Commission Implementing Decision (EU) 2018/1841 of 16 November 2018 excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD) (notified under document C(2018) 7424) (Only the Croatian, Czech, Dutch, English, French, German, Greek, Hungarian, Italian, Polish, Portuguese, Romanian, Slovak, Spanish and Swedish texts are authentic)

COMMISSION IMPLEMENTING DECISION (EU) 2018/1841

of 16 November 2018

excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD)

(notified under document C(2018) 7424)

(Only the Croatian, Czech, Dutch, English, French, German, Greek, Hungarian, Italian, Polish, Portuguese, Romanian, Slovak, Spanish and Swedish texts are authentic)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008[(1)], and in particular Article 52 thereof,

After consulting the Committee on the Agricultural Funds,

Whereas:

(1) In accordance with Article 31 of Council Regulation (EC) No 1290/2005[(2)] and as from 1 January 2015 in accordance with Article 52 of Regulation (EU) No 1306/2013 the Commission is to carry out the necessary verifications, communicate to the Member States the results of those verifications, take note of the comments of the Member States, initiate a bilateral discussion so that an agreement may be reached with the Member States in question, and formally communicate its conclusions to them.

(2) The Member States have had an opportunity to request the launch of a conciliation procedure. That opportunity has been used in some cases and the reports issued on the outcome have been examined by the Commission.

(3) In accordance with Regulation (EU) No 1306/2013, only agricultural expenditure which has been incurred in a way that has not infringed Union law may be financed.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2018/1841. (See end of Document for details)*

(4) In the light of the verifications carried out, the outcome of the bilateral discussions and the conciliation procedures, part of the expenditure declared by the Member States does not fulfil this requirement and cannot, therefore, be financed under the EAGF and the EAFRD.

(5) The amounts that are not recognised as being chargeable to the EAGF and the EAFRD should be indicated. Those amounts do not relate to expenditure incurred more than 24 months before the Commission's written notification of the results of the verifications to the Member States.

(6) The amounts excluded from Union financing by the present Decision should also take into account any reductions or suspensions in accordance with Article 41 of Regulation (EU) No 1306/2013 due to the fact that such reductions or suspensions are of a provisional nature and without prejudice to decisions taken pursuant to Articles 51 or 52 of that Regulation.

(7) As regards the cases covered by this decision, the assessment of the amounts to be excluded on grounds of non-compliance with Union law was notified by the Commission to the Member States in a summary report on the subject[(3)].

(8) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice of the European Union in cases pending on 21 September 2018,

HAS ADOPTED THIS DECISION:

Article 1

The amounts set out in the Annex and related to expenditure incurred by the Member States' accredited paying agencies and declared under the EAGF or the EAFRD shall be excluded from Union financing.

Article 2

This Decision is addressed to the Kingdom of Belgium, the Czech Republic, the Federal Republic of Germany, Ireland, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Republic of Croatia, the Italian Republic, Hungary, the Republic of Austria, the Republic of Poland, the Portuguese Republic, Romania, the Slovak Republic, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 16 November 2018.

For the Commission

Phil HOGAN

Member of the Commission

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2018/1841. (See end of Document for details)*

ANNEX

Decision: 58

Budget Item: *05040501*

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HU	Cross-compliance	2010	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	12 689,17	0,00	12 689,17
	Cross-compliance	2011	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	40 798,58	0,00	40 798,58
					Total HU:	**EUR**	**53 487,75**	**0,00**	**53 487,75**

Currency	Amount	Deductions	Financial Impact
EUR	53 487,75	0,00	53 487,75

Budget Item: *05070107*

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
CZ	Wine - Restructuring	2010	Reimbursement following judgment in case C-4/17P	ONE OFF		EUR	690 350,42	0,00	690 350,42
	Wine - Restructuring	2011	Reimbursement following judgment in case C-4/17P	ONE OFF		EUR	865 307,63	0,00	865 307,63
	Wine - Restructuring	2012	Reimbursement following judgment in case C-4/17P	ONE OFF		EUR	567 540,99	0,00	567 540,99
					Total CZ:	**EUR**	**2 123 199,04**	**0,00**	**2 123 199,04**
Member State	**Measure**	**FY**	**Reason**	**Type**	**Correction %**	**Currency**	**Amount**	**Deductions**	**Financial Impact**
HU	Cross-compliance	2010	Reimbursement following	FLAT RATE	2,00 %	EUR	331 308,92	0,00	331 308,92

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2018/1841. (See end of Document for details)*

			judgment in case T-505/15						
	Cross-compliance	2011	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	169 536,16	0,00	169 536,16
					Total HU:	**EUR**	**500 845,08**	**0,00**	**500 845,08**

Currency	Amount	Deductions	Financial Impact
EUR	2 624 044,12	0,00	2 624 044,12

Budget Item: ***6701***

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
AT	Certification	2016	CEB/2017/002/AT export refunds debt management	ONE OFF		EUR	– 560 013,8	0,00	– 560 013,8
	Entitlements	2016	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - BPS	ONE OFF		EUR	– 11 131,04	0,00	– 11 131,04
	Entitlements	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - BPS	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 342 311,27	0,00	– 342 311,27
	Decoupled Direct Aids	2016	Deficiency regarding active farmer status	ONE OFF		EUR	– 9 144,07	0,00	– 9 144,07

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2018/1841. (See end of Document for details)*

			under Art. 9(2) of R.1307/2013 - Greening						
	Decoupled Direct Aids	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - Greening & YF	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 161 606,01	0,00	– 161 606,01
	Voluntary Coupled Support	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - VCS	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 6 670,62	0,00	– 6 670,62
	Entitlements	2016	Value of PE allocated in 2015 too high - Art (26) of R.1307/2013 - Impact on BPS	ONE OFF		EUR	– 153 513,73	0,00	– 153 513,73
	Entitlements	2017	Value of PE allocated in 2015 too high - Art (26) of R.1307/2013 -	ONE OFF		EUR	– 108 909,33	0,00	– 108 909,33