REGULATION (EEC) No 229/73 OF THE COUNCIL

of 31 January 1973

laying down general rules for the system of compensatory amounts for cereals and fixing these for certain products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

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 55 (6) and Article 62 (1) of the Act annexed thereto;

Having regard to the proposal from the Commission;

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

Whereas, pursuant to Article 73 of the Act, Articles 51 and 52 of the Act apply to the derived intervention prices for cereals;

Whereas the compensatory amounts fixed for the products in question and applicable in trade between the Community as originally constituted and the new Member States, and between the new Member States and third countries, are equal to the difference between the prices fixed for the new Member State in question and the common prices;

Whereas the rules for determining the level of compensatory amounts for other cereals must, in the light of Article 74 (1) of the Act, be so drawn up as to achieve a progressive alignment on the price ratio in the Community;

Whereas it should be made clear that the application of Article 55 (1) (b) of the Act involves deduction of the compensatory amount from the levy or refund;

Whereas it is necessary to provide for the possible introduction, should the necessity arise, of a system of rules for advance fixing of the compensatory amount;

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 these provisions should be clarified by specifying that in each case the amount should be equal to the price difference between the Member States in question used for determining the compensatory amounts applicable in trade with the Community as originally constituted;

Whereas, in accordance with Article 74 (2) of the Act, the compensatory amounts for products covered by Council Regulation No 120/67/EEC [2] of 13 June 1967 on the common organization of the market in cereals, as last amended by the Act, are derived from the compensatory amount for the cereals to which they relate with the aid of the coefficients or rules used in determining the levy, or the variable component of the levy, on these products; whereas the coefficients in question were determined in Council Regulation (EEC) No 968/68 [3] of 15 July 1968 on the system to be applied to cereal-based compound feedingstuffs, in Council Regulation (EEC) No 1052/68 [4] of 23 July 1968 on the import and export system for products processed from cereals and from rice, as last amended by Regulation (EEC) No 1529/71 [5], and in Council Regulation (EEC) No 1397/69 [6] of 17 July 1969 fixing the standard qualities for certain cereals and categories of flour, groats and meal and the rules for fixing the threshold prices of these categories of products; whereas it is, however, necessary to specify that they are applicable in certain cases;

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[1] OJ No L 73, 27. 3. 1972, p. 5.

[2] OJ No 117, 19. 6. 1967, p. 2269/67.

[3] OJ No L 166, 17. 7. 1968, p. 2.

[4] OJ No L 179, 25. 7. 1968, p. 8.

[5] OJ No L 162, 20. 7. 1971, p. 11.

[6] OJ No L 179, 21. 7. 1969, p. 6.

Whereas, since the purpose of compensatory amounts in intra-Community trade is to promote the satisfactory circulation of products between Member States with different price levels, a compensatory amount should be levied on imports to a Member State with a higher price level and, conversely, such an amount should be granted on exports to a Member State with a lower price level;

Whereas, therefore, it follows from Article 55 (1) (a) of the Act, according to which compensatory amounts are levied by the importing Member State or granted by the exporting Member State, that it is for the Member State with the highest price level to grant or levy these amounts;

Whereas Article 56 of the Act provides that appropriate measures may be taken with a view to ensuring the proper functioning of the common organization of markets if the world market price is higher than the price used in calculating the import charge introduced under the common agricultural policy, less the compensatory amount; whereas the measures aforesaid may in particular provide for the limited charge or grant of compensatory amounts, depending on the fluctuations in prices on the world market; whereas the terms on which these are to be limited must be fixed; whereas the limitation should be reflected equally in the compensatory amounts applicable to products processed from cereals;

Whereas appropriate measures must be taken to avoid deflection of trade where, in trade between a new Member State and third countries, the compensatory amount is to be deducted from the refund or where the refund, if fixed at all, is lower than the compensatory amount;

Whereas detailed rules for levying and granting compensatory amounts should be such as to avoid deflections in trade caused, in particular, by differences in their levels;

Whereas for the sake of clarity the Commission should be authorized to publish the compensatory amounts fixed by the Council in the Annex listing those fixed by the Commission;

HAS ADOPTED THIS REGULATION:

Article 1

The compensatory amounts applicable until 31 July 1973 in trade between the Community as originally constituted and the new Member States, and between the new Member States and third countries, shall, for the following products, be as follows:

	Trade with		
	Denmark u.a./metric ton	Ireland u.a./metric ton	United Kingdom u.a./metric ton
Common wheat	9·95	7·50	44·31
Barley	8·68	14·86	42·33

Article 2

1. The compensatory amounts applicable until 31 July 1973 in trade between the Community as originally constituted and the new Member States, and between the new Member States and third countries, shall be calculated by applying the following coefficients to the compensatory amounts for the reference cereals:

Compensatory amounts for	Reference cereal	Coefficients applicable in trade with		
		Denmark	Ireland	United Kingdom
Durum wheat	Common wheat	1·095	2·817	1·476
Rye	Barley	—	1·110	1·250
Oats	Barley	0·969	0·957	0·855
Maize	Barley	—	1·548	0·872
Millet	Barley	—	0·964	0·882
Grain sorghum	Barley	—	1·682	0·882

2. For subsequent calculations, the difference in the price ratio between the reference cereal and each of the cereals in question in the new Member States on the on hand and the Community as originally constituted on the other shall be gradually eliminated at the rate specified in Article 52 (2) of the Act.

The price rates on which the calculation is based shall, for each new Member State, be that resulting from the application of the compensatory amount for the preceding marketing year and, for the Community, that used for fixing the threshold prices for the new marketing year.

3. The compensatory amount for common wheat rendered unfit for human consumption by denaturing as specified in Article 7 of Regulation No 120/67/EEC shall be that applicable to barley.

No compensatory amount shall be fixed for products:

(a) Falling within subheadings Nos 10.07 A and D of the Common Customs Tariff;

(b) Falling within heading No 10.02 and subheadings Nos 10.05 B and 10.07 B and C of the Common Customs Tariff in trade between the Community as originally constituted and Denmark.

Article 3

The compensatory amounts applicable in trade between two new Member States shall be equal to:

— the compensatory amounts applicable in trade with the Community as originally constituted where there is no compensatory amount fixed in trade between the Community and one of the Member States in question;

— the difference between the amounts applicable in trade between each of these new Member States and the Community as originally constituted in other cases.

Article 4

The compensatory amounts applicable to the products specified in Article 1 (c) and (d) of Regulation No 120/67/EEC shall be determined with the aid of the coefficients given in Regulations (EEC) Nos 968/68, 1052/68 and 1397/69.

Article 5

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

In trade between new Member States and third countries, the compensatory amounts shall be deducted from the levy or refund.

Article 6

1. The compensatory amount applicable shall be that ruling on the day of importation or exportation.

2. However, should the necessity arise, the decision may be made, in accordance with the procedure referred to in Article 9 (1), to institute a system of advance fixing of the compensatory amount.

Article 7

1. If for any product referred to in Article 1 or Article 2 (1) the levy is lower than the compensatory amount fixed for that product or calculated in respect thereof by applying Article 2, the Commission shall apply the scale set out in the Annex to determine the amount applicable by way of compensatory amount in trade between the Community as originally constituted and the new Member States and between those States and third countries.

Where, however, the amount of levy lies within the range of values which includes the compensatory amount fixed in Article 1 or resulting from the application of Article 2, that compensatory amount shall continue to apply.

2. For the products referred to in Article 1 (c) of Regulation 120/67/EEC, the amount applicable by way of compensatory amount shall be determined by the Commission in accordance with the terms and on the conditions set out in the foregoing paragraph, the amount to be taken for purposes of levy being in this case the levy chargeable in respect of the product in question reduced by the amount representing the component for protection of the processing industry referred to in Regulation (EEC) No 1397/69.

3. For the products referred to in Article 1 (d) of Regulation No 120/67/EEC, the amount applicable by way of compensatory amount shall be determined by the Commission by reference to the variations in the amount or amounts determined under paragraph 1 for the basic cereals concerned.

4. The provisions of Article 3 shall apply to determination of these amounts in respect of trade between two new Member States.

Article 8

Where, for a given product, a compensatory amount is fixed and the refund, if fixed at all, is lower than the compensatory amount, then, when the product in question is exported to a third country, an amount not exceeding the difference between the compensatory amount and the refund or, as the case may be, not exceeding the compensatory amount may be levied in the new Member State in question.

Article 9

Detailed rules for granting, levying and recovering compensatory amounts shall be such as to avoid possible deflections of trade and distortions of competition, and adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC.

Detailed rules for the application of this Regulation, and in particular the compensatory amounts other than those determined in Article 1, shall be adopted by the same procedure.

The Commission shall be authorized to publish the compensatory amounts together with those fixed in Articles 1 and 2 (3).

Article 10

This Regulation shall enter into force on the day of 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, 31 January 1973.

For the Council

The President

A. LAVENS

ANNEX

Amount of Community levy u.a./ton	Amounts applicable by way of compensatory amount u.a./ton
from 100·00 to 96·01	98·00
from 96·00 to 92·01	94·00
from 92·00 to 88·01	90·00
from 88·00 to 84·01	86·00
from 84·00 to 80·01	82·00
from 80·00 to 76·01	78·00
from 76·00 to 72·01	74·00
from 72·00 to 68·01	70·00
from 68·00 to 64·01	66·00
from 64·00 to 60·01	62·00
from 60·00 to 56·01	58·00
from 56·00 to 52·01	54·00
from 52·00 to 48·01	50·00
from 48·00 to 44·01	46·00
from 44·00 to 40·01	42·00
from 40·00 to 36·01	38·00
from 36·00 to 32·01	34·00
from 32·00 to 28·01	30·00
from 28·00 to 24·01	26·00
from 24·00 to 20·01	22·00
from 20·00 to 16·01	18·00
from 16·00 to 12·01	14·00
from 12·00 to 8·01	10·00
from 8·00 to 4·01	6·00
from 4·00 to 0·01	2·00
0	0