

## COMMISSION DECISION

of 4 May 1999

**excluding from Community financing certain expenditure incurred by the United Kingdom under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF)**

*(notified under document number C(1999) 1076)*

**(Only the English text is authentic)**

(1999/350/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy <sup>(1)</sup>, as last amended by Regulation (EC) No 1287/95 <sup>(2)</sup>, and in particular Article 5(2)(c) thereof,

After consulting the Fund Committee,

- (1) Whereas, under Article 5(2)(c) of Regulation (EEC) No 729/70, the Commission, after consulting the Fund Committee, decides on the expenditure to be excluded from Community financing where it establishes that it has not been effected according to Community rules;
- (2) Whereas, under Article 5(2)(c) of Regulation (EEC) No 729/70 and Article 8(1) and (2) of Regulation (EC) No 1663/95 laying down detailed rules for the application of Council Regulation (EEC) No 729/70 regarding the procedure for the clearance of the accounts of the EAGGF Guarantee Section <sup>(3)</sup>, as last amended by Regulation (EC) No 896/97 <sup>(4)</sup>, the Commission has made the necessary inspections, notified its findings to the United Kingdom, taken note of the latter's comments, initiated bilateral discussions in an effort to come to an agreement with the United Kingdom and formally communicated its findings to it, referring to Commission Decision 94/442/EC setting up a conciliation procedure in the context of the clearance of the accounts of the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee Section <sup>(5)</sup>;
- (3) Whereas the Member State made a request for conciliation; whereas the report delivered on completion of the conciliation procedure was examined by the Commission;

- (4) Whereas, under Articles 2 and 3 of Regulation (EEC) No 729/70, financing may be provided only for export refunds on products exported to third countries and action designed to stabilise the agricultural markets, granted or undertaken respectively in accordance with the Community rules on the common organisation of the agricultural markets;
- (5) Whereas, in the light of the inspections carried out, the outcome of the bilateral discussions and the conciliation procedure, part of the expenditure declared by the United Kingdom does not fulfil these requirements and cannot be financed under the EAGGF Guarantee Section;
- (6) Whereas the amount found not to be chargeable to the EAGGF Guarantee Section is shown in this Decision; whereas it does not concern expenditure incurred prior to the 24-month period preceding the Commission's written notification to the United Kingdom of the findings of the inspections;
- (7) Whereas, in the case covered by this Decision, the evaluation of the amount to be excluded from Community financing on grounds of non-compliance with the Community rules was communicated by the Commission to the Member States in the Summary Report on the enquiry into the application of the 'Over Thirty Month Scheme' in the United Kingdom;
- (8) Whereas this Decision is without prejudice to any further financial consequences which may be applied at a later stage to expenditure declared in relation to the 'Over Thirty Month Scheme' in view of the reserve stated in the above mentioned Summary Report and in view of the delay in destruction of material;
- (9) Whereas this Decision is without prejudice to any financial consequences drawn by the Commission from judgements of the Court of Justice in cases pending on the date of this Decision and relating to matters covered by this Decision,

<sup>(1)</sup> OJ L 94, 28.4.1970, p. 13.

<sup>(2)</sup> OJ L 125, 8.6.1995, p. 1.

<sup>(3)</sup> OJ L 158, 8.7.1995, p. 6.

<sup>(4)</sup> OJ L 128, 21.5.1997, p. 8.

<sup>(5)</sup> OJ L 182, 16.7.1994, p. 45.

HAS ADOPTED THIS DECISION:

*Article 2*

This Decision is addressed to the United Kingdom.

Done at Brussels, 4 May 1999.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

*Article 1*

The expenditure declared by the United Kingdom under the EAGGF Guarantee Section, amounting to UK pounds 22 807 424, is excluded by this Decision from Community financing, for failure to comply with the Community rules.

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