COMMISSION REGULATION (EEC) No 1960/91

of 21 June 1991

laying down detailed rules for the application of Article 43 of Council Regulation (EEC) No 4028/86 as regards Community assistance granted in the form of interest rate reductions or contributions to guarantee funds

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 4028/86 of 18 December 1986 on Community measures to improve and adapt structures in the fisheries and aquaculture sector (1), as amended by Regulation (EEC) No 3944/90 (2), and in particular Articles 43 (4) and 21c (4) thereof;

Whereas Articles 43 and 21c of Regulation (EEC) No 4028/86 stipulate that financial aid granted for the restructuring, renewal or modernization of the fishing fleet, the development of aquaculture and structural works in coastal waters and joint enterprise projects may also consist of an interest rate reduction or capital contribution towards the establishment or enlargement of guarantee funds;

Whereas it is necessary to lay down detailed rules for the application of Articles 43 and 21c of Regulation (EEC) No 4028/86;

Whereas it is desirable, particularly in view of the need to simplify administrative procedures, to capitalize Community aid when it consists of an interest rate reduction and to pay it to the financial institution with which the loan has been contracted;

Whereas it is necessary to specify, with regard to the objectives laid down by Regulation (EEC) No 4028/86, the obligations imposed on funds guaranteeing loans contracted for the implementation of projects;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Standing Committee for the Fishing Industry,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down the detailed rules for the application of Community aid when it consists wholly or partly of an interest rate reduction or a capital contribution towards the establishment and/or enlargement of guarantee funds within the framework of Titles II, IV and VIa of Regulation (CEE) No 4028/86.

Article 2

1. All or part of the Community aid for projects submitted within the framework of Titles II, IV and VIa of Regulation (EEC) No 4028/86 may be granted in the form of an interest rate reduction.

2. The interest rate reduction may be granted for a maximum of three years.

Article 3

1. Where Community aid is requested in the form of a reduction in the rate of interest charged on loans contracted by the applicant, the application must be accompanied by the table in Annex I. The Member State shall certify on the application that the documents submitted by the applicant are in accordance with the national and Community rules in force.

2. For the part of the Community aid granted in the form of an interest rate reduction, the capital equivalent shall be paid to the financial institution with which the applicant has contracted the loan on submission of the table in Annex II. The Member State must certify that the information given is accurate.

3. Payment of the part of the Community aid granted in the form of capital subsidies shall be made in accordance with the general rules applicable to the decisions to grant the aid in question.

(1) OJ No L 376, 31. 12. 1986, p. 7.
(2) OJ No L 380, 31. 12. 1990, p. 1.

Article 4

1. At the request of a Member State, the Community may contribute to the establishment or enlargement of funds to guarantee loans, up to an amount not exceeding the equivalent of the Member State's contribution.

2. The application must be accompanied by the table in Annex III. The Member State shall certify on the application that the information given is accurate.

3. Payment of the Community contribution may be made in one or more instalments.

Article 5

To be eligible for a Community contribution, the activity of the guarantee fund must be restricted to structural operations connected with fisheries and aquaculture or have a specialized section for this sector, with its own budget.

Article 6

1. Funds shall use the Community contribution only for guarantees covering projects receiving Community aid under Titles II, IV and VIa of Regulation (EEC) No 4028/86.

2. The guarantee for a given project may not cover a period exceeding five years nor exceed 25 % of the amount of the Community contribution to the fund. A given project may receive a guarantee of up to ECU 500 000.

Article 7

1. The guarantee fund must keep separate accounts for the Community contribution.

2. The fund shall submit to the Commission a twice-yearly report on its activities including, in particular, a list of the projects covered by a guarantee and the size of the guarantees granted.

Article 8

1. All dividends, profits, interest or other income produced by the Community's financial contribution to the fund must be added to the original contribution and entered in the separate accounts referred to in Article 7.

2. Where Community aid is used to finance activities other than guarantees, the Commission may at any time request repayment of all or part of the aid already paid to the fund.

3. All draft amendments to the articles of the fund must be communicated to the Commission for its prior approval. If no reply has been received within 30 days, the amendment shall be deemed to have been approved.

4. In the event of the dissolution or liquidation of a fund, the net value of the fund must be repaid on a proportional basis to the Community.

Article 9

For the purposes of applying the aid ceiling pursuant to Regulation (EEC) No 4028/86, the subsidized part of the guarantees provided by a fund receiving a Community contribution shall be deemed to be equal to a subsidy-equivalent of zero.

Article 10

Member States shall keep at the Commission's disposal, for a period of three years following the payment of the balance of the Community aid, all documents or certified copies thereof on the basis of which the aid provided for in Article 1 was granted, together with the complete files on the applicants.

Article 11

This Regulation shall enter into force on the third day following 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, 21 June 1991.

For the Commission

Manuel MARÍN

Vice-president

ANNEX I

Application for interest rate reduction

Project No:.....
(to be completed by the Commission)

Applicant:

Name: .....

Address: .....

Telephone/telex/fax: .....

Account No: .....

1. The above applicant requests that part/all (1) of the aid be granted in the form of an interest rate reduction.

2. The interest rate reduction is intended to reduce the financial cost of a loan contracted/to be contracted (1) with the following bank:

   Name: .....

   Address: .....

   Telephone/telex/fax: .....

3. The conditions of the loan granted/to be granted (1) are as follows:

	Conditions of the loan before payment of Community aid	Conditions of the loan after payment of Community aid
Amount:	.....	.....
Interest rate:	.....	.....
Duration:	.....	.....
Repayment:	.....	.....
Other (specify):	.....	.....
	.....	.....

(1) Delete as appropriate.

4. The capital equivalent of the interest rate reduction (to be paid to the bank) bas been calculated as follows:

Date and signature of applicant (and recipient, if these are different legal persons or bodies)

Date and signature of authorized representative of the bank

Certified by the competent authority

.....

(Exact name)

.....

(Date, signature and stamp)

ANNEX II

Application for payment of interest rate reduction

Project No: .....

Applicant: .....

Bank: .....

1. The applicant requests payment of the capital equivalent of the interest rate reduction granted by the Commission's Decision of ..... to project No ..... of the bank indicated above.

2. The loan was agreed on ..... (attach copy of the contract) and the amount placed at the disposal of the applicant on .....

3. The conditions are as follows:

	Conditions of the loan before payment of Community aid	Conditions of the loan after payment of Community aid
Amount:	.....	.....
Interest rate	.....	.....
Duration	.....	.....
Repayment	.....	.....
Other (specify)	.....	.....
	.....	.....

4. The capital equivalent of the interest rate reduction (to be paid to the bank) has been calculated as follows:

Date and signature of applicant (and recipient, if these are different legal persons or bodies)

Date and signature of authorized representative of the bank

Certified by the competent authority:

.....

(Exact name)

.....

(Date, signature and stamp)

ANNEX III

Application for a contribution to a guarantee fund

Application No: .....
(to be completed by the Commission)

Member State: .....

1. A Community contribution of ..... (1) is hereby requested for the following guarantee fund:

   Name: .....

   Address: .....

   Telephone/telex/fax: .....

2. The articles/draft articles (2) are attached in the Annex.

3. — The capital amounts to .....

   — The Member State's contribution amounts to .....

4. It is hereby confirmed that the guarantee fund fulfils the conditions laid down in Articles 5 to 8 of Commission Regulation (EEC) No 1960/91 (3).

5. Description of the arrangements made for supervision of the activities of the fund (state the relevant laws, regulations or administrative provisions).

Certification by the competent national authorities:

Date, signature and stamp

(1) Amount in ecus or in national currency. If given in ecus, indicate the conversion rate used.
(2) Delete as appropriate.
(3) OJ No L 181, 8. 7. 1991, p. 107.