Commission Regulation (EC) No 1460/2006 of 2 October 2006 derogating from Regulation (EC) No 1227/2000 as regards transitional arrangement concerning the final allocations for the restructuring and conversion of vineyards

COMMISSION REGULATION (EC) No 1460/2006

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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 1493/1999 of 17 May 1999 on the common organisation of the market in wine[(1)], and in particular Article 15 thereof,

Whereas:

(1) Articles 16 and 17 of Commission Regulation (EC) No 1227/2000 of 31 May 2000 laying down detailed rules for the application of Council Regulation (EC) No 1493/1999 on the common organisation of the market in wine, as regards production potential[(2)] lay down the rules on financing the restructuring and conversion scheme.

(2) According to Article 16(1)(b) of Regulation (EC) No 1227/2000, Member States forward to the Commission, not later than 10 July each year in respect of the restructuring and conversion system, a statement of expenditure validated at 30 June of the current financial year and the total area concerned.

(3) Article 17(2) of Regulation (EC) No 1227/2000 provides for that Member States make the statement referred to in Article 16(1)(b) only if the amount which they have declared in accordance with Article 16(1)(a), is at least equal to 75 % of the amount of the initial allocation of the given Member State. The absence of the statement referred to in Article 16(1)(b) leads, in turn, to the ineligibility of the validated expenditure for support under the restructuring and conversion scheme.

(4) Some Member States for which the 2005/2006 wine year is the second year of application of the restructuring and conversion scheme were unable to pay out 75 % of their initial allocation, though they validated a certain part of it. The difficulties were related to the lack of familiarity with the conditions of the scheme. Application of Article 17 of Regulation (EC) No 1227/2000 would result in excessive reductions in the appropriations available to those Member States for restructuring and conversion in this financial year.

(5) Therefore, on a transitional basis, for the 2005/2006 wine year, these excessive reductions are to be avoided, by way of derogation from Regulation (EC) No 1227/2000, by allowing the Member States for which the 2005/2006 wine year is the second year of application of the restructuring and conversion scheme to pay out, by the end of

the current financial year, the totality of their appropriations in respect of which the corresponding expenditure was incurred or validated on 30 June 2006.

(6) A similar solution was applied in 2002 when the vineyard restructuring and conversion scheme was in the second year of application for the old Member States and some of them had problems of the same nature now encountered by some of the Member States for in which the scheme is applied for the second year.

(7) As this Regulation must apply from 1 July 2006, it should enter into force on the day of its publication in the *Official Journal of the European Union*.

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

HAS ADOPTED THIS REGULATION:

Article 1

By way of derogation from Article 17(2) of Regulation (EC) No 1227/2000 and as the 2006 financial year concerns, no conditions apply to the statement referred to in Article 16(1)(b) of that Regulation in the case of Member States for which the 2005/2006 wine year is the second year of application of the restructuring and conversion scheme. They may pay out, not later than 15 October 2006, the sum of the expenditure they reported to the Commission under Article 16(1)(a) and (b) of this Regulation.

Article 2

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

It shall apply from 1 July 2006.

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

Done at Brussels, 2 October 2006.

For the Commission

Mariann FISCHER BOEL

Member of the Commission