Commission Delegated Regulation (EU) No 502/2014 of 11 March 2014 supplementing Council Regulation (EC) No 73/2009 and Regulation (EU) No 1307/2013 of the European Parliament and of the Council as regards the basis of calculation for reductions to be applied to farmers by Member States due to the linear reduction of payments in 2014 and financial discipline for calendar year 2014

COMMISSION DELEGATED REGULATION (EU) No 502/2014

of 11 March 2014

supplementing Council Regulation (EC) No 73/2009 and Regulation (EU) No 1307/2013 of the European Parliament and of the Council as regards the basis of calculation for reductions to be applied to farmers by Member States due to the linear reduction of payments in 2014 and financial discipline for calendar year 2014

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003[(1)], and in particular Article 140a thereof,

Having regard to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009[(2)], and in particular Article 8(3) thereof

Whereas:

(1) Article 40(3) of Regulation (EC) No 73/2009, as amended by point (2) of Article 6 of Regulation (EU) No 1310/2013 of the European Parliament and of the Council[(3)], provides for a linear reduction of direct payments in respect of 2014. Article 8 of Regulation (EU) No 1307/2013 provides for an adjustment of direct payments for reasons of financial discipline. Provision should be made to ensure an optimal application of those reductions in 2014.

(2) In the interest of transparency and predictability, it is appropriate that the method of calculation of both reductions in the process of calculating the amount of the payments to be made to farmers in respect of 2014 corresponds to the method for calculating the linear reduction of direct payments due to the application of Article 8(1) of Regulation (EC) No 73/2009 and the reduction due to financial discipline under Article 11 of that Regulation as provided for in Article 79(1) of Commission Regulation (EC) No 1122/2009[(4)] and under Commission Delegated Regulation (EU) No 635/2013[(5)].

(3) Article 29(5) of Regulation (EC) No 73/2009, as amended by point (1) of Article 6 of Regulation (EU) No 1310/2013, provides for the possibility for Member States

to pay, from 16 October 2014, advances to farmers in respect of applications made in 2014. To ensure consistency with the rules applicable in 2013 in accordance with Commission Implementing Regulation (EU) No 946/2013[6] providing that advances may be paid without taking into account the adjustment due to financial discipline under Article 11 of Regulation (EC) No 73/2009, it is appropriate to foresee that, also in 2014, advances may be paid without taking into account the reductions due to financial discipline provided for in Article 26 of Regulation (EU) No 1306/2013[7] and Article 8 of Regulation (EU) No 1307/2013. The balance payment as from 1 December 2014 should take into account the adjustment rate of financial discipline applicable at that time.

(4) Since this Regulation applies to aid applications in respect of 2014, it should enter into force on the day following that of its publication,

HAS ADOPTED THIS REGULATION:

Article 1

Reductions due to the linear reduction of direct payments in 2014 provided for in Article 40(3) of Regulation (EC) No 73/2009 as well as reductions due to financial discipline provided for in Article 8 of Regulation (EU) No 1307/2013 for calendar year 2014 shall be applied to the sum of the payments from the different support schemes listed in Annex I to Regulation (EC) No 73/2009 to which each farmer is entitled to after the application of Article 78 of Regulation (EC) No 1122/2009.

Those reductions shall be applied before the reductions provided for in Article 79(2) of Regulation (EC) No 1122/2009 are applied.

Article 2

Advances referred to in Article 29(5) of Regulation (EC) No 73/2009 may be paid without taking into account the reductions due to financial discipline provided for in Article 26 of Regulation (EU) No 1306/2013 and Article 8 of Regulation (EU) No 1307/2013. The balance payment to be granted to beneficiaries as from 1 December 2014 shall take into account the adjustment rate of financial discipline applicable at that time for the total amount of direct payments in respect of calendar year 2014.

Article 3

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

It shall apply to aid applications lodged in respect of 2014.

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