





**COUNCIL REGULATION (EEC) No 3508/92**

**of 27 November 1992**

**establishing an integrated administration and control system for certain Community aid schemes**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(3)</sup>,

Whereas, pursuant to Article 8 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy <sup>(4)</sup>, Member States must take the measures necessary to satisfy themselves that transactions financed by the European Agricultural Guidance and Guarantee Fund (EAGGF) are actually carried out and are executed correctly, and prevent and deal with irregularities; whereas Article 23 of Council Regulation (EEC) No 4253/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments <sup>(5)</sup> provides for the same obligation with regard to the agricultural structures policy;

Whereas up to now the various aid schemes have been administered and controlled by the Member States under separate rules for each scheme, as a result of their heterogeneous structure; whereas, however, in realigning the existing market measures a part of the reform of the common agricultural policy, the Community is opting, to a large extent, in both the crop and livestock sectors, for direct aid to producers;

Whereas, in order to adapt the administration and control mechanisms to the new situation and improve their effectiveness and usefulness, it is necessary to set up a new integrated administration and control system covering the aid schemes for arable crops, beef and veal, sheep-meat and goatmeat, as well as specific measures for farming in mountain, hill and certain less-favoured areas; whereas provision should be made for the possibility of including, at a later date, other aid schemes linked to the cultivated area;

Whereas, the various components of the integrated system will potentially result in more effective administration and control in the case of Community schemes not covered by this Regulation; whereas the Member States should therefore be authorized to avail themselves of the system on condition they do not in any way act in opposition to the provisions concerned;

Whereas, given the complexity of such a system and the large number of aid applications to be processed, it is essential to use the appropriate technical resources and administration and control methods; whereas as a result, the integrated system should comprise, in each Member State, a computerized data base, an alphanumeric identification system for agricultural parcels, aid applications from farmers, a harmonized

<sup>(1)</sup> OJ No C 9, 15. 1. 1992, p. 4.

<sup>(2)</sup> Opinion delivered on 17 November 1992 (not yet published in the Official Journal).

<sup>(3)</sup> OJ No C 98, 21. 4. 1992, p. 29.

<sup>(4)</sup> OJ No L 94, 28. 4. 1970, p. 13. (Last amended by Regulation (EEC) No 2048/88).

<sup>(5)</sup> OJ No L 374, 31. 12. 1988, p. 1.

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control system and, in the livestock sector, a system for the identification and recording of animals;

Whereas the administration of the data collected and its use for the verification of aid applications make it necessary to set up high-performance computerized data bases allowing cross-checks in particular to be made;

Whereas the identification of agricultural parcels is a key element in the correct application of schemes linked to surface area; whereas experience has shown that the existing methods have certain deficiencies; whereas, therefore, provision should be made for an alphanumeric identification system set up initially, where necessary, with the aid of remote sensing;

Whereas in order to guarantee the possibility of effective control, 'area' aid applications must be submitted not later than during the first quarter of the year; whereas however the Member State may, in cases which it justifies, be authorized to apply a later date; whereas for 1993, having regard to the difficulties of implementing the integrated system, a later date is permitted;

Whereas, in the livestock sector, effective control requires that animals be identified and recorded; whereas, to this end, Council Directive 92/102/EEC of 27 November 1992, on the identification and registration of animals<sup>(1)</sup> lays down specific provisions in this respect; whereas recourse should therefore be had to that Directive;

Whereas the detailed rules governing aid applications continue to be subject to the provisions of each sector; whereas, however, for the sake of simplification, Member States should be authorized to make provision for the submission of one single application for several aid schemes;

Whereas one of the main advantages of the new system is the introduction of an integrated control system in each Member State avoiding any duplication of sectoral checks of the same type; whereas, as a result, the stepping up of checks made necessary by the reform of the common agricultural policy should be attainable without substantially increasing the number of checks; whereas aid applications submitted must be subjected to a thorough administrative check carried out with the aid of computerized data bases; whereas, up to now, administrative checks have been supplemented systematically by checks on the spot; whereas, to a large extent, on-the-spot checks on areas may be replaced by remote sensing;

Whereas the expenditure involved in introducing the integrated system may represent a high additional budgetary burden for Member States; whereas, consequently, provision should be made for part-financing for a certain period; whereas the diversity of existing production structures in the Member States must be taken into account; whereas, as a result, provision should be made for sharing out the financial contribution in a way which takes into account in particular the number of agricultural holdings, livestock numbers and the agricultural area in the Member States;

Whereas provision should be made for the gradual implementation of all the elements of the integrated system,

<sup>(1)</sup> See page 32 of this Official Journal.

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HAS ADOPTED THIS REGULATION:

*Article 1*

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1. Each Member State shall set up an integrated administration and control system, hereinafter referred to as the 'integrated system', applying:

(a) in the crop sector:

- (i) to the support system for producers of certain arable crops established by Regulation (EC) No 1251/1999 <sup>(1)</sup>;
- (ii) to the aid scheme for rice producers established by Article 6 of Regulation (EC) No 3072/95 <sup>(2)</sup>;
- (iii) to the specific measure in respect of certain grain legumes introduced by Regulation (EC) No 1577/96 <sup>(3)</sup>;

(b) in the livestock sector:

- (i) to the premium and payment arrangements for beef and veal producers established by Chapter 1 of Title 1 of Regulation (EC) No 1254/1999 <sup>(4)</sup>;
- (ii) to the premium arrangements for sheepmeat and goatmeat producers introduced by Regulation (EC) No 2467/98 <sup>(5)</sup>;
- (iii) to direct payments under Article 19 of Council Regulation (EC) No 1255/1999 of 17 May 1999 on the common organisation of the market in milk and milk products <sup>(6)</sup>

hereinafter referred to as 'Community schemes'.

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2. The Council may, acting by a qualified majority on a Commission proposal, extend the scope of the integrated system to other Community aid schemes.

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►M9 3. ◀ Without prejudice to specific provisions provided for under the arrangements referred to in paragraph 1, for the purposes of this Regulation:

- *farmer* shall mean an individual agricultural producer, whether a natural or legal person or a group of natural or legal persons, whatever legal status is granted the group and its members by national law, whose holding is within Community territory,
- *holding* shall mean all the production units managed by a farmer situated within the same Member State's territory,
- *agricultural parcel* shall mean a continuous area of land on which a single crop is raised by a single farmer. In accordance with the procedure laid down in Article 12 the Commission shall adopt implementing arrangements for specific uses of agricultural parcels, in particular those concerning mixed crops and jointly used areas.

*Article 2*

The integrated system shall comprise the following elements:

(a) a computerized data base;

<sup>(1)</sup> OJ L 160, 26.6.1999, p. 1. Regulation as amended by Regulation (EC) No 2704/1999 (OJ L 327, 21.12.1999, p. 12).

<sup>(2)</sup> OJ L 329, 30.12.1995, p. 18. Regulation as last amended by Regulation (EC) No 2072/98 (OJ L 265, 30.9.1998, p. 4).

<sup>(3)</sup> OJ L 206, 16.8.1996, p. 4. Regulation as amended by Commission Regulation (EC) No 1826/97 (OJ L 260, 23.9.1997, p. 11).

<sup>(4)</sup> OJ L 160, 26.6.1999, p. 21.

<sup>(5)</sup> OJ L 312, 20.11.1998, p. 1.

<sup>(6)</sup> OJ L 160, 26.6.1999, p. 48.

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- (b) an identification system for agricultural parcels;
- (c) a system for the identification and registration of animals;

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- (d) aid applications;
- (e) an integrated control system.

*Article 3*

1. The computerized data base shall record, for each agricultural holding, the data obtained from the aid applications. This data base shall in particular allow direct and immediate consultation, through the competent authority of the Member State, of the data relating at least to the previous three consecutive calendar and/or marketing years.

2. The Member States may set up decentralized data bases on condition that these, and the administrative procedures for recording and accessing data, are designed homogeneously throughout the territory of the Member State and are compatible with one another.

**▼M9***Article 4*

An identification system for agricultural parcels shall be established on the basis of maps or land registry documents or other cartographic references. Use shall be made of computerised geographical information system techniques including preferably aerial or spatial orthoimagery, with an homogenous standard guaranteeing accuracy at least equivalent to cartography at a scale of 1:10 000.

**▼B***Article 5*

The system for the identification and registration of animals to be taken into account for the granting of aid governed by this Regulation shall be set up in accordance with Articles 4, 5, 6 and 8 of Directive 92/102/EEC ►**M7** and with Regulation (EC) No 820/97 ◀.

*Article 6*

1. In order to be eligible under one or more Community schemes governed by this Regulation, each farmer shall submit, for each year, an 'area' aid application indicating:

- agricultural parcels, including areas under forage crops, and agricultural parcels covered by a set-aside measure for arable land and those laid fallow,
- where applicable, any other necessary information provided for either by the Regulations relating to the Community schemes, or by the Member State concerned.

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2. The area aid application shall be submitted by a date to be fixed by the Member State which shall not be after that laid down for the submission of applications in, or fixed in accordance with, Regulation (EC) No 1251/1999.

In all cases, the date shall be set bearing in mind, inter alia, the period required for all relevant data to be available for the proper administrative and financial management of the aid and for the checks provided for in Article 8 to be carried out.

Notwithstanding Article 5(1) of Council Regulation (EEC, Euratom) No 1182/71 of 3 June 1971 determining the rules applicable to periods, dates and time limits <sup>(1)</sup>, where the submission date is a public holiday, a Saturday or a Sunday, it shall be deemed to fall on the first working day following.

<sup>(1)</sup> OJ L 124, 8.6.1971, p. 1.

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3. A Member State may decide that an area aid application need contain only changes with respect to the area aid application submitted the previous year. Member States shall simplify the application process by distributing pre-printed forms based on the areas determined in the previous year and supplying graphic material, as referred to in Article 4, indicating the location of those areas.

4. Certain amendments may be made to the area aid application provided that they are received by the competent authorities no later than the date laid down for sowing in, or fixed in accordance with, Regulation (EC) No 1251/1999.

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5. The 'area' aid application, amended if necessary in accordance with paragraph 4, shall be deemed to be the aid application provided for in the scheme referred to in Article 1 (1) (a).

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6. For each of the agricultural parcels declared, farmers shall indicate the area and its location, which information must enable the parcel to be identified in the identification system for agricultural parcels.

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7. Farmers applying only for aid under a scheme not directly linked to agricultural area may be exempted from the requirement to submit an 'area' aid application.

8. In order to be eligible for one of the Community schemes or arrangements referred to in Article 1 (1) (b), each farmer shall submit one or more 'animal' aid applications, at the latest by the dates set by the schemes concerned.

9. Where an aid application or amendments to it have to be accompanied by supplementary documentation, such documentation shall be considered part of the application.

10. While abiding by the dates or periods laid down for submitting applications under Community rules, the Member States may decide that a single application can cover:

- several 'animal' aid applications,
- an 'area' aid application and one or more 'animal' aid applications.

*Article 7*

The integrated control system shall cover all aid applications submitted, in particular as regards administrative checks, on-the-spot checks and, if appropriate, verification by aerial or satellite remote sensing.

*Article 8*

1. Member States shall carry out administrative checks on aid applications.

2. Administrative checks shall be supplemented by on-the-spot checks covering a sample of agricultural holdings. For all these checks, Member States shall draw up a sampling plan.

3. Each Member State shall designate an authority responsible for coordinating the checks provided for in this Regulation.

4. National authorities may, under conditions to be laid down, use remote sensing to determine the area of agricultural parcels, identify crops and verify their status.

5. Where the competent authorities of the Member State delegate some aspects of the work to be carried out pursuant to this Regulation to specialized agencies or firms, they must retain control over and responsibility for that work.

**▼B***Article 9*

The Member States shall take the measures necessary to ensure protection of the data collected.

**▼M9***Article 9a*

1. For the purposes of applying Community aid schemes listed in the Annex and which are not referred to in Article 1, the Member States shall ensure that the administration and control systems applied to them are compatible with the integrated system in the following respects:

- (a) the computerised data base;
- (b) the parcel and animal identification systems;
- (c) administrative checks.

In order to be 'compatible' within the meaning of the first subparagraph, the administration and control systems applied to the Community aid schemes concerned have to be set up so as to allow, without any problems or conflicts, a common functioning of, or the exchange of data between the systems.

In accordance with the procedure referred to in Article 12a(2), the Commission shall adopt amendments to the Annex as may become necessary taking into account the criteria set out in the first and second subparagraph.

2. Without prejudice to the provisions in paragraph 1, the Member States may, for the purposes of applying Community aid schemes not referred to in Article 1, incorporate in their administration and control procedure one or more components of the integrated system.

3. The specific provisions laid down under the schemes referred to in paragraphs 1 and 2, in particular those concerning the terms on which aid may be granted, shall not be affected by this Regulation.

4. Member States may extend the possibility provided for in paragraph 2 to national schemes.

They may use the information from the integrated system for statistical purposes.

5. Member States shall inform the Commission if they avail themselves of the possibilities referred to in paragraphs 2 and 4.

The Commission shall ensure that recourse to these possibilities does not prejudice compliance with the sectoral Regulations or this Regulation.

**▼B***Article 11***▼M9**

1. The Commission shall be kept regularly informed of the application of the integrated system.

It shall organise exchanges of views on this subject with the Member States.

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2. After informing the competent authorities concerned in good time, Commission officials may carry out:

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— any examination or control relating to the body of measures taken in order to establish and to implement the integrated system;

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— checks at the specialized agencies and firms referred to in Article 8 (5).

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Officials of the Member State concerned may take part in such checks.

The aforementioned powers to check shall not affect the application of national criminal law provisions which reserve certain acts for officials specifically designated by national law. Commission officials shall in particular not participate in home visits to or the formal interrogation of suspects under the criminal law of the Member State. They shall, however, have access to the information obtained thereby.

3. Without prejudice to the responsibilities of the Member States for the implementation and application of the integrated system, the Commission may seek the assistance of specialized bodies or persons in order to facilitate the establishment, monitoring and utilization of the integrated system, in particular with a view to providing the competent authorities of the Member States with technical advice, should they request it.

*Article 12*

► **M9** The Commission shall adopt detailed rules for the application of this Regulation in accordance with the procedure laid down in Article 12a(2). ◀ These detailed rules shall cover in particular:

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(a) the basic features of the identification system for agricultural parcels;

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- (b) any amendments which may be made to the 'area' aid applications and exemption from the requirement to submit an 'area' aid application;
- (c) the minimum amount of information to be included in the aid applications;
- (d) the administrative and on-the-spot checks and the checks by remote sensing;
- (e) the establishment of an advance payment scheme for Community financial participation;
- (f) transitional provisions for the start-up period of the system;
- (g) communications between the Member States and the Commission;
- (h) the measures required to resolve specific practical problems. Such measures — if duly justified — may derogate from certain parts of this Regulation.

**▼M9***Article 12a*

1. The Commission shall be assisted by the Fund Committee established by Article 11 of Regulation (EC) No 1258/1999 <sup>(1)</sup> (hereinafter referred to as 'the Committee').

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC <sup>(2)</sup> shall apply.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee may examine any matter raised by its Chairman, either on his own initiative or at the request of a Member State.

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

<sup>(2)</sup> OJ L 184, 17.7.1999, p. 23.



**▼B***Article 13*

1. The integrated system shall apply
  - (a) from 1 February 1993 as regards aid applications, an alphanumeric system of identification and registration of bovine animals and the integrated control system referred to in Article 7;

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- (b) as regards the other elements referred to in Article 2, at the latest from:
  - 1 January 1998 in the case of Austria, Finland and Sweden,

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- 1 January 1997 in the case of the other Member States,

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- (c) at the latest as from 1 January 2005 as regards the geographical part of the parcel identification system as provided for in Article 4,
- (d) at the latest as from 1 January 2003 as regards the compatibility of the administration and control systems with the integrated system as provided for in Article 9a.

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2. With a view to implementation of the integrated system, the Member States shall:
  - adopt the necessary laws, regulations and administrative provisions concerning paragraph 1 (a) before 1 February 1993, and those concerning paragraph 1 (b) before 1 June 1993;
  - take the administrative, budgetary and technical measures necessary for the integrated system to be operational from the dates laid down in paragraph 1.

If, however, any parts of the integrated system are operational before the dates laid down in paragraph 1, the Member States shall use them for their management and checking activities.

*Article 14*

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

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

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## ANNEX

Sector	Legal base	Notes
Dried grapes	Article 7(1) Regulation (EC) No 2201/96	Area-related aid
Tobacco	Article 3 Regulation (EEC) No 2075/92	Production aid
Hops	Article 12 Regulation (EEC) No 1696/71  Regulation (EC) No 1098/98	Area-related aid  Payments for temporary resting and grubbing-up
Agri-environment	Title II, chapter VI (Articles 22 to 24) and Article 55(3) Regulation (EC) No 1257/1999	Area-related aid
Forestry	Article 31 and Article 55(3) Regulation (EC) No 1257/1999	Area-related aid
Less-favoured areas and areas with environmental restrictions	Title II, chapter V (Articles 13 to 21) and Article 55(3) Regulation (EC) No 1257/1999	Area-related aid
Olive oil	Article 5(1) Regulation No 136/66/EEC	Production aid
Cotton	Article 8 Regulation (EC) No 1554/95	Production aid
Dried fodder	Articles 10 and 11 Regulation (EC) No 603/95	Production aid
Citrus for processing	Article 1 Regulation (EC) No 2202/96	Production aid
Tomatoes for processing	Article 2 Regulation (EC) No 2201/96	Production aid
Wine	Articles 11 to 15 Regulation (EC) No 1493/1999	Restructuring aid