COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 305 final

Brussels, 23 June 1989

Proposal for a COUNCIL REGULATION (EEC) amending Regulation (EEC) No 729/70 on the financing of the common agricultural policy

(presented by the Commission)

EXPLANATORY MEMORANDUM

- 1. Following the European Council of 11-12 February 1988 in Brussels and according to this Council's decision to establish a realistic timetable for clearance of the EAGGF-Guarantee section accounts, the Commission has proposed in the framework of the revision of the financial regulation to put back the deadline for clearing the accounts for financial year n from 31/12/n+1 to 15/9/n+2. At the same time it proposed to grant Member States a time limit of 6 months from the end of the financial year for presenting their annual expenditure declarations. In so doing the Commission considers that it had conciliated the basic control requirements with the actual possibilities of its own services and also those of the Member States.
- 2. The Council of Ministers has not, however, followed up this proposal because it feels that the timetable for clearance of the accounts must be laid down in Council Regulation N° 729/70 on the financing of the common agricultural policy. At present this regulation (article 5, paragraph 2b) lays down that the Commission, after consulting the Fund committee, clears the accounts of the services and agencies relating to financial year n before the end of year n+1.
- 3. The amendment to Article 5, paragraph 2b, of Regulation N° 729/70, which is the subject of this procedure, consequently takes into account the amendment to the time limit for clearance of the accounts already proposed by the Commission in the framework of the adaptation of the financial regulation and also follows up the request of the European Council and the Council of Ministers.
- 4. Regarding the deadline for presentation of annual declarations, Article 1, paragraph 2, of Commission Regulation N° 1723/72 on the clearance of the EAGGF-Guarantee accounts fixes this date as 31 March of the year following that during which expenditure involved had been paid. This time limit may be maintained given that for the EAGGF the budgetary financial year "n" terminates on 15/10/n.
- 5. There are no financial consequences for the Community's budget. The proposal has no effects for small and medium-sized entreprises. It is solely an administrative matter.

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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,

Having regard to the opinion of the European Parliament,

Whereas Article 5(2) of Council Regulation (EEC) No 729/70^T, as last amended by Regulation (EEC) No 2048/88², requires that clearance of the EAGGF, Guarantee Section, accounts take place at the end of the year following the financial year under consideration; whereas experience has shown that this time limit is too short; whereas it is appropriate to establish a realistic timetable;

HAS ADOPTED THIS REGULATION:

Article 1

Article 5(2) b) of Regulation (EEC) No 729/70 is hereby replaced by the following:

"b) clears the accounts of the Member States on the basis of the documents referred to at paragraph 1 sub-paragraph b), at the latest by 15 September of the year following the year during which these documents are transmitted."

Article 2

This Regulation shall enter into force on the third 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.

Done at Brussels

For the Council

¹0J No L 94, 28.4.1970, p. 13.

²0J No L 185, 15.7.1988, p. 1.

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