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(Acts whose publication is obligatory)

**COUNCIL REGULATION (EC) No 2038/1999
of 13 September 1999
on the common organisation of the markets in the sugar sector**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

Whereas:

(1) Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organisation of the markets in the sugar sector ⁽³⁾ has been substantially amended several times ⁽⁴⁾; in the interest of clarity and rationality it should therefore be codified;

(2) the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy to include, in particular, a common organisation of the agricultural markets which may take various forms depending on the product concerned; isoglucose and inulin syrup are direct substitutes for liquid sugar obtained from sugar beet or sugar cane; therefore, the markets in sugar, isoglucose and inulin syrup are closely linked; the situation in the Community in respect of sweeteners is characterised by structural surpluses and any Community decision relating to one of these products inevitably has repercussions on the others; it is therefore necessary to have an organisation common to the sugar, isoglucose and inulin syrup sectors which takes appropriate account of production features specific to the various sectors;

(3) to ensure that the necessary guarantees in respect of employment and standards of living are maintained for Community growers of sugar beet and sugar cane,

provision should be made for measures to stabilise the market in sugar and for this purpose there should be fixed annually a target price for white sugar and, for the areas having no deficit, an intervention price for white sugar, as well as an intervention price for raw sugar, and, for each of the deficit areas, a derived intervention price for white sugar and, should the need arise, for raw sugar; the above objective could be attained by making provision for buying-in by intervention agencies at the intervention prices; moreover, a compensation system for storage costs for sugar produced both from raw materials of Community origin, including molasses, and preferential sugar could serve the same purpose; these price guarantees given for sugar also benefit sugar syrups, isoglucose and inulin syrup, the prices of which are based on those of sugar;

(4) in order not to interfere with the prices referred to above, intervention agencies may sell sugar only at a price which is higher than the intervention price unless it is to be exported either in the natural state or after processing or is to be used for animal feeding; this rule prevents the disposal of sugar to charitable organisations for use for human consumption in the Community; provision should therefore be made for such a possibility in the case of individual emergency aid operations assuring the availability of supplies and thus representing at the same time a humanitarian operation; such operations are effective only if rapidly implemented; provision should therefore be made for the most appropriate procedure to be used in such instances;

(5) it is necessary that these regulatory measures should provide guarantees which are fair both to manufacturers and to producers of the basic products; it is therefore appropriate to fix for beet, in addition to a basic price, minimum prices for A beet intended for processing into A sugar and a minimum price for B beet intended for

⁽¹⁾ OJ C 219, 30.7.1999

⁽²⁾ OJ C 138, 18.5.1999, p. 18.

⁽³⁾ OJ L 177, 1.7.1981, p. 4. Regulation as last amended by Commission Regulation (EC) No 1148/98 (OJ L 159, 3.6.1998, p. 38).

⁽⁴⁾ See Annex III, Part B.

processing into B sugar which must be observed when sugar manufacturers buy beet; it is also appropriate to provide, in the interests of ensuring a fair balance of rights and duties between agricultural manufacturers and producers, the instruments necessary to this end and, in particular, to establish Community outline provisions governing the contractual relations between buyers and sellers of beet and to provide for adequate measures to achieve this object in respect of sugar cane;

- (6) for the sugar beet sector, having regard to the implications, in particular of a general nature, for the operation of the common organisation of the markets in sugar, application of Council Regulation (EC) No 952/97 of 20 May 1997 on producer groups and associations thereof⁽¹⁾ should be postponed for the period during which the production quota arrangements are applied;
- (7) the creation of a Community market for sugar as for isoglucose and inulin syrup implies the introduction of a common trading system at the external frontiers of the Community; a trading system including import levels and export refunds tends to stabilise the Community market in preventing, in particular, price fluctuations on the world market from affecting prices for these products ruling within the Community; whereas, therefore, provision should be made for the charging of a levy on imports from third countries and for the payment of a refund on exports to such countries which, as regards sugar, would, in either case, cover, with regard to the sugar, the difference between prices ruling inside and outside the Community when world market prices are lower than the Community prices and, with regard to isoglucose and inulin syrup, would ensure a certain measure of protection for the Community industry which processes these products;
- (8) in addition to this trading system and to the extent necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting the use of inward processing arrangements;
- (9) in order to ensure normal supplies to the Community as a whole or to one of its areas, a system of minimum stock would be an effective measure; it is also appropriate, in order to achieve this objective, to lay down provisions which would enable appropriate intervention measures to be taken under certain conditions; it is possible that the minimum stock system will not be sufficient to ensure supplies to one or more regions if natural disasters strike the said regions; it is therefore

desirable to allow undertakings established in those regions to use to that end blocked carryover stocks for authorising them to dispose of the sugar in question before the end of the compulsory storage period;

- (10) in the event of a shortage on the world market pushing up world market prices to a level higher than that of the Community prices, or in the event of difficulties in the normal supplies to the Community as a whole or to one of its areas, appropriate provisions should be laid down in order to avoid in good time a situation where regional surpluses are exported to third countries while an abnormal rise in Community prices makes it impossible to continue to guarantee supplies to consumers at reasonable prices;
- (11) it must be made possible for the competent authorities to keep a constant watch on movements in trade with third countries in order to enable them to assess trends thereof and, where appropriate, to apply such measures provided for in this Regulation as may prove necessary; to this end, provision should be made for a system of import and export licences, the issue of which is conditional upon the lodging of a guarantee assuring that the operation for which the licences is being requested will be carried out;
- (12) the customs duties system makes it possible to dispense with all other protective measures at the external frontiers of the Community; however, the prices and customs duties machinery may in exceptional circumstance prove defective; such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom, the Community should be enabled swiftly to take all necessary measures; these measures must be in conformity with the obligations arising from the Agreements resulting from the Uruguay Round of multilateral trade negotiations, hereinafter referred to as 'GATT'; moreover, in order to avert problems of supply to the Community market, the suspension of customs duties on certain sugar products should be permitted;
- (13) the GATT agreements were approved by Decision 94/800/EC⁽²⁾; the agreement on agriculture (hereinafter referred to as 'the Agreement') provides, in particular, for the gradual reduction of the level of the Community's export support for agricultural products and in particular for sugar under guarantee of production quotas; the Agreement provides for the reduction of export support, in terms of both quantities and appropriations, over a transitional period;

⁽¹⁾ OJ L 142, 2.6.1997, p. 30. Regulation repealed by Regulation (EC) No 1257/1999, (OJ L 160, 26.6.1999, p. 80).

⁽²⁾ OJ L 336, 23.12.1994, p. 1.

- (14) the reasons which have hitherto led the Community to retain a production quota system for sugar, isoglucose and inulin syrups remain valid; however, changes have been made in that system to take account of recent developments in production and to provide the Community with the instruments necessary to ensure, in a fair yet efficient way, that the procedures themselves meet in full the cost of disposing of the surpluses of Community production over consumption; however, such a system should apply for a limited period only and should be regarded as transitional;
- (15) the common organisation of the sugar sector markets has been based, first, since the 1986/87 marketing year, on the principle of full financial responsibility on the part of producers for the losses incurred in each marketing year due to the disposal of that part of Community production under quota which is surplus to the Community's internal consumption and, secondly, on a differentiation of the price and disposal guarantees in line with the production quota allocated to each undertaking; sugar production quotas are allocated to each undertaking on the basis of objective production during a particular reference period; however, with regard to mainland Portugal where no sugar beet was grown at the time of accession, the Treaty of Accession allowed for the possibility of allocating quotas to an undertaking without reference to production figures, on condition that the undertaking was in a position to start production immediately, i.e. that it had the necessary technical capacity;
- (16) since commitments to reduce export support are to be implemented over a transitional period, the present basic sugar and isoglucose quantities and inulin syrup quotas should be maintained unchanged but with provision made for the guarantees pertaining thereto to be adjusted as appropriate to permit compliance with the commitments made under the Agreement, while taking into account the fundamental factors affecting the situation of this sector in the Community; it is accordingly desirable to maintain the sector's self-financing arrangements and production quotas for a period corresponding to the abovementioned transitional period, namely six marketing years;
- (17) financial responsibility should be guaranteed by the producers' contributions which take the form of a basic production levy charged on all production of A and B sugar but which is limited to 2 % of the intervention price for white sugar and a B levy which is charged on the production of B sugar but which is subject to a limit of 37,5 % of that price; isoglucose and inulin syrup producers under some conditions pay a proportion of those contributions; because of the limits referred to above, the objective of making sugar production self-financing cannot, under the abovementioned circumstances, be achieved in respect of each marketing year;
- an additional levy should therefore be charged for that purpose;
- (18) in particular in the interests of equal treatment, the additional levy should be calculated for each undertaking on the basis of its share in the revenue generated by the production levies which it has paid in respect of the marketing year in question; therefore, a coefficient should be determined for the Community as a whole which represents, in respect of that marketing year, the ratio between the total loss recorded and the total revenue generated by the production levies in question; conditions should also be laid down under which beet and sugar cane sellers are to contribute to eliminating the uncovered part of the loss for the marketing year concerned;
- (19) the production quotas allocated to each sugar sector undertaking may, in any marketing year, give rise, as a result of the relevant consumption, production, importation, stock and carryover levels, and the average loss likely to be borne under the self-financing scheme, to an export volume exceeding that set in the Agreement; provision should therefore be made for adjustments over one or more marketing years in the guarantees linked to quotas so that the Community's commitments can be met;
- (20) as the first step in implementing adjustments to the guarantees, the difference recorded for a given marketing year between the Community's exportable volume and the amount set in the Agreement should be apportioned between sugar, isoglucose and inulin syrup according to the percentages which the quotas of each represent in the total of the quotas set for these three products and for the Community;
- (21) this initial breakdown by product should then be followed by a breakdown between the Member States which adjusts the guarantees linked to the quotas assigned to producing undertakings located in each Member State in a way that does not affect the existing balance of quotas and burden-sharing; to this end, a reduction coefficient should be determined for each Member State in respect of the A and B guarantees which is in line with the maximum contributions pertaining to these guarantees; it should then be up to each Member State concerned to make an allocation among undertakings which takes account of the guarantees arising for each undertaking from its own quotas;
- (22) the common organisation of the market in sugar established a compensation system for storage costs; whereas it is appropriate to make it clear that sugar which formed the subject of the reduction of guarantees under obligations arising from undertakings given in the context of the Agreement may continue to be eligible for reimbursement of storage costs under the said system;

- (23) given the need to allow for a certain structural adjustment of the processing industry and of beet and cane growing during the period in which these quotas are applied, provision should be made for a margin of manoeuvre allowing Member States to alter undertaking quotas by a maximum of 10 %; in view of the particular situation of this sector in Spain, Italy and the French overseas departments, this limit should not be applied in those regions when restructuring plans are being implemented;
- (24) since the production quotas allocated to undertakings constitute a means of guaranteeing producers Community prices and an outlet for their production, quota transfers should be made taking into consideration the interests of all the parties concerned and in particular those of sugar beet and sugar cane producers;
- (25) in order to enable the outlets for sugar and isoglucose on the internal market of the Community to be enlarged, it is further appropriate to afford the possibility of putting out of production, within the meaning of the quota system and under conditions to be laid down, all sugar or isoglucose intended for manufacture, in the Community, of products other than foodstuffs;
- (26) in the Declaration by the European Economic Community on supplies to the sugar refining industry in Portugal annexed to the Final Act of the Treaty of Accession of Spain and Portugal, the Community stated that it was prepared to make an overall examination of the refining industry in the Community and in Portugal in particular; such an examination was also applied to Finland;
- (27) this examination has shown the need, in particular with the aim of achieving a steadier and more even flow of supplies to refineries throughout the Community, to estimate clearly the expected maximum traditional requirement of raw sugar for refining into white sugar in each of the Member States concerned, namely Finland, France, Portugal and the United Kingdom, using objective reference data and taking into account the quantities of sugar going for direct consumption recorded for the 1994/95 marketing year; to achieve this aim, the possibility should be opened to the refining industry, within the limit of its anticipated needs, of gaining access on certain terms to all raw sugar originating in the Community, the ACP States and/or in certain other traditional suppliers to be specified, on the basis of a forward balance and in a particular order of priority, namely Community sugar, preferential sugar covered by Protocol No 8 annexed to the Fourth ACP-EC Convention ⁽¹⁾, and sugar imported from ACP States and/or other traditional suppliers; for raw sugar imported from the ACP States listed in Protocol No 8 and from India other than preferential sugar in the strict sense, a special preferential arrangement for access to the Community refining market should be introduced;
- (28) pursuant to Article 1 of the said Protocol and to Article 1 of the Agreement between the European Economic Community and the Republic of India on cane sugar ⁽²⁾, the implementation of these systems of preferential imports must be carried out within the framework of the common organisation of the market in sugar;
- (29) it is necessary to create the means for ensuring that raw cane sugar imported under the said preferential systems can be refined under the most equitable conditions of competition;
- (30) refining is an important activity both in the sugar sector in general and in the Community, and in particular in refineries for conversion of raw sugar into white sugar; from a technical point of view, refining produces high-quality products from sugar cane that can meet market requirements; moreover, these refineries are located in areas of high consumption; the port-related refining industry is accordingly, for the Community, a valuable complement to the beet processing industry, in particular in Finland, mainland Portugal, the United Kingdom and southern and western France;
- (31) in a joint declaration on the Portuguese sugar market annexed to the Final Act of the Fourth ACP- EC Convention, the ACP States and the Community agreed to continue, under the relevant provisions of the Convention and in particular Article 168(2) thereof, the examination of requests from the ACP States for increased preferential access to the Portuguese market for ACP sugar; examination of these requests, which concern supplies to port refineries in the Community as a whole, leads to the conclusion that special priority access should be given to raw cane sugar originating in the ACP States party to Protocol No 8 and in India, under special agreements negotiated between the Community and the countries referred to in Protocol No 8 and/or other countries and on the basis of a Community estimate of requirements after utilisation for refining of all available raw cane and beet sugar in the Community and preferential sugar;

⁽¹⁾ OJ L 229, 17.8.1991, p. 3.

⁽²⁾ OJ L 190, 22.7.1975, p. 36.

(32) up to the 1994/95 marketing year, Community adjustment aid has been granted for refining of preferential raw cane sugar and of raw sugar from cane and beet harvested in the Community; hitherto it has been possible to adjust this aid for any given marketing year in line with the storage levy set for that year and/or any change in the refining margin resulting from the prices set for the marketing year in question; in the light of experience, this aid should continue; given the direct impact on the refining margin of changes in the storage levy, it should be made compulsory for the adjustment aid to be altered in line with that levy in the case of refining of raw sugar covered by Community price guarantees or imported from the ACP States as preferential sugar;

(33) the common organisation of the markets in the sugar sector must, at the same time, take appropriate account of the objectives set out in Articles 33 and 131 of the Treaty;

(34) certain transitional measures may prove necessary and the same need may arise at each changeover from one marketing year to the next or during the same marketing year; provision should therefore be made for the possibility of adopting appropriate measures;

(35) in order to facilitate implementation of the provisions of this Regulation, a procedure should be provided for establishing close cooperation between Member States and the Commission within a Management Committee for Sugar;

(36) beet production in Italy, in view of its particular characteristics and the dimensions of holdings, is facing, in the northern region, although less and less so, and in the central region, difficulties in particular concerning the application of modern production methods; for structural reasons, these difficulties persist in the southern region, which is, moreover, recognised as lagging behind in development and structural adjustment; beet growing there is indispensable in order to regenerate soils with a particularly high level of clay and thus to avoid a return to monoculture; Italy should therefore be authorised to grant, on the one hand, in its northern and central regions national aid the downward sliding scale of which shall be extended over five marketing years, and to

grant, on the other hand, in its southern region such aid progressively reduced over six marketing years from the level granted for the 1994/95 marketing year;

(37) by virtue of Article 110 of the Act of Accession of the Kingdom of Spain and the Portuguese Republic, Spain is authorized to grant national adjustment aid to producers of A and B beet until 31 December 1995; in order to take account of certain difficulties which still exist, it is appropriate to maintain the authorisation for national aid beyond 31 December 1995 for a limited period and on a downward sliding basis;

(38) the cane sugar production process in Spain is faced with specific difficulties in its effort to maintain itself as compared with that of other crops; whereas, in order to enable this limited production to be maintained, a national aid of EUR 6 should be authorised per 100 kilograms of white sugar obtained from cane sugar;

(39) Community membership of the International Sugar Agreement might require special measures to allow the Community to implement the obligations arising from such membership; for this purpose, provision should be made for the appropriate measures to be adopted within the framework of this Regulation;

(40) pursuant to Articles 2 and 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, the expenses incurred by the Member States in meeting obligations arising from the application of this Regulation devolve upon the Community,

HAS ADOPTED THIS REGULATION:

CHAPTER I

SCOPE AND DEFINITIONS

Article 1

1. The common organisation of the markets in the sugar sector established by this Regulation shall cover the following products:

CN code	Description
(a) 1701	Cane or beet sugar and chemically pure sucrose, in solid form
(b) 1212 91 1212 92 00	Sugar beet Sugar cane
(c) 1703	Molasses resulting from the extraction or refining of sugar

⁽¹⁾ OJ L 94, 28.4.1970, p. 13. Regulation repealed by Regulation (EC) No 1258/1999, (OJ L 160, 26.6.1999, p. 103).

CN code	Description
(d) 1702 20	Maple sugar and maple syrup
1702 60 95	Other sugars in solid form and sugar syrups, not containing added flavouring or colouring matter, but not including lactose, glucose, maltodextrine and isoglucose
1702 90 99	
1702 90 60	Artificial honey, whether or not mixed with natural honey
1702 90 71	Caramel containing 50 % or more by weight of sucrose in the dry matter
2106 90 59	Flavoured or coloured sugar syrups, other than isoglucose, lactose, glucose and maltodextrine syrups
(e) 2303 20	Beet pulp, bagasse and other waste of sugar manufacture
(f) 1702 30 10	Isoglucose
1702 40 10	
1702 60 10	
1702 90 30	
(g) 2106 90 30	Flavoured or coloured isoglucose syrups
(h) 1702 60 80	Inulin syrup
1702 90 80	

2. For the purposes of this Regulation:

- (a) 'white sugars' means sugars, not flavoured or coloured or containing any other added substances, containing, in the dry state, 99,5 % or more by weight of sucrose, determined by the polarimetric method;
- (b) 'raw sugars' means sugars, not flavoured or coloured or containing any other added substances, containing, in the dry state, 99,5 % by weight of sucrose, determined by the polarimetric method;
- (c) 'isoglucose' means the product obtained from glucose or its polymers with a content by weight in the dry state of at least 10 % fructose;
- (d) 'inulin syrup' means the immediate product obtained by hydrolysis of inulin or oligofructoses, containing in the dry state at least 10 % fructose in free form or as sucrose;
- (e) 'A sugar' and 'A isoglucose' mean any quantity of sugar or isoglucose the production of which is attributable to a specific marketing year and which is produced by the undertaking concerned within its A quota;
- (f) 'B sugar' and 'B isoglucose' mean any quantity of sugar or isoglucose the production of which is attributable to a specific marketing year and which is produced by the undertaking concerned outside its A quota but within the sum of its A and B quotas;
- (g) 'C sugar' and 'C isoglucose' mean any quantity of sugar or isoglucose the production of which is attributable to a specific marketing year and which is produced either by the

undertaking concerned outside the sum of its A and B quotas or by an undertaking which has no quota;

- (h) 'A beet' means all beet processed into A sugar;
- (i) 'B beet' means all beet processed into B sugar;
- (j) 'A inulin syrup' shall be inulin syrup expressed as sugar/isoglucose equivalent the production of which is assigned to a specific marketing year within the undertaking's A quota;
- (k) 'B inulin syrup' shall be the inulin syrup expressed as sugar/isoglucose equivalent the production of which is assigned to a specific marketing year and thereby falls outside the A quota of the undertaking but does not exceed the sum of its A and B quotas;
- (l) 'C inulin syrup' shall be inulin syrup expressed as sugar/isoglucose equivalent the production of which is assigned to a specific marketing year and which is either additional to the sum of the A and B quotas of the undertaking in question or has been produced by an undertaking not provided with quotas.

CHAPTER II

PRICES

Article 2

1. The marketing year for all the products listed in Article 1 shall begin on 1 July and expire on 30 June of the following year.

2. A target price for white sugar shall be fixed each year. This price shall be valid for unpacked white sugar of the standard quality to which the intervention price applies, unpacked, ex-factory, loaded on to a means of transport chosen by the purchaser.

3. The target price for white sugar shall be fixed each year at the same time as the intervention price for white sugar in accordance with the procedure laid down in Article 37(2) of the Treaty.

Article 3

1. For white sugar there shall be fixed each year:

- (a) an intervention price for the non-deficit areas;
- (b) a derived intervention price for each of the deficit areas.

2. An intervention price shall be fixed annually for raw sugar. This price shall be calculated on the basis of the intervention price for white sugar taking account of flat-rate amounts for processing and yield.

Where it is necessary to market raw sugar produced in a deficit area, a derived intervention price may be fixed for such sugar.

3. The intervention prices referred to in paragraphs 1 and 2 shall apply to unpacked sugar, ex-factory, loaded on to a means of transport chosen by the purchaser.

They shall be valid for white sugar and for raw sugar of a specified standard quality.

4. The intervention price for white sugar shall be fixed before 1 August for the marketing year beginning on 1 July of the following year, in accordance with the procedure laid down in Article 37(2) of the Treaty.

In accordance with the same procedure the Council shall specify the standard quality for which this price is valid.

5. The Council, acting by a qualified majority on a proposal from the Commission, shall fix the intervention price for raw sugar and the derived intervention prices each year at the same time as it fixes the intervention price for white sugar.

In accordance with the same procedure the Council shall specify the standard quality for which the intervention price for raw sugar is valid.

Article 4

1. A basic price for beet shall be fixed each year. It shall be valid for a specified delivery stage and a specified standard quality.

2. The basic price for beet referred to in paragraph 1 shall be fixed taking account of the intervention price for white sugar and of fixed values representing:

- the processing margin,
- the yield,
- undertakings' receipts from sales of molasses,
- where appropriate, the cost incurred in delivering beet to undertakings.

3. The basic price for beet shall be fixed in accordance with the procedure laid down in Article 37(2) of the Treaty at the same time as the intervention price for white sugar.

In accordance with the same procedure the Council shall specify the delivery stage and standard quality for beet.

Article 5

1. There shall be fixed each year at the same time as the intervention price for white sugar a minimum price for A beet and a minimum price for B beet.

These prices shall be valid for the same delivery stage and standard quality as specified for the basic price for beet.

2. The minimum price for A beet shall be equal to 98 % of the basic price for beet.

Subject to Article 33, the minimum price for B beet shall be equal to 68 % of the basic price for beet.

3. For areas for which a derived intervention price for white sugar is fixed, the minimum prices for A beet and B beet shall be increased by an amount equal to the difference between the derived intervention price for the area in question and the

intervention price, such amount being adjusted by the coefficient 1,30.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall fix the minimum prices for beet.

Article 6

1. Without prejudice to Article 39 and the provisions adopted pursuant to Article 32, sugar manufacturers buying beet:

(a) suitable for processing into sugar,
and

(b) intended for processing into sugar,

shall be required to pay at least a minimum price adjusted by price increases or reductions to allow for deviations from the standard quality.

2. The minimum price referred to in paragraph 1 shall correspond:

(a) in the non-deficit areas to:

- the minimum price for A beet, in the case of beet to be processed into A sugar,
- the minimum price for B beet, in the case of beet to be processed into B sugar;

(b) in the deficit areas to:

- the minimum price for A beet adjusted in accordance with Article 5(3), in the case of beet to be processed into A sugar,
- the minimum price for B beet adjusted in accordance with Article 5(3), in the case of beet to be processed into B sugar.

3. Details rules for the application of this Article and the price increases and reductions shall be adopted in accordance with the procedure laid down in Article 48.

Article 7

1. Agreements within the trade and contracts concluded between buyers and sellers of beet must conform to outline provisions, in particular as regards the conditions governing the purchase, delivery and acceptance of beet and the payment for beet.

2. Conditions for purchasing sugar cane shall be governed by agreements within the trade between Community sugar cane producers and Community sugar manufacturers.

Conditions for purchasing the basic agricultural product for the manufacture of inulin syrup shall be governed by interbranch agreements between Community growers of those basic products and inulin syrup producers.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article, and particularly the outline provisions referred to in paragraph 1.

4. If necessary, detailed rules for the application of paragraphs 1 and 2 shall be adopted in accordance with the procedure laid down in Article 48.

5. If there are no agreements within the trade, the Member State in question may, within the framework of this Regulation, take the necessary measures to protect the interests of the parties concerned.

This Member State shall inform the Commission without delay of the measures taken pursuant to the first subparagraph.

6. Regulation (EC) No 952/97 shall not apply to sugar beet during the period referred to in Article 26(1).

Article 8

1. A compensation system for storage costs, comprising flat-rate reimbursement to be financed by means of a levy, shall be provided for under the conditions set out in this Article.

2. Storage costs in respect of:

- white sugar,
- raw sugar,
- syrups obtained prior to the crystallising stage,
- syrups obtained by dissolving crystallised sugar,

manufactured from beet or cane harvested in the Community shall be reimbursed at a flat rate by the Member States.

The Member States shall impose a levy on each sugar manufacturer, as appropriate:

- per unit of weight of sugar produced,
- per unit of weight of the syrups referred to in the first subparagraph which are produced prior to the crystallising stage and marketed in their natural state.

The amount of the reimbursement shall be the same for the whole Community. This rule of uniformity shall also apply in respect of the levy.

3. Paragraph 2 shall not apply to flavoured or coloured sugars falling within CN code No 1701 or to flavoured or coloured syrups falling within subheading 2106 90 59 of the CN code.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall:

- (a) adopt the general rules for the application of this Article;
- (b) fix the reimbursement amount simultaneously with the derived intervention prices.

5. The amount of the levy shall be fixed each year in accordance with the procedure laid down in Article 48. The other detailed rules for the application of this Article shall be adopted according to the same procedure.

Article 9

1. Throughout the marketing year the intervention agency designated by each sugar-producing Member State shall be required, on conditions to be determined in accordance with

paragraphs 5 and 6, to buy in any white and raw sugar offered to it which has been manufactured from beet and cane harvested in the Community in so far as there exist prior storage contracts between the offerors and such agency for the sugar in question.

Intervention agencies shall buy in at the intervention price or the derived intervention price, as the case may be, valid for the area in which the sugar is situated at the time of purchase. If the quality of the sugar differs from the standard quality for which the intervention price was fixed, then this price shall be adjusted by means of increases or reductions.

2. It may be decided to grant premiums for sugar which is in one of the situations referred to in Article 23(2) of the Treaty and which is rendered unfit for human consumption.

3. It may be decided to grant production refunds on the products listed in Article 1(1)(a),(f) and (h) and on the syrups listed in Article 1(1)(d) where these fall within one of the situations contemplated by Article 23(2) of the Treaty and are used in the manufacture of certain products of the chemical industry.

4. Appropriate measures shall be taken on the subject of the transport and storage costs of sugars produced in the French overseas departments, in order to permit these sugars to be marketed in the European Regions of the Community.

To the extent necessary for the supply of refineries, provision may be made that raw sugar manufactured from beet harvested in the Community shall qualify for the same measures as those referred to in the first subparagraph.

For the purposes of this Article, 'refinery' shall mean a production unit whose sole activity consists in refining either raw sugar or syrups produced prior to the crystallising stage.

5. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the general rules for the application of paragraphs 1 to 4, which may derogate from Article 8 as regards the application of paragraph 4, and the chemical products referred to in paragraph 3.

6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 48 and shall deal in particular with:

- the minimum quality and quantity requirements on intervention,
- the price increases and reductions applicable on intervention,
- the procedures and conditions for taking-over by intervention agencies,
- the conditions for granting premiums and the amounts of such premiums,
- the conditions for granting production refunds and the amounts of such refunds,
- the measures referred to in the second subparagraph of paragraph 4.

Article 10

1. In order to help guarantee supplies to the entire Community or to one of its regions, the Council, acting by a qualified majority on a proposal from the Commission, shall decide upon the conditions under which special intervention measures may be taken where Article 22 is applied.

However, such measures may not result in Community sugar manufacturers being obliged to sell sugar to intervention agencies.

2. The nature and application of such intervention measures shall be decided upon in accordance with the procedure laid down in Article 48.

Article 11

1. Intervention agencies may sell sugar only at a price which is higher than the intervention price.

It may, however, be decided that intervention agencies may sell sugar at a price equal to or lower than the intervention price if the sugar is intended:

- for animal feeding, or
- for export, either in the natural state or after processing into the products listed in Annex II to the Treaty or into the products listed in Annex I to this Regulation.

2. It may however be decided, paragraph 1 notwithstanding, that intervention agencies shall, with a view to its distribution free of charge, make sugar in the natural state held by them available to charitable organisations — recognised by the Member State concerned or, if no recognitions, by the Commission — actively involved in individual emergency aid operations, at a price which is lower than the intervention price or free of charge for human consumption on the internal market of the Community.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the sale of products which have been the subject of intervention measures.

4. Detailed rules for the application of this Article and the decision to make sugar available as specified in paragraph 2 shall be adopted in accordance with the procedure laid down in Article 48.

Article 12

1. In order to ensure normal supplies to the Community as a whole or to one of its areas, there shall be a standing obligation to maintain, in the European territory of the Community, minimum stocks:

- (a) of beet sugar produced in the Community;
- (b) of cane sugar produced in the French overseas departments and of the preferential sugar referred to in Article 40.

This minimum stock of the sugar referred to in (a) above shall, on a fixed date, be equal to a percentage of the A quota of each sugar-producing undertaking or to the same percentage of its production of A sugar where this is less than its A quota.

The percentage fixed may be reduced.

The minimum stock of the sugar referred to in the first subparagraph under (b) shall be equal to a percentage of the quantity of sugar in question refined by an undertaking over a fixed period.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article and, in particular, shall fix the date and the percentage referred to in the second subparagraph of paragraph 1 and the percentage and the period referred to in the fourth subparagraph of paragraph 1.

In accordance with the same procedure, an obligation equivalent to the obligation to maintain a minimum stock may be laid down for the products referred to in Article 1(1)(f) and (h).

3. Detailed rules for the application of this Article and, in particular, the reduction of the percentage referred to in the third subparagraph of paragraph 1 shall be adopted in accordance with the procedure laid down in Article 48.

CHAPTER III

TRADE WITH THIRD COUNTRIES

Article 13

1. Imports into the Community, or exports therefrom, of any of the products listed in Article 1(1)(a),(b),(c),(d),(f),(g) and (h) shall be subject to presentation of an import or export licence.

Licences shall be issued by the Member States to any applicant, irrespective of his place of establishment in the Community and without prejudice to measures taken for the application of Articles 17 and 18.

Import and export licences shall be valid throughout the Community. Such licences shall be issued subject to the lodging of a security guaranteeing that the products are imported or exported during the term of validity of the licence; except in cases of *force majeure* the security shall be forfeited in whole or in part if import or export is not carried out, or is only carried out partially, within that period.

2. In accordance with the procedure laid down in Article 48:

- (a) the scheme provided for in paragraph 1 may be extended to cover the products listed in Article 1(1)(e);
- (b) the term of validity of licences and other detailed rules for the application of this Article, which may lay down in particular a time limit for the issue of licences, shall be adopted.

Article 14

1. Unless this Regulation provides otherwise, the rates of duty in the Common Custom Tariff shall apply to the products listed in Article 1.

2. Notwithstanding paragraph 1, to ensure that the Community market is adequately supplied with raw sugar for refining falling within CN codes 1701 11 10 and 1701 12 10 and molasses falling within CN codes 1703 by means of imports from third countries, the Commission may, in accordance with the procedure laid down in Article 48, suspend in whole or in part the application of import duties on these products, and establish the arrangements for any such suspension.

Suspension may apply for the period in which the price on the world market plus the import duty in the Common Customs Tariff:

- in the case of raw sugar, exceeds the intervention price for the product,
- in the case of molasses, exceeds the price level corresponding to the price of molasses used as a basis, for the sugar marketing year under consideration, for determining revenue from sales of molasses pursuant to the provisions of Article 4(2).

Article 15

1. In order to prevent or counteract adverse effects on the market in the Community which may result from imports of certain agricultural products, imports of one or more of such products at the rate of duty laid down in the Common Customs Tariff shall be subject to payment of an additional import duty if the conditions set out in Article 5 of the Agreement on Agriculture concluded in accordance with Article 300 of the Treaty in the framework of the Uruguay Round of multilateral trade negotiations have been fulfilled, unless the imports are unlikely to disturb the Community market, or where the effects would be disproportionate to the intended objective.

2. The trigger prices below which an additional duty may be imposed shall be those notified by the Community to the World Trade Organisation.

The trigger volumes to be exceeded in order to have the additional import duty imposed shall in particular be determined on the basis of imports into the Community in the three years preceding the year in which the adverse effects referred to in paragraph 1 arise or are likely to arise.

3. The import prices to be taken into consideration for imposing an additional import duty shall be determined on the basis of the cif import prices of the consignment under consideration.

Cif import prices shall be checked to that end against the representative prices for the product on the world market or on the Community import market for that product.

4. The Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 48. Such detailed rules shall specify in particular:

- (a) the products to which additional import duties shall apply under the terms of Article 5 of the Agreement on Agriculture;
- (b) the other criteria necessary to ensure application of paragraph 1 in accordance with Article 5 of the Agreement on Agriculture.

Article 16

For molasses:

- the world market price referred to in Article 14(2), and
- the representative price referred to in Article 15(3),

shall apply to standard quality.

Standard quality may be determined in accordance with the procedure laid down in Article 48.

Article 17

1. Tariff quotas for the products listed in Article 1 resulting from agreements concluded in the framework of the Uruguay Round of multilateral trade negotiations shall be opened and administered in accordance with detailed rules adopted under the procedure laid down in Article 48.

2. Quotas shall be administered by applying one of the following methods or a combination of them:

- method based on chronological order of the lodgement of applications ('first come, first served' principle),
- method of distribution in proportion to the quantities requested when the applications were lodged (using the 'simultaneous examination' method),
- method based on taking traditional trade patterns into account (using the 'traditional/new arrivals' method).

Other appropriate methods may be adopted.

They must avoid any discrimination between the operators concerned.

3. The method of administration adopted shall, where appropriate, give due weight to the supply requirements of the Community market and the need to safeguard the equilibrium of that market, whilst at the same time possibly drawing on methods which may have been applied in the past to quotas corresponding to those referred to in paragraph 1, without prejudice to the rights resulting from agreements concluded in the framework of the Uruguay Round negotiations.

4. The detailed rules referred to in paragraph 1 shall provide for annual quotas, suitably phased over the year, if necessary, shall determine the administrative method to be used and, where appropriate, shall include provisions regarding:

- (a) guarantees covering the nature, provenance and origin of the product;
- (b) recognition of the document used for verifying the guarantees referred to in (a); and
- (c) the conditions under which import licences are issued and their term of validity.

Article 18

1. To the extent necessary to enable the products listed in Article 1(1)(a),(c) and (d) to be exported without further processing or in the form of goods listed in Annex I, on the basis of quotations or prices on the world market for those products listed in Article 1(1)(a) and (c), and within the limits resulting from agreements concluded in accordance with Article 300 of the Treaty, the difference between those quotations or prices and prices in the Community may be covered by export refunds.

The export refund granted for raw sugar may not exceed that granted for white sugar.

2. Provision may be made for export refunds in respect of the products listed in Article 1(1)(f), (g) and (h) and exported without further processing or in the form of goods mentioned in Annex I.

When determining the amount of the refund, for each 100 kg of dry matter particular account shall be taken of:

- (a) the refund applicable to exports of products falling within CN code 1702 30 91;
- (b) the refund applicable to exports of the products referred to in Article 1(1)(d);
- (c) the economic aspects of the planned exports.

3. The refund applicable to products listed in Article 1 exported in the form of goods listed in Annex I shall not be greater than that applicable to these products exported without further processing.

4. The method to be adopted for the allocation of the quantities which may be exported with a refund shall be the method which:

- (a) is most suited to the nature of the product and the situation on the market in question, allowing the most efficient possible use of the resources available, account being taken of the efficiency and structure of Community exports without, however, creating discrimination between large and small operators;
- (b) is least cumbersome administratively for operators, account being taken of administration requirements;
- (c) prevents any discrimination between the operators concerned.

5. Refunds shall be the same for the whole Community. They may vary according to destination, where the world market situation or the specific requirements of certain markets make this necessary.

Refund shall be fixed in accordance with the procedure laid down in Article 48. Refunds may be fixed:

- (a) at regular intervals;
- (b) by invitation to tender in respect of products for which provision was made for that procedure in the past.

Refunds fixed at regular intervals may, where necessary, be adjusted in the intervening period by the Commission at the request of a Member State or on its own initiative.

Tenders submitted in response to an invitation shall not be considered unless a deposit is lodged. Except in cases of *force majeure*, the deposit shall be forfeited in whole or in part if tenderers have not fulfilled, or have only partially fulfilled, the obligations placed upon them.

The provisions of Articles 19, 20 and 21 concerning products not denatured and exported without further processing listed in Article 1(1)(a),(c) and (d) shall apply in addition.

6. When the amount of the refund is set, account shall be taken in particular of the need to establish a balance between the use of Community basic agricultural products for export as processed goods to third countries, and the use of products from these countries admitted for inward processing.

7. Refunds on products listed in paragraph 1 and exported without further processing shall only be granted on application and on presentation of the relevant export licence.

8. The refund applicable to exports of products listed in Article 1 exported without further processing shall be that applicable on the day of application for the licence and, in the case of a differentiated refund, that applicable on the same day:

- (a) for the destination indicated on the licence; or
- (b) for the actual destination if it differs from the destination indicated on the licence. In that case, the amount applicable may not exceed the amount applicable for the destination indicated on the licence.

Appropriate measures may be taken to prevent abuse of the flexibility provided for in this paragraph.

9. Paragraphs 7 and 8 may be made to apply to products listed in Article 1 and exported in the form of goods listed in Annex I in accordance with the procedure laid down in Article 16 of Regulation (EC) No 3448/93 ⁽¹⁾.

10. Paragraphs 7 and 8 may be waived in the case of products listed in Article 1 on which refunds are paid under food-aid operations, in accordance with the procedure laid down in Article 48.

11. The refund shall be paid upon proof:

- that the products have been exported from the Community, and
- that, in the case of a differentiated refund, the products have reached the destination indicated on the licence or another destination for which a refund was fixed, without prejudice to point (b) of the first subparagraph of paragraph 8. However, exceptions may be made to this rule in accordance with the procedure laid down in Article 48, provided that conditions are laid down which offer equivalent guarantees.

⁽¹⁾ OJ L 318, 20.12.1993, p. 18. Regulation as last amended by Commission Regulation (EC) No 2491/98, (OJ L 309, 19.11.1998, p. 28).

Supplementary provisions may be laid down in accordance with the procedure provided for in Article 48.

12. No refund shall be granted on exports in the natural state of the not denatured products referred to in Article 1(1)(a) unless, depending on the case, they have been:

- (a) obtained from sugar beet or sugar cane harvested within the Community;
- (b) imported into the Community in accordance with Article 40;
- (c) obtained from one of the products imported in accordance with Article 40.

13. No refund shall be granted on exports in the natural state of the not denatured products referred to in Article 1(c) and (d) which are not of Community origin or which have not been obtained from sugars imported into the Community in accordance with the provisions of paragraph 12(b) or from the products referred to in paragraph 12(c).

14. Compliance with the limits on volumes arising from agreements concluded in accordance with Article 300 of the Treaty shall be ensured on the basis of the export licences issued for the reference periods provided for therein and applicable to the products concerned.

15. The detailed rules for the application of this Article, including the arrangements for redistributing unallocated or unused exportable quantities, and the amendment of Annex I shall be adopted in accordance with the procedure laid down in Article 48. However, the rules governing the application of paragraph 6 for the products referred to in Article 1 exported in the form of goods listed in Annex I shall be adopted in accordance with the procedure provided for in Article 16 of Regulation (EC) No 3449/93.

Article 19

1. This Article shall apply to the fixing of refunds on the not denatured products exported in the natural state referred to in Article 1(1)(a).

2. As regards the periodic fixing of refunds for the products referred to in Article 1(1)(a):

- (a) the refunds shall be fixed every two weeks.

However, such fixing may be discontinued in accordance with the procedure laid down in Article 48 if it is found that no surplus sugar is available within the Community for export on the basis of world market prices. In that event, no refund shall be granted;

- (b) when the refund is being fixed, the situation on the Community and world markets in sugar, and in particular the following, shall be taken into account:

- the intervention price for white sugar for the Community area with the largest surplus or the intervention price for raw sugar for the Community area

which is considered to be representative for the exportation of this type of sugar,

- the costs of transporting sugar from the areas referred to in the first indent to ports or other points of export in the Community,
- trade expenses and any transshipment, transport and packaging charges incurred in marketing sugar on the world market,
- quotations or prices recorded for sugar on the world market, and
- the economic aspect of the proposed exports.

3. Where the refund is fixed by tender for the products referred to in Article 1(1)(a):

- (a) the purpose of the tender shall be to determine the amount of the refund;
- (b) the competent authorities of the Member States shall invite tenders in accordance with an instrument binding in law in all Member States. This instrument shall lay down the terms of the invitation to tender. These terms must guarantee equal access for all persons established within the Community;
- (c) the terms of the invitation to tender shall include a time limit for the submission of tenders. The maximum amount of the refund for the invitation in question shall be fixed in accordance with the procedure laid down in Article 48 within three working days following the expiry of the time limit and in the light of the tenders received. When the maximum amount is being calculated, account shall be taken of the supply situation and prices within the Community, prices and potential outlets on the world market and costs incurred in exporting sugar.

A maximum tonnage may be fixed in accordance with the same procedure;

- (d) where exports can be effected on the basis of a refund which is lower than that which would result from taking the difference between prices within the Community and prices on the world market into account and where exports are for a specific destination, the competent authorities of the Member States may be required to issue a special invitation to tender, the terms of which shall include:

- the possibility of submitting tenders at any time until the tendering procedure is terminated, and
- a maximum amount of the refund, calculated in the light of requirements for the exports in question;

- (e) if the amount of the refund shown in a tender:

- exceeds the maximum fixed, the competent authorities of the Member States shall reject that tender,
- does not exceed the maximum, those authorities shall fix the refund at an amount equal to the refund appearing in the tender in question.

4. The refund on raw sugar:
- (a) shall be fixed for the standard quality defined in Article 1 of Regulation (EEC) No 431/68 ⁽¹⁾;
 - (b) fixed periodically in accordance with paragraph 2(a):
 - may not exceed 92 % of the refund for white sugar for the same period. However, this limit shall not apply to refunds to be fixed for candy sugar,
 - shall for each exporting operation under consideration be multiplied by a conversion factor which shall be obtained by dividing the yield of the raw sugar exported, calculated in accordance with the provisions of Article 1 of Regulation (EEC) No 431/68, by 92;
 - (c) the maximum amount fixed pursuant to paragraph 3(c) within the framework of a tender may not exceed 92 % of the maximum amount fixed at the same time for white sugar pursuant to that paragraph.

Article 20

1. The refund on the not denatured products exported in the natural state listed in Article 1(1)(c), shall be fixed each month, account being taken of:
- (a) the price of molasses used to determine receipts from the sale of molasses for the sugar year in question pursuant to Article 4(2);
 - (b) prices and potential outlets for molasses on the Community market;
 - (c) quotations or prices recorded for molasses on the world market; and
 - (d) the economic aspect of the proposed exports.

However, such fixing may be discontinued in accordance with the procedure laid down in Article 48 if it is found that no surplus molasses is available within the Community for export on the basis of world market prices. In that event, no refund shall be granted.

2. In special circumstances the amount of the refund may be fixed by tender for specific quantities and specific areas of the Community. The purpose of the tender shall be to determine the amount of the refund.

The competent authorities of the Member States concerned shall invite tenders on the basis of an authorisation laying down the terms of the invitation to tender. These terms must guarantee equal access for all persons established within the Community.

Article 21

1. The basic amount of the refund shall be fixed each month for the not denatured products exported in the natural state listed in Article 1(1)(d).

⁽¹⁾ OJ L 89, 10.4.1968, p. 3. Regulation as amended by Regulation (EC) No 3290/94 (OJ L 349, 31.12.1994, p. 105).

However, such periodic fixing may be discontinued in accordance with the procedure laid down in Article 48 if the periodic fixing of the refund on white sugar, not further processed, is suspended. In this event, no refund shall be granted.

2. The basic amount of the refund on the products referred to in paragraph 1, with the exception of sorbose, shall be equal to one-hundredth of an amount arrived at by taking account of:

- (a) the difference between the intervention price for white sugar for the Community area with the largest surplus for the month for which the basic amount is fixed, and the quotations or prices for white sugar recorded on the world market;
- (b) the need to establish a balance between:
 - the use of Community basic products in the manufacture of processed goods for export to third countries, and
 - the use of third-country products brought in under inward processing arrangements.

3. In the case of sorbose, the basic amount of the refund shall be equal to the basic amount of the refund less one-hundredth of the production refund valid pursuant to Regulation (EEC) No 1010/86 ⁽²⁾ for the products listed in the Annex to that Regulation.

4. The application of the basic amount of the refund may be limited to some of the products listed in Article 1(1)(d).

Article 22

1. To the extent necessary for the proper working of the common organisation of the markets in the sugar sector, the Council, acting in accordance with the voting procedure laid down in Article 37(2) of the Treaty on a proposal from the Commission, may prohibit in whole or in part the use of inward processing arrangements:

- in respect of products listed in Article 1(1)(a) and (d), and
- in special cases, in respect of products listed in Article 1(1) which are intended for the manufacture of goods listed in Annex I.

2. By way of derogation from paragraph 1, if the situation referred to in paragraph 1 arises with exceptional urgency and the Community market is disturbed or is liable to be disturbed by inward or outward processing arrangements, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the Council and the Member States shall be notified of such measures, which shall be valid for no more than six months and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within a week following receipt of the request.

⁽²⁾ OJ L 94, 9.4.1986, p. 9. Regulation as last amended by Commission Regulation (EC) No 2074/98 (OJ L 265, 30.9.1998, p. 8).

3. Measures decided on by the Commission may be referred to the Council by any Member State within a week of the day on which they were notified. The Council, acting by a qualified majority, may confirm, amend or repeal the Commission decision. If the Council has not acted within three months, the Commission decision shall be deemed to have been repealed.

Article 23

1. The general rules for the interpretation of the combined nomenclature and the special rules for its application shall apply to the tariff classification of products covered by this Regulation; the tariff nomenclature resulting from the application of this Regulation shall be incorporated in the Common Customs Tariff.

2. Save as otherwise provided for in this Regulation or pursuant to a provision thereof, the following shall be prohibited in trade with third countries:

- (a) the levying of any charge having equivalent effect to a customs duty;
- (b) the application of any quantitative restriction or measure having equivalent effect.

Article 24

1. Where the price of sugar on the world market exceeds the intervention price, provision may be made to apply an export levy in respect of the sugar in question. This levy must be applied when the cif price of white sugar or raw sugar is greater than the intervention price plus an amount equal to the sum of 10 % of the intervention price and the storage levy applicable during the marketing year concerned.

The export levy may be determined by tender. Except in the case of tendering, the levy to be charged shall be that applicable on the day of export.

2. Where the cif price of white or raw sugar is greater than the intervention price plus an amount equal to the sum of 10 % of the intervention price and the storage levy applicable during the marketing year concerned, the Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 37(2) of the Treaty, may decide to grant an import subsidy for the product in question.

Where it is established that:

- (a) supplies to the Community; or
- (b) supplies to a major consumption region in the Community,

cannot be ensured from Community availability, the Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 37(2) of the Treaty, shall decide to grant the import subsidy and determine the conditions for its application. Those conditions shall relate in particular to the quantity of white or raw sugar to be covered by the subsidy, the duration of the subsidy and, where appropriate, the importing regions.

3. The following shall be decided in accordance with the procedure laid down in Article 48:

- (a) the cif prices referred to in paragraphs 1 and 2;
- (b) the other arrangements for implementation of this Article.

In the case of the products referred to in Article 1(1)(b),(c),(d),(f),(g) and (h) provisions similar to those in paragraphs 1 and 2 may be adopted in accordance with the procedure laid down in Article 48.

4. The amounts stemming from the application of this Article shall be fixed by the Commission. However, the export levies determined by tendering shall be fixed in accordance with the procedure laid down in Article 48.

Article 25

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardise the achievement of the objectives set out in Article 33 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting in accordance with the voting procedure laid down in Article 37(2) of the Treaty on a proposal from the Commission, shall adopt the general rules for implementing this paragraph and shall define the cases and limits within which the Member States may take protective measures.

2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the Member States shall be notified of such measures, which shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

3. Measures decided upon by the Commission may be referred to the Council by any Member State within three working days of the day on which they were notified. The Council shall meet without delay. It may, acting by a qualified majority, amend or annul the measure in question.

4. This Article shall be applied having regard to the obligations arising from agreements concluded in accordance with Article 300(2) of the Treaty.

CHAPTER IV

QUOTAS

Article 26

1. Articles 27 to 39 shall apply in respect of the marketing years 1995/96 to 2000/2001.

2. For the period referred to in paragraph 1 and without prejudice to paragraph 5, Article 27(3), Article 30 and, as appropriate, Article 28(5), the A and B quotas of undertakings producing sugar or isoglucose shall be those assigned by the Member States for the 1994/95 marketing year.

3. For the period referred to in paragraph 1, the basic A and B production quantities for sugar and isoglucose used in the assignment of quotas shall be those set out, as appropriate, in Article 27(3) or 28(2).

4. For the period referred to in paragraph 1 and without prejudice to paragraph 5, the A and B quotas of undertakings producing inulin syrup shall be those definitively assigned by the Member States pursuant to Article 29 for the 1994/95 marketing year. Articles 27 and 30 shall not apply to such undertakings.

5. In order to comply with the commitments entered into by the Community under the agricultural agreement concluded pursuant to Article 300(2) of the Treaty, the guarantees for the

disposal of sugar, isoglucose and inulin syrup produced under quota may be reduced for one or more designated marketing years.

For the purposes of applying the first subparagraph, for each marketing year the guaranteed quantity under quotas shall be laid down before 1 October on the basis of forecast of production, imports, consumption, storage, carryover, exportable balance and average loss likely to be borne under the self-financing scheme within the meaning of point (d) of Article 33(1). If these forecasts show an exportable balance for the marketing year in question greater than the maximum laid down by the Agreement, the guaranteed quantity shall be reduced by the difference in accordance with the procedure laid down in Article 48. This difference shall be divided up between sugar, isoglucose and inulin syrup in accordance with the percentage representing the total of the A and B quotas of each product in the Community. It shall then be broken down by Member State and by product by applying the corresponding coefficient set out in the table below:

Region	1		2		3	
	Coefficient applicable to sugar expressed as white sugar		Coefficient applicable to isoglucose in dry matter		Coefficient applicable to inulin syrup as sugar/isoglucose equivalent	
	A sugar	B sugar	A isoglucose	B isoglucose	A inulin syrup	B inulin syrup
BLEU ⁽¹⁾	0,046201	0,009920	0,225547	0,062024	0,556265	0,130955
Denmark	0,027206	0,008015	—	—	—	—
Germany	0,169608	0,052188	0,104246	0,024551	—	—
Germany (region Article 28)	0,055204	0,016986	—	—	—	—
Greece	0,012352	0,001235	0,037978	0,008944	—	—
Spain	0,026459	0,001102	0,166138	0,017721	—	—
France (metropolitan) ⁽²⁾	0,213231	0,063239	0,061081	0,015898	0,058922	0,013847
France (ODS) ⁽²⁾	0,019298	0,002063	—	—	—	—
Ireland	0,007752	0,000775	—	—	—	—
Italy	0,082491	0,015514	0,059803	0,014083	—	—
Netherlands	0,053393	0,014083	0,026804	0,006313	0,194365	0,045646
Portugal (mainland)	0,002323	0,000232	0,029213	0,006880	—	—
Portugal (autonomous region of the Azores)	0,000387	0,000039	—	—	—	—
United Kingdom	0,044297	0,004430	0,084713	0,022596	—	—
Austria	0,022673	0,005292	—	—	—	—
Sweden	0,014327	0,001433	—	—	—	—
Finland	0,005683	0,000568	0,023151	0,002316	—	—

⁽¹⁾ Belgo-Luxembourg Economic Union

⁽²⁾ Pursuant to the second subparagraph of Article 30(3).

The Member State shall then allocate the difference to which it is subject among the producer undertakings established on its territory on the basis of the existing ratio between their A quota and their B quota for the product in question and the basic quantity A and the basic quantity B for the Member State or, as appropriate, the sum of the A quotas and the sum of the B quotas for this product assigned to the producer undertakings.

Sugar, isoglucose and inulin syrup produced beyond the quantity guaranteed shall be considered as C sugar, C isoglucose and C inulin syrup.

The arrangements for the application of the first subparagraph, the reduction in the guaranteed quantity and, where appropriate, any change in that quantity as regards the fixing of the guaranteed quantity for the following marketing year shall be adopted in accordance with the procedure laid down in Article 48.

6. Before 1 January 2001 the Council shall, in accordance with the procedure laid down in Article 37(2) of the Treaty, adopt the arrangements to apply from 1 July 2001 to the production of sugar, isoglucose and inulin syrup.

Article 27

1. Under the conditions of this chapter, the Member States shall allocate an A and B quota to each undertaking producing sugar and to each undertaking producing isoglucose which is established on its territory and has:

- either been provided with an A and B quota during the 1994/95 marketing year,
- or, as regards Austria, Finland and Sweden, has produced sugar or isoglucose during the 1994 calendar year.

2. With regard to Portugal, that country shall allocate, for its mainland region under the conditions of this chapter and within the limit of the basic A and B quantities fixed for that region in paragraph 3, an A quota and a B quota to each undertaking situated in that region which is likely to start up sugar production.

Before such allocation Portugal may use for the benefit of the A and B quotas of the undertaking situated in the autonomous region of the Azores up to 10 % of the basic A and B quantities fixed in respect of mainland Portugal.

3. For the allocation of the A and B quotas referred to in paragraph 1 the basic quantities shall be fixed as follows:

I. Basic quantities A

Region	a) Basic quantity A for sugar ⁽¹⁾	b) Basic quantity A for iso-glucose ⁽²⁾
Denmark	328 000,0	—
Germany	1 990 000,0	28 882,0
Greece	290 000,0	10 522,0
Spain	960 000,0	75 000,0
France (metropolitan)	2 530 000,0	15 887,0
France overseas departments	466 000,0	—
Ireland	182 000,0	—
Italy	1 320 000,0	16 569,0
Netherlands	690 000,0	7 426,0
Austria	316 529,0	—
Portugal (mainland)	63 636,4	8 093,9
The autonomous region of the Azores	9 090,9	—
Finland	133 433,0	10 845,0
Sweden	336 364,0	—
Belgium/Luxembourg Economic Union	680 000,0	56 667,0
United Kingdom	1 040 000,0	21 696,0

⁽¹⁾ In tonnes of white sugar.

⁽²⁾ In tonnes of dry matter.

II. Basic quantities B

Region	a) Basic quantity B for sugar ⁽¹⁾	b) Basic quantity B for iso-glucose ⁽²⁾
Denmark	96 629,3	—
Germany	612 312,9	6 802,0
Greece	29 000,0	2 478,0
Spain	40 000,0	8 000,0
France (metropolitan)	759 232,8	4 135,0
France overseas departments	46 600,0	—
Ireland	18 200,0	—
Italy	248 250,0	3 902,0
Netherlands	182 000,0	1 749,0
Austria	73 881,0	—
Portugal (mainland)	6 363,6	1 906,1
The autonomous region of Azores	909,1	—
Finland	13 343,0	1 085,0
Sweden	33 636,0	—
Belgium/Luxembourg Economic Union	146 000,0	15 583,0
United Kingdom	104 000,0	5 787,0

⁽¹⁾ In tonnes of white sugar.

⁽²⁾ In tonnes of dry matter.

4. For the period referred to in Article 26(1) and notwithstanding paragraph 2 and Articles 28 and 30, the A quota and the B quota of each sugar-producing undertaking and each isoglucose-producing undertaking shall be equal, respectively, to the A quota and the B quota allocated to it for the 1994/95 marketing year.

However, as regards sugar producing undertakings established in:

- (a) Austria, the A and B quota of the sugar producer shall be equal to the base A and base B quantities respectively laid down in paragraph 3, point I(a) and point II(a) for Austria;
- (b) Finland, the A and B quota of the sugar producer shall be equal to the base A and base B quantities respectively laid down in paragraph 3, point I(a) and point II(a) for Finland;
- (c) Sweden, the A and B quota of the sugar producer shall be equal to the base A and base B quantities respectively laid down in paragraph 3, point I(a) and point II(a) for Sweden.

As regards the producer of isoglucose established in Finland, its A and B quota shall be equal to the base A and B quantities respectively laid down in paragraph 3 point I(b) and point II(b) for Finland.

5. The Council, acting by a qualified majority on a proposal from the Commission, shall, where necessary, specify a standard quality for isoglucose and the criteria for a system for converting the quantities produced into quantities of that standard quality.

6. As necessary, detailed rules for the application of this Article, and in particular those concerning the conversion system referred to in paragraph 5, shall be adopted in accordance with the procedure laid down in Article 48.

Article 28

1. Without prejudice to Article 27(3), in the case of Germany an additional region shall be constituted for the purposes of applying the quota system to sugar-producing undertakings established in the said region which produced sugar before 1 July 1990 and continue to do so thereafter.

The region corresponds, for the purposes of this Regulation, to the territory of the former German Democratic Republic.

2. For the allocation of A and B quotas to the undertakings referred to in paragraph 1, the basic quantities shall be as follows:

- (a) basic quantity A: 647 703 tonnes of white sugar,
- (b) basic quantity B: 199 297 tonnes of white sugar.

3. The A quota of each sugar-producing undertaking referred to in paragraph 1 shall be determined by applying to the average annual quantity of sugar produced by the undertaking concerned during the 1984/85 to 1988/89 marketing years, hereinafter referred to as the reference production, a coefficient representing the ratio between the basic quantity A referred to in paragraph 2 and the sum of the reference production quantities of the undertakings in the region defined in paragraph 1.

4. The B quota of each sugar-producing undertaking referred to in paragraph 1 shall be equal to 30,77 % of its A quota determined in accordance with paragraph 3.

5. Article 30 shall apply only to transfers between the sugar-producing undertakings referred to in paragraph 1.

6. Detailed rules for applying this Article shall, where necessary, be adopted in accordance with the procedure laid down in Article 48.

Article 29

1. Without prejudice to paragraph 3, the A quota of each undertaking producing inulin syrup shall be equal to its production volume from 1 July 1992 to 30 June 1993 from a specific installation designed and reserved for hydrolysis of inulin as part of a complete integrated conversion process stretching from reception of the basic agricultural product to final production of inulin syrup. Production shall be verified by the Member State on terms to be determined.

2. The B quota of each undertaking producing inulin syrup shall be 23,55 % of its A quota determined pursuant to paragraph 1 and 3.

3. The A quota indicated in paragraph 1 shall if necessary be adjusted so that the sum of the A and B quotas:

- is not more than 85 %, and
- is not less than 65 %

of the undertaking's installed technical production capacity on 1 October 1992 for the continuous industrial production of inulin syrup from the specific installation designed and reserved for hydrolysis of inulin in accordance with paragraph 1.

This capacity shall be determined by the Member State concerned on the basis of the daily tonnage of the basic agricultural product processed into inulin syrup during a maximum period of one hundred days per year.

4. For the purposes of verification as indicated in paragraph 1, manufacturers producing inulin syrup on or after 1 July 1992 must forthwith notify to the Member State in which their production facilities are located, details of each inulin hydrolysis installation used for manufacturing, in accordance with paragraph 1, the product defined in Article 11(2). The Member State may call upon the interested party to provide any further information it needs.

Member States shall take all necessary action to check the accuracy of notifications.

For the purpose of their allocation by the Member State, A and B quotas shall be expressed as sugar/isoglucose equivalent by applying a coefficient of 1,9 to verified production in terms of dry matter.

Member States shall notify the quotas allocated and their holders to the Commission, which shall notify them to the other Member States.

5. Rules for the application of this Article, in particular the terms mentioned in paragraph 1, shall be adopted in accordance with the procedure laid down in Article 48.

Article 30

1. Member States may transfer A quotas and B between undertakings under the conditions laid down in this Article, taking into consideration the interests of each of the parties concerned and in particular those of sugar beet producers or sugar cane producers.

2. Member States may reduce the A quota and the B quota of each sugar-producing undertaking or each isoglucose-producing undertaking situated in their territories by a total quantity not exceeding, for the period referred to in Article 26(1), 10 % of the A quota or of the B quota, as the case may be, fixed for each of them in accordance with Article 27.

The limit of 10 % referred to in the first subparagraph shall not apply in Italy, Spain or in the French overseas departments in cases where the transfer of quotas is made on the basis of restructuring plans in the beet, cane and sugar sectors in the region concerned and to the extent necessary to permit such plans to be implemented. As regards the transfers of quotas in Spain under such restructuring plans, Article 9 of Regulation (EEC) No 193/82 ⁽¹⁾ shall apply.

The restructuring plans and the ensuing measures affecting the A and B quotas shall be communicated to the Commission without delay.

3. The withdrawn quantities of A quotas and B quotas shall be allocated by the Member States to one or more other undertakings, whether or not in possession of a quota, situated in the same region within the meaning of Article 27(3) excluding the undertakings from which these quantities were withdrawn.

Nevertheless, France may reduce by a quantity not exceeding 30 000 tonnes of white sugar in total the A quotas, fixed in accordance with Article 27, of undertakings situated in its overseas departments, and may reallocate the quantities thus withdrawn to one or more other undertakings situated in metropolitan France. After reduction the A quota of each undertaking concerned may not be less than the average of its sugar production within the limit of its basic quota recorded for such undertaking in each of the marketing years 1977/78 to 1979/80 within the meaning of Regulation (EEC) No 3330/74 ⁽²⁾.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules concerning the adjustment of quotas, in particular where this results from the amalgamation or transfer of undertakings.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 48.

⁽¹⁾ OJ L 21, 29.1.1982, p. 3.

⁽²⁾ OJ L 359, 31.12.1974, p. 1. Regulation as replaced by Regulation (EEC) No 1785/81.

Article 31

1. Without prejudice to paragraph 2, C sugar not carried forward pursuant to Article 32, C isoglucose and C inulin syrup may not be disposed of on the Community's internal market and must be exported in the natural state without further processing before 1 January following the end of the marketing year in question.

Articles 8, 9, 18 and 24 shall not apply to such sugar and Articles 9, 18 and 24 to such isoglucose and inulin syrup.

2. Exceptionally, and to the extent necessary to guarantee the Community's sugar supplies, it may be decided that Article 24 shall apply to C sugar. In that event it shall be decided at the same time that the entire quantity of the C sugar in question may finally be disposed of on the internal market without the amount laid down in paragraph 3 of this Article being levied.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 48.

These rules shall provide in particular for the levying of a charge on the C sugar, C isoglucose and C inulin syrup referred to in paragraph 1 in respect of which proof of its export in the natural state within the prescribed period was not furnished at a date to be determined.

Article 32

1. Each undertaking shall be free to decide to carry forward the whole or part of its sugar production outside its 'A' quota to the next marketing year to be treated as part of that year's production. That decision shall be irrevocable.

Each undertaking shall be free to decide to carry forward the whole or part of its production of A sugar and B sugar which has become production of C sugar after application of Article 26(5) to the next marketing year to be treated as part of that year's production. That decision shall also be irrevocable. Furthermore, it shall not be subject to any limit that may be laid down under paragraph 4 of this Article.

2. Undertakings which take the decision referred to in paragraph 1 shall:

- inform the Member State concerned, before 1 February, of the quantity or quantities of sugar being carried forward, and
- undertake to store such quantity or quantities for a period of 12 consecutive months from a date to be determined. For this period, storage costs for C sugar carried forward and for A sugar and B sugar which have become carried-forward C sugar after application of Article 26(5) shall also be reimbursed under Article 8.

However, the date of 1 February referred to in the first indent of the first subparagraph shall be replaced:

- (a) for undertakings established in Spain, by that of 15 April where beet-sugar production is concerned, and by that of 20 June where cane-sugar production is concerned;
- (b) for undertakings established in the United Kingdom, by that of 15 February.

For undertakings situated in the French departments of Guadeloupe and Martinique the date referred to in the first indent of the first subparagraph shall be 1 May.

If an undertaking's definitive production in the marketing year concerned was less than the estimate made when the decision to carry forward was taken, then the quantity carried forward may, before 1 August of the next marketing year, be adjusted retroactively.

3. In cases of natural disasters such as drought and flooding striking a Community region and where the application of Article 12 is not sufficient to ensure the normal supply of that region, a decision may be taken, under the procedure laid down in Article 48, to reduce the period of compulsory storage referred to in paragraph 2, first subparagraph, second indent for a quantity of sugar sufficient to ensure the normal supply of the said region.

4. Detailed rules for the application of this Article, which may fix a limit on the quantities of sugar allowed to be carried forward, shall be adopted in accordance with the procedure laid down in Article 48.

These rules shall provide, in particular, for a charge to be levied on any sugar comprising the quantity referred to in the second indent of the first subparagraph of paragraph 2 which is disposed of during the prescribed period of storage.

Article 33

1. Before the end of each marketing year there shall be recorded:

- (a) estimates of the production of A and B sugar, A and B isoglucose and A and B inulin syrup attributable to the marketing year in question;
- (b) estimates of the quantities of sugar, isoglucose and inulin syrup disposed of for consumption within the Community during the marketing year in question;
- (c) the exportable surplus obtained by subtracting the quantity referred to in (b) from the quantity referred to in (a);
- (d) estimates of the average loss or the average revenue per tonne of sugar for export obligations to be fulfilled during the current marketing year.

This average loss or average revenue shall be equal to the difference between the total amount of refunds and the total amount of levies on the total tonnage of export obligations in question;

(e) estimates of the total loss or the total revenue, obtained by multiplying the surplus referred to in (c) by the average loss or the average revenue referred to in (d).

2. Before the end of the 2000/2001 marketing year and without prejudice to Article 26(5), there shall be recorded cumulatively for the 1995/96 to 2000/2001 marketing year:

- (a) the exportable surplus established, on the basis of the definitive production of A and B sugar, A and B isoglucose and, from the 1994/95 marketing year, A and B inulin syrup and the definitive quantity of sugar, isoglucose and, from the 1994/95 marketing year, inulin syrup disposed of for consumption within the Community;
- (b) the average loss or average revenue per tonne of sugar resulting from the total export obligations in question determined by following the calculating rule referred to in paragraph 1(d), second subparagraph;
- (c) the total loss or total revenue obtained by multiplying the surplus referred to in (a) by the average loss or the average revenue referred to in (b);
- (d) the total sum of the basic production levies and the B levies charged.

The estimated total loss or total revenue referred to in paragraph 1(e) shall be adjusted on the basis of the difference between the amounts recorded in (c) and (d).

3. When the recorded figures referred to in paragraph 1 result, after adjustment in accordance with paragraph 2, and without prejudice to Article 36(1), in an estimated overall loss, that loss shall be divided by the estimated production of A and B sugar, A and B isoglucose and A and B inulin syrup attributable to the current marketing year. An amount equal to this quotient shall be charged to manufacturers as a basic production levy on their production of A and sugar, A and B isoglucose and A and B inulin syrup.

This levy shall not, however, exceed:

- on the sugar in question, an amount equal to 2,0 % of the intervention price for white sugar,
- for the inulin syrup in question, expressed as sugar/isoglucose equivalent by applying a coefficient of 1,9, the maximum amount payable on white sugar, and
- on the isoglucose in question, the share of the basic production levy borne by sugar manufacturers.

4. When the maximum permitted basic production levy does not fully cover the overall loss referred to in the first subparagraph of paragraph 3, the uncovered balance shall be divided by the estimated production of B sugar, B isoglucose and B inulin syrup attributable to the marketing year in question. An amount equal to this quotient shall be charged on

manufacturers as a levy on their production of B sugar, B isoglucose and B inulin syrup.

Subject to paragraph 5, this levy shall not, however, exceed:

- on B sugar, an amount equal to 30,0 % of the intervention price for white sugar,
- for B inulin syrup, expressed as sugar/isoglucose equivalent by application of a coefficient of 1,9, the maximum amount payable on B white sugar, and
- on B isoglucose, the share of the levy on B sugar borne by sugar manufacturers.

5. Where the figures recorded pursuant to paragraph 1 show that, because of the ceiling placed on the basic production levy and the B levy fixed in paragraphs 3 and 4, the foreseeable total loss for the current marketing year is likely not to be covered by the receipts expected from those levies, the maximum percentage referred to in the first indent of paragraph 4 shall be adjusted to the extent necessary to cover the said total loss but without exceeding 37,5 %.

The revised maximum percentage for the B levy shall be fixed for the current marketing year before 15 September of that marketing year. At the same time the percentage referred to in the second subparagraph of Article 5(2) shall be adjusted accordingly.

6. The Council, acting by a qualified majority on a proposal from the Commission, may decide that all or part of the losses resulting from any granting of the production refunds referred to in Article 9(3) must be included in the total loss referred to in paragraph 1(e) of this Article.

7. The levies referred to in this Article shall be collected by the Member States.

8. In accordance with the procedure laid down in Article 48, detailed rules for the application of this Article and in particular:

- the amounts of the levies to be collected,
- the revised maximum percentage for the B levy,
- the adjusted minimum price for B beet corresponding to the revised maximum percentage for the B levy.

Article 34

1. Where, in respect of a particular marketing year, the total loss recorded pursuant to Article 33(1) and (2) is not fully covered by the receipts from the production levies for that marketing year after application of Article 33(3) to (5), an additional levy shall be charged to manufacturers, without prejudice to Article 5, so as to cover fully that part of the total loss in question which is not covered by the said receipts.

2. The additional levy shall be determined for each undertaking producing sugar, isoglucose or inulin syrup by applying to the total sum due from the undertaking by way of production levies for the marketing year in question a coefficient to be determined. This coefficient shall be the ratio, reduced by 1, for the Community between the overall loss recorded for the marketing year in question under Article 33(1) and (2) and the revenue from the basic production levies and B levies due from manufacturers of sugar, isoglucose and inulin syrup, respectively, for that marketing year.

3. The additional levy shall be paid by the manufacturers in question before the 15th day of December following the marketing year in respect of which it is payable.

Sugar manufacturers may require that sellers of Community-produced cane, as the case may be, refund part of the additional levy in question which has been collected. Such refund may at most be equal to the maximum amount contributed by the beet or cane sellers, as provided for by Article 33, towards the basic production levy and the B levy for the marketing year in question multiplied by the coefficient referred to in paragraph 2 of this Article.

The refund referred to in the second subparagraph shall be effected on beet delivered under the marketing year in question. However, the parties concerned may agree that the refund shall be effected on beet delivered under the following marketing year.

4. For the purposes of the information recorded pursuant to Article 33(2), account shall be taken of the revenue generated by charging the additional levy referred to in paragraph 1 of this Article.

5. Detailed rules for the application of this Article, and in particular the coefficient referred to in paragraph 2, shall be adopted in accordance with the procedure laid down in Article 48.

Article 35

1. Inulin syrup producers may require sellers of the basic agricultural product used to produce such inulin syrup to be responsible for part of the basic production levies, B levies and additional levies charged to the producers. This share cannot exceed that borne by the sugar-beet growers for the marketing year concerned; it shall be determined by inter-branch agreement or by contract with reference to the purchase price of the basic product delivered for this purpose under the marketing year in question.

2. Detailed rules for the application of paragraph 1 shall be adopted, where necessary, in accordance with the procedure laid down in Article 48.

Article 36

1. If it is found, after application of Articles 33 and 34 to the 1994/95 marketing year, that the actual total loss for the said marketing year:

- (a) is not fully covered by the proceeds of the production levy and, where appropriate, the additional levy, the resulting financial burden shall be added to the estimated total loss referred to in Article 33(1)(e) for the marketing year during which the finding is made;
- (b) is less than the proceeds of the production levies and, where appropriate, the additional levy, an amount equal to the difference shall be deducted from the estimated total loss or, as the case may be, added to the estimated total loss resulting from application of Articles 33 and 34 to the marketing year during which the finding is made.

2. When the amount of the basis production levy is less than the maximum amount referred to Article 33(3) or when the amount of the B levy is less than the maximum amount referred to in paragraph 4 of the said Article, revised, where necessary, in accordance with paragraph 5 thereof, the sugar manufacturers shall be required to pay the beet sellers 60 % of the difference between the maximum amount of the levy in question and the amount of the levy to be charged.

The amount to be paid per tonne of beet shall be fixed for the standard quality.

The price increases and reductions referred to in Article 6 shall apply to this amount.

3. Community sugar manufacturers may require from the sellers of cane produced in the Community the repayment of 60 % of the levy on a quantity of sugar in respect of which the levy concerned is charged.

4. Member States shall ensure, on the basis of the information provided by the sugar manufacturers, that the payment for the beet satisfies the relevant Community provisions.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 48.

Article 37

1. In contracts for the delivery of beet for the manufacture of sugar, beet shall be differentiated according to whether the quantities of sugar to be manufactured from it are:

- (a) A sugar;
- (b) B sugar;
- (c) sugar other than A and B sugars.

For each undertaking, sugar manufacturers shall inform the Member State in which the undertaking concerned produces sugar of the following:

- the quantities of beet referred to under (a) for which pre-sowing contracts were signed and the sugar content on which these contracts were based, and
- the corresponding estimated yield.

The Member States may require additional information.

2. Notwithstanding Article 6(2)(b) and Article 39, any sugar manufacturer who has not signed pre-sowing delivery contracts for a quantity of beet equal to the A quota at the minimum price for A beet shall be required to pay at least this minimum price for all beet processed into sugar in the undertaking concerned.

3. An agreement within the trade may, with the agreement of the Member State concerned, derogate from paragraphs 1 and 2.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

5. Detailed rules for the application of this Article, and, if necessary, the criteria to be observed by manufacturers when dividing between beet sellers the beet quantities to be covered by pre-sowing contracts within the meaning of paragraph 1, shall be adopted in accordance with the procedure laid down in Article 48.

Article 38

1. It may be decided that sugar or isoglucose used for the manufacture of certain products shall not be considered as production within the meaning of this chapter.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the general rules for the application of paragraph 1 and the products referred to in that paragraph.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 48.

Article 39

1. Sugar manufacturers may buy beet intended for the production by the undertaking concerned of C sugar or of the sugar referred to in Article 38 at a price lower than the minimum prices for beet referred to in Article 5(1).

2. In respect of the quantity of beet purchased corresponding to the quantity of sugar:

- disposed of on the internal market, pursuant to Article 31(3), or
- carried forward to the following marketing year, pursuant to Article 32,

the sugar manufacturers concerned shall, where appropriate, adjust the purchase price so that it is at least equal to the minimum price for A beet.

3. If necessary, detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 48.

CHAPTER V

SYSTEM OF PREFERENTIAL IMPORTS

Article 40

Articles 41, 42 and 43 shall apply to cane sugar, hereinafter referred to as 'preferential sugar', falling within CN code 1701, which originates in the States listed in Annex II and which is imported into the Community under:

- (a) Protocol 8 on ACP sugar annexed to the fourth ACP-EC Convention,
- (b) the Agreement between the European Economic Community and the Republic of India on cane sugar.

Article 41

Where the quality of preferential sugar imported pursuant to Article 40 and purchased by intervention agencies or by other agents appointed by the Community deviates from the standard quality, the guaranteed prices shall be adjusted by means of price increases and reductions.

Article 42

1. No import duty shall apply to imports of preferential sugar pursuant to Article 40.

2. Preferential sugar shall enjoy no derogations from the prohibitions referred to in Article 23(2).

Article 43

1. For marketing years 1995/96 to 2000/2001, adjustment aid shall, as an intervention measure, be granted to the industry engaged in refining preferential raw cane sugar imported for that purpose into the Community pursuant to Article 40.

2. The aid referred to in paragraph 1 may be granted only in respect of the quantities eligible under Article 40, which are refined into white sugar at the refineries referred to in Article 9(4). The aid for the white sugar in question shall be EUR 0,10 per 100 kilograms, expressed in white sugar.

3. During the period specified in paragraph 1, additional basic aid of EUR 0,10 per kilograms, expressed as white sugar, shall be granted for the refining, at the refineries referred to in Article 9(4), of raw cane sugar produced in the French overseas departments, in order to restore the price balance between the sugar and preferential sugar.

4. For a particular marketing year, adjustment aid and additional aid shall be adjusted in the light of the storage levy fixed for that year and previous adjustments.

5. Pursuant to the second subparagraph of Article 9(4), the aid arrangements provided for in paragraphs 1 to 4 of this Article may be extended under conditions to be determined, to raw sugar from beet harvested in the Community and refined in the refineries defined in Article 9.

6. Detailed rules for the application of this Article, and in particular concerning the adjustments referred to in paragraph 4, shall be adopted in accordance with the procedure laid down in Article 48.

Article 44

1. During the period referred to in Article 43(1), in order to ensure adequate supplies to the Community refineries referred to in Article 9(4), a reduced rate of duty, hereinafter referred to as 'special duty', shall be levied on imports of raw cane sugar originating in the States referred to in Article 40 and other States pursuant to agreements with those States, hereinafter referred to as 'special preferential sugar' and subject to the conditions laid down therein, and in particular the minimum purchasing price to be paid by refiners.

2. For the purposes of paragraph 1 and without prejudice to paragraph 5, the presumed maximum supply needs per marketing year, expressed in white sugar, of the refining industries in:

- (a) Finland, amount to 60 000 tonnes,
- (b) metropolitan France, amount to 297 000 tonnes,
- (c) continental Portugal, amount to 292 000 tonnes,
- (d) the United Kingdom, amount to 1 130 000 tonnes.

3. Without prejudice to paragraph 5, on the basis of a Community forecast supply balance for raw sugar for each marketing year or part of a marketing year, the quantities of raw cane sugar and raw beet sugar harvested in the Community with or without distinction of origin available to the refining industry shall be determined. This balance may be revised during the marketing year.

For the purposes of determining these quantities, the quantities of sugar from the French overseas departments and of preferential sugar for direct consumption to be used in each balance shall be those determined for the 1994/95 marketing year, less forecast local consumption in those departments during the marketing year in question. If the balance shows that the amounts available will be insufficient to meet the maximum needs laid down in paragraph 2, the necessary measures shall be laid down to enable the Member States concerned to import the shortfall as special preferential sugar under the arrangements for imports at a special rate of duty provided for in the agreements referred to in paragraph 1.

4. Except in the event of *force majeure*, where the maximum presumed needs for a Member State, as laid down in paragraph 2 or after revision within the meaning of paragraph 5, are exceeded, a quantity equivalent to the excess shall be subject to the payment of an amount corresponding to the full rate of duty in force for the marketing year in question, increased by

the aid referred to in Article 43 and, where appropriate, by the highest additional rate of duty recorded during that marketing year.

However, as regards preferential raw sugar and in the event of revision within the meaning of paragraph 5, the quantities in excess of the revised maximum presumed needs, within the limit of the quantities laid down in paragraph 2, may be sold to intervention bodies on the terms stipulated in Article 41 if they cannot be marketed in the Community.

5. Where Article 26(5) applies, the sum of the preferential maximum needs referred to in paragraph 2 of this Article shall be reduced for the marketing year concerned by a quantity equal to the sum of the special preferential sugars needed to cover the presumed maximum needs determined under the conditions referred to in paragraph 3 of this Article, and reduced by the same percentage reduction as was applied to the sum of the basic quantities A for Community sugar pursuant to the said paragraph 5.

The reduction of the maximum needs shall be apportioned between the Member States concerned on the basis of the relationship existing between the quantity fixed for each one of them in paragraph 2 and the sum of the quantities fixed in that paragraph.

6. Detailed rules for the application of this Article, and in particular concerning the implementation and management of the agreements referred to in paragraph 1, shall be adopted in accordance with the procedure laid down in Article 48.

CHAPTER VI

GENERAL PROVISIONS

Article 45

The requisite provisions to prevent the market in sugar being disturbed as a result of an alteration in price levels at the changeover from one marketing year to the next or during the same marketing year may be adopted in accordance with the procedure laid down in Article 48.

Article 46

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation.

Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 48.

Article 47

A Management Committee for Sugar (hereinafter called 'the committee') shall be established, consisting of representatives of the Member States and presided over by a representative of the Commission.

Article 48

1. When the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the committee either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures which shall apply immediately.

However, if these measures are not in accordance with the opinion of the committee, they shall forthwith be communicated to the Council by the Commission. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within one month.

Article 49

The committee may consider any other question referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

Article 50

Goods listed in Article 1(1) which are manufactured or obtained from products to which Article 23(2) and Article 24 of the Treaty do not apply shall not be admitted to free circulation within the Community.

Article 51

Save as otherwise provided in this Regulation, Articles 87, 88 and 89 of the Treaty shall apply to the production of, and trade in, the products listed in Article 1(1).

Article 52

This Regulation shall be applied so that appropriate account is taken, at the same time, of the objectives set out in Articles 33 and 131 of the Treaty.

Article 53

1. Italy shall be authorised, under the conditions set out in paragraphs 2 and 3, to grant adjustment aid in the case referred to in paragraph 2(a) and (b) to producers of sugar beet and in the case referred to in paragraph 2(c) to producers of sugar beet as well as, where appropriate, to sugar producers in the region in question.

2. The aid referred to in paragraph 1 may be granted only in respect of the corresponding quantity of sugar produced within the limit of the A and B quotas of each sugar-producing undertaking.

(a) For the production referred to in the first subparagraph in northern Italy, the unit amount of aid may not exceed:

- in the 1995/96 marketing year: EUR 8,15 per 100 kilograms of white sugar,
- in the 1996/97 marketing year: EUR 5,43 per 100 kilograms of white sugar,
- in the 1997/98 marketing year: EUR 3,80 per 100 kilograms of white sugar,
- in the 1998/99 marketing year: EUR 2,17 per 100 kilograms of white sugar,
- in the 1999/2000 marketing year: EUR 1,09 per 100 kilograms of white sugar.

(b) For the production referred to in the first subparagraph in central Italy, the unit amount of aid may not exceed:

- in the 1995/96 marketing year: EUR 8,15 per 100 kilograms of white sugar,
- in the 1996/97 marketing year: EUR 5,43 per 100 kilograms of white sugar,
- in the 1997/98 marketing year: EUR 4,35 per 100 kilograms of white sugar,
- in the 1998/99 marketing year: EUR 3,26 per 100 kilograms of white sugar,
- in the 1999/2000 marketing year: EUR 2,17 per 100 kilograms of white sugar.

(c) For the production referred to in the first subparagraph in southern Italy, the unit of amount of aid may not exceed:

- in the 1995/96 marketing year: EUR 8,15 per 100 kilograms of white sugar,
- in the 1996/97 marketing year: EUR 7,61 per 100 kilograms of white sugar,
- in the 1997/98 marketing year: EUR 7,06 per 100 kilograms of white sugar,
- in the 1998/99 marketing year: EUR 6,52 per 100 kilograms of white sugar,
- in the 1999/2000 marketing year: EUR 5,98 per 100 kilograms of white sugar,
- in the 2000/2001 marketing year: EUR 5,43 per 100 kilograms of white sugar.

3. As regards southern Italy only, Italy may, depending on the marketing year in question, adjust the aid referred to in point (c) of paragraph 2 where this is necessitated by exceptional requirements connected with restructuring the sugar sector in that part of Italy. Pursuant to Articles 87, 88 and 89 of the Treaty, the Commission shall assess in particular whether such aid is consistent with the restructuring plans.

4. For the purposes of paragraphs 1, 2 and 3:

- (a) northern Italy means Italy other than the production regions listed under (b) and (c);
- (b) central Italy means Tuscany, Umbria, Latium and the Marches;
- (c) southern Italy means Abruzzi, Molise, Apulia, Sardinia, Campania, Basilicata, Calabria and Sicily.

5. Italy shall notify the Council, in respect of each marketing year, of the measures taken in application of paragraphs 1, 2 and 3 and, in particular, of the distribution of the aid by region and between producers of sugar beet and producers of sugar in southern Italy.

6. Spain shall be authorised, under the conditions set out below, to grant adjustment aid to sugar-producing undertakings during the 1993/94 to 1996/97 marketing years.

The aid shall be granted only for A and B sugars, as part of restructuring plans aimed at rationalising the Spanish sugar industry. These plans shall be forwarded to the Commission. The aid shall be limited to EUR 45,65 million for the period referred to in the first subparagraph.

As an intervention measure, 50 % of the aid granted per marketing year shall be paid by the Community.

7. Spain shall be authorised, under the conditions set out in paragraph 8, to grant adjustment aid in the case referred to in paragraph 8(a) to producers of sugar beet and in the case referred to in paragraph 8(b) to producers of sugar cane in its territory.

8. The aid referred to in paragraph 7 may be granted only in respect of the corresponding quantity of sugar produced within the limit of the A and B quotas of each sugar-producing undertaking.

- (a) For the production referred to in the first paragraph from beet, the unit amount of aid may not exceed:
 - in the 1995/96 marketing year: EUR 8,67 per 100 kilograms of white sugar,
 - in the 1996/97 marketing year: EUR 5,43 per 100 kilograms of white sugar,

- in the 1997/98 marketing year: EUR 4,35 per 100 kilograms of white sugar,
- in the 1998/99 marketing year: EUR 3,26 per 100 kilograms of white sugar,
- in the 1999/2000 marketing year: EUR 2,17 per 100 kilograms of white sugar,

- (b) For the production referred to in the first paragraph from cane, the unit amount of aid may not exceed EUR 7,25 per 100 kilograms of white sugar in the 1995/96 to 2000/2001 marketing years.

9. Spain shall notify the Council, in respect of each marketing year, of the measures taken in application of paragraphs 7 and 8 and, in particular, of the distribution of the aid between producers of sugar beet and producers of sugar cane.

10. During the 1995/96 to 2000/2001 marketing years, the United Kingdom shall be authorised to grant, to the extent that it deems necessary, adjustment aid for the refining of preferential unrefined cane sugar.

The granting of the aid referred to in the first subparagraph may take place only within the limit of the quantities agreed pursuant to the provisions referred to by Article 40, such quantities being refined into white sugar in the United Kingdom. For this production of white sugar, the maximum amount of aid shall be set at EUR 0,54 per 100 kilograms of sugar expressed as white sugar.

Article 54

Should special measures be necessary for the implementation within the framework of this Regulation of obligations arising from Community membership of the International Sugar Agreement, the Council, acting by a qualified majority on a proposal from the Commission, shall adopt such measures, which may derogate from the provisions of this Regulation.

Article 55

Regulation (EEC) No 1785/81 is hereby repealed.

References to the said Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table set out in Part A of Annex III.

Article 56

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

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

Done at Brussels, 13 September 1999.

For the Council

The President

T. HALONEN

ANNEX I

CN code	Description of goods
ex 0403	Buttermilk, curdled milk and cream flavoured or containing added fruit, nuts or cocoa, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter
0403 10 51 to 0403 10 99	
0403 90 71 to 0403 90 99	
0710	Vegetables (uncooked or cooked by steaming or by boiling in water), frozen:
0710 40 00	– Sweet corn
0711	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption:
0711 90	– Other vegetables: Mixtures of vegetables:
	– – Vegetables:
0711 90 30	– – – Sweet corn
ex 1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agaragar and other mucilages and thickeners, whether or not modified, derived from vegetable products:
	– Mucilages and thickeners, whether or not modified, derived from vegetable products:
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	– – – from locust beans or locust bean seeds
1302 32 90	– – – from guar seeds
1302 39 00	– – other
1702 50 00	– Chemically pure fructose:
1702 90 10	– – Chemically pure maltose
ex 1704	Sugar confectionery (including white chocolate), not containing cocoa, except liquorice extract from sub-heading 1704 90 10
1806	Chocolate and other food preparations containing cocoa
ex 1901	Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:
1901 10 00	– Preparations for infant use, put up for retail sale
1901 20 00	– Mixes and doughs for the preparations of bakers' wares of heading 1905
1901 90	– other:
	– – other:

CN code	Description of goods
1901 90 91	--- containing no milk fats, sucrose, isoglucose, glucose or starch or containing less than 1,5 % milk fat, 5 % sucrose (including invert sugar) or isoglucose, 5 % glucose or starch, excluding food preparations in powder form of goods of headings 0401 to 0404
1901 90 99	--- other
1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:
1902 20	- Stuffed pasta, whether or not cooked or otherwise prepared:
	-- other:
1902 20 91	--- cooked
1902 20 99	--- other
1902 30	- other pasta
1902 40	- Couscous:
1902 40 90	-- other
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, <i>corn flakes</i>); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products:
1905 10 00	- Crispbread
1905 20	- Gingerbread and the like
1905 30	- Sweet biscuits; waffles and wafers
1905 40	- Rusks, toasted bread and similar toasted products
1905 90	- other:
	-- other:
1905 90 40	--- Waffles and wafers with a water content exceeding 10 % by weight
1905 90 45	--- Biscuits
1905 90 55	--- Extruded or expanded products, savoury or salted
	--- other:
1905 90 60	---- With added sweetening matter
1905 90 90	---- other
2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid:
2001 90	- other:
2001 90 30	-- Sweet corn (<i>Zea mays</i> var. <i>saccharata</i>)
2001 90 40	-- Yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight or starch
2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006:

CN code	Description of goods
2004 10	– Potatoes:
	– – other:
2004 10 91	– – – In the form of flour, meal or flakes
2004 90	– Other vegetables and mixtures of vegetables:
2004 90 10	– – Sweet corn (<i>Zea mays</i> var. <i>saccharata</i>)
2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006:
2005 20	– Potatoes:
2005 20 10	– – In the form of flour, meal or flakes
2005 80 00	– Sweet corn (<i>Zea mays</i> var. <i>saccharata</i>)
2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included:
	– Nuts, ground-nuts and other seeds, whether or not mixed together:
2008 11	– – Ground-nuts:
2008 11 10	– – – Peanut butter
2101	Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates thereof
2102	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading 3002); prepared baking powders:
2102 10	– Active yeasts:
	– – Bakers' yeast:
2102 10 31	– – – Dried
2102 10 39	– – – other
2101 20	– Inactive yeasts; other single-cell micro-organisms, dead:
	– – Inactive yeasts:
2102 20 11	– – – In tablet, cube or similar form, or in immediate packings of a net content not exceeding 1 kg
2102 20 19	– – – other
ex 2103	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard:
2103 10 00	– Soya sauce
2103 20 00	– Tomato ketchup and other tomato sauces
2103 90	– other
2105 00	Ice-cream and other edible ice, whether or not containing cocoa
ex 2106	Food preparations not elsewhere specified or included, except for compound alcoholic preparations of sub-heading 2106 90 20 and flavoured or coloured sugar syrups of sub-headings 2106 90 30 to 2106 90 59
2202	Waters, including mineral waters and aerated waters, containing added sugar or other non-alcoholic beverages, not including fruit or vegetable juices of heading 2009
2205	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances

CN code	Description of goods
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol; spirits, liqueurs and other spirituous beverages:
2208 20	– Spirits obtained by distilling grape wine or grape marc
2208 50 91 and 2208 50 99	– – Geneva
2208 70	– Liqueurs and cordials
2208 90 41 to 2208 90 78	– – Other spirits, and other spirituous beverages
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
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
3302	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages:
3302 10	– Of a kind used in the food or drink industries:
3302 10 21	– – – – – Containing no milkfats, sucrose, isoglucose, glucose or starch or containing less than 1,5 % milkfat, 5 % sucrose or isoglucose, 5 % glucose or starch
3302 10 29	– – – – – other
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 deodorisers, whether or not perfumed or having disinfectant properties:
3307 49 00	– Preparations for perfuming or deodorising rooms, including odoriferous preparations used during religious rites:
3307 90 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 preparations) and cleaning preparations, whether or not containing soap, other than those of heading 3401

CN code	Description of goods
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
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 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 of headings 3501 and 3505
ex Chapter 38	Miscellaneous chemical products except those of heading 3809
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)

ANNEX II

States, countries and territories referred to in Article 40

Barbados	Mauritius
Belize	People's Republic of the Congo
Côte d'Ivoire	Saint Kitts-Nevis-Anguilla
Fiji	Suriname
Guyana	Swaziland
India	Tanzania
Jamaica	Trinidad and Tobago
Kenya	Uganda
Madagascar	Zambia
Malawi	Zimbabwe

ANNEX III

Part A

CORRELATION TABLE

Regulation (EEC) No 1785/81	This Regulation
—	Chapter I
Article 1(1)	Article 1(1)
Article 1(2)(a)	Article 1(2)(a)
Article 1(2)(b)	Article 1(2)(b)
Article 1(2)(c)	Article 1(2)(c)
Article 1(2)(d)	Article 1(2)(d)
Article 24(1), second subparagraph, point (a)	Article 1(2)(e)
Article 24(1), second subparagraph, point (b)	Article 1(2)(f)
Article 24(1), second subparagraph, point (c)	Article 1(2)(g)
Article 5(4)	Article 1(2)(h) and (i)
Article 24b(5)(a)	Article 1(2)(j)
Article 24b(5)(b)	Article 1(2)(k)
Article 24c(5)(c)	Article 1(2)(l)
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Article 3	Article 3
Article 4	Article 4
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Article 8(1), third subparagraph	—
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Article 8(3)	Article 8(3)
Article 8(4)	Article 8(4)
Article 8(5)	Article 8(5)
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Article 9(4c)	—
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Article 9(6), second indent	Article 9(6), second indent
Article 9(6), third indent	Article 9(6), third indent
Article 9(6), fourth indent	Article 9(6), fourth indent
Article 9(6), fifth indent	Article 9(6), fifth indent
Article 9(6), sixth indent	Article 9(6), sixth indent
Article 9(6), seventh indent	—

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Article 23(3)	Article 26(3)
Article 23(4)	Article 26(4)
Article 23(4a)	Article 26(5)
Article 23(5)	Article 26(6)
Article 24(1), first subparagraph	Article 27(1)
Article 24(1a), first subparagraph	Article 27(2), first subparagraph
Article 24(1a), second subparagraph	Article 27(2), second subparagraph
Article 24(1a), third subparagraph	—
Article 24(1a), fourth subparagraph	—
Article 24(1a), fifth subparagraph	—
Article 24(2)	Article 27(3)
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Article 24(6)	Article 27(5)
Article 24(8)	Article 27(6)
Article 24a(1)	Article 28(1)
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Article 24a(3), first subparagraph	Article 28(3)
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Article 24a(4)	Article 28(4)
Article 24a(5)	Article 28(5)
Article 24a(6)	Article 28(6)
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Article 25	Article 30

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Article 37(4)	Article 44(4)
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Part B

	Official Journal		
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Council Regulation (EEC) No 192/82 of 26 January 1982	L 21	1	29.1.1982
Council Regulation (EEC) No 606/82 of 16 March 1982	L 74	1	18.3.1982
Council Regulation (EEC) No 1482/85 of 23 May 1985	L 151	1	10.6.1985
Council Regulation (EEC) No 3768/85 of 20 December 1985 (only with regard to Article 1(1))	L 362	8	31.12.1985
Council Regulation (EEC) No 934/86 of 24 March 1986	L 87	1	2.4.1986
Commission Regulation (EEC) No 3666/86 of 1 December 1986	L 339	10	2.12.1986
Council Regulation (EEC) No 229/87 of 26 January 1987	L 25	1	28.1.1987
Commission Regulation (EEC) No 3993/87 of 23 December 1987	L 377	24	31.12.1987
Council Regulation (EEC) No 1107/88 of 25 April 1988	L 110	20	29.4.1988
Council Regulation (EEC) No 2250/88 of 19 July 1988	L 198	28	26.7.1988
Commission Regulation (EEC) No 2306/88 of 26 July 1988	L 201	65	27.7.1988
Council Regulation (EEC) No 1069/89 of 18 April 1989	L 114	1	27.4.1989
Council Regulation (EEC) No 3577/90 of 4 December 1990 (only with regard to Articles 1 and 2 and Annex V)	L 353	23	17.12.1990
Council Regulation (EEC) No 305/91 of 4 February 1991	L 37	1	9.2.1991
Commission Regulation (EEC) No 464/91 of 27 February 1991 (only with regard to Article 3)	L 54	22	28.2.1991
Commission Regulation (EEC) No 61/92 of 10 January 1992 (only with regard to Article 2)	L 6	19	11.1.1992
Council Regulation (EEC) No 3484/92 of 27 November 1992	L 353	8	3.12.1992
Council Regulation (EEC) No 3814/92 of 28 December 1992	L 387	7	31.12.1992
Council Regulation (EEC) No 1548/93 of 14 June 1993	L 154	10	25.6.1993
Council Regulation (EC) No 133/94 of 24 January 1994	L 22	7	27.1.1994
Council Regulation (EC) No 3290/94 of 22 December 1994 (only with regard to Articles 1 and 2 and Annex IV)	L 349	105	31.12.1994
Commission Regulation (EC) No 283/95 of 13 February 1995	L 34	3	14.2.1995
Council Regulation (EC) No 1101/95 of 24 April 1995 (only with regard to Article 1)	L 110	1	17.5.1995
Commission Regulation (EC) No 1126/96 of 24 June 1996	L 150	3	25.6.1996
Council Regulation (EC) No 1599/96 of 30 July 1996	L 206	43	16.8.1996
Council Regulation (EC) No 1148/98 of 2 June 1998	L 159	38	3.6.1998
