as the nationals of that State. Member States shall adopt the necessary provisions and start the international negotiations required to secure this protection.
2. The European Parliament may adopt directives establishing the coordination and cooperation measures necessary to facilitate such protection.

Article 19

1. The European Parliament, acting by means of regulations in accordance with the ordinary legislative procedure, shall adopt the provisions for the procedures and conditions required for a citizens' initiative within the meaning of this Treaty, including the minimum number of Member States from which such citizens must come.
2. Every citizen of the Union shall have the right to petition the European Parliament.
3. Every citizen of the Union may write to any of the institutions or bodies in one of the languages mentioned in this Treaty and have an answer in the same language.



FUNDAMENTAL RIGHTS

Article 20

Human dignity is inviolable. It must be respected and protected.

Article 21

1. Everyone has the right to life.
2. No one shall be condemned to the death penalty, or executed.

Article 22

1. Everyone has the right to respect for his physical and mental integrity.
2. In the fields of medicine and biology, the following must be respected in particular:
 - (a) the free and informed consent of the person concerned, according to the procedures laid down by law;
 - (b) the prohibition of eugenic practices, in particular those aiming at the selection of persons;
 - (c) the prohibition on making the human body and its parts as such a source of financial gain;
 - (d) the prohibition of the reproductive cloning of human beings.

Article 23

No one shall be subjected to torture or to inhuman or degrading treatment or punishment.

Article 24

1. No one shall be held in slavery or servitude.
2. No one shall be required to perform forced or compulsory labour.
3. Trafficking in human beings is prohibited.

Article 25

Everyone has the right to liberty and security of person.

Article 26

Everyone has the right to respect for his private and family life, home and communications.

Article 27

1. Everyone has the right to the protection of personal data concerning him.
2. Such data must be processed fairly for specified purposes and on the basis of the consent of the person concerned or some other legitimate basis laid down by law. Everyone has the right of access to data which has been collected concerning him, and the right to have it rectified.
3. Compliance with these rules shall be subject to control by an independent authority.

Article 28

The right to marry and the right to found a family shall be guaranteed in accordance with the national laws governing the exercise of these rights.

Article 29

1. Everyone has the right to freedom of thought, conscience and religion. This right includes freedom to change religion or belief and freedom, either alone or in community with others and in public or in private, to manifest religion or belief, in worship, teaching, practice and observance.
2. The right to conscientious objection is recognised, in accordance with the national laws governing the exercise of this right.

Article 30

1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers.
2. The freedom and pluralism of the media shall be respected.

Article 31

1. Everyone has the right to freedom of peaceful assembly and to freedom of association at all levels, in particular in political, trade union and civic matters, which implies the right of everyone to form and to join trade unions for the protection of his or her interests.
2. Political parties at Union level contribute to expressing the political will of the citizens of the Union.

Article 32

The arts and scientific research shall be free of constraint. Academic freedom shall be respected.

Article 33

1. Everyone has the right to education and to have access to vocational and continuing training.
2. This right includes the possibility to receive free compulsory education.
3. The freedom to found educational establishments shall be respected.
4. The right of parents to ensure the education and teaching of their children in conformity with their religious, philosophical and pedagogical convictions shall be respected, in accordance with the national laws governing the exercise of such freedom and right.

Article 34

1. Everyone has the right to engage in work and to pursue a freely chosen or accepted occupation.
2. Every citizen of the Union has the freedom to seek employment, to work, to exercise the right of establishment and to provide services in any Member State.
3. Nationals of third countries who are authorised to work in the territories of the Member States are entitled to working conditions equivalent to those of citizens of the Union.

Article 35

The freedom to conduct a business in accordance with Union law and national laws and practices is recognised.

Article 36

1. Everyone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions. No one may be deprived of his possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss. The use of property may be regulated by law in so far as is necessary for the general interest.
2. Intellectual property shall be protected.

Article 37

The right to asylum shall be guaranteed in accordance with the Treaty on European Union and the Treaty on the Functioning of the European Union (hereinafter referred to as 'the Treaties') and in accordance with the national laws governing the exercise of this right.

Article 38

1. Collective expulsions are prohibited.
2. No one may be removed, expelled or extradited to a State where there is a serious risk that he or she would be subjected to the death penalty, torture or other inhuman or degrading treatment or punishment.

Article 39

Everyone is equal before the law.

Article 40

1. Any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited.
2. Within the scope of application of the Treaties and without prejudice to any of their specific provisions, any discrimination on grounds of nationality shall be prohibited.

Article 41

The Union shall respect cultural, religious and linguistic diversity.

Article 42

Equality between women and men must be ensured in all areas, including employment, work and pay.

Article 43

1. Children shall have the right to such protection and care as is necessary for their well-being. They may express their views freely. Such views shall be taken into consideration on matters which concern them in accordance with their age and maturity.
2. In all actions relating to children, whether taken by public authorities or private institutions, the child's best interests must be a primary consideration.
3. Every child shall have the right to maintain on a regular basis a personal relationship and direct contact with both his parents, unless that is contrary to his interests.

Article 44

The Union recognises and respects the right of persons with disabilities to benefit from measures designed to ensure their independence, social and occupational integration and participation in the life of the community.

Article 45

Workers and employers, or their respective organisations, have, in accordance with Union law and national laws and practices, the right to negotiate and conclude collective agreements at the appropriate levels and, in cases of conflicts of interest, to take collective action to defend their interests, including strike action.

Article 46

1. Every worker has the right to working conditions which respect his health, safety and dignity.
2. Every worker has the right to limitation of maximum working hours, to daily and weekly rest periods and to an annual period of paid leave.

Article 47

1. The employment of children is prohibited. The minimum age of admission to employment may not be lower than the minimum school-leaving age, without prejudice to such rules as may be more favourable to young people and except for limited derogations.
2. Young people admitted to work must have working conditions appropriate to their age and be protected against economic exploitation and any work likely to harm their safety, health or physical, mental, moral or social development or to interfere with their education.

Article 48

1. The family shall enjoy legal, economic and social protection.
2. To reconcile family and professional life, everyone shall have the right to protection from dismissal for a reason connected with maternity and the right to paid maternity leave and to parental leave following the birth or adoption of a child.

Article 49

The Union recognises and respects the entitlement to social security benefits and social services providing protection in cases such as maternity, illness, industrial accidents, dependency or old age, and in the case of loss of employment, in accordance with the rules laid down by Union law and national laws and practices.

Article 50

1. Every citizen of the Union has the right to vote and to stand as a candidate at elections to the European Parliament in the Member State in which he resides, under the same conditions as nationals of that State.
2. Members of the European Parliament shall be elected by direct universal suffrage in a free and secret ballot.

Article 51

Every citizen of the Union has the right to vote and to stand as a candidate at municipal elections in the Member State in which he resides under the same conditions as nationals of that State.

Article 52

1. Every person has the right to have his affairs handled impartially, fairly and within a reasonable time by the institutions, bodies, offices and agencies of the Union.
2. This right includes:
 - (a) the right of every person to be heard, before any individual measure which would affect him or her adversely is taken;
 - (b) the right of every person to have access to his file, while respecting the legitimate interests of confidentiality and of professional and business secrecy;
 - (c) the obligation of the administration to give reasons for its decisions.
3. Every person has the right to have the Union make good any damage caused by its institutions or by its servants in the performance of their duties, in accordance with the general principles common to the laws of the Member States.
4. Every person may write to the institutions of the Union in one of the languages of the Treaties and must have an answer in the same language.

Article 53

Any citizen of the Union, and any natural or legal person residing or having its registered office in a Member State, has a right of access to documents of the institutions, bodies, offices and agencies of the Union, whatever their medium.

Article 54

Any citizen of the Union and any natural or legal person residing or having its registered office in a Member State has the right to petition the European Parliament.

Article 55

1. Every citizen of the Union has the right to move and reside freely within the territory of the Member States.
2. Freedom of movement and residence may be granted, in accordance with the Treaties, to nationals of third countries legally resident in the territory of a Member State.

Article 56

Every citizen of the Union shall, in the territory of a third country in which the Member State of which he is a national is not represented, be entitled to protection by the diplomatic or consular authorities of any Member State, on the same conditions as the nationals of that Member State.

Article 57

1. Everyone whose rights and freedoms guaranteed by the law of the Union are violated has the right to an effective remedy before a tribunal in compliance with the conditions laid down in this Article.
2. Everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal previously established by law. Everyone shall have the possibility of being advised, defended and represented.
3. Legal aid shall be made available to those who lack sufficient resources in so far as such aid is necessary to ensure effective access to justice.

Article 58

1. Everyone who has been charged shall be presumed innocent until proved guilty according to law.
2. Respect for the rights of the defence of anyone who has been charged shall be guaranteed.

Article 59

1. No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national law or international law at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the criminal offence was committed. If, subsequent to the commission of a criminal offence, the law provides for a lighter penalty, that penalty shall be applicable.
2. This Article shall not prejudice the trial and punishment of any person for any act or omission which, at the time when it was committed, was criminal according to the general principles recognised by the community of nations.
3. The severity of penalties must not be disproportionate to the criminal offence.

Article 60

No one shall be liable to be tried or punished again in criminal proceedings for an offence for which he or she has already been finally acquitted or convicted within the Union in accordance with the law.

Article 61

1. The Fundamental Rights provisions are addressed to the institutions, bodies, offices and agencies of the Union with due regard for the principle of subsidiarity and to the Member States only when they are implementing Union law. They shall therefore respect the rights, observe the principles and promote the application thereof in accordance with their respective powers and respecting the limits of the powers of the Union as conferred on it in the Treaties.
2. The Fundamental Rights provisions do not extend the field of application of Union law beyond the powers of the Union or establish any new power or task for the Union, or modify powers and tasks as defined in the Treaties.

Article 62

1. Any limitation on the exercise of the rights and freedoms recognised by the Fundamental Rights provisions must be provided for by law and respect the essence of those rights and freedoms. Subject to the principle of proportionality, limitations may be made only if they are necessary and genuinely meet objectives of general interest recognised by the Union or the need to protect the rights and freedoms of others.
2. Fundamental Rights for which provision is made in the Treaty shall be exercised under the conditions and within the limits defined by the Treaty.
3. In so far as the Fundamental Rights provisions contain rights which correspond to rights guaranteed by the Convention for the Protection of Human Rights and Fundamental Freedoms, the meaning and scope of those rights shall be the same as those laid down by the said Convention. This provision shall not prevent Union law providing more extensive protection.
4. In so far as the Fundamental Rights provisions recognise fundamental rights as they result from the constitutional traditions common to the Member States, those rights shall be interpreted in harmony with those traditions.

5. The Fundamental Rights provisions which contain principles may be implemented by legislative and executive acts taken by institutions, bodies, offices and agencies of the Union, and by acts of Member States when they are implementing Union law, in the exercise of their respective powers. They shall be judicially cognisable only in the interpretation of such acts and in the ruling on their legality.
6. Full account shall be taken of national laws and practices as specified in the Fundamental Rights provisions.
7. The explanations drawn up as a way of providing guidance in the interpretation of the Fundamental Rights provisions shall be given due regard by the courts of the Union and of the Member States.
8. Social, economic and cultural rights which are not recognized by the Fundamental Rights provisions of this Treaty remain a matter of policy consideration by the competent bodies of the Union.

Article 63

Nothing in the Fundamental Rights provisions shall be interpreted as restricting or adversely affecting human rights and fundamental freedoms as recognised, in their respective fields of application, by Union law and international law and by international agreements to which the Union or all the Member States are party, including the European Convention for the Protection of Human Rights and Fundamental Freedoms, and by the Member States' constitutions.

Article 64

Nothing in the Fundamental Rights provisions shall be interpreted as implying any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms recognised in the Fundamental Rights provisions or at their limitation to a greater extent than is provided for herein.



LEGISLATIVE POWERS

Article 65

1. Legislative powers of the Union shall be vested in the bicameral European Parliament which shall consist of the Council of European Nations and the Assembly of European Citizens.
2. Member States are directly represented at Union level in the Council of European Nations, composed of two Council members from each Member State, chosen by the legislature thereof for four years.
3. Citizens of the Union are directly represented at the Union level in the Assembly of European citizens, composed of Assembly members elected by the voters in the Member States for four years by direct universal suffrage in a free and secret ballot.

Article 66

1. The Parliament shall, by joint legislative action of both Chambers, exercise legislative, budgetary, policy-making and coordinating functions as laid down in this Treaty.
2. Union legislative and all other acts may only be adopted on the basis of a President's proposal, except where the Treaty provides otherwise.
3. A draft legislative act becomes law after passed by both Chambers and signed by the President or passed by a two-thirds vote of both Chambers of the Parliament over the President's veto.

Article 67

1. The Parliament shall lay down the provisions necessary for the election of the Council members by national legislatures and of the Assembly members by direct universal suffrage in accordance with a uniform procedure in all Member States and in accordance with principles common to all Member States.
2. It shall lay down the provisions necessary to governing political parties at European level.

Article 68

1. Each Chamber of the Parliament may request on its own initiative the President to submit any proposal on matters on which it considers that a Union act is required for the purpose of implementing the Treaties.

2. Any citizen of the Union shall have the right to address, individually or in association with other citizens, a petition to the European Parliament on a matter which comes within the Union's fields of activity and which affects him directly.

Article 69

1. Chambers of the Parliament shall hold an annual session. They shall meet, without requiring to be convened, on the second Tuesday in March.
2. They may meet in annual session or in extraordinary part-session at the request of Chairman of the Chamber, a majority of its component Members, or at the request of the President.
3. Each Chamber of the Parliament shall adopt its own Rules of Procedure.

Article 70

1. The Council shall act by a qualified majority except where the Treaty provides otherwise.
2. Arrangements governing the qualified majority and a blocking minority are laid down in the respective Protocol.
3. The Council shall meet in public when it deliberates and votes on a draft legislative act.
4. The Chairman of Council shall be appointed by a Member State representatives in the Council on the basis of equal rotation.

Article 71

1. The Council shall meet when convened by its Chairman, at the request of one of its Members, or of the President.
2. Where it is required to act by a simple majority, the Council shall act by a majority of its component members.
3. The Council shall act by a simple majority regarding procedural matters and for the adoption of its Rules of Procedure.

Article 72

1. Every Member State is apportioned a number of seats in the Assembly according to its population. Representation of citizens shall be degressively proportional, with a minimum threshold of two members per Member State.
2. Save as otherwise provided in the Treaty, the Assembly shall act by a majority of the votes cast.
3. The Assembly may set up a temporary Committee of Inquiry to investigate, without prejudice to the powers conferred by the Treaty on other institutions or bodies, alleged contraventions or maladministration in the implementation of Union law, except where the alleged facts are being examined before a court and while the case is still subject to legal proceedings.

Article 73

1. The ordinary legislative procedure shall consist in the joint adoption by the European Parliament of a regulation, directive or decision on a proposal from the President.
2. Legal acts adopted by legislative procedure shall constitute legislative acts.
3. In the specific cases provided for by the Treaty, legislative acts may be adopted on the initiative of a group of Member States or of the European Parliament, on a recommendation from the European Central Bank or at the request of the Court of Justice or the European Investment Bank.

Article 74

1. A legislative act may delegate to the President the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act.
2. The objectives, content, scope and duration of the delegation of power shall be explicitly defined in the legislative acts.

Article 75

1. The following procedure shall apply to the ordinary legislative procedure for the adoption of an act:
2. The President shall submit a proposal to the European Parliament.
3. The Assembly shall adopt its position at first reading and communicate it to the Council.
4. If the Council approves the Assembly's position, the act concerned shall be adopted in the wording which corresponds to the position of the Assembly.
5. If the Council does not approve the Assembly's position, it shall adopt its position at first reading and communicate it to the Assembly.
6. The Council shall inform the Assembly fully of the reasons which led it to adopt its position at first reading. The President shall inform the Assembly fully of its position.
7. If, within three months of such communication, the Assembly:
 - (a) approves the Council's position at first reading or has not taken a decision, the act concerned shall be deemed to have been adopted in the wording which corresponds to the position of the Council;
 - (b) rejects, by a majority of its component members, the Council's position at first reading, the proposed act shall be deemed not to have been adopted;
 - (c) proposes, by a majority of its component members, amendments to the Council's position at first reading, the text thus amended shall be forwarded to the Council and to the President, which shall deliver an opinion on those amendments.
8. If, within three months of receiving the Assembly's amendments, the Council, acting by a qualified majority:
 - (a) approves all those amendments, the act in question shall be deemed to have been adopted;
 - (b) does not approve all the amendments, the President of the Council, in agreement with the President of the Assembly, shall within six weeks convene a meeting of the Conciliation Committee.
9. The Council shall act unanimously on the amendments on which the President has delivered a negative opinion.
10. The Conciliation Committee, which shall be composed of the members of the Council or their representatives and an equal number of members representing the Assembly, shall have the task of reaching agreement on a joint text, by a qualified majority of the members of the Council or their representatives and by a majority of the members representing the Assembly within six weeks of its being convened, on the basis of the positions of the Assembly and the Council at second reading.
11. The President shall take part in the Conciliation Committee's proceedings and shall take all necessary initiatives with a view to reconciling the positions of the Assembly and the Council.
12. If, within six weeks of its being convened, the Conciliation Committee does not approve the joint text, the proposed act shall be deemed not to have been adopted.
13. If, within that period, the Conciliation Committee approves a joint text, the Assembly, acting by a majority of the votes cast, and the Council, acting by a qualified majority, shall each have a period of six weeks from that approval in which to adopt the act in question in accordance with the joint text. If they fail to do so, the proposed act shall be deemed not to have been adopted.

14. The periods of three months and six weeks referred to in this Article shall be extended by a maximum of one month and two weeks respectively at the initiative of the Assembly or the Council.
15. Where, in the cases provided for in the Treaty, a legislative act is submitted to the ordinary legislative procedure on the initiative of a group of Member States, on a recommendation by the European Central Bank, or at the request of the Court of Justice, Assembly and the Council shall communicate the proposed act to the President with their positions at first and second readings. The Assembly or the Council may request the opinion of the President throughout the procedure, which the President may also deliver on its own initiative. It may also, if it deems it necessary, take part in the Conciliation Committee.

Article 76

The Assembly, the Council and the President shall consult each other and by common agreement make arrangements for their cooperation. To that end, they may, in compliance with the Treaty, conclude interinstitutional agreements which may be of a binding nature.

Article 77

The European Parliament may establish or abolish any institution, body, administration, office or agency within the legislative branch of the Union. Parliaments proposals for their establishment or abolishment, including financial means needed for their functioning, must receive consent of the President. Any such administrative body acts under the direction of the President.

Article 78

1. The European Parliament shall give a discharge to the President in respect of the implementation of the budget. To this end, the European Parliament in turn shall examine the accounts, the financial statement and the evaluation report, the annual report by the Court of Auditors together with the replies of the institutions under audit to the observations of the Court of Auditors, the statement of assurance and any relevant special reports by the Court of Auditors.
2. Before giving a discharge to the President, or for any other purpose in connection with the exercise of its powers over the implementation of the budget, the European Parliament may ask to hear the President give evidence with regard to the execution of expenditure or the operation of financial control systems. The President shall submit any necessary information to the European Parliament at the latter's request.
3. The President shall take all appropriate steps to act on the observations in the decisions giving discharge and on other observations by the European Parliament relating to the execution of expenditure, as well as on comments accompanying the recommendations on discharge adopted by the Parliament.
4. At the request of the European Parliament, the President shall report on the measures taken in the light of these observations and comments and in particular on the instructions given to the departments which are responsible for the implementation of the budget. These reports shall also be forwarded to the Court of Auditors.

Article 79

1. The European Parliament, acting in accordance with the ordinary legislative procedure, and after consulting the Court of Auditors, shall adopt by means of regulations:
 - (a) the financial rules which determine in particular the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts;

- (b) rules providing for checks on the responsibility of financial actors, in particular authorising officers and accounting officers.
2. The Parliament, acting on a proposal from the President and after consulting the Court of Auditors, shall determine the methods and procedure whereby the budget revenue provided under the arrangements relating to the Union's own resources shall be made available to the President, and determine the measures to be applied, if need be, to meet cash requirements.

IV.

EXECUTIVE POWERS

Article 80

1. Executive power shall be vested in the President of the Union, assisted by the Vice President and members of the Cabinet.
2. The President and Vice President shall hold office during the term of four years and shall be elected by the voters in the Member States by direct universal suffrage in a free and secret ballot. (Or: The President and Vice President shall hold office during the term of four years and shall be elected by representatives of Member States' legislatures in a free and secret ballot.)
3. Every Member State is apportioned a number of electoral votes according to its population. Representation of citizens shall be degressively proportional.
4. The President may not be elected to his office for more than two terms.

Article 81

President and Vice President shall be eligible for the office if citizen of the Union for ten or more years and have attained the age of thirty five years.

Article 82

1. The President shall appoint members of the Cabinet, which hold positions of High Representatives of the Union in the fields of foreign affairs, security and defense, internal market, finance and budget, and social cohesion.
2. The President appoints ambassadors and judges of the Court of Justice.
3. President's nominations for their appointment are subject to a vote of consent by the Council after a public hearing on each nomination.
4. Other senior appointments are not subject to Council's consent, but may be made after a nominee appears before a public hearing held by the Council and its advice on his or her nomination.
5. A member of the Cabinet and any other executive officer shall resign if the President so requests.

Article 83

1. The President exerts representative and executive authority in Union's foreign affairs and defense in war and peacetime.
2. He exerts law enforcement function of laws passed by the Parliament.
3. He is subject to impeachment by the Parliament in case of abuse of power.
4. He shall have power to grant retrieves and pardons for offenses.

Article 84

1. The President shall ensure, assisted by the Vice President, members of the Cabinet and other executive officers, application of the Treaties, and of measures adopted by the institutions pursuant to them.
2. He shall oversee the application of Union law under the control of the Court of Justice.
3. He shall execute the budget and manage programmes.
4. He shall exercise coordinating, executive and management functions, as laid down in the Treaties.
5. He shall ensure the Union's external representation.

Article 85

Union legislative and other acts may only be adopted on the basis of a President's proposal, except where the Treaty provides otherwise.

Article 86

Nominations and appointments of members of the Cabinet and of other executive officers shall be made by the President from among the nationals of the Member States, reflecting the demographic and geographical range of all the Member States.

Article 87

The President may establish or abolish any institution, body, administration, office or agency within the executive branch of the Union. President's proposals for their establishment or abolishment, including financial means needed for their functioning, must receive consent of the European Parliament. Any such administrative body acts under the direction of the President.

Article 88

The President shall propose Staff Regulations and the Conditions of Employment for employees in the administration of the executive and the legislative branch to the European Parliament, which will act by means of regulations in accordance with the ordinary legislative procedure.

Article 89

The President may, within the limits and under conditions laid down by the Parliament acting by a simple majority, collect any information and carry out any checks required for the performance of the tasks entrusted to him.

Article 90

1. The European Parliament, acting in accordance with the ordinary legislative procedure, shall adopt measures for the production of statistics where necessary for the performance of the activities of the Union.
2. The production of Union statistics will be performed by the administration acting within the executive powers of the Union. It shall conform to impartiality, reliability, objectivity,

scientific independence, cost-effectiveness and statistical confidentiality; it shall not entail excessive burdens on economic operators.

Article 91

The members of the institutions of the Union, the members of committees, and the officials and other servants of the Union shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy, in particular information about undertakings, their business relations or their cost components. Such requirements shall be supervised by the administration acting within executive powers of the Union.

Article 92

1. The President shall draw up estimates of its expenditure for the following financial year. He shall consolidate these estimates in a draft budget. The draft budget shall contain an estimate of revenue and an estimate of expenditure.
2. The President shall submit a proposal containing the draft budget to the European Parliament not later than 1 September of the year preceding that in which the budget is to be implemented. The President may amend the draft budget during the procedure until such time as the Conciliation Committee, referred to in the separate Protocol on the Union's budget, is convened.
3. The President shall adopt its position on the draft budget and forward it to the European Parliament not later than 1 October of the year preceding that in which the budget is to be implemented. The President shall inform the European Parliament in full of the reasons which led him to adopt its position.
4. If, within forty-two days of such communication, the European Parliament:
 - (a) approves the position of the President, the budget shall be adopted;
 - (b) has not taken a decision, the budget shall be deemed to have been adopted.

Article 93

1. The President shall implement the budget in cooperation with the Member States, in accordance with the provisions of the separate Protocol on the Union's budget, on its own responsibility and within the limits of the appropriations, having regard to the principles of sound financial management. Member States shall cooperate with the President to ensure that the appropriations are used in accordance with the principles of sound financial management.
2. The said Protocol shall lay down the control and audit obligations of the Member States in the implementation of the budget and the resulting responsibilities. They shall also lay down the responsibilities and detailed rules for each institution concerning its part in effecting its own expenditure.
3. Within the budget, the President may, subject to the limits and conditions laid down, transfer appropriations from one chapter to another or from one subdivision to another.

Article 94

1. The President shall submit annually to the European Parliament the accounts of the preceding financial year relating to the implementation of the budget. He shall also forward to them a financial statement of the assets and liabilities of the Union.
2. The President shall also submit to the European Parliament an evaluation report on the Union's finances based on the results achieved, in particular in relation to the indications given by the European Parliament.

V.

JUDICIAL POWERS

Article 95

1. Judicial Power shall be executed by the Court of Justice, acting in the capacity of supreme and constitutional court of the Union.
2. The Court of Justice of the European Union shall include the Court of Justice, the General Court and specialised courts.

Article 96

1. The Court of Justice shall ensure that in the interpretation and application of the Treaties the law is observed.
2. The Court of Justice of the European Union shall:
 - (a) rule on actions brought by a Member State, an institution or a natural or legal person;
 - (b) give preliminary rulings, at the request of courts or tribunals of the Member States, on the interpretation of Union law or the validity of acts adopted by the institutions;
 - (c) rule in other cases provided for in the Treaty.
3. Member States shall provide remedies sufficient to ensure effective legal protection in the fields covered by Union law.

Article 97

1. The Court of Justice and the General Court shall consist of one judge from each Member State appointed by the President, whose nomination shall be subject to a vote of consent by the Council after a public hearing on each nomination.
2. The Court of Justice shall be assisted by Advocates-General. It shall be the duty of the Advocate-General, acting with complete impartiality and independence, to make, in open court, reasoned submissions on cases which, in accordance with the Statute of the Court of Justice of the European Union, require his involvement.
3. The Judges and the Advocates-General of the Court of Justice and the Judges of the General Court shall be chosen from persons whose independence is beyond doubt and who possess the qualifications required for appointment to the highest judicial offices in their respective countries or who are jurisconsults of recognised competence
4. They shall be appointed for nine years and may be reappointed.

Article 98

1. The Court of Justice shall sit in chambers or in a Grand Chamber. It may also sit as a full Court.
2. The Judges shall elect the President of the Court of Justice and the President of the General Court from among their number for a term of three years. He may be re-elected.

Article 99

1. The General Court shall have jurisdiction to hear and determine at first instance actions or proceedings with the exception of those assigned to a specialised court. Decisions given by the General Court may be subject to a right of appeal to the Court of Justice on points of law only.
2. The General Court shall have jurisdiction to hear and determine actions or proceedings brought against decisions of the specialised courts. Such decisions given by the General Court may exceptionally be subject to review by the Court of Justice where there is a serious risk of the unity or consistency of Union law being affected.
3. The General Court shall have jurisdiction to hear and determine questions referred for a preliminary ruling in specific areas. Where the General Court considers that the case requires a decision of principle likely to affect the unity or consistency of Union law, it may refer the case to the Court of Justice for a ruling. Such decisions may exceptionally be subject to review by the Court of Justice where there is a serious risk of the unity or consistency of Union law being affected.

Article 100

1. The European Parliament and the Council may establish specialised courts attached to the General Court to hear and determine at first instance certain classes of action or proceeding brought in specific areas.
2. Decisions given by specialised courts may be subject to a right of appeal on points of law only or, when provided for in the regulation establishing the specialised court, a right of appeal also on matters of fact, before the General Court.
3. The members of the specialised courts shall be chosen by the President, whose nomination shall be subject to a vote of consent by the Council after a public hearing on each nomination. They may be chosen from persons whose independence is beyond doubt and who possess the ability required for appointment to judicial office.

Article 101

1. If the President considers that a Member State has failed to fulfil an obligation under the Treaty, it shall deliver a reasoned opinion on the matter after giving the State concerned the opportunity to submit its observations.
2. If the State concerned does not comply with the opinion within the period laid down by the President, the latter may bring the matter before the Court of Justice of the European Union.

Article 102

1. A Member State which considers that another Member State has failed to fulfil an obligation under the Treaty may bring the matter before the Court of Justice of the European Union.
2. Before a Member State brings an action against another Member State for an alleged infringement of an obligation under the Treaties, it shall bring the matter before the President.
3. The President shall deliver a reasoned opinion after each of the States concerned has been given the opportunity to submit its own case and its observations on the other party's case both orally and in writing.

4. If the President has not delivered an opinion within three months of the date on which the matter was brought before it, the absence of such opinion shall not prevent the matter from being brought before the Court.

Article 103

1. If the Court of Justice finds that a Member State has failed to fulfil an obligation under the Treaties, the State shall be required to take the necessary measures to comply with the judgment of the Court.
2. If the President considers that the Member State concerned has not taken the necessary measures to comply with the judgment of the Court, it may bring the case before the Court after giving that State the opportunity to submit its observations. It shall specify the amount of the lump sum or penalty payment to be paid by the Member State concerned which it considers appropriate in the circumstances.
3. If the Court finds that the Member State concerned has not complied with its judgment it may impose a lump sum or penalty payment on it.
4. When the President brings a case before the Court on the grounds that the Member State concerned has failed to fulfil its obligation to notify measures transposing a legal act adopted under a legislative procedure, it may, when it deems appropriate, specify the amount of the lump sum or penalty payment to be paid by the Member State concerned which it considers appropriate in the circumstances.
5. If the Court finds that there is an infringement it may impose a lump sum or penalty payment on the Member State concerned not exceeding the amount specified by the President. The payment obligation shall take effect on the date set by the Court in its judgment.

Article 104

1. The Court of Justice of the European Union shall review the legality of legislative acts, of acts of the President and of the European Central Bank, other than recommendations and opinions, and of acts of the European Parliament intended to produce legal effects vis-à-vis third parties. It shall also review the legality of acts of bodies, offices or agencies of the Union intended to produce legal effects vis-à-vis third parties.
2. It shall for this purpose have jurisdiction in actions brought by a Member State, the European Parliament, or the President on grounds of lack of competence, infringement of an essential procedural requirement, infringement of the Treaty or of any rule of law relating to their application, or misuse of powers.
3. The Court shall have jurisdiction under the same conditions in actions brought by the Court of Auditors, by the European Central Bank and by the Committee of the Regions for the purpose of protecting their prerogatives.
4. Any natural or legal person may institute proceedings against an act addressed to that person or which is of direct and individual concern to them, and against a regulatory act which is of direct concern to them and does not entail implementing measures.
5. Acts setting up bodies, offices and agencies of the Union may lay down specific conditions and arrangements concerning actions brought by natural or legal persons against acts of these bodies, offices or agencies intended to produce legal effects in relation to them.
6. The proceedings provided for in this Article shall be instituted within two months of the publication of the measure, or of its notification to the plaintiff, or, in the absence thereof, of the day on which it came to the knowledge of the latter, as the case may be.

Article 105

1. If the action is well founded, the Court of Justice shall declare the act concerned to be void.
2. However, the Court shall, if it considers this necessary, state which of the effects of the act which it has declared void shall be considered as definitive.

Article 106

1. Should the European Parliament, the President or the European Central Bank, in infringement of the Treaty, fail to act, the Member States and the other institutions of the Union may bring an action before the Court of Justice to have the infringement established. This Article shall apply, under the same conditions, to bodies, offices and agencies of the Union which fail to act.
2. The action shall be admissible only if the institution, body, office or agency concerned has first been called upon to act. If, within two months of being so called upon, the institution, body, office or agency concerned has not defined its position, the action may be brought within a further period of two months.
3. Any natural or legal person may, under the conditions laid down in the preceding paragraphs, complain to the Court that an institution, body, office or agency of the Union has failed to address to that person any act other than a recommendation or an opinion.

Article 107

The institution whose act has been declared void or whose failure to act has been declared contrary to the Treaties shall be required to take the necessary measures to comply with the judgment of the Court of Justice.

Article 108

1. The Court of Justice shall have jurisdiction to give preliminary rulings concerning:
 - (a) the interpretation of the Treaties;
 - (b) the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union;
2. Where such a question is raised before any court or tribunal of a Member State, that court or tribunal may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court to give a ruling thereon.
3. Where any such question is raised in a case pending before a court or tribunal of a Member State against whose decisions there is no judicial remedy under national law, that court or tribunal shall bring the matter before the Court.
3. If such a question is raised in a case pending before a court or tribunal of a Member State with regard to a person in custody, the Court of Justice of the European Union shall act with the minimum of delay.

Article 109

The Court of Justice of the European Union shall have jurisdiction in disputes relating to compensation for damage.

Article 110

The Court of Justice of the European Union shall have jurisdiction in any dispute between the Union and its servants.

Article 111

The Court of Justice shall, within the limits laid down in the Protocol on the Statute of the Court

of Justice of the European Union, have jurisdiction in disputes concerning the European Investment Bank and national central banks.

Article 112

The Court of Justice shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by or on behalf of the Union, whether that contract be governed by public or private law.

Article 113

The Court of Justice shall have jurisdiction in any dispute between Member States which relates to the subject matter of the Treaty if the dispute is submitted to it under a special agreement between the parties.

Article 114

Save where jurisdiction is conferred on the Court of Justice by the Treaties, disputes to which the Union is a party shall not on that ground be excluded from the jurisdiction of the courts or tribunals of the Member States.

Article 115

The Court of Justice shall have jurisdiction to review the legality of decisions providing for restrictive measures against natural or legal persons in the implementation of the common foreign and security policy.

Article 116

1. In exercising its powers relating to security and justice, the Court of Justice shall have no jurisdiction to review the validity or proportionality of operations carried out by the police or other law-enforcement services of a Member State or the exercise of the responsibilities incumbent upon Member States with regard to the maintenance of law and order and the safeguarding of internal security.
2. This provision does not relate to the competence of the Union to the maintenance of law and order in the safeguarding of external borders of the Union.

Article 117

Actions brought before the Court of Justice shall not have suspensory effect. The Court may, however, if it considers that circumstances so require, order that application of the contested act be suspended.

Article 118

The Court of Justice may in any cases before it prescribe any necessary interim measures.

Article 119

The judgments of the Court of Justice shall be enforceable.

Article 120

Further rules on composition, competence and procedures concerning execution of Judicial Power of the Union shall be laid down by the European Parliament in a separate Protocol on the Statute of the Court of Justice of the European Union.

V.

UNION'S FINANCIAL SYSTEM

Article 121

1. All items of revenue and expenditure of the Union shall be included in estimates to be drawn up for each financial year and shall be shown in the budget.
The Union's annual budget shall be established by the European Parliament. The revenue and expenditure shown in the budget shall be in balance.
2. The expenditure shown in the budget shall be authorised for the annual budgetary period.
3. The implementation of expenditure shown in the budget shall require the prior adoption of a legally binding Union act providing a legal basis for its action and for the implementation of the corresponding expenditure.
4. With a view to maintaining budgetary discipline, the Union shall not adopt any act which is likely to have appreciable implications for the budget without providing an assurance that the expenditure arising from such an act is capable of being financed within the limit of the Union's own resources and in compliance with the multiannual financial framework.
5. The budget shall be implemented in accordance with the principle of sound financial management. Member States shall cooperate with the Union to ensure that the appropriations entered in the budget are used in accordance with this principle.
6. The Union and the Member States shall counter fraud and any other illegal activities affecting the financial interests of the Union.

Article 122

1. The Union shall provide itself with the means necessary to attain its objectives and carry through its policies.
2. Without prejudice to other revenue, the budget shall be financed wholly from own resources.
3. The Parliament shall adopt by a qualified majority a decision laying down the provisions relating to the system of own resources of the Union. In this context it may establish new categories of own resources or abolish an existing category. That decision shall not enter into force until it is approved by the Member States in accordance with their respective constitutional requirements.
4. The Parliament shall lay down implementing measures for the Union's own resources system.

Article 123

1. The multiannual financial framework shall ensure that Union expenditure develops in an orderly manner and within the limits of its own resources. It shall be established for a period of at least five years.
The annual budget of the Union shall comply with the multiannual financial framework.
2. The Parliament shall adopt a regulation laying down the multiannual financial framework by a qualified majority of its component members.
3. The financial framework shall determine the amounts of the annual ceilings on commitment appropriations by category of expenditure and of the annual ceiling on payment appropriations. The categories of expenditure, limited in number, shall correspond to the Union's major sectors of activity. The financial framework shall lay down any other provisions required for the annual budgetary procedure to run smoothly.
4. Where no Parliament regulation determining a new financial framework has been adopted by the end of the previous financial framework, the ceilings and other provisions corresponding to the last year of that framework shall be extended until such time as that act is adopted.
5. Throughout the procedure leading to the adoption of the financial framework, the European Parliament and the President shall take any measure necessary to facilitate its adoption.

Article 124

The financial year shall run from 1 January to 31 December.

Article 125

1. The European Parliament shall establish the Union's annual budget in accordance with the provisions of a separate Protocol on the Union's budget where respective responsibilities of the President, of the Parliament, of both its Chambers and of a special Conciliation Committee shall be determined.
2. When the procedure provided for in the Protocol has been completed, the President of the European Parliament shall declare that the budget has been definitively adopted.

Article 126

1. If, at the beginning of a financial year, the budget has not yet been definitively adopted, a sum equivalent to not more than one twelfth of the budget appropriations for the preceding financial year may be spent each month in respect of any chapter of the budget; that sum shall not, however, exceed one twelfth of the appropriations provided for in the same chapter of the draft budget.
2. The European Parliament, on a proposal by the President, may authorise expenditure in excess of one twelfth in accordance with conditions laid down in the respective Protocol.

Article 127

1. Any appropriations, other than those relating to staff expenditure, that are unexpended at the end of the financial year may be carried forward to the next financial year only.
2. Appropriations shall be classified under different chapters grouping items of expenditure according to their nature or purpose.
3. The expenditure of the European Parliament, the President and the Court of Justice of the European Union shall be set out in separate parts of the budget, without prejudice to special arrangements for certain common items of expenditure.

Article 128

The multiannual financial framework and the annual budget shall be drawn up in euro.

Article 129

The European Parliament, and the President shall ensure that the financial means are made available to allow the Union to fulfil its legal obligations in respect of third parties.

Article 130

1. The Union and the Member States shall counter fraud and any other illegal activities affecting the financial interests of the Union through necessary measures, which shall act as a deterrent and be such as to afford effective protection in the Member States, and in all the Union's institutions, bodies, offices and agencies.
2. Member States shall take the same measures to counter fraud affecting the financial interests of the Union as they take to counter fraud affecting their own financial interests.
3. The Member States shall coordinate their action aimed at protecting the financial interests of the Union against fraud. To this end they shall organise, together with the Commission, close and regular cooperation between the competent authorities.
4. The European Parliament, acting in accordance with the ordinary legislative procedure, after consulting the Court of Auditors, shall adopt the necessary measures in the fields of the prevention of and fight against fraud affecting the financial interests of the Union with a view to affording effective and equivalent protection in the Member States and in all the Union's institutions, bodies, offices and agencies.
5. The President, in cooperation with Member States, shall each year submit to the European Parliament a report on the measures taken for the implementation of this Article

Article 131

1. The European Central Bank, together with the national central banks, shall constitute the European System of Central Banks (ESCB). The European Central Bank, together with the national central banks of the Member States whose currency is the euro, which constitute the Eurosystem, shall conduct the monetary policy of the Union.
2. The ESCB shall be governed by the decision-making bodies of the European Central Bank. The primary objective of the ESCB shall be to maintain price stability. Without prejudice to that objective, it shall support the general economic policies in the Union in order to contribute to the achievement of the latter's objectives.
3. The European Central Bank shall have legal personality. It alone may authorise the issue of the euro. It shall be independent in the exercise of its powers and in the management of its finances. Union institutions, bodies, offices and agencies and the governments of the Member States shall respect that independence.
4. The European Central Bank shall adopt such measures as are necessary to carry out its tasks in accordance with provisions of this Treaty, and with the conditions laid down in the Statute of the ESCB and of the ECB. In accordance with these same provisions, those Member States whose currency is not the euro, and their central banks, shall retain their powers in monetary matters.
5. Within the areas falling within its responsibilities, the European Central Bank shall be consulted on all proposed Union acts, and all proposals for regulation at national level, and may give an opinion.
6. Responsibilities and composition of the governing bodies of the European Central Bank shall be laid down in its Statute.

Article 132

The Court of Auditors shall carry out the Union's audit. It shall consist of one national of each Member State. Its Members shall be completely independent in the performance of their duties, in the Union's general interest.

Article 133

1. The Members of the Court of Auditors shall be chosen from among persons who belong or have belonged in their respective States to external audit bodies or who are especially qualified for this office. Their independence must be beyond doubt.
2. The Members of the Court of Auditors shall be appointed for a term of six years. The Council, after consulting the European Parliament, shall adopt the list of Members drawn up in accordance with the proposals made by each Member State. The term of office of the Members of the Court of Auditors shall be renewable.
They shall elect the President of the Court of Auditors from among their number for a term of three years. The President may be re-elected.
3. In the performance of these duties, the Members of the Court of Auditors shall neither seek nor take instructions from any government or from any other body. The Members of the Court of Auditors shall refrain from any action incompatible with their duties.
4. Any other provisions on the terms of office, responsibilities of the Court's members, procedures of the Court or any other relevant provisions will be laid down by the Statute of the European Union Court of Auditors.

Article 134

1. The Court of Auditors shall examine the accounts of all revenue and expenditure of the Union. It shall also examine the accounts of all revenue and expenditure of all bodies, offices or agencies set up by the Union in so far as the relevant constituent instrument does not preclude such examination. The Court of Auditors shall provide the European Parliament with a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions which shall be published in the Official Journal of the European Union. This statement may be supplemented by specific assessments for each major area of Union activity.
2. The Court of Auditors shall examine whether all revenue has been received and all expenditure incurred in a lawful and regular manner and whether the financial management has been sound. In doing so, it shall report in particular on any cases of irregularity. The audit of revenue shall be carried out on the basis both of the amounts established as due and the amounts actually paid to the Union. The audit of expenditure shall be carried out on the basis both of commitments undertaken and payments made. These audits may be carried out before the closure of accounts for the financial year in question.
3. The Court of Auditors and the national audit bodies of the Member States shall cooperate in a spirit of trust while maintaining their independence. These bodies or departments shall inform the Court of Auditors whether they intend to take part in the audit. The other institutions of the Union, any bodies, offices or agencies managing revenue or expenditure on behalf of the Union, any natural or legal person in receipt of payments from the budget, and the national audit bodies or, if these do not have the necessary powers, the competent national departments, shall forward to the Court of Auditors, at its request, any document or information necessary to carry out its task.
4. The Court of Auditors shall draw up an annual report after the close of each financial year. It shall be forwarded to the other institutions of the Union and shall be published, together

with the replies of these institutions to the observations of the Court of Auditors, in the Official Journal of the European Union.

5. It shall adopt its annual reports, special reports or opinions by a majority of its Members. It shall assist the European Parliament and the Council in exercising their powers of control over the implementation of the budget.

Article 135

1. The European Investment Bank shall have legal personality.
2. The members of the European Investment Bank shall be the Member States.
3. The Statute of the European Investment Bank is laid down in a Protocol annexed to the Treaty.

Article 136

The task of the European Investment Bank shall be to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and steady development of the internal market in the interest of the Union. For this purpose the Bank shall, operating on a non-profit-making basis, grant loans and give guarantees which facilitate the financing of the following projects in all sectors of the economy:

- (a) projects for developing less-developed regions;
- (b) projects for modernising or converting undertakings or for developing fresh activities called for by the establishment or functioning of the internal market, where these projects are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States;
- (c) projects of common interest to several Member States which are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States. In carrying out its task, the Bank shall facilitate the financing of investment programmes in conjunction with assistance from other Union Financial Instruments.

VI.

POWERS OF NATIONS AND THE UNION

Legal acts of the Union

Article 137

1. To exercise the Union's competences, the decision-making institutions shall adopt regulations, directives, decisions, recommendations and opinions.
2. A regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.
3. A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.
4. A decision shall be binding in its entirety. A decision which specifies those to whom it is addressed shall be binding only on them.
5. Recommendations and opinions shall have no binding force.

Article 138

1. Member States shall adopt all measures of national law necessary to implement legally binding Union acts.
2. Where uniform conditions for implementing legally binding Union acts are needed, those acts shall confer implementing powers on the President.
3. For the purposes of paragraph 2, the European Parliament acting by means of regulations in accordance with the ordinary legislative procedure, shall lay down in advance the rules and general principles concerning mechanisms for control by Member States of the President's exercise of implementing powers.

Article 139

1. Where the Treaty does not specify the type of act to be adopted, the decision-making institutions shall select it on a case-by-case basis, in compliance with the applicable procedures and with the principle of proportionality.
2. Legal acts shall state the reasons on which they are based and shall refer to any proposals, initiatives, recommendations, requests or opinions required by the Treaty.

- When considering draft legislative acts, the European Parliament and the Council shall refrain from adopting acts not provided for by the relevant legislative procedure in the area in question.

Article 140

- Legislative acts adopted under the ordinary legislative procedure shall be signed by the President of the European Parliament and by the President of the Council.
- Legislative acts adopted under a special legislative procedure shall be signed by the President of the institution which adopted them.
- Legislative acts shall be published in the Official Journal of the European Union. They shall enter into force on the date specified in them or, in the absence thereof, on the twentieth day following that of their publication.
- Non-legislative acts adopted in the form of regulations, directives or decisions, when the latter do not specify to whom they are addressed, shall be signed by the President of the institution which adopted them.
- Regulations and directives which are addressed to all Member States, as well as decisions which do not specify to whom they are addressed, shall be published in the Official Journal of the European Union. They shall enter into force on the date specified in them or, in the absence thereof, on the twentieth day following that of their publication.
- Other directives, and decisions which specify to whom they are addressed, shall be notified to those to whom they are addressed and shall take effect upon such notification.

Article 141

- Acts of the European Parliament, the President or the European Central Bank which impose a pecuniary obligation on persons other than States, shall be enforceable.
- Enforcement shall be governed by the rules of civil procedure in force in the State in the territory of which it is carried out. The order for its enforcement shall be appended to the decision, without other formality than verification of the authenticity of the decision, by the national authority which the government of each Member State shall designate for this purpose and shall make known to the President and to the Court of Justice.
- When these formalities have been completed on application by the party concerned, the latter may proceed to enforcement in accordance with the national law, by bringing the matter directly before the competent authority.
- Enforcement may be suspended only by a decision of the Court. However, the courts of the country concerned shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.

Categories of Union' competence

Article 142

- European Union is federation of Member States. In the Union, sovereignty is divided between Member States and the federal level of the Union. By ratifying this Treaty in conformity with their constitutional orders, Member States have transferred some of their sovereign powers in certain areas to the federal level of the Union.

- Sovereign powers of Member States not conferred upon the Union in the Treaty remain with the Member States. Federal level of the Union disposes only with conferred sovereign rights enumerated in this Treaty.

Article 143

A Union's competence is the area within which an authority on the federal level of the Union is entitled to exercise its power. This Treaty determines the areas of, delimitation of, and arrangements for exercising competencies.

Article 144

- The Union is entrusted with the following categories of its federal competence: exclusive competence, shared competence, coordinating competence, and complementary competence.
- Exclusive competence: When the Treaty confers on the Union exclusive competence in a specific area, only the Union may legislate and adopt legally binding acts, the Member States being able to do so themselves only if so empowered by the Union or for the implementation of Union acts.
- Shared competence: When the Treaties confer on the Union a competence shared with the Member States in a specific area, the Union and the Member States may legislate and adopt legally binding acts in that area. Given that sovereign rights of Member States are original and those of the Union derivative and conferred, Member States shall exercise all competences which were not transferred by this Treaty to the Union. In case of each shared competence, in principle a separate Protocol shall determine the exact instruments, procedures and tasks that pertain to either the Union or to the Member States in execution of the respective shared competence.
- Coordinating competence: The Member States shall coordinate their policies within arrangements as determined by this Treaty, which the Union shall have competence to provide.
- Complementary competence: In certain areas and under the conditions laid down in the Treaty, the Union shall have competence to carry out actions to support, coordinate or supplement the actions of the Member States, without thereby superseding their competence in these areas. Legally binding acts of the Union adopted on the basis of the provisions of the Treaties relating to these areas shall not entail harmonisation of Member States' laws or regulations.

Article 145

- The scope of and arrangements for exercising the Union's exclusive and shared competences shall be enumerated and determined by the provisions of this Treaty relating to each area.

Article 146

- The Union shall have exclusive competence in the following areas:
 - control of external borders of the Union's area of freedom and security;
 - exploration of space;
 - atomic energy;
 - the conservation of marine biological resources;
 - customs union;
 - common commercial policy;
 - competition rules for the functioning of the internal market;
 - monetary policy for the Member States whose currency is the euro.

2. The Union shall also have exclusive competence for the conclusion of an international agreement when its conclusion is provided for in a legislative act of the Union or is necessary to enable the Union to exercise its internal competence, or in so far as its conclusion may affect common rules or alter their scope.

Article 147

Shared competence between the Union and the Member States applies in the following principal areas:

- (a) foreign affairs
- (b) security and defense
- (d) environment
- (e) internal market;
- (f) consumer protection
- (g) transport;
- (h) trans-European networks;
- (i) energy;
- (j) safety concerns in public health

Article 148

Member States which wish to establish enhanced cooperation between themselves within the framework of the Union's non-exclusive competences may make use of its institutions and exercise those competences by applying the relevant provisions of the Treaties. Enhanced cooperation shall be open at any time to all Member States.

Exclusive competencies of the Union

Article 149

1. Exerting its exclusive competence in protection of the area of freedom and security by the control of external borders of the Union, absence of internal border controls for persons shall be ensured.
2. The Parliament shall make decisions on strategic interest and objectives of the Union related to control of external borders of the Union. The adoption of legislative acts shall also be considered.
3. Proper instruments and mechanisms, including law enforcement authorities, shall be established by the Parliament for an effective external border control.
4. In particular, the Parliament shall establish the European External Border Police and the European Coast Guard, to monitor Union' external borders on land and sea.
5. External border control policies shall be put into effect by the President, assisted by the High Representatives for Foreign Affairs and for Security and Defense. They shall be supported and shall supervise the European External Border Police and the European Coast Guard.

Article 150

1. For immigration purposes, stateless persons shall be treated as third-country nationals.

2. The Union shall endeavour to ensure a high level of Union's internal security and Member States' national security through measures to prevent crime and terrorism from crossing the external borders of the Union, acting by means of administrative measures, framed by regulations enacted by the Parliament in accordance with the ordinary legislative procedure.

Article 151

1. Exerting its exclusive competence in protection of the area of freedom and security by the control of external borders of the Union, the Union is responsible:
 - (a) to ensure the absence of any controls on persons, whatever their nationality, when crossing internal borders;
 - (b) to carry out checks on persons;
 - (c) to secure efficient monitoring of the crossing of external borders; and
 - (d) to enforce and administer an integrated management system for external borders, including the Union' territorial border police force in cooperation with the maritime and coast guard agency.
2. For these purposes the European Parliament, acting in accordance with the ordinary legislative procedure, shall adopt instruments, measures and administrative capabilities concerning:
 - (a) visas and other short-stay residence permits;
 - (b) the checks to which persons crossing external borders are subject;
 - (c) the conditions under which nationals of third countries shall have the freedom to travel within the Union for a short period;
 - (d) any measure necessary for an integrated management system for external borders;
 - (e) passports, identity cards, residence permits or any other such document.
3. The European Parliament, acting in accordance with the ordinary legislative procedure, shall adopt instruments and measures for a common European asylum system comprising:
 - (a) a uniform status of asylum for nationals of third countries, valid throughout the Union;
 - (b) a uniform status of subsidiary protection for nationals of third countries who, without obtaining European asylum, are in need of international protection;
 - (c) a common system of temporary protection for displaced persons in the event of a massive inflow;
 - (d) common procedures for the granting and withdrawing of uniform asylum or subsidiary protection status;
 - (e) instruments, measures, and authority, responsible on behalf of the Union for considering an application for asylum or subsidiary protection;
 - (f) conditions for the reception of applicants for asylum or subsidiary protection;
 - (g) partnership and cooperation with third countries for the purpose of managing inflows of people applying for asylum or subsidiary or temporary protection.
4. Subsidiary protection and temporary protection with a view to offering appropriate status to any third-country national requiring international protection, ensuring compliance with the principle of non-refoulement.
5. In the event an emergency situation characterised by a sudden inflow of nationals of third countries, the Parliament, on a proposal from the President, shall adopt provisional measures to control the situation for the benefit of the Union and the Member States concerned.
6. The Union shall establish instruments and administrative capabilities aimed at ensuring, at all stages, the efficient management of migration flows, fair treatment of third-country nationals residing legally in Member States, and the prevention of, and enhanced measures to combat illegal immigration, trafficking in human beings, and threats of crime and terrorism.

7. The European Parliament, acting in accordance with the ordinary legislative procedure, shall adopt measures in the following areas:
 - (a) the conditions of entry and residence, and standards on the issue of long-term visas and residence permits, including those for the purpose of family reunification;
 - (b) the definition of the rights of third-country nationals residing legally in a Member State, including the conditions governing freedom of movement and of residence in other Member States;
 - (c) illegal immigration and unauthorised residence, including removal and repatriation of persons residing without authorisation;
 - (d) combating trafficking in persons, in particular women and children.
8. The Union shall conclude agreements with third countries for the readmission to their countries of origin or provenance of third-country nationals who do not or who no longer fulfil the conditions for entry, presence or residence in the territory of the Union.
9. These provisions shall not affect the right of Member States to determine volumes of admission of third-country nationals coming from third countries to their territory.

Article 152

1. Exerting its exclusive competence in protection of the Union's area of freedom and security by the control of its external borders, the European Parliament and the Council may, by means of directives adopted in accordance with the ordinary legislative procedure, establish rules concerning the definition and prevention of criminal offences and sanctions in the areas of particularly serious crime with a cross-border dimension resulting from the nature or impact of such offences or from a special need to combat them on a common basis.
2. These areas of crime are the following: terrorism, trafficking in human beings and sexual exploitation of women and children, illicit drug trafficking, illicit arms trafficking, money laundering, corruption, counterfeiting of means of payment, computer crime and organised crime.

Article 153

1. Exerting its exclusive competence in the area of exploration of space, the Union shall, in order to promote scientific and technical progress, industrial competitiveness and the implementation of its policies, draw up a European Union space policy. To this end, it shall promote joint initiatives, support research and technological development and coordinate the efforts needed for the exploration and exploitation of space.
2. To attain these objectives, the European Parliament, acting in accordance with the ordinary legislative procedure, shall establish the necessary measures taking the form of a Union space programme, excluding any harmonisation of the laws and regulations of the Member States.
3. For the above purposes the Union shall establish by the act of the Parliament the European Space Agency which shall act under supervision of the President and shall regularly report to the Parliament.

Article 154

1. Exerting its exclusive competence in the area of atomic energy, the Union by means of its instruments, measures and agencies ensures:
 - (a) promotion of research and the dissemination of technical information,
 - (b) establishment of uniform safety standards to protect the health of workers and of the general public and their application,

- (c) investment and the establishment of the basic installations necessary for the development of nuclear energy in the Union,
 - (d) that all users in the Union receive a regular and equitable supply of ores and nuclear fuels,
 - (e) that civil nuclear materials are not diverted to other, particularly military, purposes,
 - (f) the right of ownership conferred upon the Union with respect to special fissile materials,
 - (g) progress in the peaceful uses of nuclear energy by working with other countries and international organisations.
2. A separate Protocol on the European Union Atomic Energy shall be laid down, superseding the Treaty establishing the European Atomic Energy Community (Euratom), in order to elaborate the above provisions.

Article 155

Exerting its exclusive competence in the area of the conservation of marine biological resources, the Union shall for the purpose of achieving the objectives of the Common Fisheries Policy in respect of the conservation and sustainable exploitation of marine biological resources adopt, inter alia, the following conservation measures:

- (a) multiannual plans;
- (b) targets for the conservation and sustainable exploitation of stocks and related measures to minimise the impact of fishing on the marine environment;
- (c) measures to adapt the fishing capacity of fishing vessels to available fishing opportunities;
- (d) incentives, including those of an economic nature, such as fishing opportunities, to promote fishing methods that contribute to more selective fishing, to the avoidance and reduction, as far as possible, of unwanted catches, and to fishing with low impact on the marine ecosystem and fishery resources;
- (e) measures on the fixing and allocation of fishing opportunities;
- (f) minimum conservation reference sizes;
- (g) pilot projects on alternative types of fishing management techniques and on gears that increase selectivity or that minimise the negative impact of fishing activities on the marine environment.

Article 156

1. Exerting its exclusive competence, the Union shall comprise a customs union which shall cover all trade in goods and which shall involve the prohibition between Member States of customs duties on imports and exports and of all charges having equivalent effect, and the adoption of a common customs tariff in their relations with third countries.
2. The provisions on customs union shall apply to products originating in Member States and to products coming from third countries which are in free circulation in Member States.
3. Products coming from a third country shall be considered to be in free circulation in a Member State if the import formalities have been complied with and any customs duties or charges having equivalent effect which are payable have been levied in that Member State, and if they have not benefited from a total or partial drawback of such duties or charges.
4. Customs duties on imports and exports and charges having equivalent effect shall be prohibited between Member States. This prohibition shall also apply to customs duties of a fiscal nature.
5. Common Customs Tariff duties shall be fixed by the Council on a proposal from the President.
6. In carrying out the tasks entrusted to it under this Chapter the President shall be guided by:
 - (a) the need to promote trade between Member States and third countries;
 - (b) developments in conditions of competition within the Union in so far as they lead to an improvement in the competitive capacity of undertakings;

- (c) the requirements of the Union as regards the supply of raw materials and semi-finished goods; in this connection the Commission shall take care to avoid distorting conditions of competition between Member States in respect of finished goods;
 - (d) the need to avoid serious disturbances in the economies of Member States and to ensure rational development of production and an expansion of consumption within the Union.
7. Quantitative restrictions on imports and exports and all measures having equivalent effect shall be prohibited between Member States. This provision shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States.
 8. Member States shall adjust any State monopolies of a commercial character so as to ensure that no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of Member States. This provision shall apply to any body through which a Member State, in law or in fact, either directly or indirectly supervises, determines or appreciably influences imports or exports between Member States. These provisions shall likewise apply to monopolies delegated by the State to others.
 9. Member States shall refrain from introducing any new measure which is contrary to the principles laid down or which restricts the scope of the prohibition of customs duties and quantitative restrictions between Member States.
 10. If a State monopoly of a commercial character has rules which are designed to make it easier to dispose of agricultural products or obtain for them the best return, steps should be taken to ensure equivalent safeguards for the employment and standard of living of the producers concerned.

Article 157

1. Concerning the Union's exclusive competence in the area of common commercial policy, it must first be noted that by establishing a customs union the Union is contributing, in its common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and on foreign direct investment, and the lowering of customs and other barriers.
2. The common commercial policy shall be based on uniform principles, particularly with regard to changes in tariff rates, the conclusion of tariff and trade agreements relating to trade in goods and services, and the commercial aspects of intellectual property, foreign direct investment, the achievement of uniformity in measures of liberalisation, export policy and measures to protect trade such as those to be taken in the event of dumping or subsidies. The common commercial policy shall be conducted in the context of the principles and objectives of the Union's external action.
3. The European Assembly and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall adopt the measures defining the framework for implementing the common commercial policy.
4. Where agreements with one or more third countries or international organisations need to be negotiated and concluded, the President shall make recommendations to the Council, which shall authorise it to open the necessary negotiations. The Council and the President shall be responsible for ensuring that the agreements negotiated are compatible with internal Union policies and rules. The President shall conduct these negotiations in consultation

- with a special committee appointed by the Council to assist the President in this task and within the framework of such directives as the Council may issue to it. The President shall report regularly to the special committee and to the European Parliament on the progress of negotiations.
5. For the negotiation and conclusion of agreements in the fields of trade in services and the commercial aspects of intellectual property, as well as foreign direct investment, the Council's consent is obligatory. The Council's consent shall also be a condition for the negotiation and conclusion of agreements:
 - (a) in the field of trade in cultural and audiovisual services, where these agreements risk prejudicing the Union's cultural and linguistic diversity;
 - (b) in the field of trade in social, education and health services, where these agreements risk seriously disturbing the national organisation of such services and prejudicing the responsibility of Member States to deliver them.
 6. The negotiation and conclusion of international agreements in the field of transport shall be subject to respective provisions of this Treaty.
 7. The exercise of the competences conferred by the above provisions in the field of the common commercial policy shall not affect the delimitation of competences between the Union and the Member States, and shall not lead to harmonisation of legislative or regulatory provisions of the Member States in so far as the Treaty excludes such harmonisation.

Article 158

1. Exerting its exclusive competence in the area of competition rules for the functioning of the internal market, the Union shall prohibit as incompatible with the internal market: all agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the internal market, and in particular those which:
 - (a) directly or indirectly fix purchase or selling prices or any other trading conditions;
 - (b) limit or control production, markets, technical development, or investment;
 - (c) share markets or sources of supply;
 - (d) apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;
 - (e) make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.
2. Any agreements or decisions prohibited pursuant to this provision shall be automatically void. Same provisions may, however, be declared inapplicable in certain cases regulated by the Parliament.

Article 159

1. Exerting its exclusive competence in the area of competition rules for the functioning of the internal market, any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it shall be prohibited as incompatible with the internal market in so far as it may affect trade between Member States.
2. Such abuse may, in particular, consist in:
 - (a) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
 - (b) limiting production, markets or technical development to the prejudice of consumers;

- (c) applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;
 - (d) making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.
3. In the case of public undertakings and undertakings to which Member States grant special or exclusive rights, Member States shall neither enact nor maintain in force any measure contrary to the above competition rules.
 4. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to the rules on competition, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them. The development of trade must not be affected to such an extent as would be contrary to the interests of the Union.
 5. Save as otherwise provided in the Treaties, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market.
 6. Certain categories of aid shall be compatible with the internal market, if recognised as such by the competent body of the Union.
 7. No Member State shall impose, directly or indirectly, on the products of other Member States any internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products.
 8. Furthermore, no Member State shall impose on the products of other Member States any internal taxation of such a nature as to afford indirect protection to other products.
 9. Where products are exported to the territory of any Member State, any repayment of internal taxation shall not exceed the internal taxation imposed on them whether directly or indirectly.

Article 160

1. Exerting its exclusive competence and in order to ensure the proper functioning of economic and monetary union, the Council shall adopt measures specific to those Member States whose currency is the euro:
 - (a) to strengthen the coordination and surveillance of their budgetary discipline;
 - (b) to set out economic policy guidelines for them, while ensuring that they are compatible with those adopted for the whole of the Union and are kept under surveillance.
2. For the above measures only members of the Council representing Member States whose currency is the euro shall take part in the vote.
3. In order to secure the euro's place in the international monetary system, the Council, on a proposal from the President, shall adopt a decision establishing common positions on matters of particular interest for economic and monetary union within the competent international financial institutions and conferences. The Council shall act after consulting the European Central Bank.
4. The Council, on a proposal from the President, may adopt appropriate measures to ensure unified representation within the international financial institutions and conferences. The Council shall act after consulting the European Central Bank.
5. For the measures referred to in the above, only members of the Council representing Member States whose currency is the euro shall take part in the vote.

Shared competencies in the areas of environment, internal market and consumer protection, transport, energy and public health

Article 161

1. Exerting its shared competence in the area of environment, the Union shall contribute to:
 - (a) prudent and rational utilisation of natural resources,
 - (b) preserving, protecting and improving the quality of the environment,
 - (c) protecting human health,
 - (d) promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change.
2. Union policy on the environment shall aim at a high level of protection taking into account the diversity of situations in the various regions of the Union. It shall be based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay.
3. In this context, harmonisation measures answering environmental protection requirements shall include, where appropriate, a safeguard clause allowing Member States to take provisional measures, for non-economic environmental reasons, subject to a procedure of inspection by the Union.
4. The European Parliament, acting in accordance with the ordinary legislative procedure shall decide what action is to be taken by the Union in order to achieve these objectives.

Article 162

1. Exerting its shared competence, the Union shall adopt measures with the aim of establishing or ensuring the functioning of the internal market.
2. The internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital.

Article 163

1. Exerting its shared competence in the area of internal market, the Union shall secure free movement of persons, services and capital within the Union.
2. Freedom of movement for workers shall be secured within the Union. It shall entail the right, subject to limitations justified on grounds of public policy, public security or public health:
 - (a) to accept offers of employment actually made;
 - (b) to move freely within the territory of Member States for this purpose;
 - (c) to stay in a Member State for the purpose of employment in accordance with the provisions governing the employment of nationals of that State laid down by law, regulation or administrative action;
 - (d) to remain in the territory of a Member State after having been employed in that State, subject to conditions which shall be embodied in regulations to be drawn up by the Commission.
3. These provisions shall not apply to employment in the public service.

Article 164

1. Exerting its shared competence in the area of internal market, the Union shall secure right of establishment.

2. Restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be prohibited. Such prohibition shall also apply to restrictions on the setting-up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.
3. Freedom of establishment shall include the right to take up and pursue activities as self-employed persons and to set up and manage undertakings, in particular companies or firms under the conditions laid down for its own nationals by the law of the country where such establishment is effected, subject to the provisions relating to capital.
4. In order to attain freedom of establishment as regards a particular activity, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee, shall act by means of directives.
5. These provisions shall not apply, so far as any given Member State is concerned, to activities which in that State are connected, even occasionally, with the exercise of official authority.
6. In order to make it easier for persons to take up and pursue activities as self-employed persons, the European Parliament shall, acting in accordance with the ordinary legislative procedure, issue directives for the mutual recognition of diplomas, certificates and other evidence of formal qualifications and for the coordination of the provisions laid down by law, regulation or administrative action in Member States concerning the taking-up and pursuit of activities as self-employed persons.
7. Companies or firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Union shall be treated in the same way as natural persons who are nationals of Member States. 'Companies or firms' means companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.
8. Member States shall accord nationals of the other Member States the same treatment as their own nationals as regards participation in the capital of companies or firms.

Article 165

1. Exerting its shared competence in the area of internal market, the Union shall secure freedom to provide services.
2. Restrictions on freedom to provide services within the Union shall be prohibited in respect of nationals of Member States who are established in a Member State other than that of the person for whom the services are intended.
3. Such rights may be extended to nationals of a third country who provide services and who are established within the Union.
4. Services shall be considered to be 'services' within the meaning of the Treaty where they are normally provided for remuneration, in so far as they are not governed by the provisions relating to freedom of movement for goods, capital and persons. Services shall in particular include activities of an industrial and a commercial character, and of craftsmen and of the professions.
5. Without prejudice to the provisions relating to the right of establishment, the person providing a service may, in order to do so, temporarily pursue his activity in the Member State where the service is provided, under the same conditions as are imposed by that State on its own nationals.
6. The European Parliament may act in order to achieve the liberalisation of a specific service. Priority shall as a general rule be given to those services which directly affect production costs or the liberalisation of which helps to promote trade in goods.

7. The Member States shall endeavour to undertake the liberalisation of services beyond the extent required by the Union, if their general economic situation and the situation of the economic sector concerned so permit. To this end, the President shall make recommendations to the Member States concerned.
8. As long as restrictions on freedom to provide services have not been abolished, each Member State shall apply such restrictions without distinction on grounds of nationality or residence to all persons providing services.

Article 166

1. Exerting its shared competence in the area of internal market, the Union shall secure freedom of movement of capital and payments.
2. All restrictions on the movement of capital between Member States and between Member States and third countries shall be prohibited.
3. All restrictions on payments between Member States and between Member States and third countries shall be prohibited.
4. Whilst endeavouring to achieve the objective of free movement of capital between Member States and third countries to the greatest extent possible, the European Parliament, acting in accordance with the ordinary legislative procedure, shall adopt the measures on the movement of capital to or from third countries involving direct investment – including investment in real estate – establishment, the provision of financial services or the admission of securities to capital markets.
5. The provisions on freedom of movement of capital and payments shall be without prejudice to rights of Member States to impose certain restrictions compatible with the Treaty or regulated by the Parliament.

Article 167

1. Exerting its shared competence in the area of internal market, the European Parliament shall, acting in accordance with the ordinary legislative procedure, adopt the measures for the approximation of the provisions laid down by law, regulation or administrative action in Member States which have as their object the establishment and functioning of the internal market.
2. In the context of the establishment and functioning of the internal market, the European Parliament, acting in accordance with the ordinary legislative procedure, shall establish measures to provide uniform protection of intellectual property rights throughout the Union and for the setting up of centralised Union-wide authorisation, coordination and supervision arrangements.

Article 168

1. Exerting its shared competence in the area of consumer protection, the Union shall contribute to protecting the health, safety and economic interests of consumers, as well as to promoting their right to information, education and to organise themselves in order to safeguard their interests.
2. The Union shall contribute to the attainment of the objectives referred to in paragraph 1 through:
 - (a) measures adopted in the context of the completion of the internal market;
 - (b) measures which support, supplement and monitor the policy pursued by the Member States.
3. The European Parliament, acting in accordance with the ordinary legislative procedure shall adopt the appropriate measures.
4. Such measures adopted shall not prevent any Member State from maintaining or introducing more stringent protective measures.

Article 169

1. Exerting its shared competence in the area of transport, the Union shall lay down rules applicable to international transport to or from the territory of a Member State or passing across the territory of one or more Member States and the conditions under which non-resident carriers may operate transport services within a Member State.
2. The imposition by a Member State, in respect of transport operations carried out within the Union, of rates and conditions involving any element of support or protection in the interest of one or more particular undertakings or industries shall be prohibited, unless authorised by the President.
3. Charges or dues in respect of the crossing of frontiers which are charged by a carrier in addition to the transport rates shall not exceed a reasonable level after taking the costs actually incurred thereby into account.
4. These provisions shall apply to transport by rail, road and inland waterway and may apply for sea and air transport.

Article 170

1. Exerting its shared competence in the area of trans-European networks in order to enable citizens of the Union, economic operators and regional and local communities to derive full benefit from the setting-up of an area without internal frontiers, the Union shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.
2. Within the framework of a system of open and competitive markets, action by the Union shall aim at promoting the interconnection and interoperability of national networks as well as access to such networks. It shall take account in particular of the need to link island, landlocked and peripheral regions with the central regions of the Union.
3. In order to achieve these objectives the Union:
 - (a) shall establish a series of guidelines covering the objectives, priorities and broad lines of measures envisaged in the sphere of trans-European networks; these guidelines shall identify projects of common interest,
 - (b) shall implement any measures that may prove necessary to ensure the interoperability of the networks, in particular in the field of technical standardisation,
 - (c) may support projects of common interest supported by Member States, particularly through feasibility studies, loan guarantees or interest-rate subsidies.

Article 171

1. Exerting its shared competence in the area of energy and in the context of the establishment and functioning of the internal market, with regard for the need to preserve and improve the environment, Union policy on energy shall:
 - (a) ensure the functioning of the energy market;
 - (b) ensure security of energy supply in the Union;
 - (c) promote energy efficiency and energy saving and the development of new and renewable forms of energy; and
 - (d) promote the interconnection of energy networks.
2. The European Parliament, acting in accordance with the ordinary legislative procedure, shall establish the measures necessary to achieve these objectives. Such measures shall not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply.

Article 172

1. Exerting Union's shared competence in the area of safety concerns in public health, the European Parliament, acting in accordance with the ordinary legislative procedure, shall adopt in order to meet common safety concerns:
 - (a) measures setting high standards of quality and safety of organs and substances of human origin, blood and blood derivatives; these measures shall not prevent any Member State from maintaining or introducing more stringent protective measures;
 - (b) measures in the veterinary and phytosanitary fields which have as their direct objective the protection of public health;
 - (c) measures setting high standards of quality and safety for medicinal products and devices for medical use.
2. The European Parliament, acting in accordance with the ordinary legislative procedure, may also adopt incentive measures designed to protect and improve human health and in particular to combat the major cross-border health scourges, measures concerning monitoring, early warning of and combating serious cross-border threats to health, and measures which have as their direct objective the protection of public health regarding tobacco and the abuse of alcohol, excluding any harmonisation of the laws and regulations of the Member States.

Shared competencies in the areas of foreign affairs, security and defence

Article 173

The areas of external border control, security, defence and foreign affairs are interdependent; they all pertain to the Union's external action. They call for coordinated and consistent treatment, given that they secure subjectivity of the Union in the world order based upon international law, and thereby also secure Union's constitutional territory, effective governance and citizenship rights of its population.

Article 174

1. Only external border control is recognized by this Treaty as exclusive competence of the federal level of the transnational Union, given that viability of Union's inner area of freedom, justice and security depends upon efficient legal controls of its international borders.
2. Competencies in the areas of foreign affairs, security and defence are in the service of territorial identity and inner liberty of the Union. These competencies are shared between the Union and Member States. They are ensured also by the Member States themselves in order to protect their own constitutional and strategic goals in foreign, security and defense matters.

Article 175

1. The Union's external action in the areas of external border control, foreign affairs, security and defense shall be guided by principles which have inspired Union's own creation and development in unison with principles of the United Nations and international law.
2. The Union shall define and pursue common policies and actions in all the above fields in order to: safeguard its own values, fundamental interests, security, independence and integrity; pre-

serve peace, prevent conflicts and strengthen international security, including aims relating to external borders; encourage progressive abolition of restrictions on international trade; help to preserve and improve the quality of the environment and the sustainable management of global natural resources; assist populations, countries and regions confronting natural or man-made disasters; and promote an international system based on good global governance.

Article 176

1. The Union may conclude agreements with one or more States or international organisations in areas of its external action. Agreements concluded by the Union are binding upon the institutions of the Union.
2. The Union may conclude with one or more third countries or international organisations agreements establishing an association involving reciprocal rights and obligations, common action and special procedure.
3. The Council shall authorise the opening of negotiations and adopt negotiating directives. The President shall negotiate and conclude agreements and submit them for ratification to the Parliament.
4. A Member State, the European Parliament or the President may obtain the opinion of the Court of Justice as to whether an agreement envisaged is compatible with the Treaties. Where the opinion of the Court is adverse, the agreement envisaged may not enter into force unless it is amended or the Treaties are revised.

Article 177

1. The Union shall pursue the set values and aims of its external action by entrusting its legislative and executive powers to identify the strategic interests and objectives of the Union and to bring them into effect by the respective legal acts of the President and the Parliament.
2. In this respect both Chambers separately and the Parliament by coordinated action of its Chambers shall take legislative action. General guidelines, actions, positions and arrangements for the implementation of decisions will also be taken. In matters of external action of the Union Council shall act by qualified majority.
3. If international developments so require, the President of the Council shall convene an extraordinary meeting of the Council in order to define the strategic lines of the Union's policy in the face of such developments.

Article 178

1. The President shall represent the Union in matters of its external action. He shall take executive action assisted by the Cabinet, particularly by the High Representatives in the fields of foreign affairs, security and defense. He shall express the Union's position in the dialogue with third parties, in international organisations and at international conferences.
2. The President shall regularly consult the European Parliament on the main aspects and the basic choices of the common foreign, security and defense policy and inform it of how those policies evolve.
3. The President and High Representatives shall be supported by administrative agencies at their disposal for enforcing the law.

Article 179

1. Administrative and operative expenditure of the agencies competent to enforce law in the area of Union's external action shall be charged to the Union budget, including foreign and security affairs, military, defense and intelligence operations.

2. The Parliament shall adopt a decision establishing the specific procedures for guaranteeing rapid access to appropriations in the Union budget for urgent financing of operations in the framework of the common external action.

Article 180

1. The Council for Security, Defense and Foreign Affairs ("The Security Council") shall be established by the decision of the European Parliament with the mandate to take executive action in the absence of Parliament's decision when the international situation requires operational action by the Union, in cases requiring a rapid decision, and in cases of imperative need arising from changes in the international situation.
2. It shall exercise, under the responsibility of the Parliament, the political control and strategic direction of the crisis management operations.
3. The Security Council shall, after taking an executive decision in the case, immediately refer the issue for legal action by the Parliament.
4. The Security Council shall be composed of the President, assisted by the High Representatives in the fields of foreign affairs, security and defense, the President of the Assembly and the President of the Council.

Article 181

1. The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilise all the instruments at its disposal, including the military resources, to prevent the terrorist threat or attack in the territory of the Member States. It shall assist a Member State in the event of a terrorist attack or of a natural or man-made disaster.
2. The arrangements for the implementation by the Union of the solidarity clause shall be defined by a decision adopted by the Parliament acting on a proposal by the President.
3. The President and the Parliament shall be assisted by the Security Council with the support of the structures developed in the context of the common security and defence policy. The Security Council shall regularly assess the threats facing the Union in order to enable the Union and its Member States to take effective action.

Article 182

1. The common European Intelligence Agency shall be established by the decision of the European Parliament in order to provide for intelligence services needed to support external action of the Union in the areas of external border control, foreign affairs, security and defense. The common European Intelligence Agency Service shall also be entrusted with gathering intelligence needed to combat particularly serious crime with a cross-border dimension such as, *inter alia*, organised crime and terrorist attacks are.
2. European Intelligence Agency will report directly to the President and to the High Representatives for foreign affairs and for security and defense.
3. It shall also report and be regularly supervised by the Council for Security, Defense and Foreign Affairs.

Article 183

1. Exerting its shared competence in protection of the Union's area of foreign affairs, the Parliament shall make decisions on strategic interest and objectives of the Union related to common foreign policy. Such decisions may concern the relations of the Union with a specific country or region or may be thematic in approach. They shall define their duration, and the means to be made available by the Union and the Member States.

2. The adoption of legislative acts shall also be considered. In particular, the Parliament shall establish the European External Action Service in order to fulfill the mandate in the field of common foreign policy by diplomatic and consular missions of the Union delegations in third countries and international conferences, and their representations to international organisations.
3. Union delegations in third countries and at international organisations shall represent the Union. They shall be placed under the authority of the High Representative of the Union for Foreign Affairs.
4. The common foreign policy shall be put into effect by the President, assisted by the High Representative of the Union for Foreign Affairs and by Member States. The High Representative shall direct and be supported by the common European External Action Service,

Article 184

1. Exerting its shared competence in protection of the Union's area of security and defense, the Parliament shall make decisions on strategic interest and objectives of the Union related to common security and defense policy. Such decisions may concern the relations of the Union with a specific country or region or may be thematic in approach. They shall define their duration, and the means to be made available by the Union and the Member States.
2. The adoption of legislative acts shall also be considered. In particular, the Parliament shall establish the European Defense Agency and the common European Defense Forces composed of the European Army, European Navy and the European Air Force.
3. The common security and defense policy shall be put into effect by the President, assisted by the High Representative of the Union for Security and Defense and by Member States. The High Representative shall direct and be supported by the European Defense Agency and common European Defense Forces.

Article 185

1. The tasks in the course of which the Union may use military means, shall include joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilisation. All these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories.
2. Operational capacities shall be employed for peace-keeping, conflict prevention and strengthening international security.
3. The European Defence Agency shall undertake improvement of military capabilities of the Union and of its Member States, to be developed, inter alia, be developed by research, acquisition and armaments in view of operational requirements. The Agency shall implement measures shall needed to strengthen the industrial and technological base of the defence sector, Union capabilities in armaments, and its military capabilities.

Article 186

1. If the Union or a Member State is the victim of armed aggression on its territory, European Union defense forces and those of the other Member States shall be engaged by all the means in their power.
2. Defense commitments and cooperation shall be consistent with commitments under the North Atlantic Treaty Organisation, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation.

Article 187

The provisions of the Treaty shall not preclude the application of the following rules:

- (a) no Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security;
- (b) any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the internal market regarding products which are not intended for specifically military purposes.

Article 188

1. The Member States shall support the Union's external policy actively and unreservedly in a spirit of loyalty and mutual solidarity and shall comply with the Union's action in this area. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations.
2. European External Action Service, shall work in cooperation with the diplomatic services of the Member States.
3. European Defense forces shall work in cooperation with defense forces of the Member States. Such cooperation shall not prejudice the specific character of the security and defence policy of Member States.
4. European Intelligence Agency will work in cooperation with intelligence services of the Member States.
5. Member States shall coordinate their action in international organisations and at international conferences
6. Any Member State may refer any question relating to the common foreign, security and defense policy or action to the Parliament or to the President and may submit, respectively, initiatives and proposals.

Article 189

A separate Protocol shall establish Association of the Overseas Countries and Territories. The purpose of Association shall be to promote the economic and social development of the countries and territories which have special relations to Member States and to establish close economic relations between them and the Union as a whole.

VII.

GENERAL AND FINAL PROVISIONS

General provisions on legal personality of the Union

Article 190

The Union shall have legal personality.

Article 191

In each of the Member States, the Union shall enjoy the most extensive legal capacity accorded to legal persons under their laws; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings. To this end, the Union shall be represented by the President. However, the Union shall be represented by each of the institutions, by virtue of their administrative autonomy, in matters relating to their respective operation.

Article 192

1. The contractual liability of the Union shall be governed by the law applicable to the contract in question.
2. In the case of non-contractual liability, the Union shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its institutions or by its servants in the performance of their duties.

Article 193

The seat of the institutions of the Union shall be determined by the common accord of the Member States.

Article 194

The rules governing the languages of the institutions of the Union shall, without prejudice to the provisions contained in the Statute of the Court of Justice of the European Union, be determined by the European Parliament, acting unanimously by means of regulations.

Article 195

The Union shall enjoy in the territories of the Member States such privileges and immunities as are necessary for the performance of its tasks, under the conditions laid down in the Protocol on the privileges and immunities of the European Union. The same shall apply to the European Central Bank and the European Investment Bank.

Article 196

Member States undertake not to submit a dispute concerning the interpretation or application of the Treaty to any method of settlement other than those provided for therein.

Article 197

The Treaty shall in no way prejudice the rules in Member States governing the system of property ownership.

Article 198

1. The rights and obligations arising from agreements concluded before 1 January 1958 or, for acceding States, before the date of their accession, between one or more Member States on the one hand, and one or more third countries on the other, shall not be affected by the provisions of this Treaty.
2. To the extent that such agreements are not compatible with the Treaty, the Member State or States concerned shall take all appropriate steps to eliminate the incompatibilities established. Member States shall, where necessary, assist each other to this end and shall, where appropriate, adopt a common attitude.
3. In applying the agreements referred to in the first paragraph, Member States shall take into account the fact that the advantages accorded under the Treaty by each Member State form an integral part of the establishment of the Union and are thereby inseparably linked with the creation of common institutions, the conferring of powers upon them and the granting of the same advantages by all the other Member States.

Article 199

If action by the Union should prove necessary, within the framework of the policies defined in the Treaty, to attain one of the objectives set out in the Treaty, and the Treaty has not provided the necessary powers, the Parliament, acting by a qualified majority on a proposal from the President, shall adopt the appropriate measures.

Membership and withdrawal from the European Union**Article 200**

1. Any European State which respects the values stated in this Treaty and is committed to promoting them may apply to become a member of the Union. The European Parliament and national Parliaments shall be notified of this application. The applicant State shall address its application to the European Parliament.

2. After receiving the consent of the European Parliament, which shall act by a majority of its component members, the conditions of eligibility agreed upon by the European Parliament shall be taken into account.
3. The conditions of admission and the adjustments to the Treaty on which the Union is founded, which such admission entails, shall be the subject of an agreement between the Union and the applicant State. The European Parliament shall in this matter act on behalf of the Union by a qualified majority of two thirds of its Assembly and Council members.
4. The agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements.

Article 201

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.
2. A Member State which decides to withdraw shall notify the Union of its intention. The European Parliament acting in this matter on behalf of the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated and shall be concluded on behalf of the Union by the European Parliament, acting by a qualified majority.
3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification, unless the European Parliament, in agreement with the Member State concerned, unanimously decides to extend this period.
4. The members of the European Parliament representing the withdrawing Member State shall not participate in the discussions on the State's withdrawal.

Revision and amendment of the Treaty**Article 202**

1. The Treaty may be amended or revised in accordance with an ordinary revision procedure. It may also be amended in accordance with simplified revision procedures.
2. The Government of any Member State, the European Parliament or the President may submit to the European Parliament proposals for the amendment or revision of the Treaty. These proposals may, inter alia, serve either to increase or to reduce the competences conferred on the Union in the Treaty. The national Parliaments shall be notified.
3. If the European Parliament, after consulting the President, adopts by a simple majority a decision in favour of examining the proposed amendments or revisions, the President of the Parliament shall convene the Constitutional Convention composed of representatives of the Assembly and the Council acting by a qualified majority. The Constitutional Convention shall examine the proposals. They shall be determined by the qualified majority of two thirds of its Assembly and Council members.
4. The amendments or revisions shall enter into force after being ratified by all the Member States in accordance with their respective constitutional requirements.

5. If, two years after the signature of a Treaty amending or revising the Treaty, four fifths of the Member States have ratified it and one or more Member States have encountered difficulties in proceeding with ratification, the matter shall be referred to the Constitutional Convention.

Final provisions

Article 203

1. This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The Instruments of ratification shall be deposited with the Government of the Italian Republic.
2. This Treaty shall enter into force on the first day of the month following the deposit of the Instrument of ratification by the last signatory State to take this step.

Article 204

This Treaty is concluded for an unlimited period.

Article 205

1. This Treaty, drawn up in a single original in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, the texts in each of these languages being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which will transmit a certified copy to each of the governments of the other signatory States.
2. This Treaty may also be translated into any other languages as determined by Member States among those which, in accordance with their constitutional order, enjoy official status in all or part of their territory. A certified copy of such translations shall be provided by the Member States concerned to be deposited in the archives of the Parliament.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Treaty.

Done at ... this ... day of ... in the year two thousand ...

(List of signatories not reproduced)

APPENDIX 1

THE NEW DRAFT CONSTITUTIONAL PROCESS: NOTES ON THE HISTORIC MOMENT

1. History of European civilization: three hundred years of war and order
2. History of the European Union: sixty years of crises and progress
3. Greece-induced monetary and fiscal crisis
4. UK demands for less central regulation and bureaucracy
5. The terrorist challenge to citizens' security and way of life
6. The tide of illegal immigration across external and internal borders
7. Lack of power and instruments of power in security, intelligence, defense, and foreign affairs
8. The problem of good governance: democratic legitimacy of key decision-makers and accountability of the central administration
9. The undefined constitutional status of the Union as a federal state
10. The Versailles trap of reliance upon soft power and lack of a geopolitical strategy in view of regionalization of the world order
11. The new constitutional process in view of the 2015/16 accumulation of crises

APPENDIX 2

THE PRESENT AND THE NEW DRAFT TREATY FOR THE CONSTITUTION OF THE EUROPEAN UNION: ISSUES FOR DISCUSSION

1. Quantity of articles and pages:

	texts	pages	articles
Both treaties combined	2		
without protocols and declarations		248	467
with protocols and declarations		430	
Treaty on the European Union	1	40	50
Treaty on the Functioning of the EU	1		
without protocols and declarations		191	358
with protocols and declarations		373	
Charter of Fundamental Rights	1	17	54
New draft treaty	1	78	205

- Deleting, rephrasing, or editing provisions in which the legal meaning is unclear or lacks precision, the content seems programmatic, political, or ideological, or they are *lex imperfecta* due to a lack of provisions for implementation. Examples include the preambles to both current treaties, parts of the Charter of Fundamental Rights, provisions on coordinating and complementary powers, and parts of these powers on various Union policies.
- Deleting, rephrasing, or editing provisions that are too detailed, specific, and technical and therefore do not fit within a constitutional text, but rather in separate protocols; and other legal acts laid down to specify general provisions of the constitutional text.
- Merging the three instruments—the Treaty on the European Union, the Treaty on the Functioning of the EU, and the Charter of Fundamental Rights—into one unified treaty. This would prevent repetition of parallel provisions on identical or similar constitutional issues in two or three instruments. The Charter of Human Rights would be firmly integrated into the main text of the Constitution and the consolidated text would allow for a non-repetitive, uniformly structured, and more transparent text.
- Further elaboration of concrete constitutional legal instances is deferred to separate protocols, regulations, statutes, and so on, none of which are considered part of the Constitution itself, but rather constituent parts of the broader legal system of the Union.
- In consequence, the legal architecture of the Constitution comprises a radically shorter text, its structure is made transparent, and its table of contents is comprehensible to common EU citizens rather than mainly to Union staff, analytical services and experts, the academic world, and politicians.
- Materia constitutionis* is reduced to exclusive and shared powers only, whereby a number of policy areas pertaining to coordinating and complementary powers are omitted. The Union's regulatory authority is reduced, allowing for more voluntary exchange among participants in business and civil society.

- However, a new area of exclusive power is added: that of the control of external borders of the Union's internal area of freedom and security. Powers in foreign affairs, security, and defense are elevated to the level of explicit shared powers in which the Union exerts sovereign rights conferred at its federal level by the member states.
- The constitutional principle of separation, division, and balance of the three powers—legislative, executive, and judicial—is vigorously introduced into the Union's structure of governance. Union powers in finance are summarized in a separate section of the constitution that regulates the Union's budget and banking system. Powers of the legislative and executive branches related to finance and banking are determined.
- The structure and powers of legislative institutions are reduced to a bicameral parliament, which takes over the duties of the current European Council, the Council of the European Union, and the European Parliament.
- Functions of the current European Commission are transferred to the executive branch, represented by the monocratic body of the president, to be elected by direct vote of EU citizens or, alternatively, by member state parliaments. Thus the powers of the barely effective commission, composed of twenty-eight members representing each member state, are conferred on the president following the US example.
- Constitutional provisions on the Union's court system are largely left intact. Some improvements are also foreseen, however, giving the present Court of Justice the explicit character of the Union's Supreme Court and Constitutional Court.

THE NEW DRAFT TREATY FOR THE CONSTITUTION OF THE EUROPEAN UNION

Publisher: Institute of Human Rights, Ltd.

Text copyright ©: Peter Jambrek, 2016

Design: Sonja Eržen

Place and year of publication: Ljubljana, 2016

Printing House: Tiskarna Medium d.o.o.

Number of copies: 100 copies



**EUROPEAN FACULTY OF LAW
INSTITUTE OF HUMAN RIGHTS**