

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 480 final
Brussels, 08.11.1994

94/ 0254 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

on the crediting of securities, deposits and guarantees
furnished under the common agricultural policy and
subsequently forfeited, and repealing Regulation (EEC) No 352/78

(presented by the Commission)

Explanatory memorandum

1. In accordance with Council Regulation (EEC) No 352/78 now in force, securities furnished in connection with the issue of export or import licences together with those furnished under a tendering procedure to ensure the submission of genuine tenders are forfeited for the benefit of national budgets. Since they are not used to reduce EAGGF expenditure, these securities are not subject to regular verification by the EAGGF of the satisfactory application of the rules governing their establishment and release.
2. The attached draft Regulation aims to remedy this situation by including these securities among those which must be forfeited for the benefit of the EAGGF.
3. At the same time this measure aims to ensure implementation of the commitments undertaken by the Community under the GATT on limiting the quantity and value of subsidized Community exports.

Proposal

for

Council Regulation (EC) No /94

of

on the crediting of securities, deposits and guarantees
furnished under the common agricultural policy and
subsequently forfeited, and repealing Regulation (EEC) No 352/78

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Council Regulation (EEC) No 352/78 of 20 February 1978⁽¹⁾ establishes in most cases where securities required in connection with operations relating to agricultural products are forfeited that these securities are to be used to reduce EAGGF expenditure; whereas as regards, in particular, securities furnished in connection with the issue of export or import licences and those furnished under a tendering procedure to ensure the submission of genuine tenders, provision is made, however, that the securities are to be retained by the Member States, assuming that they do not cover a risk of financial loss by the EAGGF;

Whereas this latter assumption has proved to be uncertain in the light of experience and of the need for the Commission to ensure strict compliance with the conditions laid down governing the furnishing and release of those securities as part of the verification carried out pursuant to Article 9 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽²⁾, as last amended by Regulation (EEC) No ⁽³⁾; whereas in order to ensure the uniform application of those conditions and, more especially, to ensure implementation of the commitments undertaken by the Community under the GATT on limiting the quantity and value of subsidized Community exports, provision should be made for those securities

(1) OJ No L 50, 20.2.1978, p. 1.

(2) OJ No L 94, 21.4.1970, p. 13.

(3) OJ No L ...

to be included among those which must be forfeited for the benefit of the EAGGF;

Whereas, in the interest of clarity, Regulation (EEC) No 352/78 should be replaced in its entirety,

HAS ADOPTED THIS REGULATION:

Article 1

1. Any security, deposit or guarantee furnished and forfeited pursuant to provisions adopted under the common agricultural policy, hereinafter referred to as 'security', shall be used in its entirety by the paying authorities or bodies in the Member States to reduce EAGGF expenditure.
2. However, any security which is forfeited in respect of food aid operations shall be used by the paying authorities or bodies in the Member States to reduce the food aid expenditure concerned.
3. This Regulation shall not apply to any security furnished in order to guarantee payment of a duty constituting part of the Communities' own resources as defined in Decision 88/376/EEC, Euratom, where the amount of such duty has already been determined pursuant to Article 2(1) of Regulation (EEC, Euratom) No 1552/89 and made available to the Commission.

Article 2

1. The securities referred to in Article 1(1) shall be deducted:
 - (a) from the refunds concerned if the completed or proposed operation in respect of which the security was furnished concerns trade with third countries;
 - (b) from the intervention expenditure concerned in all other cases.
2. If the expenditure chargeable to the EAGGF is supported by accounts, such accounts shall be credited with any security referred to in Article 1(1).

Article 3

Detailed rules for the application of this Regulation shall, where necessary, be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 4

Regulation (EEC) No 352/78 is hereby repealed with effect from 1 January 1995.

Article 5

This Regulation shall enter into force on the seventh day following its publication in the Official Journal of the European Communities.

It shall apply to securities forfeited from 1 January 1995.

~~This Regulation shall be binding in its entirety and directly applicable in all Member States.~~

Done at Brussels,

For the Council

The President

F i n a n c i a l S t a t e m e n t



1. BUDGET HEADING : Titles B-1, B-2 and B-3

APPROPRIATIONS : ECU 35 593 million

2. TITLE :

Proposal for a Council Regulation on the crediting of securities, deposits and guarantees furnished under the common agricultural policy and subsequently forfeited, and repealing Regulation (EEC) No 352/78

3. LEGAL BASIS : Article 43 of the Treaty

4. AIMS

To ensure regular verification of the satisfactory application of the rules governing the establishment and release of securities furnished in connection with the issue of export and import licences and those furnished under a tendering procedure by including them among those which must be forfeited for the benefit of the EAGGF

5. FINANCIAL IMPLICATIONS

PERIOD OF 12 MONTHS

CURRENT FINANCIAL YEAR
(95)

FOLLOWING FINANCIAL YEAR
(96)

5.0 EXPENDITURE

- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)
- NATIONAL AUTHORITIES
- OTHER

p.m.

p.m.

p.m.

5.1 REVENUE

- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)
- NATIONAL

5.0.1 ESTIMATED EXPENDITURE
5.1.1 ESTIMATED REVENUE

1997

1998

1999

2000

p.m.

p.m.

p.m.

p.m.

5.2 METHOD OF CALCULATION

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

YES/NO

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY ?

YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?

YES/NO

COMMENTS :

Up to now the securities in question are forfeited to the national budget. Under this measure they will be used to reduce EAGGF expenditure. Figures cannot be given for the resulting drop in EAGGF Guarantee Section expenditure.

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DOCUMENTS

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