COMMISSION REGULATION (EC) No 2975/95

of 20 December 1995

amending Regulation (EEC) No 2775/88 laying down detailed rules for the application of Article 5a of Council Regulation (EEC) No 729/70

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy [1], at last amended by Regulation (EC) No 1287/95 [2], and in particular Article 5a thereof,

Whereas a review of the interest rate situation in the Community shows a downward trend requiring the adjustment of the rate applicable to the 1995 financial year fixed in Commission Regulation (EEC) No 2775/88 [3], as last amended by Regulation (EC) No 1035/94 [4];

Whereas, pursuant to Article 2 (2) of Regulation (EEC) No 2775/88, expenditure on such interest is calculated provisionally on a monthly basis to permit the Member States to be reimbursed quickly, whereas, pursuant to Article 2 (1) of the Regulation, the total amount for which the Community is to be responsible in respect of a given financial year must be calculated definitively on an annual basis; whereas the rate fixed should accordingly cover the whole financial year;

Whereas Article 5a of Regulation (EEC) No 729/70 provides for the possibility of interest being defrayed in full or in part by the Community to take account of any difficulties which some Member States might encounter in the setting-up of the system of financing introduced during 1988; whereas the initial period covered by that Article may be regarded as terminating at the end of the 1996 financial year;

Whereas the draft budget of the European Communities for the 1996 financial year contains no approriations to reimburse the interest in question; whereas, therefore, the decision on any possible defrayment by the Community of the interest incurred by the Member States for the 1996 financial year has to be delayed;

Whereas the European Agricultural Guidance and Guarantee (EAGGF) Funds Committee has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2775/88 is amended as follows:

1. In Article 1, paragraph (1) is replaced by the following:

'1. Responsibility for the interest charges incurred by the Member States because of the introduction of the system provided for in the last sentence of Article 4 (5) of Regulation (EEC) No 729/70 shall be limited to 6 % per year on the capital provided by Greece, Spain, Ireland and Portugal during the 1995 financial year.'

2. In Article 2 (1), the last line of the formula is replaced by the following:

'i = annual interest rate : 1995 financial year : 0,060'

3. Article 2 (2) is deleted.

Article 2

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

[1] OJ No L 94, 28. 4. 1970, p. 13.
[2] OJ No L 125, 8. 6. 1995, p. 1.
[3] OJ No L 249, 8. 9. 1988, p. 8.
[4] OJ No L 113, 4. 5. 1994, p. 2.

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

Done at Brussels, 20 December 1995.

For the Commission

Franz FISCHLER

Member of the Commission