COUNCIL REGULATION (EEC) No 129/78

of 24 January 1978

on the exchange rates to be applied for the purposes of the common agricultural structures policy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas Articles 4 and 6 of Council Regulation (EEC) No 1134/68 of 30 July 1968 laying down rules for the implementation of Regulation (EEC) No 653/68 on conditions for alterations to the value of the unit of account used for the common agricultural policy (2) provide that the amounts fixed in units of account in instruments concerning agriculture are to be converted at the representative rate obtaining on the date when the conditions for granting the aid are fulfilled ; whereas this provision accordingly applies to aid fixed in units of account in the instruments concerning the improvement of agricultural structures ;

Whereas the main purpose of adjustments to the representative rates is to preserve the unity of markets and to reduce compensatory amounts ; whereas the dates of entry into force of the new rates are scarcely suited to the requirements of the structures policy, particularly where repeated adjustments are made during a single calendar year ;

Whereas the success of measures to improve agricultural structures is threatened by short-term adjustments to conversion rates which take effect on dates bearing no relation to these measures ; whereas the success of these measures depends on the level of aid as provided for in the Community rules and the guarantee that those eligible will always receive the real equivalent of the aid when, under Community legislation, payment of the aid in question is spread over several years ;

Whereas, in order that all aid granted during a calendar year may be calculated on the same basis, provision should be made for the representative rates applicable under the agricultural structures policy to be adjusted only once a year ; whereas, for administrative and accounting reasons, the representative rates valid on 1 January of the year in question should be applied ;

Whereas, where payment of aid is spread over several years, it is necessary to provide that, if the representative rate for a national currency is devalued, the annual instalments should be determined on the basis of the representative rate obtaining on 1 January of the year during which the instalment becomes payable ;

Whereas the measures provided for in this Regulation may have to be amended if the European unit of account is introduced into the common agricultural policy,

HAS ADOPTED THIS REGULATION :

Article 1

Amounts expressed in units of account in instruments relating to the common agricultural structures policy shall, where the Community financing of aid introduced by those instruments is undertaken exclusively by the Guidance Section of the European Agricultural Guidance and Guarantee Fund, be converted into national currencies at the representative rates obtaining on 1 January of the year during which the decision to grant aid is taken.

Where under Community Regulations payment of aid is spread over several years, if the representative rate for a national currency obtaining at the time of the grant is subsequently devalued, the instalments shall be established on the basis of the representative rate obtaining on 1 January of the year during which the instalment of aid becomes payable.

Article 2

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

It shall apply to decisions to grant aid taken by Member States as from its entry into force.

(1) Opinion delivered on 20 January 1978 (not yet published in the Official Journal).
(2) OJ No L 188, 1. 8. 1968, p. 1.

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

Done at Brussels, 24 January 1978.

For the Council

The President

P. DALSAGER