

COUNCIL REGULATION (EC) No 3528/93
of 21 December 1993

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

THE COUNCIL OF THE EUROPEAN UNION,

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

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

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

Whereas the agrimonetary arrangements applicable from 1 January 1993 are laid down by Regulation (EEC) No 3813/92 ⁽³⁾; whereas, on 2 August 1993, the Ministers for Financial Affairs and the Governors of the Central Banks decided temporarily to increase to 15 % the marginal intervention thresholds of currencies participating in the exchange-rate mechanism of the European Monetary System; whereas, from the agrimonetry point of view, therefore, all the currencies of the Member States must temporarily be considered to be floating currencies;

Whereas the new monetary situation creates a risk of wider and more frequent fluctuations than hitherto for all the agricultural conversion rates; whereas uniform implementing measures applicable in all Member States must be adopted at Community level to ensure greater stability; whereas, to that end, the four point limit on the monetary gap between Member States may be widened, although not beyond the five point level above which gaps give rise to speculative movements of goods; whereas, moreover, in order to take account, in particular, of the difficulties caused by currencies which revalue, the maximum monetary gap allowed for a particular currency may be varied on the basis of the nature of the currency movement;

Whereas Article 13 of Regulation (EEC) No 3813/92 restricts the application of the ecu correcting factor to 31 December 1994 and provides for a re-examination of the agrimonetary arrangements before that date; whereas the measures amending the limits and rules for adjusting the agricultural conversion rates should be reviewed in that context;

Whereas Article 7 of Regulation (EEC) No 3813/92 lays down that, at the request of the Member State concerned, certain amounts in ecus can be increased to avoid their

reduction in national currency; whereas this is not economically justified in the case of amounts which have previously been subject to an agrimonetary increase in national currency terms greater than the reduction in question;

Whereas Article 8 of Regulation (EEC) 3813/92 provides for the possibility of granting compensatory aid for loss of income resulting from the average movement of the agricultural exchange rate over 12 months; whereas the payment of annual instalments of compensatory aid is no longer economically justified where movements in the national currency compensate for past losses of income,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3813/92 is hereby amended as follows:

1. the following Article shall be inserted after Article 4:

Article 4a

Until 31 December 1994, notwithstanding Article 4:

1. the agricultural conversion rate for a floating currency shall be adjusted where the monetary gap for the last reference period of not more than a month exceeds:

- three points where the gap is positive, or
- two points where the gap is negative.

In such cases, the new agricultural conversion rate shall be fixed so as to reduce the monetary gap by half, without prejudice to paragraph 3, and shall take effect from the start of the following reference period;

2. In the event of a monetary realignment affecting the central rates determined for the Member States with fixed currencies, the agricultural conversion rates shall be adjusted immediately so as to:

- eliminate the monetary gaps for the fixed currencies, and
- reduce the monetary gaps for the floating currencies by half where they exceed the limits referred to in paragraph 1 over an appropriate reference period, without prejudice to paragraph 3.

⁽¹⁾ OJ No C 298, 4. 11. 1993, p. 10.

⁽²⁾ Opinion delivered on 16 November 1993 (not yet published in the Official Journal).

⁽³⁾ OJ No L 387, 31. 12. 1992, p. 1.

However, should a monetary realignment lead to a monetary gap for a fixed currency :

- less than or equal to 0,5 points, that gap shall be dismantled by the beginning of the next marketing year at the latest,
- greater than five points where the gap is positive or four points where the gap is negative, that gap shall immediately be reduced to two points less than the above limits. The remaining gap shall be dismantled over a maximum period of 12 months from the date of realignment.

The adjustments to the agricultural conversion rates provided for in the second subparagraph shall be made by the Commission in accordance with the procedure laid down in Article 12.

3. If, over a reference period, the absolute value of the difference between the gaps for the currencies of any two Member States exceeds five points, any monetary gaps for the Member States concerned that exceed :

- three points where the gaps are positive, or
- two points where the gaps are negative,

shall immediately be reduced to the above limits. This adjustment shall be made after any adjustment pursuant to paragraphs 1 and 2.

4. Where the positive monetary gap for a currency exceeds three points, the three and two point limits referred to in paragraphs 1 and 3 shall be adjusted by the Commission, as necessary, to up to five and zero points respectively so as to avoid a reduction in the positive gap in question, while maintaining a value of five points for the combination of those limits.';

2. the following paragraph shall be added to Article 7 :

'Application of this Article may not be requested for amounts for which an agricultural conversion rate lower than the new rate concerned was applied during the 24 months preceding the introduction of the latter.';

3. the following paragraph shall be inserted in Article 8 :

'2a. Where the average rate triggering off the granting of aid is lower than the average agricultural conversion rate applied subsequently for 12 consecutive months, the annual instalments of aid commencing after the 12 months in question shall be cancelled or reduced in accordance with the procedure laid down in Article 12.'

Article 2

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

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

Done at Brussels, 21 December 1993.

For the Council
The President
A. BOURGEOIS