

Council Regulation (EC) No 1198/2006 of 27 July
2006 on the European Fisheries Fund (repealed)

TITLE VI

FINANCIAL CONTRIBUTION FROM THE EFF

CHAPTER I

Contribution from the EFF

Article 52

Public aid intensity

The maximum intensity of public aid is set out in the Table in Annex II.

Article 53

Contribution from the EFF

1 The Commission's decision adopting an operational programme shall fix the maximum rate and the maximum amount of the contribution from the EFF separately for the Convergence and the Non-Convergence objective for each priority axis.

2 The contribution from the EFF shall be calculated in relation to the total public expenditure.

3 The contribution from the EFF shall be established per priority axis. The contribution from the EFF shall be subject to the following ceilings:

- a 75 % of the total public expenditure co-financed by the EFF in regions eligible under the Convergence objective, subject to paragraphs 7, 8 and 9.
- b 50 % of the total public expenditure co-financed in regions not eligible under the Convergence objective, subject to paragraphs 7, 8 and 9.

Notwithstanding this, Member States may apply in the operational programme a uniform rate by region at the level of measures.

4 The minimum contribution from the EFF per priority axis shall be 20 % of the total public expenditure.

5 The minimum amount of support granted to an operation by the EFF shall be 5 % of the total public expenditure allocated for assistance to the operation.

6 The overall amount of support granted to an operation by the EFF shall not exceed 95 % of the total public expenditure allocated for assistance to the operation.

7 When operations financed by the EFF fall under Articles 24 or 27, where these form part of a fishing effort adjustment plan referred to in Article 21(a)(i), or fall under Articles 26(3) or (4), the ceiling for the EFF contribution for priority axis 1 shall be increased by up to 10

Status: Point in time view as at 27/07/2006.

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percentage points in the regions eligible under the Convergence objective and by up to 15 percentage points for the regions not eligible under the Convergence objective.

This increase is proportional to the ratio of the total expenditure for the operations in the first sub-paragraph to the total expenditure for priority axis 1.

8 When operations financed by the EFF fall under Article 23, the ceiling for the EFF contribution for priority axis 1 shall be increased by up to 10 percentage points in the regions eligible under the Convergence objective and by up to 25 percentage points for the regions not eligible under the Convergence objective.

This increase is proportional to the ratio of the total expenditure for the operations in the first sub-paragraph to the total expenditure for priority axis 1.

9 When operations are financed by the EFF in the outlying Greek islands which are under a handicap due to distant location and in the outermost regions, the ceiling for the contribution from the EFF for each priority axis shall be increased by up to 10 percentage points in the regions eligible under the Convergence objective and by up to 35 percentage points for the regions not eligible under the Convergence objective.

For each priority axis, this increase is proportional to the ratio of the total expenditure for the operations in the first sub-paragraph to the total expenditure within the priority axis.

10 Technical assistance measures implemented at the initiative of the Commission or on its behalf shall be financed by the EFF at 100 %.

Article 54

Non-Accumulation

Expenditure co-financed by the EFF shall not receive assistance from another Community financial instrument.

Article 55

Eligibility of expenditure

1 Expenditure shall be eligible for a contribution from the EFF if it has actually been paid by the beneficiaries between the date of submission of the operational programme to the Commission or from 1 January 2007, whichever is earlier, and 31 December 2015. Operations co-financed must not have been completed before the starting date for eligibility.

2 By way of derogation from paragraph 1, in-kind contributions, depreciation costs and overheads may be treated as expenditure paid by beneficiaries in implementing operations under the following conditions:

- a the eligibility rules laid down under paragraph 4 provide for the eligibility of such expenditure;
- b the amount of the expenditure is justified by accounting documents having a probative value equivalent to invoices;
- c in the case of in-kind contributions, the co-financing from the EFF does not exceed the total eligible expenditure, excluding the value of such contributions.

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3 Expenditure shall be eligible for a contribution from the EFF only where incurred for operations decided on by the managing authority in accordance with criteria fixed in advance by the Monitoring Committee.

New expenditure, added at the moment of the revision of an operational programme referred to in Article 18, shall be eligible from the date of the submission to the Commission of the request for revision of the operational programme.

4 The rules on the eligibility of expenditure shall be laid down at national level subject to the exceptions provided for in this Regulation. They shall cover the entirety of expenditure declared under the operational programme.

5 The following expenditure shall not be eligible for a contribution from the EFF:

- a a value added tax, except for a non recoverable value added tax when it is genuinely and definitively borne by a beneficiary other than non-taxable persons referred to in the first subparagraph of Article 4(5) of the Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes — Common system of value added tax: uniform basis of assessment⁽¹⁾;
- b interest on debt, without prejudice to paragraph 8;
- c the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned;
- d housing.

6 Paragraphs 1, 3 and 4 shall be without prejudice to the provisions of Article 46(1).

7 As regards operations not implying expenditure for the beneficiary, the expenditure eligible for a contribution from the EFF shall be the public aid paid to the beneficiary.

8 Notwithstanding paragraph 5(b), the contribution from the EFF may be in a form other than a non-repayable direct assistance. Detailed rules shall be defined in accordance with the procedure referred to in Article 101(3).

Article 56

Durability of operations

1 The Member State or managing authority shall ensure that an operation retains the contribution from the EFF only if that operation does not, within five years of the date of the financing decision of the competent national authorities or the managing authority, undergo a substantial modification:

- a affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage;
- or
- b resulting either from a change in the nature of ownership of an item of infrastructure or the cessation or relocation of a productive activity.

2 The managing authority shall inform the Commission in the annual and final report on implementation referred to in Article 67 of any such modification referred to in paragraph 1.

3 Sums unduly paid shall be recovered in accordance with Title VIII, Chapters II and III.

4 The Member States and the Commission shall ensure that undertakings which are or have been subject to a procedure of recovery in accordance with paragraph 3 following the

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transfer of a productive activity within a Member State or to another Member State do not benefit from a contribution from the EFF.

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- (1) [OJ L 145, 13.6.1977, p. 1](#). Directive as last amended by Directive 2006/18/EC ([OJ L 51 22.2.2006, p. 12](#)).

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