COMMISSION REGULATION (EEC) No 640/91

of 15 March 1991

amending for the first time Regulation (EEC) No 1524/71 laying down detailed rules concerning private storage aid for flax and hemp fibres

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1308/70 of 29 June 1970 on the common organization of the market in flax and hemp [1], as last amended by Regulation (EEC) No 3995/87 [2], and in particular Article 5 (3) thereof,

Whereas Article 6 of Commission Regulation (EEC) No 1524/71 [3] contains certain provisions concerning payment of the aid; whereas in order to improve the efficiency of the storage scheme, the contracting party should be enabled to receive an advance payment of aid subject to the lodging of a security;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Flax and Hemp,

HAS ADOPTED THIS REGULATION:

Article 1

The following shall be added to Article 6 of Regulation (EEC) No 1524/71:

'At the contracting party's request, a single advance payment on the amount of aid may be made, provided that he lodges a security equal to the advance payment, plus 10 %.

The advance payment shall not exceed the amount of aid corresponding to the actual period of storage.

The security shall take one of the forms provided for in Article 8 of Regulation (EEC) No 2220/85 [1]. The security shall be released pro rata to the quantities for which the contracting party's obligations under his storage contract are fulfilled. It shall be released once it has been ascertained that those obligations have been fulfilled. The security shall be forfeited pro rata to the quantities for which those obligations are not fulfilled, except in cases of *force majeure*. In such cases, the security shall also be released pro rata to the quantities in respect of which the *force majeure* applies.

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

Article 2

This Regulation shall enter into force on the third day following that of 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, 15 March 1991.

For the Commission

Ray MAC SHARRY

Member of the Commission

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[1] OJ No L 146, 4. 7. 1970, p. 1.
[2] OJ No L 377, 31. 12. 1987, p. 34.
[3] OJ No L 160, 17. 7. 1971, p. 16.