Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro (repealed)

Article 1

For the purposes of this Regulation:

(a) 'legal instruments relating to the common agricultural policy' means:
- — legal instruments based directly or indirectly on Article 43 of the Treaty, with the exception of the Common Customs Tariff and other legal instruments of customs legislation applicable to both agricultural and industrial products,
- — legal instruments applicable to goods processed from agricultural products and subject to specific trade arrangements;

(b) 'participating Member States' means: the Member States which have adopted the single currency in accordance with the Treaty;

(c) 'non-participating Member States' means: the Member States which have not adopted the single currency,

(d) 'national currencies' means: the national currencies of the non-participating Member States and of third countries;

(e) 'exchange rate' means: the currency market exchange rate between the euro and national currency,

(f) 'appreciable revaluation' means: a situation where the annual average exchange rate is below a threshold defined as the lowest average annual conversion rate applied during the preceding three years and the exchange rate of 1 January 1999;

(g) 'appreciable part of a revaluation' means: the percentage by which the annual average falls short of the threshold referred to in point (f).

Article 2

1 Prices and amounts fixed in legal instruments relating to the common agricultural policy shall be expressed in euro.

2 They shall be granted or collected in euro in the participating Member States. In the other Member States, they shall be converted into their national currency by means of an exchange rate, and, without prejudice to Article 8, granted or collected in national currency.

3 However, for amounts relating to imports and for export taxes, fixed in euro by a legal instrument relating to the common agricultural policy and applicable by the Member States in national currency, the conversion rate shall be specifically equal to the rate applicable pursuant to Article 18(1) of Regulation (EEC) No 2913/92[1].

Article 3

1 The operative event for the exchange rate shall be:
- — the completion of customs import or export formalities in the case of amounts collected or granted in trade with third countries,
- — the event whereby the economic objective of the operation is attained in all other cases.

2 Where the operative event as referred to in paragraph 1 has to be specified or cannot be taken into account for reasons peculiar to the market organisation or the amount in question,

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a specific operative event shall be determined in accordance with the procedure laid down in Article 9, taking account of the following criteria:

a actual applicability as soon as possible of adjustments to the exchange rate;

b similarity of the operative events for analogous operations carried out under different market organisations;

c coherence in the operative events for the various prices and amounts relating to a single market organisation;

d practicability and effectiveness of checks on the application of suitable exchange rates.

Article 4

1 For prices and amounts other than those referred to in Article 5, the Member State may grant compensatory aid to farmers in cases of appreciable revaluation. The payments shall be made in three successive tranches lasting twelve months each, starting in March following the month of the appreciable revaluation.

These compensatory payments shall not take the form of aid linked to production, other than production during a stipulated, prior period. They shall not favour any particular type of production or be dependent on production subsequent to the period stipulated.

2 The maximum amount of the first tranche of compensatory aid shall be established, for the Member State concerned as a whole, in accordance with the procedure laid down in Article 9, by multiplying the appreciable part of the revaluation by the flat-rate income loss determined in accordance with points 1 to 3 of the Annex.

3 The maximum amount of the first tranche shall be reduced or cancelled where appropriate, taking account of the market situation observed during the year up to the time of the appreciable revaluation.

4 No aid shall be granted for the portion of the amount calculated in accordance with paragraph 2 that does not exceed appreciable revaluation of 2,6 %.

5 The amounts paid out under the second and third tranches shall each be reduced, *vis-à-vis* the level of the previous tranche, by at least a third of the amount paid out in the first tranche.

The amounts paid out under the second and third tranches shall be reduced or cancelled as a function of the effect on incomes of the development of exchange rates recorded until the beginning of the month preceding the first month of the relevant tranche, and taking account of the market situation observed over the same period.

6 The market situation shall be taken into account pursuant to paragraph 3 and the second subparagraph of paragraph 5 in accordance with the following criteria:

The amount of one or more tranches in one or more sectors may be reduced when it has been observed that:

a over the year during which an appreciable revaluation occurs or over the period between the beginning of the preceding tranche and the beginning of the month preceding the first month of the tranche concerned, the market price for the Member State concerned was on average equal to or higher than the average market prices in the Member States whose currencies had not been appreciably revalued during the same period. Market prices shall be compared using an index of base 100 for market prices in national currency or in euro,

or

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b the relation between the dates of operative events in the sector concerned and the date of the appreciable revaluation is such that there is no justification for concluding that the revaluation had an impact throughout the period considered.

In cases where point (b) is applied, the reduction of at least one third referred to in Article 4(5) shall be calculated on the basis of the amount of the first tranche that would have been granted if point (b) had not been applied.

These criteria may be amended, in the light of experience, in accordance with the procedure laid down in Article 9.

Article 5

1 In cases where the exchange rate applicable on the date of the operative event for:

— flat-rate aid calculated per hectare or per livestock unit,

or

— a compensatory premium per sheep or goat,

or

— amounts of a structural or environmental nature

is below that applicable previously, the Member State concerned may make compensatory payments to farmers in three successive tranches lasting twelve months each, starting on the date of the operative event.

Compensatory aid must be granted in the form of an addition to the aid, premiums and amounts referred to in the first subparagraph.

2 The maximum amount of the first tranche of compensatory aid shall be established, for the Member State concerned as a whole, in accordance with the procedure laid down in Article 9, in accordance with point 4 of the Annex. However, the Member State may waive the grant of the compensatory aid when this amount corresponds to a reduction of less than 0,5 %.

3 The amounts paid out under the second and third tranches shall each be reduced, *vis-à-vis* the level of the previous tranche, by at least a third of the amount paid out in the first tranche.

4 The amounts referred to in paragraph 3 shall be reduced or cancelled if necessary as a function of the effect on income of the development of the exchange rates recorded on the first day of the second and third tranches.

5 This Article shall not apply to amounts to which a rate lower than the new rate was applicable during the twenty-four months immediately before the new rate took effect.

Article 6

1 The Community's contribution to financing shall be:

— 50 % of the amounts actually paid for the compensatory aid referred to in Article 4,

— 50 % of the amounts that may be granted for the compensatory aid referred to in Article 5. However, the Member State may withdraw from national participation in financing the aid.

2 For the purposes of the financing of the common agricultural policy, this contribution shall be deemed to be part of intervention intended to stabilise the agricultural markets.

Article 7

1 Where exceptional monetary practices concerning the national currency are liable to jeopardise the application of the legal instruments relating to the common agricultural policy, the Commission shall decide upon suitable safeguard measures, which may, where necessary, derogate from the existing legal instruments relating to the common agricultural policy.

The Council and the Member States shall be notified forthwith of the measures referred to in the first subparagraph.

Any Member State may refer the Commission's decision to the Council during the three working days following that on which they are notified of safeguard measures.

The Council, acting by a qualified majority, may take a different decision within one month of notification of the measures in question.

2 Where exceptional monetary practices concerning a national currency are liable to jeopardise the application of the legal instruments relating to the common agricultural policy, the Commission may, by virtue of the powers conferred on it by these instruments in each individual case derogate from this Regulation, in particular in the following cases:

— where a country uses abnormal exchange techniques such as multiple exchange rates or operates barter agreements,
— where countries have currencies which are not quoted on official foreign exchange markets or where the trend in such currencies is likely to create distortion in trade.

Article 8

1 If a non-participating Member State decides to pay the expenditure resulting from legal instruments relating to the common agricultural policy in euro rather than in its national currency the Member State shall take such kind of measures that the use of the euro does not provide a systematic advantage compared with the use of national currency.

2 The Member State shall notify the Commission of the measures planned before they come into effect. The measures may not take effect until the Commission has notified its agreement thereto.

Article 9

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in:

(a) Article 23 of Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals[2],

or

(b) the corresponding articles of the other regulations on the common organisation of the markets in agricultural or fishery products,

or

(c) the corresponding articles of other Community provisions introducing a similar procedure.

Article 10

1 Where transitional measures prove necessary to facilitate the initial application of this Regulation, such measures shall be adopted by the Commission in accordance with the

procedure laid down in Article 9 and shall remain applicable for the period strictly necessary to facilitate the introduction of the new arrangements.

2 Regulations (EEC) No 3813/92, (EC) No 1527/95, (EC) No 2990/95 and (EC) No 724/97 are hereby repealed.

3 References to the agricultural conversion rate in legal instruments relating to the common agricultural policy shall be taken from 1 January 1999 to refer to the conversion rate irrevocably fixed by the Council in accordance with Article 1091(4) of the Treaty for national currency units, and the rate referred to in Article 2(2) and, where applicable, Article 2(3) of this Regulation for national currencies.

References to the representative market rate of the ecu in legal instruments relating to the common agricultural policy shall be taken from 1 January 1999 to refer to the rate of exchange of the euro.

References to the compensatory aid provided for in Regulation (EEC) No 3813/92 and Regulation (EC) No 724/97 shall be deemed to be references to Articles 4, 5 and 6 of this Regulation.

References to the operative events provided for in Article 6 of Regulation (EEC) No 3813/92 shall be deemed to be references to Article 3 of this Regulation.

Article 11

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

It shall apply from 1 January 1999.

Articles 4, 5 and 6 shall only apply to appreciable revaluations having occurred before 1 January 2002.

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

Done at Brussels, 15 December 1998.

For the Council

The President

W. MOLTERER

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Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 2799/98 (repealed). (See end of Document for details)

(**1**) OJ L 302, 19. 10. 1992, p. 1. Regulation as last amended by Regulation (EC) No 82/97 of the European Parliament and of the Council (OJ L 17, 21. 1. 1997, p. 1).

(**2**) OJ L 181, 1. 7. 1992, p. 21. Regulation as last amended by Commission Regulation (EC) No 923/96 (OJ L 126, 24. 5. 1996, p. 37).

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