Commission Implementing Regulation (EU) No 1227/2014 of 17 November 2014 fixing an adjustment rate for direct payments provided for in Council Regulation (EC) No 73/2009 in respect of calendar year 2014 and repealing Commission Implementing Regulation (EU) No 879/2014

COMMISSION IMPLEMENTING REGULATION (EU) No 1227/2014

of 17 November 2014

fixing an adjustment rate for direct payments provided for in Council Regulation (EC) No 73/2009 in respect of calendar year 2014 and repealing Commission Implementing Regulation (EU) No 879/2014

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 21 March 2014 the Commission adopted a proposal for a Regulation of the European Parliament and of the Council on fixing an adjustment rate for direct payments provided for in Council Regulation (EC) No 73/2009 in respect of calendar year 2014[(2)]. The European Parliament and the Council had not set that adjustment rate by 30 June 2014. Therefore, in accordance with Article 26(3) of Regulation (EU) No 1306/2013, the Commission has set the adjustment rate in Commission Implementing Regulation (EU) No 879/2014[(3)].

(2) The forecasts for the direct payments and market related expenditure included in Commission Amending Letter No 1 to the 2015 Draft Budget show the need to adapt the rate of financial discipline which was taken into account in the Draft Budget 2015. That Amending Letter has been established taking into account an amount of financial discipline of EUR 433 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) No 879/2014.

(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 under the financial year (N+1). However, Member States have the possibility to make late payments, within certain limits, to farmers beyond this payment period without any time limits. Such late payments may fall in a later financial year. When financial discipline is applied for a

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) No 1227/2014. (See end of Document for details)*

given calendar year, the adjustment rate should not be applied to payments for which aid applications have been submitted in the calendar years other than that 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 only applied 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] lays down that the adjustment rate applied to direct payments determined in accordance with Article 26 of Regulation (EU) No 1306/2013 applies 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 applies only to Bulgaria and Romania from 1 January 2016 and to Croatia from 1 January 2022. The adjustment rate to be determined by the present Regulation should therefore not apply to payments to farmers in those Member States.

(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 2014.

(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 calendar year 2014. For the sake of clarity, Implementing Regulation (EU) No 879/2014 should therefore be repealed,

HAS ADOPTED THIS REGULATION:

Article 1

1 For the purpose of applying the adjustment 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 the payments within the meaning of Article 2(d) of Council Regulation (EC) No 73/2009[5] to be granted to a farmer in excess of EUR 2 000 for an aid application submitted in respect of calendar year 2014 shall be reduced by 1,302214 %.

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

Article 2

Implementing Regulation (EU) No 879/2014 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 2014.

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