No L 169/8 Official Journal of the European Communities 18.7.68

# REGULATION (EEC) No 988/68 OF THE COUNCIL

## of 15 July 1968

## on the financing of intervention expenditure and refunds in respect of fruit and vegetables

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 17/64/EEC[1] of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, and in particular Articles 2 (1) and 5 (2) thereof;

Having regard to the proposal from the Commission;

Whereas, in order to apply the method known as the basic products method referred to in Article 2 of Regulation No 17/64/EEC to the reimbursement of the refunds on exports to third countries for the period 1 January to 30 June 1967, the basic products for the market in fruit and vegetables should be determined;

Whereas in this market the import charge is calculated for all products according to individual criteria and not in relation to the import charge for another product;

Whereas, pursuant to Article 12 (2) of Council Regulation No 159/66/EEC[2] of 25 October 1966 laying down additional provisions for the common organization of the market in fruit and vegetables, the actions arising from the application of Articles 6 and 7 of that Regulation are interventions on the domestic market the aim and operation of which is identical with that of refunds on exports to third countries within the meaning of Article 5 (1) of Regulation No 17/64/EEC;

Whereas, in accordance with Article 5 (2) of Regulation No 17/64/EEC, detailed rules should be laid down for granting aid from the Guarantee Section of the Fund for those interventions which have been the financial responsibility of the Community since 1 January 1967;

Whereas the uses which may be made of products which Member States have agreed to buy in must be determined in accordance with Article 7 (4) of Regulation No 159/66/EEC; whereas the benefits of the assumption of responsibility by the Fund should be limited to compensation granted for products withdrawn from the market which have been put to those uses;

Whereas, in order to calculate the amount reimbursed by the Fund in respect of compensation granted by Member States to producer organizations in pursuance of Article 6 (2) of Regulation No 159/66/EEC, account should be taken of the total amount of receipts, if any, obtained by such organizations by means of the products withdrawn from the market;

Whereas, since the fourth subparagraph of Article 12 (4) of Regulation No 159/66/EEC provides for the calculation of refunds for Member States other than the Italian Republic, detailed rules should be laid down for reimbursing the expenditure borne by that Member State;

Whereas, since refunds calculated at a flat rate should not exceed the actual expenditure borne by Member States, the factors involved in calculating the actual expenditure should be determined,

HAS ADOPTED THIS REGULATION:

*Article 1*

For the purposes of the common organization of the market in fruit and vegetables each of the products listed in Annexes II and III to Regulation No 159/66/EEC shall be considered to be a basic product.

*Article 2*

The financial compensation provided for in Article 6 of Regulation No 159/66/EEC shall be borne by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund only:

- in so far as the products benefiting from such compensation are put to one of the uses described in the provisions adopted in pursuance of Article 7 (4) of the abovementioned Regulation;
- up to the amount resulting from application of the withdrawal price to the quantity of products withdrawn from the market, that amount being reduced by the total net amount of receipts, if any, obtained by means of those products.

[1] OJ No 34, 27.2.1964, p. 586/64.
[2] OJ No 192, 27.10.1966, p. 3286/66.

*Article 3*

Up to an amount of 40 million units of account per accounting period, the amount of the refund of expenditure borne by the Italian Republic for the operations provided for in Articles 6 and 7 of Regulation No 159/66/EEC shall be determined according to the same method as that laid down for the other Member States in the fourth and fifth subparagraphs of Article 12 (4) of that Regulation, the buying-in price to be taken into account for calculating such amount being that fixed by the Italian Republic in accordance with the provisions of Article 8 of that Regulation.

If, for the same accounting period, the expenditure borne by the Italian Republic for the operations provided for in Article 6 and 7 of Regulation No 159/66/EEC results in the reimbursement of an amount of more than 40 million units of account, and if the amount of the expenditure of the five other Member States to be reimbursed remains at less than 20 million units of account, the reimbursement of the additional expenditure borne by the Italian Republic shall be effected, within the limits of the available portion of the 20 million units of account: in accordance with the terms laid down for the other Member States in the fourth and fifth subparagraphs of Article 12 (4) of the abovementioned Regulation.

*Article 4*

Under the terms of the fifth subparagraph of Article 12 (4) of Regulation No 159/66/EEC, 'actual expenditure borne by Member States means:

- the amount of financial compensation granted to producer organizations, calculated in accordance with the provisions of Article 6 of Regulation No 159/66/EEC, and Article 2 of this Regulation;
- the sums assigned to payment for products bought in accordance with Article 7 of Regulation No 159/66/EEC, less the net amount of receipts, if any, obtained by means of those products.

*Article 5*

The bodies responsible in each Member State for payment of the intervention expenditure arising from the application of Articles 6 and 7 of Regulation No 159/66/EEC shall be obliged to keep until 30 June of the year following that during which the Commission decided on aid from the Guarantee Section of the Fund:

- proof of the required inspections for quantity and quality;
- proof of the use made of the products which were the subject of interventions within the meaning of Articles 6 and 7 of that Regulation.

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

Done at Brussels, 15 July 1968.

*For the Council*
*The President*
G. SEDATI