Commission Implementing Regulation (EU) 2015/775 of 18 May 2015 amending Implementing Regulation (EU) No 908/2014 as regards conformity clearance

COMMISSION IMPLEMENTING REGULATION (EU) 2015/775

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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 53(1)(b) thereof,

Whereas:

(1) Article 34(8) of Commission Implementing Regulation (EU) No 908/2014[(2)] provides for the rules on the deduction from Union financing of expenditure which does not comply with Union rules. It also provides for a derogation from those rules which allows the Member States to request the application of such deductions in instalments.

(2) Where a Member State may experience severe financial difficulties, the Commission should have the possibility, in addition to authorising the deductions in three annual instalments, to defer such deductions for a period of no more than 24 months, if the Member State concerned so requests.

(3) This deferral should only be granted to Member States which are subject to financial assistance in accordance with Council Regulation (EC) No 332/2002[(3)], Council Regulation (EU) No 407/2010[(4)] and the Treaty establishing the European Stability Mechanism signed on 2 February 2012.

(4) Experience has shown that specifying a fixed period for the deferral of deductions can result in an accumulation of debt which may then fall due when the Member State concerned remains in severe financial difficulty and is not in a position to make the required reimbursements. Therefore, the Commission should have the possibility, taking into account the specific conditions of the financial assistance, to extend the length of the deferral period for a period of no more than 12 months.

(5) In addition, experience has also shown that requiring the reimbursement of the total deferred amount in three annual instalments may lead to undue hardship for Member States which remain in financial difficulty after the deferral period has expired. Therefore, future decisions authorising the reimbursement in instalments should allow for a higher number of instalments in cases where the amounts concerned represent a high proportion of the Member State's Gross Domestic Product.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/775. (See end of Document for details)*

(6) The Member State benefitting from a deferral decision should ensure that the deficiencies which have been the reasons for the deductions and which persist at the time of that decision are being remedied on the basis of an action plan, established in consultation with the Commission, with clear progress indicators. If a Member State benefitting from such a deferral fails to remedy the deficiencies in accordance with the action plan and, thus, exposes the Union budget to additional financial risks, the Commission should be able to amend or repeal its decision deferring the date for the application of the deductions, taking into account the principle of proportionality.

(7) Implementing Regulation (EU) No 908/2014 should therefore be amended accordingly.

(8) The measures provided for in this Regulation are in accordance with the opinion of the Committee on the Agricultural Funds,

HAS ADOPTED THIS REGULATION:

Article 1

The following paragraphs 8a and 8b are inserted in Article 34 of Implementing Regulation (EU) No 908/2014:

8a. For Member States which are subject to financial assistance under Council Regulation (EC) No 332/2002[(5)], Council Regulation (EU) No 407/2010[(6)] and the Treaty establishing the European Stability Mechanism, the Commission may, at the Member State's request and after consultation of the Committee on the Agricultural Funds, adopt an implementing decision deferring, for a period not exceeding 24 months from the date of its adoption, the execution of decisions adopted after 1 May 2015 pursuant to Article 52 of Regulation (EU) No 1306/2013 (“deferral decision”).

The deferral decision shall authorise the deductions to be made after the end of the deferral period in three annual instalments. Where the total amount subject to the deferral decision represents more than 0,02 % of the Member State's Gross Domestic Product, the Commission may authorise the reimbursement in maximum five annual instalments.

The Commission may decide, at the Member State's request and after consultation of the Committee on the Agricultural Funds, to extend once, for a period not exceeding 12 months, the time period of deferral referred to in the first subparagraph.

The Member State benefitting from a deferral decision shall ensure that the deficiencies which have been the reasons for the deductions and which persist at the time of adoption of the deferral decision are being remedied on the basis of an action plan, established in consultation with the Commission, including deadlines and clear progress indicators. The Commission shall amend or repeal the deferral decision, taking into account the principle of proportionality, in one of the following cases:

a the Member State fails to take the necessary actions to remedy the deficiencies as foreseen in the action plan;

b the progress of the remedial actions is not sufficient according to the progress indicators; or

c the outcome of the actions is not satisfactory.

8b The implementing decisions referred to in paragraphs 8 and 8a shall be adopted in accordance with the advisory procedure referred to in Article 116(2) of Regulation (EU) No 1306/2013.