# Commission Regulation (EC) No 551/2007 of 22 May 2007 amending and correcting Regulation (EC) No 952/2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards the management of the Community market in sugar and the quota system

## COMMISSION REGULATION (EC) No 551/2007

## of 22 May 2007

## amending and correcting Regulation (EC) No 952/2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards the management of the Community market in sugar and the quota system

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector[(1)], and in particular Article 40(1)(a), (b) and (d) thereof,

Whereas:

(1) Article 6(3) of Commission Regulation (EC) No 952/2006[(2)] defines the production of undertakings for the purposes of the common organisation of the markets in the sugar sector, in the particular case where one undertaking outsources production to another. This is deemed to be the production of the principal under certain conditions, including where the total sugar production of the processor and the principal is more than the sum of their quotas. This provision needs to be adapted in the light of Article 3 of Commission Regulation (EC) No 493/2006 of 27 March 2006 laying down transitional measures within the framework of the reform of the common organisation of the markets in the sugar sector, and amending Commission Regulations (EC) No 1265/2001 and (EC) No 314/2002[(3)], which provides for a preventive withdrawal, applicable to the share of the production under quota which exceeds the threshold established in accordance with paragraph 2 of that Article. The aim of that measure is to create an incentive for sugar undertakings to reduce voluntarily their production in the marketing year 2006/07. It is also necessary to modify the definition of production in Article 6(3)(b) of Regulation (EC) No 952/2006 so that it does not discourage producers from reducing production. The definition of production for the marketing year 2006/07 should therefore concern the sum of the preventive withdrawal thresholds instead of the sum of quotas.

(2) Article 13(1) of Regulation (EC) No 952/2006 lays down that the obligation of undertakings to establish monthly prices concern quota sugar and non-quota sugar respectively. However, this distinction is not relevant for refiners, since their activity, which consists of refining imported sugar, is not dependent on the allocation of quotas. The fact that the distinction between quota and non-quota sugar does not apply to them needs to be explicitly indicated, so as to avoid confusion.

**Changes to legislation:** *There are currently no known outstanding effects for the Commission Regulation (EC) No 551/2007. (See end of Document for details)*

(3) For sugar for industrial uses, the price reporting system established in accordance with Article 4 of Regulation (EC) No 318/2006 should focus on transactions of a minimum volume, since there is little interest in establishing a price indicator with regard to transactions where the quantities are insignificant. It is therefore appropriate to fix a minimum threshold for the application of the requirement to establish and communicate to the Commission the monthly average of purchase prices.

(4) The application of the transitional provisions on transmission of price data to the Commission laid down in Article 15 of Regulation (EC) No 952/2006 needs to be extended until the first quarter of 2008 to allow for the drawing up of a report on the operation of the system followed by the implementation of a computerised system.

(5) The one-off amounts to be paid for additional sugar quotas and for supplementary isoglucose quotas pursuant to Articles 8(3) and 9(3) of Regulation (EC) No 318/2006 are part of the Communities' own resources pursuant to Article 2(1)(a) of Council Decision 2000/597/EC, Euratom of 29 September 2000 on the system of the European Communities' own resources[(4)]. The date of notification of these amounts to the debtor should be fixed, in order to determine the date of establishment of the Community's entitlement in accordance with the second subparagraph of Article 2(2) of Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000 implementing Decision 94/728/EC, Euratom on the system of the Communities' own resources[(5)].

(6) Pursuant to Article 16 of Regulation (EC) No 318/2006, a production charge shall be levied each marketing year from 2007/08 on the quota allocated for the marketing year concerned. The production charge is part of the Communities' own resources pursuant to Article 2(1)(a) of Council Decision 2000/597/EC, Euratom. The date of notification of these amounts to the debtor should be fixed in order to determine the date of establishment of the Community's entitlement in accordance with the second subparagraph of Article 2(2) of Regulation (EC, Euratom) No 1150/2000.

(7) It is necessary to correct Article 21(1) of Regulation (EC) No 952/2006, which erroneously refers to Article 2(1) of that Regulation where it should instead be referred to Article 3(1).

(8) Regulation (EC) No 952/2006 should therefore be amended accordingly.

(9) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EC) No 952/2006 is amended as follows:

1. in the first subparagraph of Article 6(3), point (b) is replaced by the following:

   (b) the total sugar production of the processor and of the principal is more than the sum of their quotas or, for the marketing year 2006/07, the sum of the thresholds fixed for them in accordance with Article 3(2) of Commission Regulation (EC) No 493/2006[(6)].;

2. Article 13 is amended as follows:

(a) in paragraph 1, the following subparagraph is added:

The distinction between quota sugar and non-quota sugar does not apply for refiners.;

(b) the following paragraph 3 is added:

3. The provisions laid down in paragraphs 1 and 2 shall not apply to processors whose purchase of sugar does not exceed 2 000 tonnes per calendar year.;

3. in Article 15, the first paragraph is replaced by the following:

Not later than 20 October 2006, 20 January 2007, 20 April 2007, 20 July 2007, 20 October 2007, 20 January 2008 and 20 April 2008, undertakings approved in accordance with Articles 7 and 8 of this Regulation and processors approved in accordance with Article 17(1) of Regulation (EC) No 318/2006 shall communicate to the Commission the prices established in accordance with Article 13(1) of this Regulation during the previous three months.

4. the title of Chapter V is replaced by the following:

CHAPTER V

**QUOTAS AND PRODUCTION CHARGE;**

5. in Article 18, the following paragraph 3 is added:

3. Member States shall communicate to the Commission the deadline for the payment of the one-off amount referred to in Article 8(4) of Regulation (EC) No 318/2006 within 10 working days of their decision on that deadline.

Member States shall notify to each sugar undertaking concerned the amount due at least one month before the deadline referred to in the first subparagraph and on 31 January 2008 at the latest.;

6. in Article 19, the following paragraph 3 is added:

3. Member States shall communicate to the Commission the deadline referred to in paragraph 2 within 10 working days of their decision on that deadline.

Member States shall notify to each isoglucose undertaking concerned the amounts due at least one month before the deadline referred to in paragraph 2 and on 30 November of the marketing year from which the quota is allocated at the latest.;

7. the following Article 20a is inserted:

*Article 20a*

**Production charge**

From the marketing year 2007/08, Member States shall, on 31 January each year at the latest, notify to each approved sugar and isoglucose producer the production charge to be paid for the current marketing year.;