

Common Agricultural Policy (CAP): financing by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD)

2004/0164(CNS) - 21/06/2006 - Implementing legislative act

ACT: Commission Regulation 885/2006/EC laying down detailed rules for the application of Council Regulation 1290/2005/EC as regards the accreditation of paying agencies and other bodies and the clearance of the accounts of the EAGF and of the EAFRD.

CONTENT: the purpose of this Regulation is to establish detailed rules concerning the accreditation of paying agencies and other bodies. A further purpose of the Regulation is to establish rules on the clearance of accounts for both the EAGF and the EAFRD.

In summary, the Regulation specifies that:

- In order to be accredited a paying agency must have an administrative organisation and a system of internal control. In addition it must have an internal environment; control activities; information and communication facilities; and monitoring facilities.
- Member States, at ministerial level, will designate an authority for each paying agency.
- The paying agencies will be subject to independent examinations in order to ensure that they are fit for purpose. In addition, national authorities, through a system of certification and accreditation will keep the paying agencies under constant supervision.
- The Commission will inform the Committee on the Agricultural Funds of the paying agencies accredited in each Member State .
- A coordinating body will be established to act as the Commission's sole interlocutor for the Member State concerned relating to EAGF and EAFRD questions.

In addition, the Regulation sets out detailed procedures and deadlines relating to: certification; the content of annual accounts; the transmission of data; the form and content of the accounting information; the conservation of accounting information; financial clearance; conformity clearance; and the establishment of a conciliation body. Lastly, transitional and final provisions are foreseen.

In adopting this implementing Regulation, a number of related legal instruments will be repealed as from 16 October 2006. They are:

- Regulation 1663/95/EC
- Decision 94/442/EC.

Regulation 1663/95/EC will continue to apply to the clearance of accounts under Article 7 (3) (monthly advances on the provisions for expenditure effected by the accredited paying agencies) of Regulation 1258 /1999/EC for the financial year 2006.

ENTRY INTO FORCE: 30 June 2006. It will apply from 16 October 2006.

However,

- Article 3 (Statement of Assurance);
- Article 5 (Certification);
- Article 6 (Content of annual accounts)
- 6 (a) – the assigned revenues;
- 6 (b) the expenditure of the EAGF;
- 6 (c) the expenditure of the EAFRD by programme measure;
- 6 (d) information regarding expenditure and assigned revenues or confirmation that the detail of each transaction is held on computer file;
- 6 (e) a table of differences by item and sub-item
- 6 (g) a summary of intervention operation and a statement of the quantity and location of stocks at the end of the financial year;
- 6 (h) confirmation that the details of each movement of intervention storage is held on the paying agency's file; and lastly
- Article 10 (Financial Clearance)

will apply only in relation to expenditure and assigned revenues coming under the financial year 2007 and following.