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⁽¹⁾ Text with EEA relevance

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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II

(Non-legislative acts)

REGULATIONS

COMMISSION REGULATION (EU) 2016/539

of 6 April 2016

amending Regulation (EU) No 1178/2011 as regards pilot training, testing and periodic checking for performance-based navigation**(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ⁽¹⁾, and in particular Article 7(6) thereof,

Whereas:

- (1) Commission Regulation (EU) No 1178/2011 ⁽²⁾ establishes conditions for pilots involved in the operation of certain aircraft, as well as flight simulation training devices, persons and organisations involved in the training, testing and checking of those pilots.
- (2) It is necessary to include in that Regulation additional requirements for pilot training, testing and periodic checking for pilots who fly in accordance with performance-based navigation ('PBN') procedures and therefore need PBN privileges endorsed to their instrument rating ('IR'). The PBN endorsement should not create additional administrative burden for the competent authority.
- (3) Pilots, holders of an IR, who have obtained on the basis of the applicable requirements of national law or otherwise theoretical knowledge and practical skills in PBN operations, prior to the date of application of this Regulation, should be deemed to have fulfilled the additional requirements, where they can demonstrate to the satisfaction of the competent authority that the knowledge and skills thus obtained are equivalent to those obtained through the courses and trainings required under this Regulation. The competent authorities should base their decisions on the equivalence of such knowledge and skills on objective information and criteria.
- (4) Not all pilots, especially in the general aviation, fly in accordance with PBN procedures as, for example, their aircraft or the local aerodrome may lack the appropriate certified equipment for that purpose. Therefore, at present those pilots may not need additional training and checking related to PBN. Considering the rate of deployment of PBN equipment and procedures throughout the Union, this Regulation should provide for a reasonable period of time, after which the additional requirements for pilot training, testing and periodic checking for PBN will become applicable for those pilots.

⁽¹⁾ OJ L 79, 13.3.2008, p. 1.

⁽²⁾ Commission Regulation (EU) No 1178/2011 of 3 November 2011 laying down technical requirements and administrative procedures related to civil aviation aircrew pursuant to Regulation (EC) No 216/2008 of the European Parliament and of the Council (OJ L 311, 25.11.2011, p. 1).

- (5) The period during which Member States may decide not to apply the provisions of Regulation (EU) No 1178/2011 in their territory to pilots holding a licence and associated medical certificate issued by a third country involved in the non-commercial operation of certain aircraft should be extended, because of the ongoing negotiations of the Union with certain third countries aimed at facilitating the conversion of such licences and medical certificates. It should be clarified that, where a Member State takes or has taken such a decision, it should publish that decision in an appropriate manner which allows all parties concerned to take note of it and ensures that the requirements of transparency and legal certainty are fulfilled.
- (6) Additional requirements concerning the privileges of flight test pilots should also be included in Regulation (EU) No 1178/2011, in order to allow those pilots to operate an aircraft for certain flights without complying with the requirement to hold the respective class or type rating.
- (7) Regulation (EU) No 1178/2011 stipulates that the training course for multi-pilot licences ('MPL') shall only be delivered by an approved training organisation that is part of an air transport operator. In addition, that Regulation stipulates that, unless the holder of an MPL has completed the conversion course of the same operator, he cannot exercise the privileges of the MPL. There are cases where, due to the fault of the operator, some MPL holders cannot complete that operator's conversion course and are consequently not able to work neither for that operator nor for another operator. The restriction on exercising MPL privileges elsewhere puts those MPL holders at a disadvantage without it being justified by safety reasons. Pilots who change operator are required to complete the new operator's conversion course despite the fact that they have taken a conversion course on the previous operator. Moreover, any operator's conversion course must take full account of the level of experience of the pilots joining that operator. It is therefore necessary to remove that restriction. MPL requirements are thus also aligned with the ICAO standards.
- (8) Regulation (EU) No 1178/2011 should therefore be amended accordingly.
- (9) The measures provided for in this Regulation are based on the opinion ⁽¹⁾ issued by the European Aviation Safety Agency in accordance with Article 17(2)(b) and Article 19(1) of Regulation (EC) No 216/2008.
- (10) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 65 of Regulation (EC) No 216/2008,

HAS ADOPTED THIS REGULATION:

Article 1

Commission Regulation (EU) No 1178/2011 is amended as follows:

- (1) the following Article 4a is inserted:

'Article 4a

Performance-based navigation instrument rating privileges

1. Pilots may only fly in accordance with performance-based navigation ("PBN") procedures after they have been granted PBN privileges as an endorsement to their instrument rating ("IR").
2. A pilot shall be granted PBN privileges where he or she fulfils all of the following requirements:
 - (a) the pilot has successfully completed a course of theoretical knowledge including PBN, in accordance with FCL.615 of Annex I (Part-FCL);
 - (b) the pilot has successfully completed flying training including PBN, in accordance with FCL.615 of Annex I (Part-FCL);
 - (c) the pilot has successfully completed either a skill test in accordance with Appendix 7 to Annex I (Part-FCL) or a skill test or a proficiency check in accordance with Appendix 9 of Annex I (Part-FCL).

⁽¹⁾ European Aviation Safety Agency Opinion No 03/2015 of 31.3.2015 for a Commission Regulation on revision of operational approval criteria for Performance Based Navigation (PBN).

3. The requirements of paragraph 2(a) and (b) shall be deemed to have been fulfilled where the competent authority considers that the competence acquired, either through training or from familiarity with PBN operations, is equivalent to the competence acquired through the courses referred to in paragraph 2(a) and (b) and the pilot demonstrates such competence to the satisfaction of the examiner at the proficiency check or skill test referred to in paragraph 2(c).

4. A record of the successful demonstration of competency in PBN shall, upon completion of the skill test or the proficiency check referred to in paragraph 2(c), be entered in the pilot's logbook or equivalent record and signed by the examiner who conducted the test or check.

5. IR pilots without PBN privileges may only fly on routes and approaches that do not require PBN privileges and no PBN items shall be required for the renewal of their IR, until 25 August 2020; after that date, PBN privileges shall be required for every IR.;

(2) in Article 10a, the following paragraph 5 is added:

'5. Pilot training organisations shall ensure that the IR training course they offer include training for PBN privileges compliant with the requirements of Annex I (Part-FCL) by 25 August 2020 at the latest.;

(3) paragraph 4 of Article 12 is replaced by the following:

'4. By way of derogation from paragraph 1, Member States may decide not to apply the provisions of this Regulation until 8 April 2017 to pilots holding a licence and associated medical certificate issued by a third country involved in the non-commercial operation of aircraft as specified in Article 4(1)(b) or (c) of Regulation (EC) No 216/2008. Member States shall make those decisions publicly available.;

(4) Annexes I and VII are amended in accordance with the Annex to this Regulation.

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 from 8 April 2016.

However, points 1, 2 and 4 of Article 1 shall apply from 25 August 2018, with the exception of point 1(g) of the Annex, which shall apply from 8 April 2016.

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

Done at Brussels, 6 April 2016.

For the Commission

The President

Jean-Claude JUNCKER

ANNEX

Annexes I and VII to Regulation (EU) No 1178/2011 are amended as follows:

(1) Annex I is amended as follows:

(a) the following definitions are inserted in FCL.010:

“Angular operation” means an instrument approach operation in which the maximum tolerable error/deviation from the planned track is expressed in terms of deflection of the needles on the Course Deviation Indicator (CDI) or equivalent display in the cockpit.

“Linear operation” means an instrument approach operation in which the maximum tolerable error/deviation from the planned track is expressed in units of length, for instance nautical miles, for cross-track lateral deviation.

“LNAV” means Lateral Navigation.

“LPV” means Localiser Performance with Vertical Guidance.

“Performance-Based Navigation (PBN)” means area navigation based on performance requirements for aircraft operating along an ATS route, on an instrument approach procedure or in a designated airspace.

“RNP APCH” means a PBN specification used for instrument approach operations.

“RNP APCH operation down to LNAV minima” means a 2D instrument approach operation for which the lateral guidance is based on GNSS positioning.

“RNP APCH operation down to LNAV/VNAV minima” means a 3D instrument approach operation for which the lateral guidance is based on GNSS positioning and the vertical guidance is provided either by the Baro VNAV function or by the GNSS positioning including SBAS.

“RNP APCH operation down to LPV minima” means a 3D instrument approach operation for which both lateral and vertical guidance are based on GNSS positioning including SBAS.

“RNP AR APCH” means a navigation specification used for instrument approach operations requiring a specific approval.

“Three-dimensional (3D) instrument approach operation” means an instrument approach operation using both lateral and vertical navigation guidance.

“Two-dimensional (2D) instrument approach operation” means an instrument approach operation using lateral navigation guidance only.

“VNAV” means Vertical Navigation.’;

(b) FCL.600.IR is replaced by the following:

‘Except as provided in FCL.825, operations under IFR on an aeroplane, helicopter, airship or powered-lift aircraft shall only be conducted by holders of:

(a) a PPL, CPL, MPL and ATPL, and

(b) except when undergoing skill tests, proficiency checks or when receiving dual instruction, an IR with privileges appropriate to the applicable airspace requirements and to the category of aircraft.’;

(c) point (a) of FCL.605.IR is replaced by the following:

‘(a) The privileges of a holder of an IR are to fly aircraft under IFR, including PBN operations, with a minimum decision height of no less than 200 feet (60 m)’;

(d) point (a) of FCL.700 is replaced by the following:

‘(a) Holders of a pilot licence shall not act in any capacity as pilots of an aircraft unless they have a valid and appropriate class or type rating, except in any of the following cases:

- (i) for LAPL, SPL and BPL;
- (ii) when undergoing skill tests, or proficiency checks for renewal of class or type ratings;
- (iii) when receiving flight instruction;
- (iv) when they hold a flight test rating issued in accordance with FCL.820.’;

(e) point (c) of FCL.700 is deleted;

(f) in point (c) of FCL.820, point (3) is replaced by the following:

‘(3) conduct flights without a type or class rating as defined in Subpart H, except that the flight test rating shall not be used for commercial air transport operations.’;

(g) point 2 of Appendix 5 is replaced by the following:

‘2. Approval for an MPL training course shall only be given to an ATO that is part of a commercial air transport operator certificated in accordance with Part-ORO or having a specific arrangement with such an operator.’;

(h) Appendix 7 is amended as follows:

(i) point 1 is replaced by the following:

‘1. An applicant for an IR shall have received instruction on the same class or type of aircraft to be used in the test which shall be appropriately equipped for the training and testing purposes.’;

(ii) point 11 is replaced by the following:

‘11. The following limits shall apply, corrected to make allowance for turbulent conditions and the handling qualities and performance of the aircraft used:

Height

Generally	± 100 feet
Starting a go-around at decision height/altitude	+ 50 feet/– 0 feet
Minimum descent height/MAP/altitude	+ 50 feet/– 0 feet

Tracking

On radio aids	± 5°
For angular deviations	Half scale deflection, azimuth and glide path (e.g. LPV, ILS, MLS, GLS)
2D (LNAV) and 3D (LNAV/VNAV) “linear” lateral deviations	cross-track error/deviation shall normally be limited to ± ½ the RNP value associated with the procedure. Brief deviations from this standard up to a maximum of 1 time the RNP value are allowable.
3D linear vertical deviations (e.g. RNP APCH (LNAV/VNAV) using BaroVNAV)	not more than – 75 feet below the vertical profile at any time, and not more than + 75 feet above the vertical profile at or below 1 000 feet above aerodrome level.

Heading

all engines operating	$\pm 5^\circ$
with simulated engine failure	$\pm 10^\circ$

Speed

all engines operating	± 5 knots
with simulated engine failure	+ 10 knots/– 5 knots,

CONTENT OF THE TEST

Aeroplanes

SECTION 1 — PRE-FLIGHT OPERATIONS AND DEPARTURE	
Use of checklist, airmanship, anti-icing/de-icing procedures, etc., apply in all sections	
a	Use of flight manual (or equivalent) especially a/c performance calculation, mass and balance
b	Use of Air Traffic Services document, weather document
c	Preparation of ATC flight plan, IFR flight plan/log
d	Identification of the required nav aids for departure, arrival and approach procedures
e	Pre-flight inspection
f	Weather Minima
g	Taxiing
h	PBN departure (if applicable): — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the departure chart.
i	Pre-take-off briefing, Take-off
j (°)	Transition to instrument flight
k (°)	Instrument departure procedures, including PBN departures, and altimeter setting
l (°)	ATC liaison — compliance, R/T procedures
SECTION 2 — GENERAL HANDLING (°)	
a	Control of the aeroplane by reference solely to instruments, including: level flight at various speeds, trim
b	Climbing and descending turns with sustained Rate 1 turn
c	Recoveries from unusual attitudes, including sustained 45° bank turns and steep descending turns

d (*)	Recovery from approach to stall in level flight, climbing/descending turns and in landing configuration — only applicable to aeroplanes
e	Limited panel: stabilised climb or descent, level turns at Rate 1 onto given headings, recovery from unusual attitudes — only applicable to aeroplanes
SECTION 3 — EN-ROUTE IFR PROCEDURES (*)	
a	Tracking, including interception, e.g. NDB, VOR, or track between waypoints
b	Use of navigation system and radio aids
c	Level flight, control of heading, altitude and airspeed, power setting, trim technique
d	Altimeter settings
e	Timing and revision of ETAs (en-route hold, if required)
f	Monitoring of flight progress, flight log, fuel usage, systems' management
g	Ice protection procedures, simulated if necessary
h	ATC liaison — compliance, R/T procedures
SECTION 3a — ARRIVAL PROCEDURES	
a	Setting and checking of navigational aids, if applicable
b	Arrival procedures, altimeter checks
c	Altitude and speed constraints, if applicable
d	PBN arrival (if applicable): — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the arrival chart.
SECTION 4 (*) — 3D OPERATIONS (**)	
a	Setting and checking of navigational aids Check Vertical Path angle For RNP APCH: — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the approach chart.
b	Approach and landing briefing, including descent/approach/landing checks, including identification of facilities
c (*)	Holding procedure

d	Compliance with published approach procedure
e	Approach timing
f	Altitude, speed heading control (stabilised approach)
g (*)	Go-around action
h (*)	Missed approach procedure/landing
i	ATC liaison — compliance, R/T procedures
SECTION 5 (°) — 2D OPERATIONS (**)	
a	Setting and checking of navigational aids For RNP APCH: — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the approach chart.
b	Approach and landing briefing, including descent/approach/landing checks, including identification of facilities
c (*)	Holding procedure
d	Compliance with published approach procedure
e	Approach timing
f	Altitude/Distance to MAPT, speed, heading control (stabilised approach), Stop Down Fixes (SDF(s)), if applicable
g (*)	Go-around action
h (*)	Missed approach procedure/landing
i	ATC liaison — compliance, R/T procedures
SECTION 6 — FLIGHT WITH ONE ENGINE INOPERATIVE (multi-engine aeroplanes only) (°)	
a	Simulated engine failure after take-off or on go-around
b	Approach, go-around and procedural missed approach with one engine inoperative
c	Approach and landing with one engine inoperative
d	ATC liaison — compliance, R/T procedures

(°) Must be performed by sole reference to instruments.

(*) May be performed in an FFS, FTD 2/3 or FNPT II.

(†) May be performed in either Section 5 or Section 6.

(**) To establish or maintain PBN privileges one approach in either Section 4 or Section 5 shall be an RNP APCH. Where an RNP APCH is not practicable, it shall be performed in an appropriately equipped FSTD.

Helicopters**SECTION 1 — DEPARTURE**

Use of checklist, airmanship, anti-icing/de-icing procedures, etc., apply in all sections

a	Use of flight manual (or equivalent) especially aircraft performance calculation; mass and balance
b	Use of Air Traffic Services document, weather document
c	Preparation of ATC flight plan, IFR flight plan/log
d	Identification of the required nav aids for departure, arrival and approach procedures
e	Pre-flight inspection
f	Weather minima
g	Taxiing/Air taxi in compliance with ATC or instructions of instructor
h	PBN departure (if applicable): — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the departure chart.
i	Pre-take-off briefing, procedures and checks
j	Transition to instrument flight
k	Instrument departure procedures, including PBN procedures

SECTION 2 — GENERAL HANDLING

a	Control of the helicopter by reference solely to instruments, including:
b	Climbing and descending turns with sustained Rate 1 turn
c	Recoveries from unusual attitudes, including sustained 30° bank turns and steep descending turns

SECTION 3 — EN-ROUTE IFR PROCEDURES

a	Tracking, including interception, e.g. NDB, VOR, RNAV
b	Use of radio aids
c	Level flight, control of heading, altitude and airspeed, power setting
d	Altimeter settings
e	Timing and revision of ETAs

f	Monitoring of flight progress, flight log, fuel usage, systems management
g	Ice protection procedures, simulated if necessary and if applicable
h	ATC liaison — compliance, R/T procedures
SECTION 3a — ARRIVAL PROCEDURES	
a	Setting and checking of navigational aids, if applicable
b	Arrival procedures, altimeter checks
c	Altitude and speed constraints, if applicable
d	PBN arrival (if applicable) — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the arrival chart.
SECTION 4 — 3D OPERATIONS (*)	
a	Setting and checking of navigational aids Check Vertical Path angle For RNP APCH: (a) Check that the correct procedure has been loaded in the navigation system; and (b) Cross-check between the navigation system display and the approach chart.
b	Approach and landing briefing, including descent/approach/landing checks
c (*)	Holding procedure
d	Compliance with published approach procedure
e	Approach timing
f	Altitude, speed, heading control (stabilised approach)
g (*)	Go-around action
h (*)	Missed approach procedure/landing
i	ATC liaison — compliance, R/T procedures
SECTION 5 — 2D OPERATIONS (*)	
a	Setting and checking of navigational aids For RNP APCH: — Check that the correct procedure has been loaded in the navigation system; and — Cross-check between the navigation system display and the approach chart.

b	Approach and landing briefing, including descent/approach/landing checks and identification of facilities
c (*)	Holding procedure
d	Compliance with published approach procedure
e	Approach timing
f	Altitude, speed, heading control (stabilised approach)
g (*)	Go-around action
h (*)	Missed approach procedure (*)/landing
i	ATC liaison — compliance, R/T procedures

SECTION 6 — ABNORMAL AND EMERGENCY PROCEDURES

This section may be combined with sections 1 through 5. The test shall have regard to control of the helicopter, identification of the failed engine, immediate actions (touch drills), follow-up actions and checks and flying accuracy, in the following situations:

a	Simulated engine failure after take-off and on/during approach (**) (at a safe altitude unless carried out in an FFS or FNPT II/III, FTD 2,3)
b	Failure of stability augmentation devices/hydraulic system (if applicable)
c	Limited panel
d	Autorotation and recovery to a pre-set altitude
e	3D operations manually without flight director (***) 3D operations manually with flight director (***)

(⁺) To establish or maintain PBN privileges one approach in either Section 4 or Section 5 shall be an RNP APCH. Where an RNP APCH is not practicable, it shall be performed in an appropriately equipped FSTD

(*) To be performed in Section 4 or Section 5.

(**) Multi-engine helicopter only.

(***) Only one item to be tested.

(i) Appendix 8 is amended as follows:

(i) the footnote to the table in Section A is replaced by the following:

‘(*) Provided that within the preceding 12 months the applicant has flown at least three IFR departures and approaches exercising PBN privileges, including one RNP APCH approach on an SP class or type of aeroplane in SP operations, or, for multi-engine, other than HP complex aeroplanes, the applicant has passed section 6 of the skill test for SP, other than HP complex aeroplanes flown solely by reference to instruments in SP operations.’;

(ii) the footnote to the table in Section B is replaced by the following:

‘(*) Provided that within the preceding 12 months at least three IFR departures and approaches exercising PBN privileges, including one RNP APCH approach (could be a Point in Space (PinS) approach), have been performed on a SP type of helicopter in SP operations.’;

(j) Appendix 9 is amended as follows:

(i) point 4 in Section B is replaced by the following:

‘4. The following limits shall apply corrected to make allowance for turbulent conditions and the handling qualities and performance of the aeroplane used:

Height

Generally	± 100 feet
Starting a go-around at decision height	+ 50 feet/– 0 feet
Minimum descent height/altitude	+ 50 feet/– 0 feet

Tracking

on radio aids	± 5°
For “angular” deviations	half scale deflection, azimuth and glide path (e.g. LPV, ILS, MLS, GLS).
2D (LNAV) and 3D (LNAV/VNAV) “linear” deviations	Cross track error/deviation shall normally be limited to ± ½ the RNP value associated with the procedure. Brief deviations from this standard up to a maximum of 1 time the RNP value are allowable.
3D linear vertical deviations (e.g. RNP APCH (LNAV/VNAV) using BaroVNAV)	not more than – 75 feet below the vertical profile at any time, and not more than + 75 feet above the vertical profile at or below 1 000 feet above aerodrome level.

Heading

all engines operating	± 5°
with simulated engine failure	± 10°

Speed

all engines operating	± 5 knots
with simulated engine failure	+ 10 knots/– 5 knots’

(ii) the following point (h) is inserted in point 5 of Section B:

‘(h) To establish or maintain PBN privileges one approach shall be an RNP APCH. Where an RNP APCH is not practicable, it shall be performed in an appropriately equipped FSTD.’

(iii) rows 3B.4 and 3B.5 of the table in point 5 of Section B are replaced by the following:

‘3B.4*	3D operations to DH/A of 200 feet (60 m) or to higher minima if required by the approach procedure (autopilot may be used to the final approach segment vertical path intercept)		P—>	—>		M	
3B.5*	2D operations to MDH/A		P—>	—>		M’	

- (iv) the following point (j) is inserted in point 6 of Section B:

‘(j) To establish or maintain PBN privileges one approach shall be an RNP APCH. Where an RNP APCH is not practicable, it shall be performed in an appropriately equipped FSTD.’

- (v) row 3.9.3 of the table in point 6 of Section B is replaced by the following:

‘3.9.3* 3D operations to DH/A of 200 feet (60 m) or to higher minima if required by the approach procedure							
--	--	--	--	--	--	--	--

Note: According to the AFM, RNP APCH procedures may require the use of autopilot or Flight director. The procedure to be flown manually shall be chosen taking into account such limitations (for example, choose an ILS for 3.9.3.1 in case of such AFM limitation).’

- (vi) rows 3.9.3.4 and 3.9.4 of the table in point 6 of Section B are replaced by the following:

‘3.9.3.4* manually, with one engine simulated inoperative; engine failure has to be simulated during final approach before passing 1 000 feet above aerodrome level until touchdown or through the complete missed approach procedure In aeroplanes which are not certificated as transport category aeroplanes (JAR/FAR 25) or as commuter category aeroplanes (SFAR 23), the approach with simulated engine failure and the ensuing go-around shall be initiated in conjunction with the non-precision approach as described in 3.9.4. The go-around shall be initiated when reaching the published obstacle clearance height (OCH/A), however not later than reaching a minimum descent height/altitude (MDH/A) of 500 feet above runway threshold elevation. In aeroplanes having the same performance as a transport category aeroplane regarding take-off mass and density altitude, the instructor may simulate the engine failure in accordance with 3.9.3.4.			P—>	—>		M	
3.9.4* 2D operations down to the MDH/A			P*—>	—>		M’	

- (vii) row 4.1 of the table in point 6 of Section B is replaced by the following:

‘4.1 Go-around with all engines operating* during a 3D operation on reaching decision height			P*—>	—>’			
--	--	--	------	-----	--	--	--

- (viii) row 5.1 of the table in point 6 of Section B is replaced by the following:

‘5.1 Normal landings* with visual reference established when reaching DA/H following an instrument approach operation			P’				
---	--	--	----	--	--	--	--

- (ix) in row 6.2 of the table in point 6 of Section B the word 'ILS' is replaced by the following: 'CAT II/III',
- (x) point 4(a) of Section C is replaced by the following:
- '(a) IFR flight limits.

Height

Generally	± 100 feet
Starting a go-around at decision height/altitude	+ 50 feet/- 0 feet
Minimum descent height/altitude	+ 50 feet/- 0 feet

Tracking

On radio aids	± 5°
3D "angular" deviations	half scale deflection, azimuth and glide path (e.g. LPV, ILS, MLS, GLS).
2D (LNAV) and 3D (LNAV/VNAV) "linear" deviation:	cross track error/deviation shall normally be limited to ± ½ the RNP value associated with the procedure. Brief deviations from this standard up to a maximum of 1 times the RNP value are allowable.
3D linear vertical deviations (e.g. RNP APCH (LNAV/VNAV) using BaroVNAV):	not more than - 75 feet below the vertical profile at any time, and not more than + 75 feet above the vertical profile at or below 1 000 feet above aerodrome level.

Heading

Normal operations	± 5°
Abnormal operations/emergencies	± 10°

Speed

Generally	± 10 knots
With simulated engine failure	+ 10 knots/- 5 knots'

- (xi) rows 5.4, 5.4.1 and 5.4.2 of the table in point 12 of Section C are replaced by the following:

5.4	3D operations to DH/A of 200 feet (60 m) or to higher minima if required by the approach procedure	P*	—>*	—>*			
5.4.1	Manually, without flight director Note: According to the AFM, RNP APCH procedures may require the use of autopilot or Flight director. The procedure to be flown manually shall be chosen taken into account such limitations (example choose an ILS for 5.4.1 in case of such AFM limitation).	P*	—>*	—>*		M*	
5.4.2	Manually, with Flight Director	P*	—>*	—>*		M*	

(xii) rows 5.4.4 and 5.5 of the table in point 12 of Section C are replaced by the following:

5.4.4	Manually, with one engine simulated inoperative; engine failure has to be simulated during final approach before passing 1 000 feet above aerodrome level until touchdown or until completion of the missed approach procedure	P*	—>*	—>*		M*	
5.5	2D operations down to the minimum descent altitude MDA/H	P*	—>*	—>*		M**	

(2) in Annex VII, point (a) of ORA.ATO.135 is replaced by the following:

‘(a) The ATO shall use an adequate fleet of training aircraft or FSTDs appropriately equipped for the training courses provided.’.

COMMISSION IMPLEMENTING REGULATION (EU) 2016/540**of 6 April 2016****establishing the standard import values for determining the entry price of certain fruit and vegetables**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ⁽¹⁾,

Having regard to Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors ⁽²⁾, and in particular Article 136(1) thereof,

Whereas:

- (1) Implementing Regulation (EU) No 543/2011 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 Annex XVI, Part A thereto.
- (2) The standard import value is calculated each working day, in accordance with Article 136(1) of Implementing Regulation (EU) No 543/2011, taking into account variable daily data. Therefore this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 136 of Implementing Regulation (EU) No 543/2011 are fixed in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the day 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, 6 April 2016.

*For the Commission,
On behalf of the President,
Jerzy PLEWA
Director-General for Agriculture and Rural Development*

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 157, 15.6.2011, p. 1.

ANNEX

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	IL	268,0
	MA	93,1
	SN	164,2
	TR	102,8
	ZZ	157,0
0707 00 05	MA	80,7
	TR	127,6
	ZZ	104,2
0709 93 10	MA	87,0
	TR	145,3
	ZZ	116,2
0805 10 20	EG	45,8
	IL	76,9
	MA	56,3
	TN	71,4
	TR	72,9
	ZA	51,4
	ZZ	62,5
	ZZ	62,5
0805 50 10	MA	91,9
	TR	105,4
	ZZ	98,7
0808 10 80	AR	86,1
	BR	110,1
	CL	116,3
	CN	124,1
	US	158,2
	ZA	86,9
	ZZ	113,6
	ZZ	113,6
0808 30 90	AR	139,5
	CL	136,4
	CN	66,8
	ZA	103,2
	ZZ	111,5
	ZZ	111,5

⁽¹⁾ Nomenclature of countries laid down by Commission Regulation (EU) No 1106/2012 of 27 November 2012 implementing Regulation (EC) No 471/2009 of the European Parliament and of the Council on Community statistics relating to external trade with non-member countries, as regards the update of the nomenclature of countries and territories (OJ L 328, 28.11.2012, p. 7). Code 'ZZ' stands for 'of other origin'.

DECISIONS

COUNCIL DECISION (EU) 2016/541

of 19 August 2015

giving notice to Greece to take measures for the deficit reduction judged necessary to remedy the situation of excessive deficit (2015/1410) ⁽¹⁾

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 126(9) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) Article 126 of the Treaty on the Functioning of the European Union ('TFEU') establishes that Member States are to avoid excessive government deficits and sets out the excessive deficit procedure to that effect. The Stability and Growth Pact, which in its corrective arm implements the excessive deficit procedure, provides the framework supporting government policies for a prompt return to sound budgetary positions taking account of the economic situation.
- (2) On 27 April 2009, the Council decided, in accordance with Article 104(6) of the Treaty establishing the European Community that an excessive deficit existed in Greece.
- (3) On 10 May 2010, the Council adopted Decision 2010/320/EU ⁽²⁾ addressed to Greece under Article 126(9) and Article 136 TFEU with a view to reinforcing and deepening fiscal surveillance and giving notice to take measures for the deficit reduction judged necessary to remedy the situation of excessive deficit at the latest by the deadline of 2014. The Council established 2014 as the deadline for correcting the situation of excessive deficit, and annual targets for the government deficit.
- (4) Council Decision No 2010/320/EU was substantially amended several times. Since further amendments were to be made, it was recast, on 12 July 2011, by Council Decision 2011/734/EU of 12 July 2011 addressed to Greece with a view to reinforcing and deepening fiscal surveillance and giving notice to Greece to take measures for the deficit reduction judged necessary to remedy the situation of excessive deficit ⁽³⁾ in the interest of clarity. Subsequently, that Decision was significantly amended several times between 8 July 2011 and December 2012 ⁽⁴⁾.
- (5) The very severe deterioration of the financial situation of Greece has led euro area Member States to decide to provide it stability support, with a view to safeguarding the financial stability of the euro area as a whole, in conjunction with multilateral assistance provided by the International Monetary Fund. From May 2010 to June 2015, support provided by the euro area Member States took the form of both a bilateral Greek Loan Facility and a loan from the European Financial Stability Facility ('EFSF'). The lenders' support was accompanied by extensive policy conditionality, including the respect by Greece of Council Decision 2011/734/EU and subsequent amendments thereto.
- (6) On 8 July 2015, Greece requested financial assistance from the European Stability Mechanism ('ESM') in the form of a three-year loan, and on 12 July 2015 an agreement in principle was reached on the provision of a loan of

⁽¹⁾ This act has originally been adopted in English only and published in OJ L 219, 20.8.2015, p. 8.

⁽²⁾ OJ L 145, 11.6.2010, p. 6.

⁽³⁾ OJ L 296, 15.11.2011, p. 38.

⁽⁴⁾ Council Decision 2011/791/EU of 8 November 2011 (OJ L 320, 3.12.2011, p. 28), Council Decision 2012/211/EU of 13 March 2012 (OJ L 113, 25.4.2012, p. 8), Council Decision 2013/6/EU of 4 December 2012 (OJ L 4, 9.1.2013, p. 40).

the amount of up to EUR 86 000 million to Greece. On 17 July, the ESM Board of Governors entrusted the European Commission, in liaison with the European Central Bank, and with the International Monetary Fund, with the task of negotiating a Memorandum of Understanding ('MoU') detailing the policy conditionality for a financial assistance facility covering the period 2015-2018 in accordance with Article 13(3) of the ESM Treaty.

- (7) In accordance with Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability ⁽¹⁾, and in particular Article 7 thereof, a Member State requesting financial assistance from the ESM must prepare a macroeconomic adjustment programme ('the Programme') for approval by the Council. Such a programme should ensure the adoption of a set of reforms needed to improve the sustainability of public finances and the regulatory environment.
- (8) The Programme prepared by Greece was approved by Council Implementing Decision (EU) 2016/544 ⁽²⁾.
- (9) Article 10(2)(b) of Regulation (EU) No 472/2013 also establishes that, in case a Member State subject to a macroeconomic adjustment programme under Article 7 of that Regulation is also subject to a decision under 126(9) TFEU for the correction of its excessive deficit, the annual budgetary targets in its macroeconomic adjustment programme shall be integrated into the decision to give notice under Article 5(1) of Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure ⁽³⁾; in addition, the measures conducive to those targets in the macroeconomic adjustment programme shall also be integrated into the decision to give notice in accordance with Article 5(1) of Regulation (EC) No 1467/97. Article 10(2)(a) of Regulation (EU) No 472/2013 further establishes that the Member State shall be exempt from submitting reports under Article 5(1) of Regulation (EC) No 1467/97. Finally, Article 10(2)(c) of Regulation (EU) No 472/2013 establishes that the monitoring shall be undertaken as provided for by Article 7(4) of that Regulation and the Member State shall be exempt from monitoring under Article 10(1) and Article 10a of Regulation (EC) No 1467/97 and from monitoring underlying any decision under Article 6(2) of that Regulation.
- (10) Economic activity in Greece is currently projected to be much weaker than was expected when the latest amendment to Council Decision 2011/734/EU was adopted in December 2012. Both real and nominal GDP are expected to be at much lower levels in 2015 and 2016 than was expected in the 2015 Spring Forecast of the Commission, due to policy uncertainty, lack of implementation of reforms, a shortfall in government revenues, bank holidays, and the imposition of capital controls. The Commission updated its forecast for GDP growth in August 2015, as needed to underpin the negotiations for the MoU required for an ESM programme. According to this forecast, real GDP in 2015-2016 is projected to contract by 2,3 % and 1,3 % respectively, (against a positive growth of 0,5 % and 2,9 % in the 2015 Spring Forecast for the corresponding years), before growing by 2,7 % in 2017 and 3,1 % in 2018. This marked worsening of the economic scenario in 2015-2016 implies a corresponding deterioration of the outlook for public finances given unchanged policies.
- (11) Greece is estimated to have improved its structural deficit by 16 percentage points of GDP from a 15,2 % deficit in 2009 to an estimated 1 % surplus in 2014, thus ensuring an improvement in the structural balance in 2009-2014, which is significantly larger than the requirement of at least 10 percentage points of GDP over the period recommended by the Council. In 2014, the general government deficit reached 3,5 % of GDP, clearly within the 4,5 % of GDP government deficit (ESA2010 basis) ceiling for 2014 established by the Council Decision. However, the primary balance outturn of 0,4 % of GDP was substantially weaker than expected and undershot the target set at 1,5 % of GDP due to a combination of factors including the reversal in the economic cycle and the related negative impact on budget revenues, the relaxation of fiscal policy and increased economic uncertainty. The weakening macroeconomic environment accompanied with expiring temporary fiscal measures in 2015 have, however, made it impossible to achieve the primary balance target of 3 % of GDP in 2015 envisaged in the latest amendment to Decision 2011/734/EU adopted in December 2012. The fiscal targets have, therefore, been revised down substantially, taking into account the macroeconomic circumstances and the current fiscal situation, to avoid overtightening fiscal policy in the short term.
- (12) Greece will accordingly pursue a new fiscal path, premised on primary surplus targets of – 0,25, 0,5, 1,75, and 3,5 % of GDP in 2015, 2016, 2017 and 2018 and beyond, respectively. The trajectory of the fiscal targets is consistent with the expected growth rates of the Greek economy as it recovers from its deepest recorded recession. The revised path means that the general government budget deficit will fall below 3 % of GDP in 2017.

⁽¹⁾ OJ L 140, 27.5.2013, p. 1.

⁽²⁾ See page 27 of this Official Journal.

⁽³⁾ OJ L 209, 2.8.1997, p. 6.

- (13) Under the Commission services' update of the forecast for nominal GDP growth, the primary general government balance is projected to attain a deficit of EUR 7 631 million (4,4 % of GDP) in 2015, a deficit of EUR 6 166 million (3,6 % of GDP) in 2016, a deficit of EUR 4 089 million (2,3 % of GDP) in 2017 and a deficit of EUR 753 million (0,4 % of GDP) in 2018.
- (14) The budget for 2016 to be adopted by the Greek parliament forms part of the Medium-Term Fiscal Strategy (MTFS) 2016-2019, with the aim to deliver a sizeable and front-loaded fiscal consolidation bringing savings of more than EUR 6 900 million, close to 4 % of GDP.
- (15) The failure to complete the final EFSF programme review, the missed debt service payments, the expiration of the EFSF programme and the introduction of capital controls have created new circumstances that have led to a further strong deterioration in debt sustainability. This is due to lower growth estimates, a downward revision of the primary surplus targets, a downward revision of privatisation receipts, a strong deterioration in the financing needs of the banking sector following the imposition of capital controls, the need for a higher clearance of arrears following the liquidity shortage experienced by the sovereign and valuation effects due to the depreciation of the euro with respect to the SDR. As a result of these developments debt-to-GDP is expected to reach 198,3 % in 2016, before decreasing to 169,3 % in 2020, 154,5 % in 2022 and 115,9 % in 2030 in the baseline scenario.
- (16) Taking into account those developments, the adjustment path towards the correction of the excessive deficit needs to be updated. The commitment undertaken by Greece concerns not only the fiscal consolidation measures, but also those measures needed to enhance the growth-friendly nature and to minimise any negative social impact.
- (17) Each measure required by Council Implementing Decision (EU) 2016/544 is instrumental in achieving the required budgetary adjustment. Some measures have a direct impact on the budgetary situation of Greece while the others are structural measures that will result in improved fiscal governance and a sounder budgetary situation in the medium term.
- (18) In light of the above considerations, it appears necessary to revise the previous annual budgetary targets and the measures conducive to those targets. The new annual budgetary targets and measures conducive to those targets are those contained in Council Implementing Decision (EU) 2016/544,

HAS ADOPTED THIS DECISION:

Article 1

1. Greece shall put an end to the present excessive deficit situation as rapidly as possible, and at the latest, by 2017.
2. The adjustment path towards the correction of the excessive deficit shall aim to meet the annual general-government-deficit targets, as laid down in Council Implementing Decision (EU) 2016/544 and will be based on primary surplus targets of – 0,25, 0,5, 1,75, and 3,5 % of GDP in 2015, 2016, 2017 and 2018 and beyond, respectively. The trajectory of the fiscal targets is consistent with expected growth rates of the Greek economy as it recovers from its deepest recorded recession. The revised path means that the general government budget deficit will fall below 3 % of GDP in 2017.
3. Greece shall adopt and fully implement all fiscal, economic and structural adjustment measures incorporated in the economic and financial adjustment programme as approved by Council Implementing Decision (EU) 2016/544.
4. Greece shall stand ready to adopt further measures if risks to the budgetary plans materialise. Budgetary consolidation measures shall secure a lasting improvement in the general government structural balance in a growth-friendly manner.

Article 2

This Decision shall take effect on the day of its notification.

Article 3

This Decision is addressed to the Hellenic Republic.

Done at Brussels, 19 August 2015.

For the Council
The President
J. ASSELBORN

COUNCIL IMPLEMENTING DECISION (EU) 2016/542
of 17 July 2015
on granting short-term Union financial assistance to Greece (2015/1181) ⁽¹⁾

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism ⁽²⁾, and in particular Article 3(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Greece has requested new financial assistance from the European Stability Mechanism ('ESM') and there is an agreement in principle to provide the requested assistance.
- (2) However, Greece needs bridge financing until such assistance can be put into place, in order to preserve the integrity of the euro area, preserve financial stability and avoid further default on its repayment obligations. In view of the severe economic and financial disturbance caused by exceptional circumstances beyond the control of the Government, Greece officially requested some urgent financial assistance from the Union on 15 July 2015 with a view to safeguarding financial stability in Greece, the euro area and the Union. The assistance to be granted to Greece by the ESM will be used to repay the loan received by Greece under the European Financial Stability Mechanism ('EFSM').
- (3) The draft economic and financial adjustment programme (the 'Programme') submitted by Greece to the Commission and to the Council aims to ensure the adoption of a set of reforms needed to improve the sustainability of public finances and the regulatory environment.
- (4) The assessment by the Commission, in liaison with the European Central Bank ('ECB'), is that Greece needs financing of a total amount of EUR 7160 million over the month of July 2015. The detailed financial terms should be laid down in a Loan Facility Agreement.
- (5) The Union financial assistance should be managed by the Commission.
- (6) Greece submitted to the Commission and to the Council the Programme aiming to ensure the adoption of a set of reforms needed to improve the sustainability of public finances and the regulatory environment. On 15 July 2015, an agreement was reached at services level between the Government and the Commission in respect of the Programme, to be laid down in a Memorandum of Understanding on Specific Economic Policy Conditionality (the 'Memorandum of Understanding').
- (7) The Commission should verify at regular intervals that the economic policy conditions attached to the assistance are fulfilled, through missions and regular reporting by the Greek authorities.
- (8) The assistance should be provided with a view to supporting the successful implementation of the Programme.
- (9) The euro area Member States have communicated their commitment to reimburse jointly and promptly through a dedicated arrangement each non euro area Member State for the amount that that non euro area Member State has paid in own resources corresponding to the use of the general budget of the Union in cases of losses stemming from a Union financial assistance to a euro area Member State under Regulation (EU) No 407/2010. Appropriate arrangements will also be put in place so as to ensure the absence of over-compensation of non euro area Member States, when instruments to protect the general budget of the Union, including the recovery of debt, where necessary by offsetting amounts receivable and payments over time, are activated.

⁽¹⁾ This act has originally been adopted in English only and published in OJ L 192, 18.7.2015, p. 15.

⁽²⁾ OJ L 118, 12.5.2010, p. 1.

- (10) The EFSM loan is guaranteed by the general budget of the Union. In case of default under this loan, the Commission can call additional funds in excess of its assets taking into account any surplus cash balances, to service the Union's debt. Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽¹⁾ (the 'Financial Regulation') applicable to the general budget of the Union and its detailed rules foresee instruments to protect the Union budget including the recovery of debt, where necessary by offsetting amounts receivable and payments over time. The Commission will apply these instruments,

HAS ADOPTED THIS DECISION:

Article 1

1. The Union shall make available to Greece a loan amounting to a maximum of EUR 7160 million, with a maximum maturity of three months.
2. Union financial assistance under this Decision shall not be made available unless liquid collateral amounting to their exposure has been provided to those Member States whose currency is not the euro under legally binding arrangements such that it is immediately payable to them to the extent required to cover any liability they may incur as a result of any failure by Greece to repay the financial assistance in accordance with its terms.
3. The financial assistance shall be made available immediately after the entry into force of this Decision.
4. The Union financial assistance shall be made available by the Commission to Greece in up to two instalments.
5. The instalments shall be released subject to the entry into force of the Loan Agreement and the Memorandum of Understanding, and compliance by Greece with the relevant policy conditionality, in accordance with Article 3.
6. Greece shall pay the cost of funding of the Union, with a mark-up of ten basis points.
7. The costs referred to in Article 7 of Regulation (EU) No 407/2010 shall be charged to Greece.
8. If required, in order to finance the loan in time, the Commission shall be allowed to borrow via a private placement of notes or via any other appropriate financial arrangement that allows it to raise funds at very short term.

Article 2

1. The assistance shall be managed by the Commission in a manner consistent with Greece's undertakings.
2. The Commission, in consultation with the ECB, shall agree with the Greek authorities the specific economic policy conditions attached to the financial assistance as set out in Article 3. Those conditions shall be laid down in the Memorandum of Understanding, which shall be signed by the Commission and the Greek authorities consistent with the undertakings referred to in paragraph 1 of this Article. The detailed financial terms shall be laid down in a Loan Facility Agreement to be concluded with the Commission.
3. The Commission shall verify at regular intervals that the economic policy conditions attached to the assistance are fulfilled, and report to the Economic and Financial Committee. To this end, the Greek authorities shall cooperate in full with the Commission and the ECB, and shall place all the necessary information at their disposal. The Commission shall keep the Economic and Financial Committee informed of all relevant developments.

⁽¹⁾ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Article 3

1. The economic and financial adjustment programme (the 'Programme') prepared by the Greek authorities is hereby approved.
2. The disbursement of the assistance shall be conditioned on Greece's:
 - (i) adopting the measures mentioned in the Programme as having 15 July 2015 as the deadline for adoption;
 - (ii) taking unambiguous steps to prepare the implementation of the other policy conditions listed in the Programme; and
 - (iii) obtaining the agreement in principle from ESM members under Article 13(2) of the Treaty establishing the European Stability Mechanism to provide financial assistance to Greece.
3. Greece shall adopt in a timely manner the measures indicated below:

VAT system

- adopt, by 15 July 2015, legislation to reform the VAT system. The reform shall target a net revenue gain of 1 % of GDP on an annual basis from parametric changes. The new VAT system shall: (i) unify the rates at a standard 23 % rate, which is to include restaurants and catering, and a reduced 13 % rate for basic food, energy, hotels, and water (excluding sewage), and a super-reduced rate of 6 % for pharmaceuticals, books, and theatre; (ii) streamline exemptions to broaden the base and raise the tax on insurance; and (iii) eliminate discounts on islands, starting with the islands with higher incomes and which are the most popular tourist destinations, except the most remote ones. The reform shall be completed by end-2016, as appropriate and targeted fiscally neutral measures to compensate those inhabitants who are most in need are determined. The new VAT rates on hotels and islands shall be implemented from 1 October 2015.

Pensions

- adopt legislation to freeze monthly guaranteed contributory pension limits in nominal terms until 2021;
- adopt legislation to provide to people retiring after the entry into force of the relevant Greek legislation the basic, guaranteed contributory, and means-tested pensions only at the attainment of the statutory normal retirement age of currently 67 years;
- adopt legislation to increase the health contributions for pensioners from 4 % to 6 % on average and extend it to supplementary pensions;
- adopt the appropriate legal instrument to instruct all pension funds to fully implement law 3863/2010 to new pension requests submitted from 1 January 2015.

Statistical governance

- adopt legislation to strengthen the governance of the Hellenic Statistical Authority (ELSTAT). The legislation shall cover (i) the role and structure of the Advisory bodies of the Hellenic Statistical System, including the recasting of the Council of ELSS (Hellenic Statistical System) to an advisory Committee of the ELSS, and the role of the GPAC (Good Practice Advisory Committee); (ii) the recruitment procedure for the President of ELSTAT, to ensure that a President of the highest professional calibre is recruited, following transparent procedures and selection criteria; (iii) the involvement of ELSTAT as appropriate in any legislative or other legal proposal pertaining to any statistical matter; (iv) other issues that have an impact on the independence of ELSTAT, including financial autonomy, the empowerment of ELSTAT to reallocate existing permanent posts and to hire staff where it is needed and to hire specialised scientific personnel, and the classification of the institution as a fiscal policy body in the recent law 4270/2014; role and powers of Bank of Greece in statistics in line with Union legislation.

Implementation of the Treaty on Stability, Coordination and Governance (TSCG) in the EMU

- Greece shall implement by 15 July 2015 the relevant provisions of the TSCG.

Article 4

Greece shall open a special account with the Bank of Greece for the management of the Union financial assistance.

Article 5

This Decision shall take effect upon notification.

Article 6

This Decision is addressed to the Hellenic Republic.

Article 7

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 17 July 2015.

For the Council
The President
J. ASSELBORN

COUNCIL IMPLEMENTING DECISION (EU) 2016/543
of 17 July 2015
approving the adjustment programme of Greece (2015/1182) ⁽¹⁾

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability ⁽²⁾, and in particular Article 7(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Regulation (EU) No 472/2013 sets rules for the approval of a macro-economic adjustment programme for a Member State in receipt of financial assistance, including from the European Financial Stabilisation Mechanism (EFSM). These rules need to be consistent with the provisions of Council Regulation (EU) No 407/2010 ⁽³⁾ establishing the EFSM.
- (2) Greece has been granted financial assistance from the EFSM by Council Implementing Decision (EU) 2016/542 ⁽⁴⁾ on granting short-term Union financial assistance to Greece.
- (3) For reasons of consistency, the approval of the macroeconomic adjustment programme for Greece under Regulation (EU) No 472/2013 should be done by reference to the relevant provisions of Implementing Decision (EU) 2016/542,

HAS ADOPTED THIS DECISION:

Article 1

The measures specified in Article 3(3) of Implementing Decision (EU) 2016/542 to be taken by Greece as part of its adjustment programme are hereby approved.

Article 2

This Decision shall take effect upon the date of its notification.

Article 3

This Decision is addressed to the Hellenic Republic.

Article 4

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 17 July 2015.

For the Council
The President
J. ASSELBORN

⁽¹⁾ This act has originally been adopted in English only and published in OJ L 192, 18.7.2015, p. 19.

⁽²⁾ OJ L 140, 27.5.2013, p. 1.

⁽³⁾ Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism (OJ L 118, 12.5.2010, p. 1).

⁽⁴⁾ See page 22 of this Official Journal.

COUNCIL IMPLEMENTING DECISION (EU) 2016/544
of 19 August 2015
approving the macroeconomic adjustment programme of Greece (2015/1411) ⁽¹⁾

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability ⁽²⁾, and in particular Article 7(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Article 136(1) of the Treaty on the Functioning of the European Union ("TFEU") foresees the possibility of adopting measures specific to Member States whose currency is the euro in order to ensure the proper functioning of economic and monetary union.
- (2) Since 2010, Greece has been granted financial assistance by the Member States and the International Monetary Fund ('IMF'). A first Economic Adjustment Programme for Greece was been agreed on 2 May 2010: the euro area Member States agreed to provide bilateral loans, pooled by the European Commission, for a total amount of EUR 80 000 million to be disbursed over the period May 2010 through June 2013 and the IMF committing additional EUR 30 000 million under a stand-by arrangement. The Second Economic Adjustment Programme for Greece was approved on 14 March 2012. The euro area Member States and the IMF committed the undisbursed amounts of the first programme plus an additional EUR 130 000 million for the years 2012-2014. Whereas the financing of the first programme was based on bilateral loans, it was agreed that — on the side of euro area Member States — the second programme would be financed by the European Financial Stability Facility ('EFSF'), which had been fully operational since August 2010. In total, the second programme foresaw financial assistance of EUR 164 500 million until the end of 2014 (the period was later extended until the end of June 2015). Of that sum, the euro area commitment amounts to EUR 144 700 million to be provided via the EFSF, while the IMF contributed EUR 19 800 million, as part of a four-year EUR 28 000 million arrangement under the Extended Fund Facility for Greece that the IMF approved in March 2012.
- (3) On 8 July 2015, in view of the ongoing severe economic and financial disturbance, the Greek authorities requested financial assistance from the European Stability Mechanism ('ESM') in order to ensure a properly-functioning Greek banking system, to meet Greece's debt obligations, to support the return of Greece's economy to sustainable growth and safeguard financial stability of the euro area and of its Member States.
- (4) Pursuant to Article 13(1) of the ESM Treaty, and to form the basis for a decision of the ESM Board of Governors, in line with Article 13(2) thereof, whether to grant, in principle, stability support to Greece in the form of a loan, on 8 July 2015 the Chairperson of the ESM Board of Governors entrusted the European Commission, in liaison with the European Central Bank ('ECB'), with assessing the existence of a risk to the financial stability of the euro area as a whole or its Member States; assessing, together with the IMF, whether public debt is sustainable; and estimating the actual or potential financing needs of Greece.
- (5) In compliance with Article 13 of the ESM Treaty, the European Commission, in liaison with the ECB, and with input from IMF staff, completed those assessments on 10 July 2015, concluding that conditions for the financial support for Greece, to be provided in the form of an ESM loan, are in place. The financing needs were estimated to be up to EUR 86 000 million.

⁽¹⁾ This act has originally been adopted in English only and published in OJ L 219, 20.8.2015, p. 12.

⁽²⁾ OJ L 140, 27.5.2013, p. 1.

- (6) On 17 July 2015, Greece was granted EUR 7 160 million short-term financial assistance under the European Financial Stabilisation Mechanism ('EFSM'), by Council Implementing Decision (EU) 2016/542 ⁽¹⁾, for facing July 2015 repayment obligations and settling its arrears to the IMF. The assistance was disbursed in one instalment on 20 July 2015, and was linked to economic policy conditionality. The ESM assistance will be used, inter alia, to repay that short-term EFSM bridge loan.
- (7) On 16 July 2015, the ESM Board of Governors invited the Commission, in liaison with the ECB, the ESM, the Greek authorities, and, where appropriate, the IMF, to agree on a macroeconomic adjustment programme for Greece. The programme was prepared in accordance with the procedure provided for under Article 7(1) of Regulation (EU) No 472/2013. On 11 August 2015, those institutions reached an agreement at technical level on a macroeconomic adjustment programme (the 'Programme') with the Greek Government. The Programme submitted by Greece to the Commission and the Council aims at ensuring the adoption of a set of reforms needed to improve the sustainability of public finances, as well as to ensure financial stability and to promote growth, employment, and social fairness.
- (8) Following that agreement, Greece should adopt a comprehensive policy package, to be implemented in a three-year macroeconomic adjustment programme which would span from the third quarter of 2015 to the third quarter of 2018.
- (9) The comprehensive policy package, to be laid down in an ESM Memorandum of Understanding on Specific Economic Policy Conditionality (the 'Memorandum of Understanding'), should aim at restoring financial market confidence, re-establishing sound macroeconomic balances and enabling the economy to return to sustainable growth. It should be structured on four pillars: restoring fiscal sustainability, safeguarding financial stability, enhancing competitiveness and growth, and modernising the state and the public administration.
- (10) The Commission services updated their forecast for nominal GDP growth in August 2015, as needed to underpin the negotiations for the ESM programme. Under this forecast, which centres around a nominal GDP growth rate of – 3,2 % in 2015, – 0,7 % in 2016, 3,4 % in 2017, 4,1 % in 2018 and 4,2 % in 2019, the debt-to-GDP ratio would amount to 196,3 % in 2015, 200,9 % in 2016, 198,6 % in 2017, 190,7 % in 2018 and 182,3 % in 2019. The debt-to-GDP ratio would therefore increase until 2016 and move to a declining path thereafter, reaching an estimated 174,5 % in 2020, with debt dynamics affected by several below-the-line operations. Under the Commission services' update of the forecast for nominal GDP growth, the primary general government balance is projected to attain a deficit of EUR 7 631 million (4,4 % of GDP) in 2015, a deficit of EUR 6 166 million (3,6 % of GDP) in 2016, a deficit of EUR 4 089 million (2,3 % of GDP) in 2017 and a deficit of EUR 753 million (0,4 % of GDP) in 2018.
- (11) The authorities will pursue a new fiscal path premised on primary surplus targets of – 0,25, 0,5, 1,75, and 3,5 % of GDP in 2015, 2016, 2017 and 2018 and beyond, respectively. The trajectory of the fiscal targets is consistent with expected growth rates of the Greek economy as it recovers from its deepest recorded recession.
- (12) Enhancing the long-term resilience of the Greek banking sector is critical to restoring financial stability in Greece and to preserving financial stability in the euro area as a whole. To preserve the liquidity of the Greek banking sector, temporary administrative measures were imposed, including capital controls.
- (13) The implementation of comprehensive and ambitious reforms in financial, fiscal and structural areas should safeguard the medium-term sustainability of the Greek public debt.
- (14) The Commission, in liaison with the ECB and, where appropriate, the IMF, should verify at regular intervals the rigorous implementation of Greece's Programme through missions and regular reporting, on a quarterly basis, by the Greek authorities.
- (15) Throughout the implementation of Greece's comprehensive policy package, the Commission should provide additional policy advice and technical assistance in specific areas.

⁽¹⁾ See page 22 of this Official Journal.

- (16) The Greek authorities should involve, in accordance with current national rules and practices, the social partners and civil society organisations in the preparation, implementation, monitoring and evaluation of the Programme.
- (17) Any form of financial assistance received by Greece to help it implement the policies under its Programme should be in line with the legal requirements and policies of the Union, in particular the Union's economic governance framework. Any intervention in support of financial institutions should be carried out in accordance with the Union's rules on competition. The Commission should ensure that any measures laid down in a Memorandum of Understanding in the context of requested ESM financial assistance are fully consistent with this Decision,

HAS ADOPTED THIS DECISION:

Article 1

1. In order to facilitate the return of the Greek economy to a path of sustainable growth and to fiscal and financial stability, Greece shall rigorously implement the Programme, the main elements of which are laid down in Article 2 of this Decision. The Programme shall address the specific risks emanating from Greece for the financial stability of the euro area and shall aim to rapidly re-establish a sound and sustainable economic and financial situation in Greece and restore its capacity to finance itself fully on the international financial markets. The Programme shall take due account of the Council recommendations addressed to Greece under Articles 121, 126, 136 and 148 TFEU as well as Greece's actions to comply with them, while aiming to broaden, strengthen and deepen the policy measures required.

2. The Commission, in liaison with the ECB and, where appropriate, the IMF, shall monitor Greece's progress in implementing its Programme. Greece shall give the Commission and the ECB its full cooperation. It shall, in particular, provide them with all the information that they deem necessary for the monitoring of the Programme.

3. The Commission, in liaison with the ECB and, where appropriate, the IMF, shall examine with the Greek authorities any changes and updates to the Programme that may be needed in order to take proper account of, inter alia, any significant gap between macroeconomic and fiscal forecasts and realised figures, negative spillover effects, as well as macroeconomic and financial shocks.

In order to ensure the smooth implementation of the Programme and to help the correction of imbalances in a sustainable way, the Commission shall provide continued advice and guidance on fiscal, financial market and structural reforms.

The Commission shall at regular intervals assess the economic impact of the Programme and shall recommend necessary corrections with a view to enhancing growth and job creation, securing the necessary fiscal consolidation, and minimising harmful social impacts.

Article 2

1. The key objectives of the Programme shall be: restoring fiscal sustainability, safeguarding financial stability, enhancing competitiveness and growth, and modernising the state and the public administration.

2. Greece shall pursue fiscal consolidation by means of high-quality permanent measures while minimising the impact on disadvantaged people. The Greek authorities commit to ensuring sustainable public finances and achieve sizeable and sustainable primary surpluses over the medium-term that will reduce the debt-to-GDP ratio steadily. The authorities shall accordingly pursue a new fiscal path premised on primary surplus targets of – 0,25, 0,5, 1,75, and 3,5 per cent of GDP in 2015, 2016, 2017 and 2018 and beyond, respectively. Greece shall target a medium-term primary surplus of 3,5 % of GDP to be achieved through a combination of upfront parametric fiscal reforms, including

to its VAT and pension system, supported by an ambitious programme to strengthen tax compliance and public financial management, and fight tax evasion, while ensuring adequate protection of vulnerable groups. In addition to the measures above, the authorities commit to legislate in October 2015 credible structural measures yielding at least 0,75 % of GDP coming into effect in 2017 and 0,25 % of GDP coming into effect in 2018 to support the achievement of the medium-term primary balance target of 3,5 % of GDP. The authorities commit to take further structural measures in October 2016, if needed to secure the 2017 and 2018 targets. Those would include containing defence expenditure, the planned personal income tax reform and freezing statutory spending. Parametric fiscal measures shall be bolstered by a wide range of administrative actions to address shortfalls in tax collection and enforcement. The Greek Government shall monitor fiscal risks, including court rulings, and shall take offsetting measures as needed to meet the fiscal targets. The authorities intend to transfer at least 30 % of any over-performance to the segregated account earmarked for debt reduction. In addition, another 30 % of the over-performance would be used for clearing unpaid government obligations linked to the past.

3. Greece shall adopt the measures specified below:

- (i) take measures in the short term to raise revenues and to target and contain expenditure. Among the measures to raise revenue, Greece shall gradually abolish the refund of excise tax on diesel oil for farmers and increase the tonnage tax. The authorities shall take actions to launch the 2015 property tax (ENFIA) exercise in order to issue bills in October 2015 with the final instalment due in February 2016. They shall also correct identified issues with the revenue measures recently implemented. The authorities also committed to target and contain expenditure by reducing the cost of healthcare and launching the comprehensive social welfare review. The package includes further measures with budgetary impact, such as public administration reforms, reforms addressing shortfalls in tax collection enforcement, and other parametric measures;
- (ii) to demonstrate its commitment to credible fiscal policies, adopt in October 2015, a supplementary 2015 budget as needed, the draft 2016 budget and a 2016-2019 Medium-Term Fiscal Strategy, supported by a sizable and credible package of parametric measures and structural fiscal reforms;
- (iii) enact reforms of both direct and indirect taxation to improve efficiency, collectability and boost labour supply. To break from past practice and improve the tax and social security payment culture, the Government shall take strong action to improve collection, and neither introduce new instalment or other amnesty or settlement schemes nor extend existing schemes;
- (iv) continue reforms that aim at improving the budget process and expenditure controls, clearing arrears, and strengthening budget reporting and cash management. The Government is committed to making the Fiscal Council operational;
- (v) take further action in the area of public procurement to increase efficiency and transparency of the Greek public procurement system, prevent misconduct, and ensure more accountability and control. Policies will be agreed with the European Commission, which shall assist with the implementation of an action plan;
- (vi) implement fully the existing reforms and also proceed with further reforms to strengthen long-term sustainability, targeting savings of around 0,25 % of GDP in 2015 and around 1 % of GDP by 2016. The package inter alia aims to create strong disincentives for early retirement through increasing early retirement penalties and by the gradual elimination of the grandfathering of rights to retire before the statutory retirement age;
- (vii) continue reforming the healthcare sector, controlling public expenditure, managing prices of pharmaceuticals, improve hospital management, increase centralised procurement of hospital supplies, manage demand for pharmaceuticals and health care through evidence-based e-prescription protocols, commission private sector healthcare

providers in a cost-effective manner, modernise IT systems, developing a new electronic referral system for primary and secondary care that allows the formulation of care pathways for patients;

- (viii) adopt by March 2016 a further series of guaranteed employment support schemes with individualised active labour market measures for participants, using local partnerships, involving the private and social economy sectors and ensuring the efficient and effective use of the resources available.

Achieving a fairer society will require that Greece improve the design of its welfare system, so that there is a genuine social safety net which targets scarce resources at those in most need. The authorities plan to benefit from available technical assistance from international organisations for the social welfare review and for the guaranteed minimum income implementation.

4. To safeguard financial stability, Greece shall immediately take steps to tackle Non-Performing Loans (NPLs) and restore liquidity and capital in the banking system. A recapitalisation process of banks should be completed before the end of 2015, which shall be accompanied by concomitant measures to strengthen the governance of the Hellenic Financial Stability Fund (HFSF) and of banks. Further measures involve the resolution of Non-Performing Loans (NPLs) and the governance of the HFSF and of banks.

5. To promote growth, competitiveness and investment, Greece shall design and implement a wide range of reforms in labour markets and product markets (including energy) that not only ensure full compliance with European Union requirements, but also aim at achieving European best practices. More open markets are essential to create economic opportunities and improve social fairness, by curtailing rent-seeking and monopolistic behaviour, which has translated into higher prices and lower living standards. In line with their growth strategy, the authorities shall intensify their efforts to bring key initiatives and reform proposals to fruition as well as enrich the agenda with further ambitious reforms that shall support the country's return to sustainable growth, attract investments and create jobs.

6. The Greek energy markets need wide-ranging reforms to bring them in line with Union legislation and policies, make them more modern and competitive, reduce monopolistic rents and inefficiencies, promote innovation, favour the wider adoption of renewables and gas, and ensure the transfer of benefits of all these changes to consumers. The authorities shall adopt the reform of the gas market and its specific roadmap, leading inter alia to full eligibility to switch supplier for all customers by 2018, and notify the reformed capacity payments system (including a temporary and a permanent mechanism) and New Organisation of Markets in Electricity products to the Commission. In any case, by 2020 no undertaking shall be permitted to produce or import, directly or indirectly, more than 50 % of total electricity produced and imported in Greece.

7. There shall be an ambitious privatisation programme and policies which support investment. The Government commits to facilitate the privatisation process and complete all needed Government actions to allow tenders to be executed successfully. In this respect the Government shall complete all actions needed as agreed on a quarterly basis between the Hellenic Republic Asset Development Fund (HRADF), the institutions and the Government. The List of Government Pending Actions has been approved by the Board of Directors of the HRADF. In line with the statement of the Euro Summit of 12 July 2015, a new independent fund (the 'Fund') shall be established and have in its possession valuable Greek assets. The overarching objective of the Fund is to manage valuable Greek assets; and to protect, create and ultimately maximise their value which it shall monetise through privatisations and other means.

8. A modern state and public administration shall be a key priority of the Programme. Particular attention shall be paid to increasing the efficiency of the public sector in the delivery of essential public goods and services. Measures shall be taken to enhance the efficiency of the judicial system and to upgrade the fight against corruption. Reforms shall strengthen the institutional and operational independence of key institutions such as the revenue administration and the statistics institute (Elstat).

Article 3

This Decision is addressed to the Hellenic Republic.

Done at Brussels, 19 August 2015.

For the Council
The President
J. ASSELBORN

