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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 150/95

of 23 January 1995

amending Regulation (EEC) No 3813/92 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas Article 13 (2) of Regulation (EEC) No 3813/92 ⁽³⁾, provides for an examination to be conducted by the Council, before 1 January 1995, of the agrimonetary arrangements introduced at the beginning of 1993; whereas measures must be taken at Community level for uniform application in all Member States to prevent distortion of monetary origin in the implementation of the common agricultural policy;

Whereas, as a consequence of the Decision of 2 August 1993 raising the marginal intervention thresholds under the European Monetary System to 15 %, the currencies of the Member States are all treated as floating currencies from the agrimonetary viewpoint; whereas the correcting factor referred to in Article 1 (c) of Regulation (EEC) No 3813/92 has remained at 1,207509;

Whereas the correcting factor linked to the fixed currencies was abolished by Article 13 (2) of Regulation (EEC) No 3813/92; whereas it is consequently necessary to adjust the prices and amounts fixed in ecus in order to maintain their value in national currencies;

Whereas Council Regulation (EEC) No 3180/78 of 18 December 1978 changing the value of the unit of

account used by the European Monetary Cooperation Fund ⁽⁴⁾ was repealed and replaced by Council Regulation (EC) No 3320/94 of 22 December 1994 on the consolidation of the existing Community legislation on the definition of the ecu following the entry into force of the Treaty on European Union ⁽⁵⁾;

Whereas it is useful to determine the initial agricultural conversion rates for the currencies of the Member States which accede later on the European Union;

Whereas, in view of the elimination of the correcting factor, a specific agricultural conversion rate as provided for in Article 3 (2) of Regulation (EEC) No 3813/92 is not needed for the agricultural structure policy;

Whereas, until 31 December 1994, Regulation (EC) No 3528/93 ⁽⁶⁾ temporarily replaces the threshold for adjusting the agricultural conversion rates, which was initially symmetrical, narrow and fixed at between - 2 and + 2 points, by a threshold which is not symmetrical, is wider and movable between - 2 to + 3 and 0 to + 5 points; whereas Regulation (EC) No 3311/94 ⁽⁷⁾ extended those provisions for a month; whereas the application of the initial threshold as from 1 January 1995 is likely, on account of the possibility of monetary fluctuations persisting within the Exchange Rate Mechanism of the European Monetary System, to create instability adversely affecting the agricultural conversion rates;

Whereas, in view of the impact of falls in the agricultural conversion rates on farm incomes, the monetary trends which trigger them off must be confirmed;

⁽¹⁾ OJ No C 360, 17. 12. 1994, p. 17.

⁽²⁾ Opinion delivered on 20 January 1995 (not yet published in the Official Journal).

⁽³⁾ OJ No L 387, 31. 12. 1992, p. 1. Regulation as last amended by Regulation (EC) No 3528/93 (OJ No L 320, 22. 12. 1993, p. 32).

⁽⁴⁾ OJ No L 379, 30. 12. 1978, p. 1.

⁽⁵⁾ OJ No L 350, 31. 12. 1994, p. 27.

⁽⁶⁾ OJ No L 320, 22. 12. 1993, p. 32.

⁽⁷⁾ OJ No L 350, 31. 12. 1994, p. 1.

Whereas advance fixing of the agricultural conversion rates, provided for in certain cases in Article 6 of Regulation (EEC) No 3813/92, may be extended to the period of applicability of the amount in ecus concerned provided that the gap with the monetary trend remains within a certain limit;

Whereas the possibility of applying the compensatory measures provided for in Article 8 of Regulation (EEC) No 3813/92 should be limited to cases of appreciable reductions in the agricultural conversion rates; whereas such appreciable reductions must be defined in terms of the scale and the length of period for which prior increases in agricultural conversion rates have applied;

Whereas, in the event of a risk of an appreciable reduction in the agricultural conversion rates, the type and scale of the compensatory measures most suitable must be capable of being determined by the Council in the light of the actual circumstances surrounding the reduction;

Whereas this Regulation should apply from 1 January 1995, when the provisions on the correcting factor and the extension of the threshold expire,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3813/92 shall be amended as follows:

1. Article 1 shall be amended as follows:

(a) point (b) shall be replaced by the following:

'(b) "representative market rate" shall mean:

the average exchange rate for the ecu with respect to that currency, recorded over a reference period of no more than one month, determined in accordance with the procedure laid down in Article 12;'

(b) points (c) and (d) shall be deleted and points (e) and (f) become points (c) and (d) respectively;

(c) the following point shall be added:

'(e) "appreciable reduction in the agricultural conversion rate" shall mean:

a reduction in the last agricultural conversion rate applicable which is greater, in absolute value, than each of the differences between that rate and the lowest conversion rate applicable;

— in the last 12 months, and

— in the period between 24 months and over 12 months before, and

— in the period between 36 months and over 24 months before.

Two-thirds and one-third respectively of the value of the differences in the second and third indents shall be taken into account.';

2. In Article 2 (1) the reference to Regulation (EEC) No 3180/78 shall be replaced by a reference to Regulation (EC) No 3320/94;

3. Article 3 shall be amended as follows:

(a) paragraph 1 shall be replaced by the following:

'1. Subject to the derogations referred to in paragraphs 2 and 3, the agricultural conversion rate shall be fixed by the Commission on the basis of the representative market rate and in accordance with Article 4.

The agricultural conversion rate applicable on 1 February 1995 shall be equal to that determined for that date in accordance with the rules in force on 31 January 1995, divided by 1,207509.

The agricultural conversion rate for the national currency of a new Member State shall initially be equal to the representative market rate established in accordance with Article 1 (b) for the last reference period ending before the date of first application of this Regulation to the currency in question.';

(b) paragraph 2 shall be deleted;

(c) in paragraph 3, "Taking into account the correcting factor" shall be deleted;

(d) paragraphs 3 and 4 shall become paragraphs 2 and 3;

4. Articles 4 and 4a shall be replaced by the following Article:

Article 4

1. The agricultural conversion rate for a currency shall be adjusted where at the end of a reference period:

(a) in the case of a positive monetary gap, the difference is greater than the threshold referred to in paragraph 4;

(b) in the case of a negative monetary gap:

— the absolute value of the difference is greater than 2 points, or

— the absolute value of the difference between that gap and the gap for another currency is greater than that threshold.

However, without prejudice to paragraph 5, where the agricultural conversion rate for a particular currency should be reduced on the basis of a single reference period, the first subparagraph shall not apply to that currency or those currencies which, solely with respect to it, are in the situation referred to in point (b) thereof.

2. In the case referred to in paragraph 1, the new agricultural conversion rate shall be determined by reducing the absolute value of the monetary gap in question by half.
3. Paragraph 1 shall apply iteratively in respect of the same reference period, where appropriate starting with a reduction in the positive monetary gaps, on the basis of the agricultural conversion rates calculated in accordance with paragraph 2.
4. The threshold shall be 5 points. However, the threshold between two particular currencies may be reduced in accordance with the procedure laid down in Article 11 (1) in order to avoid the risk of trade distortion.
5. Where applying paragraph 1 would result in an appreciable fall in the agricultural conversion rate for a currency, such application shall be suspended for the currency in question, as necessary and for no more than four further consecutive reference periods.';
5. In Article 5 (2), 'Without account being taken of the correcting factor' shall be deleted;
6. Article 6 shall be amended as follows:
- (a) in paragraph 1 the second subparagraph shall be deleted;
- (b) the following paragraph 2a shall be inserted:
- '2a. For amounts fixed in advance in ecus and amounts established in ecus under an invitation to tender, the agricultural conversion rate may be fixed in advance.
- In that case, the agricultural conversion rate shall be that in force, respectively, on the date on which it was fixed in advance or the closing date for the submission of tenders. However, that rate shall be adjusted where it diverges by more than 4 % from the agricultural conversion rate which have applied had the rate not been fixed in advance.
- The term of validity of agricultural conversion rates fixed in advance shall be equal to that for the advance fixing of the amount concerned or that of the award.';
7. Article 8 shall be replaced by the following:
- Article 8*
1. Member States may grant farmers compensatory aid for three years where the average agricultural conversion rate over the last 12 months falls appreciably against the average agricultural conversion rate over the previous 12 months.
- Each successive annual instalment shall be reduced, in relation to the previous instalment, by at least one-third of the amount granted in the first year.
2. In the case referred to in paragraph 1:
- the periods taken into account for the granting of aid may not be taken into account for the granting of further aid,
 - the definition of an appreciable fall in the average agricultural conversion rate shall be established in accordance with the procedure laid down in Article 12, by analogy with Article 1 (e),
 - the compensatory aid may not be granted in the form of an amount linked to production other than production during a fixed, previous period; it may not be granted for any specific output or be dependant on there being any output,
 - the first annual instalment of the aid shall be determined on the basis of the reduction in the average farm income in the Member State concerned, due to the reduction in the agricultural conversion rate,
 - where the average rate which triggered the granting of aid is, for 12 consecutive months, below the average agricultural conversion rate applied subsequently the annual instalments of aid beginning after the 12 months in question shall be cancelled or reduced in accordance with the procedure laid down in Article 12,
 - the Council shall, acting by a qualified majority on a proposal from the Commission and subject to the attainment of minimum limits, establish the maximum amounts which can be granted for each instalment of aid.
3. The Community contribution to the financing of the compensatory aid shall amount to:
- 75 % of the aid actually granted to farmers in regions covered by Objective 1, as referred to in Article 1 of Regulation (EEC) No 2052/88, or by Objective 6 referred to in Protocol 6 of the Act of Accession of 1994,
 - 50 % of the amounts actually granted in other cases.
- For the purposes of the financing of the common agricultural policy, this contribution shall be deemed to be part of intervention intended to stabilize the agricultural markets';
8. Article 9 shall be replaced by the following:
- Article 9*
- In the event of an appreciable re-evaluation, the Council, acting by a qualified majority on a proposal from the Commission, shall decide, primarily to comply with obligations under the GATT Agreement and budgetary discipline, on all necessary measures, which may involve derogations from the provisions of this Regulation:

- concerning aid,
- concerning the amount by which the monetary gaps are dismantled; however, such derogations may not result in the threshold being extended';

of an agricultural conversion rate fixed from the latter date. Without prejudice to Article 6 (2a) the agricultural conversion rates fixed in advance before 1 February 1995, and the amounts in ecus to which they refer, shall remain unchanged.'

9. Article 13 (2) shall be replaced by the following :

'2. Prices and amounts in ecus whose value in national currency is subject on 31 January 1995 to the correcting factor 1,207509 shall be multiplied by that factor on the first application, from 1 February 1995,

Article 2

This Regulation shall enter into force on 1 February 1995.

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

Done at Brussels, 23 January 1995.

For the Council

The President

J. PUECH
