

REGULATION (EEC) No 653/68 OF THE COUNCIL

of 30 May 1968

on conditions for alterations to the value of the unit of account used for the common agricultural policy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43 and 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Monetary Committee;

Having regard to the Opinion of the Economic and Social Committee;

Whereas, in pursuance of the instruments on the Common agricultural policy and of Council Regulation No 160/66/EEC¹ of 27 October 1966 instituting a trade system in respect of certain goods processed from agricultural products, and also of other instruments concerning the system to be applied to certain goods processed from agricultural products, amounts are to be expressed in units of account and converted into the national currencies of Member States by applying the rates of exchange corresponding to the official parities of those currencies;

Whereas Council Regulation No 129² on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy defines such unit of account as a fixed amount of fine gold;

Whereas, in order to avoid problems which might arise because of the fixed value of the unit of account, provision should be made for its alteration:

— automatically, where the parities of the currencies of all Member States move simultaneously and in the same direction;

— by decision of the Council, if necessary, where there is a change in the parity relationship between the currencies of Member States;

Whereas, where there is a change in the parity relationship between the currencies of Member States, it might, exceptionally and subject to certain conditions, be necessary in the general economic interest to adopt limited measures to adjust certain agricultural prices;

Whereas a certain period would elapse before the new value of the unit of account could be determined and published and whereas, therefore, transactions involving agricultural or assimilated products would be subject to uncertainty as to the value of the unit of account to be applied; whereas during that period it would therefore be necessary to suspend both the definition of that value and the settlement of such transactions;

Whereas, where the value of the unit of account or the parity of the currency of a Member State or that of a third country used in international transactions is altered, certain elements in the calculation of amounts used for the implementation of the common agricultural policy, or certain amounts used in transactions governed by the provisions of that policy, may be affected; whereas the amounts so affected must therefore be adapted to the new situation;

Whereas, moreover, it should be possible to lessen the economic and monetary consequence of alterations in parity relationships without jeopardising the attainment of the fundamental objectives of the common agricultural policy;

¹ OJ No 195, 28.10.1966, p. 3361/66.

² OJ No 106, 30.10.1962, p. 2553/62.

HAS ADOPTED THIS REGULATION:

Article 1

The following shall be substituted for Article 1 of Regulation No 129:

'Article 1

Where, in instruments concerning the common agricultural policy or the special trade systems for certain goods resulting from the processing of agricultural products, sums are expressed in units of account, the value of that unit of account shall be 0.88867088 grammes of fine gold. This value may be changed only in the cases and in accordance with the procedures laid down in Articles 2 and 3 of Regulation (EEC) No 653/68¹ of the Council of 30 May 1968 on conditions for alterations to the value of the unit of account used for the common agricultural policy.

The provisions of this Article shall apply without prejudice to Article 18 of the Financial Regulation on the establishment and implementation of the EEC budget and on the responsibility of authorising officers and accounting officers (Article 209 (a) and (c) of the Treaty)².

Article 2

Where all Member States alter the parity of their currencies simultaneously and in the same direction, the value of the unit of account as defined in Article 1 of Regulation No 129 shall be altered automatically:

- where the alterations are in the same proportion: in the same direction and in the proportion as the alterations in the parities;
- where the alterations are in different proportions: in the same direction as the alterations and in the same proportion equivalent to the smallest alteration in parity.

Simultaneous alterations means alterations in the parity of currencies of Member States made within three days of the official announcement made by the Member State which first announces a change in the parity of its currency.

Article 3

When one or more Member States announce a change in the parity of their currencies, the Council shall meet as soon as possible and, in any event, within three days of the official announcement made by the Member State which first announces a change in the parity of its currency, unless the conditions

contained in the first indent of the first paragraph of Article 2 are fulfilled before the Council meeting.

During that meeting and within the time referred to above, the Council shall decide unanimously, on a proposal from the Commission and after hearing the opinion of the Monetary Committee:

- whether the value of the unit of account as defined in Article 1 of Regulation No 129 should be altered;
- the percentage of any such alteration; the percentage may be greater than that of the automatic alteration provided for in the second indent of the first paragraph of Article 2.

If by the end of its meeting the Council has not decided to alter the value of the unit of account, the latter shall remain unchanged, unless it is altered in accordance with the second indent of the first paragraph of Article 2.

During that meeting the Council may furthermore, subject to the conditions laid down in the second paragraph of this Article and by way of derogation from existing agricultural Regulations, adopt, in the general economic interest, limited measures to adjust certain agricultural prices which do not adversely affect the free movement of agricultural products, if the particular and exceptional nature of the situation created by the alteration of the parity relationship between the currencies of Member States makes such measures seem appropriate.

The second and fourth paragraphs of this Article shall apply only where the conditions contained in the first indent of the first paragraph of Article 2 are not fulfilled.

Article 4

The value of the unit of account laid down in Article 1 of Regulation No 129 shall be suspended, from the time of the official announcement by the Member State which first announces an alteration in the parity of its currency, up to and including the day of publication of the value thenceforth applicable.

Member States, shall take all necessary measures to ensure that suspension of the value of the unit of account is effective throughout the Community from the time of the official announcement referred to in the preceding paragraph.

Immediately after the official announcement referred to in the first paragraph of this Article the Commission shall publish in the *Official Journal of the European Communities* the date and time at which the value of the unit of account was suspended.

The new value of the unit of account shall be published without delay either:

¹ OJ No L 123, 31.5.1968, p. 4.

² OJ No 83, 29.12.1960, p. 1939/60.

- (a) by the Commission when it establishes:
 that the conditions for the application of the first indent of the first paragraph of Article 2 are fulfilled; or
 that the Council, meeting in accordance with Article 3, has taken no decision regarding the unit of account within the time limit stated; or
- (b) by the Council when it has taken a decision in accordance with Article 3.

Settlement of transactions involving agricultural products or goods processed therefrom, where such transactions are carried out during the suspension period and are subject to provisions of the common agricultural policy or to special trade systems applicable to those goods, shall take place only after publication of the value of the unit of account thenceforth applicable as provided for in the preceding paragraph and shall be based on the new value and take into account the alterations made pursuant to Articles 5 and 6.

Article 5

When the new value of the unit of account is published pursuant to Article 4 or when certain agricultural prices are adjusted pursuant to the fourth paragraph of Article 3, the sums referred to in Article 1 of Regulation No 129 which contain elements determined on the basis of prices ruling on international markets shall be altered as necessary. Such alterations shall be made according to the methods of calculation applicable in each case and shall be based on the value of the unit of account thenceforth applicable and/or the new prices.

Article 6

1. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt, where necessary:

- (a) rules for implementing Article 5;
- (b) rules to be applied for the prevention of disturbances which might occur where there is a suspension or alteration of the value of the unit of account;
- (c) rules to be applied where there is an alteration in the relationship between the parity of a Mem-

ber State's currency and the value of the unit of account with respect to amounts fixed in units of account and expressed in national currency.

2. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, may extend the rules laid down in paragraph 1 (a) and (b) in the case of an alteration in the parity of a third country's currency which has been communicated to and recognised by the International Monetary Fund.

Article 7

The Monetary Committee shall examine the situation arising in agriculture as a result of alterations in the parity relationship between the currencies of Member States and shall deliver an Opinion on the economic and monetary consequences of the automatic readjustments entailed by the application of Article 2 (1) of Regulation No 129. It shall also deliver an Opinion on whether it is possible in certain cases to alleviate temporarily the effect of such automatic readjustments. The Commission, in the light of the Opinion of the Monetary Committee, may make any recommendations it considers useful to the Member States concerned.

The Member State or Member States concerned may take the necessary transitional measures to alleviate temporarily the effects of such automatic readjustments. In no circumstances may such measures adversely affect the free movement of agricultural goods, the operation of the system of common agricultural prices or the obligations arising from the Treaty or instruments adopted in implementation thereof.

The measures taken by the Member State or States concerned shall be communicated immediately to the Commission, which shall keep the Council informed of the situation and of its development and shall make all appropriate proposals to the Council.

Article 8

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

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

Done at Brussels, 30 May 1968.

For the Council

The President

G. LUPIS