Commission Delegated Regulation (EU) 2018/967 of 26 April 2018 amending Delegated Regulation (EU) No 907/2014 as regards non-compliance with payment deadlines and as regards applicable exchange rate for drawing up declarations of expenditure

COMMISSION DELEGATED REGULATION (EU) 2018/967

of 26 April 2018

amending Delegated Regulation (EU) No 907/2014 as regards non-compliance with payment deadlines and as regards applicable exchange rate for drawing up declarations of expenditure

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard 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[(1)], and in particular Article 40 and Article 106(6) thereof,

Whereas:

(1) Article 75(1) of Regulation (EU) No 1306/2013 provides that payments of support to beneficiaries under the Integrated Administration and Control System (IACS) are to be made by the Member States during a certain time period. Payments made outside that period are ineligible for Union payments, and can therefore not be reimbursed by the Commission, as provided for in Article 40 of Regulation (EU) No 1306/2013. With regard to support granted under the European Agricultural Fund for Rural Development (EAFRD) those payment deadlines will apply from claim year 2019. Specific rules related to payments from EAFRD should therefore be laid down.

(2) Considering that in some cases EAFRD IACS payments are made by Member States after 30 June due to additional checks by Member States related to contentious claims, appeals and other national legal disputes, in accordance with the principle of proportionality, a fixed margin related to expenditure should be laid down within which no reductions of the payments are to be made for these cases. In addition, once this margin is exceeded, in order to modulate the financial impact in proportion to the delay incurred in payment, provision should be made to empower the Commission to proportionally reduce the Union payments according to the length of delay in payment recorded.

(3) Article 5 of Commission Delegated Regulation (EU) No 907/2014[(2)] provides for rules for the European Agricultural Guarantee Fund (EAGF) on proportional reductions to monthly payments where the expenditure has been made after the expiry of the payment deadline. As regards EAFRD, the declarations of expenditure and reimbursements are made once for each quarter of the year. For reasons of simplicity and efficiency, a single

reduction percentage should be applied to late payments reimbursed from EAFRD for each quarter.

(4) Article 11(2) of Delegated Regulation (EU) No 907/2014 provides for the exchange rate to be used by Member States which do not form a part of the euro zone for each payment or recovery operation for the purpose of drawing up their declarations of expenditure. However, the annual declarations of expenditure drawn up by Member States include amounts which do not involve a registration of a payment or a recovery operation in the accounts of the Paying Agency, such as the assigned revenue resulting from financial consequences of non-recovery, as provided for in the first subparagraph of Article 54(2) of Regulation (EU) No 1306/2013. Therefore, the applicable exchange rate for operations other than those specified in Article 11(2) of Delegated Regulation (EU) No 907/2014 should be provided for.

(5) Delegated Regulation (EU) No 907/2014 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Delegated Regulation (EU) No 907/2014 is amended as follows:

(1) The title of Article 5 is replaced by the following:

> Non-Compliance with the latest payment deadline as regards the European Agricultural Guarantee Fund;

(2) The following Article 5a is inserted after Article 5:

Article 5a

Non-Compliance with the latest payment deadline as regards the European Agricultural Fund for Rural Development

1 As regards the European Agricultural Fund for Rural Development, pursuant to the exceptions referred to in the first paragraph of Article 40 of Regulation (EU) No 1306/2013 and in accordance with the principle of proportionality, expenditure made after the payment deadline shall be eligible for Union payments under the conditions laid down in paragraphs 2 to 6 of this Article.

2 Where expenditure made after the deadline referred to in Article 75(1) of Regulation (EU) No 1306/2013 is equal to the threshold of 5 % or less of the expenditure made before that deadline, no reduction of the interim payments shall be made.

Where expenditure made after the deadline referred to in Article 75(1) of Regulation (EU) No 1306/2013 is above the threshold of 5 %, all further expenditure made late shall be reduced for the periods specified in Article 22(2) of Commission Implementing Regulation (EU) No 908/2014[(3)] in accordance with the following rules:

a expenditure made between 1 July and 15 October of the year in which the payment deadline expired shall be reduced by 25 %;

b expenditure made between 16 October and 31 December of the year in which the payment deadline expired shall be reduced by 60 %;