

COMMISSION REGULATION (EEC) No 3597/90
of 12 December 1990

**on the accounting rules for intervention measures involving the buying in,
storage and sale of agricultural products by intervention agencies**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3492/90 of 27 November 1990 laying down the factors to be taken into consideration in the annual accounts for the financing of intervention measures in the form of public storage by the European Agricultural Guidance and Guarantee Fund, Guarantee Section (⁽¹⁾), and in particular Article 8 thereof,

Whereas certain movements of funds take place after the physical stock operations which gave rise to them; whereas it is not possible to determine *a priori* the amounts to be entered in the accounts; whereas, therefore, it is necessary to make provision for accounting at a different moment from the physical operation in order to avoid a *posteriori* corrections to accounts which have already been closed;

Whereas rules should be laid down for evaluating missing quantities exceeding the tolerances for preservation or processing, losses during transfers or identifiable causes and deteriorated or destroyed quantities;

Whereas operations excluded from the calculation of entry or removal costs should be specified;

Whereas in the case of the non-application of the tolerance limits, the Member States should stand guarantee for the total quantities of the product taken over, whereas this option must cover the entire financial year;

Whereas, in order to avoid retroactive corrections to the accounts, accounting rules must be laid down for cases where it is found that quantities taken into storage do not meet the conditions laid down for storage;

Whereas it is necessary to provide simple accounting rules to apply in case of changes during a month in the factors used for calculation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the EAGGF Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Pursuant to the measures provided for in Article 1 (2) of Regulation (EEC) No 3492/90:

1. costs not covered by standard amounts may be entered in the accounts of public storage as material operations of the month of actual payment;
2. amounts collected or recovered in accordance with Article 6 of Regulation (EEC) No 3492/90 shall be entered in the accounts of public storage as material operations of the month of actual collection;
3. the payments and collection provided for in points 1 and 2 shall be considered to have been done at the time provided for in Article 9 (2) (c) of Commission Regulation (EEC) No 2776/88 (⁽²⁾);
4. the financing costs to the end of the financial year as provided for in Article 2 (3) and (4) of Commission Regulation (EEC) No 411/88 (⁽³⁾) shall be entered in the accounts for that financial year for the number of days to be considered until that date and the remainder shall be entered under the following year.

The calculation of those financial costs must be subdivided according to the validity periods of the interest rates.

Article 2

1. Unless special provisions in the Annex provide otherwise, the value of missing quantities:

— exceeding the tolerance for preservations and processing,

or

— due to theft or other identifiable causes,

shall be calculated by multiplying these quantities by the basic intervention price in force for the standard quality on the first day of the current financial year, increased by 5 %.

2. Where no specific value has been fixed by Community regulations, the value of missing quantities due to transfer or transport shall be determined in accordance with paragraph 1.

3. In cases of deterioration or destruction of the product as a result of:

(⁽¹⁾) OJ No L 337, 4. 12. 1990, p. 3.

(⁽²⁾) OJ No L 249, 8. 9. 1988, p. 9.

(⁽³⁾) OJ No L 40, 13. 2. 1988, p. 25.

- (a) accidents, unless special provisions in the Annex provide otherwise, the value of quantities affected shall be calculated by multiplying the quantities in question by the basic intervention price in force for the standard quality on the first day of the current financial year, reduced by 5 % ;
- (b) natural disasters, the value of the affected quantities shall be subject to a specific decision ;
- (c) bad conservation conditions especially due to unsuitable storage methods, the value of the product shall be accounted for in accordance with paragraph 1 ;
- (d) too long a period of storage, the value of the product shall be determined at the time of the immediate sale of the product in accordance with the procedure laid down in Article 26 of Council Regulation (EEC) No 2727/75 ⁽¹⁾ or, as appropriate, in accordance with the procedure laid down in the corresponding Article of the other Regulations establishing common organizations of agricultural markets ; in which case the receipts from sales shall be taken into account for the month during which removal occurred.

4. Member States shall inform the Commission without delay of cases where prolongation of the storage period for a product is likely to result in the deterioration of that product.

The decision on the sale of the product shall be taken in accordance with the Regulations applicable to the product in question.

5. For the purpose of fixing the value of the quantities referred to in paragraphs 1, 2 and 3 (a) and (c) :

- any increases, premiums, reductions, percentages and coefficients applicable to the intervention price at the time of purchase shall not be taken into consideration,
- the conversion rate to be applied shall be the agricultural rate in force on the first day of the financial year for the product in question.

Article 3

1. For the missing or deteriorated quantities referred to in Article 2, removal costs shall be taken into account only where products have been sold in accordance with paragraphs (d) and 4 of that Article.

2. Quantities lost during transfer from one Member State to another shall not be deemed to have entered storage and therefore do not qualify for standard entry costs.

3. Where a product is transported or transferred, entry and removal costs, established at fixed rates for this purpose, shall be entered in the accounts if these costs do not rank as an integral part of transport costs under Community rules.

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

Article 4

The standard amounts may be increased provided that the Member State, in respect of the whole period involved and for the whole stock of the product in question, submits a declaration that it will not apply the tolerance and will stand guarantee for the quantity.

This declaration shall be addressed to the Commission and should be forwarded before receipt by the Commission of the first monthly declaration of the financial year concerned or, if the product in question is not in intervention storage at the beginning of the financial year, not later than the month following that in which the product first enters storage.

Article 5

Any transport costs paid or levied in accordance with Community rules at the time of buying in of the products shall be entered in the accounts as technical costs, separate from the buying-in price.

Article 6

1. Samples other than those taken by the purchasers shall be valued in accordance with Article 2 (3) (a).

2. If, following the visual inspection in the framework of the annual inventory, it is not possible to re-pack the product, the intervention organization may sell the remaining quantity by private contract. This quantity shall be accounted for, as a removal, on the day of the taking of samples and the receipts realized shall be credited to the EAGGF for the same month.

Article 7

1. Quantities entering storage which are found not to meet the conditions laid down for storage, shall be entered in the accounts at the time of removal from storage as a sale at the price at which they were purchased.

2. Unless special provisions in the Community rules provide otherwise, entry, removal, storage and financing costs already entered in the accounts in respect of each of the rejected quantities shall be deducted and taken into account separately.

(a) The entry and removal costs to be deducted shall be calculated by multiplying the rejected quantities by the sum of the respective standard amounts and by the agricultural conversion rate of the month of removal.

(b) Storage costs to be deducted shall be calculated by multiplying the rejected quantities by the number of months which elapse between entry and removal, by the standard amount and by the agricultural conversion rate of the month of removal.

(c) Financing costs to be deducted shall be calculated by multiplying the rejected quantities by the number of months which elapse between entry and removal after

deduction of the number of months of delay in payment applicable at the time of entry, by the rate of financing applicable during the month of removal divided by 12 and by the average book value of the stocks carried over at the beginning of the accounting year.

3. The costs referred to in paragraph 2 shall be booked under the physical operations in the month of removal.

Article 8

Where there is a change in the agricultural rates, the standard amounts, the payment terms, the interest rates or other factors used for calculation after the first of the month, the new factors shall apply starting at the material operations of the following month.

Article 9

The value of the quantities bought in and sold shall be equal to the sum of the payments (buying in) and receipts

(sales) made or to be made for operations relevant to the financial year in question.

Article 10

Any surplus quantities which may be established shall be booked as negative amounts in the stock records with the missing quantities in the month when they were recorded. These quantities shall be added to the determination of the quantities passing the limit of tolerance.

Article 11

For the purposes of this Regulation, the financial year shall be defined in accordance with Article 3 (7) and 6 (2) of Regulation (EEC) No 2776/88.

Article 12

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

It shall apply with effect from 1 October 1990.

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

Done at Brussels, 12 December 1990.

For the Commission

Ray MAC SHARRY

Member of the Commission

ANNEX

DETAILS REGARDING THE DIFFERENT PRODUCTS, CONCERNING EXPENDITURE AND REVENUE ITEMS ⁽¹⁾.

I. CEREALS

Drying

The additional cost of drying designed to lower the moisture content below that fixed for the standard quality shall be entered in the accounts, provided that this operation has been shown to have been necessary in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75.

Quantity losses due to drying shall not be included when calculating the tolerance for preservation.

II. SUGAR

1. Reimbursement of storage costs

Reimbursement of storage costs under Article 8 of Regulation (EEC) No 1785/81 and received by the intervention agencies shall be entered on the credit side of the accounts.

2. Levies

When sugar is sold, the levy referred to in Article 8 of Regulation (EEC) No 1785/81 shall be included in the price paid by the buyer; it must be declared separately.

III. ETHYL ALCOHOL OF VINOUS ORIGIN

1. Value of quantities bought in

In the case of alcohol bought in under Article 40 of Regulation (EEC) No 822/87, an amount equal to the aid to the distiller shall be deducted from the buying-in price of the alcohol by intervention agencies and entered in the accounts under the budget item for distillation. The value of the alcohol bought in, after deduction of the aid, shall be booked under the heading designated for the taking over of alcohol. The aid to be deducted shall be that applying to the quality of alcohol sent for intervention.

2. For the purposes of Article 2 (1), (2) and (3) (a) and (c), the price to be used shall be the price payable to the distiller after deduction of the aid referred to in paragraph 1 instead of the intervention price.

IV. TOBACCO

1. Value of quantities bought in

For quantities bought in, the amount of the premium included in the amount paid shall be deducted from the amount paid at the time of buying in and booked under the budget item for this premium. The amount paid, less the premium, shall be entered in the accounts. For this purpose, where baled tobacco is bought in, the amount of the premium, expressed in terms of leaf tobacco, shall be multiplied by the processing coefficient to be fixed in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70.

2. For the purposes of Article 2 (1), (2) and (3) (a) and (c), the intervention price to be used shall be the intervention price for Variety No 7 in the case of leaf tobacco and the derived intervention price for the same variety in the case of processed and baled tobacco, without deduction of the premium in either case.

V. SHEEPMEAT

For the purposes of Article 2 (1), (2) and (3) (a) and (c), the intervention price to be used shall not be seasonally adjusted nor derived.

VI. PIGMEAT

For the purposes of Article 2 (1), (2) and (3) (a) and (c), the basic price, multiplied by the coefficient 0,92, shall be used, rather than the intervention price.

⁽¹⁾ For products not specifically mentioned in this Annex, the general rule applies.