

REGULATION (EEC) No 2334/69 OF THE COUNCIL

of 25 November 1969

on the financing of intervention expenditure in respect of the domestic market in sugar

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 17/64/EEC¹ of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, as last amended by Regulation (EEC) No 1892/68², and in particular Articles 5(2) and 6(2) thereof;

Having regard to the proposal from the Commission;

Whereas it is necessary to determine the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund (hereinafter called the 'Fund' for Community financing of intervention expenditure in each sector of the common organization of the markets;

Whereas the denaturing of sugar effected in accordance with Article 9(2) and (3) of Council Regulation No 1009/67/EEC³ of 18 December 1967 on the common organization of the market in sugar, as last amended by Regulations (EEC) No 1393/69⁴ and (EEC) No 1398/69⁵, satisfies the conditions laid down in Article 5(1) of Regulation No 17/64/EEC;

Whereas the reimbursements provided for in Article 8(1) of Regulation No 1009/67/EEC are obligatory actions on the domestic market effected in accordance with Community rules within the framework of the common organization of the markets; whereas they therefore satisfy the conditions laid down in Article 6(1) of Regulation No 17/64/EEC;

Whereas any losses which may arise from the interventions referred to in Article 9(1) and (3) of Regulation No 1009/67/EEC must be charged to the Fund, since those interventions satisfy the conditions laid down in Article 6(1) of Regulation No 17/64/EEC; whereas a standard method should be established for taking over such losses, taking into account the degree of discretion which Mem-

ber States have under Community rules and the fact that a certain number of costs are not harmonized;

Whereas the production refunds referred to in Article 9(6) of Regulation No 1009/67/EEC also satisfy the conditions laid down in Article 6(1) of Regulation No 17/64/EEC;

Whereas provisions must be laid down enabling the Fund to avoid bearing the financial consequences of any negligence discovered in the application of the intervention system,

HAS ADOPTED THIS REGULATION:

Article 1

For the common organization of the market in sugar:

- interventions on the domestic market, the aim and function of which is identical with that of export refunds within the meaning of Article 5(1) of Regulation No 17/64/EEC, means measures arising from the application of Article 9(2) and (3) of Regulation No 1009/67/EEC;
- interventions on the domestic market, within the meaning of Article 6(1) of Regulation No 17/64/EEC, means measures arising from the application of Articles 8(1) and 9(1), (3) and (6) of Regulation No 1009/67/EEC.

Article 2

The following shall be chargeable to the Guarantee Section of the Fund:

- (a) storage costs reimbursed at a standard rate in accordance with Article 8(1) of Regulation No 1009/67/EEC;
- (b) net losses borne by intervention agencies on quantities of sugar bought in by those agencies in pursuance of Article 9(1) and (3) of that Regulation;
- (c) denaturing premiums granted in accordance with Article 9(2) and (3) of that Regulation;
- (d) production refunds granted in accordance with Article 9(6) of that Regulation.

¹ OJ No 34, 27.2.1964, p. 586/64.

² OJ No L 289, 29.11.1968, p. 1.

³ OJ No 308, 18.12.1967, p. 1.

⁴ OJ No L 179, 21.7.1969, p. 1.

⁵ OJ No L 179, 21.7.1969, p. 13.

Article 3

1. In order to apply Article 2(b), the intervention agencies shall draw up, for each sugar marketing year and for each product for which an intervention price is fixed, an account which shall be:

- (a) debited with items mentioned in Article 4(1);
- (b) credited with the items mentioned in Article 4(2).

2. The balances of the accounts referred to in paragraph 1 shall be carried over to a single account drawn up for each accounting period.

3. The debit balance of the single account referred to in paragraph 2 shall constitute the total amount of net losses borne by the intervention agencies within the meaning of Article 2(b).

4. Any credit balance of the single account referred to in paragraph 2 shall be carried over to the single account for the following accounting period.

Article 4

1. The account referred to in Article 3(1) shall be debited with:

- (a) the value of the quantities in stock at the beginning of the sugar marketing year, calculated by multiplying those quantities by the intervention price operative on the first day of the sugar marketing year in question for the standard quality;
- (b) the total amount of expenditure on buying-in during the sugar marketing year in question;
- (c) the total amount of the costs incurred as a result of any packaging within the meaning of Article 6(2) of Commission Regulation (EEC) No 782/68¹ of 26 June 1968 laying down detailed rules for the buying-in of sugar by intervention agencies, as last amended by Regulation (EEC) No 2101/69², such amount being calculated on the basis of a standard amount per unit of weight of packaged sugar, determined in accordance with Article 5(2) of this Regulation;
- (d) the total amount of any costs incurred in transportation from the factory to the warehouse, calculated on the basis of a standard amount per unit of weight/kilometre, determined in accordance with Article 5(2);
- (e) the total amount of the costs incurred, during buying-in and selling, by placing in and, where appropriate, removing from storage, calculating on the basis of a standard amount per unit of weight on entry into storage and per unit of weight on removal from storage, determined in accordance with Article 5(2);

(f) the total amount of the costs incurred through storage, calculated on the basis of a standard amount per unit of weight/period of storage determined in accordance with Article 5(2);

(g) the total amount of any costs incurred through subsequent transportation made necessary and carried out under conditions concerning, in particular, the need for transportation to be determined according to the procedure provided for in Article 40 of Regulation No 1009/67/EEC; this amount shall include the costs of placing in and removing from storage arising from such transportation, calculated as provided for under (e).

2. The account referred to in Article 3(1) shall be credited with:

- (a) the total amount of the receipts from sales effected during the sugar marketing year in question;
- (b) the value of the quantities in stock on the last day of the sugar marketing year in question, calculated by multiplying those quantities by the intervention price operative on the first day of the following sugar marketing year for the standard quality;
- (c) the value of the quantity losses exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 40 of Regulation No 1009/67/EEC, calculated by multiplying those quantities by the intervention price operative on the first day of the sugar marketing year in question for the standard quality.

Quantity losses shall be equal either to the difference between the theoretical stock shown by the current inventory and the actual physical stock remaining on the last day of the sugar marketing year in question and established by taking an inventory, or to the stock shown as remaining on the books after the actual physical stock has been exhausted;

- (d) the total amount of the reimbursements of storage costs made in accordance with Article 8(1) of Regulation No 1009/67/EEC and received by the intervention agency;
- (e) the amounts recovered from warehousemen for deterioration or loss in so far as there is no duplication with subparagraph (c) above or Article 6.

Article 5

1. The intervention prices referred to in Article 4(1) (a) and (2) (b) and (c) shall be those operative for the area where the products in question are stored.

2. The standard amounts referred to in Article 4(1) (c), (d), (e) and (f) shall be uniform for the Community. They shall be fixed in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of an examination made under Article 41 of Regulation No 1009/67/EEC.

¹ OJ No L 145, 27.6.1968, p. 6.

² OJ No L 268, 25.10.1969, p. 19.

Article 6

From the amount of expenditure which is chargeable within the meaning of Article 2(b) there shall be deducted losses incurred as a result of negligence attributable to Member States; this shall be established in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of an

examination made under Article 41 of Regulation No 1009/67/EEC.

Article 7

This Regulation shall apply to intervention measures undertaken in pursuance of the provisions governing the 1968/69 sugar marketing year or subsequent sugar marketing years.

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

Done at Brussels, 25 November 1969.

For the Council

The President

H. J. DE KOSTER