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**COUNCIL REGULATION (EC) No 3072/95
of 22 December 1995
on the common organization of the market in rice**

(OJ L 329, 30.12.1995, p. 18)

Amended by:

	Official Journal		
	No	page	date
► <u>M1</u> Council Regulation (EC) No 192/98 of 20 January 1998	L 20	16	27.1.1998

Corrected by:

► **C1** Corrigendum, OJ L 80, 30.3.1996, p. 72 (3072/95)



COUNCIL REGULATION (EC) No 3072/95
of 22 December 1995
on the common organization of the market in rice

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,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

- (1) Whereas the new orientation of the common agricultural policy should lead to better balance on the markets and improve the competitiveness of Community agriculture;
- (2) Whereas the common organization of the market in rice must include a common price system for the Community; whereas that system may be established by fixing an intervention price for paddy rice valid for the whole Community at which the competent agencies are obliged to buy in the rice which is offered to them;
- (3) Whereas, under the Uruguay Round of multilateral trade negotiations, the Community has undertaken gradually to reduce the customs duties resulting from the tariffication of the former levy system; whereas the reduction in customs duties must be accompanied by a fall in Community prices to enable the competitiveness of the Community product to be maintained; whereas, to prevent income losses for producers resulting from the aforementioned reduction in institutional prices, it is appropriate to establish a system of compensatory payments for production granted per hectare and intended to maintain present profitability levels for the crop, the amount of which is fixed on the basis of the envisaged price reduction and the agronomic yields recorded in the various Member States over a period considered to be representative; whereas for this purpose it is appropriate to choose the highest result between:
 - the average of the three years obtained by eliminating the one in which the yield is highest and the one in which the yield was lowest during the period 1990/91 to 1994/95,
 - the average of the three years 1992/93, 1993/94 and 1994/95;
- (4) Whereas it is necessary to determine certain conditions concerning claims for compensatory payments and to specify the date of payment to producers;
- (5) Whereas the introduction of the aforementioned system of compensatory payments per hectare renders it appropriate to lay down a base area per producing Member State; whereas that determination should reflect the area cultivated during the last year of production available in statistical terms; whereas, however, in order to take account of drought, in the case of Spain and Portugal it is appropriate to take account of the last year available by region except for regions affected by drought, where the last year before the drought is taken into account; whereas as regards French Guiana it is appropriate to lay down the base area in accordance with the one which is the subject of the arrangements provided for in Article 3 (2) of Regulation (EEC) No 3763/91 introducing specific measures in respect of certain agricultural products for the benefit of the French overseas depart-

⁽¹⁾ Opinion delivered on 14 December 1995 (not yet published in the Official Journal).

⁽²⁾ Opinion delivered on 23 November 1995 (not yet published in the Official Journal).

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- ments⁽¹⁾; whereas such a determination makes it possible to maintain production objectives compatible with the requirements of the market and to comply with the undertakings accepted under the Uruguay Round of multilateral trade negotiations concerning trade exports; whereas compliance with the base area can be ensured, in the event of overshooting, by reducing the aid sufficiently to dissuade producers from exceeding the maximum;
- (6) Whereas a system of intervention should be set up in order to balance the market; whereas the intervention period should be limited to four months in order to preserve the original purpose of intervention and to prevent it becoming an outlet in itself;
- (7) Whereas the intervention price should continue to be subject to a certain number of monthly increases in order to take account, *inter alia*, of storage costs and financial charges for storing rice in the Community and of the need to ensure that the disposal of stocks conforms to market requirements;
- (8) Whereas there should be a production refund for rice starch and derived products by analogy with the refund laid down for the products referred to in Article 7 of Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organization of the market in cereals⁽²⁾ with which they compete;
- (9) Whereas the creation of a single Community market for rice involves the introduction of a single trading system at the external frontiers of the Community; whereas a trading system including import duties and export refunds, in addition to the intervention measures, should, in principle, stabilize the Community market; whereas the trading system is based on the undertakings given under the Uruguay Round of multilateral trade negotiations; whereas certain types of rice at the various stages of processing, in particular indica rice and japonica rice, are identified by means of CN codes; whereas the possibility of operators knowing, before the arrival of the consignments in question, the charge to be applied, could facilitate the implementation of international agreements;
- (10) Whereas, in order to be able constantly to control trade movements, provision should be made for the issue of import and export licences accompanied by the provision of a security ensuring that the transactions for which such licences are requested are effected;
- (11) Whereas, in order to avoid or curb the harmful effects on the market in the Community that could result from the importation of certain products, the importation of one or more of such products may be made subject to the payment of additional customs duties if certain conditions are met; whereas a provision to that effect should therefore be introduced;
- (12) Whereas the Commission should be given responsibility for opening and administering the tariff quotas resulting from international agreements;
- (13) Whereas the possibility of granting, on export to third countries, a refund equal to the difference between prices in the Community and on the world market, within the limits laid down within the commitments accepted in the Uruguay Round of multilateral trade negotiations is likely to preserve Community participation in international rice trade; whereas that possibility is subject to limits expressed in terms of quantities and value;
- (14) Whereas compliance with the limits in terms of value can be ensured at the time when refunds are fixed and through monitoring of payments under the rules relating to the European

⁽¹⁾ OJ No L 356, 24. 12. 1991, p. 1.

⁽²⁾ OJ No L 181, 1. 7. 1992, p. 21. Regulation as last amended by Regulation (EC) No 1023/95 (OJ No L 103, 6. 5. 1995, p. 24).

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Agricultural Guidance and Guarantee Fund; whereas monitoring may be facilitated by the compulsory advance fixing of refunds, while allowing the possibility, in the case of differentiated refunds, of changing the specified destination within a geographical area in which a single refund rate applies; whereas, in the case of a change of destination, the refund applicable to the actual destination should be paid, with a ceiling at the level of the amount applicable to the destination fixed in advance;

- (15) Whereas ensuring compliance with constraints in terms of quantity calls for the introduction of a reliable and effective system of monitoring; whereas, to that end, the granting of refunds should be made subject to an export licence; whereas refunds should be granted up to the limits available, depending on the particular situation of each product concerned; whereas exceptions to that rule can only be permitted in the case of processed products not listed in Annex II to the Treaty, to which volume ceilings do not apply, and in the case of food-aid operations, which are exempt from any limitation; whereas provision should be made for derogations from strict compliance with management rules where exports benefiting from refunds are not likely to exceed the quantity ceilings laid down; whereas monitoring of the quantities exported with refunds during the marketing years referred to in the abovementioned international undertakings will be carried out on the basis of export licences issued for each marketing year;
- (16) Whereas, in addition to the system described above, and to the extent necessary for its proper working, provision should be made for regulating recourse to inward and outward processing arrangements or, when the situation on the market so requires, prohibiting the use of such arrangements;
- (17) Whereas the customs duty system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the price and customs duty mechanism may in exceptional circumstances prove defective; whereas in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom, when the import obstacles previously existing have been abolished, the Community should be enabled to take all necessary measures; whereas such measures must comply with the commitments accepted in the Uruguay Round of multilateral trade negotiations;
- (18) Whereas provision should be made for the possibility of taking measures in cases where the Community market is disturbed or could be disturbed in such a way as to endanger the attainment of the objectives in Article 39 of the Treaty as a result of imports or exports;
- (19) Whereas there is a risk that the reduction in common prices from the entry into force of this Regulation could entail disturbances on the internal market; whereas, as a result, provision should be made for the possibility for the Commission to take all necessary measures to prevent such disturbances;
- (20) Whereas it is necessary that, as the common market in rice develops, the Member States and the Commission should keep each other supplied with the information necessary for applying this Regulation; whereas this exchange of information is especially necessary in the case of international commitments;
- (21) Whereas the completion of a single market based on a common price system would be jeopardized by the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the single market should be made to apply to rice;
- (22) Whereas, in order to facilitate implementation of the aforementioned provisions, a procedure should be provided for estab-

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- lishing close cooperation between Member States and the Commission within the Management Committee for Cereals;
- (23) Whereas the common organization of the market in rice must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;
- (24) Whereas expenditure incurred by the Member States as a result of the obligations arising out of the application of this Regulation will be financed by the Community in accordance with Articles 2 and 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 ⁽¹⁾ on the financing of the common agricultural policy;
- (25) Whereas the common organization of the market in rice laid down in Regulation (EEC) No 1418/76 ⁽²⁾ has been amended several times; whereas, by reason of their number, their complexity and their dispersal among several Official Journals, these texts are difficult to use and thus lack the clarity which should be an essential feature of all legislation; whereas, under these circumstances, they should be consolidated in a new regulation and the aforementioned Regulation (EEC) No 1418/76 should be repealed; whereas a large number of Council Regulations derived from the basic Regulation which no longer have any legal basis should be repealed;
- (26) Whereas the compensatory payment scheme makes monitoring necessary; whereas, in order to ensure effective control, provision should be made to introduce this aid scheme into the integrated administration and control system laid down in Regulation (EEC) No 3508/92 ⁽³⁾,

HAS ADOPTED THIS REGULATION:

Article 1

1. The common organization of the market in rice shall comprise a price and trading system and shall cover the following products:

	CN code	Description
(a)	1006 10 21 1006 10 23 1006 10 25 1006 10 27 1006 10 92 1006 10 94 1006 10 96 1006 10 98 1006 20 1006 30	Rice in the husk (paddy or rough) Husked (brown) rice Semi-milled or wholly milled rice, whether or not polished or glazed
(b)	1006 40 00	Broken rice
(c)	1102 30 00 1103 14 00 1103 29 50 1104 19 91 1108 19 10	Rice flour Groats and meal of rice Pellets of rice Flaked rice Rice starch

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 13. Regulation as last amended by Regulation (EEC) No 2048/88 (OJ No L 185, 15. 7. 1988, p. 1).

⁽²⁾ OJ No L 166, 25. 6. 1976, p. 1. Regulation as last amended by Regulation (EC) No 1530/95 (OJ No L 148, 30. 6. 1995, p. 5).

⁽³⁾ OJ No L 355, 5. 12. 1992, p. 1. Regulation as amended by Regulation (EC) No 3235/94 (OJ No L 338, 28. 12. 1994, p. 16).

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2. For the purposes of this Regulation, the terms 'paddy rice', 'husked rice', 'semi-milled rice', 'wholly milled rice', 'round grain rice', 'medium grain rice', 'long grain rice' and 'broken rice' are defined in Annex A.

TITLE I

PRICES

Article 2

The marketing year for all the products listed in Article 1 shall begin on 1 September and end on 31 August of the following year.

Article 3

1. The intervention price for paddy rice shall be:
 - ECU 351,00/t for the 1996/97 marketing year,
 - ECU 333,45/t for the 1997/98 marketing year,
 - ECU 315,90/t for the 1998/99 marketing year,
 - ECU 298,35/t for the 1999/2000 and subsequent marketing years.

The intervention price shall be fixed for a standard quality defined by the Council acting by a qualified majority on a proposal from the Commission.

2. The intervention price shall be subject to monthly increases during each of the four months provided for in Article 4 (1). The price thus obtained for the month of July shall remain valid until 31 August. The amounts of the monthly increases shall be determined in accordance with the procedure laid down in Article 43 (2) of the Treaty.

3. The intervention price shall relate to the wholesale stage, delivered at warehouse, before unloading. It shall apply to all intervention centres designated pursuant to Article 8.

Article 4

1. During the period from 1 April to 31 July the intervention agencies shall buy in the quantities of paddy rice which are offered to them provided the offers comply with conditions, in particular in respect of quantity and quality, to be determined.

2. If the quality of the paddy rice offered is different from the standard quality for which the intervention price has been fixed, the intervention price shall be adjusted by applying price increases or reductions. In order to ensure that production is orientated towards certain varieties, price increases and reductions to be applied to the intervention price may be fixed.

3. Under conditions to be determined, intervention agencies shall offer for sale, for export to third countries or for supply to the internal market, paddy rice bought in pursuant to paragraph 1.

Article 5

Special measures may be taken to:

- prevent large-scale application of Article 4 in certain regions of the Community,
- make up for paddy rice shortages following natural disasters.

Article 6

1. Community rice producers may claim compensatory payment under the conditions laid down in this Article and in accordance with detailed rules to be determined.

2. The compensatory payment shall be fixed per hectare of land under rice sown and shall be differentiated by Member State.

3. The amounts of the compensatory payment shall be as follows:

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ECU/ha	1997/98	1998/99	► M1 1999/2000 and subsequent marketing years ◀
Spain	111,44	222,89	334,33
France			
— metropolitan territory	96,35	192,70	289,05
— Guiana	131,80	263,60	395,40
Greece	131,27	262,55	393,82
Italy	106,00	212,00	318,01
Portugal	106,18	212,36	318,53

In order to pursue a better orientation of production, the amounts of the compensatory payment may be varied by applying price increases or reductions depending on the variety.

The compensatory payments shall be paid between 16 October and 31 December following the start of the marketing year in question.

4. A national base area for each producer Member State is hereby established. However, for France, two base areas are established, one for the metropolitan territory, the other for Guiana. The base areas shall be as follows:

Spain:	104 973 ha,
France:	
— metropolitan territory:	24 500 ha
— Guiana:	5 500 ha
Greece:	24 891 ha
Italy:	239 259 ha,
Portugal:	34 000 ha

5. Where the areas given over to rice in a given year exceed one of the base areas indicated in paragraph 4, a reduction of the amount of the compensatory payment shall be applied to all producers in the base area in question for the same production year equal to:

- three times the rate of overrun if it is less than 1 %,
- four times the rate of overrun if it is equal to or greater than 1 % but less than 3 %,
- five times the rate of overrun if it is equal to or greater than 3 % but less than 5 %,
- six times the rate of overrun if it is equal to or greater than 5 %.

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Where the preceding subparagraph is applied, the Member State concerned shall, before a date fixed in accordance with the procedure laid down in Article 22 of this Regulation, determine the scale of the reductions to be applied to the compensatory payment. It shall previously inform the Commission and as quickly as possible thereof.

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► **M1** ◀ Member States shall provide the Commission with detailed information, broken down by variety, on areas, yields and production, and stocks at producers and processors. Such information must be based on a system providing for compulsory declarations by producers and processors set up, administered and monitored by the Member State.

Article 7

1. Under conditions to be determined, a production refund may be granted for starch and certain derived products, obtained from rice and broken rice, used in the manufacture of certain products.

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2. The refund referred to in paragraph 1 shall be fixed periodically.

Article 8

Detailed rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 22, in particular:

- (a) the list of intervention centres provided for in Article 3 (3). This list shall be adopted after consultation with the Member States concerned and shall include in particular intervention centres in surplus areas which have sufficient premises and technical equipment and are in a favourable situation as regards means of transport;
- (b) detailed rules for the application of Article 4. These shall comprise in particular:
 - the minimum quality and quantity required for intervention,
 - the price increases and reductions applicable to intervention,
 - the procedures and conditions for taking over by the intervention agencies and any other rules relating to intervention,
 - the procedures and conditions for disposal by the intervention agencies;
- (c) the type and application of the measures provided for in Article 5;
- (d) detailed rules for the application of Article 6 and the price increases and reductions applicable to the compensatory payment;
- (e) detailed rules for the application of Article 7 and for fixing the refunds and establishing the list of products provided for in that Article.

TITLE II

TRADE WITH THIRD COUNTRIES*Article 9*

1. Imports into the Community, or exports therefrom, of any of the products listed in Article 1 shall be subject to presentation of an import or export licence.

Licences shall be issued by the Member States to any applicant, irrespective of his place of establishment in the Community and without prejudice to measures taken for the application of Articles 13 and 14.

Import and export licences shall be valid throughout the Community. Such licences shall be issued subject to the lodging of a security guaranteeing that the products are imported or exported during the term of validity of the licence; except in cases of *force majeure*, the security shall be forfeited in whole or in part if import or export is not carried out, or is only carried out partially, within that period.

2. The term of validity of licences and other detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22.

Article 10

1. A subsidy may be fixed for consignments to the French overseas department of Réunion, intended for consumption there, of products falling within CN code 1006 (excluding code 1006 10 10) which come from the Member States and are in one of the situations referred to in Article 9 (2) of the Treaty.

That subsidy shall be fixed, taking into account the supply requirements of the Réunion market, on the basis of the difference between the quotations or prices of the relevant products on the world market and the quotations or prices of those products on the Community market, and, if necessary, the price of those products delivered to Réunion.

The subsidy shall be granted on application by the party concerned. The subsidy may be fixed, where appropriate, by a tendering procedure. Such tendering procedure shall relate to the amount of the subsidy.

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The subsidy shall be fixed periodically in accordance with the procedure laid down in Article 22. However, where the need arises, the Commission may, in the interval, at the request of a Member State or on its own initiative, alter the subsidy.

2. The rules on the financing of the common agricultural policy shall apply to the subsidy provided for in paragraph 1.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22.

Article 11

1. Unless this Regulation provides otherwise, the rates of duty in the Common Customs Tariff shall apply to the products listed in Article 1.

2. Notwithstanding paragraph 1, the import duty on:

(a) husked rice falling within CN code 1006 20 shall be equal to the intervention price valid on importation, increased by:

- 80 % in the case of husked rice falling within CN codes 1006 20 17 and 1006 20 98,
- 88 % in the case of husked rice falling within CN codes other than 1006 20 17 or 1006 20 98,

minus the import price; and

(b) wholly milled rice falling within CN code 1006 30 shall be equal to the intervention price at the time of importation, plus a percentage to be calculated and minus the import price.

However, that duty may not exceed the rate of duty in the Common Customs Tariff.

The percentage referred to in (b) shall be calculated by adjusting the respective percentage referred to in (a) by reference to the conversion rate, processing costs and the value of by-products, and then adding an amount for the protection of the industry.

3. Notwithstanding paragraph 1:

(a) no duty shall be charged on imports of products falling within CN codes 1006 10, 1006 20 or 1006 40 00 into the French overseas department of Réunion, intended for consumption there;

(b) the duty to be charged on imports of products falling within CN code 1006 30 into the French overseas department of Réunion, intended for consumption there, shall be multiplied by a coefficient of 0,30.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22. Such detailed rules shall in particular:

- fix the conversion rates for rice at various states of processing, the processing costs and the value of by-products referred to in paragraph 2,
- fix the amount for the protection of the industry and include the necessary provisions for determining and calculating import prices and checking their authenticity,
- include the possibility, if appropriate, in specific cases, of enabling operators to know the charge which will be applied prior to the consignments concerned.

Article 12

1. Without prejudice to Article 11 (2), in order to prevent or counteract adverse effects on the market in the Community which may result from imports of certain products listed in Article 1, imports of one or more of such products at the rate of duty laid down in Article 11 shall be subject to payment of an additional import duty if the conditions set out in Article 5 of the Agreement on Agriculture concluded in accordance with Article 228 of the Treaty in the framework of the Uruguay Round of multilateral trade negotiations have been fulfilled unless the

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imports are unlikely to disturb the Community market, or where the effects would be disproportionate to the intended objective.

2. The trigger prices below which an additional duty may be imposed shall be those forwarded by the Community to the World Trade Organization.

The trigger volumes to be exceeded in order to have the additional import duty imposed shall be determined particularly on the basis of imports into the Community in the three years preceding the year in which the adverse effects referred to in paragraph 1 arise or are likely to arise.

3. The import prices to be taken into consideration for imposing an additional import duty shall be determined on the basis of the cif import prices of the consignment in question.

The cif import prices to be taken into consideration for this purpose shall be determined on the basis of representative prices for the product in question on the world market or on the Community import market for the product.

4. The Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 22. Such detailed rules shall concern in particular:

- (a) the products to which additional import duties may be applied under the terms of Article 5 of the Agreement on Agriculture and the special provisions to be applied to the products referred to in Article 11 (2) with particular regard to the provisions for determining the import prices to be taken into consideration for the purpose of applying an additional import duty;
- (b) the fixing of the representative prices and the other criteria necessary to ensure application of paragraph 1 in accordance with Article 5 of the said Agreement.

Article 13

1. To the extent necessary to enable the products listed in Article 1 to be exported without further processing or in the form of goods listed in Annex B on the basis of quotations or prices for those products on the world market and within the limits resulting from agreements concluded in accordance with Article 228 of the Treaty, the difference between those quotations or prices and prices in the Community may be covered by an export refund.

Export refunds on the products listed in Article 1 in the form of goods listed in Annex B may not be higher than those applicable to such products exported without further processing.

2. The method to be adopted for the allocation of the quantities which may be exported with a refund shall be the method which:

- (a) is most suited to the nature of the product and the situation on the market in question, allowing the most efficient possible use of the resource available, taking into account the effectiveness and structure of Community exports without, however, creating discrimination between large and small operators;
- (b) is the least cumbersome administratively for operators, taking account of administrative requirements;
- (c) prevents any discrimination between the operators concerned.

3. Refunds shall be the same for the whole Community. They may vary according to destination, where the world market situation or the specific requirements of certain markets make this necessary.

Refunds shall be fixed in accordance with the procedure laid down in Article 22. Refunds may be fixed:

- (a) at regular intervals;
- (b) by invitation to tender for products for which that procedure was laid down in the past.

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Refunds fixed at regular intervals may, where necessary, be adjusted in the intervening period by the Commission at the request of a Member State or on its own initiative.

Refunds fixed at regular intervals for the products referred to in Article 1 (1) (a) and (b) shall be fixed at least once a month.

4. The following shall be taken into account when refunds are being fixed:

- (a) the existing situation and future trends with regard to:
 - prices and availability of rice and broken rice on the Community market;
 - prices of rice and broken rice on the world market;
- (b) the aims of the common organization of the market in rice, which are to ensure equilibrium and the natural development of prices and trade on this market;
- (c) limits resulting from agreements concluded in accordance with Article 228 of the Treaty;
- (d) the need to avoid disturbances on the Community market;
- (e) the economic aspects of the proposed exports.

When the amount of the refund is set, account shall be taken in particular of the need to establish a balance between the use of basic Community agricultural products for export as processed goods to third countries and the use of basic agricultural products from these countries admitted for inward processing.

5. Refunds for products listed in Article 1 (1) (a) and (b) shall be fixed in accordance with the following specific criteria:

- (a) prices for those products obtaining on the various representative export markets of the Community;
- (b) the most favourable quotations recorded on the various markets of importing third countries; and
- (c) marketing costs and the most favourable transport charges from the Community markets referred to in (a) to ports or other points of export in the Community serving these markets, as well as costs incurred in placing the goods on the world market.

6. Where refunds are fixed by a tendering procedure, such tendering procedure shall relate to the amount of the refund.

7. Refunds on products listed in Article 1 and exported without further processing shall only be granted on application and on presentation of the relevant export licence.

8. The refund applicable to exports of products listed in Article 1 exported without further processing shall be that applicable on the day of application for the licence and, in the case of a differentiated refund, that applicable on the same day for:

- (a) the destination indicated on the licence;
- or
- (b) the actual destination if it differs from the destination indicated on the licence. In that case, the amount applicable may not exceed the amount applicable for the destination indicated on the licence.

Appropriate measures may be taken to prevent abuse of the flexibility provided for in this paragraph.

9. Paragraphs 7 and 8 may be applied to products listed in Article 1 and exported in the form of goods listed in Annex B in accordance with the procedure laid down in Article 16 of Regulation (EC) No 3448/93 ⁽¹⁾.

⁽¹⁾ OJ No L 318, 20. 12. 1993, p. 18.

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10. Paragraphs 7 and 8 may be waived in the case of products listed in Article 1 on which refunds are paid under food-aid operations, in accordance with the procedure laid down in Article 22.

11. Save as otherwise provided in accordance with the procedure laid down in Article 22, the refund on products listed in Article 1 (1) (a) and (b) applicable in accordance with paragraph 4 shall be adjusted in line with the amount of monthly increases applicable to the intervention price and, where appropriate, variations in that price, depending on the degree of processing and using the applicable conversion rate.

A corrective amount may be fixed in accordance with the procedure laid down in Article 22. However, the Commission may, where necessary, alter the corrective amounts.

The first and second subparagraphs may be applied, in whole or in part, to products listed in Article 1 (1) (c) and to products listed in Article 1 and exported in the form of goods listed in Annex B. In that case, the adjustment referred to in the first subparagraph shall be corrected by applying a coefficient expressing the ratio between the quantity of basic product and the quantity of the latter contained in the processed product exported or used in the goods exported.

12. The refund on the products referred to in Article 1 (a) and (b) shall be paid upon proof that:

- ►**MI** the products have been wholly obtained in the Community within the meaning of Article 23 of Regulation (EEC) No 2913/92, except where paragraph 13 applies ◀,
- the products have been exported from the Community, and
- in the case of a differentiated refund, the products have reached the destination indicated on the licence or another destination for which a refund was fixed, without prejudice to paragraph 8 (b). Exceptions may be made to this rule in accordance with the procedure laid down in Article 22, provided conditions are laid down which offer equivalent guarantees.

Additional provisions may be adopted in accordance with the procedure laid down in Article 22.

13. ►**MI** No export refund shall be granted on rice imported from and re-exported to third countries, unless the exporter proves that:

- the product to be exported and the product previously imported are one and the same,
- all the import duties were collected on the product's release for free circulation. ◀

In such cases the refund on each product shall be equal to the duties collected on importation where the latter are lower than the refund applicable, where the duties collected on importation are higher than that refund, the latter shall apply.

14. Compliance with the limits on volumes arising from agreements concluded in accordance with Article 228 of the Treaty shall be ensured on the basis of the export licences issued for the reference periods provided for therein and applicable to the products concerned. With regard to compliance with the obligations arising under the agreements concluded as part of the Uruguay Round, the ending of a reference period shall not affect the validity of export licences.

15. Detailed rules for the application of this Article, including provisions concerning the reallocation of quantities exported not allocated or not used, in particular as regards the adjustment referred to in paragraph 11, shall be adopted in accordance with the procedure laid down in Article 22. Annex B shall be amended in accordance with the same procedure. However, detailed rules for the application of paragraph 7 to products referred to in Article 1 and exported in the form of goods referred to in the Annex shall be adopted in accordance with the procedure laid down in Article 16 of Regulation (EC) No 3448/93.

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Article 14

1. To the extent necessary for the proper working of the common organization of the market in rice, the Council, acting on a proposal from the Commission in accordance with the procedure laid down in Article 43 (2) of the Treaty, may in special cases prohibit in whole or in part the use of inward or outward processing arrangements in respect of products listed in Article 1.

2. By way of derogation from paragraph 1, if the situation referred to in paragraph 1 arises with exceptional urgency and the Community market is disturbed or is liable to be disturbed by the inward or outward processing arrangements, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the Council and the Member States shall be notified of such measures, which shall be valid for no more than six months and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within a week following receipt of the request.

3. The Commission decision may be referred to the Council by any Member State within a week of the day on which it was notified. The Council, acting by a qualified majority, may confirm, amend or repeal the Commission decision. If the Council has not acted within three months, the Commission decision shall be deemed to have been repealed.

Article 15

1. The general rules for the interpretation in the combined nomenclature and the special rules for its application shall apply to the tariff classification of products covered by this Regulation; the tariff nomenclature resulting from the application of this Regulation, including the definitions listed in Annex A, shall be incorporated in the Common Customs Tariff.

2. Save as otherwise provided for in this Regulation or in provisions adopted pursuant thereto, the following shall be prohibited:

- the levying of any charge having equivalent effect to a customs duty,
- the application of any quantitative restriction on imports or measure having equivalent effect.

Article 16

1. Where the quotations or prices on the world market for one or more of the products listed in Article 1 (a) and (b) reach the level of Community prices and where that situation is likely to continue and to deteriorate, thereby disturbing or threatening to disturb the Community market, appropriate measures may be taken.

2. Quotations or prices on the world market shall be regarded as having reached the level of Community prices when they approach or exceed the intervention price, increased by:

- 80 % in the case of the husked rice falling within CN codes 1006 20 17 and 1006 20 98,
- and
- 88 % in the case of the husked rice falling within CN codes other than 1006 20 17 or 1006 20 98.

3. The situation referred to in paragraph 1 shall be regarded as likely to persist or deteriorate where there is an imbalance between supply and demand and where that imbalance is likely to continue in view of foreseeable production and market price trends.

4. The Community market shall be regarded as being disturbed or threatened with disturbance, as a result of the situation referred to in the preceding paragraphs, where international trade prices are so high as to impede importation of products listed in Article 1 into the Community or to provoke their export from the Community, thereby jeopardizing market stability or security of supplies.

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5. Where the conditions in this Article are met, the following measures may be taken:

- application of an export levy; in addition, a special export levy may be determined by a tendering procedure in respect of a fixed quantity,
- fixing of a time limit for the issue of export licences,
- total or partial suspension of the issue of export licences,
- total or partial rejection of outstanding applications for the issue of export licences.

These measures shall be repealed at the latest when it is found that, for a period of three consecutive weeks, the condition stated in paragraph 2 is no longer fulfilled.

6. The following shall be taken into account when an export levy is being fixed for products listed in Article 1 (1) (a) and (b):

- (a) the existing situation and the future trend with regard to:
 - prices and availability of rice on the Community market,
 - prices for rice and processed products in the rice sector on the world market;
- (b) the aims of the common organization of the market in the rice sector, which are to ensure equilibrium for both supply and trade;
- (c) the need to avoid disturbances on the Community market;
- (d) the economic aspect of the exports.

7. When the export levy on the products listed in Article 1 (1) (c) is being fixed, the factors listed in paragraph 6 shall apply. In addition, the following specific factors shall be taken into account:

- (a) prices obtaining for broken rice on the various Community markets;
- (b) the quantity of broken rice necessary to manufacture the products under consideration and, where appropriate, the value of the by-products;
- (c) sale opportunities and conditions for the products in question on the world market.

8. Where the situation on the world market and the specific requirements of certain markets so require, the export levy may be differentiated.

9. The export levy to be charged shall be the one applicable on the day of export. However, the levy applicable on the day of lodgement of the application for a licence shall be applied, if the applicant so requests at the time of requesting the licence, to an export to be carried out during the period of validity of the licence.

10. No levy may be applied to exports carried out under food-aid arrangements pursuant to Article 13 (10).

11. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22.

In accordance with the same procedure and for each of the products:

- a decision shall be taken to establish the measures listed in paragraph 5 and put an end to the measures listed in the second and third indents of that paragraph,
- the export levy shall be fixed periodically.

Where necessary, the Commission may establish or modify the export levy.

12. In urgent cases, the Commission may take the measures referred to in the third and fourth indents of paragraph 5. It shall notify its decision to the Member States and shall publish it on the notice boards at its headquarters. The measures shall, by virtue of such a decision, be applied to the relevant products from the date specified to that end, which shall be subsequent to the date of notification. The decision on the measures referred to in the third indent of paragraph 5 shall be applicable for a period not exceeding seven days.

▼B*Article 17*

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardize the achievement of the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting on a proposal from the Commission in accordance with the procedure laid down in Article 43 (2) of the Treaty, shall adopt the general rules for the application of this paragraph and shall define in what cases and within what limits Member States may take protective measures.

2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures. The Member States shall be notified of such measures which shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

3. Measures decided upon by the Commission may be referred to the Council by any Member States within three working days of the day on which they were notified. The Council shall meet without delay. It may, acting by a qualified majority, amend or annul the measure in question.

4. This Article shall be applied having regard to the obligations arising from agreements concluded in accordance with Article 228 (2) of the Treaty.

TITLE III

GENERAL AND FINAL PROVISIONS*Article 18*

Goods listed in Article 1 which are manufactured or obtained from products not referred to in Articles 9 (2) or 10 (1) of the Treaty shall not be admitted for free circulation within the Community.

Article 19

Save as otherwise provided in this Regulation, Articles 92, 93 and 94 of the Treaty shall apply to the production and marketing of the products listed in Article 1.

Article 20

Article 40 (4) of the Treaty and the provisions adopted to implement that Article shall apply as regards the European Agricultural Guidance and Guarantee Fund, Guarantee Section, to the French overseas departments in respect of the products listed in Article 1.

Article 21

The Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation. The arrangements for communicating and disseminating this information shall be adopted in accordance with the procedure laid down in Article 22.

Article 22

Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Management Committee for Cereals established by Article 22 of Regulation (EEC) No 1766/92 hereinafter called the 'committee', either on his own initiative or at the request of the representative of a Member State.

All the provisions of Articles 22 and 23 of the abovementioned Regulation regarding the committee shall apply.

▼ B*Article 23*

The committee may consider any other question referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

Article 24

This Regulation shall be applied in such a way as to take appropriate and simultaneous account of the objectives laid down in Articles 39 and 110 of the Treaty.

Article 25

1. Annex B to Regulation (EEC) No 1418/76 shall be replaced by Annex B to this Regulation as from 1 January 1996.

2. Regulation (EEC) No 1418/76 shall be repealed from the 1996/97 marketing year.

3. References made to the Regulation repealed by paragraph 1 shall be construed as being made to this Regulation and should be read in accordance with the correlation table in Annex C.

4. The following Regulations shall be repealed from the 1996/97 marketing year:

— Regulation (EEC) No 1422/76 ⁽¹⁾,

— Regulation (EEC) No 1424/76 ⁽²⁾,

— Regulation (EEC) No 1425/76 ⁽³⁾,

— Regulation (EEC) No 1426/76 ⁽⁴⁾,

— Regulation (EEC) No 3878/87 ⁽⁵⁾,

5. To facilitate the changeover from the present common organization of the market in rice to that provided for by this Regulation or to facilitate the changeover from one marketing year to another during the 1996-97 and 1997-98 marketing years, the Commission may take whatever transitional measures are deemed necessary, in accordance with ► C1 procedure laid down in Article 22. ◀

6. The following indent shall be added to Article 1 (1) (a) of Regulation (EEC) No 3508/92:

‘— the aid scheme for rice producers, established by Article 6 of Regulation (EC) No 3072/95 (*).’

Article 26

The measures specified in Title I of this Regulation shall be considered to be intervention within the meaning of Article 3 (1) of Regulation (EEC) No 729/70.

Article 27

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

It shall apply from the 1996/97 marketing year, except for Article 5 and Article 25 (1) and (5), which shall apply from 1 January 1996.

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

⁽¹⁾ OJ No L 166, 25. 6. 1976, p. 18.

⁽²⁾ OJ No L 166, 25. 6. 1976, p. 20.

⁽³⁾ OJ No L 166, 25. 6. 1976, p. 26.

⁽⁴⁾ OJ No L 166, 25. 6. 1976, p. 28.

⁽⁵⁾ OJ No L 363, 24. 12. 1987, p. 3.

(*) OJ No L 329 of 30. 12. 1995, p. 18.

▼B

ANNEX A

DEFINITIONS

1. (a) *Paddy*: rice which has retained its husk after threshing;
 - (b) *husked rice*: paddy rice from which only the husk has been removed. Examples of rice falling within this definition are those with the commercial descriptions 'brown rice', 'cargo rice, loonzain' and 'riso sbramato';
 - (c) *semi-milled rice*: paddy rice from which the husk, part of the germ and the whole or part of the outer layers of the pericarp but not the inner layers have been removed;
 - (d) *wholly milled rice*: paddy rice from which the husk, the whole of the outer and inner layers of the pericarp, the whole of the germ in the case of long grain or medium grain rice and at least part thereof in the case of round grain rice have been removed, but in which longitudinal white striations may remain on not more than 10 % of the grains.
2. (a) *Round grain rice*: rice, the grains of which are of a length not exceeding 5,2 mm and of a length/width ratio of less than 2;
 - (b) *medium grain rice*: rice, the grains of which are of a length exceeding 5,2 mm but not exceeding 6,0 mm and of a length/width ratio no greater than 3;
 - (c) *long grain rice*:
 - (A) rice, the grains of which are of a length exceeding 6,0 mm and of which the length/width ratio is greater than 2 but less than 3;
 - (B) rice, the grains of which are of a length exceeding 6,0 mm and of which the length/width ratio is equal to or greater than 3;
 - (d) *measurements of the grains*: grain measurements are taken on wholly milled rice by the following method:
 - (i) take a representative sample from the consignment;
 - (ii) sieve the sample so as to retain only whole grains including immature grains;
 - (iii) carry out two measurements consisting of 100 grains each and find the average;
 - (iv) express the result in millimetres, rounded off to one decimal place.
3. *Broken rice*: grain fragments the length of which does not exceed three quarters of the average length of the whole grain.

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ANNEX B

CN code	Description
0403	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa
ex 1704	Sugar confectionery (including white chocolate), not containing cocoa:
1704 90 51 to 1704 90 99	— — Other
ex 1806	Chocolate and other food preparations containing cocoa excluding subheadings 1806 10, 1806 20 70, 1806 90 60, 1806 90 70 and 1806 90 90
1901	Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa powder or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of heading Nos 0401 to 0404, not containing cocoa or containing less than 5 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included
ex 1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:
1902 20 91	— — — Cooked
1902 20 99	— — — Other
1902 30	— Other pasta
1902 40 90	— — Other
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize corn), in grain form, or in the form of flakes or other worked grains (except flour and meal), pre-cooked or otherwise prepared, not elsewhere specified or included
ex 1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty caches of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
1905 90 20	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
ex 2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading No 2006:
2004 10 91	— — — Potatoes in the form of flour, meal or flakes
ex 2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No 2006:
2005 20 10	— — Potatoes in the form of flour, meal or flakes
ex 2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included:

▼B

CN code	Description
2008 11 10	— — — Peanut butter
ex 2101	Extracts, essences and concentrates of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof:
2101 12	— — Preparations with a basis of these extracts, essences or concentrates or with a basis of coffee
2101 20 92	— — — Preparations with a basis of extracts, essences or concentrates of tea or maté
2101 20 98	
ex 2105 00	Ice cream and other edible ice whether or not containing cocoa
2106	Food preparations not elsewhere specified or included
ex 3505	Dextrins and other modified starches (for example, pregelatinized or esterified starches); glues based on starches, or on dextrins or other modified starches excluding starch esters and ethers falling within subheading 3505 10 50
ex 3809	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included:
ex 3809 10	— With a basis of amylaceous substances



ANNEX C

TABLE OF CORRELATION

Regulation (EEC) No 1418/76	This Regulation
Article 1	Article 1
Article 2	Article 2
Article 3	Article 3 (1)
Article 4:	
paragraph 1	Article 3 (3)
paragraphs 2 and 3 (b), (c) and (d)	—
paragraph 3 (a)	Article 8 (a)
Article 5:	
paragraph 1	Article 4 (1)
paragraph 2, first subparagraph	—
paragraph 2, second subparagraph	Article 4 (2)
paragraph 3	Article 4 (3)
paragraph 4	—
paragraph 5	Article 8 (b)
Article 6:	
first subparagraph	Article 5
second subparagraph	Article 8 (c)
Article 7	Article 3 (2)
—	Article 6
Article 8	—
Article 8a	—
Article 9:	
paragraphs 1 and 2	Article 7
paragraph 3	Article 8 (c)
—	Article 8 (e)
Article 10	Article 9
Article 11	Article 10
Article 12	Article 11
Article 13	Article 12
Article 14	Article 13
Article 15	Article 14
Article 16	Article 15
Article 17	Article 16
Article 18	Article 17
Article 23	Article 18
Article 24	Article 19
Article 25	—
—	Article 20
Article 25a	—
Article 26	Article 21
Article 27	Article 22
Article 28	Article 23
Article 29	Article 24
Article 30	Article 25
—	Article 26

▼B

Regulation (EEC) No 1418/76	This Regulation
Article 31	Article 27
Annex A	Annex A
Annex B	Annex B
Annex C	Annex C