

## REGULATION No 359/67/EEC OF THE COUNCIL

of 25 July 1967

on the common organisation of the market in rice

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament<sup>1</sup>;

Whereas the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy to include in particular a common organisation of agricultural markets which may take various forms depending on the product;

Whereas Regulation No 16/64/EEC<sup>2</sup> provided that the common organisation of the market in rice should be established progressively from 1964; whereas the main features of the market organisation thus established are, for producer Member States, the annual fixing of target prices, published before the winter sowing so as to allow producers to make their crop plans, and the fixing, on the basis of the target price, of an intervention price at which the competent agencies are obliged to buy in the paddy rice which is offered to them, and of a threshold price to which the price of imported products must be equated by means of a variable levy; whereas for non-producer Member States its main feature is the annual fixing of a common threshold price to be determined for the first year on the basis of the price recorded on the world market and to which the price of the imported products must be equated by means of a variable levy;

Whereas a progressive approximation of target prices and a progressive approximation of threshold prices were provided for in Article 20 (1) of Regulation No 16/64/EEC so that a single target price and a single threshold price might be attained by the end of the

transitional period; whereas the connection between the markets in cereals and rice in certain aspects of production and utilisation makes it opportune that the introduction of a single price system for cereals within the Community from the 1967/68 marketing year should be followed by the establishment of a single price system for rice for the same marketing year;

Whereas, owing to the price mechanisms brought into being by Regulation No 16/64/EEC, the creation of a single market in rice for the whole Community does not depend solely on the removal of all obstacles to the free movement of goods within the Community and on the establishment of identical protection at its external frontiers, but also on the adoption of a system comprising: a target price for husked rice valid for the whole Community; a single threshold price for husked rice, a single threshold price for milled rice and a single threshold price for broken rice, such prices to be fixed in such a way that, on the market of the marketing centre of the area with the greatest deficit in the Community, the selling price of the imported product is equal to the target price; related levies in respect of third countries, which are the same for the whole Community; and intervention prices fixed on the basis of target prices; whereas, therefore, the necessary adjustments should be made to the system provided in Regulation No 16/64/EEC;

Whereas the aim of the common agricultural policy is to attain the objectives set out in Article 39 of the Treaty; whereas in the rice sector, in order to stabilise markets and to ensure a fair standard of living for the agricultural community concerned, intervention agencies should continue to take by intervention measures on the market, such measures however to be standardised so as not to impede the free movement of rice within the Community;

Whereas free movement within the Community should enable surpluses in production areas to be offset against requirements in deficit areas; whereas, so as not to impede such offsetting, intervention prices should be fixed in such a way that the

<sup>1</sup> OJ No 156, 15.7.1967, p. 32.

<sup>2</sup> OJ No 34, 27.2.1964, p. 574/64.

differences between them reflect the disparities which, given a normal harvest, arise under natural conditions of price formation on the market, and that the forces of supply and demand may have free play;

Whereas the smooth adjustment of the market to the regionalisation of prices requires intervention agencies to be able, in special circumstances, to take intervention measures suited to those circumstances; whereas, however, so that the required uniformity of intervention systems may be maintained, those special circumstances should be assessed and the appropriate measures determined at Community level;

Whereas the target price, intervention prices and threshold prices should, in the course of the marketing year, be subject to a certain number of monthly increases in order to take account, among other things, of storage costs and interest charges for storing rice in the Community and of the need to ensure that the disposal of stocks conforms to market requirements;

Whereas, because of the special situation of the market in starches and, in particular, the need for that industry to keep prices competitive with those for substitute products, it is necessary to ensure by means of a production refund, that the broken rice used by the industry is made available to it at a lower price than the one which would result from applying the system of levies and common prices; whereas because of the special situation of the market in quellmehl it is necessary to provide for similar measures for broken rice used in manufacturing that product;

Whereas the creation of a single Community market for rice involves, apart from a single price system, the introduction of a single trading system at the external frontiers of the Community; whereas a trading system including levies and export refunds, combined with intervention measures, also serves to stabilise the Community market, in particular by preventing price fluctuations on the world market from affecting prices ruling within the Community; whereas, therefore, provision should be made for charging a levy on imports from third countries and for the payment of a refund on exports to these countries, both being designed to cover the difference between prices ruling outside and within the Community;

Whereas the calculation of that levy and of that refund can be made on the basis of the respective prices of the most representative products in the rice sector, namely husked rice, milled rice and broken rice; whereas the calculation of the levy and the refund applicable to rice offered at other stages of processing can be made on the basis of the levy and the refund applicable to whichever of those three products is nearest to the stage of the rice in

question; whereas, moreover, as regards semi-milled and milled rice and the products processed from rice which are covered by this Regulation, account should be taken, when calculating the levy, of the need to ensure a measure of protection for the Community processing industry;

Whereas, in addition to the system described above, and to the extent necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting the use of 'inward processing arrangements'; whereas, moreover, the refund should be fixed in such a way that operations under inward processing arrangements do not lead the Community processing industry to use, with a view to export, basic products imported from third countries in preference to Community basic products; whereas the creation of a single market in rice necessitates Community control of the inward processing trade;

Whereas the competent authorities must be in a position constantly to follow trade movements in order to assess market trends and to apply the measures laid down in this Regulation as necessary; whereas, to that end, provision should be made for the issue of import and export licences accompanied by the lodging of a deposit guaranteeing that the transactions for which such licences are requested are effected;

Whereas the levy system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the common price and levy machinery may in exceptional circumstances prove defective; whereas, in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom after the import barriers which existed previously have been removed, the Community should be enabled to take all necessary measures without delay;

Whereas the establishment of a single market in rice involves the removal at the internal frontiers of the Community of all obstacles to the free movement of the goods in question;

Whereas the establishment of a single market based on a common price system would be jeopardised by the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the common market should be made to apply to rice;

Whereas the transition from the system provided in Regulation No 16/64/EEC to that established by this Regulation should be effected as smoothly as possible; whereas, to that end, certain transitional measures may prove necessary;

Whereas the common organisation of the market in rice must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close co-operation between Member States and the Commission within the Management Committee for Cereals;

HAS ADOPTED THIS REGULATION:

### Article 1

1. The common organisation of the market in rice shall comprise a price and trading system and cover the following products:

CCT heading No	Description of goods
(a) ex 10.06 A	Rice in the husk (paddy or rough rice)
ex 10.06 A	Husked rice (cargo or brown rice)
10.06 B	Milled rice, whether or not polished or glazed
(b) 10.06 C	Broken rice
(c) 11.01 D	Rice flour
ex 11.02 A III (b)	Rice groats and meal, rolled or flaked rice
11.08 A III	Rice starch

2. For purposes of this Regulation, paddy rice, husked rice, semi-milled rice, milled rice, round-grained rice and broken rice are the products defined in Annex A.

## TITLE I

### Prices

#### Article 2

1. Before 1 August of each year, a target price for husked rice shall be fixed for the Community for the marketing year beginning during the following calendar year.

2. This price shall be fixed for round-grained rice of a standard quality.

3. This price shall be fixed for Duisburg at the wholesale stage, goods in bulk, delivered to warehouse, not unloaded.

4. The price mentioned in this Article and the standard quality for which it is fixed shall be determined in accordance with the procedure laid down in Article 43 (2) of the Treaty.

#### Article 3

The marketing year for all the products listed in Article 1 shall begin on 1 September and end on 31 August of the following year.

#### Article 4

1. In order to guarantee to producers that the market price does not fall below a minimum level, intervention prices for paddy rice shall be fixed for the Community.

2. These prices shall be fixed for round-grained paddy rice of a standard quality determined on the basis of the variety chosen for determining the standard quality for which the target price for husked rice is fixed, at the same stage and under the same conditions.

3. Intervention prices for Arles and Vercelli shall be determined as follows:

- by calculating the derived target price for husked rice for Arles and Vercelli, respectively;
- by converting that price into a price for paddy rice on the basis of the conversion rates, manufacturing costs and the value of by-products;
- by reducing the result thus obtained by 4%.

The price derivation mentioned in the first indent above shall be calculated in such a way that the differences between the intervention prices as also between them and the target price correspond to the price disparities to be expected in a normal harvest under natural conditions of price formation on the market and allow the free movement of rice within the Community in accordance with the requirements of the market.

For other large marketing centres in areas of surplus production within the Community, the following prices shall apply:

- the intervention price for Arles to centres in France;
- the intervention price for Vercelli to centres in Italy.

4. 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 fix the intervention prices for Arles and Vercelli each year, before 1 May, for the following rice marketing year.

5. Rules for the determination of large marketing centres for areas of surplus production other than Arles and Vercelli, and the standard quality to which the intervention prices relate, shall be adopted in accordance with the procedure referred to in paragraph 4.

6. The marketing centres mentioned in the third subparagraph of paragraph 3 shall, after consultation with the Member States concerned, be determined before 1 July of each year for the following marketing year, in accordance with the procedure laid down in Article 26.

#### *Article 5*

1. Throughout the marketing year the intervention agencies designated by Member States shall be obliged to buy in paddy rice harvested in the Community which is offered to them, provided the offers comply with conditions, in particular in respect of quality and quantity, to be determined in accordance with paragraph 5.

2. The intervention agencies shall buy in at the intervention price ruling for the marketing centre at which the paddy rice is offered, under conditions to be determined in accordance with paragraphs 4 and 5.

If the quality of the paddy rice offered is different from the standard quality for which the intervention price has been fixed, the intervention price shall be adjusted by applying:

- corrective amounts representing the differences in value between the variety which corresponds to the standard quality and the other varieties; and
- price increases or reductions representing variations in quality not attributable to the variety classification of the product.

3. Under conditions to be laid down in accordance with paragraphs 4 and 5, intervention agencies shall offer for sale, for export to third countries or for supply to the internal market, paddy rice bought in pursuant to paragraph 1.

4. 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 general rules governing intervention.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26, in particular as regards:

- the minimum quality and quantity required for intervention;
- the corrective amounts applicable to intervention;
- the price increases and reductions applicable to intervention;
- the procedures and conditions for taking over by the intervention agencies;
- the procedures and conditions for disposal by intervention agencies.

#### *Article 6*

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 determine the conditions under which intervention agencies may take special intervention measures to prevent, in certain areas of the Community, substantial buying in of paddy rice in pursuance of Article 5 (1).

The nature and scope of such intervention measures shall be determined in accordance with the procedure laid down in Article 26.

Before the expiry of the first year of application of this Regulation the Commission shall submit to the Council a report on the results obtained from application of the measures laid down in this Article and on the advisability of amending or repealing them.

#### *Article 7*

1. The target price and the intervention prices shall be subject to monthly increases, phased over the whole or part of the marketing year.

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, shall before 1 May each year determine for the following marketing year the number and the amount of the monthly increases and their phasing over the marketing year.

#### *Article 8*

1. A carry-over payment may be granted in respect of stocks remaining at the end of the marketing year of paddy rice harvested in the Community and of husked rice obtained from that rice.

Before 1 July of each year, 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 decide whether a carry-over payment should be granted in respect of the above-mentioned products and, if so, to what extent.

2. The carry-over payment shall not exceed:

- (a) for husked rice, the difference between the target price valid for the last month of the marketing year and that valid for the first month of the next marketing year;
- (b) for paddy rice, that difference adjusted by the conversion rate.

3. The carry-over payment shall be granted only if stocks reach a minimum quantity.

4. The amount of the carry-over payment shall be fixed in accordance with the procedure referred to in paragraph 1.

5. Detailed rules for the application of this Article, in particular the minimum quantity qualifying for a carry-over payment and the categories of those entitled to it shall be adopted in accordance with the procedure laid down in Article 26.

#### *Article 9*

1. A production refund shall be granted for broken rice which has been used:

- (a) by the starch industry for the manufacture of starch and quellmehl as defined in Annex A;
- (b) by the brewing industry.

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, shall adopt rules for the application of this Article and fix the amount of the production refund.

### **TITLE II**

#### **Trade with third countries**

##### *Article 10*

1. Imports into the Community or exports therefrom of any of the products listed in Article 1 shall be subject to the submission of an import or export licence which may be issued by Member States to any applicant irrespective of the place of his establishment in the Community.

From a date to be fixed by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, and from 1 September 1969 at the latest, such licences shall be valid for transactions effected in the Community. Until that date such licences shall be valid only for transactions effected in the Member State which issued them.

The issue of such licences shall be conditional on the lodging of a deposit guaranteeing that importation or exportation is effected during the period of validity of the licence; the deposit shall be forfeited in whole or in part if the transaction is not effected, or is only partially effected, within that period.

2. The period of validity of licences and other detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26.

##### *Article 11*

1. A levy equal for each product to the threshold price less the c.i.f. price shall be charged on imports of husked rice, milled rice or broken rice.

2. A levy equal to the levy applicable to husked rice, adjusted by the conversion rate, shall be charged on imports of paddy rice.

3. A levy equal to the levy applicable to round-grained milled rice, adjusted by the conversion rate, shall be charged on imports of long-grained milled rice. This adjustment shall be made by dividing this levy by the rate applicable when long-grained husked rice is converted into long-grained milled rice and by multiplying it by the rate applicable when round-grained husked rice is converted into round-grained milled rice.

4. A levy equal to the levy applicable to milled rice, adjusted by the conversion rate, shall be charged on imports of semi-milled rice.

5. The Commission shall fix the levies mentioned in this Article.

##### *Article 12*

1. A levy shall be charged on the importation of products listed in Article 1 (1) (c), consisting of two components:

- (a) a variable component, which may be fixed and revised on a flat rate basis and which corresponds to the incidence on the prime cost of such products of the levy on the basic product used in their manufacture;

(b) a fixed component designed to protect the processing industry.

2. Where actual offers from third countries of products listed in Article 1 (1) (c) do not correspond to the price which results from the price of the basic product used in their manufacture, plus processing costs, an amount fixed in accordance with the procedure laid down in Article 26 may be added to the levy fixed in accordance with paragraph 1.

3. 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 rules for the application of this Article.

4. The Commission shall fix the levies specified in paragraph 1.

#### *Article 13*

1. The levy to be charged shall be that applicable on the day of importation.

2. However, as regards imports of rice and broken rice, the levy applicable on the day on which application for a licence is made, adjusted for the threshold price which will be in force during the expected month of importation, shall be applied to an import to be effected during the period of validity of the licence, if the applicant so requests when applying for the licence. A premium, fixed at the same time as the levy, shall be added to the levy, where appropriate.

3. A decision may be taken in accordance with the procedure laid down in Article 26 to apply the provisions of paragraph 2, in whole or in part, to any of the products listed in Article 1 (1) (c).

4. 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 rules for the application of paragraph 2, including rules for fixing premiums, and measures to be taken in exceptional circumstances or where importation is not effected within the month laid down.

5. The scale of premiums shall be adopted by the Commission.

#### *Article 14*

1. There shall be fixed for the Community each year, before 1 May, for the following marketing year:

- a threshold price for husked rice;
- a threshold price for milled rice.

2. The threshold price for husked rice shall be fixed in such a way that on the Duisburg market the selling price for the imported product corresponds to the target price, after allowance for differences in quality. The threshold price shall be subject to the monthly increases determined for the target price in accordance with the provisions of Article 7.

It shall be calculated for Rotterdam for the same standard quality as the target price for husked rice.

3. The threshold price for milled rice shall be derived from the threshold price for husked rice by making adjustments for the conversion rate, for processing costs and for the value of by-products and then by adding an amount for the protection of the industry.

It shall be calculated for Rotterdam for the same standard quality as the threshold price for husked rice.

4. 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 fix the threshold price for husked rice and the protective amount mentioned in paragraph 3.

5. The threshold price for milled rice shall be fixed in accordance with the procedure laid down in Article 26.

#### *Article 15*

1. A threshold price for broken rice shall be fixed for the Community each year, before 1 May, for the following marketing year.

2. This price shall be fixed within:

(a) an upper limit constituted by the threshold price for husked rice valid for the same marketing year:

- plus half the amount of the monthly increases of that threshold price; and
- minus the percentage by which the average c.i.f. price for broken rice determined for Rotterdam from 1 September 1964 to 31 August 1966 was lower than the average of the most favourable offers for husked rice determined for Rotterdam for the same period;

(b) a lower limit constituted by the threshold price for maize valid for the same marketing year:

- plus half the amount of the monthly increases of that threshold price; and

- plus the percentage by which the average c.i.f. price for broken rice determined for Rotterdam from 1 September 1964 to 31 August 1966 was higher than the average c.i.f. price for maize determined for Rotterdam for the same period and adjusted for bagged maize.

3. If quotations on the world market for husked rice, maize and broken rice show, over a period of at least six months, considerable variations from the average quotations recorded during the period mentioned in paragraph 2, a different reference period shall be fixed for determining the threshold price for the following marketing year.

4. The threshold price for broken rice shall be calculated for Rotterdam and for a standard quality.

5. 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 fix:

- (a) the threshold price for broken rice and the standard quality for which it shall be fixed;
- (b) if need be, the reference period mentioned in paragraph 3.

#### Article 16

1. There shall be calculated for Rotterdam:

- a c.i.f. price for husked rice;
- a c.i.f. price for milled rice;
- a c.i.f. price for broken rice.

These c.i.f. prices shall be calculated for goods in bulk on the basis of the most favourable purchasing opportunities on the world market determined in accordance with paragraphs 2 and 3.

2. The c.i.f. price for husked rice shall be calculated on the basis of the quotations or prices on the world market for:

- (a) husked rice, adjusted for any differences in quality compared with the standard quality;
- (b) if need be, paddy rice, adjusted for the conversion rate, for processing costs, for the value of by-products and for any differences in quality compared with the standard quality.

3. The c.i.f. prices for milled rice shall be calculated on the basis of recorded quotations or prices on the world market for:

- (a) round-grained milled rice, adjusted for any differences in quality compared with the standard

quality for which the threshold price for husked rice was fixed, those differences themselves to be adjusted in line with the rate applicable on conversion of round-grained husked rice to round-grained milled rice;

- (b) long-grained milled rice, adjusted, in order to obtain the price of round-grained milled rice, for:

- the conversion rate, the processing costs and the value of by-products applicable on conversion of long-grained milled rice into long-grained husked rice;

- differences in quality compared with the standard quality for which the threshold price for husked rice was fixed;

- the conversion rate, the processing costs and the value of by-products applicable on conversion of round-grained husked rice into round-grained milled rice;

- (c) if need be, semi-milled rice, adjusted for the conversion rate, for processing costs, for the value of by-products and for any differences in quality compared with the standard quality for which the threshold price of husked rice was fixed, those differences themselves to be adjusted in line with the rate applicable on conversion of husked rice into milled rice.

4. Differences in quality shall be expressed by means of corrective amounts representing the difference in value between the variety which corresponds to the standard quality for which the threshold price was fixed and the other varieties.

5. Where free quotations on the world market are not a determining factor for the offer price and where that price is lower than those quotations, a special c.i.f. price calculated on the basis of the offer price shall be substituted, solely in respect of the imports in question for the c.i.f. price.

6. Detailed rules for the application of this Article, in particular the corrective amounts, the method of calculating c.i.f. prices and the margin within which variations in the factors used for calculating the levy do not entail any alteration of the levy, shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 17

1. To the extent necessary to enable the products listed in Article 1 to be exported in the state referred to therein or in the form of goods listed in Annex B on the basis of quotations or prices for those

products on the world market, the difference between those quotations or prices and prices in the Community may be covered by an export refund.

2. The refund shall be the same for the whole Community. It may be varied according to use or destination.

The refund shall be granted on application.

When the refund is being fixed particular account shall be taken of the need to establish a balance between the use of Community basic products in the manufacture of processed goods for export to third countries and the use of third country products brought in under inward processing arrangements.

Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 26. Where necessary the Commission may, at the request of a Member State or on its own initiative, alter the refunds in the intervening period.

3. The amount of the refund applicable to the export of products listed in Article 1 and of goods listed in Annex B shall be that applicable on the day of exportation.

4. However, as regards exports of products listed in Article 1 (1) (a) and (b), the refund applicable on the day on which application for a licence is made, adjusted for the threshold price which will be in force during the month of exportation, shall be applied to an export to be effected during the period of validity of the licence, if the applicant so requests when applying for the licence. In this case a corrective amount fixed by the Commission shall be applied to the refund.

The provisions of the preceding subparagraph may be applied in whole or in part to any of the products listed in Article 1 (1) (c) and in Annex B.

5. 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 general rules for granting export refunds and criteria for fixing the amount of such refunds.

6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 18

1. To the extent necessary for the proper working of the common organisation of the market in rice, 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 prohibit in whole or in part the use of inward processing arrangements:

- in respect of products listed in Article 1 which are intended for the manufacture of products listed in Article 1 (1) (c);
- and, in special cases, in respect of products listed in Article 1 which are intended for the manufacture of goods listed in Annex B.

2. Community provisions to regulate the inward processing trade in the products listed in Article 1 shall be adopted not later than 1 July 1968.

3. Rules to be applied until the provisions mentioned in paragraph 2 enter into force shall be adopted in accordance with the procedure referred to in paragraph 1; they shall apply in respect of:

- (a) the rate of yield to be taken when determining the quantity of Article 1 products used in the manufacture of processed goods for export;
- (b) the determination, for the purpose of applying the levy, of the quantity of products used in the manufacture of processed goods put into free circulation.

4. For the purposes of this Article 'inward processing arrangements' means all those provisions determining the conditions under which products from third countries are used in the Community in the manufacture of goods for export and enjoy exemption from the levies applicable to them.

#### Article 19

The procedure laid down in Article 26 shall apply for determining:

- (a) the conversion rates between
  - husked rice and paddy rice used when applying Article 4 (3), Article 8 (2) (b), Article 11 (2) and Article 16 (2) (b);
  - husked rice and milled rice used when applying Article 11 (3), Article 14 (3) and Article 16 (3) (a), (b) and (c);
  - milled rice and semi-milled rice, to be used in consideration when applying Article 11 (4) and Article 16 (3) (c);
- (b) the processing costs and the value of by-products to be used when applying Article 4 (3), Article 14 (3) and Article 16 (2) (b) and (3) (b) and (c).



*Article 20*

1. Without prejudice to the provisions of Regulation No 156/66/EEC<sup>1</sup> the general rules for the interpretation of the Common Customs Tariff and the special rules for its application shall apply to the tariff classification of products covered by this Regulation; the tariff nomenclature resulting from application of this Regulation shall be incorporated in the Common Customs Tariff from the date on which the latter is fully applied.

2. Save as otherwise provided in this Regulation or where derogation therefrom is decided by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, the following shall be prohibited:

- the levying of any customs duty or charge having equivalent effect;
- the application of any quantitative restriction or measure having equivalent effect.

The restriction of import or export licences to a specified category of those entitled to receive them shall be one of the measures considered as having effect equivalent to a quantitative restriction.

*Article 21*

When the c.i.f. price of one or more of the products mentioned in Article 16 (1) is appreciably higher than the threshold price, and that situation is likely to continue, thereby disturbing or threatening to disturb the Community market, the necessary measures may be taken.

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 general rules for the application of this Article.

*Article 22*

1. If by reason of imports or exports the Community market in one or more of the products listed in Article 1 experiences or is threatened with serious disturbances which may endanger the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

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 rules for the application of this paragraph and define the cases in which and the limits within which Member States may take protective measures.

2. If the situation mentioned in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the measures shall be communicated to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within twenty-four hours following receipt of the request.

3. The measures decided upon by the Commission may be referred to the Council by any Member State within three working days following the day on which they were communicated. The Council shall meet without delay. It may amend or repeal the measures in question in accordance with the voting procedure laid down in Article 43 (2) of the Treaty.

## TITLE III

## General provisions

*Article 23*

1. The following shall be prohibited in the internal trade of the Community:

- the levying of any customs duty or charge having equivalent effect;
- any quantitative restriction or measure having equivalent effect;
- recourse to Article 44 of the Treaty.

2. Goods listed in Article 1 which are manufactured or obtained from products to which Article 9 (2) and Article 10 (1) of the Treaty do not apply shall not be admitted to free circulation within the Community.

*Article 24*

Save as otherwise provided in this Regulation, Articles 92 to 94 of the Treaty shall apply to the production of and trade in the products listed in Article 1.

*Article 25*

Member States and the Commission shall communicate to each other the information necessary

<sup>1</sup> OJ No 192, 27.10.1966, p. 3278/66.

for implementing this Regulation. Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 26

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Management Committee for Cereals set up by Article 25 of Council Regulation No 120/67/EEC<sup>1</sup> of 13 June 1967 on the common organisation of the market in cereals (hereinafter called the 'Committee'), either on his own initiative or at the request of the representative of a Member State.

The provisions of Article 25 of the above-mentioned Regulation regarding that Committee shall apply in full.

2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its Opinion on such measures within a time-limit to be set by the Chairman according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of twelve votes.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may take a different decision within one month.

#### Article 27

The Committee may consider any other question referred to it by its Chairman either on his own initiative or at the request of the representative of a Member State.

#### Article 28

At the end of the transitional period, 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 decide in the light of experience whether to retain or amend the provisions of Article 26.

#### Article 29

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

#### Article 30

The additional amount provided for in Article 12 (2) and the premium provided for in Article 13 (2) shall be considered as levies in relation to third countries within the meaning of Article 11 (4) of Council Regulation No 130/66/EEC<sup>2</sup> of 26 July 1966 on the financing of the common agricultural policy.

#### Article 31

1. Should transitional measures be necessary to facilitate the transition from the system provided in Regulation No 16/64/EEC to that established by this Regulation, in particular if the introduction of the new system on the date provided for would give rise to substantial difficulties in respect of certain products, such measures shall be adopted in accordance with the procedure laid down in Article 26. They shall be applicable until 31 August 1968 at the latest.

2. By way of derogation from the provisions of Article 2, the prices and standard qualities mentioned therein effective for the 1967/68 marketing year shall be determined by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 32

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

The system established by this Regulation shall apply from 1 September 1967, except for the measures provided for in Article 31 (1), which may be made to apply from the date of entry into force of this Regulation.

<sup>1</sup> OJ No 117, 19.6.1967, p. 2269/67.

<sup>2</sup> OJ No 165, 21.9.1966, p. 2965/66.

Regulation No 16/64/EEC and the provisions adopted in implementation thereof, except for the provisions of Regulation No 3/63/EEC,<sup>1</sup> shall be repealed with effect from 1 September 1967.

From the same date Annex A of Regulation No 120/67/EEC shall be read as follows in respect of tariff sub-heading No ex 11.02 ex A III ex (b):

‘Other, except rice groats and meal and rolled or flaked rice’.

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

Done at Brussels, 25 July 1967.

*For the Council*

*The President*

H. HOECHERL

#### ANNEX A

##### Definitions

1. (a) Paddy rice: rice of which the grains are still enclosed in the floral husk;  
(b) Husked rice: rice grains from which the husks have been removed, but which are still enclosed in the pericarp. This term embraces rice known commercially as ‘brown rice’, ‘cargo rice’, ‘loonzain rice’ and ‘riso sbramato’;  
(c) Semi-milled rice: rice from which only part of the pericarp has been removed;  
(d) Milled rice: rice from which the whole of the pericarp has been removed, whether or not the grains still retain longitudinal white striations.
2. (a) Round-grained rice: rice of which 90% or more of the grains have a length equal to or less than 5.2 millimetres and a ratio of length to width of less than 2;  
(b) Long-grained rice: rice not meeting the specifications of (a).

The grain measurements are taken on milled rice by the following method:

- take a representative sample from the batch;
- sieve the sample so as to retain only whole grains;
- carry out two measurements consisting of 100 grains each and find the average;
- express the result in millimetres, rounded off to one decimal point.

3. Broken rice: milled rice grains from which a piece larger in volume than the point has been removed.
4. Quellmehl: flour of which the starch has undergone heat or other treatment thus increasing its swelling capacity.

<sup>1</sup> OJ No 14, 29.1.1963, p. 153/63.

## ANNEX B

CCT heading No	Description of goods
19.02	Preparations of flour, meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, corn flakes and similar products)
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
ex 21.07	Food preparations not elsewhere specified or included, containing sugar, milk products, cereals or cereal-based products
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues
38.12 A I	Prepared glazings and prepared dressings with a basis of amylaceous substances