Commission Regulation (EC) No 659/2006 of 27 April 2006 amending Regulation (EC) No 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers

COMMISSION REGULATION (EC) No 659/2006

of 27 April 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 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) No 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001[(1)], and in particular of Article 145 (c), (da), (k), (l), (m) and (p) thereof,

Whereas:

(1) Following the introduction of the support scheme for sugar into the single payment scheme, Commission Regulation (EC) No 796/2004[(2)] needs to be amended in several respects, in particular with regard to the application procedure and the control measures to be carried out with regard to that aid scheme. Moreover, the provisions of that Regulation need to be clarified with regard to certain aspects.

(2) The application of certain provisions of the detailed rules of the integrated system set out in Regulation (EC) No 796/2004 to the schemes established in Article 143b and Article 143c of Regulation (EC) No 1782/2003 is provided for in Articles 136 and 140(1) respectively of Commission Regulation (EC) No 1973/2004 of 29 October 2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and the use of land set aside for the production of raw materials[(3)]. Regulation (EC) No 796/2004 should be clarified to that extent.

(3) A number of references to other Regulations are obsolete and should be updated with the relevant reference.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 659/2006. (See end of Document for details)*

(4) Any specific information relating to the production of sugar should be requested as part of the single application.

(5) In accordance with Article 14(2) of Regulation (EC) No 796/2004 the Member States may derogate from certain provisions concerning the single application during the first year of application of the single payment scheme or when a new element is introduced to the single application scheme. That derogation should also include the possibility to change the use or aid scheme in respect of individual parcels.

(6) The integration of the sugar reference amounts into the single payment scheme following the reform in the sugar sector, as provided for by Council Regulation (EC) No 319/2006 of 20 February 2006 amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers[(4)], requires flexibility concerning possible additions and amendments to the single application in the case where a Member State applies Article 48c(8) of Commission Regulation (EC) No 795/2004 of 21 April 2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers[(5)] during the year 2006. Such additions and amendments should therefore be allowed until 15 June 2006. However, the dates for the submission of the single application as provided for in Article 11 of Regulation (EC) No 796/2004 should be maintained in order to allow the Member States to organise their respective control programmes in due time.

(7) Chapter 10e of Regulation (EC) No 1782/2003 provides for a transitional sugar payment in the Member States applying Article 71 of that Regulation. Article 143ba of that Regulation provides for a separate sugar payment in Member States applying the single area payment scheme provided for in Article 143b of that Regulation. Both the transitional sugar payment and the separate sugar payment are, due to their nature, not related to agricultural area, which is why the provisions concerning the single application pursuant to Regulation (EC) No 796/2004 do not apply to these payment schemes. Provision should therefore be made for an appropriate application procedure.

(8) In the case where new sectors are being included in the single payment scheme, it should be provided for that the rules in Article 21a of Regulation (EC) No 796/2004 concerning late submissions of applications to the single payment scheme should also apply in the case of applications of farmers concerning such new sectors.

(9) The cross-checks to be carried out on the single application should be extended to certain particular checks with regard to various conditions concerning the information provided by the sugar manufacturers.

(10) Given the particularities of the aid scheme for sugar provided for in Chapters 10f of Title IV of Regulation (EC) No 1782/2003, special control provisions should be established.

(11) In the case where the competent authority increases the number of on-the-spot checks, it should also be possible to increase the percentage of farmers randomly selected for those checks.

(12) In the case where a farmer declared more area than payment entitlements, Article 50(2) of Regulation (EC) No 796/2004 provides that the basis for the calculation for the aid is the amount of hectares accompanied by payment entitlements. In cases where the area declared fulfils all other eligibility requirements, there is no need for the application of reductions or exclusions in accordance with Articles 51 or 53 of that Regulation. These provisions should therefore be clarified to that extent.

(13) The rules concerning reductions to be applied by way of off-setting against payments the following three years are only possible, in the case of livestock payments, within the same aid scheme as where the irregularity has occurred. This is contrary to the area-related schemes where the off-set can be made to any payment covered by Titles III and IV of Regulation (EC) No 1782/2003. The rules for the different aid schemes should be harmonised.

(14) Transitional rules concerning cases where reductions to be applied by way of off-setting against payments the following three years do only cover decisions taken concerning applications for the year 2004. Given that the livestock payments, after the introduction of the single payment scheme, are incorporated in that scheme, an off-set should be possible against that aid scheme.

(15) The introduction of new aid schemes into the single payment scheme requires an updating of the references to the budgetary ceilings referred to in Article 71a of Regulation (EC) No 796/2004.

(16) When the single payment scheme and the single application were introduced, the latest date for area-based payments and animal-based payments was harmonised. Therefore it is appropriate to also harmonise the latest date for the Member States to communicate information concerning those payments.

(17) Regulation (EC) No 796/2004 should therefore be amended accordingly.

(18) The amendments provided for in this Reglulation concern aid applications relating to years or premium periods starting as of 1 January 2006. This Regulation should therefore apply as of 1 January 2006.

(19) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Direct Payments,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 796/2004 is amended as follows:

1. Article 2 is amended as follows:

   (a) point 12 is replaced by the following:

   12. "Area-related aid schemes": shall mean the single payment scheme, the hops payment to recognised producer groups referred to in the second paragraph of Article 68a of Regulation (EC) No 1782/2003 and all aid schemes established under Titles IV and IVa of Regulation (EC) No 1782/2003, except those established under

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Chapters 7, 10e, 11 and 12 of that Title IV and except the separate sugar payment established in Article 143b(a) of that Regulation;

(b) point 20 is replaced by the following:

20. "Retention period": shall mean the period during which an animal for which aid has been claimed has to be kept on the holding, as provided for in the following provisions:

(a) Articles 90 and 94 of Regulation (EC) No 1973/2004, in relation to the special premium for male bovines;

(b) Article 101 of Regulation (EC) No 1973/2004, in relation to the suckler cow premium;

(c) Article 123 of Regulation (EC) No 1973/2004, in relation to the slaughter premium;

(d) Article 70(3) of Regulation (EC) No 1973/2004, in relation to aid paid for ovines and caprines;.

2. Article 13 is amended as follows:

(a) paragraph 6 is replaced by the following:

6. In the case of an application for energy crops provided for in Chapter 5 of Title IV of Regulation (EC) No 1782/2003, the single application shall contain a copy of the contract the applicant has concluded with a collector or a first processor pursuant to Article 26 of Regulation (EC) No 1973/2004.;

(b) the following paragraph is added:

13. In the case of an application for the aid to sugar beet and cane producers provided for in Chapter 10f of Title IV of Regulation (EC) No 1782/2003, the single application shall contain a copy of the delivery contract referred to in Article 110r of that Regulation.;

3. Article 14 is amended as follows:

(a) in paragraph 1, the third subparagraph is replaced by the following:

Uses of area neither for the purposes of the aid schemes provided for in Titles III, IV and IVa of Regulation (EC) No 1782/2003 nor listed in Annex V to that Regulation shall be declared under one or more "other uses" headings.;

(b) in paragraph 2, the second subparagraph replaced by the following:

Member States may, under the same conditions, also allow changes regarding the use or aid scheme in respect of individual agricultural parcels already declared in the single application.

The derogations provided for in the first and second subparagraphs shall also apply with regard to the first year when new sectors are introduced into the single payment scheme and the payment entitlements are not yet definitively established for the farmers concerned by this introduction.;

4. Article 15 is amended as follows:

***Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EC) No 659/2006. (See end of Document for details)*

(a) in paragraph 1, the second and third subparagraphs are replaced by the following:

> Changes regarding the use or aid scheme in respect of individual agricultural parcels or in respect of payment entitlements already declared in the single application may be made under the same conditions.
>
> In respect of the year 2006, the application for the aid for sugar beet and cane producers provided for in Chapter 10f of Title IV of Regulation (EC) No 1782/2003 may be added to the single application under the conditions referred to in the first subparagraph of this paragraph.
>
> Where the amendments referred to in the first, second and third subparagraphs have a bearing on any supporting documents or contracts to be submitted, the related amendments to such documents or contracts shall also be allowed.;

(b) in paragraph 2, the following subparagraph is added:

> However, in respect of the year 2006, the amendments made in accordance with paragraph 1 of this Article shall be notified to the competent authority by 15 June at the latest in those Member States which apply Article 48c(8) of Regulation (EC) No 795/2004.;

5. in Article 16(1), point (f) is replaced by the following:

(f) where applicable, the individual milk reference quantity available to the farmer on 31 March or, if the Member State concerned decides to make use of the derogation provided for in Article 130 of Regulation (EC) No 1973/2004, on 1 April of the calendar year concerned; where this quantity is unknown on the date on which the application is submitted, it shall be notified to the competent authority at the earliest opportunity;

6. the following Chapter is inserted after Article 17:

CHAPTER IIIA

SUGAR PAYMENT AND SEPARATE SUGAR PAYMENT

Article 17a

Requirements pertaining to aid applications for the sugar payment and the separate sugar payment

1 Farmers applying for the sugar payment provided for in Chapter 10e of Regulation (EC) No 1782/2003 and farmers applying for the separate sugar payment provided for in Article 143ba of that Regulation shall submit an aid application containing all information necessary to establish eligibility for the aid, and in particular:

a the identity of the farmer;

b a statement by the farmer that he is aware of the conditions pertaining to the aid in question.