Commission Regulation (EC) No 769/2006 of 19 May 2006 suspending the lodging of applications for export licences for C sugar from 23 May 2006 and amending Regulation (EC) No 493/2006 as regards the transitional measures applicable to C sugar

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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) The Agreement on Agriculture concluded under the Uruguay Round of multilateral trade negotiations[(2)] in accordance with Article 300 of the Treaty contains limits on the quantity and value of exports subsidised by the Community. As a result of the conclusions of the World Trade Organisation's (WTO) Appellate Body of 19 May 2005, exports of C sugar must be taken into account in those limits. The Community has been granted a period ending on 22 May 2006 to comply with its WTO obligations.

(2) Article 13(1) of Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector[(3)] provides in particular for an obligation to export C sugar not carried forward. Regulation (EC) No 318/2006, which applies from 1 July 2006, no longer includes such an obligation for non-quota sugar produced in respect of the 2006/07 marketing year. Article 44 of that Regulation provides for the possibility of adopting transitional measures to facilitate the transition from the market situation in the 2005/06 marketing year to the market situation in the 2006/07 marketing year, and the derogations required to ensure compliance by the Community with its international obligations with regard to C sugar produced in respect of the 2005/06 marketing year.

(3) In accordance with Article 44 of Regulation (EC) No 318/2006, Article 2(1) 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[(4)], from 1 July 2006 C sugar produced in respect of the 2005/06 marketing year which cannot be carried forward or exported is to be considered non-quota sugar as referred to in Regulation (EC) No 318/2006, produced in respect of the 2006/07 marketing year.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 769/2006. (See end of Document for details)*

(4) Article 27(14) of Council Regulation (EC) No 1260/2001 provides that compliance with the restrictions on volume resulting from agreements concluded under Article 300 of the Treaty is to be ensured by means of export licences issued for the reference periods provided for in such agreements.

(5) As a result, taking into account the obligations of the European Community under the WTO agreements, a derogation from the obligation to export C sugar should be laid down by suspending the lodging of applications for export licences for C sugar from 23 May 2006, and the transitional arrangements provided for in Article 2 of Regulation (EC) No 493/2006 should be applied to C sugar not exported under an export licence issued before 23 May 2006.

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

(7) 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

The lodging of applications for export licences for C sugar in accordance with Commission Regulation (EC) No 1464/95[(5)] is hereby suspended from 23 May 2006. Applications for export licences submitted during the period of suspension shall be inadmissible.

Export licences for C sugar issued but not used by 22 May 2006 may be returned to the issuing body during their period of validity. In such cases, notwithstanding Article 35 of Commission Regulation (EC) No 1291/2000[(6)], the security shall be released immediately.

Article 2

Regulation (EC) No 493/2006 is hereby amended as follows:

1. Article 2(1) is replaced by the following:

1. Without prejudice to decisions to carry forward taken in accordance with Article 1 of this Regulation, C sugar from the 2005/06 marketing year not exported under an export licence issued before 23 May 2006 shall be considered, from that date, to be non-quota sugar, as referred to in Article 12 of Regulation (EC) No 318/2006, produced in respect of the 2006/07 marketing year.;

2. the following sentence is added to the second paragraph of Article 13:

‘Article 2 shall apply from 23 May 2006.’

Article 3

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

It shall apply from 23 May 2006.

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