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REGULATION (EEC) No 2697/70 OF THE COMMISSION

of 29 December 1970

on the procedure for making Community funds available to Member States under the
Guarantee Section of the EAGGF

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 729/70¹ of 21 April 1970 on the financing of the common agricultural policy, and in particular Articles 4 and 5 thereof;

Whereas Article 4 (2) of Regulation (EEC) No 729/70 provides for making available to Member States the funds needed for payments under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund; whereas the best way to operate the new financing system will be to make Community funds available to each Member State by transfers to its account;

Whereas, having regard in particular to the large number of disbursing authorities and agencies, the best way to administer the Community funds is to make the individual Member States responsible for their distribution among such authorities and agencies;

Whereas, however, the Commission must be informed at regular intervals of the movement of funds;

Whereas, in order to know exactly how the Community funds are used, it is indispensable that each disbursing authority and agency should keep accounts devoted exclusively to these funds and to their use;

Whereas, in order to ensure that the Commission can assess financial requirements and know the rate of use

of the Community funds, the Member States must transmit to it each month an application relating to financial requirements and accompanied, in respect of each disbursing authority and agency, by statements of the cash position, expenditure effected and expenditure estimates for three months;

Whereas the funds made available to Member States must cover the actual cash requirements of at least one month;

Whereas, although aggregate sums are made available to Member States each month, a Member State may experience cash difficulties because expenditure is running at a higher rate than that initially provided for;

Whereas provision should consequently be made for the possibility of special advances which will be deducted from the next monthly advance;

Whereas the following Regulations contain special provisions in respect of the financing of expenditure by intervention agencies on the buying in of products and on subsequent operations: Council Regulation (EEC) No 786/69² of 22 April 1969 on the financing of intervention expenditure in respect of the internal market in oils and fats; Council Regulation (EEC) No 787/69³ of 22 April 1969 on the financing of intervention expenditure in respect of the internal market in cereals and rice; Council Regulation (EEC) No 788/69⁴ of 22 April 1969 on the financing of intervention expenditure in respect of the internal market in pigmeat; Council Regulation (EEC) No 2334/69⁵ of 25 November 1969 on the financing of

¹ OJ No L 94, 28.4.1970, p. 13.

² OJ No L 105, 2.5.1969, p. 1.

³ OJ No L 105, 2.5.1969, p. 4.

⁴ OJ No L 105, 2.5.1969, p. 7.

⁵ OJ No L 298, 27.11.1969, p. 1.

intervention expenditure in respect of the internal market in sugar; Council Regulation (EEC) No 2305/70¹ of 10 November 1970 on the financing of intervention expenditure in respect of the internal market in beef and veal and Council Regulation (EEC) No 2306/70² of 10 November 1970 on the financing of intervention expenditure in respect of the internal market in milk and milk products;

Whereas the statements of expenditure effected and of estimated expenditure must cover the various cost categories, it being understood that corrections will be made on the basis of the accounts which the Member States will transmit at regular intervals;

Whereas the EAGGF Committee has not delivered an Opinion within the time limit set by its Chairman;

HAS ADOPTED THIS REGULATION:

Article 1

1. The Commission, after deciding on advances in accordance with Article 5 (2) of Regulation (EEC) No 729/70, shall make available to Member States, within the limit of the budget credits, the funds needed for payment by the disbursing authorities and agencies of expenditure financed by the Guarantee Section of the EAGGF. An account shall be opened for this purpose by each Member State at the Treasury or another financial institution.

2. The name and number of those accounts shall be communicated to the Commission by the Member States at the date of entry into force of this Regulation.

3. Each Member State shall ensure that the Community funds are properly managed and shall distribute them among the disbursing authorities and agencies in such a manner as to allow a similar rate of payment for all the expenditure financed by the Guarantee Section of the EAGGF.

4. On the first working day of each week, Member States shall forward to the Commission by telex a statement showing changes in the account referred to in paragraph 1 and specifying the amounts involved and the authorities and agencies receiving them.

Article 2

Each disbursing authority and agency shall keep accounts devoted exclusively to the funds made

available to it under Article 1 (1) and to the use made of those funds.

Article 3

1. Not later than the 20th of each month the Member States shall forward to the Commission, in triplicate, an application concerning the financial requirements of disbursing authorities and agencies.

2. An application within the meaning of paragraph 1 shall be accompanied by supporting statements for each disbursing authority and agency drawn up in accordance with the Annexes to this Regulation and comprising:

(a) a statement of the cash position at the end of the preceding month (Annex I);

(b) a statement of expenditure, broken down according to the items of the budget of the European Communities and according to types of expenditure (Annex II), showing:

— the expenditure in the month preceding that in which the application within the meaning of paragraph 1 is made,

— the expenditure estimate for the current month and for the two following months.

Article 4

1. On the basis of applications within the meaning of Article 3 (1), and not later than one month after receipt thereof, the Commission shall decide on additional payments in accordance with the second indent of Article 5 (2) (a) of Regulation (EEC) No 729/70.

Those payments shall be calculated in such a way that they are large enough to cover expenditure to be borne by the authorities and agencies until the end of the quarter referred to in the second indent of Article 3 (2) (b).

2. The additional payments decided under paragraph 1 shall be made by the Commission within three days of its decision.

Article 5

1. Where funds made available to a Member State are liable to be exhausted before the date laid down for the next payment, that Member State shall notify the Commission and where necessary apply for a special advance specifying the grounds therefor.

¹ OJ No L 249, 17.11.1970, p. 1.

² OJ No L 249, 17.11.1970, p. 4.

2. On the basis of the notification referred to in paragraph 1, the Commission may make a special advance of which account shall be taken when the next advance is decided. The Commission shall notify the Member State concerned by telex of its decision.

Article 6

1. The expenditure referred to in Article 2 (c) of Regulation (EEC) No 786/69, Article 2 (a) of Regulation (EEC) No 787/69, Article 2 (b) of Regulation (EEC) No 788/69, Article 2 (b) of Regulation No 2334/69, the first indent of Article 1 of Regulation (EEC) No 2305/70 and Article 3 (1) of Regulation (EEC) No 2306/70 must be broken down in a table conforming to Annex II by the various cost categories listed in those Regulations.

2. Member States shall forward to the Commission the accounts by product and sector drawn up under the Regulations referred to in paragraph 1 within three months of the closing date laid down for those accounts under Article 3 of Regulation (EEC) No 729/70.

3. On the basis of the accounts received under paragraph 2, and without prejudice to the verification and approval referred to in Article 5 (2) (b) of Regulation (EEC) No 729/70, the Commission shall determine the amount of the net losses sustained by each authority and agency in the year just ended.

4. Any difference between the amount determined under paragraph 3 and that entered as the expenditure up till the end of December which is a net loss shall be taken into account by the Commission when it makes its first decision on advances after the determination of the amounts referred to in paragraph 3.

Article 7

Not later than one year after the date when this Regulation is applied, the Commission shall examine its implementation and where necessary shall decide, after consultation with the EAGGF Committee, on alterations which experience has shown to be necessary.

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

Done at Brussels, 29 December 1970.

For the Commission

The President

Franco M. MALFATTI

ANNEX I

to Commission Regulation (EEC) No 2697/70 of 29 December 1970 on the procedure for making
Community funds available to Member States under the Guarantee Section of the EAGGF

MEMBER STATE

AUTHORITY OR AGENCY

Statement of cash position on

A. *Liquid assets*

1. Liquid assets on
2. Payments received
3. Other receipts for the account of the Community
-¹

Total A

B. *Expenditure*

Expenditure in the month of
chargeable to EAGGF (Guarantee)²

Total B

C. *Balance*

Available on A — B

.....
Date, stamp and signature of the authority or agency

¹ Details to be annexed.
² Itemised in Annex II, column (a).

to Commission Regulation (EEC) No 2697/70 of 29 December 1970 on the procedure for making Community funds available to Member States under the Guarantee Section of the EAGGF

MEMBER STATE

AUTHORITY OR AGENCY

Budget		Type of expenditure	Expenditure in month of (a)	Expenditure from to (b) ¹	Estimate of future expenditure		
Chap.	Art.				(c) ²	(d) ³	(e) ⁴
		carried over					
		Total or sums to be carried over					

Date, stamp and signature of the authority or agency

¹ Cumulative expenditure from 1 January, or from the date of application of Articles 4 and 5 of Regulation (EEC) No 729/70, to the end of the month of column (a).

² Estimate of expenditure in the month immediately after the month of column (a).

³ Estimate of expenditure in the second month after the month of column (a).

⁴ Estimate of expenditure in the third month after the month of column (a).