REGULATION (EEC) No 181/73 OF THE COUNCIL

of 23 January 1973

laying down general rules for a system of compensatory amounts for beef and veal

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty concerning the Accession of new Member States to the European Economic Community and the European Atomic Energy Community (1), signed at Brussels on 22 January 1972, and in particular Article 62 (1) of the Act annexed thereto;

Having regard to the proposal from the Commission;

Whereas pursuant to Article 90 of the Act, the terms of Article 51 and 52 apply to the guide prices for beef and veal;

Whereas Articles 51 and 52 of the Act provide for the fixing of prices for the new Member States at a level different from that of the common prices; and whereas, pursuant to Article 55 of the Act, differences in price levels are to be compensated by a system of compensatory amounts;

Whereas for the products covered by this price fixing, the compensatory amounts applicable in trade between the Community as originally constituted and the new Member States, and between those States and third countries, are to be equal to the difference between prices fixed for the new Member State concerned and the common prices, corrected to the extent necessary by the amount of customs duties;

Whereas this amount, where the customs duty is applied as a percentage of the product's value, must be calculated as a flat rate on the basis of import prices or guide prices, as the case may be, account being taken of the fact that if the compensatory amount is granted, prices for the importing country will already include the customs duty charge;

Whereas, if the levy on calves and adult bovine animals is lowered in accordance with Article 10 of Council Regulation (EEC) No 805/68 (2) of 27 June 1968 on the common organization of the market in beef and veal, as last amended by the Act (3), the compensatory amounts should likewise be lowered in order to maintain Community preference; whereas this lowering must, however, be restricted to the part of those amounts that reflects the price difference, already partially compensated by the addition of customs duties; whereas, furthermore, it is necessary to apply the same lowering, as an absolute sum, both to amounts granted and to amounts levied so as to avoid deflection of trade;

Whereas, where Article 11 of Regulation (EEC) No 805/68 is applied, the compensatory amount must be adjusted;

Whereas the compensatory amounts applicable to the types of meat referred to in the Annex to Regulation (EEC) No 805/68 must be derived from the compensatory amounts applicable to calves and adult bovine animals; whereas they can be derived from the basic amounts by using the coefficients used for calculating the levies; whereas, however, the arrangements for trade in frozen meat among the new Member States and between those States and the Community as originally constituted should be the same as those applied to frozen meat from third countries, with total or partial exemption from levies in certain conditions, as provided by Council Regulation (EEC) No 888/68 (4) of 23 June 1968 laying down general rules on special import terms for certain frozen meats intended for processing, as last amended by Regulation (EEC) No 2725/71 (5);

Whereas, if the difference in prices is less than the amount of the customs duties, the latter must be suspended at the amount by which they exceed such difference; whereas, furthermore, if the amount of customs duties is minimal, it should not be taken into account;

Whereas Article 55 (4) of the Act provides furthermore that no compensatory amount shall be fixed if the calculation thereof results in a minimal amount; and whereas, consequently, an amount must be fixed which can be considered as minimal;

Whereas Article 55 (3) of the Act provides that the compensatory amounts applicable in trade between the new Member States shall be determined by direct reference to the compensatory amounts fixed for each of those States; whereas, more specifically, provision should be made that these amounts, in every case, will attain the level of the difference in prices existing

(1) OJ Special Edition, 27. 3. 1972, p. 5.
(2) OJ No L 148, 28. 6. 1968, p. 24.
(3) OJ Special Edition, 27. 3. 1972, p. 72.
(4) OJ No L 156, 4. 7. 1968, p. 7.
(5) OJ No L 282, 23. 12. 1971, p. 5.

between the Member States in question, which have been used to determine the compensatory amounts applicable in trade with the Community as originally constituted, while taking into account, as elsewhere, the amount of customs duties;

Whereas since the aim of the compensatory amounts in intra-Community trade is to provide satisfactory conditions for the movement of products between two Member States with different price levels, a compensatory amount must be levied for imports into a Member State having a higher price level and, inversely, must be granted for exports to a Member State having a lower price level;

Whereas, consequently, Article 55 (1) (a) of the Act, under which compensatory amounts are to be levied by the importing Member State or granted by the exporting Member State, means that the task of levying or granting these amounts falls to the Member State having the higher price level;

Whereas rules must be laid down for the levying and granting of compensatory amounts in such a way as to avoid deflection of trade that could result in particular from differences in the level thereof;

HAS ADOPTED THIS REGULATION:

Article 1

1. The compensatory amounts for calves and adult bovine animals applicable in trade between the Community as originally constituted and the new Member States, and between those States and third countries (hereinafter referred to as 'basic compensatory amounts'), shall be equal to the difference between the guide price applying in each of the new Member States and the guide price applying in the Community as originally constituted.

2. The basic compensatory amounts for the types of meat listed in sections (a) and (b) of the Annex to Regulation (EEC) No 805/68, applying in trade between the Community as originally constituted and the new Member States, and between those States and third countries, shall be derived from the basic compensatory amounts referred to in paragraph 1 in accordance with the rules for calculating the levy pursuant to Article 12 (1 to 4) of Regulation (EEC) No 805/68.

Article 2

1. The basic compensatory amount for the types of meat listed under heading No 02.01 A II a) 2 aa) in section (c) of the Annex to Regulation (EEC) No 805/68, applying in trade between the Community as originally constituted and the new Member States, and between those States and third countries, shall be equal to the basic compensatory amount for adult bovine animals multiplied by the coefficient referred to in Article 13 (2) (a) of Regulation (EEC) No 805/68.

2. The basic compensatory amounts for the types of meat listed under heading Nos 02.01 A II a) 2 bb), 02.01 A II a) 2 cc), 02.01 A II a) 2 dd) 11 and 02.01 A II a) 2 dd) 22 in section (c) of the Annex to Regulation (EEC) No 805/68, applying in trade between the Community as originally constituted and the new Member States, and between those States and third countries, shall be equal to the basic amount for the types of meat referred to in paragraph 1 multiplied by the coefficients referred to in Article 13 (3) of Regulation (EEC) No 805/68.

Article 3

The basic compensatory amounts applicable in trade between two new Member States shall be equal to the difference between the basic compensatory amounts applying in trade between each of the new Member States and the Community as originally constituted.

Article 4

1. The basic compensatory amounts, calculated in accordance with Articles 1 to 3, shall be adjusted by the amount of customs duties:

(a) by deduction in intra-Community trade when the guide price ruling in the importing Member State is higher than that in the exporting Member State;

(b) by addition in intra-Community trade when the guide price ruling in the importing Member State is lower than that in the exporting Member State;

(c) by deduction on imports from third countries. On exports from the new Member States to third countries, the basic compensatory amounts shall not be corrected.

2. If the amount of the customs duty is lower than one unit of account per 100 kg the compensatory amount shall not be corrected.

3. The basic compensatory amounts, as adjusted, are hereinafter referred to as compensatory amounts.

Article 5

1. In trade in adult bovine animals and calves between the new Member States and between those States and the Community as originally constituted:

(a) the amount of customs duty to be deducted from the basic compensatory amount shall be equal to the amount resulting from the application of the customs duty applied by the Community as originally constituted to the guide price in the exporting Member State;

(b) the amount of customs duty to be added to the basic compensatory amount shall be equal to the difference between the amount which, with the addition of the customs duty applied by the importing new Member State, would be equal to the guide price applicable in the importing Member State and that same guide price.

2. For imports of adult bovine animals and calves into the new Member States from third countries, the amount of customs duty to be deducted from the basic compensatory amount shall be equal to the difference between the amount of customs duty on the import price at the rate applicable to imports into the Community as originally constituted and the amount of customs duty on the same price at the rate applicable to imports into the new Member State in question.

The import price shall be calculated in accordance with Article 10 (1) of Regulation (EEC) No 805/68.

3. In trade in the types of meat listed in sections (a), (b) and (c) of the Annex to Regulation (EEC) No 805/68 between the new Member States and between those States and the Community as originally constituted, the amount of customs duty to be deducted from or added to the basic compensatory amount, as the case may be, shall be calculated in accordance with paragraph 1, the guide price or import price being multiplied by the coefficients referred to in Article 1 (2) or in Article 2, in accordance with the rules laid down therein.

4. For imports into the new Member States from third countries:

(a) of the types of meat listed in sections (a) and (b) of the Annex to Regulation (EEC) No 805/68, the amount of customs duty to be deducted from the basic compensatory amount shall be calculated in accordance with paragraph 2, the import price being multiplied by the coefficients referred to in Article 1 (2);

(b) of the types of meat listed in section (c) of the Annex to Regulation (EEC) No 805/68, the amount of customs duty to be deducted from the basic compensatory amount shall be calculated in accordance with paragraph 2, the import price being replaced by the world market price determined in accordance with Article 13 (2) (b) of Regulation (EEC) No 805/68, the latter being multiplied, as regards the products referred to in Article 2 (2), by the coefficients referred to in that same paragraph.

Article 6

1. If the levies on calves and adult bovine animals are lowered in accordance with Article 10 (3), second subparagraph, of Regulation (EEC) No 805/68, the compensatory amounts for calves and adult bovine animals and for the types of meat referred to in Article 1 (2) shall be lowered by the amount resulting from the application to the compensatory amount to be levied in trade between the new Member States and the Community as originally constituted of the percentage by which those levies are lowered.

2. In this event, in trade between the new Member States themselves, the rule laid down in Article 3 shall apply in respect of the lowering.

Article 7

If the levy on calves or adult bovine animals is not charged according to Article 11 of Regulation (EEC) No 805/68, the compensatory amount valid for these products shall be equal to zero and the rate of customs duty valid for young male bovine animals for fattening of a minimum weight of 220 kg and a maximum weight of 300 kg shall be reduced by half and the rate valid for calves for fattening, weighing less than 80 kg, shall be reduced by three quarters.

Article 8

In trade between the new Member States and with the Community as originally constituted:

(a) If the amount of customs duty to be deducted from the basic compensatory amount is higher than the latter, the customs duty shall be suspended at a rate which represents the relationship between the difference between such amount and the basic compensatory amount on the one hand and the amount itself on the other hand.

(b) If the basic compensatory amount is nil, the customs duty shall be suspended.

Article 9

In trade between the new Member States and between those States and the Community as originally constituted:

(a) the compensatory amounts for the types of meat referred to in Article 14 (3) (a) of Regulation (EEC) No 805/68 shall not be levied if the conditions laid down in Article 1 of Regulation (EEC) No 888/68 are fulfilled;

(b) the compensatory amounts for the types of meat referred to in Article 14 (3) (b) of Regulation (EEC) No 805/68 shall not be levied or, as the case may be, shall be levied only up to an amount corresponding to the amount of the levy as suspended, which is calculated according to the criteria referred to in Article 6, if the conditions laid down in Articles 2 and 3 of Regulation (EEC) No 888/68 for the total or partial suspension of the levy are fulfilled.

Article 10

No compensatory amount shall be fixed at less than 0·5 unit of account per 100 kg.

Article 11

In trade between the new Member States and between those States and the Community as originally constituted, the compensatory amounts shall be levied or granted, as the case may be, by that one of the two Member States concerned whose guide price, used in determining the compensatory amounts, is the higher.

Article 12

1. In trade between the new Member States and third countries, the compensatory amounts shall be deducted from the levies and refunds.

2. If compensatory amount is fixed for a product and the refund, if fixed at all, is lower than this compensatory amount, then, when the product in question is exported to a third country, the new Member State concerned may levy an amount equal to not more than the difference between the compensatory amount and the refund or, as the case may be, to the compensatory amount.

Article 13

The compensatory amount applied shall be the amount applicable on the day of importation or exportation.

Article 14

The detailed rules for the granting, levying and recovery of the compensatory amounts shall be drawn up in such a way as to prevent, in particular, deflection of trade and in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

The rules for the application of the Regulation and in particular the compensatory amounts shall be drawn up according to the same procedure.

Article 15

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

It shall apply from 1 February 1973.

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

Done at Brussels, 23 January 1973.

For the Council

The President

L. TINDEMANS