

Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

TITLE II

GENERAL PROVISIONS ON AGRICULTURAL FUNDS

CHAPTER I

Agricultural Funds

Article 3

Funds financing agricultural expenditure

- 1 In order to achieve the objectives of the CAP as set out in the TFEU, the financing of the various measures falling under that policy, including rural development shall be made by:
 - a the European Agricultural Guarantee Fund (EAGF);
 - b the European Agricultural Fund for Rural Development (EAFRD).
- 2 The EAGF and the EAFRD (the "Funds") shall come under the general budget of the European Union (the Union's budget).

Article 4

EAGF expenditure

- 1 The EAGF shall be implemented in shared management between the Member States and the Union. It shall finance the following expenditure, which shall be effected in accordance with Union law:
 - a measures regulating or supporting agricultural markets;
 - b direct payments to farmers under the CAP;
 - c the Union's financial contribution to information and promotion measures for agricultural products on the internal market of the Union and in third countries, undertaken by Member States on the basis of programmes other than those referred to in Article 5 and which are selected by the Commission;
 - [^{XI}d the Union's financial contribution to the Union School Fruit and Vegetables Scheme as referred to in Article 23 of Regulation (EU) No 1308/2013 and to the measures related to animal diseases and loss of consumer confidence as referred to in Article 220 of that Regulation.]
- 2 The EAGF shall finance the following expenditure in a direct manner and in accordance with Union law:

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- a promotion of agricultural products, undertaken either directly by the Commission or through international organisations;
- b measures, taken in accordance with Union law, to ensure the conservation, characterisation, collection and utilisation of genetic resources in agriculture;
- c the establishment and maintenance of agricultural accounting information systems;
- d agricultural survey systems, including surveys on the structure of agricultural holdings.

Editorial Information

- X1** Substituted by [Corrigendum to Regulation \(EU\) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations \(EEC\) No 352/78, \(EC\) No 165/94, \(EC\) No 2799/98, \(EC\) No 814/2000, \(EC\) No 1290/2005 and \(EC\) No 485/2008 \(Official Journal of the European Union L 347 of 20 December 2013\).](#)

Article 5

EAFRD expenditure

The EAFRD shall be implemented in shared management between the Member States and the Union. It shall finance the Union's financial contribution to rural development programmes implemented in accordance with the Union law on support for rural development.

Article 6

Other expenditure, including technical assistance

The Funds may each, finance, in a direct manner, on the initiative of the Commission and/or on its behalf, the preparatory, monitoring, administrative and technical support activities, as well as evaluation, audit and inspection measures required to implement the CAP. Those measures shall include, in particular:

- (a) measures required for the analysis, management, monitoring, information exchange and implementation of the CAP, as well as measures relating to the implementation of control systems and technical and administrative assistance;
- (b) the acquisition by the Commission of the satellite images required for the checks in accordance with Article 21;
- (c) the measures taken by the Commission through remote-sensing applications used for the monitoring of agricultural resources in accordance with Article 22;
- (d) measures required to maintain and develop methods and technical means for information, interconnection, monitoring and control of the financial management of the funds used to finance the CAP;
- (e) provision of information on the CAP in accordance with Article 45;
- (f) studies on the CAP and evaluations of measures financed by the Funds, including improvement of evaluation methods and exchange of information on practices under the CAP;

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- (g) where relevant, executive agencies that are set up in accordance with Council Regulation (EC) No 58/2003⁽⁶⁾, acting in connection with the CAP;
- (h) measures relating to dissemination of information, raising awareness, promoting cooperation and exchanging experience at Union level, taken in the context of rural development, including the networking of the parties concerned;
- (i) measures required for the development, registration and protection of logos within the framework of the Union quality policies and for the protection of intellectual property rights linked to it, as well as the necessary information technology (IT) developments.

CHAPTER II

Paying agencies and other bodies

Article 7

Accreditation and withdrawal of accreditation of paying agencies and coordinating bodies

1 Paying agencies shall be departments or bodies of the Member States responsible for the management and control of expenditure referred to in Article 4(1) and Article 5.

With the exception of payment, the carrying out of those tasks may be delegated

2 Member States shall accredit as paying agencies departments or bodies which have an administrative organisation and a system of internal control which provide sufficient guarantees that payments are legal and regular, and properly accounted for. To this end, paying agencies shall comply with minimum conditions for the accreditation with regard to internal environment, control activities, information and communication and monitoring laid down by the Commission pursuant to point (a) of Article 8(1).

Each Member State shall, taking into account its constitutional provisions, restrict the number of its accredited paying agencies to no more than one at national level or, where applicable, to one per region. However, where paying agencies are established at regional level, Member States shall, in addition, either accredit a paying agency at national level for aid schemes which, by their nature, have to be managed at national level or shall confer the management of these schemes on their regional paying agencies.

By way of derogation from the second subparagraph, Member States may maintain the number of paying agencies which have been accredited before 20 December 2013.

Before the end of 2016, the Commission shall present a report to the European Parliament and to the Council on the operation of the system of paying agencies in the Union accompanied, where appropriate, by legislative proposals.

3 By 15 February of the year following the financial year concerned, the person in charge of the accredited paying agency shall draw up:

- a the annual accounts for the expenditure effected in carrying out the tasks entrusted to their accredited paying agencies, accompanied by the requisite information for their clearance in accordance with Article 51;
- b a management declaration as to the completeness, accuracy and veracity of the accounts and the proper functioning of the internal control systems, based on objective criteria, as well as to the legality and regularity of the underlying transactions;

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- c an annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of the errors and of weaknesses in systems identified, as well as corrective action to be taken or planned.

The deadline of 15 February may be exceptionally extended by the Commission to 1 March at the latest, upon communication by the Member State concerned.

4 Where more than one paying agency is accredited, the Member State shall designate a public body ("the coordinating body"), to which it shall assign the following tasks:

- a to collect the information to be made available to the Commission and to send that information to the Commission;
- b to take or coordinate, as the case may be, actions with a view to resolving any deficiencies of a common nature and keep the Commission informed of any follow-up;
- c to promote and, where possible, ensure harmonised application of the Union rules.

As regards the processing of the financial information referred to in point (a) of the first subparagraph, the coordinating body shall be subject to specific accreditation by the Member States.

5 Where an accredited paying agency does not meet or no longer meets one or more of the accreditation criteria referred to in paragraph 2, the Member State, acting on its own initiative or at the request of the Commission, shall withdraw that accreditation unless the paying agency makes the necessary changes within a period to be determined depending on the severity of the problem.

6 The paying agencies shall manage and ensure the control of the operations linked to public intervention for which they are responsible and they shall retain overall responsibility in that field.

Article 8

Commission powers

1 To ensure the sound operation of the system provided for in Article 7, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 concerning:

- a the minimum conditions for the accreditation of paying agencies and of the coordinating bodies referred to in Article 7(2) and in Article 7(4), respectively;
- b the obligations of the paying agencies as regards public intervention, as well as the rules on the content of their management and control responsibilities.

2 The Commission shall adopt implementing acts laying down rules on:

- a the procedures for issuing, withdrawing and reviewing accreditation of paying agencies and coordinating bodies, as well as the procedures for the supervision of the accreditation of paying agencies;
- b the work and checks underlying the management declaration of the paying agencies;
- c the functioning of the coordinating body and the notification of information to the Commission as referred to in Article 7(4).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 116(3).

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Article 9

Certification bodies

1 The certification body shall be a public or private audit body designated by the Member State. Where it is a private audit body, and the applicable Union or national law so requires, it shall be selected by the Member State by means of a public tendering procedure. It shall provide an opinion, drawn up in accordance with internationally accepted audit standards, on the completeness, accuracy and veracity of the annual accounts of the paying agency, on the proper functioning of its internal control system and on the legality and regularity of the expenditure for which reimbursement has been requested from the Commission. That opinion shall also state whether the examination puts in doubt the assertions made in the management declaration.

The certification body shall have the necessary technical expertise. It shall be operationally independent from the paying agency and the coordinating body concerned as well as from the authority which has accredited that agency.

2 The Commission shall adopt implementing acts laying down rules on the tasks of the certification bodies, including the checks, and on the certificates and the reports, together with the documents accompanying them, to be drawn up by those bodies. In view of the need for maximum efficiency, for transaction testing and for professional audit judgment, in the context of an integrated approach, the implementing acts shall also lay down:

- a the audit principles on which the opinions of the certification bodies are based, including an assessment of the risks, internal controls and the level of audit evidence required;
- b the audit methods to be used, by the certification bodies, having regard to international standards on auditing, to deliver their opinions, including, where appropriate, the use of a single integrated sample for each population and, where appropriate, the possibility to accompany paying agencies' on-the-spot checks

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 116(3).

Article 10

Admissibility of payments made by the paying agencies

The expenditure referred to in Article 4(1) and in Article 5 may be covered by Union financing only if it has been effected by accredited paying agencies.

Article 11

Payment in full to beneficiaries

Except where otherwise explicitly provided for in Union law, payments relating to the financing provided for in this Regulation shall be disbursed in full to the beneficiaries.

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- (1) Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([OJ L 11, 16.1.2003, p. 1](#)).

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