Commission Regulation (EC) No 795/2004 of 21 april 2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (repealed)

# CHAPTRE 6

# **REGIONAL AND OPTIONAL IMPLEMENTATION**

# Section 1

# **Regional implementation**

# Article 35

# **General provisions**

Where a Member State makes use of the options provided for in Articles 58(1) and 59(1) of Regulation (EC) No 1782/2003, save as otherwise provided for in this Section, the other provisions of this Regulation shall apply.

# Article 36

# Calculation of the regional ceiling

1 Where a Member State makes use of the option provided for in Articles 58(1) and 59(1) of Regulation (EC) No 1782/2003, in case of farmers whose holdings are partly situated in the region concerned, and without prejudice to Article 58 (3) of that Regulation, the regional ceiling shall be calculated on the basis of the reference amount corresponding to the production units which gave right to direct payments in the reference period situated in the region concerned, or in accordance with objective criteria established by the Member State.

2 In the case referred to in paragraph 1, the individual reference amount referred to in Article 59 (3) second subparagraph of Regulation (EC) No 1782/2003 shall be that which corresponds to the production units which gave right to direct payments in the reference period situated in the region concerned or established according to objective criteria established by the Member State.

3 Article 26 (2) shall apply *mutatis mutandis*.

# Article 37

# Establishment of the national reserve

Where a Member State makes use of the option provided for in Articles 58 and 59 of Regulation (EC) No 1782/2003, for the purpose of establishing the national reserve, the reduction referred to in Article 42(1) of that Regulation shall be applied to the ceiling

Status: Point in time view as at 21/04/2004. Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 795/2004 (repealed), Section 1. (See end of Document for details)

referred to in Annex VIII of that Regulation and, where the case may be, adjusted before the definitive establishment of the payment entitlements as referred to in Article 38 (3) of this Regulation.

# Article 38

### Initial allocation of payment entitlements

1 For the purposes of Article 59 (2) and (3) of Regulation (EC) No 1782/2003, Member States shall establish the number of eligible hectares referred to in those paragraphs including the grassland by using the number of hectares declared for the establishment of the payment entitlements in the first year of application of the single payment scheme.

By way of derogation from paragraph 1, Member States may establish the number of eligible hectares referred to in Article 59 (2) and (3) of Regulation (EC) No 1782/2003 including the grassland by using the number of hectares declared in the area aid declarations for 2004 or for the year preceding the first year of application of the single payment scheme. In cases where the number of eligible hectares declared by farmers in the first year of application of the single payment scheme is lower than the number of eligible hectares established in accordance with the first subparagraph, a Member State may reallocate, in part or in full, the amounts corresponding to the hectares which have not been declared as a supplement to each payment entitlement allocated in the first year of application of the single payment scheme. The supplement shall be calculated by dividing the amount concerned by the number of payment entitlements allocated.

3 The value and number of the payment entitlements allocated on the basis of the farmers' declarations for the establishment of the payment entitlements in the first year of application of the single payment scheme shall be provisional. The definitive value and number shall be established, by 31 December of the first year of application of the single payment scheme at the latest, after the checks made pursuant to Commission Regulation (EC) No 795/2004 are carried out.

# Article 39

# Initial allocation of set-aside entitlements

1 For the purposes of Article 63(2) 3<sup>rd</sup> subparagraph of Regulation (EC) No 1782/2003, Member States shall establish the set-aside rate by using the data available related to the land concerned.

2 The number of hectares corresponding to the set-aside entitlements allocated in the first year of application of the single payment scheme shall not vary by a margin of more than 5 % of the average number of hectares set aside in the reference period.

Where the margin referred to in the first subparagraph is exceeded, the number of hectares shall be adjusted by 1 August of the first year of application of the single payment scheme at the latest. However, the set-aside obligation related to the new set-aside payment entitlements shall apply to the farmer concerned only starting from the following year.

#### Article 40

### Application of Article 42(5) of Regulation (EC) No 1782/2003 in case of fewer hectares than payment entitlements

Where a Member State makes use of the option provided for in Article 59 of Regulation (EC) No 1782/2003, and it decides to apply Article 7 of this Regulation, for the purpose of the allocation of payment entitlements in accordance with that Article 7, the number of payment entitlements to which an authorization as referred to in Article 60 of Regulation (EC) No 1782/2003 is linked shall be equal to the initial number of payment entitlements with the authorisation and, where the case may be, no higher than the number of payment entitlements allocated.

### Article 41

### Establishment and transfer of payment entitlements with authorisation

1 Where a Member State makes use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003, the authorisations established according to Article 60 of that Regulation shall be linked to each individual payment entitlement to be allocated to the farmer concerned.

2 In case the number of authorisation is lower that the number of payment entitlements, the authorisation shall be linked to the payment entitlements starting from those with the highest unit value. In case of transfer of the payment entitlements, the authorisation shall follow the payment entitlement to which it is linked.

3 A Member State may authorize, on farmer's request, the transfer of an authorization linked to a set-aside entitlement to a payment entitlement.

#### Article 42

#### Dairy premium and additional payments

1 Where a Member State making use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003 decides to make use of the option provided for in the first subparagraph of Article 62 of that Regulation in 2005 or, in case of application of Article 71 of Regulation (EC) No 1782/2003, in the first year of application of the single payment scheme, Articles 59 (2) and (3) of that Regulation shall apply respectively.

2 Where a farmer has no hectares, he shall receive payment entitlements subject to special conditions calculated in accordance with Article 48 of Regulation (EC) No 1782/2003

3 Where a Member State making use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003 decides to make use of the option provided for in the first paragraph of Article 62 in 2006 or 2007, Articles 48, 49 and 50 of that Regulation shall apply *mutatis mutandis*.

Status: Point in time view as at 21/04/2004.

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 795/2004 (repealed), Section 1. (See end of Document for details)

#### Article 43

#### Set-aside

1 Where a Member State makes use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003, it shall establish and communicate to farmers the set-aside rate referred to in the third subparagraph of Article 63(2) of that Regulation by 1 August of the year preceding the first year of application of the single payment scheme.

2 In case of farmers whose holding is partly situated in the region concerned by the application of Article 59 of Regulation (EC) No 1782/2003, the set aside rate shall apply to the farmer's eligible land, referred to in Article 63 (2) second subparagraph of that Regulation, situated in the region concerned.

# Article 44

#### **Retention on sale of payment entitlements**

Where a Member State making use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003 decides to make use of the option provided for in Article 46(3) of that Regulation, the percentages of reduction provided for in Article 9 of this Regulation shall apply after deduction from the value of the payment entitlements of a franchise equal to the regional unit value calculated in accordance with Article 59 (2) or (3) of Regulation (EC) No 1782/2003.

# Article 45

# Windfall profit clause

Where a Member State making use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003 decides to make use of the option provided for in Article 42(9) of that Regulation, the percentages of reduction provided for in Article 10 of this Regulation shall apply to the value of each payment entitlement and/or to the equivalent amount expressed in number of payment entitlements to be allocated.

## Article 46

#### **Private contract clause**

Where a Member State makes use of the option provided for in Article 59(1) of Regulation (EC) No 1782/2003, for the purposes of Article 17 of this Regulation, the reference amount calculated for the production units which have been transferred shall be taken into account for the establishment of the value of all the payment entitlements of the buyer.

Article 27 shall not apply.

## Status:

Point in time view as at 21/04/2004.

### Changes to legislation:

There are currently no known outstanding effects for the Commission Regulation (EC) No 795/2004 (repealed), Section 1.