COMMISSION REGULATION (EC) No 2813/98

of 22 December 1998

laying down detailed rules for applying the transitional measures for the introduction of the euro to the common agricultural policy

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro [1], and in particular Article 10 thereof,

Having regard to Council Regulation (EC) No 2800/98 of 15 December 1998 on the transitional measures for the introduction of the euro to the common agricultural policy [2], and in particular Article 4 thereof,

Whereas Regulation (EC) No 2800/98 allows Member States to grant compensation to farmers who have suffered the effects of an appreciable revaluation; whereas part of that compensation is specifically to offset certain actual reductions in direct aid; whereas that Regulation lays down certain conditions for granting compensation and its phasing over time, and indicates the method for determining the maximum amount that may be allocated by a Member State; whereas the compensation concerned is financed entirely or in part by the Community budget;

Whereas it is necessary to define the operative event that determines the exchange rate used to convert amounts expressed in euros; whereas, to facilitate financial management, the payment of more than one annual instalment of compensation in the same budget year should be avoided; whereas, to take account of the European Community's international commitments, and in the interests of administrative transparency, the procedures to be followed by Member States wishing to grant compensation should be laid down;

Whereas, in order to fulfil its purpose, the compensation must be granted directly to the beneficiaries, in principle farmers, within a fixed period and for amounts not exceeding the income losses concerned; whereas, however, to avoid administrative complications arising from the grant of small amounts to beneficiaries, simplified procedures may be used in certain cases;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the management committees concerned,

HAS ADOPTED THIS REGULATION:

TITLE I

Compensation for appreciable revaluations

Article 1

1. This Title lays down the detailed rules for granting the compensatory aid referred to in Article 2 of Regulation (EC) No 2800/98.

2. The maximum amounts of compensatory aid shall be determined in accordance with Article 4(2) of Regulation (EC) No 2799/98.

Article 2

The maximum level of the aid shall be converted, in the case of the Member States participating in the euro, into national currency units using the conversion rates irrevocably fixed by the Council in accordance with the first sentence of Article 109l(4) of the Treaty and, in the case of Member States not participating in the euro, into the national currency using the exchange rate at 1 January 1999.

Article 3

The provisions on the grant of compensatory aid in Articles 7(1), and Articles 8 and 9 of Commission Regulation (EC) No 2808/98 [3] shall apply to compensatory aid under this Title.

TITLE II

Compensation for reductions in the rates applied to direct aid

Article 4

1. This Title lays down the detailed rules for granting the compensatory aid referred to in Article 3 of Regulation (EC) No 2800/98.

2. The maximum amounts of compensatory aid shall be determined in accordance with Article 5(2) of Regulation (EC) No 2799/98.

[1] See page 1 of this Official Journal.
[2] See page 8 of this Official Journal.
[3] See page 36 of this Official Journal.

Article 5

The maximum level of the aid shall be converted, in the case of the Member States participating in the euro, into national currency units using the conversion rates irrevocably fixed by the Council in accordance with the first sentence of Article 109l(4) of the Treaty and, in the case of Member States not participating in the euro, into the national currency using the exchange rate on the date of the operative event.

Article 6

The maximum amount of the compensatory aid referred to in Article 4(2) resulting from a reduction in the agricultural conversion rate frozen until 1 January 1999 shall be increased by the inverse of the relation between the rate referred to in Article 5 and the agricultural conversion rate referred to above.

Article 7

Article 10(2), (3), (4) and (5) of Regulation (EC) No 2808/98 shall apply to compensatory aid under this Title.

TITLE III

General and transitional provisions

Article 8

The general provisions in Articles 11, 12, 13 and 15 of Regulation (EC) No 2808/98 shall apply to compensatory aid under Titles I and II of this Regulation.

Article 9

Notwithstanding Article 1 of Regulation (EC) No 2808/98, the exchange rate to be used for operations whose operative event date falls between 1 January 1999 and 4 January 1999 shall be that of 4 January 1999.

Article 10

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

It shall apply from 1 January 1999.

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

Done at Brussels, 22 December 1998.

For the Commission
Franz FISCHLER
Member of the Commission