

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 749 final

Brussels, 10th December 1979

MEMORANDUM FROM THE COMMISSION TO MEMBER STATES MEETING IN THE COUNCIL

Application of Article 2a of Regulation (EEC) No 974/71

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Subject : Application of Article 2a of Regulation (EEC) No 974/71

1. Article 2a of Regulation (EEC) No 974/71 allows the exporting Member State to pay the monetary compensatory amount to be granted by the importing Member State if the latter is in agreement.
Certain rules of application, in particular those relating to a check on the destination, appear in Article 10 et seq. of Regulation (EEC) No 1380/75.
In view of the agreements existing among Member States, the provisions will be applied until 31.12.1979 in respect of exports of all the other Member States to the United Kingdom and Italy and from the United Kingdom to Ireland (since May 1976) and exports from the United Kingdom to Italy (since 3 September 1979).
2. The application of the system had given rise to certain criticisms, both from trade circles and certain Member States.
The return by the importing Member State to the exporting Member State of document T5 bearing proof of arrival at destination had, it appears, been a source of some delay during the teething period. Since payment of the monetary compensatory amount due on import was conditional on the return of this document, the anxiety of the parties concerned was understandable. In these circumstances, the Commission made a study of the difficulties in question. In particular, it declared in the Special Committee on Agriculture in February 1979 its intention to question Member States in due course on the advisability of extending the system beyond 1979. The Commission carried out this consultation in autumn 1979.
3. The study carried out at the beginning of the year and the reactions of Member States show
 - that the administrative difficulties have been practically resolved. Consequently, complaints from customs authorities and the trade have all but ceased;
 - that there are still economic grounds for continuing to apply the system.

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4. In any case, it should be pointed out in this connection that, in financial terms, the application or non-application of Article 2a of Regulation (EEC) No 974/71 has no direct budgetary effect as, since the introduction of the EUA in the budget, the budgetary effect is the same whatever the Member State paying the monetary compensatory amount.

5. In these circumstances, the Commission suggests that the Member States meeting in the Council should make clear their agreement to continue the application of Article 2a of Regulation (EEC) No 974/71 as at present without a temporary restriction.