

**COMMISSION REGULATION (EC) No 2801/1999**

**of 21 December 1999**

**amending Regulation (EEC) No 3887/92 laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes <sup>(1)</sup>, as last amended by Regulation (EC) No 1036/1999 <sup>(2)</sup>, and in particular Article 12 thereof,

Whereas

- (1) The decisions adopted on the reform of the common agricultural policy necessitate changes to the integrated administration and control system (hereinafter called 'integrated system').
- (2) In the light of experience gained with the application of the integrated system it is necessary to provide general rules that are equally applicable in all Member States.
- (3) Economic operations are increasingly being performed electronically; Member States should be offered the opportunity to adopt national provisions permitting aid applications under the integrated system to be submitted electronically.
- (4) If on-the-spot checks reveal significant irregularities, Article 6(3) of Commission Regulation (EEC) No 3887/92 <sup>(3)</sup>, as last amended by Regulation (EC) No 1678/98 <sup>(4)</sup>, stipulates that additional checks must be made during the current year. If Member States use remote sensing to carry out checks they should ensure that the additional checks are carried out by means of traditional on-the-spot checks, if it is no longer possible to do so by remote sensing during that year.
- (5) In order to complete the information contained in control reports, provision should be made for the results of parcel measurements to be included.
- (6) In order for the Commission to monitor the integrated system, each Member State must send its annual control statistics containing specific information.
- (7) Rules have to be established laying down who is entitled to the aid in certain cases where a holding is transferred.
- (8) This amendment provides an opportunity to improve the clarity of the Regulation by introducing a number of clarifications and rewordings. Those amendments are restricted to a minimum so as not to burden those

national administrations familiar with the integrated system with unnecessary alterations.

- (9) Regulation (EEC) No 3887/92 should therefore be amended accordingly.
- (10) The Committee for the European Agricultural Guidance and Guarantee Fund has not delivered an opinion within the time limit laid down by its chairman,

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EEC) No 3887/92 is amended as follows:

1. Article 2 is amended as follows:

(a) paragraph 4 shall read as follows:

'4. Member States may decide not to grant any aid if the amount per aid application does not exceed EUR 50.'

(b) Paragraph 5 is deleted.

2. Article 4 is amended as follows:

(a) the introductory sentences of the third subparagraph of paragraph 1 are replaced by the following:

'Uses not falling within the scope of the integrated system shall be declared under one or more "other uses" headings. However, the following uses shall be declared separately:';

(b) the second and third indent of the third subparagraph of paragraph 1 are replaced by the following:

— support pursuant to agri-environment (Title II, Chapter VI and Article 55(3) of Council Regulation (EC) No 1257/1999 (\*)),

— area-based afforestation support (Title II, Chapter VIII and Article 55(3) of Regulation (EC) No 1257/1999);

(\* ) OJ L 160, 26.6.1999, p. 80.'

(c) paragraph 2(a) is replaced by the following:

'2. (a) After the time limit for its submission the "area" aid application may be amended provided that the competent authority receives the amendments not later than the date laid down for sowing in, or fixed in accordance with Council Regulation (EC) No 1251/1999 (\*) and that the following conditions are respected:

<sup>(1)</sup> OJ L 355, 5.12.1992, p. 1.

<sup>(2)</sup> OJ L 127, 21.5.1999, p. 4.

<sup>(3)</sup> OJ L 391, 31.12.1992, p. 36.

<sup>(4)</sup> OJ L 212, 30.7.1998, p. 23.

(i) where agricultural parcels are concerned, amendments may be made only in particular cases that are properly documented, in particular death, marriage, purchase or sale or conclusion of a tenancy contract. Member States shall determine the conditions applying thereto. However, a set-aside or forage area parcel may not be added to parcels already declared except in cases which are duly justified under the provisions concerned and on condition that the parcel has already been accounted for as set-aside or forage area in the aid application of another farmer, the latter application being corrected accordingly;

(ii) changes of use or aid scheme shall be permitted. However, a parcel may not be added to parcels declared as set aside.

By derogation from the first subparagraph and even after the date laid down for sowing in, or fixed in accordance with Regulation (EC) No 1251/1999, a Member State may authorise that an area be withdrawn from the "area" aid application. The amendment must be notified in writing before any communication is made by the competent authority with regard either to the results of the administrative controls which affect the parcels in question or to the organisation of an on-the-spot check of the holding concerned.

(\*) OJ L 160, 26.6.1999, p. 1.'

(d) The first indent of paragraph 5 is replaced by the following two indents:

— the special premium for male bovine animals and/or the suckler cow premium who are exempted from the stocking rate requirement and do not apply for extensification premium,

— the slaughter premium in accordance with Article 11 of Council Regulation (EC) No 1254/1999 (\*);

(\*) OJ L 160, 26.6.1999, p. 21.'

(e) Paragraph 6 is replaced by the following

'6. The "area" aid application of a producer who is a member of a producer group as defined in Article 1(2) of Council Regulation (EEC) No 3493/90 (\*), and who for the same calendar year applies for both the ewe or she-goat premium and for aid under another Community scheme shall include all the agricultural parcels used by the group. In such cases the forage area shall be assigned to the producers concerned in proportion to their individual limits as specified in Article 6 of Council Regulation (EC) No 2467/98 (\*), valid on 1 January of the year concerned.

(\*) OJ L 312, 20.11.1998, p. 1.'

3. Article 5 is amended as follows:

(a) The sixth indent of the first subparagraph of paragraph 1 is replaced by the following:

— where applicable, the individual milk reference quantity allocated to the producer on 31 March preceding the beginning of the 12-month period of application of the additional levy scheme starting in the calendar year concerned; where this quantity is unknown on the date on which the application is submitted, it shall be notified to the competent authority at the earliest opportunity.'

(b) The second subparagraph of paragraph 1 is replaced by the following:

'The Member State may decide that some of this information need not be included in the aid application, where that information has already been communicated to the competent authority. The Member States may also provide that some of this information can or shall be forwarded via a body or bodies approved by the Member State.

However, the applicant shall remain responsible for the transmitted data in relation to the competent authority. The Member State shall provide that the farmer has the possibility for redress if incorrect or incomplete data are transmitted, provided that the applicant is not at fault.'

(c) Paragraph 2 is deleted.

(d) Paragraph 1 becomes the only paragraph.

4. The following Article is inserted after Article 5:

'Article 5a

Member States may permit, with appropriate safeguards, applications within the meaning of Articles 4 and 5 to be submitted by electronic transmission. In this event, appropriate measures shall be taken to ensure that:

(a) all the requirements referred to in Articles 4 and 5 are met and the applicant is unambiguously identified;

(b) all the necessary accompanying documents are received by the competent authorities within the same time limits as in the case of applications submitted via traditional channels;

(c) there is no discrimination between producers using traditional channels and those opting for electronic transmission;

(d) the financial interests of the European Community within the meaning of Article 8 of Council Regulation (EC) No 1258/1999 (\*) are adequately safeguarded.

(\*) OJ L 160, 26.6.1999, p. 103.'

5. Article 5a becomes Article 5b and is amended as follows:

'Article 5b

Without prejudice to Articles 4, 5 and 5a, an aid application may be adjusted at any time after its submission, in cases of obvious errors recognised by the competent authority.'

6. Article 6 is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. The administrative checks referred to in Article 8(1) of Regulation (EEC) No 3508/92 shall include in particular:

(a) cross-checks on declared parcels and animals in order to ensure that the same aid is not granted more than once in respect of the same calendar/marketing year and to prevent any undue cumulation of aid granted under Community aid schemes involving declarations of areas;

(b) once the computerised database is fully operational in accordance with Article 5 of Council Regulation (EC) No 820/97 (\*), cross-checks with a view to ensuring that Community aid is granted only for bovine animals for which the births, movements and deaths have been duly notified to the competent authority referred to in Article 7(1) of Council Regulation (EC) No 820/97;

(c) where the computerised database is fully operational in accordance with Article 5 of Regulation (EC) No 820/97, cross-checks with a view to ensuring that payments of premium pursuant to the aid schemes laid down in Article 4(6) and Article 11 of Regulation (EC) No 1254/1999 are made only to producers who have respected their obligations relating to retention periods stipulated in Commission Regulation (EC) No 2342/1999 (\*).

(\* OJ L 117, 7.5.1997, p. 1.

(\* OJ L 281, 4.11.1999, p. 30.'

(b) The second indent of paragraph 3 is replaced by the following:

'— 5 % of "area" aid applications.'

(c) After paragraph 3 the following paragraph 3a, is added:

'3a. As regards "livestock" aid applications or participation declarations, the Member State may decide to reduce the 10 % rate for on-the-spot checks, referred to in paragraph 3, to 5 % where a fully operational computerised database in accordance with Article 5 of Regulation (EC) No 820/97, enabling the Member State to conduct effective cross checks in the framework of the integrated system,

has been in place for at least one year. The database shall offer adequate assurances as to the accuracy of the data it contains for the purposes of the different animal aids or related payments concerned.

As from the year when the on-the-spot checks are conducted at the minimum 5 % level, these checks shall be conducted wholly within the retention period until such time as the rate of irregularity detected at the on-the-spot checks, and expressed in terms of number of animals, represents no more than 2 % of the animals checked. The previous sentence shall not apply to animal checks under the aid schemes in Article 4(6) and Article 11 of Regulation (EC) No 1254/1999.'

(d) Paragraph 5 is replaced by the following:

'5. On-the-spot checks shall be unannounced. Advance warning limited to the strict minimum necessary may however be given, although as a general rule, this should not exceed 48 hours.

On-the-spot checks shall cover all the agricultural parcels for which aid is requested under Community schemes within the meaning of Article 1(1) of Regulation (EC) No 3508/92. However, the actual inspection in the field in the framework of the on-the-spot check may be limited to a sample of at least half of the agricultural parcels for which applications have been submitted. The Member States shall establish and apply the criteria for the selection of the sample. In the event that errors are found, the sample shall be extended.

On-the-spot checks concerning livestock premiums shall cover all livestock which are to be controlled under an aid scheme. At least 50 % of the minimal checks on animals shall be made during the retention period. The previous sentence shall not apply to animal checks under the aid schemes in Article 4(6) and Article 11 of Regulation (EC) No 1254/1999. Checks may be effected outside the retention period only if the registers provided for in Article 4 of Directive 92/102/EEC or Article 3(d) of Regulation (EC) No 820/97 are available.

On-the-spot checks under this Regulation shall, where appropriate, be carried out together with checks provided for under other Community rules.'

(e) Points (a) and (b) of paragraph 6 are replaced by the following:

'(a) a check that the total number of animals present on the holding, and eligible for the scheme concerned, corresponds to the number of such eligible animals entered in the farmer's register and notified to the computerised database in accordance with Article 7 of Regulation (EC) No 820/97;

(b) a check on the basis of the register kept by the producer that all the animals for which aid applications were submitted in the 12 months prior to the on-the-spot check have been kept throughout the retention period and that the data are the same as notified to the database. When the Member State applies Article 6(3a) and has already checked adherence to the retention period by means of the data held in the database created in accordance with Article 5 of Regulation (EC) No 820/97, this part of the on-the-spot check may be made by a representative sampling.'

(f) Point (d) of the first subparagraph of paragraph 6 is replaced by the following:

'(d) a check that all bovine animals present on the holding, for which aid applications have been lodged or which may be the subject of future aid applications, are identified by eartags and passports and recorded in the farmer's register and notified to the computerised database in accordance with Regulation (EC) No 820/97.'

(g) The second and third subparagraphs of paragraph 6 are replaced by the following subparagraph:

'The check provided for in the first subparagraph, point (d), shall be made individually for all male bovines for which an application has been submitted for special beef premium. However, for all other bovine animals eligible for Community aid which are present on such holdings, the check on correct recording in the register and entries in the database may be made by sampling provided that a reliable and representative level of control is achieved.'

(h) After paragraph 6, the following paragraphs 6a, 6b and 6c are added:

'6a. As regards the special beef premium referred to in Article 4(6) and the slaughter premium referred to in Article 11 of Regulation (EC) No 1254/1999, on-the-spot checks in the slaughterhouses shall be carried out in at least 30 % of all participating slaughterhouses, selected on the basis of a risk analysis. They shall comprise *a posteriori* scrutiny of documents and physical checks and a comparison with the entries in the database in accordance with Article 7 of Regulation (EC) No 820/97. On-the-spot checks in the slaughterhouses shall also cover the summaries relating to the slaughter certificates (or information in place thereof) which were sent to other Member States as referred to in Article 35(3) of Commission Regulation (EC) No 2342/1999.

The checks in the slaughterhouses shall relate to no less than 5 % of the total number of animals for which premium has been claimed in respect of a given year.

Where necessary, the physical checks in the slaughterhouses shall include also a verification that the carcasses presented for weighing are eligible for premium. The competent control authority shall keep records of such checks including, *inter alia*, identification numbers and carcass weights of all animals slaughtered and checked during the on-the-spot check concerned.

As regards the premium granted for animals exported to third countries, the Member States shall ensure that at least 10 % of the animals for which a premium is claimed or is expected to be claimed are subject to an identification check at the time of loading for export and at the time of the departure from the Community territory.

The 5 % and 10 % rate of sampling provided in subparagraphs 2 and 4 shall be representative. The Member State may reduce the rate of 30 % provided in subparagraph 1 to 15 % under the conditions laid down in paragraph 3a.

6b. As regards the extensification premium provided by Article 13 of Regulation (EC) No 1254/1999, the on-the-spot check shall consider all animals as provided in Article 13(3)(a) of that Regulation. The on-the-spot check shall include particularly a verification that the total number of animals present on the holding corresponds to the number of animals entered in the farmer's register and notified to the computerised database in accordance with Article 7 of Regulation (EC) No 820/97. The correctness of the entries in the register and in the database shall be checked and, if appropriate and necessary, a sampling of supporting documents such as purchase and sales invoices, slaughter certificates, veterinary certificates and passports as provided for in Article 6 of Regulation (EC) No 820/97 shall be carried out.

6c. Where sample checks reveal serious anomalies, the extent and scope of the check shall be increased to ensure an appropriate level of control.'

(i) Paragraph 9 is replaced by the following:

'9. As regards the additional payments as referred to in Article 15 of Regulation (EC) No 1254/1999 the Member State shall, as far as appropriate, apply the control rules as laid down in paragraphs 1 to 6c. If the application of the said rules is not appropriate because of the structure of the additional payment scheme, the Member State shall provide controls ensuring a control level equivalent to the principles laid down in this Regulation.'

7. In Article 7, the following subparagraph is inserted after the second indent of paragraph 1:

'If a Member State makes use of remote sensing the additional checks referred to in Article 6 shall be carried out by means of traditional on-the-spot checks if it is no longer possible to carry them out by means of remote sensing within the current year.'

8. After Article 7, the existing Article 12 is inserted as the new Article 7a and is amended as follows:

'Article 7a

1. Every on-the-spot check shall be the subject of a report.
2. In the case of on-the-spot checks related to aid applications, the report shall set out, in particular:
  - (a) the reason for the visit;
  - (b) the aid schemes and applications checked;
  - (c) the persons present;
  - (d) the number of parcels checked, the number measured and the results per parcel as well as the measuring methods used;
  - (e) the number of animals of each species found and, where applicable, the eartag numbers and entries in the register and in the computerised database checked, the results of the checks and, where applicable, special observations in respect of particular identification numbers.

The farmer or his representative may sign the report. He may either merely attest his presence at the check or also add his observations.

Where Member States carry out on-the-spot checks pursuant to this Regulation in conjunction with inspections pursuant to Commission Regulation (EC) No 2630/97 (\*), the report shall be supplemented by reports in accordance with Article 2(5) of that Regulation.

3. With regard to the checks in slaughterhouses provided by Article 6(6a), first subparagraph, the reports may consist of an indication in the slaughterhouse accounts system what animals have been subject to control.

With regard to the checks on the identity of individual animals at the time of their loading for export and their departure from the Community territory provided by Article 6(6a), fourth subparagraph, a simplified report indicating the animals so controlled shall suffice.

4. Where on-the-spot checks conducted in accordance with Article 6(5) of this Regulation reveal infringements of Regulation (EC) No 820/97, copies of reports on on-the-spot checks pursuant to this Regulation shall be sent without delay to the authorities responsible for the implementation of Regulation (EC) No 2630/97.

(\* ) OJ L 354, 30.12.1997, p. 23.'

9. The existing Article 13 becomes the new Article 7b and is amended as follows:

'Article 7b

Except in cases of *force majeure*, the application shall be rejected if an on-the-spot check cannot be made through the fault of the farmer or his representative.'

10. Article 8 is amended as follows:

subparagraph 2 of paragraph 1 is replaced by the following:

'For the purpose of this Article, "application" means an "area" aid application, a "livestock" aid application and an amendment to an "area" aid application as referred to in Article 4(2).'

11. Article 9 is amended as follows:

(a) subparagraph 3 of paragraph 2 becomes paragraph 3 and is amended as follows:

'3. In the case of a false declaration made intentionally or as a result of serious negligence:

(a) the farmer in question shall be excluded from the aid scheme concerned referred to in Article 1(1) of Regulation (EEC) No 3508/92 for the calendar year in question, and

(b) in the case of a false declaration intentionally made, moreover, from any aid scheme referred to in Article 1(1) of Regulation (EEC) No 3508/92 for the following calendar year, in respect of an area equal to that for which his aid application was rejected.'

(b) The existing subparagraph 4 of paragraph 2 becomes subparagraph 3 of paragraph 2.

(c) The four indents in the existing subparagraph 6 of paragraph 2 are replaced by the following:

— for rape seed and for sunflower: Article 4 of Commission Regulation (EC) No 2316/1999 (\*),

— for linseed: The direct payment shall be granted only if the linseed is produced from seeds of flax varieties considered as other than those intended mainly for the production of fibres referred to in Article 1 of Regulation (EEC) No 1308/70,

— for durum wheat: Article 6(4) and (5) of Regulation (EC) No 2316/1999.

(\* ) OJ L 280, 30.10.1999, p. 43.'

- (d) The existing subparagraph 7 of paragraph 2 is replaced by the following:

'With regard to areas declared and actually sown in durum wheat, where a discrepancy is found between the minimum quantity of certified seed fixed by the Member State and the quantity actually used, "determined area" shall mean the area calculated by dividing the total quantity of certified seed for which the producer has furnished proof of use by the minimum quantity per hectare laid down by the Member State for the region of the producer in question. The area thus determined is used, after application of the aforementioned reductions, for the calculation of the right to the supplement or to the specific aid provided for at Article 5 of Regulation (EC) No 1251/1999.'

- (e) The existing paragraph 3 is inserted after subparagraph 3 of paragraph 2 as the new subparagraph 4.

- (f) Paragraph 4 is replaced by the following:

'4. The areas established in accordance with the provisions of paragraphs 1 to 3 for the purpose of calculating the aid shall be used for the calculation of the limit of the premiums referred to in Article 12 of Regulation (EC) No 1254/1999.

The calculation of the maximum eligible area for the area payments to arable crop producers shall be made on the basis of the area of set-aside land actually determined and on a pro rata basis for each crop concerned.'

12. Article 10 is replaced by the following Articles 10 to 10g:

*'Article 10*

1. Where an individual limit or individual ceiling is applicable, the number of animals shown in aid applications shall be reduced to the limit or ceiling set for the farmer concerned.

2. In no case may aid be granted on a greater number of animals than that shown in the aid application.

3. Without prejudice to Article 10b, if the number of animals declared in an aid application exceeds that established during administrative or on-the-spot checks carried out in accordance with Article 6, the aid shall be calculated on the number of eligible animals established.

4. If a farmer has been unable to comply with his retention undertaking as a result of *force majeure* he shall retain his right to aid in respect of the number of animals actually eligible at the time when the case of *force majeure* occurred.

5. In cases where, owing to the impact of natural circumstances on the herd, the farmer cannot meet his commitment to keep the animals notified for a premium

throughout the compulsory retention period, he shall be entitled to the premium for the number of eligible animals actually kept throughout the period, provided that he has informed the competent authority in writing within 10 working days of finding any reduction in the number of animals. Without prejudice to the actual circumstances to be taken into account in individual cases, the competent authorities may recognise, in particular, the following cases of natural circumstances of the herd:

- (a) death of an animal as a consequence of a disease;
- (b) death of an animal following an accident for which the farmer cannot be held responsible.

*Article 10a*

1. Bovine animals present on the holding shall not be counted for premium unless identified in the aid application.

2. However, a suckler cow or heifer declared for the premium in accordance with Article 6 of Regulation (EC) No 1254/1999 may be replaced within the limits provided by Article 6(2) of Regulation (EC) No 1254/1999 by another suckler cow or heifer.

3. As regards suckler cows and heifers kept in mountain areas in accordance with Article 10 of Regulation (EC) No 1254/1999, a suckler cow can be replaced only by a suckler cow and a heifer by a heifer.

4. As regards Article 13(4) of Regulation (EC) No 1254/1999, a dairy cow can be replaced only by another dairy cow.

5. The replacement shall occur within 20 days of the animal's departure from the holding and shall be entered in the farmer's register not later than three days after the day of replacement. The competent authority to which the premium application was submitted shall be informed within 10 working days after the replacement.

6. The Member State may decide not to apply the obligation of notification provided in the previous paragraph when its computerised database in accordance with Article 5 of Regulation (EC) No 820/97 offers adequate assurances as to the accuracy of the data it contains for the purposes of the control of the replacements. The Member State shall take the replacements into account in the selection of aid applications for on-the-spot checks.

*Article 10b*

1. If the administrative or on-the-spot check finds a difference between the animals declared in the aid application and the animals established and eligible, the aid shall, except in cases of *force majeure* and after Article 10(5) has been applied as regards natural circumstances, be reduced pursuant to paragraph 2.

2. Where the application concerns a maximum of 20 animals, the amount of the aid shall be reduced:

- (a) by the percentage corresponding to the difference found if this is not more than two animals, or
- (b) by twice the percentage corresponding to the difference found if this is more than two but not more than four animals.

If the difference is greater than four animals, no premium shall be granted.

In other cases, the amount of the aid shall be reduced:

- (a) by the percentage corresponding to the difference found if this is not more than 5 %, or,
- (b) by twice the percentage corresponding to the difference found if this is more than 5 % but not more than 20 %.

If the difference found is more than 20 %, no aid shall be granted.

The percentages mentioned in points (a) and (b) of the first subparagraph shall be calculated on the basis of the number declared, and those mentioned in points (a) and (b) of the third subparagraph on the basis of the number found.

#### Article 10c

1. As regards bovine animals other than those covered by Article 10b, where on-the-spot checks reveal that the number of animals present on the holding and eligible for or relevant to Community aids does not correspond to:

- (a) the animals notified to the computerised database in accordance with Article 7 of Regulation (EC) No 820/97;
- (b) the animals entered in the farmer's register in accordance with Article 7 of Regulation (EC) No 820/97;
- (c) the passports of animals held on the holding in accordance with Article 6 of Regulation (EC) No 820/97,

the total amount of the aid granted to the applicant for the aid scheme concerned for the 12 months prior to the on-the-spot check revealing such findings shall, except in cases of *force majeure*, be reduced proportionately.

The reduction shall be calculated on the basis of the number of all animals present for the scheme concerned or entries in the computerised database in accordance

with Article 5 of Regulation (EC) No 820/97 or passports or farmer's register entries whereby the lowest figure shall be taken.

2. However, with regard to errors or omissions concerning entries in the farmer's register or the passports, a reduction in accordance with paragraph 1 shall apply only when such findings are revealed on at least two checks within a period of 24 months.

3. If the difference found during an on-the-spot check is greater than 20 % of the number of eligible animals established, no premium shall be granted for the 12 months prior to the on-the-spot check.

#### Article 10d

As regards bovine animals, an animal established within the meaning of Articles 10 and 10b at the time of an on-the-spot check is one which:

- (a) is individually identified by a passport in accordance with Article 6 of Regulation (EC) No 820/97, which indicates at least the date of birth, sex, movements and death within the meaning of the second indent of Article 7(1) of Regulation (EC) No 820/97;
- (b) has been recorded in the computerised database in accordance with Article 5 of Regulation (EC) No 820/97 and is properly recorded in the farmer's register in accordance with Article 7 of that Regulation;
- (c) is individually identified by eartags provided for by Article 4 of Regulation (EC) No 820/97;
- (d) in the case of an animal declared for Community aid, is found at the location notified by the applicant in accordance with the fourth indent of Article 5(1) of this Regulation.

However, a bovine animal which has lost one of the two eartags shall be regarded as being established providing that it is clearly and individually identified by all other relevant conditions mentioned in the first subparagraph. Furthermore, as regards bovine animals incorrectly entered in the computerised database in accordance with Article 5 of Regulation (EC) No 820/97 or in the farmer's register or for which passports issued are incorrectly completed due to reasons attributable to the applicant with regard to the date of birth, sex, movements and death, Community aid shall be reduced in accordance with Articles 10, 10b or 10c only if such omissions are established on at least two checks within a period of 24 months.

*Article 10e*

1. Where it is found that, in view of animal premium, a false declaration in the aid application, farmer's register, passport or a false notification to the database referred to in Article 7(1) of Regulation (EC) No 820/97 or a false declaration of the number of live-stock units or animals as referred to in the first indent of the third subparagraph of paragraph 3 of Article 32 of Regulation (EC) No 2342/1999 was made as a result of serious negligence, the farmer in question shall be excluded from the aid scheme concerned for the calendar year in question. In the case of a false declaration made intentionally, he shall be excluded from the same aid scheme for the following calendar year as well.

2. As regards the declarations or certificates issued by slaughterhouses in connection with the slaughter premium as laid down in Article 35 of Regulation (EC) No 2342/1999, if it is found that the slaughterhouse gave a false certification or declaration as a result of serious negligence or intentionally, the Member State shall apply appropriate national sanctions. If such findings are established a second time the slaughterhouse involved shall be excluded for a period of at least one year from the right to make declarations or to issue certificates valid for premium purposes.

*Article 10f*

For the purposes of Articles 10 to 10e, animals eligible for different Community aids shall be treated separately.

*Article 10g*

As regards the additional payments as referred to in Article 14 of Regulation (EC) No 1254/1999 the Member State shall, as appropriate, apply rules regarding sanctions as laid down in Articles 9 to 10f. If the application of sanctions in respect of the abovementioned rules is not appropriate because of the structure of the additional payment scheme implemented in the Member State, the Member State shall provide equivalent suitable sanctions in proportion to the failure of, the producer.'

13. Articles 12 and 13 are deleted.

14. After Article 14, a new Article 14a is added:

*'Articles 14a*

1. Where after an aid application has been lodged and before all the conditions for granting the aid have been fulfilled, a holding is transferred in its entirety from one farmer to another farmer, no aid shall be granted to the transferor in respect of the transferred holding.

2. The aid applied for by the transferor shall be granted to the transferee where:

(a) within a period of the transfer to be determined by the Member States the transferee informs the competent authority of the transfer, undertakes to

present any evidence required by the competent authority and requests payment of the aid, and

(b) all the conditions for granting the aid are fulfilled in respect of the holding transferred, and the undertaking given by the transferee in point (a) is fulfilled.

3. Once the transferee informs the competent authority of the transfer of the holding and requests payment of the aid in accordance with point (a) of paragraph 2:

(a) all rights and obligations of the transferor resulting from the legal relationship between the transferor and the competent authority generated by the aid application shall be conferred on the transferee,

(b) all actions necessary for the granting of the aid and all declarations made by the transferor prior to the transfer shall be attributed to the transferee for the purpose of applying the relevant Community provisions,

(c) by way of derogation from the second indent of Article 1(4) of Regulation (EEC) No 3508/92, the holding transferred shall be considered, where appropriate, as a separate holding in respect of the marketing year or the aid or premium period in question.

4. Where an aid application has to be lodged after the actions necessary for the granting of the aid have been performed and a holding is transferred in its entirety from one farmer to another farmer after those actions have started but before all the conditions for granting the aid have been fulfilled, the aid may be granted to the transferee provided the conditions in points (a) and (b) of paragraph 2 are fulfilled. In this case, point (b) of paragraph 3 shall apply.

5. Member States may decide, where appropriate, to grant the aid to the transferor. In this event:

(a) no aid shall be granted to the transferee and

(b) Member States shall ensure analogous application of the requirements set out in paragraphs 1 to 4.

6. In the case of a transfer of parts of a holding, paragraphs 1 to 5 shall not apply. The normal provisions on the granting of aid shall apply.

7. For the purposes of this Article,

(a) the transfer of a holding shall mean the transfer of management of the production units concerned;

(b) "transferor" shall be the farmer whose holding is transferred to another farmer, and "transferee" shall be the farmer to whom the holding is transferred;

(c) "aid application" shall mean:

(i) an "area" aid application for the aid schemes referred to in Article 1(1)(a) of Regulation (EEC) No 3508/92,

(ii) an "animal" aid application for the aid schemes referred to in Article 1(1)(b) of Regulation (EEC) No 3508/92.'



15. Article 15 is replaced by the following:

*Article 15*

Member States shall take all further measures required for application of this Regulation and shall give the mutual assistance needed for the purposes of checks required pursuant to this Regulation. In this respect Member States may also provide appropriate national sanctions against producers or other marketing participants such as slaughterhouses or associations involved in the procedure for granting aid in order to ensure the compliance with control requirements such as the current herd register of the holding or the respect of notification obligations.

As far as necessary or provided, the Member States shall assist one another mutually to ensure effective controls, and to ensure the check on the authenticity of documents submitted and/or the accuracy of the data exchanged.'

16. In Article 17, the following paragraph 3 is added:

'3. Without prejudice to paragraph 2, Member States shall, in accordance with provisions to be adopted by the Commission, send the Commission no later than 31

March each year, for arable crops, and no later than 31 August each year, for animal premiums, a report covering the previous calendar year and, in particular, relating to the following areas:

- (a) the state of implementation of the integrated system;
- (b) the number of applications as well as the total area and total number of animals broken down by individual aid scheme within the meaning of Article 1 of Regulation (EEC) No 3508/92;
- (c) the number of applications as well as the total area and total number of animals covered by checks;
- (d) the result of the checks carried out, indicating the reductions applied pursuant to Articles 9 and 10.'

17. In Article 19 the third subparagraph is deleted.

*Article 2*

This Regulation shall enter into force on 1 January 2000.

It shall apply to applications in respect of marketing years or premium periods starting from 1 January 2000.

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

Done at Brussels, 21 December 1999.

*For the Commission*  
Franz FISCHLER  
*Member of the Commission*

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