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**COUNCIL REGULATION (EEC) No 1010/86
of 25 March 1986**

laying down general rules for the production refund on certain sugar products used in the chemical industry

(OJ L 94, 9.4.1986, p. 9)

Amended by:

		Official Journal		
		No	page	date
► <u>M1</u>	Commission Regulation (EEC) No 1714/88 of 13 June 1988	L 152	23	18.6.1988
► <u>M2</u>	Commission Regulation (EEC) No 2306/88 of 26 July 1988	L 201	65	27.7.1988
► <u>M3</u>	Council Regulation (EEC) No 1438/90 of 21 May 1990	L 138	12	31.5.1990
► <u>M4</u>	Council Regulation (EEC) No 1771/90 of 26 June 1990	L 163	1	29.6.1990
► <u>M5</u>	Commission Regulation (EEC) No 464/91 of 27 February 1991	L 54	22	28.2.1991
► <u>M6</u>	Council Regulation (EC) No 1101/95 of 24 April 1995	L 110	1	17.5.1995
► <u>M7</u>	Commission Regulation (EC) No 1126/96 of 24 June 1996	L 150	3	25.6.1996
► <u>M8</u>	Commission Regulation (EC) No 1148/98 of 2 June 1998	L 159	38	3.6.1998
► <u>M9</u>	Commission Regulation (EC) No 2074/98 of 29 September 1998	L 265	8	30.9.1998

NB: This consolidated version contains references to the European unit of account and/or the ecu, which from 1 January 1999 should be understood as references to the euro — Council Regulation (EEC) No 3308/80 (OJ L 345, 20.12.1980, p. 1) and Council Regulation (EC) No 1103/97 (OJ L 162, 19.6.1997, p. 1).



**COUNCIL REGULATION (EEC) No 1010/86
of 25 March 1986**

**laying down general rules for the production refund on certain sugar
products used in the chemical industry**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector ⁽¹⁾, as last amended by Regulation (EEC) No 934/86 ⁽²⁾, and in particular Articles 9 (5) and 28 (5) thereof,

Having regard to the proposal from the Commission,

Whereas under Article 9 (3) of Regulation (EEC) No 1785/81 it may be decided to grant production refunds on sugar, unprocessed isoglucose and syrups covered by that Regulation which are used in the manufacture of certain products of the chemical industry;

Whereas the third subparagraph of Article 28 (5) of Regulation (EEC) No 1785/81 states that provision may be made for all or part of the financial losses resulting from the granting of any production refunds to be borne by the beet growers and the manufacturers; whereas use should be made of this possibility for the sugar used by the chemical industry over and above the usual quantities;

Whereas a system of production refunds should be introduced which will enable the outlets for sugar to expand beyond the usual quantities; whereas, to this end, the products in question should henceforth be made available to the chemical industry at a lower price level;

Whereas sugar can be used as a basic product by the chemical industry in the same way as starch products whereas a harmonious development should therefore be assured for the use of these basic products; whereas, to that end, provision should be made for the application of a system of production refunds taking account of the price of sugar, the value of maize needed for the manufacture of the chemical products in question, the production refunds granted for starch products under Council Regulation (EEC) No 1009/86 of 25 March 1986 laying down general rules applicable to production refunds for cereals and rice ⁽³⁾ and the trend in world sugar prices; whereas in view of the links between the system of production (3) refund in the sugar sector and in the cereals sector, it should be laid down for the purposes of the system provided for in this Regulation that the marketing year is to be that defined by Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals ⁽⁴⁾ as last amended by Regulation (EEC) No 1006/86 ⁽⁵⁾

Whereas arrangements similar to those laid down for white sugar used by the chemical industry should be laid down for unprocessed isoglucose;

Whereas raw sugar and syrups with a high degree of purity, calculated in accordance with Article 1 (5) of Regulation (EEC) No 1443/82 ⁽⁶⁾, as last amended by Regulation (EEC) No 3819/85 ⁽⁷⁾, should also qualify for the production refunds if used in the chemical industry; whereas the production refund on these basic products should therefore be that for white sugar, adjusted by reference to yield or sucrose content as

⁽¹⁾ OJ No L 177 du 1. 7. 1981, p. 1.

⁽²⁾ JO No L 87, 2. 4. 1986, p. 1.

⁽³⁾ See page 6 of this Official Journal.

⁽⁴⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽⁵⁾ See page 1 of this Official Journal.

⁽⁶⁾ OJ No L 158, 9. 6. 1982, p. 17.

⁽⁷⁾ OJ No L 368, 31. 12. 1985, p. 25.

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appropriate whereas, as far as isoglucose is concerned, production refunds should be granted subject to the same conditions as the export refunds on that product;

Whereas, to prevent abuses, provision should be made for the production refund to be granted only if other uses are excluded by means of controls; whereas, if such controls are to be possible, the production refund should be paid only to the processor and on application by the processor;

Whereas controls may, in certain cases, be rendered more effective if provision is also made for an approval procedure; whereas the Member State in the territory of which processing takes place should therefore be free to decide whether or not processors must obtain such approval;

Whereas, to keep pace with technological developments in this sector, provision should be made for changes to the original list of the chemical products in question to be made in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81;

Whereas this Regulation is intended to replace Council Regulation (EEC) No 1400/78 of 20 June 1978 laying down general rules for the production refund on sugar used in the chemical industry⁽¹⁾; whereas the latter Regulation should therefore be repealed,

HAS ADOPTED THIS REGULATION:

Article 1

1. As from the 1986/87 marketing year, as defined in paragraph 3, a production refund shall be granted subject to the conditions laid down in this Regulation on the products referred to in Article 1 (1) (a) and (f) of Regulation (EEC) No 1785/81 and to the sucrose syrups referred to in Article 1 (1) (d) of the said Regulation ►**M1** and falling within CN codes ►**M8** ex 1702 60 95 ◀ and ►**M8** ex 1702 90 99 ◀ having a purity of at least 85 % (hereinafter called 'basic products' which are used in the manufacture of the products of the chemical industry listed in the Annex hereto (hereinafter called 'chemical products').

▼M3

1a. For the purposes of this Regulation, chemically pure fructose (laevulose) falling within CN code 1702 50 00 shall, as an intermediate product, be considered as one of the basic products referred to in paragraph 1 if, on the one hand, it is obtained in the Community directly from those basic products with the exception of any product coming under other production refund arrangements and, on the other hand, it is used for processing into one of the chemical products referred to in the Annex.

The amount of the production refund granted per 100 kilograms of laevulose used, expressed as dry matter, shall be equal to the production refund applicable for 100 kilograms of white sugar on the day on which the application for a production refund is received.

It may in addition be stipulated, if necessary, that the granting of a production refund for laevulose shall be restricted to an overall quantity of that product to be determined for the Community.

That quantity shall be determined for one or more marketing years on the basis in particular of:

- (a) the average Community production of laevulose obtained over a reference period;
- (b) the development of the market in, and imports of, laevulose;
- (c) the possible effects on the sugar market in the Community.

⁽¹⁾ OJ No L 170, 27. 6. 1978, p. 9.

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2. The production refund on the product referred to in Article 1(1) (f) of Regulation (EEC) No 1785/81 shall be granted only in respect of a product:
- (a) which has been obtained by isomerization of glucose;
 - (b) which has a content by weight in the dry state of at least 41 % fructose and
 - (c) of which the total content by weight in the dry state of polysaccharides and oligosaccharides, including the diortrisaccharides content, does not exceed 8,5 %.
4. The production refund shall be fixed periodically.

Article 2

1. The production refund shall be granted by the Member State in the territory of which processing of the basic products takes place.
2. The Member State may grant the refund only if customs control, or administrative inspection affording equivalent guarantees, ensures that the basic products are used for the purpose specified in the application referred to in Article 3.

Article 3

1. The production refund shall be granted only to processors who guarantee that the control provided for in Article 2 (2) can be carried out at any time and who have submitted an application specifying the chemical product in the manufacture of which the basic product is to be used.
2. The Member State concerned may make entitlement to the refund subject to prior approval of the processors referred to in paragraph 1, in particular for the application of paragraph 1.

Article 4

1. Without prejudice to paragraphs 2 to 5, the amount of the production refund per 100 kilograms of white sugar shall be fixed taking into account the world market price for white sugar plus a standard amount of 7 ECU per 100 kilograms of white sugar, the price of glucose and the price of Community sugar.
2. For the 1986/87 and 1987/88 marketing years the price of sugar shall be equal to the price of glucose.
3. As from the 1988/89 marketing year the price of sugar shall be adjusted taking into account any difference between the world market price for white sugar and the price of glucose.

The adjustment referred to in the first subparagraph shall be as follows

- (a) for the 1988/89 marketing year, 25 % of the difference recorded;
 - (b) for the 1989/90 marketing year, 50 % of the difference recorded except where, during the preceding marketing year, owing to unforeseen circumstances, the aid for sugar was such as to disrupt the starch sector. In that event, the adjustment shall not be raised to 50 % and the details of these arrangements shall be reviewed.
4. For the purpose of implementing paragraphs 1, 2 and 3, the following definitions shall apply:
- (a) world market price for sugar: the price of Community sugar less the average of the export refunds for white sugar recorded during the reference period in question, after deduction of a standard amount of 7 ECU per 100 kilograms;
 - (b) price of glucose: twice the price of maize as recorded on the Community market less twice the production refunds, per 100 kilograms of maize, applicable to starch products used for the

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manufacture of the products referred to in the Annex to Regulation (EEC) No 1009/86;

(c) price of Community sugar: the intervention price for white sugar plus the storage levy.

5. The detailed rules referred to in (b) of the second subparagraph of paragraph 3 shall be reviewed in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81.

6. Before the end of the 1989/90 marketing year the Commission shall report to the Council on the operation of the present arrangements and make appropriate proposals concerning future arrangements.

▼M4*Article 4a*

1. As from the 1990/91 marketing year, the amount of the production refund per 100 kilograms of white sugar shall be fixed taking into account the world market price for white sugar plus a standard amount of ECU 7 per 100 kilograms of white sugar and the price of Community sugar.

▼M6

1a. The standard amount of ECU 8,45 per 100 kilograms of white sugar referred to in paragraph 1 may be reduced to as low as ECU 2,42 per 100 kilograms in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81.

▼M9

1b. For the period 1 October 1998 to 30 September 2000 the standard amount referred to in paragraph 1 shall be reduced to ECU 6,45.

▼M4

2. For the purpose of implementing paragraph 1, the following definitions shall apply:

(a) world market price for sugar: the price of Community sugar less the average of the export refunds for white sugar recorded during the reference period in question after deduction of a standard amount of ECU 7 per 100 kilograms;

(b) price of Community sugar: the intervention price for white sugar plus the storage levy.

▼B*Article 5*

The amount of the production refund granted per 100 kilograms of raw sugar shall be equal to one hundredth of the amount applicable on the use of white sugar, multiplied by the yield of the raw sugar used, which yield shall be determined in accordance with Article 1 of Regulation (EEC) No 431/68⁽¹⁾.

Article 6

The amount of the production refund granted per 100 kilograms of the sucrose syrups referred to in Article 1 shall be equal to one hundredth of the amount applicable on the use of white sugar, multiplied by:

(a) the sucrose content of the syrup used, where the purity of the latter is not less than 98 % or

(b) the extractable sugar content of the syrup used, determined in accordance with the second subparagraph of Article 1(5) of Regulation (EEC) No 1443/82, where the purity of the syrup is at least 85 % but less than 98 %.

⁽¹⁾ OJ No L 89, 10. 4. 1968, p. 3.

▼B*Article 7*

The amount of the production refund granted per 100 kilograms of dry matter of the basic product referred to in Article 1(1) (f) of Regulation (EEC) No 1785/81 shall be equal to the amount of the production refund applicable on the use of white sugar.

Article 8

The Annex to this Regulation shall be amended, if necessary, in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81.

Article 9

When the total loss referred to in Article 28 (1) (e) of Regulation (EEC) No 1785/81 is being established, the losses resulting from the granting of the production refunds referred to in Article 1 of this Regulation shall be taken into account in respect of eligible quantities exceeding in total 60 000 tonnes of white sugar equivalent.

Article 10

1. Regulation (EEC) No 1400/78 shall be repealed with effect from the 1986/87 marketing year.
2. However, Regulation (EEC) No 1400/78 shall remain applicable to processing operations in respect of which production refund applications have been submitted prior to the entry into force of the arrangements introduced by this Regulation.

Article 11

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

▼M7

ANNEX

CN code	Description of goods
1302 31 00	-- Agar-agar
1302 32	-- Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds:
1302 32 10	--- Of locust beans or locust bean seeds
1302 32 90	--- Of guar seeds
1302 39 00	-- other
1702 90 10	-- Chemically pure maltose
ex 2520	Gypsum; anhydrite; plasters whether or not coloured, with or without small quantities of accelerators or retarders:
2520 20	- Plasters
ex 2839	Silicates; commercial alkali metal silicates:
2839 90 00	- other
Chapter 29	Organic chemicals, except those of sub-headings 2905 43 00 and 2905 44
Chapter 30	Pharmaceutical products
3203 00 90	Colouring matter of vegetable or animal origin and preparations based on this matter
ex 3204	Synthetic organic colouring matter, and preparations as specified in note 3 to this Chapter based on this colouring matter
3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties:
	- Preparations for perfuming or deodorizing rooms, including odoriferous preparations used during religious rites:
3307 49 00	-- other
3307 90 00	- other
ex 3401	Soap, organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent:
3401 19 00	- other
3402	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading No 3401
3403	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials, but excluding preparations containing, as basic constituents, 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals:
	- Containing petroleum oils or oils obtained from bituminous minerals:
3403 19	-- other:
3403 19 10	--- Containing 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals but not as the basic constituent

▼M7

CN code	Description of goods
3405	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, non-wovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading No 3404
3407 00 00	Modelling pastes, including those put up for children's amusement; preparations known as 'dental wax' or as 'dental impression compounds', put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster
ex Chapter 35	Albuminoidal substances; modified starches; glues; enzymes, except those products of heading 3501 and subheadings 3505 10 10, 3505 10 90 and 3505 20
ex Chapter 38	Miscellaneous chemical products except those of subheadings 380910, 3809 91 00, 3809 92 00, 3809 93 00 and ex 3824 60
ex Chapter 39	Plastics and articles thereof:
3901 to 3914	– primary forms
ex 6809	Articles of plaster or of compositions based on plaster (boards, sheets, panels, tiles and similar articles)