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COUNCIL REGULATION (EEC) No 599/91

of 5 March 1991

introducing a credit guarantee for exports of agricultural products and foodstuffs from the Community to the Soviet Union

(OJ L 67, 14.3.1991, p. 21)

Amended by:

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		No	page	date
►**M1**	Council Regulation (EEC) No 1758/91 of 17 June 1991	L 158	4	22.6.1991

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COUNCIL REGULATION (EEC) No 599/91

of 5 March 1991

introducing a credit guarantee for exports of agricultural products and foodstuffs from the Community to the Soviet Union

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113 and 235 thereof,

Having regard to the proposal from the Commission [1],

Having regard to the opinion of the European Parliament [2],

Having regard to the opinion of the Economic and Social Committee [3],

Whereas the Soviet Union has asked the Community to supply it with agricultural and food products; whereas, in order to facilitate the export of these products to the Soviet Union, the Community should provide a credit guarantee facility, without compromising the terms of normal supplies in accordance with market rules;

Whereas provision should be made for the said Community guarantee to be provided at the request of the Soviet Union for food exports in conjunction with contracts between the Soviet Union and Community undertakings; whereas provision should also be made that the guarantee be extended solely for the purchase of agricultural and food products originating in the Community,

HAS ADOPTED THIS REGULATION:

Article 1

A Community medium-term credit guarantee scheme, hereinafter referred to as the 'guarantee', is hereby instituted to enable the Soviet Union to import agricultural and food products from the Community on the terms and conditions set out in this Regulation.

Article 2

The guarantee, provided subject to payment of a surety commission, shall cover, in the event of default, 98 % of the repayment of the principal and interest on loans in ecus granted to the Soviet Union by a pool of commercial banks established in the Community for the purchase and importation of agricultural and food products, in accordance with an agreement to be concluded between the Community and the Soviet Union and negotiated by the Commission in consultation with a committee composed of representatives of the Member States.

This agreement shall contain, *inter alia*, a list of the products to be purchased and the quantities of such products, the terms of purchase and importation, and provisions governing the said loans. This agreement shall also mention guarantees on the part of the Soviet Union regarding the effective nature of the distribution of the products purchased. To this end, an independent control body shall be responsible for supervising the distribution of these products.

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(1) OJ No C 22, 30. 1. 1991, p. 9.
(2) Opinion delivered on 22 February 1991 (not yet published in the Official Journal).
(3) Opinion delivered on 30 January 1991 (not yet published in the Official Journal).

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Article 3

The credit for which repayments are covered by the guarantee may not exceed ECU 500 million. Reimbursement shall involve three instalments of an equal amount, paid 20, 31 and 42 months from the signing of the agreement provided for in Article 2. Interest shall be paid every six months. The first interest payment shall be made six months after the end of the drawing period.

The credit, guaranteed by the Community, shall be backed by a payment and transfer guarantee of a Soviet body empowered to cover sovereign risk and to authorize foreign currency transfers.

The period for drawing upon the credit shall be limited to six months as from the date of signing of the agreement provided for above. This loan may be drawn upon in tranches. Payment of these tranches shall depend upon the degree to which the Soviet Union complies with the provisions of the agreement referred to above and with the conditions laid down for granting the guarantee.

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Article 4

The guarantee shall be extended only where the trade contracts financed with the credit backed by the guarantee are intended solely to cover the purchase of agricultural and food products originating in the Community and where there is free competition to supply these products. The other conditions under which the guarantee will be extended to the pool of commercial banks shall be adopted in accordance with the procedure laid down in Article 6. In compliance with the conditions thus laid down, the Commission shall conclude the guarantee with the pool of commercial banks.

Article 5

The Commission shall manage the guarantee in accordance with the procedure laid down in Article 6.

Article 6

The Commission shall be assisted by a committee referred to as the 'Soviet Union Guarantee Committee' composed of representatives of the Member States and chaired by a representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time-limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the committee, they shall be communicated by the Commission to the Council forthwith. In that event:

— the Commission shall defer application of the measures which it has decided for a period of two months from the date of communication;

— the Council, acting by a qualified majority, may take a different decision within the time limit referred to in the first indent.

Article 7

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

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