COMMISSION REGULATION (EEC) No 708/79

of 9 April 1979

amending Regulation (EEC) No 1380/75 laying down detailed rules for the application of monetary compensatory amounts

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 974/71 of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States (1), as last amended by Regulation (EEC) No 652/79 (2), and in particular Article 6 thereof,

Whereas Commission Regulation (EEC) No 1380/75 of 29 May 1975 (3), as last amended by Regulation (EEC) No 2117/78 (4), laid down the detailed rules for the application of monetary compensatory amounts introduced by Regulation (EEC) No 974/71 ;

Whereas Article 3 of Regulation (EEC) No 1380/75 defines the rules for ascertaining the spot market rates of other currencies in relation to the Member States' currencies which are maintained within a maximum spread at any given moment for spot rate transactions of 2·25 % ; whereas the French franc and the Irish pound have joined the latter currencies ; whereas the text of the above provision must therefore be restricted to the Italian lira and the pound sterling ;

Whereas the present provisions of Article 3 result in the exchange rates being ascertained at different times for the various currencies ; whereas these differences may be avoided by using the rates for the ECU published daily by the Commission ; whereas the rate for the ECU is based on data communicated by the central banks of the Member States who have regard to exchange rates recorded at the same time in each Member State ; whereas the rate of exchange between the currencies of two Member States may accordingly be obtained from the relationship between the counter value of the ECU in these currencies ; whereas if an exchange market is closed, the central banks jointly set a rate which is representative for the value of the currency concerned ; whereas it is appropriate to use this rate also as a basis for the calculation of monetary compensatory amounts if such a situation arises ;

Whereas, pursuant to Article 5 of Regulation (EEC) No 1380/75, the monetary compensatory amounts of the United Kingdom and of Ireland shall be altered by the Commission in line with the changes recorded in respect of each of the two currencies if, for one of the two Member States, the gap referred to in Article 2 (1) of Regulation (EEC) No 974/71 departs by one point at least from the percentage used for the previous fixing ; whereas, since the time Ireland joined the Member States whose currencies are maintained within a maximum deviation at any given moment of 2·25 % of each other, the link with the pound sterling has appeared no longer to exist as it has done hitherto ; whereas there is no justification, therefore, for the continued existence of the above provision ;

Whereas it is necessary to define the rules applicable where rates differentiated according to the products exist and the difference of one point, triggering an alteration in the compensatory amounts, is reached for only one of these rates ; whereas, in order to avoid too frequent alterations in the monetary compensatory amounts and in order to maintain in the Member State concerned the relation between the prices for the various products resulting from the application of different rates, it is necessary to follow the principle of simultaneous alterations for all the monetary compensatory amounts of the Member State concerned ; whereas it is appropriate to adjust the monetary compensatory amounts according to the above rule only if the difference of one point is reached for the monetary compensatory amount of the sector in which the representative rate most closely reflects the economic reality of the currency concerned ;

Whereas the measures provided for in this Regulation are in accordance with the opinions of the relevant management committees,

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) No 1380/75 is hereby amended as follows :

(1) OJ No L 106, 12. 5. 1971, p. 1.
(2) OJ No L 84, 4. 4. 1979, p. 1.
(3) OJ No L 139, 30. 5. 1975, p. 37.
(4) OJ No L 246, 8. 9. 1978, p. 9.

1. The text of Article 3 is replaced by the following text :

'The spot rates of exchange of the currencies of the other Member States in relation to each of the currencies of the Member States which are maintained within a maximum deviation at any given moment for spot rate transactions of 2·25 % of each other shall be derived from the rates for the ECU calculated daily by the Commission in terms of the currencies concerned and published in the "C" series of the *Official Journal of the European Communities*.'

2. The text of Article 5 is replaced by the following text :

'During the period of application of representative rates differentiated according to the products for a Member State, no alteration in the monetary compensatory amounts pursuant to Article 3 of Regulation (EEC) No 974/71 shall take place unless the difference of one point is reached for the monetary compensatory amounts applicable to products in respect of which the representative rate applicable is closest to the real rate of the currency of the Member State concerned. If such is the case, the monetary compensatory amounts shall be altered in respect of all products according to the changes recorded in respect of the rate applicable to each one of them.'

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 with effect from 28 March 1979.

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

Done at Brussels, 9 April 1979.

For the Commission

Finn GUNDELACH

Vice-President