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# REGULATION (EEC) No 326/71 OF THE COUNCIL

## of 15 February 1971

## laying down general rules for granting export refunds on raw tobacco and criteria for fixing the amount of such refunds

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 727/70[1] of 21 April 1970 on the common organisation of the market in raw tobacco, and in particular Article 9 (4) thereof;

Having regard to the proposal from the Commission;

Whereas international trade in raw tobacco is concerned only with baled tobacco, the only form in which it may be stored in technically satisfactory conditions; whereas, therefore, the granting of export refunds on raw tobacco should be limited to baled tobacco produced from leaf tobacco harvested in the Community;

Whereas price and marketing conditions vary according to the varieties of tobacco harvested in the Community; whereas it is therefore necessary to fix the refund at different amounts for each variety;

Whereas the baled tobacco produced from leaf tobacco of a particular harvest may be marketed over a relatively lengthy period; whereas certain of the factors on which the criteria for fixing the refund are based may vary according to the year in which the tobacco is produced; whereas, therefore, provision should be made to vary the refund on a particular variety of tobacco according to the crop year;

Whereas the refunds must be fixed in accordance with certain criteria which enable the difference to be covered between the prices of baled tobacco produced in the Community for which a premium has been granted and world prices; whereas, moreover, account should also be taken, for each variety, of the conditions under which the produce is disposed of commercially in the Community;

Whereas in order to determine the amount it is also necessary to take into consideration market preparation, transport and shipment costs incurred;

Whereas provision should be made for varying the amount of the refund according to the destination of the products to take account of the varying distances of markets from the Community market and of the special conditions applying to imports in certain countries of destination;

Whereas the factors to be taken into account in applying Article 9 (1) second subparagraph of Regulation (EEC) No 727/70, should be determined;

Whereas, to avoid distortions of competition, the trade should be subject to the same administrative conditions throughout the Community;

HAS ADOPTED THIS REGULATION:

*Article 1*

The granting of export refunds on raw tobacco shall be limited to baled tobacco produced from leaf tobacco harvested in the Community.

*Article 2*

1. The refunds shall be determined for each variety produced in the Community in the light of the following factors:

(a) the situation and trend:

— of prices, supply and demand in the Community;

— of world prices;

[1] OJ No L 94, 28.4.1970, p. 1.

(b) the lowest market preparation and transport costs within the Community and the lowest shipment costs to the country of destination;

(c) the economic aspect of the proposed exports.

2. The refund may vary for tobacco of a given variety according to the crop Year.

*Article 3*

When the world market situation or the special requirements of certain markets make it necessary, the Community refund for one or more varieties may vary according to their destination.

*Article 4*

In order to assess the exceptional cases referred to in the second subparagraph of Article 9 (1) of Regulation (EEC) No 727/70, account shall be taken in particular of the special conditions existing for certain export markets, such as exceptionally high transport costs or the special characteristics of these markets.

*Article 5*

1. The refund shall be paid upon proof that the products:

(a) have been grown in the Community;

(b) have come from the crop for which the refund is requested;

(c) have been exported from the Community.

2. Where Article 3 applies, the refund shall be paid under the conditions laid down in paragraph 1 provided it is shown that the product has reached the destination for which the refund was fixed.

However, exceptions may be made to this rule in accordance with the procedure referred to in paragraph 3, provided conditions are laid down offering equivalent guarantees.

3. Additional provisions, in particular for regulating the granting of refunds, may be adopted in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70.

*Article 6*

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

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

Done at Brussels, 15 February 1971.

*For the Council*

*The President*

M. COINTAT