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**COMMISSION REGULATION (EC) No 2550/2001
of 21 December 2001**

laying down detailed rules for the application of Council Regulation (EC) No 2529/2001 on the common organisation of the market in sheepmeat and goatmeat as regards premium schemes and amending Regulation (EC) No 2419/2001

(OJ L 341, 22.12.2001, p. 105)

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► <u>M2</u> Commission Regulation (EC) No 623/2002 of 11 April 2002	L 95	12	12.4.2002
► <u>M3</u> Commission Regulation (EC) No 2307/2003 of 29 December 2003	L 342	11	30.12.2003
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**COMMISSION REGULATION (EC) No 2550/2001
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laying down detailed rules for the application of Council Regulation (EC) No 2529/2001 on the common organisation of the market in sheepmeat and goatmeat as regards premium schemes and amending Regulation (EC) No 2419/2001

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2529/2001 of December 2001 on the common organisation of the market in sheepmeat and goatmeat ⁽¹⁾, and in particular Articles 4(6), 5(4), 8(5), 9(5), 10(4) and 11(3) thereof,

Having regard to Council Regulation (EEC) No 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes ⁽²⁾ as last amended by Commission Regulation (EC) No 495/2001 ⁽³⁾, and in particular Article 12 thereof,

Whereas:

- (1) Regulation (EC) No 2529/2001 sets up a new system of premia to replace the system set out in Council Regulation (EC) No 2467/98, of 3 November 1998 on the common organisation of the market in sheepmeat and goatmeat ⁽⁴⁾, as amended by Regulation (EC) No 1669/2000 ⁽⁵⁾. In order to take account of the new arrangements and in the interests of clarity, it is necessary to establish new rules to replace those set out in Commission Regulations (EEC) No 2814/90 of 28 September 1990 laying down detailed rules for the definition of lambs fattened as heavy carcasses ⁽⁶⁾, as last amended by Regulation (EC) No 2234/98 ⁽⁷⁾, (EEC) No 2385/91 of 6 August 1991 laying down detailed rules for certain special cases regarding the definition of sheepmeat and goatmeat producers and producer groups, as last amended by Regulation (EC) No 2254/1999 ⁽⁸⁾, (EEC) No 2230/92 ⁽⁹⁾ of 31 July 1992 laying down certain detailed rules for the application in the Canary Islands of the ewe and she-goat premium scheme ⁽¹⁰⁾, (EEC) No 3567/92 of 10 December 1992 laying down detailed rules for the application of the individual limits, national reserves and transfer of rights provided for in Article 5a to 5c of Council Regulation (EEC) No 3013/89 on the common organisation of the market in sheepmeat and goatmeat ⁽¹¹⁾, as last amended by Regulation (EC) No 1311/2000 ⁽¹²⁾, (EEC) No 2700/93 of 30 September 1993 on detailed rules for the application of the premium in favour of sheepmeat and goatmeat producers ⁽¹³⁾, as last amended by Regulation (EC) No 1410/1999 ⁽¹⁴⁾ and (EC) No 2738/1999 of 21 December 1999 determining the mountain areas in which the premium for goatmeat producers is granted ⁽¹⁵⁾ and to repeal these regulations.

⁽¹⁾ See page 3 of this Official Journal.

⁽²⁾ OJ L 355, 5.12.1992, p. 1.

⁽³⁾ OJ L 72, 14.3.2001, p. 6.

⁽⁴⁾ OJ L 312, 20.11.1998, p. 1.

⁽⁵⁾ OJ L 193, 29.7.2000, p. 8.

⁽⁶⁾ OJ L 268, 29.9.1990, p. 35.

⁽⁷⁾ OJ L 281, 17.10.1998, p. 6.

⁽⁸⁾ OJ L 219, 7.8.1991, p. 15.

⁽⁹⁾ OJ L 275, 26.10.1999, p. 9.

⁽¹⁰⁾ OJ L 218, 1.8.1992, p. 97.

⁽¹¹⁾ OJ L 362, 11.12.1992, p. 41.

⁽¹²⁾ OJ L 148, 22.6.2000, p. 31.

⁽¹³⁾ OJ L 245, 1.10.1993, p. 99.

⁽¹⁴⁾ OJ L 164, 30.6.1999, p. 53.

⁽¹⁵⁾ OJ L 328, 22.12.1999, p. 59.

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- (2) The ewe premium scheme referred to in Article 4 of Regulation (EC) No 2529/2001 falls within the scope of Regulation (EEC) No 3508/92. As a result, this Regulation should be restricted to the regulation of outstanding matters which have not been covered by Commission Regulation (EC) No 2419/2001 of 11 December 2001 laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes established by Council Regulation (EEC) No 3508/92 ⁽¹⁾ (hereinafter referred to as the 'integrated system'), in particular those concerning the periods and conditions related to the applications for the premium and for the supplement to the premium as well as the duration of the retention period.
- (3) Article 4(2) of Regulation (EC) No 2529/2001 provides for the granting of a premium to goatmeat producers in certain areas of the Community. The areas in question should therefore be determined in accordance with the criteria laid down in this provision.
- (4) In accordance with Article 5(1) of Regulation (EC) No 2529/2001 producers whose holdings have at least 50 % of their area used for agriculture situated in some disadvantaged or remote areas may qualify for a supplementary premium. Article 4(2) makes reference to the specific geographical zones where goatmeat producers meet the necessary conditions to qualify for the goat premium. Provisions should be made for a declaration to be provided by producers meeting these criteria to enable Member States to determine whether the appropriate conditions for granting the aid are met in order to avoid any unjustified payments to holdings that are not eligible. When producers are not required under the integrated system to submit an 'area' aid application, provision should be made for a specific declaration as documentary proof that at least half of the land they are using for agricultural production is located in less favoured areas or in areas which qualify for the goat premium.
- (5) Council Regulation (EC) No 1454/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the Canary Islands and repealing Regulation (EEC) No 1601/92 (Poseican) ⁽²⁾ provides for the application of specific measures relating to sheep and goat farming in the Canary Islands. Those measures entail the grant of a supplement to the premium of an amount, which has to be specified.
- (6) The criteria for eligibility for direct payments and, in particular the conditions required need to be clarified.
- (7) For the purpose of monitoring the system of granting of premiums and the sheepmeat and goatmeat market Member States should notify the Commission regularly on that matter.
- (8) With a view to implementing the system of individual limits as introduced by Articles 8 to 10 of Regulation (EC) No 2529/2001, the rules governing the determination of those limits and their communication to the producers should be specified.
- (9) Appropriate measures should also be taken to ensure that rights granted free of charge from the national reserve are used by the beneficiaries solely for the intended purposes.
- (10) Bearing in mind the regulating effect which the system of individual limits will have on the market, provision should be made for premium rights not used by their holder during a specific period to revert to the national reserve. However, this rule should not apply in some exceptional and duly justified circumstances, such as the case of small producers or of producers participating in extensification programmes and early retirement schemes contemplated in Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from

⁽¹⁾ OJ L 327, 12.12.2001, p. 11.

⁽²⁾ OJ L 198, 21.7.2001, p. 45.

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the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations (1).

- (11) It is opportune to encourage the mobilisation of premium rights and equally to foresee measures that will lead to rights being restored to producers who will benefit from them. To this end, a minimum percentage of use of rights to the premium should be fixed. This percentage needs to be sufficient to avoid under-utilisation of the rights available in certain Member States, which might give rise to problems for priority producers applying for rights through the national reserve. Member States should therefore be authorised to raise the minimum percentage of use of rights, which should not, however, exceed 90 %.
- (12) The uniform implementation of the provisions relating to the transfer and temporary leasing of rights entails the laying-down of certain administrative rules. In order to avoid excessive administrative work, Member States should be permitted to fix a minimum number of rights which may be transferred or leased. Such rules should also prevent infringement of the undertaking provided for in Article 9 of Regulation (EC) No 2529/2001 to surrender, each time that rights are transferred without transfer of the holding, a certain percentage of such transferred rights to the national reserve. Moreover, provision should be made for this temporary leasing to be limited in time so as to avoid abuse of the transfer rules.
- (13) Provision should be made to allow flexibility in meeting the administrative deadlines for the transfer of rights when a producer can prove that he has legally inherited rights from a deceased producer. Producers should be notified in case of change of individual ceiling.
- (14) The special case where a producer uses only publicly or collectively owned land for grazing and transfers all his rights to another farmer, thus ceasing production, should be deemed equivalent to the transfer of a holding.
- (15) Where in some Member States the transfers of rights without transfer of the holding are conducted solely via the national reserve, there is a need to establish some rules to preserve the consistency with the system of direct transfers between producers. Objective criteria should be established for the determination of the sum to be paid by the national reserve to the producer who has transferred his rights and the sum to be paid by the producer who receives equivalent rights from the national reserve.
- (16) It is necessary to establish rules for the calculations and adjustments to individual limits on premium rights to ensure that only whole numbers are used.
- (17) The Commission is to monitor the new arrangements and as a result it needs to be properly provided by the Member States with the essential information regarding the implementation of the premium rules.
- (18) Detailed information on the national rules on, and implementing of, the additional payments must be forwarded to the Commission.
- (19) In order to implement the premium rules efficiently and to avoid any market distortion, Member States should adopt the necessary measures for the correct application of this Regulation.
- (20) Some transitional arrangements are needed for Member States to have enough time to prepare for applying this Regulation. In the light of the higher amount of aid under the new regime and of the greater transparency resulting from a fixed flat-rate premium provision should be made in order to protect the interests of

(1) OJ L 160, 26.6.1999, p. 80.

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producers for applications already made under the previous regime to be considered as applications under the new.

- (21) To protect the Community's financial interest effectively adequate measures should be adopted sanctioning irregularities and fraud. It is necessary to introduce appropriate provisions for the sheep and goat premium schemes in ►**C1** Regulation (EC) No 2419/2001. ◀
- (22) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sheep and Goats and the Committee for the European Agricultural Guidance and Guarantee Fund,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down in particular the detailed rules for the application of the direct payments laid down in Articles 4, 5, 6, 8, 9 and 10 of Regulation (EC) No 2529/2001.

CHAPTER I

DIRECT PAYMENTS

Article 2

Applications

1. In addition to the requirements under the integrated system, pursuant to Regulations (EEC) No 3508/92 ►**C1** and (EC) No 2419/2001 ◀, producers must indicate in the premium applications whether they are marketing sheep's milk, or milk products based on sheep's milk, during the year in respect of which the premium is requested.
2. Applications for a premium in favour of sheepmeat and goatmeat producers shall be submitted to the authority designated by the Member State, during a fixed period within a period commencing on 1 November preceding the commencement of the year and ending on 30 April following the commencement of the year in respect of which the applications are submitted.

However, the United Kingdom may set a different period in respect of Northern Ireland from that set for Great Britain.

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For 2004, Malta and Slovenia may set a period commencing on the date of entry into force of the 2003 Treaty of Accession at the earliest and ending 31 days later at the latest.

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3. The retention period during which the producer undertakes to keep on his holding the number of ewes and/or goats in respect of which the premium is requested shall be 100 days starting on the first day following the last day of the period for the submission of applications referred to in paragraph 2.

Article 3

Areas eligible for the premium for goatmeat producers

The criteria referred to in Article 4(2) of Regulation (EC) No 2529/2001 are met in the areas listed in Annex I.

Article 4

Application for supplementary premium and for the goat premium

1. In order to benefit from the supplementary premium or the goat premium, a producer whose holding has at least 50 % but less than 100 % of its area used for agriculture situated in areas referred to in Article 5(1) of Regulation (EC) No 2529/2001 or in areas eligible for

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the goat premium, shall submit a declaration or declarations indicating the location of his land, in accordance with the following rules:

- (a) a producer who is required to submit each year a declaration of the total utilised agricultural area of his holding, by means of an 'area' aid application form, as provided for in Article 6 of ►C1 Regulation (EC) No 2419/2001 ◀ laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes, shall indicate in that declaration those parcels used for agriculture which are located in areas referred to in Article 5(1) of Regulation (EC) No 2529/2001 or in areas listed in Annex I as appropriate;
- (b) a producer who is not required to submit the declaration referred to under (a), shall submit each year a specific declaration using, where appropriate, the system for identifying agricultural parcels provided for under the integrated system.

That declaration shall indicate the location of all the land he owns, rents or uses under whatever arrangements, indicating its area and detailing those parcels used for agriculture which are located in areas referred to in Article 5(1) of Regulation (EC) No 2529/2001 or in areas listed in Annex I as appropriate. Member States may provide for the specific declaration to be included in the application for the ewe and/or goat premium. Member States may also demand that the specific declaration be made by means of an 'area' aid application form.

2. The competent national authority may demand the presentation of a property deed, a rental contract or a written agreement between producers and, where appropriate, an attestation from the local or regional authority which has made land used for agriculture available to the producer concerned. The attestation shall indicate the area of land granted to the producer and the parcels located in areas referred to in Article 5(1) of Regulation (EC) No 2529/2001 or areas listed in Annex I as appropriate.

Article 5

Producers practising transhumance

1. Premium applications submitted by producers the registered addresses of whose farms are in one of the geographical areas referred to in Article 5(2) of Regulation (EC) No 2529/2001 and who wish to qualify for the supplementary premium must indicate:

- the place or places where transhumance is to be carried out for the current year,
- the period of at least 90 days referred to in the said paragraph and laid down for the current year.

2. Premium applications from producers as referred to in paragraph 1 must be accompanied by documents certifying that transhumance has actually been carried out, except in cases of force majeure or due to the impact of duly justified natural circumstances affecting the life of the flock, during two previous years and in particular by an attestation from the local or regional authority at the place of transhumance certifying that it has actually taken place during at least 90 consecutive days.

When carrying out administrative checks on applications Member States shall ensure that the place of transhumance specified in the premium application is actually within an area referred to in Article 5(1) of Regulation (EC) No 2529/2001.

Article 6

Canary Islands supplement

Pursuant to Article 6 of Regulation (EC) No 1454/2001, the supplement to the premium to be granted to producers marketing sheep's and goatmeat located in the Canary Islands, shall be EUR 4,2 per ewe and/or she-goat.

▼B*Article 7***Eligibility**

1. Premiums shall be paid to producers on the basis of the number of ewes and/or she-goats kept on his holding throughout the retention period referred to in Article 2(3).
2. Animals satisfying the conditions provided for in the definitions referred to in Article 3 of Regulation (EC) No 2529/2001 on the final day of the retention period shall be considered eligible animals.

*Article 8***Inventory of sheep producers marketing sheep's milk or sheep's milk products**

For each year Member States shall draw up, no later than the 30th day of the retention period, an inventory of sheep producers marketing sheep's milk or sheep's milk products. The inventory shall be drawn up on the basis of the producers' declarations referred to in Article 2(1). In addition, Member States shall, when drawing up the inventory, take account of the results of controls and any other source of information available to the competent authority, in particular information obtained from processors or distributors relating to the marketing of sheep's milk or sheep's milk products by producers.

*Article 9***Notification**

1. Member States shall notify the Commission by 31 July of each year at the latest of the information relating to premium applications submitted for the current year. For that purpose they shall use the model form included in Annex II hereto. They shall also notify by 31 July of the premiums paid the previous year with the form provided in Annex III and by 31 October of any changes in the list of geographical areas practising transhumance and referred to in Article 5(2) of Regulation (EC) No 2529/2001 and Article 5 of the present Regulation. The information shall be made available to the national bodies responsible for drawing up official statistics in the sheepmeat and goatmeat sector, at their request.
2. Where the information required by the compulsory notifications changes, in particular as a result of the checks or corrections or improvements of previous figures, an update shall be communicated to the Commission within one month after the occurrence of the change.

CHAPTER II

LIMITS, RESERVES AND TRANSFERS*Article 10***Rights obtained free of charge**

Where a producer has obtained premium rights free of charge from the national reserve and except in duly justified exceptional circumstances he shall not be authorised to transfer his rights or to lease them temporarily during the three following years.

*Article 11***Use of rights**

1. A producer holding rights may make use of them by availing himself of those rights and/or leasing those rights to another producer.

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2. Where a producer has not made use of the minimum percentage of his rights set out in accordance with paragraph 4, during each year, the part not used shall be transferred to the national reserve, except:

- (a) in the case of producers holding a maximum of 20 premium rights, where this producer has not made use of the minimum percentage of his rights, during each of two consecutive calendar years, the part not used during the last calendar year shall be transferred to the national reserve;
- (b) in the case of a producer participating in an extensification programme recognised by the Commission;
- (c) in the case of a producer participating in an early retirement scheme recognised by the Commission in which the transfer and/or temporary leasing of rights is not obligatory, or
- (d) in exceptional and duly justified circumstances.

3. Temporary leasing shall be only in respect of whole years and shall involve at least the minimum number of animals provided for in Article 12(1). At the end of each period of temporary leasing, which may not exceed three consecutive years, a producer shall, except in the event of a transfer of rights, recover all his rights for himself, for at least two consecutive years. If the producer does not avail himself of at least the minimum percentage of his rights, fixed in accordance with paragraph 4, during each of the two years, the Member State shall, except in exceptional and duly justified cases, withdraw and return annually to the national reserve that part of the rights not used by the producer.

However, in the case of producers participating in early retirement schemes recognised by the Commission, Member States may provide for the total duration of the temporary leasing on the basis of such schemes to be increased.

Producers who have undertaken to participate in an extensification programme in accordance with the measure referred to in Article 2(1)(c) of Council Regulation (EEC) No 2078/92 ⁽¹⁾ or in an extensification programme in accordance with Articles 22 and 23 of Regulation (EC) No 1257/1999 shall not be authorised to temporarily lease and/or to transfer their rights throughout the period of that participation. However, this provision shall not apply in cases where the programme permits the transfer and/or temporary leasing of rights to producers whose participation in the measures other than those referred to in this subparagraph requires the acquisition of rights.

4. The minimum percentage of use of rights to the premium shall be 70 %.

However, Member States may increase this percentage up to 90 %. They shall inform the Commission in advance of the percentage they intend to apply.

Article 12

Transfer of rights and temporary leasing

1. Member States may lay down, on the basis of their production structures, a minimum number of premium rights which may be the subject of a partial transfer not involving the transfer of a holding. This minimum may not exceed 10 premium rights.

2. Transfers of premium rights and temporary leasing of such rights shall be effective only after they have been notified to the competent authorities of the Member State by the producer transferring and/or leasing the rights and by the producer receiving the rights.

Such notifications shall be made within a deadline set by the Member State and not later than the date on which the premium application period ends in that Member State, except in those cases where the

⁽¹⁾ OJ L 215, 30.7.1992, p. 85.

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transfer takes place through an inheritance. In that case, the producer who receives the rights shall be in a position to furnish appropriate legal documents to prove that he or she is the beneficiary of the deceased producer.

3. In the case of a transfer without a transfer of the holding, the number of rights transferred without compensation to the national reserve may in no case be less than one.

*Article 13***Change of individual ceiling**

In the case of transfers or temporary leasing of premium rights, Member States shall set the new individual ceiling and shall notify the producers concerned of the number of premium rights to which they are entitled not later than 60 days from the last day of the period during which the producer submitted his application.

The first subparagraph shall not apply in the case where the transfer takes effect through an inheritance under the conditions referred to in Article 12(2).

*Article 14***Producers who do not own the land they farm**

Producers farming only publicly or collectively owned land who decide to stop using that land for grazing and to transfer all their rights to another producer shall be treated in the same way as producers selling or transferring their holdings. In all other cases such producers shall be treated in the same way as producers transferring their premium rights only.

*Article 15***Transfer through the national reserve**

Where Member States provide that the transfer of rights is to take place via the national reserve, they shall apply national provisions analogous to those in this chapter. Moreover, in such cases:

- Member States may provide for temporary leasing to be carried out via the national reserve,
- in the event of the transfer of premium rights or temporary leasing pursuant to the first indent, transfer to the reserve shall not become effective until after notification by the competent authorities of the Member State to the producer transferring and/or leasing the rights, and transfers from the reserve to another producer shall not become effective until after notification to that producer by the authorities.

In addition, such provisions must ensure that the part of the rights not covered by the second subparagraph of Article 9(2) of Regulation (EC) No 2529/2001 must be offset by a payment by the Member State corresponding to the payment which would have resulted from a direct transfer between producers, account being taken in particular of the trend in production in the Member State concerned. This payment shall be equal to the payment charged to a producer who receives equivalent rights from the national reserve.

*Article 16***Calculation of individual limits**

Only whole number shall be used in the initial calculations and in subsequent adjustments to individual limits on premium rights.

To that end, where the final result of the arithmetical calculations is not a whole number, the nearest whole number shall be used. However, where the result of the calculations falls exactly between whole numbers, the higher whole number shall be used.

▼B*Article 17***Notification**

1. Member States shall notify the Commission by 1 March 2002 at the latest of the procedures used to implement the reduction of individual ceilings in accordance with Article 8(3) of Regulation (EC) No 2529/2001, as well as the total number of rights granted to producers and the number of rights allocated to the reserve.
2. Member States shall notify the Commission by 1 March 2002 at the latest of the method of calculating the reduction in accordance Article 9(2) of Regulation (EC) No 2529/2001 and where applicable of the measures taken under Article 9(3) and, before 1 January each year, of any amendments.
3. Using the table set out in Annexes IV and V, Member States shall notify the Commission at the latest by 30 April for each year of:
 - (a) the number of premium rights returned without compensatory payment to the national reserve following transfers of rights without transfers of holdings during the preceding year;
 - (b) the number of unused premium rights as referred to in Article 10(2) of Regulation (EC) No 2529/2001 transferred to the national reserve during the preceding year;
 - (c) the number of rights granted under Article 10(3) of Regulation (EC) No 2529/2001 during the preceding year;
 - (d) the number of premium rights granted to producers in less-favoured areas from the national reserve during the preceding year;
 - (e) the dates concerning the periods and deadlines related to the transfers of rights and to the applications for the premium.

CHAPTER III

ADDITIONAL PAYMENTS*Article 18*

By 30 April 2002 Member States shall provide information to the Commission on their national arrangements concerning the granting of the additional payments foreseen under Article 11 of Regulation (EC) No 2529/2001. Where applicable this information shall include in particular:

1. Headage payments:
 - (a) indicative amounts per head and grant arrangements;
 - (b) an indicative forecast of total expenditure and the number of animals concerned;
 - (c) specific stocking density requirements;
 - (d) other information on the rules of application.
2. Area payments (where necessary):
 - (a) calculation of regional base areas;
 - (b) indicative amounts per hectare;
 - (c) an indicative forecast of total expenditure and of the number of hectares concerned;
 - (d) other information on the rules of application.
3. Details of other schemes that have been established to make additional payments.
4. Member States shall notify the Commission of any changes in the arrangements within a period of one month after any such changes.

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In the case of Malta and Slovenia, the information referred to in the first paragraph shall be provided before 30 August 2004.

▼ M1CHAPTER IIIa
GENERAL PROVISIONS*Article 18a***Conversion into national currency**

The operative event for the exchange rate to be applied to the amount of the premiums and payments referred to in Articles 4, 5 and 11 of Regulation (EC) No 2529/2001 shall be the commencement of the calendar year in respect of which the premium or payment is granted.

The exchange rate to be used shall be the average of the exchange rates applicable in the month of December preceding the date of the operative event, calculated *pro rata temporis*. It shall be fixed by the Commission during the month following the date of the operative event.

▼ BCHAPTER IV
TRANSITIONAL AND FINAL PROVISIONS*Article 19***National implementing measures**

Member States shall adopt all suitable measures necessary to ensure that this Regulation is applied properly. They shall inform the Commission thereof.

*Article 20***Transitional measures**

Applications for the premium in respect of 2002 made before the date of application of this regulation within the framework of the premium regime provided for in Article 5 of Regulation (EC) No 2467/98 shall be considered as applications under the regime established in Regulation (EC) No 2529/2001.

Regulation (EC) No 2419/2001 in its version prior to the entry into force of this regulation shall apply to all such applications.

*Article 21***Repeal**

Regulations (EEC) No 2814/90, (EEC) No 2385/91, (EEC) No 2230/92, (EEC) No 3567/92, (EEC) No 2700/93, and (EC) No 2738/1999 are repealed with effect from 1 January 2002. They shall remain applicable to applications submitted in respect of the 2001 and previous marketing years. References to the repealed Regulations shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex VI.

*Article 22***Amendment to the integrated system**

The text of Article 40 of Regulation (EC) No 2419/2001 is replaced by the following:

Article 40

1. Where, in respect of applications for aid under the ovine/caprine aid scheme, a difference is found in accordance with Article 36(3), Article 38(2), (3) and (4) shall apply *mutatis mutandis* as from the first animal in respect of which irregularities are found.
2. If it is established that a sheep producer marketing sheep's milk and sheep's milk products failed to declare on his premium application that he was doing so, the amount of the aid to which

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he is entitled shall be reduced to the premium payable to sheep producers marketing sheep's milk and sheep's milk products less the difference between this and the full amount of the ewe premium.

3. Where, in respect of applications for the supplementary premium, it is determined that less than 50 % of the area of the holding used for agriculture is located in areas referred to in Article 5(1) of Council Regulation (EC) No 2529/2001 (*), the supplementary premium shall not be paid and the ewe and goat premium shall be reduced by an amount equivalent to 50 % of the supplementary premium.

4. Where it is determined that the percentage of the area of the holding used for agriculture located in areas listed in Annex I of Commission Regulation (EC) No 2550/2001 (**) is below 50 %, the goat premium shall not be paid.

5. Where, it is established that the producer practising transhumance who submits an application for the supplementary premium has not grazed 90 % of his animals for at least 90 days in an area referred to in Article 5(2)(b) of Regulation (EC) No 2529/2001 the supplementary premium shall not be paid and the ewe or goat premium shall be reduced by an amount equivalent to 50 % of the supplementary premium.

6. Where it is found that the irregularity referred to in paragraphs 2, 3, 4 and 5 results from intentional non-compliance the total amount of aid referred to in these paragraphs shall be refused. In this case, the farmer shall be excluded once again from receiving aid equal to that amount.

This amount shall be off-set against aid payments under the ovine/caprine aid scheme to which the farmer is entitled in the context of applications he lodges in the course of the three calendar years following the calendar year of the finding.

(*) OJ L 341, 22.12.2001, p. 3.

(**) OJ L 341, 22.12.2001, p. 105.'

Article 23

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

It shall apply from 1 January 2002.

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

▼ **M4***ANNEX I***Areas eligible for the goat premium**

1. Germany: all mountain areas within the meaning of Article 18 of Regulation (EC) No 1257/1999
2. Greece: the whole country
3. Spain: the autonomous regions of Andalusia, Aragon, the Balearic Islands, Castile-La Mancha, Castile-Leon, Catalonia, Extremadura, Galicia (with the exception of the Provinces of La Coruña and Lugo), Madrid, Murcia, Rioja, the Autonomous Community of Valencia, and the Canary Islands and all mountain areas within the meaning of Article 18 of Regulation (EC) No 1257/1999 situated outside those regions
4. France: Corsica, the overseas departments and all mountain areas within the meaning of Article 18 of Council Regulation (EC) No 1257/1999 situated outside those regions
5. Italy: Lazio, Abruzzi, Molise, Campania, Apulia, Basilicata, Calabria, Sicily and Sardinia and all mountain areas within the meaning of Article 18 of Regulation (EC) No 1257/1999 situated outside those regions
6. Cyprus: the whole country
7. Austria: all mountain areas within the meaning of Article 18 of Regulation (EC) No 1257/1999
8. Portugal: the whole country, with the exception of the Azores
9. Slovenia: the whole country
10. Slovakia: all mountain areas within the meaning of Article 18 of Regulation (EC) No 1257/1999



ANNEX II

Applications for ewe and she-goat premiums

Member State:

Year:

Date:

Transmission deadline: 31 July each year

Type of female		Non-milking ewes	Milking ewes	She-goats	Total females
Number of applications ⁽¹⁾					
Total number of females declared per producer claim ⁽²⁾	10-20 ⁽³⁾				
	21-50				
	51-100				
	101-500				
	501-1 000				
	+ 1 000				
Number of premiums claimed	Total				
	Of which: with premium supplement ⁽⁴⁾				

⁽¹⁾ For example, in a mixed farm having non-milking ewes and goats there will be a '1' in the cells of this line concerning non-milking ewes and goats — also in the column 'total females' — and a '0' in the cell for milking ewes. This implies that in this row the column 'total females' may have a value which is lower than the sum of the other three figures of the row.

⁽²⁾ The row to be used (size of the flock) has to be based on the total of females. For the rows of this heading the column 'total females' must be equal to the sum of the number of 'non-milking ewes', 'milking ewes' and 'she-goats' of the three previous columns.

⁽³⁾ According to Regulation (EC) No 2529/2001 it is not possible to introduce a claim for less than 10 ewes and/or goats.

⁽⁴⁾ In accordance with Article 4 of the current Regulation (less favoured areas).

▼**B**

ANNEX III

Payments for ewe and she-goat premiums

Member State:

Year:

Date:

Transmission deadline: 31 July each year

Type of female		Non-milking ewes	Milking ewes	She-goats	Total females
Number of premiums paid	With premium supplement ⁽¹⁾				
	Without premium supplement				
	Total				

⁽¹⁾ In accordance with Article 4 of the current Regulation (less favoured areas).

▼**B**

ANNEX IV

Operation of the national reserve

Member State:

Year:

Date:

Transmission deadline: 30 April each year

Transfers of rights during the current year		Number of premium rights
(a) Balance of the national reserve at the beginning of the current year (= end of the previous year)		
Returned without compensatory payment to the national reserve	(b) Following transfer of rights without transfer of holdings	
	(c) From unused premium rights (insufficient usage)	
	(d) Total = (b) + (c)	
(e) Rights allocated		
(f) Rights granted to producers in less favoured areas		
(g) Balance of the national reserve at the end of the current year = (a) + (d) - (e)		

▼**B***ANNEX V***Periods and deadlines related to transfers of rights and premium applications**

Member State:

Year:

Date:

Transmission deadline: 30 April each year

	Initial date	Final date
Deadline for permanent transfers of rights	XXXXX	
Deadline for temporary leasing of rights	XXXXX	
Period of application for rights from the national reserve		
Deadline for attributing rights from the national reserve	XXXXX	
Period of application for the premium		
Period of retention		



ANNEX VI

Correlation table

Regulation (EEC) No 2700/93	This Regulation
—	Article 1
Article 1	Article 2
—	Article 3
Article 1a(1) and (2)	Article 4
Article 3	Article 7
Article 4(2)	Article 8
Article 1a(6)	Article 22
Article 2	Article 9
Annex I	Annex II
Annex II	—
—	Annex III
—	Annex IV
Regulation (EEC) No 3567/92	This Regulation
Article 6	Article 10
Article 6a	Article 11
Article 7	Article 12
Article 9	Article 13
Article 10	Article 14
Article 11	Article 15
Article 12	Article 16
—	Article 17
Article 15	Article 18
Regulation (EEC) No 2814/90	This Regulation
All articles	—
Regulation (EEC) No 2385/91	This Regulation
Article 3(1), (2) and (3)	Article 5
Regulation (EEC) No 2230/92	This Regulation
Article 1	Article 6
Regulation (EEC) No 2738/1999	This Regulation
Article 1	Article 3 and Annex I
Regulation (EEC) No 2467/98	This Regulation
Annex 1	Annex I