COMMISSION REGULATION (EEC) No 2079/86

of 30 June 1986

amending Regulation (EEC) No 1729/78 as regards the application of the system of production refunds in the sugar sector as from the 1986/87 marketing year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector (1), as last amended by Regulation (EEC) No 934/86 (2), and in particular Article 9 (6) thereof,

Whereas Article 1 (4) of Council Regulation (EEC) No 1010/86 of 25 March 1986 laying down general rules for the production refund on certain sugar products used in the chemical industry (3) lays down that the refund shall be fixed periodically; whereas provision should therefore be made for the refund to be fixed quarterly; whereas Article 4 of Regulation (EEC) No 1010/86 provides for a reference period to be defined and recordings to be made in order to determine the price of sugar on the world market and the price of glucose in the Community; whereas, since refunds are fixed on a quarterly basis, it is appropriate that reference periods of about three months should be introduced to this effect;

Whereas the surpluses of sugar sold on the markets of third countries are disposed of almost entirely by means of invitations to tender; whereas, therefore, the weighted average of export refunds fixed by means of the said tendering procedure during the reference period in question should be implemented for the purpose of determining the price of sugar on the world market used to fix the production refund;

Whereas, in order to calculate the price of glucose in the Community, reference should be made to objective figures such as the price quotations for maize on the Bordeaux and Bayonne markets during the reference period in question and account should be taken, in a flat rate manner for the Community as a whole, of the preliminary costs in the place of production until free-at-factory delivery at the plant where processing into glucose takes place;

Whereas Article 4 (1) of Regulation (EEC) No 1010/86 lays down that the amount of the production refund is to be fixed taking into account the price of Community sugar, the world market price for white sugar and the price of glucose; whereas Article 4 (3) of the said Regulation stipulates that, as from the 1988/89 marketing year, the price of sugar to be used for calculating the production refund must be adjusted taking into account any difference between the world market price for white sugar and the price of glucose; whereas, to this effect, the appropriate detailed rules of application must be laid down and Commission Regulation (EEC) No 1729/78 of 24 July 1978 laying down detailed rules of application in respect of the production refund for sugar used in the chemical industry (4) amended accordingly;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee on Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 1729/78 is hereby amended as follows:

1. Article 1 is replaced by the following:

'*Article 1*

1. The production refund for white sugar shall be fixed quarterly for the periods beginning 1 July, 1 October, 1 January and 1 April.

2. For the purpose of the fixing referred to in paragraph 1, the words "reference period" shall be understood to mean:

(a) for the recording of export refunds for white sugar used to determine the price of sugar on the world market as referred to in Article 4 (4) (a) of Regulation (EEC) No 1010/86;

and

(b) for the recording of the price of maize on the Community market used to determine the price of glucose referred to in Article 4 (4) (b) of the abovementioned Regulation,

the period beginning on the first day of the quarter immediately preceding each of the dates referred to in paragraph 1 and ending on the 15th day of the last month of the same quarter.

3. As regards the price of sugar on the world market, the average referred to in Article 4 (4) (a) of Regulation (EEC) No 1010/86 shall be the weighted average of the export refunds for white sugar fixed on

(1) OJ No L 177, 1. 7. 1981, p. 4.
(2) OJ No L 87, 2. 4. 1986, p. 1.
(3) OJ No L 94, 9. 4. 1986, p. 9.
(4) OJ No L 201, 25. 7. 1978, p. 26.

the basis of invitations to tender during the reference period in question as defined in paragraph 2 for exports to be made under the marketing year in progress at the time when the said average is recorded.

4. As regards the price of glucose, the recording of the price of maize on the Community market referred to in Article 4 (4) (b) of Regulation (EEC) No 1010/86 shall be effected on the basis of the average of maize prices quoted in Bayonne and Bordeaux during the reference period in question as defined in paragraph 2 plus a standard amount of 1,5 ECU per 100 kilograms of maize. Where this sum exceeds the threshold price for maize applicable on the first day of the same reference period, the latter price shall be taken into account for the purpose of the said recording.

5. For the 1986/87 and 1987/88 marketing years, the amount of the production refund applicable per 100 kilograms of white sugar during each of the quarters referred to in paragraph 1 shall be equal to the difference between the price for Community sugar applicable during the quarter for which the refund is fixed and the price of glucose determined for the reference period in question.

6. As from the 1988/89 marketing year, and without prejudice to the second and third subparagraphs, the amount of the production refund applicable per 100 kilograms of white sugar during each of the quarters referred to in paragraph 1 shall be equal to the difference between the price of Community sugar applicable during the quarter for which the refund is fixed and the price of sugar on the world market determined for the reference period in question.

Where the price of sugar on the world market is lower than the price of glucose, the amount of the production refund shall be equal to the difference between the price of Community sugar and the price of glucose plus 25 % of the difference recorded between the price of sugar on the world market and the price of glucose.

As from the 1989/90 marketing year and without prejudice to the revision referred to under (b) in the second subparagraph of Article 4 (3) of Regulation (EEC) No 1010/86, the amount of the production refund shall, where the same circumstances as those referred to in the second subparagraph obtain, be increased by 50 % of the recorded difference in question.'

2. Article 2 is replaced by the following:

'Article 2

1. Application for a production refund shall be made in writing to the competent authority of the Member State where the basic product is to be processed.

2. The application shall state:

(a) the name/style and address of the processor;

(b) the nature and quantity of the basic product to be processed, expressed in terms of white sugar or, in the case of isoglucose, by dry weight;

(c) the tariff heading and description of the chemical product for the manufacture of which the basic product is to be used;

(d) the place of processing.

3. Member States may réquire applicants to furnish additional information.

4. Applications shall be accompanied by a security upon which the issue of the refund certificate referred to in Article 3 shall be conditional.

5. The amount of the security shall be 3,13 ECU per 100 kilograms of sugar expressed as white sugar, or, in the case of isoglucose, per 100 kilograms of dry weight.

6. Within the meaning of Article 20 of Regulation (EEC) No 2220/85 [1], the primary requirement to be satisfied for the release of the security referred to in paragraph 5 shall be that not less than 25 % of the quantity of basic product stated in the application has been processed into one of the chemical products listed in the Annex to Regulation (EEC) No 1010/86 within the period of validity of the refund certificate in question.

7. The application of paragraphs 5 and 6 as regards the release of the security shall be subject to the provisions relating to acts of God and to the provisions of Title V of Regulation (EEC) No 2220/85.

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[1] OJ No L 205, 3. 8. 1985, p. 5.'

3. Article 3 (3) (c) is replaced by the following:

'(c) the nature and the quantity of the basic product to be processed expressed in terms of white sugar or, in the case of isoglucose, in terms of dry weight;'.

4. Article 5 is replaced by the following:

'Article 5

The refund certificate shall be valid from its day of issue to the end of the third month following the quarter of fixing during which the application for a production refund was received.'

5. The following paragraph 3 is added to Article 4:

'3. When one of the chemical products listed in the Annex to Regulation (EEC) No 1010/86 is not obtained, by virtue of its method of manufacture, directly from the basic product in question but from an intermediate product which is itself obtained from that basic product, the granting of the production refund cannot take place unless the verification covers

all of the stages of the processing in order to ensure that the intermediate product as well as the said chemical product have been properly obtained from the basic product for which the production refund is requested.'

6. In Article 9, the word 'sugar' is replaced by the words 'basic product'.

7. Article 11 is deleted.

Article 2

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

It shall be apply from 1 July 1986.

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

Done at Brussels, 30 June 1986.

For the Commission

Frans ANDRIESSEN

Vice-President