COMMISSION REGULATION (EC) No 605/2005

of 19 April 2005

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)

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 5(3) and 7(5) thereof,

Whereas:

(1) In accordance with Article 3 of Commission Regulation (EC) No 296/96 [2], the Commission is kept informed at regular intervals of expenditure incurred by the Member States. To avoid unnecessary notifications, provision should be made for this information to be sent every month without affecting the Member States' obligation to keep information drawn up on a weekly basis available to the Commission, so as to allow proper monitoring of expenditure.

(2) Some of the information to be sent by the Member States should be sent electronically in digital form to enable the Commission to use it directly for accounts management. However, forwarding by other means must continue to be possible in justified cases.

(3) To simplify and streamline administrative procedures, simultaneous forwarding of a copy of the information on paper should now only be required for the monthly summaries.

(4) In practice, indicating certain quantities and areas in the detailed declarations submitted by the Member States is of little value for the monthly advances. As a result, that information should no longer be required.

(5) Payments made by the Commission under the budget of the EAGGF Guarantee Section are exclusively in euro. The Member States may choose to make payments to beneficiaries in euro or in their national currency. However, the paying agencies of those Member States not participating in the euro making payments in national currency and in euro must keep separate accounts for the two currencies. To avoid converting these payments twice, the option of declaring amounts paid in euro in national currency should be abolished.

(6) Where, on the basis of the declarations of expenditure received from the Member States, the total amount of advance commitments which could be authorised under Article 150(3) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [3] is more than half of all corresponding appropriations for the current financial year, the Commission is required to reduce those amounts. For the sake of sound management that reduction must be shared among all the Member States proportionally, on the basis of the declarations of expenditure received from them.

(7) If the Community budget has not been adopted by the beginning of the financial year, the second subparagraph of Article 13(2) of Regulation (EC, Euratom) No 1605/2002 provides that payments may be made monthly per chapter to a maximum of one twelfth of the allotted appropriations in the chapter in question of the preceding financial year. To allocate the available appropriations fairly among the Member States, provision should be made for advances to be granted in this case as a percentage, laid down for each chapter, of the declarations of expenditure submitted by each Member State and for the balance not used in a given month to be reallocated in Commission decisions on subsequent monthly payments.

(8) As part of the reform of the CAP and the introduction of the single farm payment scheme, Member State compliance with the payment deadlines is vital to the proper application of the rules on financial discipline. Specific rules should therefore be laid down to help avoid, wherever possible, any risk of the annual appropriations available in the Community budget being exceeded.

[1] OJ L 160, 26.6.1999, p. 103.
[2] OJ L 39, 17.2.1996, p. 5. Regulation as last amended by Regulation (EC) No 1655/2004 (OJ L 298, 23.9.2004, p. 3).
[3] OJ L 248, 16.9.2002, p. 1.

(9) For reasons of sound administration, where delays arise in sending supporting documents for payments made under Commission Regulation (EC) No 817/2004 of 29 April 2004 laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) [1], it must be made possible for payments by the Commission to the Member State relating to September to be held over to the following month.

(10) Half of the expenditure relating to storage operations carried out in September is taken into account in respect of October and the balance in respect of November. To simplify management of the paying agencies' accounts, provision should be made for expenditure on these operations to be taken into account in full (100 %) in respect of October.

(11) Rural development expenditure part-financed by the Community budget and the national budgets is declared at the latest in respect of the second month following payment to the beneficiaries. To harmonise the accounting rules applied in the field of the EAGGF Guarantee Section, provision should be made for this expenditure to be declared in respect of the month in which the payments were made to the beneficiaries.

(12) Regulation (EC) No 296/96 should be amended accordingly.

(13) The measures provided for in this Regulation are in accordance with the opinion of the EAGGF Committee,

HAS ADOPTED THIS REGULATION:

Article 1

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

1. Article 3 is amended as follows:

(a) paragraphs 1, 2 and 3 are replaced by the following:

'1. Member States shall collect and keep available for the Commission information on total expenditure effected each week.

No later than the third working day of each week, they shall make available information on total expenditure effected from the beginning of the month until the end of the preceding week.

Where the week runs over two months, no later than the third working day of the following month, Member States shall make available information on total expenditure effected during the preceding month.

2. Member States shall send information electronically on total expenditure effected for a given month and any information explaining any substantial difference between the estimates drawn up in accordance with paragraph 5 and expenditure actually incurred, by the third working day of the following month.

3. Not later than the 10th day of each month, Member States shall send to the Commission, electronically, details of total expenditure effected during the preceding month.

However, the information on expenditure effected between 1 and 15 October shall be forwarded by the 25th day of the same month at the latest.

3a. In justified cases the Commission may accept transmission of the information referred to in paragraphs 2 and 3 by other means.';

(b) paragraph 5 is replaced by the following:

'5. Not later than the 20th of each month, Member States shall transmit to the Commission, electronically, a set of documents permitting the booking to the Community budget of expenditure effected during the preceding month. However, the set of documents permitting the booking of expenditure effected between 1 and 15 October shall be submitted not later than 10 November.

The summary of the data referred to in paragraph 6(b) shall also be sent to the Commission on paper.';

(c) paragraph 6 is amended as follows:

(i) in point (a), the third indent is deleted;

(ii) point (b) is replaced by the following:

'(b) a summary of the data referred to in (a);'

(d) paragraph 9 is replaced by the following:

'9. The paying agencies of Member States not participating in the euro must maintain separate accounts according to the currency in which the payments have been made to the beneficiaries. The same separation must be maintained for the declarations made under the clearance of accounts procedure.';

[1] OJ L 153, 30.4.2004, p. 4.

2. Article 4 is amended as follows;

(a) paragraph 1 is replaced by the following:

'1. On the basis of data sent in accordance with Article 3, the Commission shall adopt decisions and make the monthly advances against booking of expenditure, without prejudice to the provisions of Article 14 of Council Regulation 2040/2000 (*).

If advance commitments in accordance with Article 150(3) of Council Regulation (EC, Euratom) No 1605/2002 (**) exceed one half of the total corresponding appropriations for the current financial year, the advances shall be granted as a percentage of the declarations of expenditure received from each Member State. The Commission shall take the balance of amounts not reimbursed to the Member States into account in decisions on subsequent reimbursements.

If the Community budget has not been adopted by the beginning of the financial year, the advances shall be granted as a percentage of the declarations of expenditure received from each Member State, laid down for each chapter of expenditure and within the limits laid down in Article 13 of Regulation (EC, Euratom) No 1605/2002. The Commission shall take the balance of amounts not reimbursed to the Member States into account in decisions on subsequent reimbursements.

(*) OJ L 244, 29.9.2000, p. 27.
(**) OJ L 248, 16.9.2002, p. 1.';

(b) paragraph 2 is replaced by the following:

'2. Advances against booking shall be reduced for expenditure effected after the deadlines laid down as follows:

(a) where expenditure effected after the deadlines is equal to 4 % or less of the expenditure effected before the deadlines, no reduction shall be made;

(b) above the threshold of 4 %, all further expenditure effected with a delay of up to:

— one month shall be reduced by 10 %,

— two months shall be reduced by 25 %,

— three months shall be reduced by 45 %,

— four months shall be reduced by 70 %,

— five months or more shall be reduced by 100 %;

(c) however, in the case of the direct payments referred to in Article 12 and Title III or, where applicable, Title IVa of Council Regulation (EC) No 1782/2003 (*) made in respect of year n, paid out after the deadlines laid down and after 15 October of year n+1, the following conditions shall apply:

— where the 4 % threshold referred to in point (a) has not been used in full for payments made no later than 15 October of year n+1 and the remainder of the threshold exceeds 2 %, that remainder shall be reduced to 2 %,

— in any case, payments made in the course of budget year n+2 and subsequent years shall be eligible for the Member State concerned only up to the level of its national ceiling as provided for in Annexes VIII or VIIIa or its annual financial envelope established in accordance with Article 143b(3) of Regulation (EC) No 1782/2003 for the year preceding that of the budget year during which the payment is made, where applicable plus the amounts relating to the dairy premium and additional payments provided for in Articles 95 and 96 and the additional amount of aid provided for in Article 12 of that Regulation, less the percentage provided for in Article 10 and corrected by the adjustment provided for in Article 11, taking account of Article 12a of that Regulation and the amounts set in Article 4 of Regulation (EC) No 188/2005 (**),

— above the thresholds referred to above, the expenditure concerned by this point shall be reduced by 100 %;

(d) the Commission shall apply a different time scale and/or lower reductions or none at all if exceptional management conditions are encountered for certain measures or if justified reasons are advanced by the Member States.

However, in the case of the payments referred to in point (c), the preceding sentence shall apply within the ceilings referred to in the second indent of point (c);

(e) the reductions referred to in this Article shall be made in accordance with the rules laid down in Article 14 of Regulation (EC) No 2040/2000.

(*) OJ L 270, 21.10.2003, p. 1.
(**) OJ L 31, 4.2.2005, p. 6.';

(c) paragraph 6 is replaced by the following:

'6. Where the Commission does not receive the documents referred to in Article 55(1) of Commission Regulation (EC) No 817/2004 (*) by 30 September each year, it may, after notifying the Member State concerned, suspend payment of the advance relating to expenditure incurred in respect of September in accordance with that Regulation until the advance relating to expenditure for October.

(*) OJ L 153, 30.4.2004, p. 4.';

3. Article 5(2) is replaced by the following:

'2. The amounts of expenditure referred to in paragraph 1 shall be entered in the accounts by the paying agencies during the month following that to which the operations refer. The operations to be covered in the accounts adopted at the end of each month shall be those occurring between the beginning of the financial year and the end of that month.

However, for operations carried out during September, the expenditure shall be entered in the accounts by the paying agencies not later than 15 October';

4. Article 7(1)(b) is deleted.

Article 2

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

It shall apply from 16 October 2005, with the exception of Article 1(1)(d) and (4), which shall apply from 16 October 2006.

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

Done at Brussels, 19 April 2005.

For the Commission
Mariann FISCHER BOEL
Member of the Commission