COMMISSION REGULATION (EC) No 786/2003

of 8 May 2003

adjusting certain compensatory agrimonetary aids granted in the United Kingdom

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro [1], and in particular Articles 4 and 5 thereof,

Whereas:

(1) The maximum amounts of the compensatory aid resulting from the exchange rates for the pound sterling applicable on 31 December 2000 and 1 January 2001 are fixed by Commission Regulation (EC) No 653/2001 [2].

(2) The maximum amount of the compensatory aid for the appreciable revaluation of the pound sterling in 2000 is fixed by Commission Regulation (EC) No 654/2001 [3].

(3) As regards compensatory aid resulting from the exchange rates applicable for certain direct aid and structural or environmental measures, Article 5(3) of Regulation (EC) No 2799/98 lays down that the amounts paid out under the second and third tranches of aid are each to be reduced, vis-à-vis the level of the previous tranche, by at least a third of the amount paid out in the first tranche, and Article 5(4) of that Regulation lays down that the maximum amount of the compensatory aid must be reduced or cancelled as a function of the effect on income of the development of the exchange rates recorded on the first day of the second and third tranches.

(4) Examination of the exchange rate for the pound sterling fixed by Commission Regulation (EC) No 445/2003 of 11 March 2003 fixing the exchange rates applicable to certain direct aids and structural or environmental measures in 2003 [4] indicates a depreciation of that currency.

(5) For the United Kingdom, therefore, the third tranche of the compensatory aid whose operative events fall on 31 December 2000 and 1 January 2001 should be cancelled.

(6) As regards compensatory aid for appreciable revaluations of national currencies, Article 4(5) of Regulation (EC) No 2799/98 lays down that the amounts paid out under the second and third tranches are each to be reduced, vis-à-vis the level of the previous tranche, by at least a third of the amount paid out in the first tranche, and that the amounts paid out under the second and third tranches are to be reduced or cancelled as a function of the effect on incomes of the development of exchange rates recorded until the beginning of the month preceding the first month of the relevant tranche, and taking account of the market situation observed over the same period.

(7) Examination of the average exchange rates fixed for the pound sterling between 1 March 2002 and 31 January 2003 indicates a depreciation of that currency during that period.

(8) Payment of the third tranche of compensatory aid for the United Kingdom for the appreciable re-evaluation of the pound sterling in 2000 should therefore be cancelled.

(9) The measures provided for in this Regulation are in accordance with the opinions of the Management Committees concerned,

HAS ADOPTED THIS REGULATION:

Article 1

The maximum amounts of the third tranche of compensatory aid for the United Kingdom provided for by Regulation (EC) No 653/2001 relating to aid whose operative events fall on 31 December 2000 or 1 January 2001 shall be cancelled.

Article 2

The maximum amount of the third tranche of compensatory aid for the United Kingdom provided for in Article 1 of Regulation (EC) No 654/2001 for the appreciable re-evaluation of the pound sterling in 2000 shall be cancelled.

Article 3

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

[1] OJ L 349, 24.12.1998, p. 1.
[2] OJ L 91, 31.3.2001, p. 62.
[3] OJ L 91, 31.3.2001, p. 64.
[4] OJ L 67, 12.3.2003, p. 6.