

Commission Regulation (EC) No 968/2006 of 27 June 2006 laying down detailed rules for the implementation of Council Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community

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laying down detailed rules for the implementation of Council Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 320/2006 of 20 February 2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community and amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy⁽¹⁾, and in particular Article 12 thereof,

Whereas:

- (1) Regulation (EC) No 320/2006 provides for a restructuring aid for those undertakings which decide to give up their quota production, with part of the aid reserved for beet, cane and chicory growers as well as machinery contractors, in order to compensate for losses resulting from the closure of sugar factories. It also provides for an aid for diversification to Member States for diversification measures in the regions concerned by factory closures, for a transitional aid to full-time refiners and for a transitional aid to certain Member States.
- (2) Before submitting an application for restructuring aid, the undertakings are to consult sugar beet, cane and chicory growers, in accordance with Article 3(2) of Regulation (EC) No 320/2006. In order to ensure that growers and other interested parties are offered a fair opportunity to give their views, detailed rules for the consultation process should be established.
- (3) Restructuring aid is granted in respect of the marketing year for which the quota is renounced. Hence, in the case where sugar, isoglucose or inulin syrup is withdrawn or carried forward from the previous marketing year and becomes the first quota production of the marketing year for which an undertaking plans to renounce its quota, the undertaking should be allowed to make one single application for the renunciation of the quota in two successive marketing years, receiving for each part of the quota the amount of restructuring aid applicable to the marketing year for which the quota is renounced.
- (4) In relation to the renunciation of quotas, Article 3 of Regulation (EC) No 320/2006 sets out the options of full or partial dismantling of the production facilities, which give rise to different amounts of restructuring aid. While the conditions applicable to those two

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

options should take into account that a higher amount of restructuring aid is granted to full dismantling, because of the higher costs involved, it is considered appropriate to allow for the possibility to keep parts of the factory which are not part of the production line, if they can be used for other purposes foreseen in the restructuring plan, especially when such use creates employment. On the other hand, installations not directly linked to sugar production should be dismantled if there is no alternative use for them within a reasonable period of time and maintaining them would be harmful to the environment.

- (5) In order to protect farmers and machinery contractors' interests, the undertakings should be required to pay them their share of the restructuring aid according to criteria established by the Member State and within a reasonable period of time after having received the first instalment of the restructuring aid.
- (6) Because of the financial limits of the temporary restructuring fund, the granting of the aid should depend on the chronological order of the lodging of applications. It is thus necessary to establish the criteria for how this chronological order should be determined.
- (7) The Member State's decision on the eligibility of an application for restructuring aid is based on its acceptance of the restructuring plan submitted together with the application. It is thus necessary to define the criteria and procedure for the acceptance of the restructuring plan, as well as for further amendments to such plan.
- (8) In cases where, due to the financial limits of the temporary restructuring fund, the resources of the fund are momentarily insufficient to grant restructuring aid to an applicant whose application has been found eligible, the applicant should be allowed to withdraw his application within a certain period. In the absence of withdrawal, the application should remain valid with its original date of lodging and become an application for the following marketing year.
- (9) The Commission should calculate the amount of aid for diversification and additional aid for diversification, as well as of the transitional aid to certain Member States and inform each Member State of the amount available. The Member States should inform the Commission about their national restructuring programmes, detailing the measures to be undertaken.
- (10) In order to make it easier for full-time refiners who have lost certain benefits which they held under Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector⁽²⁾ to adapt to the new situation following the entry into force of Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector⁽³⁾, Regulation (EC) No 320/2006 introduces a transitional aid allocated in those Member States where refiners within the meaning of Regulation (EC) No 1260/2001 were established in the past. The Member States concerned should award the aid to the full-time refiners established on their territory on the basis of a business plan prepared by the undertaking concerned.
- (11) In order to enable Member States to control the restructuring process, undertakings receiving an aid should submit annual progress reports. Member States should submit

progress reports about the restructuring plans of those undertakings, refiners' business plans as well as their national restructuring programmes to the Commission.

- (12) Arrangements should be laid down for controls to be carried out by Member States in order to ensure in particular that the restructuring plan related to the granting of restructuring aid and the business plan related to the granting of aid to full-time refiners are being complied with.
- (13) It is necessary to provide for penalties to be applied in the case where an undertaking does not comply with its obligations under the restructuring plan or the business plan.
- (14) The Fund Committee has not delivered an opinion within the time-limit set by its chairman,

HAS ADOPTED THIS REGULATION:

CHAPTER I

INTRODUCTORY PROVISIONS

Article 1

Scope and definitions

1 This Regulation lays down detailed rules for the implementation of the measures provided for in Articles 3, 6, 7, 8 and 9 of Regulation (EC) No 320/2006 and financed by the restructuring fund established by Article 1 of that Regulation.

2 For the purposes of this Regulation, the definitions provided for in Article 2 of Regulation (EC) No 320/2006 shall apply.

The definition of 'working day' provided for in Article 2(2) of Council Regulation (EEC, Euratom) No 1182/71⁽⁴⁾ shall also apply.

[^{F13} For the purposes of this Regulation:

- (i) 'application' shall mean an application by a sugar producing undertaking in accordance with Article 4 of Regulation (EC) No 320/2006;
- (ii) 'grower's application' shall mean an application submitted by a grower of sugar beet or cane in accordance with Article 4a of Regulation (EC) No 320/2006.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

CHAPTER II

CONDITIONS FOR GRANTING RESTRUCTURING AID

Article 2

Consultation in the framework of agreements within the trade

1 The consultation conducted in the framework of the relevant agreements within the trade as referred to in the second subparagraph of Article 3(2) of Regulation (EC) No 320/2006 shall be based on a detailed timetable and a draft restructuring plan drawn up by the undertaking concerned.

The relevant agreement with the trade shall be the one concluded for the marketing year in which the consultation takes place.

The representatives of the workers and other parties concerned by the restructuring plan but not taking part in the relevant agreement within the trade may be invited by the undertaking to take part in the consultation as observers.

2 The consultation shall involve all elements of the restructuring plan referred to in Article 4(3) of Regulation (EC) No 320/2006.

3 The invitation to the consultation shall be sent by the undertaking concerned. It shall be accompanied by the draft restructuring plan and a detailed agenda for the meeting to be held. A copy of the invitation and the accompanying documents shall be sent at the same time to the competent authority of the Member State.

[^{F24} Unless an agreement can be found earlier, the consultation shall consist of at least two meetings and shall last for up to 20 days as from the day on which the invitation to the consultation was sent.

By way of derogation from the first subparagraph, for applications for restructuring aid in accordance with Article 4(1a) of Regulation (EC) No 320/2006, the consultation shall last for up to 10 days and consist of at least one meeting.]

5 The confirmation that the restructuring plan has been prepared in consultation, as referred to in Article 4(2)(b) of Regulation (EC) No 320/2006, shall be based on:

- a the invitation sent by the undertaking concerned and received by the other parties;
- b the signatures of the participants to the meetings or a statement of the eventual abstention from participation of any of the invited parties;
- c the draft restructuring plan as amended by the undertaking concerned after the consultation, specifying the elements agreed by the parties, as well as the elements not agreed;
- d if any, the position papers of the parties to the agreement within the trade, the opinion of the workers' representative and the opinions of the other invited parties.

6 For the 2006/2007 marketing year, Member States may take into account consultations conducted in the framework of the relevant agreements within the trade which took place before the entry into force of this Regulation, even if they do not comply with the requirements of this Regulation.

Textual Amendments

- F2** Substituted by Commission Regulation (EC) No 1264/2007 of 26 October 2007 amending Regulation (EC) No 968/2006 laying down detailed rules for the implementation of Council Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.

Article 3

Renunciation of quota

As from the marketing year for which the quota is renounced in accordance with Article 3 of Regulation (EC) No 320/2006, no production of sugar, isoglucose or inulin syrup and no sugar, isoglucose or inulin syrup carried forward or withdrawn from the previous marketing year may be deemed as a production under that quota as regards the factories concerned.

Article 4

Dismantling of production facilities

1 In the case of full dismantling referred to in Article 3(1)(a) of Regulation (EC) No 320/2006, the requirement to dismantle the production facilities shall concern:

- a all facilities which are necessary to produce sugar, isoglucose or inulin syrup, as for example: facilities to store, analyse, wash and cut sugar beet, cane, cereals or chicory; all facilities which are necessary to extract and process or concentrate sugar from sugar beet or cane, starch from cereals, glucose from starch or inulin from chicory;
- b the part of the facilities other than those referred to in point (a) which are directly related to the production of sugar, isoglucose or inulin syrup and necessary to deal with production under the quota renounced, even if it could be used in relation with the production of other products, such as: facilities for heating or processing water, or for producing energy; facilities to deal with sugar beet pulp or molasses; facilities for internal transport;
- c all other facilities, such as packaging facilities, left unused and to be dismantled and removed for environmental reasons.

2 In the case of partial dismantling referred to in Article 3(1)(b) of Regulation (EC) No 320/2006, the requirement to dismantle the production facilities shall concern the facilities referred to in paragraph 1 of this Article that are not intended to be used for other production or other use of the factory site in accordance with the restructuring plan.

Article 5

Coherence between different sources of funding

The Member States shall ensure the coherence and the complementarity of measures or actions financed by the restructuring fund and by other Community funds at regional or national level, as well as the absence of duplication between them.

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

CHAPTER III

APPLICATION FOR AND GRANTING OF RESTRUCTURING AID

Article 6

Member States obligations

[^{F21} 20 days after it has received a copy of the invitation to the consultation referred to in Article 2(3) at the latest, the Member State shall inform the parties involved in the restructuring plan of its decision on:]

- a the percentage of the restructuring aid to be distributed to the growers of beet, cane and chicory and to machinery contractors, the objective criteria for the distribution of that part of the aid between the two groups and within each group, as determined after consultation of the interested parties, and the period referred to in Article 3(6) of Regulation (EC) No 320/2006;
- b the period, expiring on 30 September 2010 at the latest, for dismantling production facilities and for complying with the social and environmental commitments referred to in Articles 3(3)(c) and 3(4)(c) of Regulation (EC) No 320/2006;
- c if appropriate, the national specific requirements for the social and environmental commitments, in the restructuring plan, which go beyond the statutory minimum requirements imposed by Community law, as referred to in Articles 3(3)(c) and 3(4)(c) of Regulation (EC) No 320/2006.

[^{F3}By way of derogation from point (b) of the first subparagraph, upon a motivated request of the undertaking concerned, the Member States can grant an extension of the deadline fixed in that point until 31 March 2012 at the latest. In such case, the undertaking shall submit an amended restructuring plan according to Article 11.]

2 By way of derogation from paragraph 1, the Member State shall, in the case where Article 2(6) applies, inform the parties of its decision no later than 15 July 2006.

[^{F1}By way of derogation from paragraph 1, if the competent authority has received no eligible application from an undertaking by the deadline set out in Article 4(1) of Regulation (EC) No 320/2006, but has received eligible growers' applications, the Member State shall inform the parties of its decision for each undertaking concerned no later than 15 February 2008. In this case, the Member States shall fix the marketing year 2007/2008 as the period referred to in Article 3(6) of Regulation (EC) No 320/2006.]

3 Machinery contractors shall be compensated for the loss incurred following the loss of value of their specialised machinery, which can not be used for other purposes.

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)
- F2** Substituted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

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- F3** Substituted by Commission Implementing Regulation (EU) No 672/2011 of 13 July 2011 amending Regulation (EC) No 968/2006 laying down detailed rules for the implementation of Council Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.

Article 7

Application for restructuring aid

- 1 Each application for restructuring aid shall cover one product and one marketing year.
- 2 By way of derogation from paragraph 1, where a quota to be renounced has been partly fulfilled by a production carried forward or withdrawn from the previous marketing year, the undertaking may renounce the full quota for the factory or factories concerned, under full or partial dismantling, in the following two steps:
- as from the first marketing year concerned by the application, the part of the quota for which there is no production shall be renounced with a request for the amount of restructuring aid for full or partial dismantling applicable to that marketing year;
 - the remaining part of the quota concerned shall be subject to the temporary restructuring amount provided for in Article 11 of Regulation (EC) No 320/2006 and shall be renounced as from the next marketing year with a request for the amount of restructuring aid for full or partial dismantling applicable to that marketing year.

In the case of application of this paragraph, the undertaking may submit one single application for the two marketing years concerned.

- 3 The application for restructuring aid shall specify the amount of allocated quota to be renounced for each of the factories of the undertaking concerned and shall be consistent with the relevant collective agreements, including agreements concluded by the social partners at sector or company level related to the restructuring of the sugar industry.

[^{F14} The social plan referred to in the third subparagraph of Article 4a(4) of Regulation (EC) No 320/2006 shall be submitted by 31 January 2008 at the latest. The social plan shall set-out the impact of the quota reduction triggered by the growers' applications on the workforce and actions and measures foreseen in favour of the workforce, as well as the costs involved.]

Textual Amendments

- F1** Inserted by Commission Regulation (EC) No 1264/2007 of 26 October 2007 amending Regulation (EC) No 968/2006 laying down detailed rules for the implementation of Council Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.

[^{F1} Article 7a

Grower's application for restructuring aid

- 1 Each grower's application shall contain at least the following elements:
- name and address of the applicant;
 - name and address of the undertaking concerned by the application;

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- c the amount of white sugar and/or beet/cane tonnage and/or hectares for which the grower has rights for delivery to the undertaking referred to in point (b) for the 2007/2008 marketing year for the production of quota sugar;
 - d the amount of delivery rights to be ceased;
 - e where applicable, a document proving the existence of the delivery rights for the 2007/2008 marketing year referred to in point (c);
 - f a statement of the grower that he/she is aware of the conditions pertaining to the aid scheme;
 - g a statement of the grower that he/she has not transferred his/her delivery rights referred to in point (d) to any third parties;
 - h the signature of the applicant.
- 2 Each grower's application for restructuring aid shall only cover one product (beet/cane) and one undertaking. In the case where a grower has delivery rights for more than one product and/or with more than one undertaking, he/she may submit one application per product and/or undertaking.
- 3 Once submitted, a grower's application may not be withdrawn, subject to Article 10(5).]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 8

Receipt of the application for restructuring aid

- 1 The granting of restructuring aid within the financial limits referred to in Article 10(1) and (2) of Regulation (EC) No 320/2006 shall be based on the chronological order of lodging of the complete applications for restructuring aid, based on dates and hours at local time as stated by acknowledgments of receipt from the Member State concerned in accordance with paragraph 3 of this Article.
- 2 An application for restructuring aid shall be deemed to be complete after the reception by the competent authority of the Member State concerned of all the elements referred to in Article 4(2) and (3) of Regulation (EC) No 320/2006.
- 3 The competent authority of the Member State shall send to the undertaking concerned an acknowledgment of receipt indicating the date and hour of the lodging of a complete application for restructuring aid, within five working days after the date on which the application is deemed to be complete.
- 4 In the case of an incomplete application, the competent authority of the Member State shall, within five working days upon reception, return the application to the applicant and specify the conditions that are not complied with.
- 5 An application which is not deemed to be complete by the deadline laid down in Article 4(1) of Regulation (EC) No 320/2006 shall not be taken into account for the marketing year concerned.

6 [F²Within two working days after issuing an acknowledgment of receipt, the competent authority of the Member State shall inform the Commission thereof, using the model table set out in Annex I. If applicable, a separate table shall be used for each product and each marketing year concerned.]

Textual Amendments

- F2** Substituted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

[F¹Article 8a

Receipt of grower's application for restructuring aid

1 The grower's application shall be submitted to the competent authority of the Member State where the undertaking concerned is located either under the address listed for that Member State in Annex II or, where applicable, under any other address or by way of any other means of transmission communicated by the competent authority of the Member State concerned for this purpose. Each grower's application shall be sent to only one address and shall contain the elements mentioned in Article 7a(1).

In the case where a grower submits more than one application in respect of the same product and the same undertaking, or the same application under more than one address, his application or applications shall be ineligible.

2 Growers' applications must be received at the competent authority between 0.00 hours on 30 October 2007 and 24.00 hours on 30 November 2007. The relevant time shall be local time at the place of destination. Applications received before 30 October 2007 or after 30 November 2007 shall be disregarded.

3 For the purpose of the application of Article 4a(3) of Regulation (EC) No 320/2006, the Member States shall establish a provisional calculation of the amount of quota affected by growers' applications. The details of the growers' applications, especially the identity of the applicants, shall not be divulged to any third party.

The communications provided for in Article 4a(3) of Regulation (EC) No 320/2006 shall contain all amounts of delivery rights to be ceased for which applications have been submitted.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

Article 9

Eligibility for the restructuring aid

1 Without prejudice to the provisions of Article 10, the competent authority of the Member State shall decide on the eligibility of an application for restructuring aid and shall inform the applicant of its decision within 30 working days upon reception of the complete application, but at least 10 working days before the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006.

2 For the application to be considered eligible, the restructuring plan shall:

- a include a summary of the main objectives, the measures and actions as well as the estimated costs of these measures and actions, the financial plan and the time schedules;
- b specify for each factory concerned the amount of quota to be renounced, which shall be lower than or equal to the production capacity to be fully or partially dismantled;
- c include an attestation that the production facilities will be fully or partially dismantled and removed from the production site;
- d take into account the losses or costs involved, between the aid referred to in point (b) of paragraph 3 of Article 4 of Regulation (EC) No 320/2006, the closure and dismantling of the facilities referred to in point (c) of that paragraph, the investments referred to in point (e) of that paragraph, the social plan referred to in point (f) of that paragraph and the environmental plan referred to in point (g) of that paragraph;
- e clearly determine all the actions and costs financed by the restructuring fund and, if appropriate, the other related elements intended to be financed by other Community funds.

3 If the conditions set out in paragraph 2 are not satisfied, the Member State shall inform the applicant of the reasons for this and fix a deadline within the time-limit referred to in Article 4(1) of Regulation (EC) No 320/2006, by which the restructuring plan may be adjusted accordingly.

The Member State shall decide on the eligibility of the adjusted application within 15 working days after the deadline referred to in the first subparagraph, but at least 10 working days before the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006.

If the adjusted application is not presented in due time or is considered ineligible, the application for restructuring aid shall be rejected and the Member State shall inform the applicant and the Commission thereof within five working days. The lodging of a new application from the same applicant shall be subject to the chronological order referred to in Article 8.

[^{F24} Where an application is considered eligible, the Member State shall notify the Commission within two working days after its decision, using the model table set out in Annex I.]

5 By way of derogation from paragraphs 1, 3 and 4, for the 2006/2007 marketing year, the Member State shall decide on the eligibility of an application or an adjusted application at least eight working days before the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006 and notify its decision to the Commission on the same day.

[^{F16} If the competent authority has received no eligible application from an undertaking by the deadline set out in Article 4(1) of Regulation (EC) No 320/2006, it shall verify the growers' applications concerning this undertaking in view of:

- a existence of delivery rights in respect of the undertaking concerned in 2007/2008;
- b tonnage in white sugar equivalent requested, on the basis of the delivery rights or, if reference is made to beet tonnage or hectares, by using the conversion coefficient applicable according to the agreement within the trade or, in absence of such coefficient, a coefficient fixed by the competent authority of the Member State after consulting representatives of the undertaking and the growers concerned.

The competent authority of the Member State shall inform the Commission at least 10 working days before the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006 about the total amount of quota to be reduced as a consequence of eligible growers' applications for each of the undertakings concerned, using the table set out in Annex I to this Regulation.

7 The competent authority of the Member State shall decide on the eligibility of the social plan to be submitted by an undertaking, and inform the undertaking and the Commission of its decision at least 10 working days before the deadline provided for in 5(1) of Regulation (EC) No 320/2006.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)
- F2** Substituted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 10

Granting of the restructuring aid

1 The Commission shall establish a list of the complete applications for restructuring aid in the chronological order of their lodging as stated by acknowledgments of receipt from the Member State concerned.

[^{F1} However, in the case where growers' applications have been submitted concerning an undertaking which has not, itself, submitted an eligible application before the deadline laid down in Article 4(1) of Regulation (EC) No 320/2006, the moment of the lodging referred to in the first subparagraph of this paragraph shall be the moment of the last grower's application concerning the quota of that undertaking.]

[^{F2} By the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006, the Commission shall determine the estimated availability of the financial resources in the restructuring fund:

- a for all the applications concerning the following marketing year received by the deadline set out in Article 4(1) of that Regulation and found eligible by the competent authority of the Member State, as well as all the aids related to them;

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- b for all the applications by growers, concerning undertakings not having submitted an eligible application for the 2008/2009 marketing year, received by the deadline set out in Article 4a(2) of that Regulation, as well as the aids related to them, up to the limit of 10 % laid down in Article 4a(4) of that Regulation.]

3 The Commission shall inform the Committee on the Agricultural Funds referred to in Article 41(1) of Council Regulation (EC) No 1290/2005⁽⁵⁾ on the decisions taken in accordance with paragraph 1 of this Article. For the 2006/2007 marketing year, the Commission shall inform the Funds Committee referred to in Article 13(1) of Council Regulation (EC) No 1258/1999⁽⁶⁾.

4 The Member States shall notify to the applicants the grant of the restructuring aid for their respective eligible restructuring plan by the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006. A full copy of the approved restructuring plan shall be sent by the competent authority of the Member State to the Commission.

[^{F15} In the case where several eligible growers' applications are submitted simultaneously, and where the amounts of deliveries to be ceased under these applications exceed any of the 10 % limits referred to in the first subparagraph of Article 4a(4) of Regulation (EC) No 320/2006, the Member State shall inform the applicants concerned that a proportionate reduction coefficient will be applied to their respective applications. By way of derogation from Article 7a(3), applicants may, in this case, withdraw their applications in writing within 5 working days. The coefficient to be applied to the remaining applications shall in this case be rectified accordingly.]

6 By the deadline provided for in Article 4a(4) of Regulation (EC) No 320/2006, the competent authority of the Member State shall:

- a notify the growers of the granting of the restructuring aid;
- b provide the undertakings concerned with a list of the growers concerned including the respective amount of delivery rights ceased by each of these growers;
- c notify the undertaking concerned of the amount of quota thus being reduced.

7 The total amount of quota being reduced for each undertaking in accordance with Article 4a(4) of Regulation (EC) No 320/2006 shall be communicated to the Commission.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)
- F2** Substituted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 11

Amendments to the restructuring plan

1 As soon as the restructuring aid is granted, the beneficiary shall carry out all measures detailed in the approved restructuring plan and respect the commitments included in its application for restructuring aid.

2 Any amendment to an approved restructuring plan shall be agreed by the Member State on the basis of a request from the undertaking concerned:

- a explaining the reasons and implementing problems encountered;
- b presenting the adjustments or new measures proposed and the expected effects;
- c detailing the financial and the timing implications.

The amendments may not modify the total amount of the restructuring aid to be granted or the temporary restructuring amounts to be paid in accordance with Article 11 of Regulation (EC) No 320/2006.

The Member State shall notify the amended restructuring plan to the Commission.

[^{F1}Article 11a

Special situation as concerns additional applications for restructuring aid

1 If, in respect of a factory, for which restructuring aid under Article 3(1)(a) of Regulation (EC) No 320/2006 has been granted following an application under Article 4(1) of that Regulation, an additional application for restructuring aid is submitted in accordance with Article 4(1a) of that Regulation for the renunciation of an additional quota, the restructuring plan to be included in that application shall be based on the total quota to be renounced and replace the restructuring plan submitted in the context of the first application and accepted under Article 5 of that Regulation.

The same shall apply in the case where the first and the additional application are submitted in view of the granting of restructuring aid under Article 3(1)(b) of Regulation (EC) No 320/2006.

2 If in respect of a factory, for which restructuring aid under Article 3(1)(b) has been granted following an application under Article 4(1) of that Regulation, an additional application for restructuring aid is submitted in accordance with Article 4(1a) of that Regulation for the renunciation of an additional quota in view of the granting of restructuring aid under Article 3(1)(a) of that Regulation, the previous application may be reconsidered for the granting of aid under Article 3(1)(a) of that Regulation provided that the restructuring plan to be included in the additional application is based on the total quota to be renounced and that that restructuring plan replaces the restructuring plan submitted in the context of the first application and accepted under Article 5 of that Regulation.

The same shall apply in respect of first applications which were submitted in view of the granting of restructuring aid under Article 3(1)(c) of Regulation (EC) No 320/2006, if the additional application is submitted in view of the granting of restructuring aid under Article 3(1)(a) or (b) of that Regulation respectively.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

Article 12

Withdrawal or postponement of a restructuring application

1 Eligible applications for which the restructuring aid cannot be granted for the marketing year for which the renunciation of quota has been requested may be withdrawn by the applicant within two months after the deadline provided for in Article 5(1) of Regulation (EC) No 320/2006.

2 If the undertaking concerned does not withdraw its application in accordance with paragraph 1, it shall, within the period referred to in that paragraph, adjust the restructuring plan concerned to take into account the amount of the restructuring aid for the following marketing year as laid down in Article 3(5) of Regulation (EC) No 320/2006.

For the purposes of Article 8(1), the date of lodging of the initial application shall be taken into account.

In the case referred to in the first subparagraph, the applicant shall postpone the renunciation of his quota for one marketing year and shall remain subject to the payment of the temporary restructuring amount provided for in Article 11 of Regulation (EC) No 320/2006.

CHAPTER IV

OTHER AIDS FROM THE RESTRUCTURING FUND

Article 13

Amounts of aid per Member State

[^{F21} By 31 May 2008 for the 2008/2009 marketing year and by 31 March 2009 for the 2009/2010 marketing year, the Commission shall fix the amounts attributed to each Member State under the restructuring fund for:]

- a the aid for diversification provided for in Article 6 of Regulation (EC) No 320/2006;
 - b the additional aid for diversification provided for in Article 7 of Regulation (EC) No 320/2006;
 - c the transitional aid to certain Member States provided for in Article 9 of Regulation (EC) No 320/2006.
- 2 The amounts referred to in paragraph 1(a) and (b) shall be based on:
- a the amount of the aid for diversification provided for in Article 6(2) of Regulation (EC) No 320/2006 multiplied by the amount of sugar quota renounced in the Member State concerned for which a restructuring aid is to be granted as from:
 - the 2006/2007 marketing year in the case of the amounts determined in October 2006,
 - the 2007/2008 marketing year in the case of the amounts determined in March 2007,
 - the 2008/2009 marketing year in the case of the amounts determined in March 2008,

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

- the 2009/2010 marketing year in the case of the amounts determined March 2009;
 - b the amount of the additional aid for diversification corresponding to the highest of the percentages obtained in accordance with Article 7(1) of Regulation (EC) No 320/2006, and multiplied by the total amount of sugar quota referred to in point (a) of this paragraph, up to:
 - the 2006/2007 marketing year in the case of the amounts determined in October 2006,
 - the 2007/2008 marketing year in the case of the amounts determined in March 2007,
 - the 2008/2009 marketing year in the case of the amounts determined in March 2008,
 - the 2009/2010 marketing year in the case of the amounts determined in March 2009.
- The amount resulting from the calculation referred to in the first subparagraph shall be reduced, if applicable, by all the amounts of the additional diversification aid previously fixed in accordance with the method set out in this point;
- c if applicable, the amounts of the transitional aid to certain Member States provided for in Article 9 of Regulation (EC) No 320/2006.
- 3 The amounts resulting from the method laid down in paragraph 2 shall be added to the respective amounts determined pursuant to paragraph 1 for the previous years.

Textual Amendments

- F2** Substituted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 14

National restructuring programmes

- 1 By 31 December 2006 and by 30 September 2007, 2008 and 2009, the Member States concerned shall notify to the Commission their national restructuring programmes, detailing the measures to be undertaken within the limit of the amount of the aid for diversification determined pursuant to Article 13(2)(a), the amount of the additional aid for diversification determined pursuant to Article 13(2)(b) and the amount for transitional aid to certain member States referred to in Article 13(2)(c).
- 2 National restructuring programmes shall include at least the following elements:
- a a summary of the main objectives, measures, actions, costs, financing interventions and time schedules provided for in each of the regions concerned;
 - b a description of the regions concerned and an analysis of the problems linked to the restructuring of the sugar sector;
 - c a presentation of the purposes and the actions or measures foreseen, demonstrating their consistency with the eligible restructuring plans referred to in Article 9, the rural development policy in the regions concerned and other measures undertaken or foreseen in these regions, in particular under other Community funds;

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

- d a time schedule of all the actions or measures provided for and the criteria followed to differentiate them from similar actions or measures intended to be financed by other Community funds;
- e if appropriate, the amount of the additional aid for diversification to be granted to growers of sugar beet or cane giving up their production and the objective and non-discriminatory criteria to be followed to distribute that aid;
- f a financial plan detailing all the costs by action or measure and the timetable foreseen for the payments.

[^{F43} The actions and measures provided for in a national restructuring programme shall be implemented by 30 September 2011.]

Textual Amendments

- F4** Substituted by [Commission Regulation \(EU\) No 1204/2009 of 4 December 2009 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 15

Transitional aid to full-time refiners

1 A full-time refiner who, on 30 June 2006, was a refiner within the meaning of Article 7(4) of Regulation (EC) No 1260/2001 may apply for the transitional aid provided for in Article 8(2) of Regulation (EC) No 320/2006, to be granted by the Member State on whose territory it is situated.

2 The full-time refiner shall lodge the aid application, accompanied by the business plan referred to in Article 8(3) of Regulation (EC) No 320/2006, by a deadline to be determined by the Member State concerned, which shall be no later than 30 September 2007.

3 The business plan referred to in Article 8(3) of Regulation (EC) No 320/2006 shall include at least the following elements:

- a a summary of the main objectives, measures, actions, costs, financing interventions and time schedules;
- b a description and analysis of the problems encountered to adapt to the reform of the Community sugar market organisation;
- c a presentation of the actions or measures foreseen, demonstrating their consistency with other measures undertaken or foreseen under other Community funds in the region concerned under which the applicant is a beneficiary;
- d a time schedule of all the actions or measures foreseen and the criteria followed to differentiate them from similar actions or measures intended to be financed by other Community funds under which the applicant is a beneficiary;
- e a financial plan detailing all the costs by action or measure and the timetable foreseen for the payments.

4 Actions or measures foreseen in the business plan shall include one or more of the following elements: investments, dismantling of production facilities, contributions to operational costs, provisions for depreciation of equipment and other provisions considered to be necessary in order to adapt to the new situation.

5 The Member State shall decide on the eligibility of the business plan within the financial limits of Article 8(2) of Regulation (EC) No 320/2006 and shall notify the applicant and the Commission of its decision within 30 working days after the deadline referred to in paragraph 2 of this Article.

The Member State shall, within the same period, inform the Commission of the amounts to be awarded to each refiner and, if relevant, of the objective and non-discriminatory criteria used to distribute the aid between the different full-time refiners located on their territory.

6 The actions or measures provided for in the business plan shall be implemented by 30 September 2010.

CHAPTER V

[^{F2}PAYMENT OF THE AIDS AND TEMPORARY RESTRUCTURING AMOUNT]

Article 16

Payment of the restructuring aid

1 The payment of the each instalment of the restructuring aid, as referred to in Article 10(4) of Regulation (EC) No 320/2006, shall be subject to the lodging of a security of an amount equal to 120 % of the amount of the instalment concerned.

[^{F1}However, where the competent authority of the Member State is satisfied that the conditions laid down in Article 22(1) are fulfilled prior to the payment of any of the instalments, that payment shall not be subject to the lodging of a security.]

2 In the case where the payments to growers and machinery contractors are carried out directly by the Member State in accordance with Article 19(2), the amount of the instalment concerned shall be reduced by the amounts to be paid to the growers and machinery contractors.

3 The restructuring aid shall not be paid later than 30 September 2011.

4 If appropriate, the Commission shall fix, by 31 January 2008, 2009, 2010 and 2011, the percentage of the first and second payments referred to in the second subparagraph of Article 10(4) of Regulation (EC) No 320/2006, as well as the provisional date for the second payment.

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

[^{F1}Article 16a

Payment of retroactive restructuring aid to growers and undertakings having restructured in 2006/2007 and 2007/2008

1 The retroactive payments provided for in Article 3(8) of Regulation (EC) No 320/2006 shall concern the amounts which make up the positive difference between the aid granted to undertakings and growers in the 2006/2007 and 2007/2008 marketing year and the aid which would have been granted under the conditions valid for the 2008/2009 marketing year.

For the purposes of the application of the first subparagraph, the Member States shall notify to the Commission by 30 November 2007 at the latest the percentages they have fixed for growers and contractors in accordance with Article 3(6) of Regulation (EC) No 320/2006 for all restructuring applications granted for the 2006/2007 and 2007/2008 marketing years.

The Commission shall fix the amounts per Member State that may thus be granted retroactively.

2 The retroactive payments shall be made in June 2008.

Article 16(1) and (2) shall apply *mutatis mutandis*.]

Textual Amendments

F1 Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 17

Payment of the aid for diversification, the additional aid for diversification and the transitional aid to certain Member States

1 Within the limit of the amounts determined in accordance with Article 13(3), the payment of the aid for diversification, of the additional aid for diversification and of the transitional aid to certain Member States shall be made by the Member State to the beneficiaries twice a year, in March and September for the eligible expenses actually incurred, documented and controlled.

When a part of the additional aid for diversification is granted to sugar beet or cane growers giving up their production in accordance with Article 7(2) of Regulation (EC) No 320/2006, the Member State shall ensure that the growers concerned have definitively given up sugar beet or cane production.

[^{F42} The first payment may be made in September 2007. The aid for diversification, the additional aid for diversification and the transitional aid to certain Member States shall not be paid later than 30 September 2012.]

Textual Amendments

- F4** Substituted by [Commission Regulation \(EU\) No 1204/2009 of 4 December 2009 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 18

Payment of the transitional aid to full-time refiners

1 Within the limits referred to in Article 8(2) of Regulation (EC) No 320/2006, the payments of the transitional aid to full-time refiners, for eligible expenses on the basis of a business plan, shall be made by the Member State to the beneficiaries in two instalments:

- a 40 % in September 2007;
- b 60 % in March 2008.

The payment of each instalment shall be subject to the lodging of a security of an amount equal to 120 % of the amount of the instalment concerned.

2 By way of derogation from paragraph 1, the total expenses may be covered by one single payment in September 2007, provided that, before 15 September 2007:

- a all of the measures and actions foreseen in the business plan have been executed;
- b the final report referred to in Article 24(2) has been submitted;
- c the Member State has carried out the controls referred to in Article 25.

The payment shall in this case not be subject to the lodging of a security.

Article 19

Payment to growers and machinery contractors

1 No later than two months after having received the first instalment of the restructuring aid and on the basis of the information given by the Member State in accordance with Article 6(1), the undertakings shall make the payments to growers of beet, cane and chicory as well as to machinery contractors.

2 The payments to growers and machinery contractors may be carried out directly by the Member State, by way of reducing accordingly the amount of restructuring aid to be paid as provided for in Article 16(2), within the limit set out in paragraph 3 of this Article. In that case, the payments shall be made simultaneously with the payment of the part of the restructuring aid due to the undertaking.

3 The amount of the payment referred to in paragraph 1 and 2 shall not be higher than 50 % of the first instalment. If this amount does not cover the entire sum to be paid, the remaining part shall be paid:

- a no later than two months after the undertaking has received the second instalment of the aid, where the payment is carried out by the undertaking;
- b simultaneously with the payment of the second instalment of the restructuring aid to be paid to the undertaking, where the payment is carried out directly by the Member State.

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

Article 20

Decision to postpone payments

If the Commission decides to postpone the payments of the aid for diversification, of the additional aid for diversification, of the transitional aid to full-time refiners or of the transitional aid to certain Member States in accordance with Article 10(5) of Regulation (EC) No 320/2006, it shall inform the Member States of its decision before 31 May and 31 January.

Article 21

Currency

1 For the temporary restructuring fund, the amounts of commitments and payments by the Commission and the amounts of the temporary restructuring amount, as well as the amounts of expenditure in declarations of expenditure by the Member States shall be expressed and paid in euro.

2 For any payment made in a currency other than the euro, the exchange rate shall be the most recent exchange rate set by the European Central Bank prior to the first day of the month of the operative event for the payment concerned.

The operative event shall be the date of payment.

Article 22

Release of securities

[^{F21} The securities referred to in Articles 16(1), 16a(2) and 18(2) shall be released provided that:]

- a all of the measures and actions foreseen in the restructuring plan, the national restructuring programmes and the business plan, as appropriate, have been implemented;
- b the final report referred to in Article 23(2) has been submitted;
- c the Member States have carried out the controls referred to Article 25;
- d for the restructuring aid, the aid to growers of sugar beet, cane and chicory and machinery contractors has been paid by the undertaking, unless these payments are carried out directly by the Member State in accordance with Article 19(2);
- e if applicable, the surplus levy relating to the out of quota sugar, isoglucose or inulin syrup in stocks at the beginning of the marketing year as from which the quota is renounced, has been paid.

2 By way of derogation paragraph 1, on request of the beneficiary, a security may be partially released for the amount of the expenditure actually incurred with regard to the actions and measures under the restructuring plan or business plan, provided that the inspection referred to in Article 25(1) has been effectively carried out and the inspection report referred to in Article 25(3) has been established.

[^{F43} Except in the case of *force majeure*, the security shall be forfeited if the conditions set out in paragraph 1 have not been fulfilled on 30 September 2012 at the latest.]

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

Textual Amendments

- F4** Substituted by [Commission Regulation \(EU\) No 1204/2009 of 4 December 2009 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

f^{F1} Article 22a

Temporary restructuring amount

The reduction of the temporary restructuring amount referred to in Article 11(6) of Regulation (EC) No 320/2006 shall be offset against the second instalment of that amount to be paid by the undertakings concerned by 31 October 2008 in accordance with the second indent of the second subparagraph of paragraph 5 of that Article.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 1264/2007 of 26 October 2007 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

f^{F5} Article 22b

Eligibility of payments

Expenditure shall only be eligible for Community financing if it has been paid by the Member State to the beneficiary by 30 September 2012 at the latest.]

Textual Amendments

- F5** Inserted by [Commission Regulation \(EU\) No 1204/2009 of 4 December 2009 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

CHAPTER VI

REPORTING, CONTROLS AND PENALTIES

Article 23

Reporting by the undertakings

1 Undertakings applying for restructuring aid shall inform the parties involved in the consultation process referred to in Article 1 of:

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

- a the decisions taken by the Member State in accordance with Articles 8, 9, 10 and 11;
- b what has actually been carried out each year under the approved restructuring plan.

2 Undertakings receiving an aid under the restructuring fund shall submit an annual progress report to the competent authority of the Member State that granted the aid, no later than three months after the end of the marketing year during which the corresponding measures are carried out.

The report shall detail the actions or measures taken and expenses incurred during the preceding marketing year, comparing them to the actions or measures and expenses detailed in the restructuring plan or the business plan concerned.

No later than three months after the implementation of all of the actions and measures foreseen under the restructuring plan or the business plan concerned, the undertaking shall submit to the competent authority of the Member State a final report summarising these actions and measures and the expenses incurred.

Article 24

Reporting by the Member States

1 Member States shall submit to the Commission annual progress reports concerning the restructuring plans, the national restructuring programmes and the business plans, no later than six months after the end of the marketing year concerned.

Those reports shall contain:

- a a description of actions or measures undertaken and respect of time-frame;
- b a statement of the facts according to at least one on-the-spot check per factory site for each restructuring plan or business plan;
- c a comparison between expenses foreseen and incurred;
- d an analysis of the involvements of other Community funds and their conformity with the aids financed by the restructuring fund;
- e if applicable, any changes to a restructuring plan, reasons therefore and implications for the future.

2 ^[F4]By 30 June 2012, the Member State shall submit to the Commission a final progress report comparing the actions or measures implemented and the expenses incurred to the ones foreseen in the restructuring plans, the national restructuring programmes and the business plans and explaining the reasons for deviations.]

The final progress report shall also include a list of the penalties applied during the complete period as well as a statement that no levies, penalties or amounts related to the sugar, isoglucose or inulin syrup previously produced by factories partially or fully dismantled have been left unpaid.

Textual Amendments

- F4** Substituted by [Commission Regulation \(EU\) No 1204/2009 of 4 December 2009 amending Regulation \(EC\) No 968/2006 laying down detailed rules for the implementation of Council Regulation \(EC\) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community.](#)

Article 25

Controls

1 Each undertaking and production site in respect of which an aid is received under the restructuring fund shall be inspected by the competent authority of the Member State within three months after the deadline referred to in Article 23(2).

The inspection shall check that the restructuring plan or business plan is being complied with and shall verify the accuracy and completeness of the information given by the undertaking in the progress report. The first inspection under a restructuring plan shall also verify any additional information given by the undertaking in its application for restructuring aid, in particular the confirmation referred to in Article 4(2)(b) of Regulation (EC) No 320/2006.

2 The inspection shall in all cases cover the elements of the restructuring plan referred to in Article 4(3) of Regulation (EC) No 320/2006. For each inspection a report shall be established, fully describing the work undertaken, the main findings and any follow-up action required.

3 The inspection report shall be divided into the following parts:

- a a general part, containing, in particular, the following information:
 - (i) the beneficiary and the production site subject to the inspection;
 - (ii) the persons present;
 - (iii) whether notice of the visit was given to the beneficiary and, if so, the period of advance notification;
- b for each of the elements of the restructuring plan listed in Article 4(3) of Regulation (EC) No 320/2006 and for each business plan, a part reflecting separately the checks carried out and containing, in particular, the following information:
 - (i) the requirements and the standards subject to the inspection;
 - (ii) the nature and extent of the checks carried out;
 - (iii) the findings;
 - (iv) the elements of the restructuring plan or business plan in relation to which non-compliances are found;
- c an evaluation part giving an assessment of the importance of the non-compliance in respect of each element on the basis of its severity, extent, degree of permanence and previous history with an indication of any non-compliance which has led or should lead to the adoption of measures in accordance with Article 26 or 27.

4 The beneficiary shall be informed of any non-compliance found.

5 The inspection report shall be finalised within one month after the inspection.

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

Article 26

Recovery

1 Without prejudice to paragraph 3, if a beneficiary does not comply with one or more of his commitments under the restructuring plan, the business plan or a national restructuring programme, as appropriate, the part of the aid granted in respect of the commitment(s) concerned shall be recovered except in the case of *force majeure*.

2 Interest shall be calculated for the period from the 60th day following that on which the beneficiary is notified of the obligation to repay aid to the day on which the aid is actually repaid.

The interest rate shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union*, in force on the first calendar day of the month in which the due date falls, increased by three and a half percentage points.

3 The Member State may grant the beneficiary a period of two months to achieve compliance with the commitment under the restructuring plan or the business plan.

Article 27

Penalties

1 If a beneficiary does not comply with one or more of his commitments under the restructuring plan, the business plan or the national restructuring programme, as appropriate, it shall be required to pay an amount equal to 10 % of the amount to be recovered under Article 26.

2 The penalties to be imposed pursuant to paragraph 1 shall not be imposed if the undertaking can demonstrate, to the satisfaction of the competent authority, that the non-compliance is due to *force majeure* and if it has clearly identified the non-compliance in the progress report submitted in accordance with Article 23(2).

3 If the non-compliance has been committed intentionally or as a result of grave negligence, the beneficiary shall be required to pay an amount equal to 30 % of the amount to be recovered under Article 26.

CHAPTER VII

FINAL PROVISION

Article 28

Entry into force

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

It shall apply from 1 July 2006.

Changes to legislation: There are currently no known outstanding effects for the
Commission Regulation (EC) No 968/2006. (See end of Document for details)

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

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

[^{F2}ANNEX I]

Member State:			
Name and address of undertaking:			
Marketing year:			
Date and time of arrival of the complete application:			
Total quota held:			
		Quota (tonnes) renounced under Article 3(1) of Regulation (EC) No 320/2006	
		Product concerned (sugar, isoglucose or inulin syrup):	
Factory site concerned:	Point (a)	Point (b)	Point (c)
	Full dismantling (in tonnes)	Partial dismantling (in tonnes)	No dismantling (in tonnes)
1			
2			
3			
4			
5			
Total			

To be sent to: agri-C1@ec.europa.eu

*Changes to legislation: There are currently no known outstanding effects for the
Commission Regulation (EC) No 968/2006. (See end of Document for details)*

[^{F1}ANNEX II

Addresses referred to in Article 8a(1)

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Тел. (359-2) 818 72 02

Факс (359-2) 818 71 67

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Státní zemědělský intervenční fond

Oddělení pro cukr a škrob

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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

Bundesanstalt für Landwirtschaft und Ernährung

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Nacionalinė mokėjimo agentūra

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Changes to legislation: There are currently no known outstanding effects for the
Commission Regulation (EC) No 968/2006. (See end of Document for details)

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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

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Changes to legislation: There are currently no known outstanding effects for the
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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006. (See end of Document for details)

- (1) OJ L 58, 28.2.2006, p. 42.
- (2) OJ L 178, 30.6.2001, p. 1. Regulation repealed by Regulation (EC) No 318/2006.
- (3) OJ L 58, 28.2.2006, p. 1.
- (4) OJ L 124, 8.6.1971, p. 1.
- (5) OJ L 209, 11.8.2005, p. 1.
- (6) OJ L 160, 26.6.1999, p. 103.

Changes to legislation:

There are currently no known outstanding effects for the Commission Regulation (EC) No 968/2006.