Commission Delegated Regulation (EU) No 906/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to public intervention expenditure

COMMISSION DELEGATED REGULATION (EU) No 906/2014

of 11 March 2014

supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to public intervention 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 20(2) and (3) thereof,

Whereas:

(1) In accordance with point (a) of Article 4(1) of Regulation (EU) No 1306/2013, intervention measures regulating agricultural markets are to be financed by the Union under the terms of the sectoral agricultural legislation. As regards public intervention measures, the amount to be financed by the Union is determined by the annual accounts drawn up by the paying agencies.

(2) Public intervention expenditure may vary substantially. It is therefore necessary to specify for each category of operation which expenditure is eligible for Union financing and, in particular, under what terms that expenditure can be covered. For this purpose, eligibility conditions and the methods for calculating eligible expenditure should be laid down. It should be further specified when such expenditure is to be booked on the basis of the elements actually recorded by the paying agencies or on the basis of standard amounts established by the Commission.

(3) To allow Member States whose currency is not the euro to consolidate their expenditure and costs in their national currency and in euro in a harmonised way, the terms under which public storage operations are recorded in their accounts and the exchange rate applicable should be specified.

(4) The valuation of public storage operations also depends on the type of operations and on the applicable sectoral agricultural legislation. A general rule should therefore be established providing that the value of the quantities bought in and sold is to be equal to the sum of the payments and receipts made or to be made for physical operations, together with specific rules and special cases to be taken into consideration.

Changes to legislation: *There are outstanding changes not yet made to Commission Delegated Regulation (EU) No 906/2014. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) The measures in this Regulation replace the relevant provisions laid down in Commission Regulation (EC) No 884/2006[(2)], which has been repealed by Commission Delegated Regulation (EU) No 907/2014[(3)],

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation lays down the conditions and rules applicable to the financing by the European Agricultural Guarantee Fund (EAGF) of expenditure on intervention measures related to public storage.

Article 2

Intervention measures in the form of public storage

Intervention measures in the form of public storage may comprise buying-in, storage, transport and transfer of stocks, and the sale and disposal by other means of agricultural products under the terms laid down by the applicable sectoral agricultural legislation and by this Regulation.

Article 3

Financing of intervention expenditure incurred in the context of public storage operations

1 In the context of the public storage operations referred to in Article 2, the EAGF shall finance the following expenditure under the heading of intervention, provided that the corresponding expenditure has not otherwise been fixed under the applicable sectoral agricultural legislation:

a the financing costs for funds mobilised by the Member States to buy in products, in accordance with the calculation methods set out in Annex I;

b expenditure on physical operations relating to buying-in, sale or other forms of transfer of products (entry, storage and removal of products under public storage schemes), as referred to in Annex II, based on uniform standard amounts for the Union, calculated in accordance with the methods set out in Annex III;

c expenditure on physical operations not necessarily connected with buying-in, sale or other forms of transfer of products, on the basis of standard amounts or non-standard amounts in accordance with the provisions laid down by the Commission under the sectoral agricultural legislation relating to the products concerned and Annex IV;

d expenditure resulting from transport inside or outside the territory of the Member State or from export, on the basis of standard amounts or non-standard amounts, to be approved in accordance with the procedure referred to in Article 229(2) of Regulation (EC) No 1308/2013 of the European Parliament and of the Council[(4)];

e depreciation of stored products, in accordance with the calculation methods set out in Annex V;

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f the differences (gains and losses) between the accounting value and the price of disposal of the products, or differences resulting from other factors.

2 In the case of Member States whose currency is not the euro, without prejudice to the specific rules and operative events provided for in the Annexes to this Regulation or in the agricultural legislation, expenditure as referred to in points (b) and (c) of paragraph 1 of this Article calculated on the basis of amounts fixed in euro and expenditure or revenue incurred in national currency under this Regulation shall be converted, as the case may be, into national currency or into euro on the basis of the last exchange rate established by the European Central Bank before the accounting year during which the operations are recorded in the accounts of the paying agency.

For the purposes of this Regulation, accounting year means the period referred to in point (a) of Article 3(3) of Delegated Regulation (EU) No 907/2014.

Article 4

Valuation of public storage operations

1 The value of the quantities bought in and sold shall be equal to the sum of the payments or receipts made or to be made for physical operations, except in the case of the specific provisions referred to in this Article and subject to:

a Annex VI, for missing quantities;

b Annex VII, for deteriorated or destroyed products;

c Annex VIII, for products which have entered storage but the taking-over of which has been refused.

2 The value of the quantities bought in shall be determined for the quantities of products entering storage, on the basis of the public intervention price, taking account of increases, premiums, reductions, percentages and coefficients applicable to the public intervention price at the time of purchase in accordance with the criteria laid down in the sectoral agricultural legislation.

However, in the cases and situations referred to in Annex VI and points 2(a) and (c) of Annex VII, increases, premiums, reductions, percentages and coefficients shall not be taken into consideration.

The value of products which have deteriorated or have been destroyed, either due to natural disasters or to too long a period of storage as referred to in point 2 of Annex VII to this Regulation, shall be determined by an implementing act of the Commission. That act shall be adopted in accordance with the examination procedure referred to in Article 229(2) of Regulation (EU) No 1308/2013.

3 Without prejudice to Annex V, the value of the products made available and financed under the Fund for European Aid to the Most Deprived shall be the public intervention price applicable on 1 October of each year. For the Member States whose currency is not the euro, the accounting value of intervention products shall be converted into national currency at the exchange rate applicable on 1 October of that year.

Where intervention products are transferred from one Member State to another, the supplier Member State shall record the product delivered as a zero entry in the accounts and the Member State of destination shall record it as a receipt in the month of dispatch, using the price calculated in accordance with the first subparagraph.

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4 The costs paid or charged when products are bought in for the physical operations referred to in point (c) of Article 3(1), in accordance with the Union rules, shall be entered in the accounts as expenditure or revenue relating to technical costs, separately from the buying-in price.

5 In the financial accounts referred to in point (a) of Article 3(3) of Delegated Regulation (EU) No 907/2014, quantities in storage at the end of the accounting year and to be carried forward to the next accounting year shall be valued at their average book value (carry-over value), as determined by the monthly account of the last month of the accounting year.

6 Quantities entering storage which are found not to meet the conditions for storage shall be entered in the accounts at the time of removal from storage as a sale at the price at which they were bought in.

However, if at the time of actual removal from storage the conditions are met for application of point (b) of Annex VI, the Commission shall be consulted in advance on the removal of the goods.

7 Where an account shows a positive balance, this shall be deducted from the expenditure for the current accounting year.

8 Where there is a change in the standard amounts, the time allowed for payment, interest rates or other calculation elements after the first day of a month, the new elements shall apply to physical operations with effect from the following month.

Article 5

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

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

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ANNEX I

CALCULATION OF RATES FOR THE REIMBURSEMENT OF FINANCING COSTS

(Article 3(1)(a))

I.APPLICABLE INTEREST RATES

1. For the purposes of calculating the financing costs to be borne by the EAGF for the funds mobilised by the Member State for buying in products, the Commission shall fix a uniform interest rate in accordance with Article 20(4) of Regulation (EU) No 1306/2013 throughout the Union at the beginning of every accounting year. The uniform interest rate shall correspond to the average of the 3-month and 12-month forward Euribor rates, recorded during a 6-month reference period which is to be determined by the Commission, with a weighting of one-third and two-thirds respectively.

2. In order to determine the interest rates applicable for a given accounting year, the Member States shall notify the Commission, at its request, of the average interest rate they actually bore during the reference period referred to in point 1 no later than the deadline referred to in that request. The notification shall be made using the form made available to the Member States by the Commission.

In the absence of any notification from a Member State, in the form and by the deadline referred to in the first subparagraph, the interest rate borne by that Member State shall be considered to be 0 %.

In the situation where a Member State declares that it did not bear any interest costs because it did not have agricultural products in public storage during the reference period, the Commission shall fix that rate on the basis of the average reference interest rates during the reference period referred to in the first paragraph of this point plus one percentage point. These reference interest rates shall be:

(a) For Member States whose currency is the euro, the Euro interbank borrowing offered rate three months (EURIBOR);

(b) For Member States whose currency is not the euro, the interbank borrowing offered rate three months applicable in each Member State (IBOR).

If the reference interests rates or the Euribor rates **[**[X1]referred to in point 1**]** are not all available for the entire reference period, the available rates for that period shall be used.

Editorial Information

X1 Substituted by Corrigendum to Commission Delegated Regulation (EU) No 906/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to public intervention expenditure (Official Journal of the European Union L 255 of 28 August 2014).

3. For each Member State concerned, the interest rate determined on the basis of **[**[X1]the provisions of point 2**]** shall be compared with the uniform interest rate fixed on the basis of **[**[X1]the provisions of point 1.**]**The interest applicable to each Member State shall be the lower of these two interest rates.

The interest rates fixed in the Commission Implementing Regulation adopted on the basis of Article 20(4) of Regulation (EU) No 1306/2013 for each accounting year shall be rounded to 1 decimal.