Commission Regulation (EC) No 1542/2006 of 13 October 2006 amending Regulation (EC) No 493/2006 laying down transitional measures within the framework of the reform of the common organisation of the markets in the sugar sector

COMMISSION REGULATION (EC) No 1542/2006

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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 44 thereof,

Whereas:

(1) In order to improve the market balance in the Community without creating new stocks of sugar in the 2006/07 marketing year, 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 Regulations (EC) No 1265/2001 and (EC) No 314/2002[(2)] provides for a preventive withdrawal to reduce eligible production under quota in respect of that marketing year. Thus, above a certain threshold, production under quota of each undertaking is considered withdrawn or, at the request of the undertaking, as produced in excess of the quota. The thresholds are to be calculated on the basis of the quotas set out in Annex III to Regulation (EC) No 318/2006, as fixed when it was adopted. Article 10 of the abovementioned Regulation requires the Commission to adjust the quotas set out in Annex III by 30 September 2006 at the latest. The result of such adjustment will be to change the quotas and reduce eligible production under quota. In order to limit the effect to that intended by preventive withdrawal and to avoid any ambiguity when applying this measure, the reference to the quotas set out in Annex III to Regulation (EC) No 318/2006 should be replaced by a reference to the quotas annexed to Regulation (EC) No 493/2006.

(2) The transitional aid granted to sugar produced in the French overseas departments under Article 4 of Regulation (EC) No 493/2006 is to be subject to Commission Regulation (EC) No 1554/2001 of 30 July 2001 laying down detailed rules for the application of Council Regulation (EC) No 1260/2001 as regards marketing sugar produced in the French overseas departments and equalising the price conditions with preferential raw sugar[(3)]. However, the detailed rules laid down in Article 2 of Regulation (EC) No 1554/2001 to establish the flat-rate amount to cover the sea transport costs will, as from 1 July 2006, no longer be applicable following the decision of the United Terminal

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 1542/2006. (See end of Document for details)*

Sugar Market Association of London to cease setting the London Daily Price. A flat-rate amount should therefore be set based on the April to June 2006 average value, to be applied during the period of application of the aid provided for in Article 4 of Regulation (EC) No 493/2006.

(3) The transitional quotas allocated in accordance with Article 9 of Regulation (EC) No 493/2006 for the 2006/07 marketing year may be used only if the undertaking concerned has been able to change in time investment decisions already taken; certain undertakings have not been able to do so. The Member States should therefore be allowed to reallocate to the undertakings concerned the remainder of the transitional quotas as transitional quotas for the 2007/08 marketing year.

(4) Annex V to Regulation (EC) No 318/2006 sets out the conditions for the allocation by the Member States of quotas to undertakings resulting from a merger or transfer. Depending on the date of such merger or transfer, the measures will take effect either in respect of the current marketing year or the following marketing year. Where merger or transfer takes place between 1 July and 30 September 2006, provision should be made to allow measures to take effect, at the request of the undertakings concerned, in respect of the 2006/07 marketing year rather than the following marketing year, as provided for in Point V of the abovementioned Annex, in order to take account of the fact that the 2006/07 marketing year commences on 1 July rather than on 1 October, like the subsequent marketing years.

(5) Regulation (EC) No 493/2006 should therefore be amended accordingly.

(6) 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 493/2006 is hereby amended as follows:

1. In Article 3, paragraph 1 and 2 are replaced by the following:

1. For each undertaking, the share of the production of sugar, isoglucose or inulin syrup in the 2006/07 marketing year which is produced under the quota allocated in accordance with the quotas laid down in Annex IV and which exceeds the threshold established in accordance with paragraph 2 of this Article shall be considered withdrawn within the meaning of Article 19 of Regulation (EC) No 318/2006 or, at the request of the undertaking concerned submitted before 31 January 2007, shall be considered fully or partially to be produced in excess of the quota within the meaning of Article 12 of that Regulation.

2 For each undertaking, the threshold mentioned in paragraph 1 shall be calculated by multiplying its quota mentioned in paragraph 1 by the sum of the following coefficients:

a the coefficient laid down for the Member State in Annex I;

b the coefficient obtained by dividing the sum of the quotas renounced in the 2006/07 marketing year in the Member State concerned under Article 3 of Regulation (EC) No 320/2006 by the quota fixed for that Member State in

Annex IV to this Regulation. The Commission shall fix this coefficient not later than 15 October 2006.

However, where the sum of the coefficients exceeds 1,0000, the threshold shall be equal to the quota referred to in paragraph 1.;

2. The following subparagraph shall be added to Article 4(2):

The flat-rate amount mentioned in Article 2(1)(b) of Regulation (EC) No 1554/2001 is hereby fixed for the period from 1 July to 30 October 2006 at EUR 34,19 per tonne.;

3. The following subparagraph is added to Article 9(1):

Where, for a given undertaking, the transitional quotas allocated in accordance with this paragraph exceed production in respect of the 2006/07 marketing year, the Member State may allocate to such an undertaking the remainder of those quotas for the 2007/08 marketing year.;

4. The following Article 10a is added to the end of Chapter I:

Article 10a

Merger or transfer of undertakings

By way of derogation from Point V of Annex V to Regulation (EC) No 318/2006, where merger or transfer occurs between 1 July and 30 September 2006, the measures mentioned in Points II and III of that that annex shall, at the request of the undertakings concerned, take effect for the 2006/07 marketing year.;

5. The Annex to this Regulation is added as Annex IV.

Article 2

This Regulation shall enter into force on the third day following 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.

Done at Brussels, 13 October 2006.

For the Commission

Mariann FISCHER BOEL

Member of the Commission