

Law no. 151/2015 of 11 September 2015

(Budget Framework Law)

In accordance with Article 161(c) of the Constitution the Assembly of the Republic hereby decrees the following:

Article 1

Object

The present Law approves the Budget Framework Law.

Article 2

Approval

The Budget Framework Law, as attached in annexe to the present Law, of which it is an integral part, is hereby approved.

Article 3

Amendments to make legislation compatible with the Budget Framework Law

Within a time limit of one year after the present Law enters into force, amendments to the following legislative acts shall be passed or approved in such a way as to make them compatible with the Budget Framework Law approved by the present Law:

- a) Law no. 8/90 of 20 February 1990;
- b) Law no. 43/91 of 27 July 1991;
- c) Law no. 112/97 of 16 September 1997, as amended by Laws nos. 64/2012 of 20 December 2012 and 82-B/2014 of 31 December 2014;
- d) Law no. 98/97 of 26 August 1997, as amended by Laws nos. 87-B/98 of 31 December 1998, 1/2001 of 4 January 2001, 55-B/2004 of 30 December 2004, 48/2006 of 29 August 2006, 35/2007 of 13 August 2007, 3-B/2010 of 28 April 2010, 61/2011 of 7 December 2011, 2/2012 of 6 January 2012 and 20/2015 of 9 March 2015;
- e) Law no. 7/98 of 3 February 1998, as amended by Law no. 87-B/98 of 31 December 1998;
- f) Law no. 3/2004 of 15 January 2004, as amended by Law no. 51/2005 of 30 August 2005, Executive Laws nos. 200/2006 of 25 October 2006 and 105/2007 of 3 April 2007, Law no. 64A/2008 of 31 December 2008, Executive Law no. 40/2011 of 22 March 2011, Law no. 57/2011 of 28 November 2011 and Executive Laws nos. 5/2012 of 17 January 2012 and 123/2012 of 20 June 2012;

- g) Law no. 4/2004 of 15 January 2004, as amended by Law no. 51/2005 of 30 August 2005, Executive Laws nos. 200/2006 of 25 October 2006 and 105/2007 of 3 April 2007 and Laws nos. 64-A/2008 of 31 December 2008 and 64/2011 of 22 December 2011;
- h) Executive Law no. 18/2008 of 29 January 2008, as amended by Law no. 59/2008 of 11 September 2008, Executive Law no. 278/2009 of 2 October 2009, Law no. 3/2010 of 27 April 2010, Executive Law no. 131/2010 of 14 December 2010, Law no. 64-B/2011 of 30 December 2011 and Executive Law no. 149/2012 of 12 July 2012;
- i) Law no. 8/2012 of 21 February 2012, as amended by Laws nos. 20/2012 of 14 May 2012, 64/2012 of 20 December 2012, 66-B/2012 of 31 December 2012 and 22/2015 of 17 March 2015; and
- j) Law no. 28/2012 of 31 July 2012, as amended by Laws nos. 66-B/2012 of 31 December 2012, 51/2013 of 24 July 2013, 83-C/2013 of 31 December 2013, 75-A/2014 of 30 September 2014 and 82-B/2014 of 31 December 2014.

Article 4

Unit for the Implementation of the Budget Framework Law

- 1 – The Unit for the Implementation of the Budget Framework Law, hereinafter referred to as the “Unit”, is hereby created. The Unit shall be directed by the member of the Government with responsibility for the Finance area and its mission shall be to undertake the legal, technical, communicational, IT and control aspects of the implementation of the Budget Framework Law, in such a way as to ensure that public policies are more effective from a results-based perspective for the state and its departments, services and bodies.
- 2 – The Unit shall be made up of the Executive, Technical, and Project Management and Coordination Offices.
- 3 – The Executive Office shall have the competence to approve each project’s scope and objectives and the respective budget, supervise the project’s activities, and take the decisions needed to comply with the established timeframes.
- 4 – The Technical Office shall have the competence to plan, execute and evaluate the projects and legislative acts that are developed and implemented pursuant to the Budget Framework Law.
- 5 – The Project Management and Coordination Office shall have the competence to promote, coordinate and control the activities needed to concretely achieve each project’s objectives, with respect for the approved resources and timeframe.
- 6 – The Unit’s formation and operating rules shall be approved by Executive Law within a time limit of one hundred and eighty days after the present Law enters into force.
- 7 – The Unit shall operate for a period of three years, renewable for the same period of time.

Article 5

Regulation

1 – Within a time limit of six months counting from the date on which the present Law enters into force, the Government shall approve the Executive Law referred to in Article 45 of the Budget Framework Law, as approved and attached in annexe to the present Law.

2 – Within a time limit of one year counting from the date on which the present Law enters into force, the Government shall approve an Executive Law containing the specifications and guidelines regarding the concrete implementation of the budget programmes for all the departments, services and bodies of the central administration and social security subsectors.

3 – The budget programme model established in the Budget Framework Law, as approved and attached in annexe to the present Law, shall be adopted in the third budgetary year following that of the former's entry into force.

4 – In the year preceding the adoption of the budget programme model, the Government shall approve an Executive Law with a view to the regulation during those first years of force of its compatibilisation with both the current legislature and the overall and partial spending limits that result for that period from the Law governing the Major Options.

5 – The performance information system shall be introduced gradually, within a time limit of three years counting from the date on which the present Law enters into force, under terms to be defined by Executive Law.

6 – The Government shall approve the remaining regulations needed to execute the Budget Framework Law, as approved and attached in annexe to the present Law.

Article 6

Budget programme accounting base

The budget-programme managing entities provided for in Article 48 of the Budget Framework Law, as approved and attached in annexe to the present Law, shall have a time limit of three years following the former's entry into force in which to implement the accounting and other procedures that prove necessary to the presentation in the State Budget of financial statements involving an accrual perspective.

Article 7

Revocatory norm

1 – Law no. 91/2001 of 20 August 2001, as amended by Organic Law no. 2/2002 of 28 August 2002 and Laws nos. 23/2003 of 2 July 2003, 48/2004 of 24 August 2004, 48/2010 of 19 October 2010, 22/2011 of 20 May 2011, 52/2011 of 13 October 2011, 37/2013 of 14 June 2013 and 41/2014 of 10 July 2014, is hereby repealed.

2 – Without prejudice to the provisions of the previous paragraph, the norms that are set out in Law no. 91/2001 of 20 August 2001 and refer to the budgetary process, the content and

structure of the State Budget, budget execution, budget amendments, budgetary control and financial responsibility, significant divergences and the correction mechanism, accounts, budgetary stability, guarantees of budgetary stability, and final provisions, shall remain in force during the time limit referred to in paragraph (2) of the following Article.

Article 8

Entry into force and effect

- 1 – The present Law shall enter into force on the day following that of its publication.
- 2 – Without prejudice to the provisions of the previous paragraph, Articles 3 and 20 to 76 of the Budget Framework Law, as approved and attached in annexe to the present Law, shall have effect three years after the former enters into force.

Passed on 22 July 2015.

The President of the Assembly of the Republic, *Maria da Assunção A. Esteves*.

Enacted on 21 August 2015.

Let it be published.

The president of the Republic, ANÍBAL CAVACO SILVA.

Countersigned on 25 August 2015.

On behalf of the Prime Minister, *Paulo Sacadura Cabral Portas*, Deputy Prime Minister.

ANNEXE

(as referred to in Article 2)

Budget Framework Law

TITLE I

Object and scope

Article 1

Object

The present Law establishes:

- a) The budgetary principles and rules applicable to the public administrative sector;

- b) The budgetary process regime, the execution, accounting and budgetary and financial reporting rules and the rules governing budgetary and financial inspection, control and auditing with regard to the central administration and social security subsector perimeter.

Article 2

Institutional scope

1 – The public administrative sector encompasses all the departments, services and entities of the central, regional and local administration and social security subsectors that do not possess the nature and form of enterprises, foundations or public associations.

2 – Without prejudice to the principle of budgetary independence, the provisions of Title II and Articles 44 and 74 are applicable, *mutatis mutandis*, to the regional and local administration subsectors, and the respective financing laws shall be responsible for concretely determining the terms under which they apply.

3 – Within the public administrative sector, the social security sector means the solidarity and social security system constituted by the set of systems and subsystems defined in the respective Bases Law, the respective sources of funding and the bodies with responsibility for their management.

4 – The public administrative sector also includes entities which, regardless of their nature and form, have been included in each sector within the ambit of the European System of National and Regional Accounts, on the last list of entities comprising the public administrative sector disclosed by the thirtieth of June by the national statistical authority, and which shall be known as reclassified public entities.

5 – The regime governing the departments, services and entities of the central administration subsector shall be applicable to the reclassified public entities referred to in the previous paragraph, which may benefit from a simplified budget execution control regime to be defined by Executive Law.

6 – The entities provided for in Article 57(3) shall have special autonomy to manage their own revenues.

Article 3

Scope of budgets and accounts

1 – The central administration budget shall include the budgets of the public departments, services and entities and the State Accounting Entity, hereinafter referred to as the “ECE”.

2 – The ECE is hereby created for the purposes of the present Law, and shall encompass the set of accounting operations for which the state is responsible, particularly including the state’s general revenues, liabilities and assets.

3 – The competence to manage ECE pertains to the member of the Government with responsibility for the Finance area.

Article 4

Superior legal force

The provisions of the present Law prevail over all the norms that establish particular budgetary regimes which contradict it.

Article 5

Administrative and financial autonomy of public higher education institutions

1 – The provisions of the previous Article do not prejudice the special regime governing the administrative and financial autonomy of public higher education institutions and their organisational units, to which the specific legal norms that confer greater autonomy on public higher education institutions are applicable.

2 – The provisions of Article 57(4) and (5) are not applicable to public higher education institutions.

TITLE II

Budgetary policy, principles and rules and financial relations between public administrations

CHAPTER I

Budgetary policy

Article 6

Budgetary policy

1 – The fundamental legal framework for budgetary policy and financial management that is given concrete form in the present Law results from the Constitution of the Portuguese Republic and the provisions of the Treaty on the Functioning of the European Union, the provisions of the Stability and Growth Pact on matters regarding budget deficits and public debt, and also the provisions of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.

2 – The budgetary policy must be defined for a medium-term horizon, reconciling the Government's policies with the conditioning factors that result from application of the provisions of the previous paragraph.

Article 7

Public Finance Council

- 1 – The mission of the Public Finance Council is to pronounce on the proposed objectives regarding macroeconomic and budget scenarios, the long-term sustainability of the public finances and compliance with the budget balance rule, the rule governing central administration spending, and the rules governing the indebtedness of the autonomous regions and local authorities provided for in the respective financing laws.
- 2 – The Public Finance Council's composition, competences, organisation and modus operandi and the statute governing its members shall be defined by Law.

Article 8

Macroeconomic forecasts

- 1 – The budgetary projections underlying the budgetary programming documents provided for in the present Law must be based on the most probable macroeconomic scenario or a more prudent scenario.
- 2 – The budgetary programming documents must include:
 - a) The macroeconomic and budget scenario, detailing the hypotheses considered therein;
 - b) A comparison with the latest forecasts made by the Government and an explanation of the revisions that have been made;
 - c) A comparison with the forecasts of other Portuguese and international bodies for the same period;
 - d) An analysis of the sensitivity of the macro-budget scenario to different hypotheses for the main variables.
- 3 – The budgetary programming documents must say whether the underlying scenario has been considered by the Public Finance Council.

CHAPTER II

Budgetary principles

Article 9

Unity and universality

- 1 – The State Budget shall be unitary and shall encompass all the revenues and expenditures of the entities that constitute the central administration and social security subsectors.

2 – The budgets of the autonomous regions and local authorities shall be independent of the State Budget and shall respectively encompass all the revenues and expenditures of the regional and local administrations.

Article 10

Budgetary stability

1 – In the approval and execution of their budgets, the public administrative sector, including all the entities, departments and services that form part of it, shall be subject to the principle of budgetary stability.

2 – Budgetary stability consists of a budget balance or surplus position.

3 – Concrete implementation of the principle of stability shall be dependent on compliance with the numeric budgetary rules established in Chapter III of the present Title, without prejudice to the rules provided for in regional and local financing laws.

Article 11

Sustainability of public finances

1 – The subsectors that constitute the public administrative sector, together with the departments, services and entities that form part of it, are subject to the principle of sustainability.

2 – Sustainability means the capacity to finance all existing and forthcoming commitments, with respect for the structural budget balance and public debt rules, as laid down in the present Law.

Article 12

Reciprocal solidarity

1 – The preparation, approval and execution of the budgets of the subsectors that make up the public administrative sector shall be subject to the principle of reciprocal solidarity.

2 – The principle of reciprocal solidarity requires every subsector, acting by means of its departments, services and entities, to proportionately contribute to achieving the budgetary stability referred to in Article 10 and to compliance with the European legislation in the budgetary policy and public finances field.

3 – Measures that are implemented within the scope of the present Article shall be sent to the Financial Policy Monitoring Council and the Financial Coordination Council, and must be included in the budget execution summary for the month to which they refer.

Article 13

Intergenerational equity

1 – The financial activity of the public administrative sector shall be subject to the principle of equity in the distribution of benefits and costs between generations, in such a way as not to excessively burden future generations, safeguarding their legitimate expectations by means of a balanced distribution of costs across the various budgets within a multiannual framework.

2 – The report and items of information that accompany the State Budget Bill in accordance with Article 37 must contain information on the future impacts that public spending and revenues will have on the state's commitments and on contingent liabilities.

3 – Verification of compliance with the principle of intergenerational equity implies considering the budgetary effect of the following matters:

- a) Public investments;
- b) Investment in human capacitation co-funded by the state;
- c) The costs of financial liabilities;
- d) The financing needs of the entities in the state business sector;
- e) Budget commitments and contingent liabilities;
- f) Explicit and implicit costs regarding public-private partnerships, concessions and other financial commitments of a multiannual nature;
- g) Old-age, retirement, invalidity and other pensions with similar characteristics;
- h) Fiscal revenues and expenditure, namely that resulting from the grant of tax benefits.

Article 14

Annual and multiannual nature

1 – The State Budget and the budgets of the departments, services and entities that form part of the public administrative sector shall be annual.

2 – The budgets of the departments, services and entities that make up the central administration and social security subsectors shall include the budget programmes and their framework shall be the Law governing the Major Options with regard to Planning and Multiannual Budgetary Programming.

3 – The financial year shall coincide with the calendar year.

4 – The provisions of the previous paragraphs shall not prejudice the possible existence of a complementary budget execution period, in accordance with the Executive Law governing budget execution.

Article 15

No offsetting

1 – The amount forecast for each revenue shall be the full amount at which that revenue is assessed, without any deduction for collection costs or costs of any other nature.

2 – The total amount of tax revenues shall equal the forecast for the amounts that will effectively be collected, less the estimates for the revenues that will not be collected due to tax benefits and less the estimated amounts of repayments.

3 – All expenditures shall be recorded at their full amount, without any type of deduction, save for the following exceptions:

- a) Operations regarding financial assets;
- b) Operations to manage the state's direct public debt that are included in the respective budget programmes, as follows:
 - i) The expenditures derived from financial derivative operations shall be deducted from the revenues obtained from the same operations, and the respective balance shall always be recorded as expenditure;
 - ii) The interest revenue resulting from operations associated with the issue and management of the state's direct public debt and/or the management of the State Treasury shall be set against the expenditures of the same nature;
 - iii) The interest revenue resulting from operations associated with the investment of State Treasury surpluses, and those associated with treasury advances, shall be set against the interest expense of the state's direct public debt;
 - iv) The interest revenue resulting from active operations of the Directorate-General of the Treasury and Finance shall be set against the interest expense of the state's direct public debt.

4 – The financial flows derived from operations associated with the management of the portfolio of funds' assets that is under the administration of Instituto de Gestão de Fundos de Capitalização da Segurança Social, I. P. shall be recorded in budgets in accordance with the following rules:

- a) Revenues obtained from financial derivative operations shall be deducted from the current expenditures pertaining to the same operations, and the respective balance shall always be recorded as revenue;
- b) Interest revenue received from debt securities shall be deducted from the accrued interest paid on the acquisition of the same kind of security, and the respective balance shall always be recorded as revenue.

5 – The provisions of the previous paragraphs shall not prejudice the individualised recording in the accounts of all financial flows, even those that are merely of a bookkeeping nature, associated with the operations referred to therein.

Article 16

No consignment

- 1 – It shall not be possible to appropriate the product of any revenues to the coverage of given expenditures.
- 2 - The following shall be excepted from the provisions of the previous paragraph:
 - a) Revenues from reprivatisations;
 - b) Revenues regarding communities' traditional own resources;
 - c) Revenues appropriated to the financing of the social security system and its different systems and subsystems, as laid down by law;
 - d) Revenues that correspond to transfers from the European Union and international organisations;
 - e) Revenues from subsidies, donations and bequests from private individuals which the latter wish to be appropriated to the coverage of given expenditures;
 - f) Revenues which, for special reasons, are appropriated to given expenditures by express legal or contractual provision.
- 3 – The norms which, in accordance with subparagraph (f) of the previous paragraph, consign revenues to given expenditures shall possess an exceptional and temporary nature.

Article 17

Specification

- 1– Expenditures included in the budgets of the departments, services and bodies of the central administration and social security subsectors shall be structured into programmes by source of funding, and by organic, functional and economic classifiers.
- 2– Revenues shall be specified by economic classifier and source of funding.
- 3 – Budgetary credits that permit the existence of appropriations for confidential use or secret funds are null and void, without prejudice to the special regimes for which the law provides with regard to the use of funds that are exceptionally justified for reasons of national security and which are authorised by the Assembly of the Republic upon a proposal from the Government.
- 4 – The structure of the budget classification codes shall be defined in a specific legislative act, within a time limit of one year following the entry into force of the Law approving the present Law.

Article 18

Economy, efficiency and efficacy

1 – The making of commitments and the incurrence of expenditure by the entities that belong to the subsectors that constitute the public administrative sector shall be subject to the principle of economy, efficiency and efficacy.

2 – Economy, efficiency and efficacy consist of:

- a) Using the minimum resources that ensure adequate standards of quality of public service;
- b) Promoting increased productivity by achieving similar results with less expenditure;
- c) Using the most appropriate resources in order to achieve the desired result.

3 – Without prejudice to the provisions of the previous paragraphs, the evaluation of the economy, efficiency and efficacy of public investments that involve amounts of more than five million euros must, whenever possible, include an estimate of their net budgetary and financial effects both year by year and in overall terms.

Article 19

Budgetary transparency

1 – The approval and execution of the budgets of the departments, services and entities that form part of the public administrative sector shall be subject to the principle of budgetary transparency, in accordance with the following paragraphs and Chapter IV of Title VI.

2 – Budgetary transparency implies making available information on the implementation and execution of the programmes, budgetary policy objectives, budgets and accounts of the public administrations, by subsector.

3 – The information made available must be reliable, complete, up-to-date, understandable and internationally comparable, in such a way as to make it possible to precisely evaluate the financial position of the public administrative sector and the costs and benefits of its activities, including their present and future economic and social consequences.

4 – The principle of budgetary transparency includes:

- a) The duty on the part of the Government to inform the Assembly of the Republic, within the framework of the budgetary scrutiny powers that fall within the latter's areas of competence;
- b) The duty of subsectors to exchange financial information;
- c) The duty to make information available to the entity with the competence to monitor and control budget execution, under terms and within time limits to be defined in the Executive Law governing budget execution.

CHAPTER III

Budgetary rules

SECTION I

General rules

Article 20

Structural budget balance rule

- 1 – The medium-term budget objective shall be that defined within the scope of and in accordance with the Stability and Growth Pact.
- 2 – The annual convergence trajectory for achieving the medium-term objective is set out in the Stability Programme.
- 3 – The structural balance, which corresponds to the budget balance of the public administrations defined in accordance with the European System of National and Regional Accounts, following correction of cyclical effects and net of extraordinary and temporary measures, may not be below the objective set out in the Stability and Growth Programme and has the objective of achieving a structural deficit limit of zero point five per cent of gross domestic product (GDP) at market prices.
- 4 – The methodology for calculating the structural balance shall be that defined within the scope of and in accordance with the Stability and Growth Pact.
- 5 – Whenever the ratio of public debt to GDP at market prices is significantly below sixty per cent and the risks for the long-term sustainability of the public finances are low, the limit for the medium-term objective may attain a structural deficit of at most one per cent of GDP.
- 6 – For as long as the medium-term objective is not achieved, the annual adjustment in the structural balance may not be less than zero point five per cent of GDP, and the rate of growth in public spending, net of extraordinary, temporary and discretionary measures on the revenue side of the equation, may not be greater than the medium-term reference rate for potential GDP growth, as defined in the Stability and Growth Pact.
- 7 – For as long as the medium-term objective is not achieved, discretionary reductions in public revenue items must be offset by reductions in spending, discretionary increases in other public revenue items, or both, as defined in the Stability and Growth Pact.
- 8 – For the purposes of the provisions of the previous paragraphs, aggregated spending must exclude interest expense, expenditure regarding European Union programmes, and nondiscretionary changes in expenditure on unemployment benefits.
- 9 – For the purposes of the provisions of the previous paragraphs, the amount by which spending grows over and above the medium-term reference shall not be deemed failure to comply with the reference figure to the extent that it is entirely offset by revenue increases imposed by law.

10 – The intensity of the adjustment referred to in the previous paragraphs shall take account of the cyclical position of the economy.

Article 21

Budget surpluses

1 – Budget execution surpluses shall preferentially be used:

- a) For as long as the public debt limit provided for in Article 25(1) is not complied with, to repay public debt;
- b) When the limit referred to in the previous paragraph is complied with, to constitute a stabilisation reserve intended to perform an anticyclical function in economically recessive contexts.

2 – The welfare subsystem's annual balances shall revert to the Social Security Financial Stabilisation Fund, in accordance with the Law governing the Bases of the Social Security System.

Article 22

Significant divergences

1 – Any significant divergence from the medium-term objective or from the balance forecast in the convergence trajectory, as respectively set out in paragraphs (1) and (2) of Article 20, shall be identified on the basis of a comparative analysis of the actual figure and the forecast figure.

2 – For the purposes of the provisions of the previous paragraph, the amount so identified shall be calculated on the basis of the data set out in the excessive deficit notification procedure conducted by the statistical authorities.

3 – When a divergence is from the convergence trajectory, it shall be considered significant when at least one of the following situations exists:

- a) The calculated divergence from the projected structural balance is at least zero point five per cent of GDP in a single year, or at least zero point two five per cent of GDP as an annual average in two consecutive years;
- b) The variation in spending net of extraordinary and temporary measures on the revenue side of the equation makes a negative contribution to the balance of the public administrations of at least zero point five per cent of GDP in a single year, or cumulatively in two consecutive years.

4 – The provisions of subparagraph (b) of the previous paragraph shall not be considered for the purposes of determining the existence of a significant divergence if, taking the possibility of significant extraordinary revenues into account, the medium-term objective has been exceeded, and if the budget plans set out in the Stability Programme do not endanger that objective over the course of the Programme's lifetime.

5 – It shall be possible for a divergence not to be considered significant in cases in which it results from an occurrence that is exceptional, cannot be controlled by the Government under

the terms provided for in Article 24 and has a significant impact on the public finances, and in cases of structural reforms that have long-term effects on economic activity, on condition that this does not endanger medium-term budgetary sustainability.

6 – The existence of a significant divergence may be recognised at the initiative of the Government, following prior consultation of the Public Finance Council, or at that of the Council of the European Union, by means of the submission of a recommendation addressed to the Government in accordance with Article 6(2) of Council Regulation (EC) no. 1466/97 of 7 July 1997.

7 – Once a significant divergence has been recognised in accordance with the previous paragraph, the correction mechanism set out in the following Article shall be activated.

Article 23

Divergence correction mechanism

1 – When the situation provided for in paragraph (3) of the previous Article is recognised, within a time limit of thirty days the Government must submit a corrective plan with the measures needed to ensure fulfilment of the objectives set out in Article 20 to the Assembly of the Republic.

2 – A divergence recognised in accordance with the previous Article shall be corrected by its reduction by at least two thirds, with a minimum of zero point five per cent of GDP, to be implemented by the end of the year following that in which the divergence was recognised, and the rest of the divergence shall be corrected in the year after that, save if there are exceptional circumstances as provided for in the following Article.

3 – The adjustment to be made in accordance with the previous paragraph may in no case be less than that resulting from the rule provided for in Article 25.

4 – The correction plan shall privilege the adoption of public-debt reduction measures, as well as the distribution of the adjustment between the subsectors of the public administrations in compliance with the principle of reciprocal solidarity.

5 – The correction plan referred to in paragraph (1), with the measures needed to fulfil the objectives set out in Article 20, shall be set out in the Stability Programme, which shall be preceded by a non-binding opinion from the Public Finance Council.

6 – The Stability Programme shall contain:

- a) The recommendations made by the Public Finance Council;
- b) An evaluation of the recommendations made by the Public Finance Council, and when applicable a justification of why they were not taken into consideration or accepted.

Article 24

Exceptional situations

1 – Admission of a divergence in relation to the medium-term objective or to the balance projected in the convergence trajectory, as respectively set out in paragraphs (1) and (2) of

Article 20, shall only be permitted temporarily and in situations which are exceptional and which the Government cannot control and on condition that they do not endanger mediumterm budgetary sustainability, and which result namely:

- a) From deep economic recession in Portugal, the Eurozone or the whole of the European Union;
- b) From natural disasters or other exceptional situations with a significant budgetary impact.

2 – Recognition of the exceptional situation provided for in the previous paragraph shall be the object of a proposal by the Government and consideration by the Assembly of the Republic, to be preceded by a non-binding opinion from the Public Finance Council.

3 – The divergence provided for in paragraph (1) shall be corrected by incorporating the measures needed to fulfil the objectives set out in Article 20 into the Stability Programme, and the provisions of paragraphs (4), (5) and (6) of the previous Article must be complied with.

4 – If the situation provided for in paragraph (1) occurs, the convergence trajectory shall be corrected during at most the following four budgetary years and in accordance with the provisions of the previous paragraph.

Article 25

Public debt limit

1 – When the ratio of public debt to gross domestic product (GDP) exceeds the reference figure of sixty per cent, the Government shall be obliged to reduce the part of the amount of the public debt that exceeds this figure at a rate of one twentieth per year, as a standard of reference, as provided for in Article 2 of Council Regulation (EC) no. 1467/97 of 7 July 1997, with the text given to it by Council Regulation (EU) no. 1177/2011 of 8 November 2011.

2 – For the purposes of verifying compliance with the provisions of the previous paragraph, the public debt to be considered shall be that defined in Article 1(5) of Council Regulation (EC) no. 479/2009 of 25 May 2009.

3 – For the purposes of determining the amount of the debt reduction, the influence of the economic cycle shall be taken into account in accordance with Council Regulation (EU) no. 1177/2011 of 8 November 2011.

4 – The annual variation in public debt shall be that following correction of the effects derived from changes in the perimeter of the public administrations made by the statistical authorities in accordance with Article 2(4).

Article 26

Interpretative rules

With the exception of the provisions of Article 21, the provisions of the Articles contained in the present Section shall be interpreted and applied in accordance with the rules and guidelines defined in this regard by European Union institutions.

SECTION II

Specific rules

Article 27

Budget balances

1 – When preparing, approving and executing their budgets, the departments, services and entities that form part of organic-based central administration sector missions must present a zero or positive overall balance, as well as results that are positive before expenditures regarding taxes, interest, depreciation, provisions and impairment losses, save if the conjuncture of the period to which the budget refers justifiably does not permit it.

2 – The social security subsector must present a zero or positive overall balance, save if the conjuncture of the period to which the budget refers justifiably does not permit it.

3 – Neither revenues and expenditures regarding financial assets and liabilities as defined for budgetary purposes, nor the management balance from the previous financial year as determined in the budgetary accounting process, shall be considered for the purposes of the provisions of the previous paragraphs.

4 – In cases in which, during the year to which the budgets referred to in paragraph (1) refer, the budget execution of the public administrations as a whole permits it, the Government, acting in the person of the member of the Government with responsibility for the Finance area and in exceptional situations, may dispense with application of the balance rule laid down in that paragraph.

5 – The reports contained in the State Budget Bill and the General State Account shall set out the justifications referred to in the final part of the paragraphs (1) and (2).

6 – Without prejudice to the provisions of paragraph (1), the reclassified public entities referred to in Article 2(4) shall present a positive primary balance.

7 – The Executive Law governing budget execution shall provide for appropriate correction mechanisms for the reclassified public entities referred to in Article 2(4) that are not in a compliant situation.

Article 28

Specific rules for the regional and local administration subsectors

The budget balance and debt limit rules applicable to the regional and local administration subsectors shall be set out in the respective financing laws.

Article 29

Limits on indebtedness

1 – In compliance with the budgetary stability obligations derived from the Stability Programme, the State Budget Law shall set specific limits on the annual indebtedness of the central administration, the autonomous regions and local authorities that are compatible with the budget balance calculated for the public administrations as a whole.

2 – The limits on indebtedness referred to in the previous paragraph may be below those that would result from the financing laws especially applicable to each subsector.

3 – Without prejudice to the provisions of Article 25, in addition to the maximum variation in the central administration's consolidated overall net indebtedness, the central administration may finance itself in advance up to a limit of fifty per cent of the repayments of funded public debt that are projected for the following budgetary year.

4 – In cases in which any advance financing is contracted, the limit on indebtedness for the following budgetary year shall be reduced by the amount of the financing, which may be increased by up to fifty per cent of the repayments of funded debt that are to be made in the following budgetary year.

CHAPTER IV

Financial relations between subsectors

Article 30

Transfers from the State Budget

1 – In order to ensure compliance with the principles of budgetary stability and reciprocal solidarity, the State Budget Law may require transfers from the State Budget of amounts below that which would result from application of the financing laws especially applicable to the regional and local administration subsectors, without prejudice to the commitments which the state has made within the ambit of the solidarity and social security system.

2 – The possibility of a reduction provided for in the previous paragraph shall be dependent on the verified existence of exceptional circumstances that are imperatively required for rigorous compliance with the obligations derived from the Stability Programme and the principles of proportionality, the absence of arbitrariness and reciprocal solidarity, and shall require that the competent organs of the subsectors involved be heard first.

Article 31

Failure to comply with the norms contained in the present Title

1 – Failure to comply with the present Title shall constitute a circumstance that increases the inherent financial liability.

2 – Verification of the existence of the type of failure referred to in the previous paragraph shall immediately be communicated to the Court of Auditors.

3 – With a view to strict fulfilment of the obligations derived from Article 126 of the Treaty on the Functioning of the European Union and of the Stability and Growth Pact in matters regarding budgetary stability, the implementation of transfers from the State Budget may be suspended in cases of failure to fulfil the duty to inform and until the situation so created has been duly rectified.

TITLE III

Budgetary process

CHAPTER I

Phase one of the budgetary process

Article 32

Beginning of the budgetary process

The budgetary process shall begin with the submission by the Government of the following documents to the Assembly of the Republic:

- a) The annual update of the Stability Programme;
- b) The Government Bill on the Major Options with regard to Planning and Multiannual Budgetary Programming, hereinafter referred to as the Law governing the Major Options.

Article 33

Stability Programme

1 – The competence to update the Stability Programme pertains to the Government, and the update shall be made in accordance with the applicable European Union regulations.

2 – The Government shall submit the update of the Stability Programme, for the next four years, to the Assembly of the Republic Assembleia by the fifteenth of April.

3 – The Assembly of the Republic shall consider the Stability Programme within a time limit of ten days counting from the date on which it is submitted.

4 – Taking a scenario of unchanged policies as its starting point, the update of the Stability Programme shall specify the Portuguese State's economic policy and budgetary policy measures, setting out in detail their financial effects, the respective timeframe and the justification for the measures.

5 – The annual revision of the Stability Programme shall include a draft update of the multiannual public expenditure and revenue framework, without prejudice to the concrete specification of that framework in the Law governing the Major Options.

6 – The Government shall send the update of the Stability Programme to the European Commission by the end of April.

Article 34

Law governing the Major Options

1 – The Government shall submit the Bill on the Major Options to the Assembly of the Republic by the fifteenth of April.

2 – The Government Bill referred to in the previous paragraph shall be accompanied by an explanatory note substantiating it, which must contain a justification of the economic policy options adopted and of their compatibility with the budgetary policy objectives.

3 – The Assembly of the Republic shall pass the Law governing the Major Options within a time limit of thirty days counting from the date on which it is submitted.

4 – The Law governing the Major Options shall be structured in two parts:

- a) The identification and planning of the economic policy options;
- b) The multiannual budgetary programming for the central administration and social security subsectors.

5 – The multiannual budgetary programming shall be concretely specified by means of the multiannual public expenditure framework.

Article 35

Multiannual public expenditure framework

1 – The multiannual public expenditure framework for the central administration and social security subsectors referred to in paragraph (5) of the previous Article shall define the following for the respective programming period:

- a) The total spending limit, which shall be compatible with the objectives set out in the Stability Programme;
- b) The spending limits for each organic-based mission;
- c) The revenue projections, by source of funding.

2 – The Government shall annually submit the multiannual framework, which shall include the current year and the four following years, together with charts regarding the accumulated amount of contracted commitments.

3 – The spending limits referred to in paragraph (1)(a) and (b) shall be binding for the budget for the following financial year and indicative for the programming period that coincides with the rest of the legislature.

4 – The spending limit defined for the organic-based mission regarding the social security subsector may only be exceeded when this results from the payment of benefits that constitute rights pertaining to social security system beneficiaries and are directly affected by the cyclical position of the economy.

5 – The programme referred to in the first part of Article 45(11) shall be included within the limits referred to in paragraph (1)(a) and may be used for the expenditure of any other programme.

6 – In cases in which spending limits are binding in accordance with paragraph (3), the Government may not establish a higher limit, save if this is justified due to:

- a) A redefinition of the medium-term objective by the European Commission;
- b) A significant divergence in relation to the medium-term objective, taking into account the correction measures that have been or are to be adopted in accordance with Article 23;
- c) The verified existence of one of the situations provided for in Article 59.

7 – The provisions of paragraph (3) do not apply to revisions derived from changes in European Union financing, or from increases in the revenues from European Funds that have been concretely implemented.

8 – The balances calculated each year for organic-based missions may be carried over to the following years in accordance with the rules set out in the Executive Law governing budget execution.

CHAPTER II

Phase two of the budgetary process

Article 36

Preparation and submission of the State Budget Bill

1 – The Government shall prepare the State Budget Bill for the following financial year and submit it to the Assembly of the Republic by 1 October each year, accompanied by all the items referred to in the present Chapter.

2 – The Government shall also send the State Budget Bill to the European Commission for the purposes of the issue of specific national recommendations, doing so within the time limit mentioned in the previous paragraph, save in the situations provided for in the following Chapter.

Article 37

Items accompanying the State Budget Bill

1 – The State Budget Bill shall incorporate the items set out in Article 40 and shall be accompanied by the respective report and the items of information referred to in the following paragraphs.

2 – The report accompanying the State Budget Bill shall contain a presentation and justification of the proposed budgetary policy and shall include an analysis of the following aspects:

- a) The variation in and forecasts and projections for the main relevant budgetary and macroeconomic variables and the respective sensitivity analysis, in accordance with Article 8;
- b) The general lines of the budgetary policy and how it is appropriate to the obligations derived from the Stability and Growth Pact and the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union;
- c) The variation in the overall financial position of the public administrative sector and of each subsector and the state business sectors, including information on the respective overall indebtedness;
- d) The sustainability of the public debt, including an analysis of its variation dynamic;
- e) Information on the forecast fiscal revenue, such as to make it possible to verify the amount of gross revenue, repayments and transfers to other subsectors;
- f) The position regarding treasury operations and the Treasury accounts;
- g) A breakdown of the annual expenditure of each of the budget programmes, by organic-based mission;
- h) Budgetary management rationalisation measures;
- i) Budgetary policy measures of a temporary or permanent nature;
- j) Budgetary risks;
- k) A descriptive memorandum setting out the reasons justifying cases in which resort is had to partnerships between the public and private sectors;
- l) Overall and individualised information on annual and multiannual expenditures regarding public-private partnerships and the respective overall position with regard to indebtedness;
- m) Information on existing costs that are under execution and on the whole of the state's contingent liabilities;
- n) Any variation in the overdue payments in each organic-based mission;
- o) A statement of consolidated budgetary performance, prepared in accordance with the European System of National and Regional Accounts, detailing the different subsectors of the public administrative sector and demonstrating the calculation of their needs or net financing capacity;

p) Other matters deemed relevant to justification of the budgetary decision.

3 – The report referred to in the previous paragraph shall also be accompanied by at least the following items of information:

- a) Budget outturns that individualise each of the programmes, broken down by departments, services and entities, detailing the respective financing costs and sources;
- b) An estimate for the current year and a forecast of the consolidated budget execution for the public administrative sector and by subsector, from the public accounting and national accounting standpoints;
- c) A descriptive memorandum setting out the reasons justifying the differences between the figures calculated from the public accounting and national accounting standpoints;
- d) The tables included in the Draft Budget Plan that is to be sent to the European Commission;
- e) The financial and asset-related position of the entities that comprise the central administration and social security subsectors;
- f) Financial transfers between Portugal and abroad with effects on the State Budget;
- g) Budget transfers to the autonomous regions;
- h) Budget transfers to local authorities and intermunicipal entities;
- i) Budget transfers to entities that do not form part of the central administration sector;
- j) Tax benefits, estimates of revenues that will not be collected, and their economic and social justification, together with a list of measures designed to cover the revenue that will not be collected as a result of the creation or broadening of any fiscal benefits.

Article 38

Discussion and voting

1 – The State Budget Bill shall be discussed and put to the vote in accordance with the Constitution, the present Law and the Rules of Procedure of the Assembly of the Republic.

2 – Voting on the State Budget Bill shall take place within a time limit of forty-five days following the date on which the Bill is admitted by the Assembly of the Republic.

3 – The Plenary of the Assembly of the Republic shall discuss the general principles of the State Budget Bill and put them to the vote, and shall discuss its details, in accordance with the Rules of Procedure of the Assembly of the Republic and within the time limits laid down therein.

4 – With the exception of the matters whose details are put to the vote by the Plenary in accordance with Article 168(4) of the Constitution, voting on the details of the State Budget Bill shall take place in the parliamentary committee with the competence to consider the Budget Bill, and the object of that voting shall be the text, the budget charts and the budgetary and financial statements contained in the Bill.

5 – Within the scope of the examination and discussion of the State Budget Bill, the Assembly of the Republic may conduct any hearing under the general terms of the law, and in particular and at the request of the specialised standing committee with competence for budgetary matters, may summon entities that are not subject to the Government's power of direction and whose testimony the Assembly deems relevant to the clarification of the matter under consideration.

6 – Within the scope of the discussion of the State Budget Bill, the Assembly of the Republic shall hear the Court of Auditors with regard to the recommendations contained in the Court's opinions on the General State Account.

7 – The Plenary of the Assembly of the Republic may mandate to itself any matters that are included in the phase in which the details of the State Budget Bill are put to the vote, in accordance with the provisions of its Rules of Procedure.

CHAPTER III

Budgetary process in special situations

Article 39

Time limit for submission of and voting on the Budget Bill in special situations

1 – The time limit referred to in Article 36 does not apply in cases in which:

- a) The Government is new and was installed between 15 July and 30 September;
- b) The current Government has left or been removed from office on 1 October;
- c) The legislature ends between 15 October and 31 December.

2 – In the cases provided for in the previous paragraph, the Government shall submit the State Budget Bill for the following financial year, accompanied by the items referred to in Article 37, to the Assembly of the Republic and send it to the European Commission within a time limit of ninety days counting from its installation.

3 – The Government Bill referred to in the previous paragraph must be preceded by submission of the documents referred to in Article 32

TITLE IV

Systematisation of the State Budget Law and structure of the State Budget

CHAPTER I

Systematisation of the State Budget Law and content of its text

Article 40

Systematisation of the State Budget Law

The State Budget Law shall include:

- a) A text arranged in articles;
- b) Budget charts;
- c) Budgetary and financial statements.

Article 41

Content of the text

1 – The text of the State Budget shall namely include:

- a) The norms needed to orient budget execution, including those regarding the destination to be allocated to funds that result from surpluses in the budgets of the entities in the central administration subsector, and those regarding any reserves;
- b) Approval of the budget charts;
- c) Specification of the maximum amount of the increase in net indebtedness and the other general terms and conditions to which the issue of funded public debt during the financial year by the state and by the departments, services and entities of the central administration subsector must be subject;
- d) An indication of the funds recorded under the heading of reserves for each organic-based mission, and the respective management rules;
- e) Specification of the amounts that are supplementary to the increase in authorised net indebtedness, in cases in which it is forecast that there will be resort to credit in order to fund the expenditures regarding the operations referred to in subparagraph (c) or the conjunctural action programmes;
- f) Specification of the general terms and conditions to which the public-debt management operations provided for by law must be subject;
- g) Specification of the maximum limit on personal guarantees issued during the financial year by the state and by the departments, services and entities of the central administration subsector;

- h) Specification of the maximum limit on those loans to be granted and other lending operations whose repayment term falls after the end of the financial year that are to be made by the state and by the departments, services and entities of the central administration subsector;
- i) Specification of the maximum limit on early payments that are to be made, in accordance with the applicable legislation;
- j) Specification of the maximum limit on any commitments to be undertaken with regard to service contracts subject to a private financing regime or any other form of partnership between the public and private sectors;
- k) Specification of the maximum limits on the indebtedness of autonomous regions, in accordance with the respective financing law;
- l) Any updating of the amounts below which acts, contracts and other instruments that generate expenditure or represent direct or indirect financial liabilities are exempt from prior review by the Court of Auditors;
- m) The maximum overall amount of the financial authorisation granted to the Government in order to pay for costs of payments that are to be made with regard to public investment contracts within the ambit of the Military Programming Law, in the form of leasing;
- n) Other measures that prove indispensable to the correct financial management of the departments, services and entities of the central administration and social security subsectors in the financial year to which the Budget Law refers.

2 – The provisions set out in the text of the State Budget Law shall be limited to those strictly needed in order to execute the budgetary and financial policy.

Article 42

Budget charts

A The State Budget Law shall contain the following budget charts:

- a) Chart 1 – Chart of expenditures by organic-based mission, broken down by central administration and social security subsector programme;
- b) Chart 2 – Chart regarding the functional classification of the expenditures of the central administration subsector;
- c) Chart 3 – Chart regarding the economic classification of the expenditures of the central administration subsector;
- d) Chart 4 – Chart regarding the organic classification of the expenditures of the central administration subsector;
- e) Chart 5 – Chart regarding the economic classification of the public revenues of the central administration subsector;
- f) Chart 6 – Chart regarding expenditures on binding external requirements and obligatory expenditures;

- g) Chart 7 – Chart regarding the functional classification of the expenditures of each social security system and subsystem and the total for the subsector;
- h) Chart 8 – Chart regarding the economic classification of the expenditures of each social security system and subsystem and the total for the subsector;
- i) Chart 9 – Chart regarding the economic classification of the revenues of each social security system and subsystem and the total for the subsector;
- j) Chart 10 – Chart regarding the tax revenues of the central administration and social security subsectors that will not be collected;
- k) Chart 11 – Chart regarding the transfers to autonomous regions;
- l) Chart 12 – Chart regarding the transfers to municipalities;
- m) Chart 13 – Chart regarding the transfers to parishes;
- n) Chart 14 – Chart regarding the multiannual contractual liabilities of the entities in the central administration subsector.

Article 43

Budgetary and financial statements

The budgetary and financial statements referred to in Article 40(c) are as follows:

- a) A consolidated statement of budgetary performance for the central administration and social security subsectors, prepared using budgetary accounting and demonstrating the calculation of the budget balances;
- b) A consolidated statement of the budgetary performance of each organic-based mission, prepared using budgetary accounting and demonstrating the calculation of the budget balances;
- c) A consolidated statement of budgetary performance for the social security subsector, prepared using budgetary accounting;
- d) Estimates for the current year with regard to the statements listed in the previous subparagraphs;
- e) A human resources plan and the respective budget;
- f) A statement of the variation in the state's direct debt, by instrument;
- g) Appropriations for payments to be made under each budget programme, broken down into the respective actions;
- h) Consolidated financial statements for the central administration and social security subsectors, containing an estimate of the execution for the current year.

Article 44

Binding external requirements and obligatory expenditures

1 – The following shall be taken into consideration when expenditures and revenues are included on the budget charts:

- a) The budgetary policy options contained in the Stability Programme referred to in Article 33, namely with a view to fulfilment of the medium-term objective;
- b) The spending limits and revenue projections provided for in the Law governing the Major Options referred to in Article 34;
- c) The obligations derived from the European Union Treaty.

2 – The budget charts must also provide for the appropriations needed undertake the following obligatory expenditures:

- a) Expenditures that result from the law or contracts;
- b) Expenditures associated with the payment of costs resulting from sentences handed down by any court;
- c) Others that are qualified as such by law.

CHAPTER II

Structure of the State Budget

SECTION I

Budget programmes

Article 45

Characterisation of budget programmes

1 – Budget programmes shall include the revenues and expenditures included in the budgets of the departments, services and entities of the central administration and social security subsectors.

2 – The most aggregated level of specification by programme shall be that of the organic-based mission.

3 – For the purposes of the presentation and specification of budget programmes, the breakdown for organic-based missions shall be by programmes and actions.

4 – Each organic-based mission shall include the set of expenditures and the respective sources of funding that contribute to the implementation of the different sectoral public policies, in accordance with the Organic Law governing the Government.

5 – Budget programmes shall correspond to the set of actions with varying durations that are to be executed by the entities provided for in paragraph (1) with a view to achieving final objectives associated with the implementation of public policies, and shall make it possible to gauge their total cost.

6 – Actions shall represent basic units in the implementation of a budget programme, and may result in activities and projects.

7 – At the beginning of the legislature the member of the Government with responsibility for each sectoral public policy defined in each organic-based mission shall, pursuant to the Government's Programme and in compliance with the provisions of the following Article, propose the creation of programmes, their name, programming period, total costs and sources of funding and the goals to be attained.

8 – Programmes shall be approved at Council of Ministers meetings.

9 – The member of the Government with responsibility for each organic-based mission shall decide which entity will manage all the respective programmes.

10 – In cases of organic-based missions associated with entities that exercise sovereignty, the competence to define and manage the respective programmes shall pertain to the entity indicated by the entity that exercises sovereignty.

11 – Within the Ministry of Finance, it shall be obligatory to create a programme designed to respond to unpredictable expenditures that cannot be delayed, as well as a non-binding programme designed to manage and control the fiscal expenditure resulting from the grant of tax benefits.

12 – The provisions of the present Article shall be regulated by Executive Law.

Article 46

Programmes with common purposes

1 – In matters that concern two or more organic-based missions, the programmes that concretely implement them shall maintain relative budgetary autonomy with regard to the scope of each of them.

2 – In the case provided for in the previous paragraph, programmes may or may not have the same name.

3 – Matters that concern two or more organic-based missions may converge into a joint programme whenever there are reasons of economy, efficiency and efficacy for doing so.

4 – The member of the Government with responsibility for the political conduct of joint programmes shall be determined by decision of the Government in accordance with the matter in question.

5 – The budgetary responsibility for joint programmes lies with the respective sectoral members of the Government.

6 – The entity that manages programmes with common purposes shall be chosen within the ambit of each organic-based mission, in accordance with paragraph (9) of the previous Article.

Article 47

Budget programme appropriations

- 1 – Without prejudice to the applicable accounting referential, the appropriations associated with each of the budget programmes shall be approved annually using cash-based accounting.
- 2 – The first year of execution of the expenditures included in a multiannual programme must be the year in which the programme is created.
- 3 – In cases in which there is a succession of programmes with the same characteristics and objectives, the succeeding programme must include a segregated information note on carriedover costs.

Article 48

Budget-programme managing entities

- 1 – Entities that manage budget programmes shall particularly have the following competences:
 - a) To define a risk management model and cause it to be systematically applied, identifying and promoting the best practices with regard to the prevention and mitigation of financial and governance risks;
 - b) To propose and develop organic-based mission programmes in accordance with the provisions of Article 45, and evaluate the need for budget amendments;
 - c) To prepare treasury budgets regarding each programme, requiring the entities covered by it to provide items of information and collecting them, and making the necessary corrections after monitoring and controlling each programme's treasury management;
 - d) To monitor each programme's budgetary and financial control, in close articulation with the competent internal control authorities, ensuring fulfilment of each programme's objectives and the reliability, timeliness and comparability of the budgetary, financial and costing information provided;
 - e) To define indicators that make it possible to evaluate each budget programme in accordance with Article 45, using a platform that is shared by and transparent for the entities that take part in the programme's execution;
 - f) To prepare consolidated budgetary, financial and treasury information by programme, including a calculation of the cost of the programme's actions.
- 2 – Budget-programme managing entities shall collaborate with the Ministry of Finance, with a view to budgeting by programme and the definition of the multiannual framework.
- 3 – The member of the Government with oversight of each budget-programme managing entity shall be responsible for ensuring the appropriateness of the human and material resources needed for the good fulfilment of its duties and competences.

4 – The legal regime governing budget-programme managing entities shall be set out in an Executive Law, which shall be approved within a time limit of one hundred and eighty days counting from the date on which the Law approving the present Law enters into force.

SECTION II

Content of the budgets of the State Accounting Entity and other public entities

Article 49

State Accounting Entity budget

1 – The ECE budget shall namely include:

- a) The general state revenues from taxes, duties, administrative and general fines, income derived from the holding or disposal of securities and real estate assets, and transfers of funds from the European Union;
- b) Expenditures regarding the state's financial investments, debt-related costs, specific appropriations, financing of the state business sector, transfers to other public entities, and transfers that result from legal imperatives and binding external requirements, including transfers destined for other subsectors of the public administrations.

2 – The competence to prepare the ECE budget pertains to the Directorate-General of the Budget, and other public entities shall be under a duty to collaborate.

3 – ECE shall submit a statement of budgetary performance, to be prepared using cash-based accounting and to detail expenditures and revenues and overall, current, capital and primary balances.

4 – Entities that administer state revenues shall be responsible for ensuring that demands for payment of those revenues are issued, and shall make every effort to ensure their collection.

Article 50

Public entities budget

Entities that form part of the central administration subsector shall present:

- a) A revenue budget, specified by source of funding and economic classification;
- b) An expenditure budget, specified by programme, source of funding and economic and functional classification;
- c) A statement of budgetary performance, prepared using budgetary accounting and detailing overall, current, capital and primary balances;
- d) Multiannual costs, by source of funding;
- e) Projected financial statements, with the respective regulations to be approved by Executive Law;

- f) An investment plan, by source of funding, with the respective regulations to be approved by Executive Law.

Article 51

Social security budget

1 – The social security subsector budget shall present:

- a) The revenues of the whole subsector, by system and subsystem and specified by economic classification;
- b) The expenditures of the whole subsector, by system and subsystem and specified by economic classification;
- c) The subsector's expenditures, specified by programme and by functional classification, and also by system, subsystem and the whole of the subsector;
- d) Social security subsector revenues that will not be collected;
- e) Administrative expenditures, by economic and organic classification.

2 – The social security budget shall also include:

- a) A statement of budgetary performance prepared using budgetary accounting and detailing overall, current, capital and primary balances;
- b) Projected financial statements.

TITLE V

Execution of the State Budget and budget revision and amendment process

CHAPTER I

General budget execution regime

SECTION I

Budget execution principles

Article 52

General principles governing revenue and expenditure

1 – No revenue may be demanded or collected unless the following cumulative requirements are fulfilled:

- a) It must be legal;

b) It must have been correctly included in a budget;

c) It must be classified.

2 – Demands for and the collection of revenue may exceed the amounts set out in the respective budgeting.

3 – No expenditure may be authorised unless the following cumulative requirements are fulfilled:

a) The fact generating the obligation must respect the applicable legal norms;

b) The expenditure must be included in the budget for the programme and the department, service or entity and there must be sufficient disposable funds to pay for it, and it must be stated whether the payments are limited to the current year or extend into future years within the period provided for the programme;

c) The expenditure must fulfil the requisites of economy, efficiency and efficacy.

4 – No expenditure may be paid for unless both the commitment and the respective payment programming are covered by the entity's treasury budget.

5 – The annual amount established for a programme shall determine the maximum ceiling up to which payments may be made.

6 – Budget execution operations regarding revenues and expenditures shall obey the principle that the functions of issuing demands for payment and collecting funds must be segregated in the case of the former, and that those of authorising expenditures and paying them must be segregated in the case of the latter.

7 – The functional segregation referred to in the previous paragraph may be made between different departments and services or between different agents of the same department or service.

8 – Entities, departments and services that have no overdue payments may make commitments that give rise to payments in a financial year other than that in which they are made, or in various financial years included in one or more programmes, subject to prior authorisation by the Minister with oversight of the entity, department or service.

9 – Each programme-managing entity shall be responsible for ensuring that entities, departments and services record the commitments referred to in the previous paragraph in their local and central systems in a timely manner.

Article 53

Competence

1 – Acting by Executive Law, the Government shall define the budget execution operations that fall within the areas of competence of the members of the Government and the senior officials of the departments and services under their direction or oversight.

2 – Each year, acting by Executive Law, the Government shall lay down the norms governing the execution of the State Budget, including those regarding the budgets of the departments,

services and entities of the central administration and social security subsectors for the year in question, without prejudice to immediate application of those of the norms contained in the present Law that are executable in their own right.

3 – For the purposes of the provisions of the previous paragraph, the Government must approve the norms governing the execution of the State Budget, including those regarding the budgets of the departments, services and entities of the central administration and social security subsectors, in a single Executive Law.

4 – The provisions of the previous paragraph shall not preclude the possibility of approving other Executive Laws during the financial year, whenever justified for budget execution purposes.

5 – The Executive Law regarding the execution of the budgets of the departments, services and entities of the central administration and social security subsectors shall namely contain:

- a) An indication of the expenditures or payments whose authorisation is dependent on the intervention of the managing entities of the programmes that belong to the same organicbased mission;
- b) The time limits for authorising expenditures;
- c) The other norms needed to execute the State Budget and each of the budgets encompassed by it.

6 – The Executive Law referred to in paragraphs (2) and (5) shall be approved by the fifteenth day following the entry into force of the State Budget.

Article 54

Unitary treasury

1 – The treasury of the state and of the entities that form part of the central administration subsector shall be managed in compliance with the unitary treasury principle, under which public funds must be centralised and kept at the Central State Treasury.

2 – For the purposes of the previous paragraph, the concept of public funds shall encompass the cash or cash equivalents that are disposable and in the keeping of the aforesaid departments, services and entities.

3 – The unitary treasury principle shall concretely take the form of the integrated management of the Central State Treasury and the state's direct public debt.

4 – The state's direct public debt means that resulting from loans contracted by the state acting by means of Agência de Gestão da Tesouraria e da Dívida Pública, IGCP, EPE (IGCP, EPE), together with the debt resulting from the financing of the entities that are listed in Article 2(4) and are included in the central administration.

5 – In exceptional, substantiated cases, the member of the Government with responsibility for the Finance area may authorise certain entities that request it to be dispensed from compliance with the unitary treasury principle.

6 – Entities that are dispensed from compliance with the unitary treasury principle shall be obliged to comply with the intermediation risk-management norms approved by the member of the Government with responsibility for the Finance area, to be preceded by an opinion from IGCP, EPE.

7 – Failure to comply with the unitary treasury principle, or with the risk-management norms referred to in the previous paragraph, shall subject the senior officeholders of the entities in question to the possibility of financial liability.

8 – The cases of dispensation provided for in paragraph (5) shall require express annual renewal, to be preceded by an opinion from IGCP, EPE.

Article 55

Management of the treasury of the State Accounting Entity and public entities

1 – ECE shall prepare a treasury budget and must have a treasury model that makes it possible to achieve the following objectives:

- a) Ensure that there are enough disposable funds to settle obligations as they fall due, in accordance with Article 52(4);
- b) Maximise the return on the disposable treasury;
- c) Permit an efficient financial risk management;
- d) Permit the daily reconciliation of banking information and accounts, by source of funding.

2 – Public entities shall also prepare treasury budgets which ensure that the objectives provided for in subparagraphs (a) and (d) of the previous paragraph are achieved.

3 – Treasury budgets shall be monthly, with a moving forecast for the next twelve months, and shall be sent to ECE each month.

4 – The incurrence of any expenditure to which a given revenue is consigned shall also be subject to an equal amount of that revenue being collected or the demand for it issued, and in the latter circumstances the payment must be programmed in accordance with the date on which the revenue is effectively going to be collected.

Article 56

Execution of the social security budget

1 – Instituto de Gestão Financeira da Segurança Social, IP (IGFSS, IP) shall be responsible for the overall management of the execution of the social security budget, respecting the provisions of the present Law and the norms that are specifically applicable within the ambit of the social security system.

2 – The budget balances determined in the social security budget shall be used by prior authorisation, to be granted by the Government in the form of an order issued by the members of the Government with responsibility for the Finance and Social Solidarity areas.

3 – The competence to collect the social security system’s revenues and pay its expenditures pertains to IGFSS, IP, which shall assume the social security system’s unitary treasury competences in articulation with the State Treasury.

4 – Execution of the social security system budget shall be based on the respective treasury plans prepared by IGFSS, IP.

5 – Only IGFSS, IP shall be permitted to resort to credit within the ambit of the social security system, and then only on condition that it does not give rise to funded debt.

6 – IGFSS, IP may only undertake financing operations when authorised to do so, to be granted by order of the members of the Government with responsibility for the Finance and Social Solidarity areas.

7 – Funds shall enter and exit the social security system through IGFSS, IP, either directly or by means of collaborating entities, at which its treasury surpluses and disposable funds shall be kept.

Article 57

Own revenues

1 – The product of transactions derived from engaging in mercantile activities under a competition regime, and amounts that correspond to compensation for services provided, shall constitute own revenues of the entities that form part of the central administration subsector.

2 – Revenues which correspond to donations, inheritances and bequests from private individuals and which the latter wish to be specifically appropriated to entities that form part of the central administration subsector, and any other revenues that are required to belong to them by law or contract, shall constitute management revenues of those entities.

3 – The following are entities with special autonomy to manage revenues:

- a) Departments, services and entities that dispose of own revenues in order to cover their expenditures, as laid down by law;
- b) Entities that are constitutionally required to have a special autonomous regime;
- c) Entities that have a special autonomous regime derived from the legal regime governing higher education institutions;
- d) Entities with autonomy derived from being part of National Health Service areas, and regulatory and supervisory entities;
- e) Bodies that have special competence to manage Community funds and the autonomy indispensable to that management.

4 – The departments, services and entities referred to in the previous paragraphs shall as a priority use those of their own revenues that are not consigned to specific purposes by law to cover the respective expenditures.

5 – Management balances generated by an execution of general revenues that fails to comply with the provisions of the previous paragraph shall revert to the Treasury in an amount equal to the general revenues used, or in full if the balance is less than that.

CHAPTER II

Transitional budget execution regime

Article 58

Transitional budget execution regime

1 – The force of the State Budget Law shall be extended whenever:

- a) The State Budget Bill is rejected;
- b) A new Government has been installed, if this occurred between 1 July and 30 September;
- c) The State Budget Bill lapses because the Government that submitted it has resigned or been removed from office;
- d) The State Budget Bill is not put to parliamentary vote.

2 – Extension of the force of the State Budget Law shall encompass the respective text and the corresponding charts, together with the Executive Laws governing budget execution.

3 – Extension of the force of the State Budget Law shall not encompass:

- a) Legislative authorisations contained in its text which, in accordance with the Constitution or the terms under which they were granted, must lapse at the end of the financial year to which the Law referred;
- b) Authorisation to collect revenues whose regimes were only intended to be in force until the end of the financial year to which the aforesaid Law referred;
- c) Authorisation to incur expenditures regarding programmes that must terminate by the end of the financial year to which the aforesaid Law referred.

4 – During the transitional period in which the extension of the force of the State Budget Law regarding the previous year is maintained, the monthly execution of ongoing programmes may not exceed one twelfth of the total expenditure of the organic-based mission in question, with the exception of expenditures regarding social benefits due to social security system beneficiaries and expenditures regarding financial investments.

5 – During the transitional period in which the extension of the force of the State Budget Law regarding the previous year is maintained, the Government may:

- a) Issue funded public debt, in accordance with the respective legislation;
- b) Grant loans and undertake other lending operations, up to a limit of one twelfth of the maximum amount authorised in the State Budget Law in each month in which the latter transitionally remains in force;

c) Issue personal guarantees, in accordance with the respective legislation.

6 – Revenue and spending operations that are executed under the transitional regime shall be attributed to the accounts regarding the new financial year that began on 1 January.

7 – For the purposes of the provisions of the previous paragraphs, Executive Laws governing the execution of the State Budget Laws that enter into force late shall lay down the procedures to be adopted.

CHAPTER III

Budget revision and amendment process

Article 59

Budget revisions

1 – The Assembly of the Republic has the competence to make budget amendments that involve:

- a) Increases in the total expenditure of the central administration subsector;
- b) Increases in the total expenditure of any organic-based mission;
- c) Amendments to any budget programme that entail an increase in the state's commitments;
- d) Transfers of funds between programmes that correspond to different organic-based missions, with the exception of those made with resort to funds from the programme referred to in the first part of Article 45(11);
- e) Increases in the respective limits on net indebtedness set in the State Budget Law;
- f) Increases in the expenditures in the social security budget, with the exception of those regarding social benefits due to social security system beneficiaries;
- g) Transfers of funds within the social security budget between different major functions or functions, in compliance with the selective adaptation of the funding sources included in the Law governing the Bases of the Social Security System.

2 – The competence to make other budget amendments pertains to the Government, in accordance with specific Executive Laws.

3 – Budget amendments for which competence pertains to the Government shall be communicated to the Assembly of the Republic in accordance with Article 75(2).

Article 60

Budget amendments for which competence pertains to the Government

The Government namely has the competence to make budget amendments that consist of an increase in the total amount of the expenditures of any organic-based mission, when they result:

- a) From management balances or appropriations from previous years whose use is permitted by law;
- b) From the use of funds from the programme referred to in the first part of Article 45(11);
- c) From increases in effective own or consigned revenues that are accounted for as revenue for the year in question.

Article 61

Publication of budget amendments

In cases in which their publicising is not ensured by the obligatory nature of the publication in *Diário da República* of the acts that approve them, budget amendments and State Budget Law charts that are modified due to amendments made to them during the quarter in question shall be disclosed on the website of the entity charged with supervising budget execution:

- a) By the end of the month following each quarter, in the case of the first three quarters of the financial year;
- b) By the end of the month of February, in the case of the fourth quarter.

TITLE VI

Accounting, reporting, control and transparency

CHAPTER I

Accounting system

Article 62

General principles

1 – The state shall organise budgetary accounting for all its revenues and expenditures and financial accounting for all its assets, liabilities, revenues and expenditures, and shall prepare individual and consolidated budgetary and financial statements that provide a true and appropriate picture of budget execution, the financial position, changes in the financial position, performance, and cash flows.

2 – Public entities must prepare budgetary and financial statements that provide a true and adequate picture of budget execution, the financial position, changes in the financial position, performance, and cash flows.

Article 63

Accounting system

1 – The accounting system for the state and the other public entities included within the scope of application of the present Law shall structure budgetary and financial information in such a way as to include, classify and record the items in the budgetary and financial statements.

2 – The accounting system shall comprise budgetary accounting, financial accounting and management accounting, in accordance with the current accounting standardisation system.

3 – The financial accounting shall record operations that affect the financial position, performance and cash flows.

4 – The budgetary accounting shall provide a record of the execution of and any amendments to budgets.

5 – The management accounting shall make it possible to evaluate the result of actions that contribute to the implementation of public policies and the fulfilment of objectives regarding the provision of services to citizens.

Article 64

Interim financial statements

1 – ECE and the other public entities shall prepare individual and consolidated budgetary and financial statements by the end of the second month following the quarter in question.

2 – The structure of the budgetary and financial statements must be the same as that of the accounting statements included in the budget documentation.

3 – The provisions of the present Article do not apply to the quarter ending on 31 December.

CHAPTER II

Accounting documents

Article 65

Accounting documents for ECE and public entities

1 – By 31 March of the year following the financial year to which the accounts refer, ECE and public entities shall prepare the respective accounting documents and deliver them to the member of the Government with responsibility for the Finance area, the member of the Government with oversight of the entity in question, and the Court of Auditors.

2 – The accounting documents shall include:

- a) A management report;
- b) Budgetary and financial statements;
- c) Other documents required by law.

Article 66

General State Account

1 – The Government shall submit the consolidated budgetary and financial statements for the central administration and social security subsectors that are included in the General State Account to the Assembly of the Republic by 15 May of the year following the financial year to which they refer.

2 – The General State Account shall comprise the set of accounts regarding the entities that fall within the State Budget perimeter, as defined in Article 2, and shall comprise a report, the budgetary and financial statements and the annexe thereto.

3 – The budgetary and financial statements must adopt the accounting system that is currently in force for the public administrations.

4 – Within the time limit referred to in paragraph (1), the General State Account shall be submitted to the Court of Auditors for an opinion.

5 – For the purposes of the previous paragraph, the opinion from the Court of Auditors, which shall be sent to the Assembly of the Republic by 30 September of the year following the financial year in question, shall be accompanied by the responses from the entities to any questions which that organ asks them.

6 – Within the time limit referred to in paragraph (1), the General State Account shall also be submitted to the Court of Auditors for certification, to be issued by the Court by 30 September.

Article 67

Charts accompanying the General State Account

The General State Account shall be accompanied by the charts set out in Article 42, together with the amount of the state's accumulated consolidated debt and the interest expense associated with it.

CHAPTER III

Control and liabilities

Article 68

Controlling budget execution

1 – The execution of the State Budget, including the social security budget, shall be the object of administrative, jurisdictional and political control, and shall in particular have the following objectives:

- a) Confirmation that accounting records are adequate and truly and appropriately reflect the operations undertaken by each entity;
- b) Verification, monitoring, evaluation and provision of information with regard to the legality, regulatory compliance and good management of programmes and actions undertaken by public and private-law entities with interests that fall within the scope of the governmental management or oversight of matters regarding national and European Union public finances, as well as other public financial interests;
- c) Verification that senior managers and persons in positions of responsibility to whom resources have been allocated have fulfilled their objectives.

2 – Administrative control shall encompass the operational, sectoral and strategic levels, to be defined in accordance with the nature and scope of intervention of the departments and services that are subject to it.

3 – Administrative control shall presuppose coordinated action and compliance with criteria, methodologies and referentials, in accordance with the nature of the interventions that are to be undertaken, without prejudice to the competences of the auditing authority as laid down by law.

4 – The Court of Auditors has the competence to exercise the jurisdictional control of the State Budget, which shall be conducted in accordance with the respective legislation, without prejudice to acts that pertain to the other courts, particularly the administrative and fiscal courts and the judicial courts, within the scope of the respective competences.

5 – The Assembly of the Republic shall exercise the political control of the execution of the State Budget and shall ensure the effective implementation of the corresponding political responsibilities, in accordance with the provisions of the Constitution, the Rules of Procedure of the Assembly of the Republic, the present Law and the other applicable legislation.

Article 69

The state's financial administration control system

1 – The state's financial administration control system shall encompass the budgetary, economic, financial and asset-related fields and shall seek to ensure the coherent and articulated exercise of the control function within the ambit of the public administrations.

2 – The system for controlling the state’s financial administration shall include the entity with responsibility for execution itself, the internal inspection bodies, the hierarchically superior superintendence or oversight entities, and the public administrative sector inspection and control bodies.

Article 70

Cross-checking

1 – The entities with responsibility for the control function shall have control powers over any public or private entities, in cases in which those entities benefit from subventions or other forms of financial assistance granted by the entity State or other public entities, or those powers which prove indispensable to the indirect cross-checking of budget execution.

2 – Cross-checking shall only be undertaken in cases in which it proves indispensable and to the extent that is strictly necessary to the control of budget execution and the verification of the legality, regulatory compliance and economic and financial correctness of the application of public funds and other public assets.

Article 71

Political control

1 – Within the scope of its political control function, the Assembly of the Republic shall scrutinise the execution of the State Budget and the other central administration and ECE budgets, and shall vote the General State Account.

2 – The Government shall annually inform the Assembly of the Republic of the auditing programmes that it promotes on its own initiative within the ambit of the state’s financial administration control systems, which information shall be accompanied by the respective terms of reference.

3 – Each year the Assembly of the Republic shall order two audits and shall ask the Court of Auditors for an audit of two bodies in the Internal Control System (SCI), without prejudice to the ability to ask for additional audits.

4 – The results of the audits referred to in the previous paragraph shall be sent to the Assembly of the Republic within a time limit of one year, which may be extended up to eighteen months for duly justified reasons.

5 – The Government shall respond to Assembly of the Republic recommendations with regard to the audits referred to in paragraph (3) within sixty days.

Article 72

Liability within the budget execution ambit

1 – Political officeholders shall be politically responsible and financially, civilly and criminally liable for the acts they undertake and the omissions they commit within the scope of the

exercise of their budget execution functions, in accordance with the Constitution and other applicable legislation, which shall typify criminal and financial infractions and the respective sanctions.

2 – The senior managers and the staff of public entities shall be disciplinarily, financially civilly and criminally liable for the acts they undertake and the omissions they commit and that result in violation of budget execution norms, in accordance with Article 271 of the Constitution and the applicable legislation.

3 – The financial liability shall be implemented by the Court of Auditors, in accordance with the respective legislation.

CHAPTER IV

Transparency

Article 73

Duty to disclose

1 – In accordance with the principle of budgetary transparency, information on the central administration and social security subsector programmes, the budgetary policy objectives and the public administrative sector budgets and accounts by subsector and entity shall be made available to the public in an accessible format.

2 – The Government must create an electronic platform on a website with universal public access, on which the information referred to in the previous paragraph shall be published in a simple and easily understandable way.

3 – For the purposes of the provisions of the previous paragraphs, the State Budget Bill, the State Budget and the General State Account shall respectively be made available:

- a) By the first working day following that on which it is delivered to the Assembly of the Republic;
- b) By the second working day following its publication in *Diário da República*;
- c) By the last day of May in the year following that to which it refers.

Article 74

Duty to inform

1 – Budgetary transparency implies the existence of a duty to inform, as follows:

- a) The member of the Government with responsibility for the Finance area may require bodies that form part of the public administrative sector to provide a detailed, justified information note on the degree of implementation of the measures and procedures with which they must comply under the terms of the present Law;

- b) Whenever the existence of any circumstance that involves the danger of the occurrence in the budgets of any of the departments, services and entities that form part of the public administrative sector of a budgetary position that is incompatible with fulfilment of the budget objectives is verified, the respective member of the Government must immediately send the member of the Government with responsibility for the Finance area a detailed, justified information note about what has happened, identifying the revenues and expenditures that gave rise to it, and a proposal for bringing the position whose existence has been verified into line with the applicable rules;
- c) The member of the Government with responsibility for the Finance area may ask the Bank of Portugal and any lending institution or financial enterprise for all the information on any public administrative sector department, service or entity which he deems pertinent to verification of compliance with the present Law;
- d) The member of the Government with responsibility for the Finance area may send substantiated requests to entities that form part of the regional and local administration subsectors, asking them to provide supplementary information on their budgetary and financial position;
- e) After first informing the entities concerned and with a view to compliance with the present Law, the member of the Government with responsibility for the Finance area may also ask the Bank of Portugal and any lending institution or financial enterprise for information on entities in the regional and local administration subsectors that are their clients.

2 – The competence to ensure that consolidated financial information regarding the public administrative sector and each of its subsectors is made publicly available pertains to the member of the Government with responsibility for the Finance area.

3 – With the objective of making the consolidated information referred to in the previous paragraph possible, autonomous regions and local authorities must provide the following items under terms to be defined in the Executive Law governing budget execution:

- a) Annual budgets and accounts;
- b) Quarterly accounts;
- c) Information on the debt they have contracted and those of their assets that take the form of public debt securities;
- d) Monthly information on budget execution, namely commitments made, amounts processed and amounts paid, together with an updated forecast of the budgetary execution for the whole year and balance sheets setting out the treasury and supplier/client accounts.

Article 75

Special duty to inform the entity exercising political control

1 – The Government shall make available to the Assembly of the Republic all the items of information needed to equip it to scrutinise and control the execution of the State Budget in an effective manner, particularly reports on:

- a) Execution of the State Budget, including the social security budget;
- b) The use of appropriations within the ambit of the programme integrated into the Ministry of Finance's organic-based mission that is designed to cover expenditures that cannot be foreseen or postponed;
- c) Execution of the consolidated budget of the departments, services and entities in the public administrative sector;
- d) Budget amendments approved by the Government;
- e) Public-debt management operations, resort to public credit and specific terms and conditions applicable to public loans entered into in accordance with the provisions of the State Budget Law and legislation regarding the issue and management of public debt;
- f) Loans granted and other lending operations undertaken in accordance with the provisions of the State Budget Law;
- g) Personal guarantees granted by the state in accordance with the State Budget Law and other applicable legislation, including a list of the names of the beneficiaries of the sureties and bonds granted by the state, with individual details of the respective amounts, and of the current overall amount;
- h) Financial flows between Portugal and the European Union.

2 – The Government shall make the items of information referred to in subparagraphs (a) and (b) of the previous paragraph available to the Assembly of the Republic monthly, and the items referred to in the remaining subparagraphs of the same paragraph quarterly; they must in any case be sent within the sixty days following the period to which they refer.

3 – The Court of Auditors shall send the Assembly of the Republic the final reports regarding the exercise of its budgetary control competences.

4 – The Assembly of the Republic may, in accordance with the provisions of the Constitution and the Rules of Procedure of the Assembly of the Republic, ask the Government to provide any supplementary information on the execution of the State Budget over and above that provided for in paragraph (1), and this information must be provided within a time limit of no more than sixty days.

5 – The Assembly of the Republic may ask the Court of Auditors for:

- a) Technical information related to the respective financial control functions;
- b) Interim reports and opinions on the results of the control of the execution of the State Budget over the course of the year;
- c) Any technical information or clarifications needed to control budget execution and consider the State Budget and the opinion on the General State Account.

Article 76

Information on actions and imposition of corrective measures

- 1 – Failure to fulfil the duties set out in the present Title shall imply determination of the respective responsibilities and liabilities in administrative-offence, financial and political terms.
- 2 – Breach of the duties referred to in Articles 73 and 74 shall cause transfers from the State Budget to be partially or wholly withheld until the situation so created has been duly remedied under terms to be defined in the Executive Law governing budget execution, and shall constitute an administrative offence to be defined in a specific legislative act.