

## COUNCIL REGULATION (EEC) No 2050/88

of 24 June 1988

amending Regulation (EEC) No 1883/78 laying down general rules for the financing of interventions by the European Agricultural Guidance and Guarantee Fund, Guarantee Section

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy <sup>(1)</sup>, as last amended by Regulation (EEC) No 2048/88 <sup>(2)</sup>, and in particular Article 3 (2) thereof,

Having regard to the proposal from the Commission <sup>(3)</sup>,

Having regard to the opinion of the European Parliament <sup>(4)</sup>,

Having regard to the opinion of the Court of Auditors <sup>(5)</sup>,

Whereas Regulation (EEC) No 1883/78 <sup>(6)</sup>, as last amended by Regulation (EEC) No 2095/87 <sup>(7)</sup>, included basic rules for the financing of intervention measures in the form of public storage;

Whereas the rules on the depreciation of products in storage, referred to in Articles 7 and 8 of that Regulation, must be adapted to the new guidelines as regards the financing of agricultural expenditure set out in the Conclusions of the European Council of 11 and 12 February 1988, according to which the storage situation must be brought back to normal by 1992;

Whereas from 1989 onwards, the value of agricultural products bought in under the market organization regulations should generally be depreciated directly on buying in;

Whereas extraordinary depreciation will be effected during the years 1989 to 1992 on the basis of appropriations entered for this purpose in the respective Community budgets;

Whereas the provisions of Regulation (EEC) No 1334/86 <sup>(8)</sup> authorizing the Commission to reduce the standard interest rate and the uniform standard amounts used for the

calculation of public storage costs are to be extended until 1992, as intervention stock levels have not yet substantially declined,

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EEC) No 1883/78 is hereby amended as follows:

1. The second subparagraph of Article 5 is replaced by the following:

'Notwithstanding the first subparagraph, the Commission is hereby authorized, in respect of the financial years 1989 to 1992, to set the uniform interest rate at a level below its representative level. If the interest rate borne by a Member State is lower than the rate fixed, the Commission may fix the uniform interest rate for this Member State at that lower level.'

2. The second subparagraph of Article 6 is replaced by the following:

'Notwithstanding the first subparagraph, the Commission is hereby authorized, in respect of the financial years 1989 to 1992, to fix the uniform standard amounts at a level corresponding to three-quarters of the uniform standard amounts established on the normal basis.'

3. Articles 7 and 8 are replaced by the following:

*'Article 7*

In the annual accounts referred to in Article 4 (1), the quantities of products in storage to be carried forward to the following year shall, as a rule, be valued at their buying-in price. Procedures for fixing the price for the quantities to be carried out to the following financial year shall be determined for the various products on the basis of the book values recorded by the intervention agencies in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

*Article 8*

1. Where, for a given product, the estimated selling price for products in public intervention storage is lower than their buying-in price, a depreciation percentage shall be applied when the relevant product is bought in. Such percentage shall be fixed for each product in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70 before the beginning of each year.

<sup>(1)</sup> OJ No L 94, 28. 4. 1970, p. 13.

<sup>(2)</sup> See page 1 of this Official Journal.

<sup>(3)</sup> OJ No C 129, 18. 5. 1988, p. 18.

<sup>(4)</sup> Opinion delivered on 16 June 1988 (not yet published in the Official Journal).

<sup>(5)</sup> OJ No C 166, 25. 6. 1988, p. 6.

<sup>(6)</sup> OJ No L 216, 5. 8. 1978, p. 1.

<sup>(7)</sup> OJ No L 196, 17. 7. 1987, p. 3.

<sup>(8)</sup> OJ No L 119, 8. 5. 1986, p. 18.

2. The depreciation percentage shall not exceed the difference between the buying-in price and the foreseeable disposal price for the relevant product.

3. The Commission may restrict depreciation at the time of buying-in to a part of the percentage calculated in accordance with paragraph 2. This part cannot be less than 70 % of the depreciation fixed under the provisions of paragraph 1.

In such cases, the Commission shall effect a second depreciation at the end of the financial year, in accordance with the method indicated at paragraph 5.

4. From 1989 to 1992, extraordinary depreciations shall be effected at the beginning of each year on the basis

of the appropriations entered in the respective Community budgets, so as to bring the storage situation back to normal by 1992.

5. For the depreciations referred to in the second subparagraph of paragraph 3 and in paragraph 4 the Commission shall determine, according to the procedure laid down in Article 13 of Regulation (EEC) No 729/70, the overall amounts of depreciation by product and by Member State.'

#### *Article 2*

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

It shall apply with effect from 1 October 1988.

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

Done at Luxembourg, 24 June 1988.

*For the Council*

*The President*

M. BANGEMANN