Regulation (EU) 2015/1146 of the European Parliament and of the Council of 8 July 2015 fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of the calendar year 2015

REGULATION (EU) 2015/1146 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 8 July 2015

fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of the calendar year 2015

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

Acting in accordance with the ordinary legislative procedure[(2)],

Whereas:

(1) Article 25 of Regulation (EU) No 1306/2013 of the European Parliament and of the Council[(3)] provides that a reserve intended to provide additional support for the agricultural sector in the case of major crises affecting agricultural production or distribution is to be established by applying, at the beginning of each year, a reduction to direct payments with the financial discipline mechanism referred to in Article 26 of that Regulation.

(2) Article 26(1) of Regulation (EU) No 1306/2013 provides that, in order to ensure that the annual ceilings set out in Council Regulation (EU, Euratom) No 1311/2013[(4)] for the financing of the market-related expenditure and direct payments are respected, an adjustment rate for direct payments is to be determined when the forecasts for the financing of the measures financed under that sub-ceiling for a given financial year indicate that the applicable annual ceilings will be exceeded.

(3) The amount of the reserve for crises in the agricultural sector, to be included in the Commission 2016 Draft Budget, totals EUR 441,6 million in current prices. To cover that amount, the financial discipline mechanism has to apply to direct payments under the support schemes listed in Annex I to Regulation (EU) No 1307/2013 of the European Parliament and of the Council[(5)] in respect of the calendar year 2015.

(4) The preliminary forecasts for the direct payments and market-related expenditure to be determined in the Commission 2016 Draft Budget indicate that there is no need for any further financial discipline.

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) 2015/1146 of the European Parliament and of the Council. (See end of Document for details)*

(5) Article 26(2) of Regulation (EU) No 1306/2013 requires the Commission to present a proposal to the European Parliament and to the Council concerning the adjustment rate no later than 31 March of the calendar year in respect of which that adjustment rate applies.

(6) 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 time 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, irrespective of when the payment to farmers is made.

(7) Article 8(1) of Regulation (EU) No 1307/2013 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 Bulgaria and Romania only from 1 January 2016 and 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 those Member States.

(8) Until 1 December 2015, the adjustment rate fixed by this Regulation may be adapted by the Commission, on the basis of new information in its possession, pursuant to Article 26(4) of Regulation (EU) No 1306/2013,

HAVE ADOPTED THIS REGULATION:

Article 1

1 For the purpose of fixing the adjustment rate in accordance with 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 2015 shall be reduced by an adjustment rate of 1,393041 %.

2 The reduction provided for in paragraph 1 shall not apply in Bulgaria, Croatia and Romania.

Article 2

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