COUNCIL REGULATION (EEC) No 430/77

of 14 February 1977

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Act of Accession, and in particular Article 62 (1) thereof,

Having regard to the proposal from the Commission,

Whereas, pursuant to Article 90 of the Act of Accession, Articles 51 and 52 apply to guide prices in the beef and veal sector;

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

Whereas 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 equal the difference between the prices fixed for the new Member State concerned and the common prices adjusted, where necessary, by the incidence of customs duties;

Whereas, for the beef and veal sector, the general rules of the system of compensatory amounts were laid down by Regulation (EEC) No 181/73 [1]; whereas, since the arrangements applicable to imports from third countries laid down in Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal [2] were amended by Regulation (EEC) No 425/77 [3], the system of compensatory amounts should be adjusted accordingly;

Whereas customs duties between the Community as originally constituted and the new Member States have been gradually eliminated and the Common Customs Tariff has been gradually introduced in the new Member States, so that the elimination of all intra-Community customs duties and the full-scale application of the Common Customs Tariff in respect of products covered by Regulation (EEC) No 805/68 will be achieved from the beginning of the 1977/78 marketing year; whereas, in a system that is to take effect on 1 April 1977, it therefore no longer seems necessary to provide for the adjustment of compensatory amounts by the incidence of customs duties;

Whereas, in view of the extent of the amendments, it seems advisable to replace Regulation (EEC) No 181/73;

Whereas if the levy is reduced in accordance with Article 12 of Regulation (EEC) No 805/68 the compensatory amounts should also be reduced to maintain Community preference; whereas it is also necessary, in order to avoid deflections of trade, to apply the same reduction to the amounts granted and the amounts levied;

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 bovine animals; whereas they can be derived by applying the coefficients used to calculate the levies; whereas, however, deflections of trade are likely to occur as a result of the application of these coefficients since the presentation of certain cuts may be advantageous or disadvantageous according to whether an amount is to be granted or levied; whereas to prevent such deflections of trade provision should be made for different coefficients to be set;

Whereas Article 55 (4) of the Act of Accession provides that no compensatory amount should be fixed if its calculation results in a minimal amount; whereas, therefore, an amount should be fixed that can be considered as minimal;

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[1] OJ No L 25, 30. 1. 1973, p. 9.
[2] OJ No L 148, 28. 6. 1968, p. 24.
[3] See page 1 of this Official Journal.

Whereas under Article 55 (3) of the Act of Accession the compensatory amounts applicable in trade between the new Member States shall be determined by reference to the compensatory amounts fixed for each of those States; whereas this provision should be made more explicit by providing that in each case these amounts should equal the difference in the prices existing between the Member States in question which were used to determine the compensatory amounts applicable in trade with the Community as originally constituted;

Whereas, since the purpose of compensatory amounts in intra-Community trade is to permit the movement of products under satisfactory conditions between two Member States with different price levels, a compensatory amount should be levied for imports into a Member State with a higher price level and conversely, such an amount should be granted for exports to a Member State where the price level is lower;

Whereas Article 55 (1) (a) of the Act of Accession, which states that compensatory amounts should be levied by the importing Member State or granted by the exporting Member State, therefore implies that the task of levying or granting these amounts devolves on the Member State with the higher price level;

Whereas rules for the levying and granting of compensatory amounts should be fixed so as to avoid deflections of trade,

HAS ADOPTED THIS REGULATION:

Article 1

1. The compensatory amounts for bovine animals, applicable in trade between the Community as originally constituted and the new Member States, and between those Member States and third countries, shall be equal to the difference between the guide price applicable in each of the new Member States and the guide price applicable in the Community as originally constituted.

2. The compensatory amounts for meat as specified in Sections (a), (c) and (d) of the Annex to Regulation (EEC) No 805/68, applicable in trade between the Community as originally constituted and the new Member States, and between those Member States and third countries, shall be derived from the compensatory amounts referred to in paragraph 1 by applying the rules laid down for calculation of the levy in accordance with Article 10 (4) of Regulation (EEC) No 805/68.

Article 2

1. The compensatory amount for meat as specified in Section (b) of the Annex to Regulation (EEC) No 805/68 and falling within subheading 02.01 A II b) 1, applicable in trade between the Community as originally constituted and the new Member States, and between those Member States and third countries, shall be equal to the compensatory amount applicable to bovine animals multiplied by the coefficient referred to in Article 11 (2) (a) of Regulation (EEC) No 805/68.

2. The compensatory amounts for meat as specified in Section (b) of the Annex to Regulation (EEC) No 805/68 and falling within subheadings 02.01 A II b) 2, 02.01 A II b) 3 and 02.01 A II b) 4, applicable in trade between the Community as originally constituted and the new Member States and between those Member States and third countries, shall be derived from the compensatory amount applicable to the meat referred to in paragraph 1 using the coefficients referred to in Article 11 (4) of Regulation (EEC) No 805/68.

Article 3

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

Article 4

The compensatory amounts may be calculated using coefficients other than those referred to in Articles 1 and 2 where this is necessary in order to avoid deflections of trade.

Article 5

1. If the levies are reduced in accordance with Article 12 (1) and (5) of Regulation (EEC) No 805/68, the compensatory amounts applicable to bovine animals and to the types of meat referred to in Articles 1 (2) and 2 shall be reduced by an amount equal to the incidence of the percentage reduction in the levy, applied to the compensatory amount to be levied in trade between the new Member States and the Community as originally constituted.

2. In this case, in trade between new Member States, Article 3 shall apply to the amounts resulting from the reduction.

Article 6

No compensatory amount shall be fixed at less than one unit of account per 100 kilograms.

Article 7

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 by that one of the two Member States concerned in which the guide price used to fix the compensatory amounts is the higher.

Article 8

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

2. If a 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, equal to the compensatory amount.

Article 9

The compensatory amount applied shall be the amount in force on the day of import or export.

Article 10

The detailed rules for the granting, levying and recovery of compensatory amounts shall be adopted so that, in particular, deflections of trade are prevented and in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

Rules for the application of this Regulation shall be adopted in accordance with the same procedure.

The compensatory amounts shall be fixed by the Commission.

Article 11

Regulation (EEC) No 181/73 is hereby repealed.

Article 12

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

It shall apply from the beginning of the 1977/78 marketing year.

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

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN