COMMISSION REGULATION (EC) No 1017/2001

of 17 May 2001

amending Regulation (EC) No 296/96 on data to be transmitted by the Member States and the monthly booking of expenditure financed under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF), and laying down certain detailed rules of application for Council Regulation (EC) No 1259/1999

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy [1], and in particular Articles 4 and 5 thereof,

Whereas:

(1) The Member States can devote the amounts released by the reduction or cancellation of payments under Articles 3 and 4 of Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common rules for direct support schemes under the common agricultural policy [2] to certain measures to aid rural development as provided for in Article 5(2) of that Regulation. In order to ensure that the amounts thus made available are properly managed and supervised and that they are used in accordance with EAGGF Guarantee Section rules, accounting rules must be laid down for them.

(2) Article 1 of Commission Regulation (EC) No 963/2001 of 17 May 2001 on detailed rules for the application of Council Regulation (EC) No 1259/1999 as regards the additional Community support and the transmission of information to the Commission [3] lays down that the amounts withheld in accordance with Articles 3 and 4 of Regulation (EC) No 1259/1999 must be used for the payment of additional Community support at the latest by the end of the third financial year following that during which they are withheld. Commission Regulation (EC) No 296/96 [4], as last amended by Regulation (EC) No 2785/2000 [5], should be adapted accordingly.

(3) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the European Agricultural Guidance and Guarantee Fund,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 296/96 is amended as follows:

1. The title is replaced by the following:

'Commission Regulation (EC) No 296/96 of 16 February 1996 on data to be transmitted by the Member States and the monthly booking of expenditure financed under the Guarantee Section of the European Agricutural Guidance and Guarantee Fund (EAGGF).'

2. The following paragraphs 2, 3, 4 and 5 are added to Article 2:

'2. Amounts withheld from the aid payments referred to in Articles 3 and 4 of Regulation (EC) No 1259/1999 must be credited to a special account opened for each paying agency or to a special single account opened by each Member State.

The book keeping must allow identification of the origin of the credit in relation to the payment to the beneficiary of the aid in question.

3. The Member States may redistribute the amounts so collected to other paying agencies, with a view to their utilisation. These amounts shall be credited to the paying agency's account as referred to in paragraph 2 or, where applicable, to a separate account intended exclusively for financing the additional Community support referred to in Article 5(2) of Regulation (EC) No 1259/1999.

4. Where interest is earned by the unused funds, it shall be added to the balance available at the end of each financial year. This interest shall be used by the Member States to finance the additional Community support referred to in Article 5(2) of Regulation (EC) No 1259/1999, or it shall be deducted from the advances in accordance with Article 6 of this Regulation.

5. The paying agencies must keep accounts of expenditure on the measures provided for in Article 5(2) of Regulation (EC) No 1259/1999 that are separate from the accounts of other expenditure on rural development. The accounts must distinguish in respect of each payment between the national funding and the funding resulting from the application of Articles 3 and 4 of Regulation (EC) No 1259/1999.'

3. Article 6 is replaced by the following:

'*Article 6*

Amounts withheld in accordance with Articles 3 and 4 of Regulation (EC) No 1259/1999 and the possible interest thereon which have not been paid pursuant to Article 1 of Regulation (EC) No 963/2001 shall be deducted from the advances related to the expenditure of October of the financial year concerned.'

[1] OJ L 160, 26.6.1999, p. 103.
[2] OJ L 160, 26.6.1999, p. 113.
[3] OJ L 136, 18.5.2001, p. 4.
[4] OJ L 39, 17.2.1996, p. 5.
[5] OJ L 323, 20.12.2000, p. 3.

Article 2

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, 17 May 2001.

For the Commission
Franz FISCHLER
Member of the Commission