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I

(Acts whose publication is obligatory)

**COMMISSION REGULATION (EC) No 2202/2003
of 17 December 2003
establishing the standard import values for determining the entry price of certain fruit and
vegetables**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables ⁽¹⁾, as last amended by Regulation (EC) No 1947/2002 ⁽²⁾, and in particular Article 4(1) thereof,

Whereas:

- (1) Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto.

- (2) In compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 18 December 2003.

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

Done at Brussels, 17 December 2003.

For the Commission
J. M. SILVA RODRÍGUEZ
Agriculture Director-General

⁽¹⁾ OJ L 337, 24.12.1994, p. 66.

⁽²⁾ OJ L 299, 1.11.2002, p. 17.

ANNEX

to the Commission Regulation of 17 December 2003 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code ⁽¹⁾	Standard import value
0702 00 00	052	62,2
	204	59,2
	212	113,1
	624	160,7
	999	98,8
0707 00 05	052	146,6
	628	126,9
	999	136,8
0709 90 70	052	115,7
	204	70,7
	999	93,2
0805 10 10, 0805 10 30, 0805 10 50	052	45,0
	204	57,9
	388	47,1
	421	13,6
	999	40,9
0805 20 10	052	62,0
	204	63,8
	999	62,9
0805 20 30, 0805 20 50, 0805 20 70, 0805 20 90	052	76,3
	464	122,4
	999	99,4
0805 50 10	052	72,1
	400	39,2
	600	74,2
	999	61,8
0808 10 20, 0808 10 50, 0808 10 90	052	58,6
	060	44,7
	064	51,0
	400	79,2
	404	84,9
	720	66,7
	999	64,2
0808 20 50	052	71,0
	060	62,2
	064	61,7
	400	101,9
	720	42,7
	999	67,9

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 2020/2001 (OJ L 273, 16.10.2001, p. 6). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 2203/2003
of 16 December 2003
establishing unit values for the determination of the customs value of certain perishable goods

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code ⁽¹⁾, as last amended by Regulation (EC) No 2700/2000 of the European Parliament and of the Council ⁽²⁾,

Having regard to Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code ⁽³⁾, as last amended by Regulation (EC) No 1335/2003 ⁽⁴⁾, and in particular Article 173(1) thereof,

Whereas:

- (1) Articles 173 to 177 of Regulation (EEC) No 2454/93 provide that the Commission shall periodically establish unit values for the products referred to in the classification in Annex 26 to that Regulation.

- (2) The result of applying the rules and criteria laid down in the abovementioned Articles to the elements communicated to the Commission in accordance with Article 173(2) of Regulation (EEC) No 2454/93 is that unit values set out in the Annex to this Regulation should be established in regard to the products in question,

HAS ADOPTED THIS REGULATION:

Article 1

The unit values provided for in Article 173(1) of Regulation (EEC) No 2454/93 are hereby established as set out in the table in the Annex hereto.

Article 2

This Regulation shall enter into force on 19 December 2003.

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

Done at Brussels, 16 December 2003.

For the Commission

Erkki LIIKANEN

Member of the Commission

⁽¹⁾ OJ L 302, 19.10.1992, p. 1.

⁽²⁾ OJ L 311, 12.12.2000, p. 17.

⁽³⁾ OJ L 253, 11.10.1993, p. 1.

⁽⁴⁾ OJ L 187, 26.7.2003, p. 16.

ANNEX

Code	Description	Amount of unit values per 100 kg			
	Species, varieties, CN code	EUR	DKK	SEK	GBP
1.10	New potatoes 0701 90 50	—	—	—	—
1.30	Onions (other than seed) 0703 10 19	26,77	199,19	240,05	18,78
1.40	Garlic 0703 20 00	144,38	1 074,11	1 294,45	101,25
1.50	Leeks ex 0703 90 00	70,79	526,65	634,68	49,64
1.80	White cabbages and red cabbages 0704 90 10	37,40	278,23	335,31	26,23
1.90	Sprouting broccoli or calabrese (<i>Brassica oleracea</i> L. convar. <i>botrytis</i> (L.) <i>Alef</i> var. <i>italica</i> Plenck) ex 0704 90 90	61,43	457,00	550,75	43,08
1.100	Chinese cabbage ex 0704 90 90	54,27	403,74	486,56	38,06
1.130	Carrots ex 0706 10 00	18,15	135,03	162,72	12,73
1.140	Radishes ex 0706 90 90	45,56	338,94	408,47	31,95
1.160	Peas (<i>Pisum sativum</i>) 0708 10 00	387,23	2 880,73	3 471,67	271,54
1.170	Beans:				
1.170.1	— Beans (<i>Vigna</i> spp., <i>Phaseolus</i> spp.) ex 0708 20 00	112,68	838,27	1 010,23	79,02
1.170.2	— Beans (<i>Phaseolus</i> ssp. <i>vulgaris</i> var. <i>Compressus</i> Savi) ex 0708 20 00	167,45	1 245,73	1 501,28	117,42
1.200	Asparagus:				
1.200.1	— green ex 0709 20 00	236,80	1 761,63	2 123,00	166,05
1.200.2	— other 0709 20 00	324,54	2 414,41	2 909,70	227,59
1.210	Aubergines (eggplants) 0709 30 00	137,38	1 022,03	1 231,69	96,34
1.220	Ribbed celery (<i>Apium graveolens</i> L., var. <i>dulce</i> (Mill.) Pers.) ex 0709 40 00	93,50	695,88	838,27	65,57
1.230	Chantarelles 0709 59 10	994,91	7 401,53	8 919,87	697,68
1.240	Sweet peppers 0709 60 10	179,72	1 337,03	1 611,30	126,03
1.270	Sweet potatoes, whole, fresh (intended for human consumption) 0714 20 10	88,48	658,21	793,23	62,04
2.30	Pineapples, fresh ex 0804 30 00	63,26	470,65	567,20	44,36

Code	Description	Amount of unit values per 100 kg			
	Species, varieties, CN code	EUR	DKK	SEK	GBP
2.40	Avocados, fresh ex 0804 40 00	126,54	941,40	1 134,51	88,74
2.50	Guavas and mangoes, fresh ex 0804 50 00	—	—	—	—
2.60	Sweet oranges, fresh:				
2.60.1	— Sanguines and semi-sanguines 0805 10 10	—	—	—	—
2.60.2	— Navels, navelines, navelates, salustianas, vernas, Valencia lates, Maltese, shamoutis, ovalis, trovita and hamlins 0805 10 30	—	—	—	—
2.60.3	— Others 0805 10 50	—	—	—	—
2.70	Mandarins (including tangerines and satsumas), fresh; clementines, wilkings and similar citrus hybrids, fresh:				
2.70.1	— Clementines ex 0805 20 10	—	—	—	—
2.70.2	— Monreales and satsumas ex 0805 20 30	—	—	—	—
2.70.3	— Mandarines and wilkings ex 0805 20 50	—	—	—	—
2.70.4	— Tangerines and others ex 0805 20 70 ex 0805 20 90	—	—	—	—
2.85	Limes (<i>Citrus aurantifolia</i> , <i>Citrus latifolia</i>), fresh 0805 50 90	84,49	628,54	757,48	59,25
2.90	Grapefruit, fresh:				
2.90.1	— white ex 0805 40 00	64,93	483,01	582,09	45,53
2.90.2	— pink ex 0805 40 00	60,17	447,66	539,49	42,20
2.100	Table grapes 0806 10 10	231,29	1 720,65	2 073,62	162,19
2.110	Water melons 0807 11 00	37,46	278,68	335,85	26,27
2.120	Melons (other than water melons):				
2.120.1	— Amarillo, cuper, honey dew (including cantalene), onteniente, piel de sapo (including verde liso), rochet, tendral, futuro ex 0807 19 00	43,44	323,14	389,43	30,46
2.120.2	— Other ex 0807 19 00	83,66	622,39	750,07	58,67
2.140	Pears				
2.140.1	— Pears — nashi (<i>Pyrus pyrifolia</i>), Pears — Ya (<i>Pyrus bretschneideri</i>) ex 0808 20 50	—	—	—	—
2.140.2	— Other ex 0808 20 50	—	—	—	—
2.150	Apricots 0809 10 00	206,72	1 537,85	1 853,32	144,96
2.160	Cherries 0809 20 95 0809 20 05	641,41	4 771,70	5 750,56	449,79

Code	Description	Amount of unit values per 100 kg			
	Species, varieties, CN code	EUR	DKK	SEK	GBP
2.170	Peaches 0809 30 90	412,50	3 068,75	3 698,27	289,27
2.180	Nectarines ex 0809 30 10	361,18	2 686,95	3 238,15	253,28
2.190	Plums 0809 40 05	136,21	1 013,34	1 221,21	95,52
2.200	Strawberries 0810 10 00	345,64	2 571,39	3 098,88	242,38
2.205	Raspberries 0810 20 10	304,95	2 268,65	2 734,03	213,85
2.210	Fruit of the species <i>Vaccinium myrtillus</i> 0810 40 30	1 561,40	11 615,88	13 998,73	1 094,93
2.220	Kiwi fruit (<i>Actinidia chinensis</i> Planch.) 0810 50 00	145,75	1 084,30	1 306,73	102,21
2.230	Pomegranates ex 0810 90 95	143,99	1 071,19	1 290,93	100,97
2.240	Khakis (including sharon fruit) ex 0810 90 95	107,11	796,85	960,31	75,11
2.250	Lychees ex 0810 90 30	—	—	—	—

COMMISSION REGULATION (EC) No 2204/2003
of 17 December 2003
amending Council Regulation (EC) No 1210/2003 concerning certain specific restrictions on
economic and financial relations with Iraq

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1210/2003 concerning certain specific restrictions on economic and financial relations with Iraq ⁽¹⁾, as last amended by Commission Regulation (EC) No 2119/2003 ⁽²⁾, and in particular Article 11(c) thereof,

Whereas:

- (1) Annex V to Regulation (EC) No 1210/2003 lists the competent authorities to which specific functions related to the implementation of that Regulation are attributed.

- (2) Italy, Ireland, Portugal and Sweden requested that additional authorities be included in that list,

HAS ADOPTED THIS REGULATION:

Article 1

Annex V to Regulation (EC) No 1210/2003 is hereby amended in accordance with the Annex to this Regulation.

Article 2

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

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

Done at Brussels, 17 December 2003.

For the Commission
Christopher PATTEN
Member of the Commission

⁽¹⁾ OJ L 169, 8.7.2003, p. 6.

⁽²⁾ OJ L 318, 15.10.2003, p. 9.

ANNEX

Annex V to Regulation (EC) No 1210/2003 is amended as follows:

1. The address details under the heading 'Ireland' shall be replaced with:

Licensing Unit, Department of Enterprise, Trade and Employment
Block C
Earlsfort Centre
Hatch Street
Dublin 2
Ireland
Tel. (353-1) 631 25 34
Fax (353-1) 631 25 62

Central Bank and Financial Services Authority of Ireland
Financial Markets Department
PO Box 559
Dame Street
Dublin 2
Ireland
Tel. (353-1) 434 40 00
Fax (353-1) 671 65 61'.

2. The address details under the heading 'Italy' shall be replaced with:

Ministero delle Attività produttive
DG per la Politica commerciale e per la gestione del regime degli scambi
Divisione IV — UOPAT
Viale Boston, 35
I-00144 Roma
Manager:
Tel. (39) 06 59 93 24 39
Fax (39) 06 59 64 75 06
Staff:
Tel. (39) 06 59 93 24 18
Fax (39) 06 591 69 58

Ministero dell'Economia e delle finanze
Dipartimento del Tesoro
Comitato di sicurezza finanziaria
Via XX Settembre, 97
I-00187 Roma
Tel. (39) 06 47 61 39 42
Fax (39) 06 47 61 30 31'.

3. The address details under the heading 'Portugal' shall be replaced with:

Ministério dos Negócios Estrangeiros
Direcção-Geral dos Assuntos Multilaterais
Direcção de Serviços das Organizações Políticas Multilaterais
Largo do Rilvas,
P-1399-030 Lisboa
E-mail: spm@sg.mne.gov.pt
Tel. (351-21) 394 67 02
Fax (351-21) 394 60 73

Direcção-Geral dos Assuntos Europeus e Relações Internacionais
Ministério das Finanças
Av. Infante D. Henrique, n.º 1C — 1.º
P-1100-278 Lisboa
Tel. (351-21) 882 33 90
Fax (351-21) 882 33 99
E-mail: mf.dgaeri@dgaeri.pt'.

4. The address details under the heading 'Sweden' shall be replaced with:

'Article 6

Utrikesdepartementet
Rättssekretariatet för EU-frågor
S-103 39 Stockholm
Tel. (46-8) 405 10 00
Fax (46-8) 823 11 76

Article 7

Rikspolisstyrelsen (RPS)
Box 12256
S-102 26 Stockholm
Tel. (46-8) 401 90 00
Fax (46-8) 401 99 00

Article 8

Finansinspektionen
Box 6750
S-113 85 Stockholm
Tel. (46-8) 787 80 00
Fax (46-8) 24 13 35'.

**COMMISSION REGULATION (EC) No 2205/2003
of 17 December 2003**

amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff⁽¹⁾, and in particular Article 9(1)(a) thereof,

Whereas:

- (1) To continue the process of harmonisation with the international standards laid down by the International Olive Oil Council and the Codex Alimentarius, adjustments should be made to certain limit values in Commission Regulation (EEC) No 2568/91 on the characteristics of olive oil and olive-residue oil and on the relevant methods of analysis⁽²⁾, and in additional note 2 to Chapter 15 of the Combined Nomenclature contained in Annex I to Regulation (EEC) No 2658/87.
- (2) Council Regulation (EC) No 1513/2001 of 23 July 2001 amending Regulations No 136/66/EEC and (EC) No 1638/98 as regards the extension of the period of validity of the aid scheme and the quality strategy for olive oil⁽³⁾, makes it necessary to revise additional note 2 to Chapter 15 of the Combined Nomenclature set out in Annex I to Regulation (EEC) No 2658/87.

- (3) In order to align the texts, the wording of some of the language versions of subheading 1509 10 10 of the Combined Nomenclature should be amended.
- (4) Regulation (EEC) No 2658/87 should be amended accordingly.
- (5) The last amendments to Regulation (EEC) No 2568/91 are applicable from 1 November 2003. To be consistent this Regulation should be applicable from the same date.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EEC) No 2658/87 shall be amended as shown in the Annex hereto.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply with effect from 1 November 2003.

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

Done at Brussels, 17 December 2003.

For the Commission

Frederik BOLKESTEIN

Member of the Commission

⁽¹⁾ OJ L 256, 7.9.1987, p. 1. Regulation as last amended by Commission Regulation (EC) No 1871/2003 (OJ L 275, 25.10.2003, p. 5).

⁽²⁾ OJ L 248, 5.9.1991, p. 1. Regulation as last amended by Commission Regulation (EC) No 1989/2003 (OJ L 295, 13.11.2003, p. 57).

⁽³⁾ OJ L 201, 26.7.2001, p. 4.

ANNEX

A. In Chapter 15 of Annex I to Regulation (EEC) No 2658/87, additional note 2 shall be amended as follows:

1. In additional note 2A, Table I is replaced by the following table:

Table 1

Fatty acid composition as percentage of total fatty acids

Fatty acids	Percentage
Myristic acid	≤ 0,05
Palmitic acid	7,5-20,0
Palmitoleic acid	0,3-3,5
Heptadecanoic acid	≤ 0,3
Heptadecenoic acid	≤ 0,3
Stearic acid	0,5-5,0
Oleic acid	55,0-83,0
Linoleic acid	3,5-21,0
Linolenic acid	≤ 1,0
Arachidic acid	≤ 0,6
Eicosenoic acid	≤ 0,4
Behenic acid ⁽¹⁾	≤ 0,3
Lignoceric acid	≤ 0,2

⁽¹⁾ ≤ 0,2 for oils of heading 1509'

2. Additional note 2B is amended as follows:

(a) the first part of the paragraph is replaced by the following text:

'Subheading 1509 10 covers only olive oils defined in Sections I and II below obtained solely by mechanical or other physical means under conditions that do not lead to alteration in the oil, which have not undergone any treatment other than washing, decantation, centrifugation or filtration. Olive oils obtained using solvents or using adjuvants having a chemical or biochemical action, or by re-esterification process and any mixture with oils of other kinds are excluded from this subheading.'

(b) additional note 2BI is amended as follows:

(i) the words 'virgin lampante olive oil' are replaced by the words 'lampante olive oil';

(ii) the text of paragraph (c) is replaced by the following:

'(c) a content in saturated fatty acids at the 2-position in the triglycerides not exceeding 1,5 %;'

(iii) paragraph (g) is amended as follows:

— points 1 and 3 are deleted,

— point 4 is replaced by the following:

'4. organoleptic characteristics showing a median of defects above 2,5, in accordance with Annex XII to Regulation (EEC) No 2568/91.'

(c) additional note 2BII is amended as follows:

(i) paragraph (a) is replaced by the following:

'(a) an acid content, expressed as oleic acid, not exceeding 2,0 g per 100 g;'

(ii) paragraph (e) is replaced by the following:

'(e) a K_{270} extinction coefficient not higher than 0,25;'

(iii) paragraph (g) is replaced by the following:

'(g) organoleptic characteristics showing a median of defects not exceeding 2,5, in accordance with Annex XII to Regulation (EEC) No 2568/91;'

(iv) paragraph (ij) is replaced by the following:

'(ij) a content in saturated fatty acids at the 2-position in the triglycerides not exceeding 1,5 %;'

3. Additional note 2C is amended as follows:
 - (a) paragraph (a) is replaced by the following:
'(a) an acid content, expressed as oleic acid, not exceeding 1,0 g per 100 g;'
 - (b) paragraphs (c) and (d) are replaced by the following:
'(c) a K_{270} extinction coefficient not higher than 0,90;
(d) an extinction coefficient variation (ΔK), in the 270 nm region, not higher than 0,15;'
 - (c) paragraph (f) is replaced by the following:
'(f) a content in saturated fatty acids at the 2-position in the triglycerides not exceeding 1,8 %;'
 4. Additional note 2D is amended as follows:
 - (a) paragraph (a) is deleted;
 - (b) paragraph (c) is replaced by the following:
'(c) a content in saturated fatty acids at the 2-position in the triglycerides not exceeding 2,2 %;'
 5. In additional note 2E the second sentence is replaced by the following:
'Oils falling within this subheading must have a content in saturated fatty acids at the 2-position in the triglycerides not exceeding 2,2 %, a sum of transoleic isomers lower than 0,4 % and a sum of translinoleic + translinolenic isomers lower than 0,35 % and a difference between the HPLC and theoretical content of triglycerides with ECN42 that does not exceed 0,5.'
- B. The description of CN code 1509 10 10 is replaced by the following: 'Lampante olive oil'.
-

COMMISSION REGULATION (EC) No 2206/2003

of 17 December 2003

supplementing the Annex to Regulation (EC) No 2400/96 on the entry of certain names in the 'Register of protected designations of origin and protected geographical indications' (Thüringer Leberwurst, Thüringer Rotwurst, Thüringer Rostbratwurst)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs ⁽¹⁾, as last amended by Regulation (EC) No 806/2003 ⁽²⁾, and in particular Article 6(3) and (4) thereof,

Whereas:

- (1) In accordance with Article 5 of Regulation (EEC) No 2081/92, Germany has sent to the Commission applications for registration of the names 'Thüringer Leberwurst', 'Thüringer Rotwurst' and 'Thüringer Rostbratwurst' as geographical indications.
- (2) In accordance with Article 6(1) of that Regulation, the application has been found to meet all the requirements laid down therein and in particular to contain all the information required in accordance with Article 4 thereof.
- (3) One statement of objection, receivable under Article 7 of Regulation (EEC) No 2081/92 was received by the Commission in respect of the names given in the Annex hereto following publication in the *Official Journal of the European Communities* in accordance with Article 6(2) of that Regulation ⁽³⁾, but afterwards that has been repealed.

(4) The names should therefore be entered in the 'Register of protected designations of origin and protected geographical indications' and hence be protected throughout the Community as protected geographical indications.

(5) The Annex to this Regulation supplements the Annex to Commission Regulation (EC) No 2400/96 ⁽⁴⁾, as last amended by Regulation (EC) No 2054/2003 ⁽⁵⁾,

HAS ADOPTED THIS REGULATION:

Article 1

The names in the Annex hereto are added to the Annex to Regulation (EC) No 2400/96 and entered as protected geographical indications (PGI) in the 'Register of protected designations of origin and protected geographical indications' provided for in Article 6(3) of Regulation (EEC) No 2081/92.

Article 2

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 17 December 2003.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 208, 24.7.1992, p. 1.

⁽²⁾ OJ L 122, 16.5.2003, p. 1.

⁽³⁾ OJ C 114, 15.5.2002, p. 10 (Thüringer Leberwurst);

OJ C 114, 15.5.2002, p. 12 (Thüringer Rotwurst);

OJ C 114, 15.5.2002, p. 14 (Thüringer Rostbratwurst).

⁽⁴⁾ OJ L 327, 18.12.1996, p. 11.

⁽⁵⁾ OJ L 305, 22.11.2003, p. 5.

ANNEX

PRODUCTS LISTED IN ANNEX I TO THE EC TREATY INTENDED FOR HUMAN CONSUMPTION

Meat-based products

GERMANY

Thüringer Leberwurst (PGI)

Thüringer Rotwurst (PGI)

Thüringer Rostbratwurst (PGI)

COMMISSION REGULATION (EC) No 2207/2003
of 17 December 2003
amending Regulation (EC) No 1901/2000, by simplifying the concept of net mass

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States ⁽¹⁾, and in particular Article 23(4) thereof,

Whereas:

- (1) The quantity of goods is a reliable and stable item of information which is necessary for comparisons on international trade.
- (2) The units of quantity are used for checking the reliability of the data collected and for calculating indices.
- (3) Pursuant to Commission Regulation (EC) No 1901/2000 ⁽²⁾, laying down certain provisions for the implementation of Council Regulation (EEC) No 3330/91, of the units of quantity, net mass, in kilograms, is the main indicator and should in principle be mentioned for every type of goods; however, for certain products, it is not the most appropriate unit of measurement; the party responsible for providing information should therefore be exempted from indicating net mass in such cases.
- (4) Regulation (EC) No 1901/2000 has drawn up a list of products for which the parties responsible for providing information are exempted from indicating net mass; that list must be adapted to take account of the changes deriving from the annual update of the Combined Nomenclature.

- (5) For the sake of clarity, adaptations of this type should henceforth be implemented in each case by means of a regulation amending Regulation (EC) No 1901/2000.
- (6) Regulation (EC) No 1901/2000 must therefore be amended.
- (7) The measures provided for in this Regulation are consonant with the opinion of the Committee on Statistics relating to the Trading of Goods between Member States,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1901/2000 shall be amended as follows:

1. In Article 23(a), the sentence 'In order to inform the party responsible for providing the information about possible updates of the Annex, resulting from the annual changes in the Combined Nomenclature, an explanatory note will be published in the *Official Journal of the European Communities* (C series)' shall be deleted.
2. Annex II shall be replaced by the text appearing in the Annex to this Regulation.

Article 2

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

It shall apply from 1 January 2004.

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

Done at Brussels, 17 December 2003.

For the Commission
Pedro SOLBES MIRA
Member of the Commission

⁽¹⁾ OJ L 316, 16.11.1991, p. 1. Regulation as last amended by Regulation (EC) No 1624/2000 of the European Parliament and of the Council (OJ L 187, 26.7.2000, p. 1).

⁽²⁾ OJ L 228, 8.9.2000, p. 28. Regulation as last amended by the Act of Accession of 2003.

ANNEX

'ANNEX II

List of subheadings of the Combined Nomenclature referred to in Article 23(a)

0105 11 11	2204 21 68	2204 29 89	5702 49 90
0105 11 19	2204 21 69	2204 29 91	5702 51 00
0105 11 91	2204 21 71	2204 29 92	5702 52 00
0105 11 99	2204 21 74	2204 29 93	5702 59 00
0105 12 00	2204 21 76	2204 29 94	5702 91 00
0105 19 20	2204 21 77	2204 29 95	5702 92 00
0105 19 90	2204 21 78	2204 29 96	5702 99 00
	2204 21 79	2204 29 97	
0407 00 11	2204 21 80	2204 29 98	5703 10 00
	2204 21 81	2204 29 99	5703 20 11
2202 10 00	2204 21 82		5703 20 19
2202 90 10	2204 21 83	2205 10 10	5703 20 91
2202 90 91	2204 21 84	2205 10 90	5703 20 99
2202 90 95	2204 21 87	2205 90 10	5703 30 11
2202 90 99	2204 21 88	2205 90 90	5703 30 19
	2204 21 89		5703 30 51
2203 00 01	2204 21 91	2206 00 10	5703 30 59
2203 00 09	2204 21 92	2206 00 31	5703 30 91
2203 00 10	2204 21 93	2206 00 39	5703 30 99
	2204 21 94	2206 00 51	5703 90 00
2204 10 11	2204 21 95	2206 00 59	
2204 10 19	2204 21 96	2206 00 81	5704 10 00
2204 10 91	2204 21 97		5704 90 00
2204 10 99	2204 21 98	2207 10 00	
2204 21 10	2204 21 99	2207 20 00	5705 00 10
2204 21 11	2204 29 10		5705 00 30
2204 21 12	2204 29 12	2209 00 99	5705 00 90
2204 21 13	2204 29 13		
2204 21 17	2204 29 17	2716 00 00	6101 10 10
2204 21 18	2204 29 18		6101 10 90
2204 21 19	2204 29 42	3702 51 00	6101 20 10
2204 21 22	2204 29 43	3702 53 00	6101 20 90
2204 21 24	2204 29 44	3702 54 10	6101 30 10
2204 21 26	2204 29 46	3702 54 90	6101 30 90
2204 21 27	2204 29 47		6101 90 10
2204 21 28	2204 29 48	5701 10 10	6101 90 90
2204 21 32	2204 29 58	5701 10 91	
2204 21 34	2204 29 62	5701 10 93	
2204 21 36	2204 29 64	5701 10 99	6102 10 10
2204 21 37	2204 29 65	5701 90 10	6102 10 90
2204 21 38	2204 29 71	5701 90 90	6102 20 10
2204 21 42	2204 29 72		6102 20 90
2204 21 43	2204 29 75	5702 20 00	6102 30 10
2204 21 44	2204 29 81	5702 31 00	6102 30 90
2204 21 46	2204 29 82	5702 32 00	6102 90 10
2204 21 47	2204 29 83	5702 39 10	6102 90 90
2204 21 48	2204 29 84	5702 39 90	
2204 21 62	2204 29 87	5702 41 00	6103 11 00
2204 21 66	2204 29 88	5702 42 00	6103 12 00
2204 21 67		5702 49 10	6103 19 00

6103 21 00	6106 20 00	6112 12 00	6402 99 91
6103 22 00	6106 90 10	6112 19 00	6402 99 93
6103 23 00	6106 90 30	6112 31 10	6402 99 96
6103 29 00	6106 90 50	6112 31 90	6402 99 98
6103 31 00	6106 90 90	6112 39 10	
6103 32 00		6112 39 90	6403 12 00
6103 33 00	6107 11 00	6112 41 10	6403 19 00
6103 39 00	6107 12 00	6112 41 90	6403 20 00
6103 41 10	6107 19 00	6112 49 10	6403 30 00
6103 41 90	6107 21 00	6112 49 90	6403 40 00
6103 42 10	6107 22 00		6403 51 11
6103 42 90	6107 29 00	6115 11 00	6403 51 15
6103 43 10	6107 91 10	6115 12 00	6403 51 19
6103 43 90	6107 91 90	6115 19 00	6403 51 91
6103 49 10	6107 92 00		6403 51 95
6103 49 91	6107 99 00	6210 20 00	6403 51 99
6103 49 99		6210 30 00	6403 59 11
	6108 11 00		6403 59 31
6104 11 00	6108 19 00	6211 11 00	6403 59 35
6104 12 00	6108 21 00	6211 12 00	6403 59 39
6104 13 00	6108 22 00	6211 20 00	6403 59 50
6104 19 00	6108 29 00	6211 32 31	6403 59 91
6104 21 00	6108 31 10	6211 32 41	6403 59 95
6104 22 00	6108 31 90	6211 32 42	6403 59 99
6104 23 00	6108 32 11	6211 33 31	6403 91 11
6104 29 00	6108 32 19	6211 33 41	6403 91 13
6104 31 00	6108 32 90	6211 33 42	6403 91 16
6104 32 00	6108 39 00	6211 42 31	6403 91 18
6104 33 00	6108 91 10	6211 42 41	6403 91 91
6104 39 00	6108 91 90	6211 42 42	6403 91 93
6104 41 00	6108 92 00	6211 43 31	6403 91 96
6104 42 00	6108 99 10	6211 43 41	6403 91 98
6104 43 00	6108 99 90	6211 43 42	6403 99 11
6104 44 00			6403 99 31
6104 49 00	6109 10 00	6212 10 10	6403 99 33
6104 51 00	6109 90 10	6212 10 90	6403 99 36
6104 52 00	6109 90 30	6212 20 00	6403 99 38
6104 53 00	6109 90 90	6212 30 00	6403 99 50
6104 59 00			6403 99 91
6104 61 10	6110 11 10	6401 10 10	6403 99 93
6104 61 90	6110 11 30	6401 10 90	6403 99 96
6104 62 10	6110 11 90	6401 91 00	6403 99 98
6104 62 90	6110 12 10	6401 92 10	
6104 63 10	6110 12 90	6401 92 90	
6104 63 90	6110 19 10	6401 99 00	6404 11 00
6104 69 10	6110 19 90		6404 19 10
6104 69 91	6110 20 10	6402 12 10	6404 19 90
6104 69 99	6110 20 91	6402 12 90	6404 20 10
	6110 20 99	6402 19 00	6404 20 90
6105 10 00	6110 30 10	6402 20 00	
6105 20 10	6110 30 91	6402 30 00	6405 10 00
6105 20 90	6110 30 99	6402 91 00	6405 20 10
6105 90 10	6110 90 10	6402 99 10	6405 20 91
6105 90 90	6110 90 90	6402 99 31	6405 20 99
		6402 99 39	6405 90 10
6106 10 00	6112 11 00	6402 99 50	6405 90 90

7101 10 00	8504 21 00	8539 49 30	8542 29 20
7101 21 00	8504 22 10		8542 29 90
7101 22 00	8504 22 90	8540 11 11	
	8504 23 00	8540 11 13	8903 91 10
7103 91 00	8504 31 10	8540 11 15	8903 91 92
7103 99 00	8504 31 31	8540 11 19	8903 91 99
	8504 31 39	8540 11 91	8903 92 10
7104 10 00	8504 31 90	8540 11 99	8903 92 91
7104 20 00	8504 32 10	8540 12 00	8903 92 99
7104 90 00	8504 32 30	8540 20 10	8903 99 10
	8504 32 90	8540 20 80	8903 99 91
7105 10 00	8504 33 10	8540 40 00	8903 99 99
7105 90 00	8504 33 90	8540 50 00	
7106 10 00	8504 34 00	8540 71 00	9001 30 00
7106 91 10	8504 40 10	8540 72 00	9001 40 20
7106 91 90	8504 40 20	8540 79 00	9001 40 41
7106 92 20	8504 40 50	8540 81 00	9001 40 49
7106 92 80	8504 40 93	8540 89 00	9001 40 80
	8504 50 10		9001 50 20
7108 11 00		8542 21 01	9001 50 41
7108 12 00	8518 21 90	8542 21 05	9001 50 49
7108 13 10	8518 22 90	8542 21 11	9001 50 80
7108 13 80	8518 29 20	8542 21 13	
7108 20 00	8518 29 80	8542 21 15	9003 11 00
		8542 21 17	9003 19 10
7110 11 00	8539 10 10	8542 21 20	9003 19 30
7110 19 10	8539 10 90	8542 21 25	9003 19 90
7110 19 80	8539 21 30	8542 21 31	
7110 21 00	8539 21 92	8542 21 33	
7110 29 00	8539 21 98	8542 21 35	9006 53 10
7110 31 00	8539 22 10	8542 21 37	9006 53 90
7110 39 00	8539 29 30	8542 21 39	
7110 41 00	8539 29 92	8542 21 45	9202 10 10
7110 49 00	8539 29 98	8542 21 50	9202 10 90
	8539 31 10	8542 21 69	9202 90 30
7116 10 00	8539 31 90	8542 21 71	9202 90 80
7116 20 11	8539 32 10	8542 21 73	
7116 20 19	8539 32 50	8542 21 81	9204 10 00
7116 20 90	8539 32 90	8542 21 83	9204 20 00
	8539 39 00	8542 21 85	
8504 10 10	8539 41 00	8542 21 99	9205 10 00
8504 10 91			
8504 10 99	8539 49 10	8542 29 10	9207 90 10'

COMMISSION REGULATION (EC) No 2208/2003
of 17 December 2003
amending Regulation (EEC) No 2921/90 on aid for the production of casein and caseinates from skimmed milk

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1255/1999 of 17 May 1999 on the common organisation of the market in milk and milk products ⁽¹⁾, and in particular Article 15 thereof,

Whereas:

- (1) Article 2(1) of Commission Regulation (EEC) No 2921/90 ⁽²⁾ sets the aid for skimmed milk processed into casein or caseinates. Given the change in the market price for casein and caseinates on the Community and world markets, the aid should be decreased.

- (2) The Management Committee for Milk and Milk Products has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 2(1) of Regulation (EEC) No 2921/90, 'EUR 6,70' is hereby replaced by 'EUR 6,30'.

Article 2

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

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

Done at Brussels, 17 December 2003.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 160, 26.6.1999, p. 48; Regulation as last amended by Regulation (EC) No 1787/2003 (OJ L 270, 21.10.2003, p. 121).

⁽²⁾ OJ L 279, 11.10.1990, p. 22; Regulation as last amended by Regulation (EC) No 785/2003 (OJ L 115, 9.5.2003, p. 15).

COMMISSION REGULATION (EC) No 2209/2003
of 17 December 2003
prohibiting fishing for common sole by vessels flying the flag of Belgium

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy ⁽¹⁾, as last amended by Regulation (EC) No 806/2003 ⁽²⁾, and in particular Article 21(3) thereof,

Whereas:

- (1) Council Regulation (EC) No 2341/2002 of 20 December 2002 fixing for 2003 the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks, applicable in Community waters and, for Community vessels, in waters where limitations in catch are required ⁽³⁾, as last amended by Commission Regulation (EC) No 1754/2003 ⁽⁴⁾, lays down quotas for common sole for 2003.
- (2) In order to ensure compliance with the provisions relating to the quantity limits on catches of stocks subject to quotas, the Commission must fix the date by which catches made by vessels flying the flag of a Member State are deemed to have exhausted the quota allocated.
- (3) According to the information received by the Commission, catches of common sole in the waters of ICES divisions VIIIf,g, by vessels flying the flag of Belgium or regis-

tered in Belgium have exhausted the quota allocated for 2003. Belgium has prohibited fishing for this stock from 6 December 2003. This date should be adopted in this Regulation also,

HAS ADOPTED THIS REGULATION:

Article 1

Catches of common sole in the waters of ICES divisions VIIIf,g, by vessels flying the flag of Belgium or registered in Belgium are hereby deemed to have exhausted the quota allocated to Belgium for 2003.

Fishing for common sole in the waters of ICES divisions VIIIf,g, by vessels flying the flag of Belgium or registered in Belgium is hereby prohibited, as are the retention on board, transshipment and landing of this stock caught by the above vessels after the date of application of this Regulation.

Article 2

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

It shall apply from 6 December 2003.

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

Done at Brussels, 17 December 2003.

For the Commission

Jörgen HOLMQUIST

Director-General for Fisheries

⁽¹⁾ OJ L 261, 20.10.1993, p. 1.

⁽²⁾ OJ L 122, 16.5.2003, p. 1.

⁽³⁾ OJ L 356, 31.12.2002, p. 12.

⁽⁴⁾ OJ L 252, 4.10.2003, p. 1.

**COMMISSION REGULATION (EC) No 2210/2003
of 17 December 2003**

on import licences in respect of beef and veal products originating in Botswana, Kenya, Madagascar, Swaziland, Zimbabwe and Namibia

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

ovine and caprine animals and swine, fresh meat or meat products from third countries ⁽³⁾, as last amended by Regulation (EC) No 807/2003 ⁽⁴⁾,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2286/2002 of 10 December 2002 on the arrangements applicable to agricultural products and goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States (ACP States) and repealing Regulation (EC) No 1706/98 ⁽¹⁾, and in particular Article 5 thereof,

HAS ADOPTED THIS REGULATION:

Article 1

Having regard to Commission Regulation (EC) No 1918/98 of 9 September 1998 laying down detailed rules for the application in the beef and veal sector of Council Regulation (EC) No 1706/98 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States and repealing Regulation (EC) No 589/96 ⁽²⁾, and in particular Article 4 thereof,

The following Member States shall issue on 21 December 2003 import licences for beef and veal products, expressed as boned meat, originating in certain African, Caribbean and Pacific States, in respect of the following quantities and countries of origin:

United Kingdom:

— 15,4 tonnes originating in Swaziland.

Whereas:

Article 2

(1) Article 1 of Regulation (EC) No 1918/98 provides for the possibility of issuing import licences for beef and veal products. However, imports must take place within the limits of the quantities specified for each of these exporting non-member countries.

Licence applications may be submitted, pursuant to Article 3(2) of Regulation (EC) No 1918/98, during the first 10 days of January 2004 for the following quantities of boned beef and veal:

(2) The applications for import licences submitted between 1 and 10 December 2003, expressed in terms of boned meat, in accordance with Regulation (EC) No 1918/98, do not exceed, in respect of products originating from Botswana, Kenya, Madagascar, Swaziland, Zimbabwe and Namibia, the quantities available from those States. It is therefore possible to issue import licences in respect of the quantities applied for.

Botswana:	18 916 tonnes,
Kenya:	142 tonnes,
Madagascar:	7 579 tonnes,
Swaziland:	3 363 tonnes,
Zimbabwe:	9 100 tonnes,
Namibia:	13 000 tonnes.

(3) The quantities in respect of which licences may be applied for from 1 January 2004 should be fixed within the scope of the total quantity of 52 100 tonnes.

(4) This Regulation is without prejudice to Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine,

Article 3

This Regulation shall enter into force on 21 December 2003.

⁽¹⁾ OJ L 348, 21.12.2002, p. 5.

⁽²⁾ OJ L 250, 10.9.1998, p. 16.

⁽³⁾ OJ L 302, 31.12.1972, p. 28.

⁽⁴⁾ OJ L 122, 16.5.2003, p. 36.

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

Done at Brussels, 17 December 2003.

For the Commission
J. M. SILVA RODRÍGUEZ
Agriculture Director-General

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 11 December 2002

concerning State aid scheme C 46/2001 — Central corporate treasuries (Centrales de trésorerie) implemented by France

(notified under document number C(2002) 4827)

(Only the French text is authentic)

(Text with EEA relevance)

(2003/883/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 88(2) thereof,

Having called on interested parties to submit their comments pursuant to the provision cited above ⁽¹⁾,

Whereas:

(3) By letter SG(2001) D/289747 of 11 July 2001, the Commission informed France that it had decided to initiate the formal investigation procedure laid down in Article 88(2) of the EC Treaty in respect of the tax scheme for central corporate treasuries. By letter dated 31 October 2001 (A/38577), France commented on this decision.

(4) The Commission decision to initiate the procedure was published in the *Official Journal of the European Communities* ⁽⁴⁾. It invited interested parties to submit their comments on the aid. The Commission received no comments from interested parties.

I. PROCEDURE

(1) In 1997 the Ecofin Council adopted a resolution on a code of conduct for business taxation ⁽²⁾ with a view to putting an end to harmful tax practices. In line with the undertaking it gave in connection with that code, the Commission published in 1998 a notice on the application of the State aid rules to measures relating to direct business taxation ⁽³⁾ (hereinafter 'the notice'), restating its determination to apply the rules strictly and in accordance with the principle of equality of treatment. The present procedure has to be viewed in this context.

(2) By letter dated 4 August 1999 (D/63323), the Commission requested information on the French scheme for central corporate treasuries. The information was provided by letter of the French Permanent Representation to the European Union dated 12 October 1999 (A/37816).

II. DESCRIPTION OF THE MEASURE

(5) The status of central corporate treasury, which was approved on 3 November 1998, confers special tax treatment laid down in the Instruction of 16 April 1999 issued by the Directorate-General for Taxation (hereinafter 'the Instruction'). The Instruction, which took effect on 1 January 1999, lays down the arrangements for applying Articles 39(1)(3) and 131c of the General Tax Code (hereinafter 'the CGI'), which concern the tax treatment of interest paid by a company to its members on sums of money they place at its disposal.

⁽¹⁾ OJ C 302, 27.10.2001, p. 7.

⁽²⁾ OJ C 2, 6.1.1998, p. 1.

⁽³⁾ OJ C 384, 10.12.1998, p. 3.

⁽⁴⁾ See footnote 1.

(6) Article 39(1)(3) of the CGI imposes a limit on the deductibility of interest paid to members on sums of money they leave or place at the disposal of the company, irrespective of its legal structure, in addition to their share in the capital. The deductibility is limited to interest calculated at a benchmark rate equal to the annual average of the average effective rates applied by credit institutions in respect of variable-rate business loans with an initial duration of more than two years. According to the Instruction, the French tax authorities may authorise derogations from this limit for operations carried out within the context of central corporate treasuries.

(7) Article 131c of the CGI provides for exemption from withholding tax for current-account operations carried out by members established outside France provided that these are third-party or associated companies. The Instruction stipulates that current-account operations carried out by members between a parent company and its subsidiaries or sub-subsidiaries under a contractual agreement between companies belonging to the same group on the setting up of a central corporate treasury that has been notified to the tax authorities are also eligible for this measure.

(8) In order to benefit, a central corporate treasury must be established in France in the form of a subsidiary and must be responsible within the group for centralising the management of treasury operations between the companies belonging to that group. Its role consists in receiving actual cash flows from companies in the group that are linked to it by the contractual agreement and to meet the cash requirements of those companies.

(9) Only companies directly or indirectly controlled by the same company and that company itself may be party to the contractual agreement. In addition, only groups of companies present in at least three countries are eligible for the scheme.

III. REASONS FOR INITIATING THE PROCEDURE

(10) In assessing the information provided by the French authorities, the Commission took the view that the derogation from the limit on the deductibility of interest, which is reserved solely for central corporate treasuries, seemed to be a selective advantage not justified by the nature and general scheme of the system.

(11) The Commission also took the view that the extension of the exemption from withholding tax for interest paid outside France by central corporate treasuries could not

be regarded as a specific advantage since the exemption already applied to interest paid outside France by any company to third or associated companies.

IV. COMMENTS FROM FRANCE

(12) The French authorities note that, when opening the procedure, the Commission did not classify as State aid the exemption from withholding tax for interest paid outside France by central corporate treasuries. France thus regards as inconsistent the Commission's view of the derogation from the limit on the deductibility of interest for central corporate treasuries as an advantage since the purpose and scope of the two measures are identical.

(13) France considers that the derogation from the limit on the deductibility of interest for central corporate treasuries is not such as to give rise to an advantage, having been applied on very few occasions following its entry into force in January 1999 since the ceiling rate, defined as the average rate on variable-rate business loans granted to businesses by credit institutions, has been close to the market rate in most cases.

(14) France also points out that the Statistical Investigation Department of the Directorate-General for Taxation has tracked down only eight contractual agreements that have been lodged by companies meeting the conditions for applying these two measures. This would indicate that the scheme does not confer any practical advantages.

(15) According to the French authorities, the derogation from the limit on the deductibility of interest for central corporate treasuries of groups established in at least three countries is not a selective measure since it does not confer on them any comparative advantage relative to non-eligible groups. Taking the tax base at group level, the scheme simply shifts the point of taxation from the central corporate treasury to the member: interest deductible from the results of the central corporate treasury is taxed symmetrically in the hands of the member as financial revenue whereas, if the deductibility of interest is limited, the interest that is non-deductible and thus taxed in the hands of the subsidiary is deducted from the results of the parent company after being reclassified as distributed profit, which is exempt under the exemption scheme for holdings between parent companies and subsidiaries.

- (16) According to the French authorities, the derogation from the limit on the deductibility of interest for central corporate treasuries is justified by the nature and general scheme of the system for deducting interest in respect of current-account operations carried out by members. The reason for limiting the deductibility of interest paid by a company to its members is to introduce a legal presumption that interest cannot normally be deducted over and above a certain level fixed in relation to the market rate, thereby avoiding any disputes as to the standard rate to be applied. Such a presumption is irrelevant where the relationship between members and the company is laid down in an agreement on the centralised management of treasury operations, since the commercial relationship between lender and borrower takes precedence over the member relationship between parent company and subsidiary. Interest is, therefore, deductible only if it is in line with the market rate between independent third parties. This same reasoning justifies the administrative approach followed in France since 1984 whereby no limit is imposed on interest paid by a subsidiary to a parent company classified as a credit institution.

V. ASSESSMENT OF THE MEASURE

Introduction

- (17) After considering the observations made by France, the Commission holds to the position spelt out in its letter dated 11 July 2001 ⁽⁹⁾ initiating the procedure provided for in Article 88(2) of the Treaty. It takes the view that those observations have not removed the misgivings expressed by it and considers therefore that the tax scheme under investigation constitutes operating aid that is unlawful and incompatible with the common market pursuant to Article 87(1) of the EC Treaty. However, in its view, France and the beneficiary companies had good reason in the case in point to entertain a legitimate expectation that the aid would not be recovered.
- (18) In particular, the Commission cannot accept the French authorities' observation that the exemption from withholding tax on interest paid outside France can be likened to the derogation from the limit on the deductibility of interest for current-account operations carried out by members. In the Commission's opinion, these two measures differ in scope and must be dealt with separately.

Exemption from withholding tax

- (19) As regards the exemption from withholding tax for interest paid outside France, Article 131c of the CGI already provided for a generalised exemption from

withholding tax ⁽⁶⁾. The Instruction simply stated that interest paid outside France by central corporate treasuries, which are subject to the conditions spelt out in points 3 to 9 of the Instruction, qualifies for the existing exemption.

- (20) In accordance with point 13 of the notice, tax measures of a purely technical nature, such as the exemption from withholding tax, are general measures and fall outside the scope of Article 87(1) of the EC Treaty provided that their benefits are accessible to all firms operating within the territory concerned.
- (21) The Commission may, therefore, conclude that the general scope of the exemption from withholding tax for interest paid outside France, which was confirmed by the Instruction as regards application of this exemption to central corporate treasuries, does not allow this measure to be regarded as State aid within the meaning of Article 87(1).

Scheme for deducting interest paid to members

- (22) As regards the derogation from the limit on the tax deductibility of interest paid on sums of money made available to a company by its members, the Commission regards this tax measure as constituting aid within the meaning of Article 87(1) of the EC Treaty since it satisfies all of the four criteria set out below.

Advantage

- (23) First, the measure confers an advantage which relieves recipients of charges normally borne from their budgets. The derogation from the limit on the deductibility of interest for members' current-account operations carried out by central corporate treasuries enables them to reduce the tax base. As mentioned in point 9 of the notice, an advantage may be provided through a reduction in the tax burden, and notably a reduction in a company's tax base, following an additional deduction granted as a derogation from the standard deduction ceiling. Central corporate treasuries and the groups to which they belong receive an advantage whenever the treasuries can deduct from their tax base all of the interest paid to those members, whereas other companies in France would, in the same situation, have to comply with a ceiling.

⁽⁶⁾ Article 131c of the CGI states that 'the yield on borrowings contracted outside France by French legal persons with the authorisation of the Minister of the Economy, Finance and Privatisation (this authorisation is deemed to be generally granted by administrative instruction of the Directorate-General for Taxation in France) is exempt from the withholding tax provided for in paragraph III of Article 125A', while Article 125 A III, which concerns the withholding tax on the yield from fixed-income investments, stipulates that 'the withholding tax shall apply to the aforementioned revenue received by persons not having their tax domicile in France; the same provision shall apply to income paid outside France or received by legal persons not having their registered office in France'.

⁽⁹⁾ See footnote 1.

(24) As regards the observation by France, referred to in recital 13, that the measure would be applied on only a very few occasions since the rate applied is, in most cases, close to the market rate, the Commission notes that the existence of a few cases in which an advantage is conferred or even the mere possibility that the scheme confers advantages is sufficient for the scheme to be classified as an aid scheme, provided that the other conditions of Article 87(1) of the EC Treaty are met.

(25) The Commission notes France's argument, referred to in recital 15, that the derogation from the limit on interest deductibility would simply shift the point of taxation from the central corporate treasury to the member and would not confer any comparative advantage at the level of the group concerned relative to non-eligible groups. However, the comparison made by the French authorities of the level of effective taxation of a group, depending on whether the sums paid by a central corporate treasury to its parent company are in the form of deductible interest or distributed profits (dividends), does not allow the existence of an advantage to be ruled out in all cases since it is based on different situations that vary according to external parameters. For instance, the amount of dividends distributed depends on the subsidiary generating distributable profits and on its management choices, and their tax treatment depends on the amount of capital held by the parent company and on the tax rules — notably at international level — that could be applicable. In this respect, the situation described by France arises only very infrequently and presupposes among other things that the parent company and the subsidiary are subject to the same level of effective taxation. This line of reasoning is also based on the assumption that the subsidiary's profits are distributed in full to the parent company. Lastly, France's line of reasoning presupposes that the parent company qualifies for an arrangement exempting holdings between parent company and subsidiary, something which is not always the case.

(26) What is more, the Commission points out that the assessment as to whether a particular measure constitutes an advantage must relate to the national arrangements applicable in the Member State concerned and not to a system ensuring hypothetical equality of treatment between countries, as implicitly invoked by France.

(27) Accordingly, the Commission concludes that the derogation from the limit on the deductibility of interest paid to members could confer an advantage on central corporate treasuries and on the groups to which they belong.

State resources

(28) Second, the advantage is granted through State resources. In the case at issue, the reduction in the tax base of central corporate treasuries established in France results in a loss of tax revenue constituting State resources.

Effect on competition and trade between Member States

(29) Third, the measure in question affects competition and trade between Member States. This criterion is met since the central corporate treasuries must operate in a multi-national framework that encompasses, *inter alia*, intra-Community trade. In view of the advantage conferred on central corporate treasuries, the position of all the companies and all the groups to which they belong is strengthened relative to that of other companies or competing groups in different sectors, at least some of which are characterised by the existence of Community trade.

(30) As underscored in point 11 of the notice, the relatively small amount of aid ⁽⁷⁾ mentioned by France does not alter this conclusion.

Selectivity

(31) Lastly, the Commission considers that the provisions of the Instruction are selective in that they favour certain undertakings since, in the case in point, they concern only central corporate treasuries of groups established in at least three countries. Consequently, they do not apply in particular to companies belonging to groups established only in France or only in two countries.

Justification by the nature or general scheme of the system

(32) France argues that the arrangements whereby no limit is placed on the deductibility of interest for central corporate treasuries are justified by the reasoning behind the limit itself. On account of the special relationship between a member and its company, the limit would introduce a legal presumption that interest cannot normally be deducted over and above a certain level fixed in relation to the market rate, thereby avoiding disputes as to the standard rate to be applied. Such a presumption would be irrelevant in the case of an agreement on the centralised management of treasury operations since the commercial relationship between lender and borrower would take precedence over the member relationship between the parent company and the subsidiary. For this reason, interest could be deducted only if it conformed to the market rate between independent third parties.

⁽⁷⁾ See Joined Cases C-278/92, C-279/92 and C-280/92 *Spain v Commission* [1994] ECR I-4103, paragraph 42.

- (33) The Commission is not amenable to this argument since France does not give the reasons why the commercial relationship would take precedence over the parent company/subsidiary relationship only in the case of central corporate treasuries, as compared with the functions involved in the centralised management of treasury operations and performed by subsidiaries not covered by an agreement within the meaning of the Instruction. Nor does France explain why the centralised management activities carried out by a French company for a group established only in France or in two countries would differ from those carried out by central corporate treasuries eligible for the scheme. Consequently, the Commission takes the view that the irrelevance of the general rule imposing a limit on interest deductibility in the case of central corporate treasuries eligible for the scheme is not borne out by characteristics peculiar to central corporate treasuries alone, as opposed to the other companies carrying out the same type of activity. The fact that interest paid by a subsidiary to its parent company which is classified as a credit institution qualifies for a similar exemption is unlikely to affect this assessment since this derogation does not in itself provide justification for the specific nature of the scheme, which applies only to certain central corporate treasuries. The derogation from the general rule imposing a limit on interest deductibility that is applicable only to central corporate treasuries of groups established in at least three countries cannot, therefore, be justified by the nature or general scheme of the system.
- (34) The Commission concludes therefore that the scheme is a State aid scheme within the meaning of Article 87(1) of the EC Treaty.
- (37) The derogation in Article 87(3)(a) for aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious under-employment could not be invoked since the scheme being investigated has unlimited territorial scope.
- (38) Similarly, the scheme for central corporate treasuries does not fall within the category of projects of common European interest, which is eligible for the derogation in Article 87(3)(b), and does not qualify, in so far as it is not aimed at promoting culture and heritage conservation, for the derogation in Article 87(3)(d).
- (39) The tax advantages granted under the scheme for central corporate treasuries are unlikely to qualify for the derogation in Article 87(3)(c), which authorises aid to facilitate the development of certain economic activities or of certain economic areas where such aid does not adversely affect trading conditions to an extent contrary to the common interest. Such aid is operating aid which relieves the beneficiary companies or groups to which they belong of charges that should normally be borne by them.
- (40) Accordingly, the aid scheme is incompatible with the common market.

Recovery

Compatibility

- (35) As emphasised in the decision initiating the formal investigation procedure, the scheme in question does not seem *prima facie* to qualify for any of the derogations in Article 87(2) and (3) of the EC Treaty and the French authorities have not challenged the Commission's assessment in the matter, which can be summed up as follows.
- (36) The derogations in Article 87(2) for aid having a social character that is granted to individual consumers, aid to make good the damage caused by natural disasters or exceptional occurrences and aid granted in certain areas of the Federal Republic of Germany are not applicable in the case in point.
- (41) The measures in question cannot be regarded as existing aid within the meaning of Article 88(1) of the EC Treaty and Article 1(b) of Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty⁽⁸⁾. They were in fact implemented after the entry into force of the Treaty, were never notified to the Commission in accordance with Article 88(3), are not covered by the period of limitation and constituted aid as soon as they were implemented. They thus constitute new aid. Where State aid granted unlawfully proves to be incompatible with the common market, it naturally follows from such a finding that the aid should be recovered from the beneficiaries in accordance with Article 14 of Regulation (EC) No 659/1999. Recovery of the aid is designed to restore as far as possible the conditions of competitiveness that existed before the aid was granted. Neither the absence of any precedent for applying State aid rules in similar cases nor the alleged lack of clarity in the Community policy on State aid would justify a derogation from this basic principle.

⁽⁸⁾ OJ L 83, 27.3.1999, p. 1.

(42) Nevertheless, Article 14(1) of Regulation (EC) No 659/1999 stipulates that 'The Commission shall not require recovery of the aid if this would be contrary to a general principle of Community law'. The case-law of the Court of Justice of the European Communities and Commission practice have established that an order to recover aid would infringe a general principle of Community law where, following action by the Commission, the beneficiary of a measure has a legitimate expectation that the aid was granted in accordance with Community legislation.

(43) In *Van den Bergh en Jurgens* ⁽⁹⁾, the Court stated as follows:

'The Court has consistently held that any trader in regard to whom an institution has given rise to justified hopes may rely on the principle of the protection of legitimate expectation. On the other hand, if a prudent and discriminating trader could have foreseen the adoption of a Community measure likely to affect his interests, he cannot plead that principle if the measure is adopted.'

France has not presented the Commission with any argument based on the existence of legitimate expectation on the part of the beneficiaries under the scheme. However, it transpires from the Court's case-law ⁽¹⁰⁾ that the Commission is required to take into consideration on its own initiative the exceptional circumstances that provide justification, pursuant to Article 14(1) of Regulation (EC) No 659/1999, for it to refrain from ordering the recovery of unlawfully granted aid where such recovery is contrary to a general principle of Community law, such as respect for the legitimate expectation of beneficiaries.

(44) In the present case, the Commission notes that the French scheme for central corporate treasuries has certain similarities with the system introduced in Belgium by Royal Decree No 187 of 30 December 1982 concerning the taxation of coordination centres. The two schemes concern intra-group activities and lay down specific rules for determining the tax base. In its decision of 2 May 1984, the Commission took the view that the scheme did not give rise to aid within the meaning of Article 92(1) of the EC Treaty. Even though the decision has not been published, the fact that the Commission did not raise any objection to the Belgian scheme for coordination centres was made public at the time in the 14th Report on Competition Policy and in an answer to a Parliamentary question ⁽¹¹⁾.

(45) Under the circumstances, the Commission notes that its decision on the Belgian scheme for coordination centres was adopted before the French scheme was adopted. Furthermore, the French scheme was adopted before publication of the notice. Accordingly, the Commission concludes that the beneficiaries under the scheme and the French administration had a legitimate expectation that the aid would not be recovered and is not requiring recovery.

VI. CONCLUSIONS

(46) The Commission finds that the French scheme for central corporate treasuries constitutes State aid within the meaning of Article 87(1) of the EC Treaty and that France has unlawfully implemented the aid in breach of Article 88(3).

(47) Nevertheless, the position that the Commission has taken in the past with regard to certain tax measures for multinationals created on the part of the French authorities and of the beneficiaries under the scheme the legitimate expectation that the scheme for central corporate treasuries was compatible with the State aid rules. The Commission finds that recovery of the aid would run counter to the general principle of respect for legitimate expectation and, accordingly, has decided not to require recovery of the aid,

HAS ADOPTED THIS DECISION:

Article 1

The State aid implemented by France in the form of the derogation from the limit on interest deductibility for central corporate treasuries, that derogation being governed by the Instruction of 16 April 1999, which was issued by the Directorate-General for Taxation in connection with the scheme for central corporate treasuries and took effect on 1 January 1999, is incompatible with the common market.

Article 2

France is required to remove the selective aid elements referred to in Article 1 of the scheme governed by the Instruction of 16 April 1999.

Article 3

France shall inform the Commission, within two months of notification of this decision, of the measures taken to comply with it.

⁽⁹⁾ Case 265/85 [1987] ECR 1155, paragraph 44.

⁽¹⁰⁾ Case 223/85 *RSV v Commission* [1987] ECR 4617.

⁽¹¹⁾ See the decision on the Belgian scheme for coordination centres (SG(84) D/6421, 16.5.1984) and the answer to Written Question No 1735/90 (OJ C 63, 11.3.1991, p. 37).

Article 4

This decision is addressed to the French Republic.

Done at Brussels, 11 December 2002.

For the Commission

Mario MONTI

Member of the Commission

COMMISSION DECISION
of 15 October 2003
concerning aid that the region of Sicily plans to grant in the citrus fruit sector

(notified under document number C(2003) 3550)

(Only the Italian text is authentic)

(2003/884/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 88(2) thereof,

Having given notice to the parties concerned to submit their comments in accordance with that Article,

Whereas:

I. PROCEDURE

- (1) By letter dated 15 December 1999, registered on 20 December 1999, the Italian Permanent Representation to the European Union notified the Commission, pursuant to Article 88(3) of the Treaty, of Sicilian Regional Law No 22/1999, providing for emergency measures in the agricultural sector. The notification was registered under No 795/99.
- (2) By letters dated 6 October 2000, registered on 9 October 2000, 1 February 2001, registered on 5 February 2001, and 30 July 2001, registered on 1 August 2001, the Italian Permanent Representation to the European Union provided the Commission with additional information on Regional Law No 22/1999 as requested by letters dated 23 February 2000, 20 November 2000 and 27 March 2001.
- (3) By letter dated 25 September 2001⁽¹⁾, the Commission informed Italy that it had decided to initiate the procedure provided for in Article 88(2) of the Treaty with regard to the aid provided for in Articles 1 to 6 of Regional Law No 22/1999. The procedure was registered under No C 65/2001.
- (4) The Commission decision initiating the procedure was published in the *Official Journal of the European Communities* ⁽²⁾. The Commission invited interested parties to present their comments on the aid concerned.
- (5) The Commission has received no comments from interested parties.
- (6) By letter dated 28 May 2003, registered on 4 June 2003, the Italian Permanent Representation to the European Union forwarded a letter from the Italian authorities asking for the aid provided for in Article 5 of

Regional Law No 22/1999 to be made the subject of a separate decision in view of its close relationship to aid provided for under a national aid scheme already authorised by the Commission ⁽³⁾.

- (7) In response to the request, the Commission decided to split case C 65/2001 into two parts: part A concerning the aid provided for in Article 5 of Regional Law No 22/1999 and part B concerning the aid provided for in Articles 1, 2, 3, 4 and 6 of that law.
- (8) This Decision concerns solely part A of case C 65/2001, i.e. solely the aid provided for in Article 5 of Regional Law No 22/1999. This Decision does not prejudice the decision that will be adopted concerning part B of the case.

II. DESCRIPTION OF THE AID PROVIDED FOR IN ARTICLE 5 OF REGIONAL LAW No 22/1999

- (9) Article 5 of Regional Law No 22/1999 authorises the Regional Minister for Agriculture and Forestry to contribute a maximum of ITL 10 billion (EUR 5 164 569) to the operations and assistance measures provided for in the national citrus cultivation plan. This funding is in addition to that already provided for in that plan for the region of Sicily.

III. INITIATION OF THE PROCEDURE PROVIDED FOR IN ARTICLE 88(2) OF THE TREATY

- (10) The Commission initiated the procedure provided for in Article 88(2) of the Treaty for the following reasons:
 - (a) in the letter forwarded by the Italian Permanent Representation on 30 July 2001, in reply to the Commission's request for information dated 27 March 2001, the Italian authorities stated that they had already forwarded all the information necessary for examining the aid provided for in Regional Law No 22/1999 and that they were not in a position to supply any further information. They therefore asked the Commission to adopt a decision on the aid concerned within two months in accordance with Article 4(5) of Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 (now Article 88) of the EC Treaty ⁽⁴⁾;

⁽¹⁾ Letter SG(2001) D/260216.

⁽²⁾ OJ C 315, 9.11.2001, p. 12.

⁽³⁾ The national citrus cultivation plan authorised by the Commission in aid cases N 560/99 (letter SG(2000) D/103679 of 16 May 2000) and N 313/2001 (Decision C(2003) 369 final of 5 February 2003, notified to the Italian authorities by letter SG(2003) D/228423 of 7 February 2003).

⁽⁴⁾ OJ L 83, 27.3.1999, p. 1.

- (b) when it received the abovementioned letter, the Commission had not completed its examination of the measures provided for in the national citrus cultivation plan and was therefore unable to decide whether or not the measures it contained were compatible with the common market;
- (c) in view of the continuing doubt about the compatibility of the measures concerned with the common market, the Commission could not but express doubts regarding the compatibility of aid that might be financed by means of the funding made available in Article 5 of Regional Law No 22/1999, which was intended to complement the central government funding provided for in the national citrus cultivation plan.

IV. COMMENTS BY THE ITALIAN AUTHORITIES

- (11) By letter forwarded by the Italian Permanent Representation on 29 April 2002, the Italian authorities, in response to the notification of the initiation of the procedure provided for in Article 88(2) of the Treaty, repeated that they were unable to supply any further information regarding the rules governing the use of the funding made available to the citrus fruit sector in Article 5 of Regional Law No 22/1999 because those rules had to be laid down in the light of the conclusions of the examination of the national citrus cultivation plan being carried out by the Commission. They nevertheless undertook not to use the funding in question until the Commission had approved that plan.
- (12) In the letter from the Italian Permanent Representation dated 28 May 2003, the Italian authorities, in asking for the aids provided for in Article 5 of Regional Law No 22/1999 to be the subject of a separate decision, confirmed that the funding provided pursuant to that Article would be used in accordance with the rules for the grant of the aid authorised by Commission Decision C(2003) 369 final of 5 February 2003 (hereinafter 'Decision C(2003) 369 final').
- (13) By letter dated 10 July 2003, registered on 11 July 2003, the Italian Permanent Representation forwarded to the Commission a letter from the Italian authorities stating that the sums allocated in accordance with Article 5 of Regional Law No 22/1999 had not been used and that they would be used only when the Commission had authorised the rules governing their use.
- (14) By letter dated 13 August 2003, registered on 18 August, the Italian Permanent Representation forwarded a further letter from the Italian authorities assuring the Commission that the cumulation of aid granted under the national citrus cultivation plan with central government funding and regional funding pursuant to Article 5 of Regional Law No 22/1999 would be allowed only

within the limits on rates of aid laid down in the Region of Sicily's programming documents, which are those authorised in Decision C(2003) 369 final. In the same letter, the Sicilian regional authorities assured the Commission that checks on the various types of aid granted in the citrus fruit sector had been entrusted to a single managing body responsible for verifying compliance with the authorised rates of aid in the event of cumulation.

V. EVALUATION

- (15) According to Article 87(1) of the Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is, in so far as it affects trade between Member States, incompatible with the common market. The measures in question fall into that category in that they favour the production of certain fruit (citrus fruit) and are likely to affect trade given the position Italy occupies in Community production of the fruit concerned (in 2000, Italy accounted for 31 % of all Community citrus fruit production).
- (16) However, in the cases provided for in Article 87(2) and (3) of the Treaty, certain measures may, by way of derogation, be considered to be compatible with the common market.
- (17) In the case under examination, in view of the nature of the measures concerned, the only derogation that could be granted is that provided for in Article 87(3)(c) of the Treaty, on the basis of which aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest, may be considered to be compatible with the common market.
- (18) The funding provided for in Article 5 of Regional Law No 22/1999 is intended to complement the aid provided by the central government for the implementation of the national citrus cultivation plan, which covers six regions of southern Italy: Campania, Apulia, Basilicata, Calabria, Sicily and Sardinia.
- (19) The national citrus cultivation plan contains seven measures. Six of these ('market monitoring', 'citrus register', 'research and development', 'communication and promotion', 'aids for the creation of cooperatives and associations of producers of quality products' and 'technical assistance and monitoring') were authorised as aid N 560/99. The Commission authorised the seventh measure, 'support and part-financing of integrated assistance schemes for increasing the market value of products and strengthening producer organisations' as aid N 313/01.

(20) The planned aid for Sicily N 313/01 and the rules for granting that aid are as follows:

(a) for investments relating to varietal conversion: aid equal to 50 % of eligible expenditure for investments in agricultural holdings in less-favoured areas and 40 % for investments in other areas, with the possibility of increasing those rates by five percentage points for young farmers making investments during the first five years after setting up (eligible expenditure is that defined in the 2000-06 regional operational programme (ROP) for Sicily, authorised by the Commission, and the programme complement);

(b) for the 'Marketing and communication services scheme':

(i) aid for technical and organisational assistance of up to EUR 100 000 per beneficiary per three-year period or 50 % of eligible expenditure for SMEs;

(ii) aid for the purchase of computing equipment (hardware and software) equal to 50 % of eligible expenditure within the meaning of point 4.2 of the Community guidelines for State aid in the agriculture sector⁽¹⁾ for undertakings processing and marketing agricultural products and aid equal to 50 % in less-favoured areas and 40 % in other areas for agricultural holdings;

(iii) for measures to improve product quality:

— aid for investments in quality assurance systems (rate of 50 % for holdings in less-favoured areas and 40 % for holdings in other areas, with the possibility of increasing those rates by five percentage points for young farmers making investments during the first five years after setting up). In the case of collective investments outside holdings, the planned rate is 50 % (Sicily is an Objective 1 region) and the increase of five percentage points for young farmers provided for in the plans does not apply,

— aid equal to 100 % of eligible expenditure, up to a maximum of EUR 100 000 per beneficiary per three-year period, or equal to 50 % of eligible expenditure for SMEs, for the provision of assistance with the introduction of quality assurance standards, the preparation of applications for registration as PDOs (protected designations of origin), PGIs (protected geographical indications) and CSCs (certificates of specific character), the introduction of voluntary quality stan-

dards and HACCP systems (hazard analysis and critical control points) and for staff training for the application of quality assurance standards,

— temporary and decreasing aid during the six years following the introduction of a control system to guarantee the authenticity of PDOs, PGIs and CSCs (rates applicable during those years: 100 %, 85 %, 70 %, 55 %, 40 %, 25 %, 0 %),

— temporary and decreasing aid during the six years up until 2006 (rates applicable during those years: 100 %, 85 %, 70 %, 55 %, 40 %, 25 %, 0 %) for monitoring the use of quality marks under quality guarantee schemes;

(iv) for communication and promotional measures:

— aid equal to 100 % of eligible expenditure, up to a maximum of EUR 100 000 per beneficiary per three-year period, or equal to 50 % of eligible expenditure for SMEs, for promotional activities such as the organisation of competitions, fairs and exhibitions and for carrying out studies,

— aid equal to 50 % of eligible expenditure for publicity measures; the agricultural holdings concerned must bear the remaining expenditure by means of a direct contribution, parafiscal charges or other compulsory contributions;

(c) for the 'Scheme for the reorganisation and modernisation of production structures':

(i) for the reorganisation of first processing, packaging and processing structures and the technological upgrading of processing and marketing facilities on agricultural holdings, within the maximum limits on investment laid down in Article 7 of Council Regulation (EC) No 1257/1999⁽²⁾: maximum aid of 50 % of eligible expenditure in less-favoured areas and 40 % in other areas, with the possibility of raising this to 55 % and 45 % respectively for young farmers during the first five years after setting up with an additional 25 and 20 percentage points respectively where the investments permit a holding to meet the minimum Community environmental requirements or to meet newly introduced standards (in accordance with the conditions laid down in Article 1(2) of Commission Regulation (EC) No 445/2002⁽³⁾) without increasing production capacity;

⁽¹⁾ OJ C 28, 1.2.2000, p. 2. Corrected version in OJ C 232, 12.8.2000, p. 17.

⁽²⁾ OJ L 160, 26.6.1999, p. 80.

⁽³⁾ OJ L 74, 15.3.2002, p. 1.

- (ii) for the reorganisation of first processing, packaging and processing structures and the technological upgrading of processing and marketing facilities of beneficiaries other than farmers (for example, producer organisations): aid equal to a maximum of 50 % of eligible expenditure;
 - (iii) for upgrading the safety of the plant and introducing HACCP on agricultural holdings: aid equal to a maximum of 50 % of eligible expenditure in less-favoured areas and 40 % in other areas, with the possibility of raising this to 55 % and 45 % respectively for young farmers during the first five years after setting up;
 - (iv) for upgrading the safety of the plant and introducing HACCP for beneficiaries other than farmers (for example, producer organisations): aid equal to a maximum of 50 % of eligible expenditure;
 - (v) for the computerisation of processing on agricultural holdings, within the maximum limits on investment laid down in Article 7 of Regulation (EC) No 1257/1999: aid equal to a maximum of 50 % of eligible expenditure in less-favoured areas and 40 % in other areas, with the possibility of raising this to 55 % and 45 % respectively for young farmers during the first five years after setting up;
 - (vi) for the computerisation of the processing operations of beneficiaries other than farmers (for example, producer organisations): aid equal to a maximum of 50 % of eligible expenditure.
- (21) Pursuant to Decision C(2003) 369 final, the Commission decided not to raise any objections to the aid referred to in recital 20, since the Italian authorities assured the Commission that the aid would be granted on conditions that allow it to be considered to be compatible with the common market.

VI. CONCLUSIONS

- (22) The funding provided for in Regional Law No 22/1999 is intended to complement central government funding for the implementation of the national citrus cultivation plan and will be used on the same conditions as authorised by the Commission in Decision C(2003) 369 final. The cumulation of aid will be monitored centrally, which will prevent the maximum permissible rates of aid being exceeded. Therefore the Commission no longer has any reason to doubt that the rules on the use of the aid in question are compatible with the common market and concludes that the aid financed by means of the funding concerned can benefit from the derogation provided for in Article 87(3)(c) of the Treaty, as aid to facilitate the development of certain economic activities or of certain economic areas without adversely affecting trading conditions to an extent contrary to the common interest,

HAS ADOPTED THIS DECISION:

Article 1

The aid of ITL 10 billion (EUR 5 164 569) that the region of Sicily plans to grant in the citrus fruit sector under Article 5 of Regional Law No 22/1999 is compatible with the common market.

Implementation of the aid scheme is accordingly authorised.

Article 2

This Decision is addressed to the Italian Republic.

Done at Brussels, 15 October 2003.

For the Commission

Franz FISCHLER

Member of the Commission

CORRIGENDA**Corrigendum to Commission Regulation (EC) No 2151/2003 of 16 December 2003 amending Regulation (EC) No 2195/2002 of the European Parliament and of the Council on the common procurement vocabulary (CPV)**

(Official Journal of the European Union L 329 of 17 December 2003)

On page 2, in Article 2:

for: 'This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.'

read: 'This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.'
