Commission Implementing Regulation (EU) 2016/1948 of 7 November 2016 adapting the adjustment rate for direct payments provided for in Regulation (EU) No 1306/2013 of the European Parliament and of the Council in respect of the calendar year 2016 and repealing Commission Implementing Regulation (EU) 2016/1153

COMMISSION IMPLEMENTING REGULATION (EU) 2016/1948

of 7 November 2016

adapting the adjustment rate for direct payments provided for in Regulation (EU) No 1306/2013 of the European Parliament and of the Council in respect of the calendar year 2016 and repealing Commission Implementing Regulation (EU) 2016/1153

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 26(4) thereof,

After consulting the Committee on the Agricultural Funds,

Whereas:

(1) On 22 March 2016 the Commission adopted a proposal for a Regulation of the European Parliament and of the Council fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of the calendar year 2016[(2)]. The European Parliament and the Council had not determined that adjustment rate by 30 June 2016. Therefore, in accordance with Article 26(3) of Regulation (EU) No 1306/2013, the Commission has set the adjustment rate in Implementing Regulation (EU) 2016/1153[(3)].

(2) The forecasts for the direct payments and market related expenditure included in Commission Amending Letter No 1 to the 2017 Draft Budget show the need to adapt the rate of financial discipline which was taken into account in the Draft Budget 2017. That Amending Letter was established taking into account an amount of financial discipline of EUR 450,5 million for the reserve for crises in the agricultural sector referred to in Article 25 of Regulation (EU) No 1306/2013. In order to take account of this new information, the Commission should adapt the adjustment rate set in Implementing Regulation (EU) 2016/1153.

(3) As a general rule, farmers submitting an aid application for direct payments for one calendar year (N) are paid within a fixed payment period falling within the financial year (N + 1). However, Member States may make late payments to farmers beyond that payment period, within certain limits. Such late payments may be made in a subsequent financial year. When financial discipline is applied for a given calendar

year, the adjustment rate should not be applied to payments for which aid applications have been submitted in calendar years other than the calendar year for which the financial discipline applies. Therefore, in order to ensure equal treatment of farmers, it is appropriate to provide that the adjustment rate is to be applied only to payments for which aid applications have been submitted in the calendar year for which the financial discipline is applied, irrespectively of when the payment to farmers is made.

(4) Article 8(1) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council[4] provides that the adjustment rate applied to direct payments determined in accordance with Article 26 of Regulation (EU) No 1306/2013 is to apply only to direct payments in excess of EUR 2 000 to be granted to farmers in the corresponding calendar year. Furthermore, Article 8(2) of Regulation (EU) No 1307/2013 provides that, as a result of the gradual introduction of direct payments, the adjustment rate is to apply to Croatia only from 1 January 2022. The adjustment rate to be determined by this Regulation should therefore not apply to payments to farmers in that Member State.

(5) In order to ensure that the adapted adjustment rate is applicable as from the date on which the payments to farmers are to start in accordance with Regulation (EU) No 1306/2013, this Regulation should apply from 1 December 2016.

(6) The adapted adjustment rate should be taken into account for the calculation of all payments to be granted to a farmer for an aid application submitted in respect of the calendar year 2016. For the sake of clarity, Implementing Regulation (EU) 2016/1153 should therefore be repealed,

HAS ADOPTED THIS REGULATION:

Article 1

1 For the purpose of fixing the adjustment rate provided for in Articles 25 and 26 of Regulation (EU) No 1306/2013, and in accordance with Article 8(1) of Regulation (EU) No 1307/2013, the amounts of direct payments under the support schemes listed in Annex I to Regulation (EU) No 1307/2013 to be granted to farmers in excess of EUR 2 000 for an aid application submitted in respect of the calendar year 2016 shall be reduced by an adjustment rate of 1,353905 %.

2 The reduction provided for in paragraph 1 shall not apply in Croatia.

Article 2

Implementing Regulation (EU) 2016/1153 is repealed.

Article 3

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

It shall apply from 1 December 2016.

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