



Brussels
HOME.E.1/SH

**NOTE FOR THE ATTENTION OF THE MEMBERS OF THE COMMITTEE FOR THE HOME
AFFAIRS FUNDS**

Ref.: HOME-Funds/2025/18

**Subject: Clearing of 2021 pre-financings for Home Affairs Funds programmes
for the period 2021-2027**

Dear Members of the Committee for the Home Affairs Funds,

As already announced in the Background note on key financial management aspects ⁽¹⁾, in 2025, the Commission will start the clearing of pre-financings concerning the 2021-2027 programmes supported by the AMIF, the BMVI and the ISF.

In this context, according to the Fund-specific Regulations ⁽²⁾ and the Regulation (EU) 2021/1060 ('Common Provisions Regulation' – CPR), it is worthwhile recalling that the pre-financings are paid to the Member States in yearly instalments in the years 2021 to 2026 ⁽³⁾. They are based on the total support from the Funds set out in the decision approving the programme ⁽⁴⁾ and aim at providing liquidity to Member States throughout the programming period. The pre-financings are paid by the Commission before 1 July each year ⁽⁵⁾.

⁽¹⁾ Note to the Home Affairs Funds Committee of 30 November 2022 (ref. [HOME-Funds/2022/69](#); Ares(2022)8286088).

⁽²⁾ Regulation (EU) 2021/1147 ('AMIF Regulation'), Regulation (EU) 2021/1148 ('BMVI Regulation'), and Regulation (EU) 2021/1149 ('ISF Regulation').

⁽³⁾ Article 14 of the AMIF Regulation, Article 11 of the BMVI Regulation, Article 11 of the ISF Regulation.

⁽⁴⁾ Article 90 CPR. In addition, as a general principle, in case of additional allocations to the programmes, the pre-financings are based on the latest decision modifying the approved programme of the concerned Member State.

⁽⁵⁾ Article 90(2) CPR. In addition, for all programmes initially adopted after 1 July 2021, the earlier instalments were paid in the year of adoption.

The processing of payment application(s) submitted by Member States in a given accounting year is decoupled from the clearance of pre-financings, i.e. no clearing of pre-financing takes place when interim payments are executed by the Commission.

As a general rule, the clearing of pre-financing will be done **in the context of the calculation of the annual balance** following the review of the ‘assurance package’ ⁽⁶⁾, including the accounts. The amounts paid as pre-financings are to be cleared from the Commission accounts no later than with the final accounting year ⁽⁷⁾.

The **first clearing exercise in 2025** will be carried out in the framework of the acceptance of the accounts for the accounting year that run from 1 July 2023 to 30 June 2024. It will concern the clearing of the pre-financings paid to the Member States for 2021. The approach will be as follows:

Following the submission of the accounts by the Member States, the Commission will satisfy itself that the accounts are complete, accurate and true by 31 May 2025 unless a contradictory procedure with the Member States will take place as per Article 102 CPR.

After that, the Commission will determine the amounts chargeable to the AMIF, the BMVI and the ISF by taking into consideration the amounts in the accounts and the interim payments (i.e. annual balance). Subsequently, for each programme, the Commission will consider the amount of the 2021 pre-financing that needs to be cleared. In particular:

- Where the calculation of the annual balance results in a **positive amount**, the amount due – which will in any case not exceed the total amount of the 5% retention that has remained open after processing of the interim payment(s), in line with Article 93(2) CPR – will be used to clear the 2021 pre-financing. If after the clearing, an amount from the 2021 pre-financing remains uncleared, the Commission will recover it and will therefore, issue a debit note to the Member State concerned.
- Where the calculation of the annual balance results in a **negative amount**, a recovery of the balance will take place, and the Commission will issue a debit note to the Member State concerned. Considering that a clearing of the 2021 pre-financing with the annual balance will not be possible, the full amount of that pre-financing will be recovered as well.

In 2025, it is expected that the calculation of the annual balances and subsequent clearing of the 2021 pre-financings, will result in negative amounts chargeable to the Fund that will require the execution of recoveries. Therefore, the Commission intends to apply a simplified approach avoiding double transactions towards the Member States. In relation to this:

⁽⁶⁾ For each accounting year, for which payment applications have been submitted, Member States submit by 15 February ‘the assurance package’ containing the accounts, management declaration, annual audit opinion, annual control report. The Commission shall satisfy itself that the accounts are complete, accurate and true by 31 May of the year following the end of the accounting year unless a contradictory procedure applies (*cf. Articles 98-99 CPR*).

⁽⁷⁾ Article 90(5) CPR. In addition, accounting year means the period from 1 July to 30 June of the following year, except for the first accounting year of the programming period (the final accounting year ends 30 June 2030) in line with Article 2(29) CPR.

- The recoveries will be offset against the 2025 pre-financing that should be paid by 1 July 2025.
- If the amount of the 2025 pre-financing is not sufficient to fully offset the recoveries due, either the Member State concerned will have to pay back the outstanding amount to the Commission, or the Commission will offset the remaining amounts due against the subsequent interim payment(s) for the payment applications submitted for the programme concerned.

As a general rule, the payment of the 2025 pre-financing will be processed simultaneously to the issuance of the recoveries resulting from the examination and acceptance of accounts. As mentioned above, these recoveries will, therefore, be offset against the pre-financing payments as far as possible. This would result in one single net transfer to the Member States. To illustrate the approach, please see an example in Annex 1.

However, if you would prefer two separate transactions, **you are invited to communicate your position by 10 June 2025 via e-mail to the functional mailbox HOME-AFFAIRS-FUNDS-COMMITTEE@ec.europa.eu (please include in copy the desk officer of the concerned programme)**. In that case, the Commission would pay the full amount of 2025 pre-financing and send recovery order(s) (for the 2021 pre-financing and, where applicable, the negative amount of the balance) for the amounts to be reimbursed by the Member States. The payment delay of the recovery order(s) is the last working day of the calendar month following the calendar month when the recovery order was issued.

The above recoveries do not constitute a financial correction and do not reduce the support from the Funds to the programme. The amounts recovered constitute assigned revenue in accordance with Article 21(3) of the Financial Regulation.

These recoveries do not impact the financial allocations indicated in Tables 5 and 6 of the Member States' programmes and therefore, do not require related programmes' amendments. They also have no impact on N+3 decommitments.

Finally, it is worthwhile recalling that for accounting years where no payment applications have been submitted, there is no obligation to submit accounts⁽⁸⁾. Nevertheless, in the absence of accounts for the accounting year from 1 July 2024 to 30 June 2024, the 2021 pre-financing will still be cleared from the Commission accounts and therefore, such cases will result in recoveries.

Also, for cases where Member States submitted payment application(s) for the accounting year from 1 July 2023 to 30 June 2024 but subsequently submitted 'zero' accounts in the context of their assurance packages, the Commission will proceed with a calculation of the balance and clearing of the 2021 pre-financing; therefore, it is likely that such cases will also result in recoveries.

The Commission will make the respective payments and/or recoveries, as relevant. This will constitute the acceptance of accounts.

⁽⁸⁾ Article 98(1) CPR.

For information, the second clearing exercise will be in 2026. It will concern the 2022 pre-financings and will follow the same approach to be implemented in the framework of the acceptance of the accounts that will cover the accounting year running from 1 July 2024 to 30 June 2025 ⁽⁹⁾. The Member States will be informed in due time.

The programmes of the Schengen Associated Countries have not been approved by the Commission yet. Therefore, the start of the clearing of the pre-financings that will be paid to these countries will be communicated at a later stage.

Yours faithfully,

Silvia MICHELINI

Enclosure: Annex 1 – Offsetting of recoveries against amounts due to a Member State
in subsequent payments to the same programme (example)

c.c.: Permanent Representations – JHA Counsellors

⁽⁹⁾ The clearing exercise will continue in the following years until all amounts of pre-financings will be cleared from the Commission accounts.

Annex 1 – Offsetting of recoveries against amounts due to a Member State in subsequent payments to the same programme (example)

Accounting Year: From 1 July 2023 to 30 June 2024	
<i>Total amount of the Union contribution in the payment application(s) submitted to the Commission</i> (a)	100.000.000 EUR
<i>5% retention from the interim payments by the Commission</i> (b)	5.000.000 EUR
<i>Amount of the Union contribution accepted in the accounts submitted to the Commission by 15 February 2025</i> (c)	98.000.000 EUR
<i>Annual balance</i> (d) = (c)-((a)-(b))	3.000.000 EUR
<i>Amount of the 2021 pre-financing to be cleared</i> (e)	32.000.000 EUR
<i>Amount from the 2021 pre-financing that has been cleared with the balance of the accounts</i> (f) = (d)	3.000.000 EUR
<i>Amount from the 2021 pre-financing that remained uncleared and needs to be recovered</i> (g) = (e) - (f)	29.000.000 EUR
<i>2025 pre-financing to be paid</i> (h)	40.000.000 EUR
<i>2025 pre-financing payment after offsetting the recovery of the 2021 pre-financing payment*</i> (i) = (h)-(g)	11.000.000 EUR

<i>Example based on a Member State programme for which the EU contribution is:</i>	800.000.000 EUR
--	-----------------

** If the calculation results in a negative amount, either the Member State concerned will have to pay back this outstanding amount to the Commission, or the Commission will offset it against the subsequent interim payment(s) for the payment applications submitted under the programme concerned.*