

**COMMISSION IMPLEMENTING DECISION****of 19 December 2014****on excluding from European Union financing certain expenditure incurred by the Member States under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF), under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD)***(notified under document C(2014) 10135)***(Only the English, Greek and Slovenian texts are authentic)**

(2014/950/EU)

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy <sup>(1)</sup>, and in particular Article 7(4) thereof,Having regard to Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy <sup>(2)</sup>, and in particular Article 31 thereof,

Having consulted the Committee on the Agricultural Funds,

Whereas:

- (1) Under Article 7(4) of Regulation (EC) No 1258/1999, and Article 31 of Regulation (EC) No 1290/2005, the Commission is to carry out the necessary verifications, communicate to the Member States the results of these verifications, take note of the comments of the Member States, initiate a bilateral discussion so that an agreement may be reached with the Member States in question, and formally communicate its conclusions to them.
- (2) The Member States have had an opportunity to request the launch of a conciliation procedure. That opportunity has been used in some cases and the reports issued on the outcome have been examined by the Commission.
- (3) Under Regulation (EC) No 1258/1999 and Regulation (EC) No 1290/2005, only agricultural expenditure which has been incurred in a way that has not infringed European Union rules may be financed.
- (4) In the light of the verifications carried out, the outcome of the bilateral discussions and the conciliation procedures, part of the expenditure declared by the Member States does not fulfil this requirement and cannot, therefore, be financed under the EAGGF Guarantee Section, the EAGF and the EAFRD.
- (5) The amounts that are not recognised as being chargeable to the EAGGF Guarantee Section, the EAGF and the EAFRD should be indicated. Those amounts do not relate to expenditure incurred more than 24 months before the Commission's written notification of the results of the verifications to the Member States.
- (6) As regards the cases covered by this decision, the assessment of the amounts to be excluded on grounds of non-compliance with European Union rules was notified by the Commission to the Member States in a summary report on the subject.
- (7) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice in cases pending on 1 September 2014 and relating to its content,

HAS ADOPTED THIS DECISION:

*Article 1*

The expenditure itemised in the Annex hereto that has been incurred by the Member States' accredited paying agencies and declared under the EAGGF Guarantee Section, under the EAGF or under the EAFRD shall be excluded from European Union financing because it does not comply with European Union rules.

<sup>(1)</sup> OJ L 160, 26.6.1999, p. 103.

<sup>(2)</sup> OJ L 209, 11.8.2005, p. 1.

*Article 2*

This Decision is addressed to Ireland, Hellenic Republic and the Republic of Slovenia.

Done at Brussels, 19 December 2014.

*For the Commission*  
Phil HOGAN  
*Member of the Commission*

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## ANNEX

## Budget Item: 6701

MS	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GR	Export refunds — Non-Annex I	2008	Lack of instructions related to the Regulation (EC) No 952/2006	FLAT RATE	5,00 %	EUR	- 13 507,00	0,00	- 13 507,00
	Export refunds — Sugar and isoglucose	2008	Lack of instructions related to the Regulation (EC) No 952/2006	FLAT RATE	5,00 %	EUR	- 47 747,49	0,00	- 47 747,49
	_Recoveries	2009	Lack of instructions related to the Regulation (EC) No 952/2006	FLAT RATE	2,00 %	EUR	- 872 542,52	0,00	- 872 542,52
	_Recoveries	2010	Lack of instructions related to the Regulation (EC) No 952/2006	FLAT RATE	2,00 %	EUR	- 845 323,17	0,00	- 845 323,17
	Wine — planting rights		Reimbursement following judgement of Court of Justice in case T-367/12	ONE-OFF	0,00 %	EUR	21 336 120,00	0,00	21 336 120,00
GR	Other Direct Aid — Article 68-72 of Regulation (EC) No 73/2009	2011	Non-achievement of the regulatory control rate, deficiencies in the timing and non-respect of the regulatory minimum rate of on-the-spot checks for the sheep and goat aid	FLAT RATE	2,00 %	EUR	- 476 400,54	0,00	- 476 400,54
GR	Decoupled Direct Aids	2009	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	2,00 %	EUR	- 34 622 028,32	- 68 359,28	- 34 553 669,04
	Other Direct Aids	2009	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	5,00 %	EUR	- 11 294 787,52	- 97 073,53	- 11 197 713,99
	Decoupled Direct Aids	2009	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	10,00 %	EUR	- 32 548 736,62	- 64 265,67	- 32 484 470,95
	Other Direct Aids	2009	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	100,00 %	EUR	0,00	- 132 067,09	132 067,09

MS	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Decoupled Direct Aids	2010	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	2,00 %	EUR	6 274,63	12,55	6 262,08
	Other Direct Aids	2010	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	5,00 %	EUR	27,37	0,05	27,32
	Decoupled Direct Aids	2010	Weaknesses in the LPIS and on-the-spot-checks, CY 2008	FLAT RATE	10,00 %	EUR	5 898,88	11,80	5 887,08
GR	Financial audit — Overshooting	2011	Exceeding of financial ceilings	ONE-OFF	0,00 %	EUR	– 21 940,77	– 21 940,77	0,00
	Financial audit — Late payments and payment deadlines	2011	Late payments	ONE-OFF	0,00 %	EUR	– 1 617 403,78	– 1 751 757,38	134 353,60
					<b>Total GR:</b>	<b>EUR</b>	<b>– 61 012 096,85</b>	<b>– 2 135 439,32</b>	<b>– 58 876 657,53</b>
MS	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
IE	Fruit and Vegetables — Operational Programmes	2009	Absence of checks on compliance with recognition criteria	FLAT RATE	10,00 %	EUR	– 477 165,20	0,00	– 477 165,20
	Fruit and Vegetables — Operational Programmes	2010	Absence of checks on compliance with recognition criteria	FLAT RATE	10,00 %	EUR	– 578 539,13	0,00	– 578 539,13
					<b>Total IE:</b>	<b>EUR</b>	<b>– 1 055 704,33</b>	<b>0,00</b>	<b>– 1 055 704,33</b>
MS	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
SI	Sugar — Restructuring Fund	2009	Silos still present at the premises of the sugar factory	ONE-OFF	0,00 %	EUR	– 8 700 815,25	0,00	– 8 700 815,25
					<b>Total SI:</b>	<b>EUR</b>	<b>– 8 700 815,25</b>	<b>0,00</b>	<b>– 8 700 815,25</b>

**Totals by Budget Item: 6701**

Amount	Deductions	Financial Impact
– 70 768 616,43	– 2 135 439,32	– 68 633 177,11

**Budget Item: 6711**

MS	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GR	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2009	Weaknesses in the LPIS and on-the-spot-checks, 2nd pillar, CY 2008	FLAT RATE	5,00 %	EUR	- 5 007 867,36	- 2 318 055,75	- 2 689 811,61
	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2010	Weaknesses in the LPIS and on-the-spot-checks, 2nd pillar, CY 2008	FLAT RATE	5,00 %	EUR	- 5 496 524,54	- 270 175,45	- 5 226 349,09
					<b>Total GR:</b>	<b>EUR</b>	<b>- 10 504 391,90</b>	<b>- 2 588 231,20</b>	<b>- 7 916 160,70</b>

**Totals by Budget Item: 6711**

Amount	Deductions	Financial Impact
- 10 504 391,90	- 2 588 231,20	- 7 916 160,70