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⁽¹⁾ Text with EEA relevance.

II

(Non-legislative acts)

REGULATIONS

COMMISSION REGULATION (EU) 2018/1833**of 19 November 2018****establishing a prohibition of fishing for ling in Union waters of 3a by vessels flying the flag of Denmark**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy ⁽¹⁾, and in particular Article 36(2) thereof,

Whereas:

- (1) Council Regulation (EU) 2018/120 ⁽²⁾ lays down quotas for 2018.
- (2) According to the information received by the Commission, catches of the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein have exhausted the quota allocated for 2018.
- (3) It is therefore necessary to prohibit fishing activities for that stock,

HAS ADOPTED THIS REGULATION:

*Article 1***Quota exhaustion**

The fishing quota allocated to the Member State referred to in the Annex to this Regulation for the stock referred to therein for 2018 shall be deemed to be exhausted from the date set out in that Annex.

*Article 2***Prohibitions**

Fishing activities for the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein shall be prohibited from the date set out in that Annex. In particular it shall be prohibited to retain on board, relocate, tranship or land fish from that stock caught by those vessels after that date.

*Article 3***Entry into force**This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.⁽¹⁾ OJ L 343, 22.12.2009, p. 1.⁽²⁾ Council Regulation (EU) 2018/120 of 23 January 2018 fixing for 2018 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters, and amending Regulation (EU) 2017/127 (OJ L 27, 31.1.2018, p. 1).

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

Done at Brussels, 19 November 2018.

*For the Commission,
On behalf of the President,
João AGUIAR MACHADO
Director-General
Directorate-General for Maritime Affairs and Fisheries*

ANNEX

No	29/TQ120
Member State	Denmark
Stock	LIN/03A.
Species	Ling (<i>Molva molva</i>)
Zone	Union waters of 3a
Closing date	28.9.2018

COMMISSION REGULATION (EU) 2018/1834**of 19 November 2018****establishing a prohibition of fishing for undulate ray in Union waters of 8 by vessels flying the flag of Spain**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy ⁽¹⁾, and in particular Article 36(2) thereof,

Whereas:

- (1) Council Regulation (EU) 2018/120 ⁽²⁾ lays down quotas for 2018.
- (2) According to the information received by the Commission, catches of the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein have exhausted the quota allocated for 2018.
- (3) It is therefore necessary to prohibit fishing activities for that stock,

HAS ADOPTED THIS REGULATION:

*Article 1***Quota exhaustion**

The fishing quota allocated to the Member State referred to in the Annex to this Regulation for the stock referred to therein for 2018 shall be deemed to be exhausted from the date set out in that Annex.

*Article 2***Prohibitions**

Fishing activities for the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein shall be prohibited from the date set out in that Annex. In particular it shall be prohibited to retain on board, relocate, tranship or land fish from that stock caught by those vessels after that date.

*Article 3***Entry into force**

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, 19 November 2018.

*For the Commission,
On behalf of the President,
João AGUIAR MACHADO*

*Director-General
Directorate-General for Maritime Affairs and Fisheries*

⁽¹⁾ OJ L 343, 22.12.2009, p. 1.

⁽²⁾ Council Regulation (EU) 2018/120 of 23 January 2018 fixing for 2018 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters, and amending Regulation (EU) 2017/127 (OJ L 27, 31.1.2018, p. 1).

ANNEX

No	27/TQ120
Member State	Spain
Stock	RJU/8-C.
Species	Undulate ray (<i>Raja undulata</i>)
Zone	Union waters of 8
Closing date	27.9.2018

COMMISSION REGULATION (EU) 2018/1835**of 19 November 2018****establishing a prohibition of fishing for undulate ray in Union waters of 9 by vessels flying the flag of Spain**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy ⁽¹⁾, and in particular Article 36(2) thereof,

Whereas:

- (1) Council Regulation (EU) 2018/120 ⁽²⁾ lays down quotas for 2018.
- (2) According to the information received by the Commission, catches of the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein have exhausted the quota allocated for 2018.
- (3) It is therefore necessary to prohibit fishing activities for that stock,

HAS ADOPTED THIS REGULATION:

*Article 1***Quota exhaustion**

The fishing quota allocated to the Member State referred to in the Annex to this Regulation for the stock referred to therein for 2018 shall be deemed to be exhausted from the date set out in that Annex.

*Article 2***Prohibitions**

Fishing activities for the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein shall be prohibited from the date set out in that Annex. In particular it shall be prohibited to retain on board, relocate, tranship or land fish from that stock caught by those vessels after that date.

*Article 3***Entry into force**

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, 19 November 2018.

*For the Commission,
On behalf of the President,
João AGUIAR MACHADO*

*Director-General
Directorate-General for Maritime Affairs and Fisheries*

⁽¹⁾ OJ L 343, 22.12.2009, p. 1.

⁽²⁾ Council Regulation (EU) 2018/120 of 23 January 2018 fixing for 2018 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters, and amending Regulation (EU) 2017/127 (OJ L 27, 31.1.2018, p. 1).

ANNEX

No	28/TQ120
Member State	Spain
Stock	RJU/9-C.
Species	Undulate ray (<i>Raja undulata</i>)
Zone	Union waters of 9
Closing date	27.9.2018

COMMISSION REGULATION (EU) 2018/1836**of 19 November 2018****establishing a prohibition of fishing for saithe in area 6; Union and international waters of 5b, 12 and 14 by vessels flying the flag of Spain**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy ⁽¹⁾, and in particular Article 36(2) thereof,

Whereas:

- (1) Council Regulation (EU) 2018/120 ⁽²⁾ lays down quotas for 2018.
- (2) According to the information received by the Commission, catches of the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein have exhausted the quota allocated for 2018.
- (3) It is therefore necessary to prohibit fishing activities for that stock,

HAS ADOPTED THIS REGULATION:

*Article 1***Quota exhaustion**

The fishing quota allocated to the Member State referred to in the Annex to this Regulation for the stock referred to therein for 2018 shall be deemed to be exhausted from the date set out in that Annex.

*Article 2***Prohibitions**

Fishing activities for the stock referred to in the Annex to this Regulation by vessels flying the flag of or registered in the Member State referred to therein shall be prohibited from the date set out in that Annex. In particular it shall be prohibited to retain on board, relocate, tranship or land fish from that stock caught by those vessels after that date.

*Article 3***Entry into force**

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, 19 November 2018.

*For the Commission,
On behalf of the President,
João AGUIAR MACHADO*

*Director-General
Directorate-General for Maritime Affairs and Fisheries*

⁽¹⁾ OJ L 343, 22.12.2009, p. 1.

⁽²⁾ Council Regulation (EU) 2018/120 of 23 January 2018 fixing for 2018 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters, and amending Regulation (EU) 2017/127 (OJ L 27, 31.1.2018, p. 1).

ANNEX

No	26/TQ120
Member State	Spain
Stock	POK/56-14
Species	Saithe (<i>Pollachius virens</i>)
Zone	6; Union and international waters of 5b, 12 and 14
Closing date	27.9.2018

COMMISSION IMPLEMENTING REGULATION (EU) 2018/1837**of 22 November 2018****on the minimum selling price for skimmed milk powder for the 28th partial invitation to tender within the tendering procedure opened by Implementing Regulation (EU) 2016/2080**

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) 2016/1240 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to public intervention and aid for private storage ⁽²⁾, and in particular Article 32 thereof,

Whereas:

- (1) Commission Implementing Regulation (EU) 2016/2080 ⁽³⁾ has opened the sale of skimmed milk powder by a tendering procedure.
- (2) In the light of the tenders received for the 28th partial invitation to tender, a minimum selling price should be fixed.
- (3) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

For the 28th partial invitation to tender for the selling of skimmed milk powder within the tendering procedure opened by Implementing Regulation (EU) 2016/2080, in respect of which the period during which tenders were to be submitted ended on 20 November 2018, the minimum selling price shall be 131,30 EUR/100 kg.

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, 22 November 2018.

*For the Commission,
On behalf of the President,
Jerzy PLEWA*

*Director-General
Directorate-General for Agriculture and Rural Development*

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ OJ L 206, 30.7.2016, p. 71.

⁽³⁾ Commission Implementing Regulation (EU) 2016/2080 of 25 November 2016 opening the sale of skimmed milk powder by a tendering procedure (OJ L 321, 29.11.2016, p. 45).

DECISIONS

COUNCIL DECISION (EU) 2018/1838

of 19 November 2018

on the position to be taken on behalf of the European Union within the Association Committee in Trade configuration established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In accordance with Article 323(1) of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part ⁽¹⁾ (the 'Agreement'), no later than six months after the entry into force of the Agreement, the Association Committee meeting in Trade configuration (the 'Trade Committee') is to establish a list of individuals willing and able to serve as arbitrators in dispute settlement proceedings.
- (2) In accordance with Article 323(1) of the Agreement, the Union and Ukraine have proposed their respective candidates who are willing and able to serve as arbitrators, and have also agreed on five individuals that are not nationals of either Party who are to act as chairperson to an arbitration panel.
- (3) Ukraine proposed only four individuals. The fifth Ukrainian candidate should be proposed by Ukraine as soon as possible.
- (4) In order to ensure the proper functioning of the Agreement, it is appropriate to establish a list of 14 individuals who are willing and able to serve as arbitrators in dispute settlement proceedings without further delay.
- (5) The Decision of the Trade Committee should be published after its adoption,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on behalf of the Union in the Association Committee meeting in Trade configuration established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part as regards the adoption of the list of individuals who are willing and able to serve as arbitrators, in accordance with Article 323(1) thereof, shall be based on the draft Decision of that Committee attached to this Decision.

Article 2

This Decision shall enter into force on the date of its adoption.

⁽¹⁾ OJ L 161, 29.5.2014, p. 3.

Article 3

The Decision of the Trade Committee shall be published in the *Official Journal of the European Union*.

Done at Brussels, 19 November 2018.

For the Council
The President
E. KÖSTINGER

DRAFT

DECISION No .../2018 OF THE EU-UKRAINE ASSOCIATION COMMITTEE IN TRADE CONFIGURATION**of ...****on the establishment of the list of arbitrators referred to in Article 323(1) of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part**

THE ASSOCIATION COMMITTEE IN TRADE CONFIGURATION,

Having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part ⁽¹⁾, signed in Brussels on 27 June 2014 ('the Agreement'), and in particular Articles 323(1) and 465(3) thereof,

Whereas:

- (1) In accordance with Article 323(1) of the Agreement, the Association Committee meeting in Trade configuration (the 'Trade Committee') is to, no later than six months from the entry into force of the Agreement, establish a list of individuals who are willing and able to serve as arbitrators.
- (2) The Union has proposed five individuals willing and able to serve as arbitrators, while Ukraine has proposed four. The Union and Ukraine have agreed on five individuals that are not nationals of either Party who are to serve as chairpersons to an arbitration panel.
- (3) In order to avoid further delays in the establishment of the list of individuals willing and able to serve as arbitrators and thereby ensure the proper functioning of the Agreement, in particular of Chapter 14 of Title IV thereof, the Trade Committee should approve that list on the basis of the submitted proposals.
- (4) Ukraine should submit its proposal for a fifth candidate to the Trade Committee as soon as possible,

HAS ADOPTED THIS DECISION:

Article 1

1. The list of individuals who are willing and able to serve as arbitrators pursuant to Article 323(1) of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part, is set out in the Annex to this Decision.
2. Ukraine shall submit its proposal for a fifth candidate who is willing and able to serve as arbitrator to the Trade Committee as soon as possible.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at ...,

*For the Association Committee in Trade configuration**The Chair**The Secretaries**For Ukraine**For the EU*

⁽¹⁾ OJ EUL 161, 29.5.2014, p. 3.

ANNEX

LIST OF ARBITRATORS PURSUANT TO ARTICLE 323(1) OF THE AGREEMENT

Arbitrators proposed by the Union:

1. Claus-Dieter EHLERMANN
2. Giorgio SACERDOTI
3. Jacques BOURGEOIS
4. Pieter Jan KUIJPER
5. Ramon TORRENT

Arbitrators proposed by Ukraine:

1. Serhiy HRYSHKO
2. Taras KACHKA
3. Victor MURAVYOV
4. Yuriy RUDYUK

Chairpersons selected by the Parties:

1. William DAVEY (USA)
 2. Helge SELAND (Norway)
 3. Maryse ROBERT (Canada)
 4. Christian HÄBERLI (Switzerland)
 5. Merit JANOW (USA)
-

COUNCIL IMPLEMENTING DECISION (EU) 2018/1839**of 19 November 2018****on the launch of automated data exchange with regard to dactyloscopic data in Ireland**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to Council Decision 2008/615/JHA of 23 June 2008 on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime ⁽¹⁾, and in particular Article 33 thereof,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas:

- (1) In accordance with Article 25(2) of Decision 2008/615/JHA, the supply of personal data provided for under that Decision may not take place until the general provisions on data protection set out in Chapter 6 of that Decision have been implemented in the national law of the territories of the Member States involved in such supply.
- (2) Article 20 of Council Decision 2008/616/JHA ⁽³⁾ provides that the verification that the condition referred to in recital 1 has been met with respect to automated data exchange in accordance with Chapter 2 of Decision 2008/615/JHA is to be done on the basis of an evaluation report based on a questionnaire, an evaluation visit and a pilot run.
- (3) In accordance with point 1.1 of Chapter 4 of the Annex to Decision 2008/616/JHA, the questionnaire drawn up by the relevant Council Working Group concerns each of the automated data exchanges and is to be answered by a Member State as soon as it believes it fulfils the prerequisites for sharing data in the relevant data category.
- (4) Ireland has completed the questionnaire on data protection and the questionnaire on dactyloscopic data exchange.
- (5) A successful pilot run has been carried out by Ireland with Austria.
- (6) An evaluation visit has taken place in Ireland and a report on the evaluation visit has been produced by the Austrian evaluation team and forwarded to the relevant Council Working Group.
- (7) An overall evaluation report, summarising the results of the questionnaire, the evaluation visit and the pilot run concerning dactyloscopic data exchange, has been presented to the Council.
- (8) On 16 July 2018, the Council, having noted the agreement of all Member States bound by Decision 2008/615/JHA, concluded that Ireland had fully implemented the general provisions on data protection set out in Chapter 6 of Decision 2008/615/JHA.
- (9) Therefore, for the purposes of automated searching of dactyloscopic data, Ireland should be entitled to receive and supply personal data pursuant to Article 9 of Decision 2008/615/JHA.
- (10) Article 33 of Decision 2008/615/JHA confers implementing powers upon the Council with a view to adopting measures necessary to implement that Decision, in particular as regards the receiving and supply of personal data provided for under that Decision.
- (11) As the conditions for triggering the exercise of such implementing powers have been met and the procedure in this regard has been followed, an Implementing Decision on the launch of automated data exchange with regard to dactyloscopic data in Ireland should be adopted in order to allow that Member State to receive and supply personal data pursuant to Article 9 of Decision 2008/615/JHA.
- (12) Denmark, Ireland and the United Kingdom are bound by Decision 2008/615/JHA and are therefore taking part in the adoption and application of this Decision which implements Decision 2008/615/JHA,

⁽¹⁾ OJ L 210, 6.8.2008, p. 1.

⁽²⁾ Opinion of 24 October 2018 (not yet published in the Official Journal).

⁽³⁾ Council Decision 2008/616/JHA of 23 June 2008 on the implementation of Decision 2008/615/JHA on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime (OJ L 210, 6.8.2008, p. 12).

HAS ADOPTED THIS DECISION:

Article 1

For the purposes of automated searching of dactyloscopic data, Ireland is entitled to receive and supply personal data pursuant to Article 9 of Decision 2008/615/JHA as from 24 November 2018.

Article 2

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

This Decision shall apply in accordance with the Treaties.

Done at Brussels, 19 November 2018.

For the Council

The President

E. KÖSTINGER

COMMISSION DECISION (EU) 2018/1840**of 10 August 2018****on the State aid SA.33229 (2018/N-4) (ex 2017/C-3) — Slovenia — Amendment of the restructuring commitments of Nova Ljubljanska Banka d.d.***(notified under document C(2018) 5537)***(Only the English version is authentic)****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union ('TFEU'), and in particular the first subparagraph of Article 108(2) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof,

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

Whereas:

1. PROCEDURE

- (1) By decision of 7 March 2011 ('the first rescue Decision') ⁽²⁾, the Commission authorised for a period of six months, based on the submission of a restructuring plan, the EUR 250 million State recapitalisation of Nova Ljubljanska Banka d.d. ('NLB') which Slovenia had notified to the Commission on 14 January 2011.
- (2) By Decision of 2 July 2012 ⁽³⁾ ('the second rescue and opening Decision'), the Commission approved a second rescue recapitalisation of NLB, while at the same time opening an in-depth investigation based on concerns in relation to the restructuring plan submitted. The Commission doubted whether the plan allowed NLB to return to viability, while it also deemed the plan insufficient in terms of burden-sharing and in relation to the adequacy of measures to address undue distortions in competition.
- (3) By Decision 2014/535/EU ('the 2013 Decision') ⁽⁴⁾, the Commission approved State aid to NLB on the basis of an amended restructuring plan and a list of commitments submitted by Slovenia, one of which required Slovenia to sell a 75 % minus one share ('75 % - 1') stake in NLB by 31 December 2017 or, alternatively, to have NLB divest six foreign Balkan subsidiaries.
- (4) On 13 April 2017, Slovenia requested the Commission to authorise a delay of a second tranche of NLB shares representing at most a 25 % minus one share ('25 % - 1') stake in NLB and it notified the Commission of amended commitments. On 11 May 2017, the Commission concluded that those amended commitments continued to ensure the compatibility of the aid in favour of NLB with the internal market ('the 2017 amendment Decision') ⁽⁵⁾.
- (5) On 8 June 2017 ⁽⁶⁾, the Slovenian authorities decided to put NLB's sale process on hold and on 9 June 2017, the Slovenian Minister of Finance informed the Commission of that decision by phone.

⁽¹⁾ Commission decision in case SA.33229 ('the 2018 opening Decision') (2018/C) (ex 2017/N-3) — Slovenia — Amendment of the restructuring commitments of Nova Ljubljanska Banka (OJ C 121, 6.4.2018, p. 15).

⁽²⁾ Commission Decision in Case SA.32261 (2011/N) — Slovenia — Rescue recapitalisation in favour of NLB (OJ C 189, 29.6.2011, p. 2).

⁽³⁾ Commission Decision in Case SA.34937 (2012/C) (ex 2012/N) and SA.33229 (2012/C) (ex 2011/N) — Second recapitalisation of NLB and Restructuring of NLB (OJ C 361, 22.11.2012, p. 18).

⁽⁴⁾ Commission Decision 2014/535/EU of 18 December 2013 on State aid SA.33229 (2012/C) — (ex 2011/N) — Restructuring of NLB — Slovenia which Slovenia is planning to implement for Nova Ljubljanska banka d.d. (OJ L 246, 21.8.2014, p. 28).

⁽⁵⁾ Commission Decision in case SA.33229 (2017/N-2) — Slovenia — Amendment of the restructuring decision of NLB (OJ C 254, 11.7.2017, p. 2).

⁽⁶⁾ See the following press release: http://www.vlada.si/en/media_room/government_press_releases/press_release/article/138_regular_government_session_government_rejects_minimum_offer_price_for_nlb_59951/

- (6) In the autumn of 2017, numerous contacts took place between the Commission and Slovenia. Slovenia also shared a number of non-papers with the Commission ⁽⁷⁾. On 21 December 2017, Slovenia formally notified the Commission of further amended commitments.
- (7) By letter dated 26 January 2018 ('the 2018 opening Decision'), the Commission informed the Slovenian authorities of its decision to initiate the procedure laid down in the first subparagraph of Article 108(2) TFEU in respect of the request to confirm the compatibility of the aid granted to NLB on the basis of the further amended commitments.
- (8) On 2 March 2018, Slovenia submitted its comments on the 2018 opening Decision.
- (9) On 6 April 2018, the 2018 opening Decision was published in the *Official Journal of the European Union* and interested parties were called upon to submit their comments. Within the one-month period following that publication, the Commission received comments from four parties, which were forwarded to the Slovenian authorities on 16 and 18 May 2018. On 15 June 2018, Slovenia by way of reply submitted its observations on those comments.
- (10) On 26 March 2018, 4 April 2018, 30 May 2018, 21 June 2018, 29 June 2018 and 9 July 2018 Slovenia submitted new non-papers, which included a series of proposed groups of commitments.
- (11) By letter dated 13 July 2018, Slovenia submitted to the Commission a new set of State aid commitments ('amended commitments'), with among others new deadlines for the sale of a 75 % - 1 stake in NLB. For reasons of legal certainty, Slovenia also notified a proposed measure on 25 July 2018, as a no aid measure, under which Slovenia would compensate NLB against any potential consequences of court cases relating to foreign currency deposits which is a historic issue dating back to before the break-up of Yugoslavia.
- (12) By letter dated 16 July 2018, Slovenia agreed exceptionally to waive its rights under Article 342 TFEU ⁽⁸⁾ in conjunction with Article 3 of Regulation (EC) No 1 ⁽⁹⁾ and to have the present decision adopted and notified in English.

2. DESCRIPTION OF THE AID MEASURE

2.1. Description of the beneficiary

- (13) NLB is the largest bank in Slovenia with a market share of 23 % (calculated by reference to its total assets) ⁽¹⁰⁾. A more detailed description of NLB can be found in recitals 11 to 22 of the 2013 Decision. In terms of its shareholders' structure, since the State recapitalisations of 2012 and 2013, NLB is a 100 % State owned company ⁽¹¹⁾.
- (14) Also as a result of the State aid NLB has received, NLB had a core equity tier 1 ratio of 16,6 % as at the end of March 2018. NLB has also improved its profitability and has reported at the end of 2017 a net profit of EUR 225 million, which equates to a return on equity of 14,4 %. Table 1 contains details on NLB's key financial information ⁽¹²⁾:

Table 1

Key consolidated financial information of NLB:

	31.3.2018	31.12.2017	31.12.2016
Total assets (in EUR million)	12 425	12 238	12 039
Risk-Weighted Assets (in EUR million)	8 634	8 547 ⁽¹⁾	7 862

⁽⁷⁾ As explained more in detail in recitals 5, 6 and 7 of the 2018 opening Decision.

⁽⁸⁾ Consolidated version of the Treaty on the Functioning of the European Union (OJ C 202, 7.6.2016, p. 47).

⁽⁹⁾ Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385/58).

⁽¹⁰⁾ NLB Group presentation, 1Q 2018 Results, page 4.

⁽¹¹⁾ In past years, the ownership structure of NLB has undergone several changes. In 2002, the Belgian bank KBC acquired 34 % of NLB. However, when in 2006 KBC was not able to increase its stake in NLB, KBC decided to no longer consider its existing stake as strategic in nature but recategorised it as a financial participation. KBC completely exited NLB in 2013. As of end 2013, the Slovenian State has become again the 100 % owner of NLB, thereby de facto reversing NLB's (partial) privatisation of 2001/2002.

⁽¹²⁾ Financial figures referred to in Table 1 are based on the consolidated financial statements of NLB as available on: <https://www.nlb.si/nlb/nlb-portal/eng/investor-relations/financial-reports/prezentacija-nlb-final-2017.pdf> and <https://www.nlb.si/nlb/nlb-portal/eng/investor-relations/financial-reports/prezentacija-nlb-1q2018-final.pdf>

	31.3.2018	31.12.2017	31.12.2016
Net profit after tax (in EUR million)	58	225	110
Non-performing loans/total loans (in %)	8,8	9,2	13,8
Core Equity Tier 1 ratio (in %)	16,6	15,9	17,0
Loan to deposits ratio (in %)	69,8	70,8	74,2
Return on Equity (in %)	13,5	14,4	7,4

(¹) The risk-weighted assets increased in 2017 as a result of increased retail exposures, as a correction of the treatment of NLB's Foreign Exchange position on a consolidated level and due to the treatment of equity investments in non-euro subsidiary banks.

- (15) In terms of its commercial presence, NLB has currently 108 outlets in Slovenia (as at the end of March 2018), down from 143 outlets in 2013. Outside of Slovenia, NLB has foreign subsidiaries in a number of Balkan countries, representing in total EUR 3 800 million in assets and EUR 95 million in after-tax profit (¹³) (end of 2017 figures). Table 2 contains more information on NLB's Balkan subsidiaries:

Table 2

Key financial information of NLB's Balkan subsidiaries

	FYRoM	Bosnia subsidiary 1	Bosnia subsidiary 2	Kosovo	Monte-negro	Serbia
NLB's stake (in %)	87	100	97	81	100	100
Market share (in %)	16,4	18,9	5,3	15,7	11,0	1,2
Profit after tax (in EUR million)	40	23,7	8,3	14,2	5,4	3,7
Total assets (in EUR million)	1 236	670	531	584	457	371

- (16) NLB continues to own a 50 % stake in insurance company NLB Vita d.d., Ljubljana ('NLB Vita'), which is a joint venture with Belgian KBC Group NV. At the end of 2017, NLB Vita reported total assets of EUR 446 million (¹⁴) and EUR 7 million in after-tax profit for that year.
- (17) On 31 December 2017, NLB started the process to liquidate its leasing subsidiary in Ljubljana (¹⁵). On 29 November 2017 (¹⁶), NLB's Supervisory Board approved the establishment of a new leasing company, focusing on vehicle leasing, with an initial paid-in capital of EUR 1,5 million. In February 2018, NLB discontinued the process of establishing the new leasing company.

2.2. State aid measures in favour of NLB

- (18) By means of the 2013 Decision and based on commitments submitted by Slovenia, the Commission declared the following State aid measures in favour of NLB compatible with the internal market:
- (a) a first recapitalisation of EUR 250 million, temporarily approved in the first rescue Decision;
 - (b) a second recapitalisation of EUR 383 million, temporarily approved in the second rescue and opening Decision;

(¹³) Source data: see link in footnote 12.

(¹⁴) Measured by 'Assets of covered funds without own resources'.

(¹⁵) NLB's Slovenian leasing subsidiary was listed among the non-core subsidiaries to be divested as part of the commitments on the basis of which the 2013 Decision was adopted.

(¹⁶) Based on the Monitoring Trustee report dated 14 June 2018.

- (c) a third recapitalisation of EUR 1 558 million; and
- (d) a transfer of impaired assets to a State-owned bad bank with an aid element of EUR 130 million ⁽¹⁷⁾.

In total, NLB received State aid measures of EUR 2 321 million, equivalent to 20 % of its risk-weighted assets as of December 2012.

- (19) The commitments submitted as part of the 2013 Decision and the 2017 amendment Decision are described in more detail in Sections 2.3 and 2.4 of the 2018 opening Decision. Regarding the sale of the 75 % - 1 stake in NLB, Slovenia committed, in the context of the 2017 amendment Decision, to the following ('the sale commitment'):

'... [reduction of State's shareholding and foreign banking subsidiaries]

Slovenia will reduce its shareholding in NLB to 25 % plus one share ('Blocking Minority') as follows:

- (a) by at least 50 % by 31 December 2017.

If Slovenia has not entered into (a) binding sale and purchase agreement(s) for the sale of its shareholding in NLB by at least 50 %, Slovenia and NLB shall grant to the Divestiture Trustee an exclusive mandate to sell NLB's participations in (its foreign Balkan) banking subsidiaries for a minimum price not lower than 75 % of book value.

- (b) having sold at least 50 % of its shareholding in NLB in accordance with subparagraph 14(a), Slovenia will further reduce its shareholding to the Blocking Minority by 31 December 2018.

If Slovenia has not entered into (a) binding sale and purchase agreement(s) for the sale of its shareholding in NLB exceeding the Blocking Minority by 31 December 2018, Slovenia shall grant to the Divestiture Trustee (appointed in accordance with paragraph 19) an exclusive mandate to reduce the Slovenia's shareholding in NLB to the Blocking Minority for the [...] (*)

(*) covered by the obligation of professional secrecy.'

- (20) The interrupted sale process is described in detail in Section 2.5 of the 2018 opening Decision.

2.3. Grounds for initiating the procedure

- (21) In the 2018 opening Decision, the Commission opened a formal investigation after it had become clear that Slovenia had breached the deadline set in the sale commitment (described in recital 19). The Commission concluded that, as a result, the aid granted to NLB by Slovenia had become unlawful.
- (22) As regards the amended commitments notified on 21 December 2017, the Commission expressed doubts that those were equivalent to the commitments underlying the 2013 Decision and the 2017 amendment Decision. The Commission doubted whether the aid measures were compatible with the internal market on the basis of those amended commitments.
- (23) As regards NLB's viability, the Commission recalled that the difficulties experienced by NLB in 2012 and 2013 related to the State's influence over its day-to-day operations, and that the analysis of NLB's viability as part of the 2013 Decision was crucially based on a change in NLB's ownership. In the 2018 opening Decision, the Commission raised serious doubts on NLB's long-term viability without such a change in ownership.
- (24) In the 2018 opening Decision, the Commission reached the preliminary conclusion that the delayed sale of NLB *de facto* prolonged its restructuring period. The Commission explained that this logically implied that commitments linked to the restructuring period would be equally prolonged for as long as the sale of the 75 % - 1 stake in NLB had not been finalised.
- (25) Finally, the Commission expressed doubts whether the amended commitments would sufficiently compensate for the delayed sale process.

⁽¹⁷⁾ The difference between the transfer price (EUR 617 million) and the market value (EUR 486 million) of the impaired assets.

3. COMMENTS BY INTERESTED PARTIES ON THE 2018 OPENING DECISION AND RELATED OBSERVATIONS FROM THE SLOVENIAN AUTHORITIES

- (26) This section describes the comments received on the 2018 opening Decision and the observations of the Slovenian authorities to those comments.

3.1. Comments by interested parties on the 2018 opening Decision

- (27) The Commission received comments from the following four parties:
- (a) the first party, being an individual who previously held NLB shares, argued that not allowing a further extension of the deadline for NLB's sale would be inconsistent with the Commission's case practice ⁽¹⁸⁾. The first party argued that the Commission should minimise the costs for the taxpayer for rescuing banks and that an extension of the deadline until 2019 would not only be in the interest of Slovenia and its taxpayers, but also in the interest of the Commission.
 - (b) the second party, comprising an association of citizens concerned about the functioning of Slovenian institutions, was of view that the measures approved in the 2013 Decision did not distort competition in the internal market and were therefore not State aid. It argued that even where the measures were considered to constitute State aid, they would in any case be compatible aid because of the 2013 bail-in under the 2013 Decision. Furthermore, the second party considered that, with the exception of the corporate governance commitment, NLB had implemented all the commitments of the 2013 Decision. The second party also referred to NLB's high level of profit and argued that NLB's operations had become fully independent from the Slovenian authorities. It argued that any additional commitments would impair NLB's long-term viability prospects. The second party noted that NLB was not the only Slovenian bank that had experienced financial difficulties and that the presence of KBC as a shareholder of NLB at that time had not helped NLB avoid its financial problems. Therefore, the second party concluded that a change in the ownership structure of NLB was not a necessary condition for its viability. The second party also concluded that the commitments should be adapted to take account of changes in the economic and political situation in the Member States and in the Union. In conclusion, the second party argued that the Commission should also take into account the fact that Slovenia was experiencing a severe financial crisis when it decided to grant the State aid to NLB and when the commitments were submitted.
 - (c) the third party, being a Slovenian citizen, argued that the Commission had breached the equality of treatment principle when adopting the 2013 Decision. The third party also considered that the treatment of NLB by the Commission lacked a sound legal basis.
 - (d) the fourth party, being a foreign currency deposit holder of a foreign branch of Ljubljanska Banka d.d., principally commented on the execution of a judgment of the European Court of Human Rights ⁽¹⁹⁾ and referred to that part of the judgment relating to the foreign exchange deposits' repayment.

3.2. Slovenia's observations on the comments on the 2018 opening Decision from interested parties

- (28) In its reply of 15 June 2018 to the comments received on the 2018 opening Decision, Slovenia considered that most of the comments relate to older decisions of the Slovenian authorities and to the 2013 Decision. Slovenia underlined that, in 2013, it not only acted as a responsible owner of NLB, but also in order to protect the financial stability of the country. Slovenia stated that it had acted with due care and with the intention to limit the risk of a systemic disturbance to a minimum.
- (29) As regards the comments on foreign currency deposits litigation, as described in point (d) of recital 27, Slovenia considered that those comments were not the subject of the 2018 opening Decision.

⁽¹⁸⁾ Referring to the Commission's State aid Decision for four Italian bridge banks and Novobanco: see Commission Decisions in Case SA.43976 (2015/N) – Portugal — Amendment of the 2014 Resolution of Banco Espírito Santo S.A. (Novo Banco S.A.) (OJ C 390, 21.10.2016, p. 5) and in Case SA.39543 (2015/N), SA. 41134 (2015/N), SA. 41925 (2015/N) and SA. 43547 (2015/N) — Italy — Second amendment to the Resolution of Banca delle Marche S.p.A, Banca Popolare dell'Etruria e del Lazio Soc. Coop., Cassa di Risparmio di Ferrara S.p.A. and Cassa di Risparmio della Provincia di Chieti S.p.A. (OJ C 61, 16.2.2018, p. 1).

⁽¹⁹⁾ Ališić and Others v. Bosnia and Herzegovina, Croatia, Serbia, Slovenia and the Former Yugoslav Republic of Macedonia (<http://hudoc.echr.coe.int/eng?i=001-145575>).

- (30) Regarding the argument that any additional measures would only impair NLB's long-term viability prospects, Slovenia considered that the Commission's assessment on commitments should be based on its assessment included in the 2013 Decision namely that the sale commitment would prevent State influence in NLB as owner. Slovenia considers that additional compensatory measures of a commercial nature would not contribute to that objective.
- (31) Slovenia highlighted that it is currently not involved in the day-to-day operations of NLB.

4. COMMENTS FROM SLOVENIA

- (32) In response to the 2018 opening Decision, Slovenia expressed the view that the aid measures granted to NLB would continue to be compatible with the internal market on the basis of the amended commitments submitted by Slovenia on 21 December 2017. Slovenia emphasised that the viability of NLB as the aid beneficiary would remain assured and that the overall series of commitments would remain equivalent in terms of burden sharing and compensatory measures.
- (33) According to Slovenia, in order to comply with the commitments submitted as part of the 2013 Decision, NLB implemented a number of measures with the following objectives:
- (a) to strengthen NLB's corporate governance framework;
 - (b) to strengthen NLB's pricing policies and risk management framework;
 - (c) to rebalance NLB's business towards less risky activities;
 - (d) to repair NLB's balance sheet structure; and
 - (e) to restore NLB's long-term profitability.
- (34) As a result of those measures, Slovenia considered that NLB had returned to long-term viability, as it can cover all its costs and continue to earn an appropriate return on equity.
- (35) Slovenia acknowledged that point 15 of the Restructuring Communication ⁽²⁰⁾ explicitly provided that the restructuring period should be as short as possible. Slovenia emphasised however that the delayed implementation of the sale commitment was related to the foreign currency deposit litigation against NLB in Croatia ⁽²¹⁾ which it considered to be outside of Slovenia's control. Going forward, Slovenia indicated that it would devise a credible time schedule for the sale of the 75 % - 1 stake in NLB by the end of 2019, with a major part to be sold already in 2018.
- (36) Slovenia accepted that the existing commitments which related to NLB's sound corporate governance should be extended, but also argued that the need to extend existing commitments which related to undue distortions of competition should be based on a case-by-case assessment. This analysis should take into account the changed market conditions since 2013. In addition, Slovenia argued that any commitments should not impede NLB's viability but rather should help to restore it. In this respect, Slovenia considered that the commitment to divest the Balkan subsidiaries where the sale of its stake in NLB would not take place in time, which Slovenia made in the context of the 2013 Decision, not to be a compensatory measure, as it does not address a market distortion and does not assist or promote the viability of NLB.
- (37) Regarding the Commission's observation that NLB has not yet issued new subordinated debt ⁽²²⁾, Slovenia highlighted that one of NLB's foreign subsidiaries (NLB Banka Skopje) had sold new subordinated debt of EUR 10 million in June 2015 to [...]. Furthermore, Slovenia underlined that NLB had been fulfilling all its regulatory capital requirements and continued to have excess levels of capital to withstand a potential stress situation. Therefore, Slovenia considered committing NLB to issue additional subordinated instruments would not contribute to its long-term viability, also in light of its excess level of liquidity.

⁽²⁰⁾ Commission Communication on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules (OJ C 195, 19.8.2009, p. 9).

⁽²¹⁾ The litigation relates to pending Croatian court cases on foreign currency deposits of Croatian depositors (customers of Ljubljanska banka d.d., Ljubljana, Zagreb Branch), an issue which dates back from before the break-up of former Yugoslavia. Since 2017, three court cases have been ruled by Croatian courts of second instance against NLB, with the decision requiring the bank to pay back the principal in addition to interest and litigation costs. In addition, in May 2018 the Croatian Constitutional Court rejected NLB's appeal against a case which the bank lost in 2015.

⁽²²⁾ See recital 58 of the 2018 opening Decision.

- (38) Regarding the Commission's observation that NLB still had a high level of non-performing loans ⁽²³⁾, Slovenia argued that NLB's long-term viability cannot be put into question only based solely on this argument. Furthermore, Slovenia underlined that NLB has significantly reduced its non-performing loan book since December 2013 (by 70 %) as a result of improved risk management processes.
- (39) Regarding the Commission's assessment that Slovenia had not convincingly demonstrated that it had effectively addressed NLB's corporate governance problems ⁽²⁴⁾, Slovenia argued that this statement did not accurately reflect NLB's achievements in this area. Slovenia considered that for in excess of five years, the daily operation of NLB had been conducted by an international management team with a relevant track record and experience, which was completely independent from the Slovenian State. Slovenia also pointed to the following measures undertaken to illustrate how NLB's corporate governance structure had been greatly improved:
- (a) Slovenia has created the Slovenian Sovereign Holding ('SSH') to properly manage all State assets.
 - (b) The Slovenian Sovereign Act has been adopted by the Slovenia legislature and sets out selection criteria for the appointment of members of the Supervisory Board of the SSH.
 - (c) NLB has implemented a two-tier corporate governance system in which the Management Board is responsible for its day to day operations and in which it is supervised by the Supervisory Board.
- (40) Slovenia pointed out that its non-compliance with the sale commitment deadline did not influence the amount of State aid granted in favour of NLB, the conditions and circumstances under which the aid was granted nor NLB's own contribution and burden sharing. Against that background, Slovenia considered that its non-compliance with the sale commitment should not have an impact on the measures required to limit undue distortions of competition in the internal market.
- (41) Slovenia further considered that the 2013 Decision and its commitments only related to the State aid measures granted in 2013 and argued that the previous two State recapitalisations were already authorised by the Commission in its decisions of respectively 7 March 2011 and 2 July 2012 respectively.
- (42) Slovenia also considered that any additional viability measures, burden-sharing measures or measures to limit undue distortions of competition in the internal market would not be necessary or appropriate. Such further measures would, according to Slovenia, violate the fundamental Union principle of proportionality and would contradict the Commission's case practice.
- (43) Slovenia confirmed it also intends to put in place a mechanism, to be financed by the so-called Succession Fund ⁽²⁵⁾, in order to compensate NLB from the legal consequences related to the ongoing litigation in Croatia ⁽²⁶⁾. For this purpose, Slovenia adopted an Act to protect of the value of Republic of Slovenia's capital investment in NLB ⁽²⁷⁾. In its submission of 25 July 2018, Slovenia highlighted that it would continue to make efforts to neutralise or mitigate to the fullest extent possible financial consequences for NLB in order to successfully complete the sale of the 75 % - 1 stake in NLB in a manner that would maximise value for Slovenian taxpayers. Slovenia considers that this mechanism would mitigate the impact of the Croatian litigation on NLB's sale price, would be implemented in the context of the sale process and therefore would not constitute State aid within the meaning of Article 107 TFEU.
- (44) Slovenia included in its submission additional information by means of a report prepared by their financial advisor to show that the compensation mechanism to protect against the consequences of the on-going litigation would also have been offered by a private vendor. The report includes an indicative evaluation of the likelihood of success for the sale of the stake in NLB based on two scenarios with respect to the Croatian foreign deposits litigation: one scenario including the mechanism (with potential payments under the mechanism at a later stage) and another scenario without such mechanism. In essence, the report indicated, based on the recent Court decisions in Croatia, that investors will price in the exposure of the Croatian litigation virtually at 100 % of the

⁽²³⁾ Ibid.

⁽²⁴⁾ Ibid.

⁽²⁵⁾ The Succession Fund of the Republic of Slovenia is a public financial fund which was established to implement the Agreement on Succession Issues, and in this respect to exercise the rights and settle the liabilities of the Republic of Slovenia in the process of division of property, rights and liabilities of the former Yugoslavia and to perform other tasks, related to the succession issues of the former Yugoslavia.

⁽²⁶⁾ The litigation relates to pending Croatian court cases related to foreign currency deposits paid out to Croatian depositors (customers of Ljubljanska banka d.d., Zagreb Branch) following the break-up of Yugoslavia. In some of the recent court decisions, NLB and Ljubljanska banka d.d., Ljubljana have been held jointly and severally liable.

⁽²⁷⁾ Law 52/2018 published on 27 July 2018 in the Official Gazette of the Republic of Slovenia No 52/2018 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2018-01-2645/zakon-za-zascito-vrednosti-kapitalske-nalozbe-republike-slovenije-v-novi-ljubljanski-banki-d-d-ljubljana-zvknlnb>

maximum exposure. Moreover, the ECB in its supervisory function imposed dividend restrictions because of the ongoing litigation (prior consent of ECB is required for potential dividend pay-outs). Therefore, without the mechanism NLB would be limited in its ability to pay a dividend and this would in all likelihood reduce the number of potential investors. The report concluded that the combined effect of the reduced investor interest and the incremental risk on NLB's cash flows (both as a result of the litigation and the postponement of dividend payments) would result in investors requiring a higher return of equity to ensure a fully-subscribed initial public offering ('IPO'). The combined negative effect on the sale price of the liability ([...] ⁽²⁸⁾) and the higher return on equity requirement from the lower number of investors ([...] ⁽²⁹⁾) would amount to [...]. The report concluded that this figure is higher than NLB's estimate of the maximum nominal amount at risk of [...] stemming from the litigation. The report therefore supports the view that establishing a compensation mechanism in relation to the Croatian litigation to support the sales price of NLB will ultimately lead to higher net proceeds for Slovenia.

5. UPDATED COMMITMENT LIST SUBMITTED BY SLOVENIA

- (45) On 13 July 2018, the Slovenian authorities submitted a new set of State aid commitments.
- (46) Slovenia sought to amend the sale commitment by proposing to reduce its stake in NLB to the Blocking Minority as follows:
 - (1) by at least 50 % plus one share ('50 % + 1') by 31 December 2018
 - (2) the remaining shares exceeding the Blocking Minority by 31 December 2019.
- (47) In its proposed list of amended commitments, Slovenia distinguished between different possible scenarios in relation to the sale of the 75 % - 1 stake in NLB. In those different scenarios, different commitments groups (see recitals 50 to 52) and commitment deadlines would apply, as outlined in Table 3.
- (48) Slovenia submits that where it has not entered into a binding sale and purchase agreement for the sale of its shareholding in NLB in accordance with the amended sale commitment and timetable set out in recital 46, Slovenia will grant to a Divestiture Trustee an exclusive mandate to reduce Slovenia's stake in NLB to the Blocking Minority for the [...].
- (49) In case of favourable market conditions, Slovenia does not exclude the possibility of selling a stake larger than 50 % + 1 up to the entire 75 % - 1 stake by 31 December 2018.
- (50) In relation to the commitments submitted as part of the 2013 Decision, Slovenia proposes to amend and extend the following existing commitments ('Group 1 Commitments'):
 - (a) to allocate the seats and voting rights on the Supervisory Board and its committees to independent experts in accordance with paragraph 9.6 of the 2013 commitments amended only insofar that 100 % of the seats will be allocated to independent experts (instead of three quarters previously).
 - (b) to ensure that each state-owned bank shall remain a separate economic unit with independent powers of decision in accordance with paragraph 9.10 of the 2013 commitments.
 - (c) to ensure that Slovenian State-owned companies will by no means be treated more favourably than non-State-owned companies (non-discrimination) in accordance with paragraph 11 of the 2013 commitments.
 - (d) to comply with the acquisition ban as described in paragraph 12.4 of the 2013 commitments.
- (51) In addition, other existing commitments will be extended until the moment Slovenia has reduced its stake in NLB to the Blocking Minority ('Group 2 Commitments'):
 - (a) The Reduction of Costs commitment paragraph 2 of the 2013 commitments, amended only insofar that operating costs at Group level (excluded one-off extraordinary costs having non-recurrent nature) can amount to a maximum of EUR [...] on an annual basis.

⁽²⁸⁾ The [...] is based on accrued interest of ~[...] of outstanding principal claimed as part of the ongoing litigation ([...]); the interest calculation is based on the interest calculation from court decisions.

⁽²⁹⁾ The [...] corresponds to a higher return on equity requirement of [...] which is then used to discount the expected dividend payments based on NLB's business plan to calculate the effect on the IPO price.

- (b) The Divestment of non-core subsidiaries commitment from paragraph 4 of the 2013 commitments, amended only insofar that NLB will not re-enter business and activities which it had to divest.
 - (c) The Bans of advertising and aggressive commercial strategies commitment from paragraph 12.1 of the 2013 commitments.
 - (d) The Capital repayment Mechanism and dividend ban commitment from paragraph 12.2 of the 2013 commitments amended only insofar that based on the audited year-end accounts, NLB will pay to its shareholders at least the amount of its net income, subject to limitations imposed by European or Slovenian regulations and provided that certain minimum capital requirements are met.
 - (e) The Monitoring Trustee commitment from paragraph 18 of the 2013 commitments, which will continue to apply until end of 2019.
 - (f) The Divestiture Trustee commitment from paragraph 19 of the 2013 commitments.
- (52) In relation to the Return on Equity ('RoE') commitment and the other Risk Management and Credit Policies commitments in accordance with paragraphs 10.1 to 10.6 of the 2013 commitments, Slovenia proposes to extend this commitment until at least a 50 % + 1 stake in NLB is sold and amended only insofar that the pricing for new loans will be considered adequate if the new loan contributes to achieving a positive RoE before tax of [...] on either the individual loan or on each client relationship. However, if Slovenia has not reduced its stake in NLB to the Blocking Minority by [...], the RoE commitment will apply again from [...] until Slovenia has reduced its shareholding in NLB up to the Blocking Minority.
- (53) Slovenia also submits the following additional commitments, as compensatory measures for the delayed sale process ('Group 3 Commitments'):
- (a) NLB will issue a Tier 2 instrument by [...] at the latest to investors who are independent from Slovenia, except in the case of severe market disruptions and subject to the approval of the Commission.
 - (b) NLB will close [10-20] outlets in Slovenia by [...].
- (54) In addition, Slovenia further submits that where it has not reduced its stake in NLB up to the Blocking Minority by 31 December 2018, NLB will divest its stake in the insurance subsidiary NLB Vita by [...].

Table 3

Applicable commitments and deadlines in different scenarios

Scenario	Group 1 commitments	Group 2 commitments	Group 3 commitments	NLB Vita	ROE (including Risk Management and credit policies)
Slovenia sells a 75 % - 1 stake in NLB by 31/12/18	Until 31/12/18 except the acquisition ban commitment (until 31/12/19)	Until 31/12/18, except the Monitoring Trustee commitment (until 31/12/19)	Issue Tier 2 instrument by [...] Close [10-20] outlets by [...]	N/A	Until the sale of at least a 50 % + 1 stake in NLB
Slovenia sells a 50 % + 1 stake in NLB by 31/12/18 and the remaining shares exceeding the Blocking Minority by 31/12/2019	Until 31/12/19	Until the sale of a 75 % - 1 stake in NLB, except the Monitoring Trustee commitment (until 31/12/19).	Issue Tier 2 instrument by [...] Close [10-20] outlets by [...]	Sale before [...]	Until the sale of at least a 50 % + 1 stake in NLB and from [...] until the sale of 75 % - 1 of NLB

Scenario	Group 1 commitments	Group 2 commitments	Group 3 commitments	NLB Vita	ROE (including Risk Management and credit policies)
Slovenia fails to sell a 50 % + 1 stake in NLB by 31/12/18, Divestiture Trustee to sell Slovenia's share up to the Blocking Minority	Until 31/12/18, except the acquisition ban commitment (until 31/12/19)	Until 31/12/18, except the Monitoring Trustee commitment (until 31/12/19)	Issue Tier 2 instrument by [...] Close [10-20] outlets by [...]	Sale before [...]	Until the sale of at least a 50 % + 1 stake in NLB and from [...] until the sale of a 75 % - 1 stake in NLB
Slovenia sells a 50 % + 1 stake in NLB by 31/12/18 but fails to sell the remaining shares exceeding the Blocking Minority by 31/12/19	Until 31/12/19	Until the sale of a 75 % - 1 stake in NLB, except the Monitoring Trustee commitment (until 31/12/19)	Issue Tier 2 instrument by [...] Close [10-20] outlets by [...]	Sale before [...]	Until the sale of at least a 50 % + 1 stake in NLB and from [...] until the sale of a 75 % - 1 stake in NLB

6. ASSESSMENT OF THE MEASURES

6.1. Existence of State aid

- (55) According to Article 107(1) TFEU, State aid is 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, in so far as it affects trade between Member States.
- (56) The Commission already concluded in the 2013 Decision that the measures described in recital (18) amount to State aid. That assessment remains unchanged ⁽³⁰⁾.
- (57) The Commission will assess in the recitals 58 to 62 whether the cumulative conditions for a measure to be considered State aid are met for the compensation mechanism described in recital 43 ('compensation mechanism'). As the State aid criteria are cumulative in nature, a measure shall not be considered to constitute State aid when at least one of the State aid criteria is not met.
- (58) The Commission will assess whether the compensation mechanism that Slovenia intends to put in place would confer an advantage on NLB. For that purpose, the Commission will apply the 'market economy operator' (MEO) test, which can be applied to different economic transactions. The Commission observes that the compensation mechanism is provided in the context of a sale of assets and therefore the Commission has to apply the 'private vendor test'. This involves a assessment by the Commission of whether also a hypothetical private vendor would have offered the same compensation mechanism, as part of the same sale process.
- (59) Firstly, the Commission observes that the compensation mechanism relates to court cases which have been pending for a long time and for which investors do not necessarily have extensive valuation experience ⁽³¹⁾. Recently Croatian courts ruled against NLB which brought the issue fully in the spotlight of investors ⁽³²⁾. The dispute dates back from before the break-up of Yugoslavia and it is not linked to NLB's recent operations and activities. The fact that the claims may give rise to the possibility that NLB is held jointly and severally liable with Ljubljanska banka d.d. further complicates the valuation of the claim, as it is more difficult to assess the impact of that claim on NLB only. The Commission understands that these valuation difficulties can lead to problems of

⁽³⁰⁾ Regarding Slovenia's comment (see recital 41) that the commitments only relate to the 2013 recapitalisation, the Commission notes that the first two recapitalisations were temporarily approved in rescue decisions and were only approved as restructuring aid in the 2013 Decision, in light of the Restructuring Plan and the commitments submitted. Therefore, the commitments submitted relate also to the first two recapitalisations.

⁽³¹⁾ As opposed to legal claims which are more common to the company's normal activities such as claims related to product liabilities or mis-selling-related claims.

⁽³²⁾ See footnote 21.

asymmetry of information. In view of these elements, it is understandable that – in the absence of such a mechanism – the investors will price in the issue in a maximalist manner. As investors would price in the most negative scenario possible, the mechanism would allow Slovenian authorities to keep the upside of more favourable court rulings.

- (60) Secondly, the Commission takes note of the information contained in the report submitted by Slovenia which notes, based on investors' feedback, that in the absence of such a compensation mechanism, certain investors will no longer subscribe to the IPO which would have a negative impact on the sale price ⁽³³⁾. The report points in this regard mainly to investors who are interested in a dividend-paying investment. In this context, the Commission also takes note that in [...] the ECB, in its supervisory capacity, already imposed dividend restrictions because of the ongoing litigation. As a result NLB has not been allowed to pay a dividend in [...] ⁽³⁴⁾. In conclusion, in a 'no mechanism' scenario, the report highlights that, for this reason, there will be a negative impact on the sale price of [...] ⁽³⁵⁾ and the absence of a compensation mechanism would even endanger the completion of the IPO ⁽³⁶⁾.
- (61) The Commission notes that the report, based on reasonable assumptions verified by the Commission, indicates that the negative and maximalist view of investors on the Croatian litigation ([...]) in combination with the reduced interest from dividend investors ([...]) outweighs, by a meaningful margin, the estimated costs for the Slovenian State under the mechanism (maximum [...], but lower in case of more favourable court rulings). Based on these elements, the Commission concludes that the mechanism will have a positive impact on the net proceeds from the sale of NLB.
- (62) Based on the assessment set out developed in recitals 58 to 61, the Commission accepts that a private vendor, in the very specific circumstances of the Croatian litigation, would also grant such a compensation mechanism in the context of a sale process and that therefore Slovenia does not confer NLB with an advantage. As the criteria set out in Article 107(1) TFEU are cumulative, and given that the condition of conferring an advantage is not fulfilled, the presence of additional State aid through the putting in place of a compensation mechanism is excluded.

6.2. Compatibility assessment

- (63) With respect to the comments by Slovenia and by the other parties in sections 3 and 4 of this Decision, the Commission notes that a number of those comments relate rather to the 2013 Decision. The Commission recalls that it will only assess the issues that were raised in the 2018 opening Decision and will not carry out any re-assessment of the 2013 Decision, neither as regards the assessment of the existence of aid assessment carried out at the time, nor the compatibility of that aid based on the commitments provided by the Slovenia in 2013. More specifically, the Commission will not re-assess its conclusion that NLB's long-term viability was crucially based on the commitment to sell its shareholding up to the Blocking Minority. The requirement for the change to NLB's ownership indeed ensured that NLB, at all its levels, would be managed in order to maximise value and would not pursue other short-term or long-term political objectives.
- (64) The Commission considers that the following comments of the other interested parties relate to the concerns and to the preliminary findings included in the 2018 opening Decision:
- (a) the reference by the first party to other State aid cases for which the Commission had granted an extension of sale commitments ⁽³⁷⁾ and the argument that an extension of the deadline until 2019 is of overall beneficial to Slovenia and the Slovenian taxpayers.
 - (b) the argument made by the first party that additional commitments would only worsen NLB's long-term viability prospects.

⁽³³⁾ The Commission in recital 28 and 29 of the 2017 amendment Decision already concluded that the transaction was sizeable as compared to investor demand. The Commission observed concretely that the IPO of NLB would be significantly larger as compared to recently observed deal sizes in the CEE market. Moreover, Slovenia is not well represented in market indices, which implies that there is limited natural demand from investors that track an index or use an index as a benchmark. In the 2017 amendment Decision, the Commission concluded on this basis that a more gradual process to sell the shares was warranted. A lower demand by the exclusion of more investors will indeed further reduce the potential IPO price.

⁽³⁴⁾ See also the following press release from NLB's 31st Shareholders' Meeting: <https://www.nlb.si/investor-news-27-06-2018>

⁽³⁵⁾ The financial advisor assumes that investors will increase their required return on equity for the investment by [...], which would have a negative impact on the price of NLB shares of [...].

⁽³⁶⁾ The Commission recalls, as explained in recital 44, that the impact of the Croatian issue on the valuation in absolute terms is sizeable.

⁽³⁷⁾ See recital 27(a) of this Decision.

- (65) As regards the comparison with other cases, the Commission recalls that in all cases it assesses compatibility on the basis of the Commission's Communications ⁽³⁸⁾ applicable at the time of the granting of the aid. The Commission also recalls that in this case, the sale of the stake in NLB was required in order to ensure NLB's viability and was part of an overall restructuring aid assessment, while in other cases the sale of assets took place in the context of a liquidation aid assessment.
- (66) The Commission notes that no specific reasons or examples of commitments are provided with regard to those claimed to have a negative impact on the viability of NLB. As noted in recital 55 of the 2018 opening Decision, the Commission will assess whether the new set of commitments preserve the original balance of the 2013 Decision and the 2017 amendment Decision and whether the amended commitments do not negatively affect the viability of NLB, whilst at the same time also remain equivalent in terms of burden-sharing and compensatory measures.
- (67) As Slovenia has notified amended commitments on 13 July 2018, the Commission will assess whether those new commitments could be considered as equivalent to those originally provided in the context of the 2013 Decision and the 2017 amendment Decision. The Commission will not re-assess the commitments that were provided on 21 December 2017 which have been assessed in the context of the 2018 opening Decision.
- (68) A restructuring decision can in principle ⁽³⁹⁾ be amended where the amendment does not entail any additional aid and the amendment is based on new commitments which can be considered as equivalent to those originally provided. In that situation, the existing aid measures would remain compatible on the basis of Article 107(3)(b) TFEU if the overall balance of the original decision remains intact. In order to preserve the original balance, the amended commitments should not negatively affect the viability of the aid beneficiary, with the overall set of commitments remaining equivalent in terms of burden-sharing and compensatory measures, taking into account the requirements of the Restructuring Communication.
- (69) The 2018 opening Decision ⁽⁴⁰⁾ recalls that the viability section of the 2013 Decision was crucially based on a change in NLB's ownership structure to ensure the long-term viability of NLB. In 2013, the Slovenian authorities had indeed committed to eliminate the State's influence on NLB's day-to-day operations. Slovenia is now proposing to sell at least a 50 % + 1 stake in NLB by 31 December 2018 and the remaining shares up to the Blocking Minority by 31 December 2019.
- (70) The Commission can reaffirm NLB's long-term viability if this revised timeline for the sale is very strictly complied with. In this context, the Commission takes a positive note of the fact that amended commitments are to a certain extent linked to the divestment process, thereby setting the right incentives for a faster sale process. The Commission notes for instance that when the shareholding up to the Blocking Minority is sold before 31 December 2019, certain commitments will cease to apply from an earlier date ⁽⁴¹⁾. This should ensure that Slovenia will sell its shareholding up to the Blocking Minority as soon as possible. The Commission concludes that the revised timeline in conjunction with the new set of Slovenian commitments should ensure that both the sale of NLB and the end of the restructuring period are not unduly delayed ⁽⁴²⁾.
- (71) In the 2018 opening Decision ⁽⁴³⁾, the Commission also made other observations pointing at sub-optimal progress on the restoration of viability, such as the lack of new issue of subordinated debt capital, the high level

⁽³⁸⁾ Communication on the application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis ('2008 Banking Communication') (OJ C 270, 25.10.2008, p. 8); Communication on the recapitalisation of financial institutions in the current financial crisis: limitation of aid to the minimum necessary and safeguards against undue distortions of competition ('Recapitalisation Communication') (OJ C 10, 15.1.2009, p. 2); Communication from the Commission on the treatment of impaired assets in the Community financial sector ('Impaired Assets Communication') (OJ C 72, 26.3.2009, p. 1); Communication on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules ('Restructuring Communication') (OJ C 195, 19.8.2009, p. 9); Communication from the Commission on the application, from 1 January 2011, of State aid rules to support measures in favour of financial institutions in the context of the financial crisis ('2010 Prolongation Communication') (OJ C 329, 7.12.2010, p. 7) and Communication from the Commission on the application, from 1 January 2012, of State aid rules to support measures in favour of financial institutions in the context of the financial crisis ('2011 Prolongation Communication') (OJ C 356, 6.12.2011, p. 7).

⁽³⁹⁾ The Commission has also exceptionally accepted an amendment of existing commitments in some other cases such as in Commission Decision (EU) 2018/119 of 18 September 2017 on State aid SA.47702 (2017/C) (ex 2017/N) — United Kingdom — Alternative package to replace the commitment for the Royal Bank of Scotland to divest the Rainbow business (OJ L 28, 31.1.2018, p. 49).

⁽⁴⁰⁾ See recital 57 of the 2018 opening Decision.

⁽⁴¹⁾ Notably the commitment to sell [...], the [...] and [...].

⁽⁴²⁾ As explicitly provided for in point 15 of the Restructuring Communication.

⁽⁴³⁾ See recital 58 of the 2018 opening Decision.

of non-performing loans and the corporate governance issues related to nominations to the Supervisory Board ⁽⁴⁴⁾. The Commission notes that Slovenia, in its notification of 13 July 2018, commits that NLB will issue a Tier 2 instrument by [...] and to only have independent experts as members of the Supervisory Board. The Commission considers that those commitments will positively contribute to the viability of NLB. The Commission also takes note of the fact that the non-performing loans share in total loans ⁽⁴⁵⁾ has further decreased in the first quarter of 2018 to 8,8 % (as compared to the 9,2 % ratio at the end of December 2017).

- (72) In the 2018 opening Decision ⁽⁴⁶⁾, the Commission had also raised doubts with regard to the effectiveness of the initial proposal of Slovenia to appoint a blind trustee as a compensatory measure. Since Slovenia has no longer included this commitment in its most recent notification, there is no need for the Commission to reach any conclusion in this Decision on the effectiveness of such a blind trustee.
- (73) In the 2018 opening Decision ⁽⁴⁷⁾, the Commission preliminarily concluded that the delay of the sale of NLB *de facto* prolonged the restructuring period. As a number of commitments were logically linked to the restructuring period (see recital (25) of the 2018 opening Decision), the Commission indicated that an extension of the deadline for the sale process should go hand in hand with an extension of other restructuring commitments as well. The Commission notes that Slovenia now proposes to extend almost all of the relevant existing commitments until the sale process is completed. The most relevant existing commitment of the 2013 Decision which is not fully extended until the shareholding is reduced to the Blocking Minority is the [...] commitment. However, the Commission notes that, in addition to the extension of existing commitments, additional compensatory commitments are provided.
- (74) In the 2018 opening Decision ⁽⁴⁸⁾, the Commission also expressed doubts whether Slovenia could not further improve NLB's viability by, *inter alia*, converting the blind trustee to a fully empowered divestiture trustee. The Commission also raised doubts ⁽⁴⁹⁾ whether the removal of the alternative commitment to divest the Balkan subsidiaries would not weaken the existing commitments. The Commission notes that Slovenia has now proposed to grant the Divestiture Trustee an exclusive mandate to sell Slovenia's stake in NLB up to the Blocking Minority if Slovenia does not comply with the sale commitment. The Commission considers that the addition of the divestiture trustee addresses the concerns expressed on the implementation of the sale of the 75 % - 1 stake in NLB, thereby strengthening the credibility of the sale commitment and improving NLB's viability prospects.
- (75) In recital (63) of the 2018 opening Decision, the Commission also expressed doubts whether Slovenia should not consider further structural measures for NLB such as divestments of certain subsidiaries and/or behavioural measures to compensate for the delay to the sale of the stake in NLB and to the restructuring process. As NLB will be active in the market for a longer period without having fully ensured its long-term viability, this could be a source of distortions of competition. The Commission now observes that Slovenia has proposed three additional commitments ⁽⁵⁰⁾ involving the issue of a Tier 2 instrument by [...], the closure of [10-20] additional outlets and the divestment of NLB's participation in NLB Vita (the latter only if Slovenia has not reduced its shareholding in NLB up to the Blocking Minority by the end of 2018). Indeed, the longer the period without having fully ensured its long-term viability, the more compensatory measures are required to ensure that the overall set of commitments remain equivalent in terms of compensatory measures. The Commission considers that the number of outlets Slovenia is proposing to close are significant (relative to the number of outlets NLB has in Slovenia ⁽⁵¹⁾) and will make NLB's commercial presence in Slovenia less prominent ⁽⁵²⁾. The Commission also takes a positive view on the impact of the divestment of NLB Vita both in terms of competition ⁽⁵³⁾ and burden sharing without unduly harming the viability of NLB ⁽⁵⁴⁾. Overall, the Commission concludes that the compensatory measures are sufficient to compensate for the delay in the sale of the 75 % - 1 stake in NLB and the extended restructuring process.

⁽⁴⁴⁾ See recital 36 of the 2018 opening Decision.

⁽⁴⁵⁾ See Table 1.

⁽⁴⁶⁾ See recitals 59 to 62 of the 2018 opening Decision.

⁽⁴⁷⁾ See recital 63 of the 2018 opening Decision.

⁽⁴⁸⁾ See recital 63 of the 2018 opening Decision.

⁽⁴⁹⁾ See recital 65 of the 2018 opening Decision.

⁽⁵⁰⁾ See recitals 53 and 54 of this Decision.

⁽⁵¹⁾ See recital 15 of this Decision.

⁽⁵²⁾ See also point 35 of the Restructuring Communication.

⁽⁵³⁾ See also recitals 15 and 16 of this Decision: the size of NLB Vita is smaller than the foreign subsidiaries NLB had to divest as per the original divestment commitment (also considering that NLB Vita is a 50 % Joint Venture). NLB Vita has a relative small contribution to the overall net income to NLB and the viability of NLB will not be negatively affected.

⁽⁵⁴⁾ See also point 35 of the Restructuring Communication.

- (76) In recital 63 of the 2018 opening Decision, the Commission also raised doubts whether the establishment of a new leasing company, following quickly after the liquidation of the previous leasing company as a result of State aid commitments underlying the 2013 Decision, would not infringe the spirit of the commitment to divest NLB's non-core subsidiaries. The Commission notes that NLB meanwhile has withdrawn all start-up procedures, which removes that doubt.
- (77) The 2018 opening Decision ⁽⁵⁵⁾ also invited Slovenia to clarify that the most recent commitments did not change any other commitments underlying the 2017 amendment Decision (in particular with regard to the acquisition ban). The Commission notes that Slovenia has now clarified in its recent notification ⁽⁵⁶⁾ that the acquisition ban continues to be applicable until 31 December 2019.

7. CONCLUSION

- (78) On the basis of the foregoing assessment of the new set of commitments notified on 13 July 2018, the Commission's doubts on the equivalence of the commitments expressed in the 2018 opening Decision have been dispelled and the conclusions reached in the 2013 Decision and the 2017 amendment Decision are not affected. Therefore, on the basis of Article 9(3) of Council Regulation (EU) 2015/1589 ⁽⁵⁷⁾, the Commission concludes that the State aid provided to NLB is compatible with the internal market on the basis of Article 107(3)(b) TFEU.
- (79) Furthermore, on the basis of Article 4(2) of Regulation (EU) 2015/1589, the Commission concludes that the mechanism providing compensation to NLB for legal consequences related to the ongoing litigation in Croatia does not entail State aid within the meaning of Article 107(1) TFEU.
- (80) The Commission notes that Slovenia has exceptionally accepted to receive the text of this Decision only in English.

HAS ADOPTED THIS DECISION:

Article 1

The replacement of the commitments submitted by Slovenia under Decisions SA.33229 (2012/C) (ex 2011/N) and SA.33229 (2017/N-2) with the commitments notified by Slovenia as set out in the Annex to this Decision is compatible with the internal market within the meaning of Article 107(3)(b) TFEU.

Article 2

The compensation mechanism, in order to compensate NLB from the legal consequences related to the ongoing litigation in Croatia does not entail State aid within the meaning of Article 107(1) TFEU.

Article 3

This Decision is addressed to the Republic of Slovenia.

Done at Brussels, 10 August 2018.

For the Commission
Margrethe VESTAGER
Member of the Commission

⁽⁵⁵⁾ See recital 66 of the 2018 opening Decision.

⁽⁵⁶⁾ See recital 50 of this Decision.

⁽⁵⁷⁾ Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (OJ L 248, 24.9.2015, p. 9).

ANNEX

NEW COMMITMENT REPLACING COMMITMENT 14 OF THE 2017 AMENDMENT DECISION

- (14) **[Reduction of State's shareholding]** Slovenia will reduce its shareholding in NLB d.d. to 25 % plus one share ('Blocking Minority') as follows:

by at least 50 % plus one share by 31 December 2018. In the case of favourable market conditions, Slovenia does not exclude a scenario of selling a larger share than 50 % plus one share up to the whole 75 % minus one share.

If Slovenia does not enter into (a) binding sale and purchase agreement(s) for the sale of its shareholding in NLB d.d. in accordance with this point 14(a) by 31 December 2018, Slovenia shall grant to the Divestiture Trustee (appointed in accordance with paragraph 19 of the 2013 commitments) an exclusive mandate to reduce the Slovenia's shareholding in NLB d.d. to the Blocking Minority for the [...]. Should the Divestiture Trustee be awarded the mandate to reduce the Slovenia's shareholding in NLB d.d. to the Blocking Minority in accordance with this point 14(a), all commitments defined in 14.1 and 14.2, except the commitment 14.1.4 and 14.2.6, will cease to apply from 31 December 2018 onward. The same applies if Slovenia reduces its shareholding in NLB d.d. to the Blocking Minority by 31 December 2018.

the remaining share exceeding the Blocking Minority by 31 December 2019.

If Slovenia does not enter into (a) binding sale and purchase agreement(s) for the sale of its shareholding in NLB d.d. in accordance with this point 14(b) by 31 December 2019, Slovenia shall grant to the Divestiture Trustee (appointed in accordance with paragraph 19 of the 2013 commitments) an exclusive mandate to reduce the Slovenia's shareholding in NLB d.d. to the Blocking Minority for the [...].

Slovenia will reduce its shareholding in NLB d.d. in accordance with the above points in a transparent, open and competitive process based on the provisions of the Ordinance on state-owned assets management strategy to (an) investor(s) that (is) are independent from and unconnected to the Republic of Slovenia.

When performing its duties under 14(a) or 14(b) the Divestiture Trustee shall act in accordance with the preceding paragraph and with due skill, care and diligence.

In case that Slovenia does not reduce its shareholding in NLB d.d. to the Blocking Minority until the end of 2018, NLB d.d. will divest its insurance subsidiary NLB Vita by [...].

Should Slovenia have sold at least 50 % plus one share of its shareholding in NLB d.d. by 31 December 2018, at the latest, the commitments 14.1 will apply and be complied with until 31 December 2019. The commitments 14.2, except the commitment 14.2.1 and 14.2.6, will apply and be complied with until Slovenia reduces its shareholding in NLB d.d. to the Blocking Minority. The commitment 14.2.1 will apply and be complied with until the major part (at least 50 % + 1 share) of the state's shareholding is divested and from [...] until Slovenia reduces its shareholding in NLB d.d. to the Blocking Minority.

- (14.1) Slovenia commits the following:

- (14.1.1) allocate all of the seats and voting rights on the supervisory board and its committees to independent experts, i.e. persons who:

are neither currently employed nor have been employed 24 months prior to their appointment by the Slovenian Sovereign Holding, state authority, public agency, public fund, public-law institution or public-law economic institution, whose founder is the Republic of Slovenia,

are neither currently employed nor have been employed 24 months prior to their appointment by any other public entity, which is indirect user of the budget or by any entity, in which the Republic of Slovenia, the Slovenian Sovereign Holding or Kapitalska družba pokojninskega in invalidskega zavarovanja d.d. has a dominant influence over its operations as defined in the Companies Act (Official Gazette of the Republic of Slovenia No 65/09 — official consolidated text and subsequent amendments),

do not currently hold nor have held 24 months prior to their appointment a leadership or managing function within a Slovenian political party.

- (14.1.2) ensure that each state-owned bank shall remain a separate economic unit with independent powers of decision according to paragraph 9.10 of the 2013 commitments,
- (14.1.3) ensure that Slovenian State-owned companies will by no means be treated more favorably than non-state-owned companies (non-discrimination) according to paragraph 11 of the 2013 commitments,
- (14.1.4) ensure that NLB will not acquire any stake in any undertaking according to paragraph 12.4 of the 2013 commitments.
- (14.2) Slovenia also commits to the following 2013 commitments (in their original form, with the following amendments in terms of content):
 - (14.2.1) **[Risk management and credit policies]** NLB will overhaul its risk management process and in particular NLB d.d. and its core banking affiliates will:
 - (14.2.1.1) price every new loan (considering as new loan any new business not related to an existing transactions) by using an appropriate internal pricing tool (such as the currently used 'Kreditni Kalkulator' and its future version) or (in the case of mass market retail and SME exposures) using appropriate internal pricing guidelines. Pricing for new loans will be considered adequate if the new loan contributes to achieve a positive Return on Equity before tax ('RoE') of [...] on either the individual loan or on each client relationship. The calculation of the ROE of a client relationship can include interest income, fees as well as other combined products of the same client.

For the purpose of this calculation, the volume weighted average of all loans with a single client (since the date of this decision), other fee business or banking transactions contributing to the profitability of the relationship with the same client can be taken into account, so that a new loan might generate a lower return if it is compensated by revenues of other fee business or banking transactions. New loans will have a credit documentation demonstrating a pre-deal calculated RoE for the either the individual loan or other live exposure on single client including fee business or banking transactions. In the case of mass market retail and SME transactions, this pre-deal calculated RoE may be replaced by a verification that the transaction is in line with internal pricing guidelines and a centralized demonstration that pricing guidelines assure a return on equity of [...].

Any deviation from the pricing resulting in a lower price level will be documented. This documentation will include robust commercial reasoning for the deviation and will be presented to the Monitoring Trustee. The total amount of deviations will not exceed the amounts defined in paragraph 14.2.1.6.

Credit deals not falling under this pricing policy regime: Transactions with related parties (i.e. Group members and employees), restructuring cases (of D, E and C clients with a delay in payments of more than 90 days) and all money market transactions.

- (14.2.1.2) adapt the credit rating process such that a financial statement analysis and a credit scoring indicating at the very least leverage and performance parameters such as return on capital, EBIT Interest Coverage, Debt/EBITDA, Debt/(Debt+Equity) etc. will be taken into account before engaging on a new credit exposure with any business client. Every customer to which NLB d.d. has an exposure exceeding EUR 1 million should be re-rated annually;
- (14.2.1.3) document all restructuring decisions i.e. all new credit deals with non-performing corporate clients with an exposure over EUR 10 000 and include in the documentation a comparison with alternative solutions such as execution of collateral and termination of the engagement, demonstrating that the solution which maximizes the net present value for the bank is chosen. Unless a RoE of [...] can be obtained, restructuring decisions will be such that the bank is able to terminate the engagement at least every 12 months. Where NLB d.d. does not have the exclusive right to accept, propose or approve restructuring agreements or to take restructuring decisions it shall exercise its rights according to the above principles. A list of all recent restructuring decisions will be regularly provided to the Monitoring Trustee (at least every 6 months). The documentation of any restructuring decision will be presented to the Monitoring Trustee upon request;
- (14.2.1.4) ensure that all credit officers approving credits to SME and corporate clients have attended an internal training familiarizing them with the credit rating process and established pricing methodologies;
- (14.2.1.5) ensure to have a fully internal ratings based system of client rating process, approved by the Bank of Slovenia;

- (14.2.1.6) should the Monitoring Trustee reveal a failure on behalf of NLB to comply with any of the Commitments under this paragraph NLB d.d. shall provide the Monitoring Trustee with a remedial plan indicating which actions it has taken and intends to take in order to avoid a breach in the following quarter. The plan will be submitted in time for the Monitoring Trustee to report on it in its next semi-annual report to the Commission. Should the remedial plan not deliver the expected results and objectives, NLB d.d. will limit for a term of 12 months – starting the quarter following the reporting of such breach of Commitments – the new lending volume per reporting period to 66 % of the new lending volume of the reporting period in which the Commitment was breached. This does not apply to an individual breach of a Commitment under paragraphs 14.2.1.1, 14.2.1.2 and 14.2.1.3 provided that a further investigation by the Monitoring Trustee reveals that such breach can be considered an isolated error or omission and that there is no evidence hinting that a total volume per client of more than [...] of deals is affected by such breach.
- (14.2.2) the **[Reduction of Costs]** commitment from paragraph 2 of the 2013 commitments, with the amendment that operating costs at Group level (excluded one-off extraordinary costs having non-recurrent nature, i.e. restructuring expenses) may amount to a maximum of EUR [...] on an annual basis,
- (14.2.3) the **[Divestment of non-core subsidiaries]** commitment from paragraph (4) of the 2013 commitments, with the amendment that NLB d.d. will not re-enter business and activities which it had to divest,
- (14.2.4) the **[Bans of advertising and aggressive commercial strategies]** commitment from paragraph 12.1 of the 2013 commitments,
- (14.2.5) the **[Capital repayment Mechanism and dividend ban]** commitment from paragraph 12.2 of the 2013 commitments, with the amendment that based on the audited year end accounts NLB d.d. will pay to its shareholders for each fiscal year in form of dividend disbursement at least the amount of the net income) for such fiscal year (and may, for the avoidance of doubt, each time pay out to its shareholders in form of dividend disbursement all distributable profit including but not limited to retained profit for the previous fiscal years), subject to the limitations of applicable European and Slovenian regulations and provided that the applicable minimum capital requirement on the consolidated level (increased by any applicable combined buffer requirement and capital guidance) remains exceeded by a capital buffer of at least 100 basis points,
- (14.2.6) the **[Monitoring Trustee]** commitment from paragraph 18 of the 2013 commitments,
- (14.2.7) the **[Divestiture Trustee]** commitment from paragraph 19 of the 2013 commitments.
- (14.3) Slovenia also commits the following additional compensatory measures with the aim to provide compensatory measures equivalent to the original sale commitment:
- (14.3.1) NLB d.d. will further strengthen its liabilities' structure by issuing a Tier 2 instrument by [...], except in the case of severe market disruptions, to investors who are totally independent from Slovenia.
- Exemption requiring Commission's prior approval: Notwithstanding this commitment, NLB is not obliged, if obtaining the Commission's approval, to issue Tier 2 instrument in the case of severe market disruptions.
- (14.3.2) NLB d.d. will close [10-20] outlets in Slovenia by [...].
- Notwithstanding the provisions on the validity of certain commitments as defined herein, the commitments under 14.3 will apply and be complied with as set out in 14.3.1 and 14.3.2 as applicable, both in case of scenario 14(a) and in case of scenario 14(b).
- (14.4) All the commitments defined in:
- Commission decision SA.33229 (2012/C) of 18 December 2013, except the commitment from paragraph 18 and paragraph 19, and
- Commission decision SA.33229 (2017/N-2) of 11 May 2017 — Amendment of the restructuring decision of NLB,
- ceased to apply on 31 December 2017.

COMMISSION IMPLEMENTING DECISION (EU) 2018/1841**of 16 November 2018****excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD)***(notified under document C(2018) 7424)***(Only the Croatian, Czech, Dutch, English, French, German, Greek, Hungarian, Italian, Polish, Portuguese, Romanian, Slovak, Spanish and Swedish texts are authentic)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽¹⁾, and in particular Article 52 thereof,

After consulting the Committee on the Agricultural Funds,

Whereas:

- (1) In accordance with Article 31 of Council Regulation (EC) No 1290/2005 ⁽²⁾ and as from 1 January 2015 in accordance with Article 52 of Regulation (EU) No 1306/2013 the Commission is to carry out the necessary verifications, communicate to the Member States the results of those verifications, take note of the comments of the Member States, initiate a bilateral discussion so that an agreement may be reached with the Member States in question, and formally communicate its conclusions to them.
- (2) The Member States have had an opportunity to request the launch of a conciliation procedure. That opportunity has been used in some cases and the reports issued on the outcome have been examined by the Commission.
- (3) In accordance with Regulation (EU) No 1306/2013, only agricultural expenditure which has been incurred in a way that has not infringed Union law may be financed.
- (4) In the light of the verifications carried out, the outcome of the bilateral discussions and the conciliation procedures, part of the expenditure declared by the Member States does not fulfil this requirement and cannot, therefore, be financed under the EAGF and the EAFRD.
- (5) The amounts that are not recognised as being chargeable to the EAGF and the EAFRD should be indicated. Those amounts do not relate to expenditure incurred more than 24 months before the Commission's written notification of the results of the verifications to the Member States.
- (6) The amounts excluded from Union financing by the present Decision should also take into account any reductions or suspensions in accordance with Article 41 of Regulation (EU) No 1306/2013 due to the fact that such reductions or suspensions are of a provisional nature and without prejudice to decisions taken pursuant to Articles 51 or 52 of that Regulation.
- (7) As regards the cases covered by this decision, the assessment of the amounts to be excluded on grounds of non-compliance with Union law was notified by the Commission to the Member States in a summary report on the subject ⁽³⁾.
- (8) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice of the European Union in cases pending on 21 September 2018,

⁽¹⁾ OJ L 347, 20.12.2013, p. 549.

⁽²⁾ Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy (OJ L 209, 11.8.2005, p. 1).

⁽³⁾ Ares(2018)5554158

HAS ADOPTED THIS DECISION:

Article 1

The amounts set out in the Annex and related to expenditure incurred by the Member States' accredited paying agencies and declared under the EAGF or the EAFRD shall be excluded from Union financing.

Article 2

This Decision is addressed to the Kingdom of Belgium, the Czech Republic, the Federal Republic of Germany, Ireland, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Republic of Croatia, the Italian Republic, Hungary, the Republic of Austria, the Republic of Poland, the Portuguese Republic, Romania, the Slovak Republic, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 16 November 2018.

For the Commission

Phil HOGAN

Member of the Commission

Decision: 58**Budget Item: 05040501**

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HU	Cross-compliance	2010	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	12 689,17	0,00	12 689,17
	Cross-compliance	2011	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	40 798,58	0,00	40 798,58
					Total HU:	EUR	53 487,75	0,00	53 487,75

Currency	Amount	Deductions	Financial Impact
EUR	53 487,75	0,00	53 487,75

Budget Item: 05070107

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
CZ	Wine - Restructuring	2010	Reimbursement following judgment in case C-4/17P	ONE OFF		EUR	690 350,42	0,00	690 350,42
	Wine - Restructuring	2011	Reimbursement following judgment in case C-4/17P	ONE OFF		EUR	865 307,63	0,00	865 307,63
	Wine - Restructuring	2012	Reimbursement following judgment in case C-4/17P	ONE OFF		EUR	567 540,99	0,00	567 540,99
					Total CZ:	EUR	2 123 199,04	0,00	2 123 199,04

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HU	Cross-compliance	2010	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	331 308,92	0,00	331 308,92
	Cross-compliance	2011	Reimbursement following judgment in case T-505/15	FLAT RATE	2,00 %	EUR	169 536,16	0,00	169 536,16
					Total HU:	EUR	500 845,08	0,00	500 845,08

Currency	Amount	Deductions	Financial Impact
EUR	2 624 044,12	0,00	2 624 044,12

Budget Item: 6701

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
AT	Certification	2016	CEB/2017/002/AT export refunds debt management	ONE OFF		EUR	– 560 013,80	0,00	– 560 013,80
	Entitlements	2016	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - BPS	ONE OFF		EUR	– 11 131,04	0,00	– 11 131,04
	Entitlements	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - BPS	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 342 311,27	0,00	– 342 311,27
	Decoupled Direct Aids	2016	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - Greening	ONE OFF		EUR	– 9 144,07	0,00	– 9 144,07
	Decoupled Direct Aids	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - Greening & YF	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 161 606,01	0,00	– 161 606,01

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Voluntary Coupled Support	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - VCS	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 6 670,62	0,00	– 6 670,62
	Entitlements	2016	Value of PE allocated in 2015 too high - Art (26) of R.1307/2013 - Impact on BPS	ONE OFF		EUR	– 153 513,73	0,00	– 153 513,73
	Entitlements	2017	Value of PE allocated in 2015 too high - Art (26) of R.1307/2013 - Impact on BPS	ONE OFF		EUR	– 108 909,33	0,00	– 108 909,33
	Decoupled Direct Aids	2016	Value of PE allocated in 2015 too high - Art (26) of R.1307/2013 - Impact on Greening	ONE OFF		EUR	– 69 228,19	0,00	– 69 228,19
	Decoupled Direct Aids	2017	Value of PE allocated in 2015 too high - Art (26) of R.1307/2013 - Impact on Greening	ONE OFF		EUR	– 49 113,49	0,00	– 49 113,49
					Total AT:	EUR	– 1 471 641,55	0,00	– 1 471 641,55
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
BE	Certification	2016	Known error	ONE OFF		EUR	– 1 146 110,05	0,00	– 1 146 110,05
	Certification	2016	MLE EAGF IACS for FY 2016	ESTIMATED BY AMOUNT		EUR	– 503 815,42	0,00	– 503 815,42
	Certification	2016	MLE EAGF NON-IACS for FY 2016	ESTIMATED BY AMOUNT		EUR	– 24 246,22	0,00	– 24 246,22
					Total BE:	EUR	– 1 674 171,69	0,00	– 1 674 171,69

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
DE	Certification	2016	EAGF - audit case no 24	ONE OFF		EUR	– 130,09	0,00	– 130,09
	Certification	2016	EAGF - audit case no 31	ONE OFF		EUR	– 169,23	0,00	– 169,23
	Certification	2016	EAGF - audit case no 4	ONE OFF		EUR	– 413,58	0,00	– 413,58
					Total DE:	EUR	– 712,90	0,00	– 712,90
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
ES	Certification	2016	EAGF random errors	ONE OFF		EUR	– 15 926,15	0,00	– 15 926,15
	Certification	2016	Known error EAGF	ONE OFF		EUR	– 51,52	0,00	– 51,52
	Decoupled Direct Aids	2016	Late classical controls - claim year 2015	ONE OFF		EUR	– 28 661,51	0,00	– 28 661,51
	Certification	2016	Random errors EAGF	ONE OFF		EUR	– 155 560,07	0,00	– 155 560,07
	Decoupled Direct Aids	2016	Risk based sample - CwRS CY2015	FLAT RATE	5,00 %	EUR	– 194 370,47	0,00	– 194 370,47
	Decoupled Direct Aids	2017	Risk based sample - CwRS CY2016	FLAT RATE	5,00 %	EUR	– 131 651,65	0,00	– 131 651,65
					Total ES:	EUR	– 526 221,37	0,00	– 526 221,37
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
FR	Voluntary Coupled Support	2016	CY 2015 - Measure 7, 30 and 24	ONE OFF		EUR	– 6 287 259,89	0,00	– 6 287 259,89

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Voluntary Coupled Support	2017	CY 2016 - VCS M30	ONE OFF		EUR	– 31 114,24	0,00	– 31 114,24
	Voluntary Coupled Support	2017	CY 2016 - VCS M7	ONE OFF		EUR	– 28 400 982,41	0,00	– 28 400 982,41
	Cross-compliance	2014	DP (SMR 1, 2, 5 not checked)	FLAT RATE	2,00 %	EUR	– 15 559 062,85	– 403 995,73	– 15 155 067,12
	Cross-compliance	2013	Wine (SMR 1, 2, 5 not checked)	FLAT RATE	2,00 %	EUR	– 146 334,72	0,00	– 146 334,72
					Total FR:	EUR	– 50 424 754,11	– 403 995,73	– 50 020 758,38
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GB	Cross-compliance	2015	DP - CY 2014 - Deficient OTSC	FLAT RATE	2,00 %	EUR	– 3 864 246,24	– 77 151,09	– 3 787 095,15
	Cross-compliance	2016	DP - CY 2015 - Deficient OTSC	FLAT RATE	2,00 %	EUR	– 3 820 007,23	– 1 269 622,79	– 2 550 384,44
	Cross-compliance	2017	DP CY 2016	FLAT RATE	2,00 %	EUR	– 3 881 716,38	– 1 261 994,04	– 2 619 722,34
					Total GB:	EUR	– 11 565 969,85	– 2 608 767,92	– 8 957 201,93
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GR	Entitlements	2017	Active farmer requirement - connected companies - CY 2016	ONE OFF		EUR	– 19 734,00	0,00	– 19 734,00

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Entitlements	2016	CY 2015 - farmers receiving PE from NR on the basis of area leased in 2010 - BPS	FLAT RATE	10,00 %	EUR	- 45 625,62	0,00	- 45 625,62
	Decoupled Direct Aids	2016	CY 2015 - Farmers receiving PE from NR on the basis of area leased in 2010 - GREENING	FLAT RATE	10,00 %	EUR	- 21 809,05	0,00	- 21 809,05
	Decoupled Direct Aids	2016	CY 2015 - Farmers receiving PE from NR on the basis of area leased in 2010 - YF	FLAT RATE	10,00 %	EUR	- 1 147,73	0,00	- 1 147,73
	Entitlements	2016	CY 2015 - Farmers who did not declare sufficient eligible area for conversion - BPS	ONE OFF		EUR	- 23 681,89	0,00	- 23 681,89
	Decoupled Direct Aids	2016	CY 2015 - Farmers who did not declare sufficient eligible land for conversion - GREENING	ONE OFF		EUR	- 11 319,95	0,00	- 11 319,95
	Entitlements	2017	CY 2016 - Farmers receiving PE from NR on the basis of area leased in 2010 - BPS	FLAT RATE	10,00 %	EUR	- 47 341,78	0,00	- 47 341,78
	Decoupled Direct Aids	2017	CY 2016 - Farmers receiving PE from NR on the basis of area leased in 2010 - GREENING	FLAT RATE	10,00 %	EUR	- 23 339,50	0,00	- 23 339,50

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Entitlements	2017	CY 2016 - Farmers who did not declare sufficient eligible land for conversion - BPS	ONE OFF		EUR	– 19 336,09	0,00	– 19 336,09
	Decoupled Direct Aids	2017	CY 2016 - Farmers who did not declare sufficient eligible land for conversion - GREENING	ONE OFF		EUR	– 9 532,69	0,00	– 9 532,69
	Decoupled Direct Aids	2016	Weaknesses in LPIS Update	FLAT RATE	2,00 %	EUR	– 12 342 563,07	0,00	– 12 342 563,07
	Decoupled Direct Aids	2017	Weaknesses in LPIS Update	FLAT RATE	2,00 %	EUR	– 12 060 282,13	0,00	– 12 060 282,13
	Decoupled Direct Aids	2017	Weakness in Greening controls	ONE OFF		EUR	– 385,10	– 134,79	– 250,31
	Decoupled Direct Aids	2016	Weakness in the OTSC control of parcels BPS	ONE OFF		EUR	– 541 695,17	– 189 593,31	– 352 101,86
	Decoupled Direct Aids	2017	Weakness in the OTSC control of parcels BPS	ONE OFF		EUR	– 148 063,37	– 51 822,18	– 96 241,19
					Total GR:	EUR	– 25 315 857,14	– 241 550,28	– 25 074 306,86
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HR	Clearance of Accounts - Financial Clearance	2016	Errors identified by the CB in the context of financial clearance (EAGF)	ONE OFF		EUR	– 106,70	0,00	– 106,70
					Total HR:	EUR	– 106,70	0,00	– 106,70

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HU	Certification	2016	EAGF - Financial error	ONE OFF		EUR	– 354 521,31	0,00	– 354 521,31
	Certification	2014	EAGF - Known error (FY2014)	ONE OFF		EUR	– 411 055,08	0,00	– 411 055,08
	Certification	2015	EAGF - Known error (FY2015)	ONE OFF		EUR	– 229 160,00	0,00	– 229 160,00
					Total HU:	EUR	– 994 736,39	0,00	– 994 736,39
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
IT	Certification	2016	Known errors for EAGF identified by the CB	ONE OFF		EUR	– 58 736,48	0,00	– 58 736,48
					Total IT:	EUR	– 58 736,48	0,00	– 58 736,48
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
PL	Fruit and Vegetables - Exceptional support measures	2015	Deficiency 1 in the checks to establish eligibility of the aid (key control): aid paid directly to PO members	ONE OFF		EUR	– 862 313,80	0,00	– 862 313,80
	Fruit and Vegetables - Exceptional support measures	2016	Deficiency 1 in the checks to establish eligibility of the aid (key control): aid paid directly to PO members	ONE OFF		EUR	– 626 391,41	0,00	– 626 391,41

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables - Exceptional support measures	2015	Deficiency 2 in the checks to establish eligibility of the aid (key control): change of operation after notification. R. 932.2014 only.	ONE OFF		EUR	- 1 225 249,40	0,00	- 1 225 249,40
	Fruit and Vegetables - Pre-recognised Producer Groups	2015	Known error in the EAGF non-IACS population	ONE OFF		EUR	- 20 800 842,75	- 20 800 842,75	0,00
					Total PL:	EUR	- 23 514 797,36	- 20 800 842,75	- 2 713 954,61
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
PT	Cross-compliance	2014	DP - CY 2013 - Deficient checks of SMRs 2, 7, 8, 9, 11, 12, 16-18 - Missing GAEC 'Crop rotation' - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 378 534,63	- 1 984,14	- 376 550,49
	Cross-compliance	2015	DP - CY 2014 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Missing GAEC 'Crop rotation' - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 3 117 345,35	- 103 874,64	- 3 013 470,71
	Cross-compliance	2016	DP - CY 2015 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 3 042 569,54	- 78 338,31	- 2 964 231,23
	Cross-compliance	2017	DP - CY 2016 - Tolerances and leniency of the sanctioning system	ONE OFF		EUR	- 152 766,08	0,00	- 152 766,08

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross-compliance	2014	Wine - CY 2015 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 215 486,92	- 4 309,74	- 211 177,18
	Cross-compliance	2015	Wine - CY 2015 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 35 761,53	- 715,23	- 35 046,30
					Total PT:	EUR	- 6 942 464,05	- 189 222,06	- 6 753 241,99
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
SE	Fruit and Vegetables - Operational programmes incl withdrawals	2015	Absence and one off	FLAT RATE	5,00 %	EUR	- 219 136,75	- 36 866,25	- 182 270,50
	Fruit and Vegetables - Operational programmes incl withdrawals	2015	Absence and one off	ONE OFF		EUR	- 737 325,02	0,00	- 737 325,02
	Fruit and Vegetables - Operational programmes incl withdrawals	2016	Absence and one off	FLAT RATE	5,00 %	EUR	- 235 899,86	- 36 510,52	- 199 389,34
	Fruit and Vegetables - Operational programmes incl withdrawals	2016	Absence and one off	ONE OFF		EUR	- 730 210,41	0,00	- 730 210,41
	Fruit and Vegetables - Operational programmes incl withdrawals	2017	Absence and one off	FLAT RATE	5,00 %	EUR	- 138 560,74	- 4 203,58	- 134 357,16
	Fruit and Vegetables - Operational programmes incl withdrawals	2017	Absence and one off	ONE OFF		EUR	- 84 071,64	0,00	- 84 071,64
					Total SE:	EUR	- 2 145 204,42	- 77 580,35	- 2 067 624,07

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
SK	Cross-compliance	2015	DP - CY 2014 - Deficient scope of checks of GAEC 5	FLAT RATE	5,00 %	EUR	- 14 259,15	- 42,85	- 14 216,30
	Cross-compliance	2015	DP - CY 2014 - Leniency of the sanctioning system	ONE OFF		EUR	- 1 063 858,34	0,00	- 1 063 858,34
	Cross-compliance	2016	DP - CY 2015 - Deficient scope of checks of GAEC 5	FLAT RATE	5,00 %	EUR	- 5 536,83	- 38,61	- 5 498,22
	Cross-compliance	2016	DP - CY 2015 - Leniency of the sanctioning system	ONE OFF		EUR	- 1 176 670,25	0,00	- 1 176 670,25
	Cross-compliance	2017	DP - CY 2016 - Deficient scope of checks of GAEC 5	FLAT RATE	5,00 %	EUR	- 9 990,33	- 87,11	- 9 903,22
	Cross-compliance	2017	DP - CY 2016 - Leniency of the sanctioning system	ONE OFF		EUR	- 1 407 765,37	0,00	- 1 407 765,37
					Total SK:	EUR	- 3 678 080,27	- 168,57	- 3 677 911,70

Currency	Amount	Deductions	Financial Impact
EUR	- 128 313 454,28	- 24 322 127,66	- 103 991 326,62

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Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
AT	Rural Development EAFRD measures subject to IACS	2016	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - EAFRD	ONE OFF		EUR	- 7 474,30	0,00	- 7 474,30

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD measures subject to IACS	2017	Deficiency regarding active farmer status under Art. 9(2) of R.1307/2013 - EAFRD	ESTIMATED BY PERCENTAGE	0,47 %	EUR	– 201 955,26	0,00	– 201 955,26
					Total AT:	EUR	– 209 429,56	0,00	– 209 429,56
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
BE	Certification	2016	Known error EARDF for FY 2016	ONE OFF		EUR	– 630 956,00	0,00	– 630 956,00
	Certification	2016	MLE EARDF IACS FOR FY 2016	ESTIMATED BY AMOUNT		EUR	– 24 973,87	0,00	– 24 973,87
	Certification	2016	MLE EARDF NON-IACS FOR FY 2016	ESTIMATED BY AMOUNT		EUR	– 430,80	0,00	– 430,80
					Total BE:	EUR	– 656 360,67	0,00	– 656 360,67
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
DE	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2013	1a-Individual error in public procurement (File 2) - Calculated correction (10 %)	ONE OFF		EUR	– 981,31	0,00	– 981,31
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2014	1a-Individual error in public procurement (File 2) - Calculated correction (10 %)	ONE OFF		EUR	– 1 552,36	0,00	– 1 552,36
	Rural Development EAFRD Leader	2015	1b-Individual error in public procurement (File 2) - Calculated correction (10 %)	ONE OFF		EUR	– 1 672,70	0,00	– 1 672,70

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2010	2a-Individual error in public procurement (File 7) - Calculated correction (10 %)	ONE OFF		EUR	- 2 568,80	0,00	- 2 568,80
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2011	2a-Individual error in public procurement (File 7) - Calculated correction (10 %)	ONE OFF		EUR	- 2 115,88	0,00	- 2 115,88
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2012	2a-Individual error in public procurement (File 7) - Calculated correction (10 %)	ONE OFF		EUR	- 902,46	0,00	- 902,46
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2013	2a-Individual error in public procurement (File 7) - Calculated correction (10 %)	ONE OFF		EUR	- 902,46	0,00	- 902,46
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2014	2a-Individual error in public procurement (File 7) - Calculated correction (10 %)	ONE OFF		EUR	- 1 216,80	0,00	- 1 216,80
	Rural Development EAFRD Leader	2015	2a-Individual error in public procurement (File 7) - Calculated correction (10 %)	ONE OFF		EUR	- 1 401,01	0,00	- 1 401,01
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2014	3a-Deficiencies in administrative checks on public procurement	FLAT RATE	3,00 %	EUR	- 69 095,14	0,00	- 69 095,14
	Rural Development EAFRD Leader	2015	3b-Deficiencies in administrative checks on public procurement	FLAT RATE	3,00 %	EUR	- 559 669,26	- 1 557,83	- 558 111,43
	Rural Development EAFRD Leader	2016	3b-Deficiencies in administrative checks on public procurement	FLAT RATE	3,00 %	EUR	- 365 056,56	- 6 266,59	- 358 789,97
	Certification	2016	EAFRD IACS - audit case no 11	ONE OFF		EUR	- 607,28	0,00	- 607,28
	Certification	2016	EAFRD IACS - audit case no 129	ONE OFF		EUR	- 16 831,09	0,00	- 16 831,09

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Certification	2016	EAFRD IACS - audit case no 6	ONE OFF		EUR	– 477,71	0,00	– 477,71
	Certification	2016	EAFRD IACS - audit case no 71	ONE OFF		EUR	– 119,73	0,00	– 119,73
	Certification	2016	EAFRD non-IACS - audit case no 2	ONE OFF		EUR	– 35 831,00	0,00	– 35 831,00
	Certification	2016	EAFRD non-IACS - audit case no 27	ONE OFF		EUR	– 4 396,50	0,00	– 4 396,50
	Certification	2016	EAFRD non-IACS - audit case no 34	ONE OFF		EUR	– 1 432,51	0,00	– 1 432,51
	Certification	2016	EAFRD non-IACS - audit case no 43	ONE OFF		EUR	– 23 887,00	0,00	– 23 887,00
	Certification	2016	EAFRD non-IACS - audit case no 51	ONE OFF		EUR	– 848,29	0,00	– 848,29
					Total DE:	EUR	– 1 091 565,85	– 7 824,42	– 1 083 741,43
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
ES	Rural Development EAFRD investment - private beneficiaries	2016	Deficiencies in checks of the reasonableness of the costs for M123 (FY2016 transitional)	FLAT RATE	5,00 %	EUR	– 2 229,43	0,00	– 2 229,43
	Rural Development EAFRD investment - private beneficiaries	2015	Deficiencies in the evaluation of the reasonableness of the costs for M123 (FY 2015)	FLAT RATE	5,00 %	EUR	– 126 999,41	0,00	– 126 999,41

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD investment - private beneficiaries	2015	Deficiencies in the evaluation of the reasonableness of the costs for M123 (FY2016)	FLAT RATE	5,00 %	EUR	- 17 905,78	0,00	- 17 905,78
	Certification	2016	EAFRD known errors	ONE OFF		EUR	- 46 723,27	0,00	- 46 723,27
	Rural Development EAFRD investment - private beneficiaries	2016	Insufficient quality of expost checks (M121)	ONE OFF		EUR	- 33 740,92	0,00	- 33 740,92
	Certification	2016	Known errors for EAFRD - EUR 56 200,38	ONE OFF		EUR	- 56 200,38	0,00	- 56 200,38
	Certification	2016	MLE for EAFRD EUR 17 124,08	ESTIMATED BY AMOUNT		EUR	- 17 124,08	0,00	- 17 124,08
	Certification	2016	random errors EAFRD	ONE OFF		EUR	- 2 390,50	0,00	- 2 390,50
	Rural Development EAFRD investment - private beneficiaries	2015	Verification of the payment claim	ONE OFF		EUR	- 91 814,57	0,00	- 91 814,57
					Total ES:	EUR	- 395 128,34	0,00	- 395 128,34
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
FR	Certification	2016	CEB/2017/046/FR - extrapolated error in EAFRD	ESTIMATED BY AMOUNT		EUR	- 1 768,57	0,00	- 1 768,57
	Certification	2016	CEB/2017/046/FR - known errors in EAFRD	ONE OFF		EUR	- 27 977,00	0,00	- 27 977,00
	Cross-compliance	2013	RD (SMR 1, 2, 5 not checked)	FLAT RATE	2,00 %	EUR	- 532 897,40	- 489 608,41	- 43 288,99

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross-compliance	2014	RD (SMR 1, 2, 5 not checked)	FLAT RATE	2,00 %	EUR	– 668 690,92	0,00	– 668 690,92
					Total FR:	EUR	– 1 231 333,89	– 489 608,41	– 741 725,48
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GB	Rural Development EAFRD investment - private beneficiaries	2015	Lack of audit trail in relation to in-situ visits - FY2015 - Measure 216	FLAT RATE	3,00 %	EUR	– 10 380,46	0,00	– 10 380,46
	Rural Development EAFRD forestry measures	2015	Lack of audit trail in relation to in-situ visits - FY2015 - Measure 221.	FLAT RATE	10,00 %	EUR	– 13 254,64	0,00	– 13 254,64
	Rural Development EAFRD forestry measures	2015	Lack of audit trail in relation to in-situ visits - FY2015 - Measure 227.	FLAT RATE	10,00 %	EUR	– 148 643,71	0,00	– 148 643,71
	Rural Development EAFRD investment - private beneficiaries	2016	Lack of audit trail in relation to in-situ visits - FY2016 - Measure 216 paid under M04 of the new programming period.	FLAT RATE	3,00 %	EUR	– 7 565,26	0,00	– 7 565,26
	Rural Development EAFRD investment - private beneficiaries	2017	Lack of audit trail in relation to in-situ visits - FY2017 - Measure 216 paid under M04 of the new programming period.	FLAT RATE	3,00 %	EUR	– 726,75	0,00	– 726,75
	Rural Development EAFRD measures subject to IACS	2016	M10: Lack of systematic cross-checks against animal databases to assess the requirement on livestock density and lack of livestock assessment on the spot - CY2015	FLAT RATE	10,00 %	EUR	– 476 492,21	0,00	– 476 492,21

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD measures subject to IACS	2016	M14: Lack of systematic cross-checks against animal databases to assess the requirement on livestock density, lack of livestock assessment on the spot and penalty system not compliant - CY2015	FLAT RATE	10,00 %	EUR	– 20 700,00	0,00	– 20 700,00
	Rural Development EAFRD forestry measures	2016	M221/M08: Lack of administrative check regarding the income-foregone payments - CY2015	FLAT RATE	10,00 %	EUR	– 23 435,00	0,00	– 23 435,00
	Rural Development EAFRD forestry measures	2017	M221/M08: Lack of administrative check regarding the income-foregone payments CY2016	FLAT RATE	10,00 %	EUR	– 23 435,00	0,00	– 23 435,00
	Cross-compliance	2014	RD - CY 2014 - Deficient OTSC	FLAT RATE	2,00 %	EUR	– 501 789,15	0,00	– 501 789,15
	Cross-compliance	2015	RD - CY 2014 - Deficient OTSC	FLAT RATE	2,00 %	EUR	– 397 720,77	0,00	– 397 720,77
	Cross-compliance	2015	RD - CY 2015 - Deficient OTSC	FLAT RATE	2,00 %	EUR	– 253 812,96	– 257,81	– 253 555,15
	Cross-compliance	2016	RD - CY 2015 - Deficient OTSC	FLAT RATE	2,00 %	EUR	– 410 094,33	0,00	– 410 094,33
	Rural Development EAFRD investment - private beneficiaries	2015	Self-declaration for payments including VAT - FY2015 - Measure 216.	ONE OFF		EUR	– 88 233,89	0,00	– 88 233,89
					Total GB:	EUR	– 2 376 284,13	– 257,81	– 2 376 026,32

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GR	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2009	LPIS weakness	ONE OFF		EUR	– 2 397 552,06	0,00	– 2 397 552,06
	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2010	LPIS weakness	ONE OFF		EUR	– 805 546,96	0,00	– 805 546,96
					Total GR:	EUR	– 3 203 099,02	0,00	– 3 203 099,02
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HR	Rural Development EAFRD measures subject to IACS	2016	Appropriate checks to ensure that application fulfil all eligibility criteria as laid down in the EU legislation and in the RDP of the Member State or region (M10 - M11 - CY2015 and 2016 - FY2016)	ONE OFF		EUR	– 101 099,73	– 45 886,85	– 55 212,88
	Clearance of Accounts - Financial Clearance	2016	Known error detected by CB in the context of financial clearance (EAFRD IACS)	ONE OFF		EUR	– 53 125,78	0,00	– 53 125,78
					Total HR:	EUR	– 154 225,51	– 45 886,85	– 108 338,66
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
HU	Certification	2016	EAFRD - Financial error	ONE OFF		EUR	– 50,02	0,00	– 50,02

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Certification	2016	EAFRD - Known error	ONE OFF		EUR	- 419 402,55	0,00	- 419 402,55
	Rural Development EAFRD investment - private beneficiaries	2015	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 2 117,92	- 2 117,92	0,00
	Rural Development EAFRD investment - public beneficiaries	2015	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 15 280,22	- 15 280,22	0,00
	Rural Development EAFRD Measures with flat-rate support	2015	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 12 762,94	- 12 762,94	0,00
	Rural Development EAFRD investment - private beneficiaries	2016	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 846,96	- 838,29	- 8,67
	Rural Development EAFRD investment - public beneficiaries	2016	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 68 740,57	- 11 603,59	- 57 136,98
	Rural Development EAFRD Measures with flat-rate support	2016	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 15 242,66	- 3 610,66	- 11 632,00
	Rural Development EAFRD investment - private beneficiaries	2017	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 179,34	0,00	- 179,34
	Rural Development EAFRD investment - public beneficiaries	2017	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	- 249,97	0,00	- 249,97

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Measures with flat-rate support	2017	Incompliances with respect to the public procurement rules	ESTIMATED BY PERCENTAGE	0,10 %	EUR	– 22,75	0,00	– 22,75
					Total HU:	EUR	– 534 895,90	– 46 213,62	– 488 682,28
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
IE	Certification	2016	FINANCIAL ERRORS DETECTED BY THE CB	ONE OFF		EUR	– 289 762,08	0,00	– 289 762,08
					Total IE:	EUR	– 289 762,08	0,00	– 289 762,08
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
IT	Rural Development EAFRD measures subject to IACS	2016	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 10 - Operation 10.1.1.	FLAT RATE	2,00 %	EUR	– 16 181,19	0,00	– 16 181,19
	Rural Development EAFRD measures subject to IACS	2017	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 10 - Operation 10.1.1.	FLAT RATE	2,00 %	EUR	– 15 722,34	0,00	– 15 722,34
	Rural Development EAFRD measures subject to IACS	2016	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 10 - Operation 10.1.2.	FLAT RATE	2,00 %	EUR	– 11 965,46	0,00	– 11 965,46
	Rural Development EAFRD measures subject to IACS	2017	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 10 - Operation 10.1.2.	FLAT RATE	2,00 %	EUR	– 11 626,16	0,00	– 11 626,16

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD measures subject to IACS	2016	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 10 - Operation 10.1.3.	FLAT RATE	2,00 %	EUR	- 2 414,45	0,00	- 2 414,45
	Rural Development EAFRD measures subject to IACS	2017	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 10 - Operation 10.1.3.	FLAT RATE	2,00 %	EUR	- 2 345,98	0,00	- 2 345,98
	Rural Development EAFRD measures subject to IACS	2016	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 11 - Operation 11.1.1.	FLAT RATE	2,00 %	EUR	0,00	0,00	0,00
	Rural Development EAFRD measures subject to IACS	2017	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 11 - Operation 11.1.1.	FLAT RATE	2,00 %	EUR	- 806,75	0,00	- 806,75
	Rural Development EAFRD measures subject to IACS	2016	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 11 - Operation 11.2.1.	FLAT RATE	2,00 %	EUR	0,00	0,00	0,00
	Rural Development EAFRD measures subject to IACS	2017	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 11 - Operation 11.2.1.	FLAT RATE	2,00 %	EUR	- 1 666,15	0,00	- 1 666,15
	Rural Development EAFRD measures subject to IACS	2016	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 13 - Operation 13.1.1.	FLAT RATE	2,00 %	EUR	- 56 267,29	0,00	- 56 267,29
	Rural Development EAFRD measures subject to IACS	2017	Absence of evidence of the calculation of livestock density during on-the-spot checks - FY2016 - Measure 13 - Operation 13.1.1.	FLAT RATE	2,00 %	EUR	- 26 678,19	0,00	- 26 678,19
					Total IT:	EUR	- 145 673,96	0,00	- 145 673,96

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
PL	Certification	2015	Financial errors in the EAFRD non-IACS population	ONE OFF		EUR	– 10 244,55	0,00	– 10 244,55
					Total PL:	EUR	– 10 244,55	0,00	– 10 244,55
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
PT	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2014	1-Measure 413 (sub-measures 311, 312, 313): ineligible costs for jobs to be created/maintained	ONE OFF		EUR	– 467 842,77	0,00	– 467 842,77
	Rural Development EAFRD Leader	2015	1-Measure 413 (sub-measures 311, 312, 313): ineligible costs for jobs to be created/maintained	ONE OFF		EUR	– 1 212 190,33	0,00	– 1 212 190,33
	Rural Development EAFRD Leader	2016	1-Measure 413 (sub-measures 311, 312, 313): ineligible costs for jobs to be created/maintained	ONE OFF		EUR	– 94 360,25	0,00	– 94 360,25
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2014	2-Measure 413 (sub-measures 311, 312, 313, 323): deficiencies in checks on the reasonableness of costs	FLAT RATE	100,00 %	EUR	– 301 512,95	0,00	– 301 512,95
	Rural Development EAFRD Leader	2015	2-Measure 413 (sub-measures 311, 312, 313, 323): deficiencies in checks on the reasonableness of costs	FLAT RATE	100,00 %	EUR	– 248 459,07	0,00	– 248 459,07
	Rural Development EAFRD Leader	2016	2-Measure 413 (sub-measures 311, 312, 313, 323): deficiencies in checks on the reasonableness of costs	FLAT RATE	100,00 %	EUR	– 57 404,70	0,00	– 57 404,70
	Certification	2015	Clearance of accounts decision for financial year 2015 and Clearance of EAFRD accounts decision related to the last execution year (16.10.2014-31.12.2015) in respect of the 2007-2013 programming period.	ONE OFF		EUR	– 15 000,61	0,00	– 15 000,61

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross-compliance	2014	correction RD CY 2013	FLAT RATE	5,00 %	EUR	10 380,28	0,00	10 380,28
	Cross-compliance	2014	correction RD CY 2014	FLAT RATE	5,00 %	EUR	22 589,96	0,00	22 589,96
	Cross-compliance	2015	correction RD CY 2014	FLAT RATE	5,00 %	EUR	98 204,04	0,00	98 204,04
	Cross-compliance	2015	correction RD CY 2015	FLAT RATE	5,00 %	EUR	33 486,89	0,00	33 486,89
	Cross-compliance	2016	correction RD CY 2015	FLAT RATE	5,00 %	EUR	90 178,07	0,00	90 178,07
	Certification	2016	EAFRD - Clearance of accounts decision related to the last execution year (Q5 - 16.10.2014-31.12.2015) in respect of the 2007-2013 programming period.	ONE OFF		EUR	- 3 041 420,01	- 9 024,71	- 3 032 395,30
	Certification	2015	Expenditure declared in the last execution year for Rural Development measure 511 which was not declared in the financial year when the actual payment was made	ESTIMATED BY AMOUNT		EUR	- 939 516,00	0,00	- 939 516,00
	Certification	2016	Extrapolated error for the 5th quarter (Q5 - 16.10.2015-31.12.2015) of the last execution year for the EAFRD non-IACS population (EUR 63 248,59)	ESTIMATED BY AMOUNT		EUR	- 63 248,59	- 21 747,68	- 41 500,91

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross-compliance	2014	RD - CY 2013 - Deficient checks of SMRs 2, 7, 8, 9, 11, 12, 16-18 - Missing GAEC 'Crop rotation' - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 129 966,15	0,00	- 129 966,15
	Cross-compliance	2014	RD - CY 2014 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Missing GAEC 'Crop rotation' - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 204 951,05	0,00	- 204 951,05
	Cross-compliance	2015	RD - CY 2014 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Missing GAEC 'Crop rotation' - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 220 275,94	- 881,07	- 219 394,87
	Cross-compliance	2015	RD - CY 2015 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 24 809,88	- 164,16	- 24 645,72
	Cross-compliance	2016	RD - CY 2015 - Deficient checks of SMRs 2, 9, 11, 12, 16-18 - Tolerances and leniency of the sanctioning system	FLAT RATE	5,00 %	EUR	- 1 626 056,75	0,00	- 1 626 056,75
	Certification	2015	The MLE for Q1-Q4 EAFRD population	ESTIMATED BY AMOUNT		EUR	- 2 849 591,00	- 257 376,75	- 2 592 214,25
					Total PT:	EUR	- 11 241 766,81	- 289 194,37	- 10 952 572,44

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
RO	Rural Development EAFRD Investment - public beneficiaries	2014	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 3 923 959,54	0,00	- 3 923 959,54
	Rural Development EAFRD investment - private beneficiaries	2015	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 3 280 175,58	0,00	- 3 280 175,58
	Rural Development EAFRD investment - public beneficiaries	2015	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 2 755 091,05	0,00	- 2 755 091,05
	Rural Development EAFRD Measures with flat-rate support	2015	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 260 292,18	0,00	- 260 292,18
	Rural Development EAFRD investment - private beneficiaries	2016	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 683 995,90	0,00	- 683 995,90
	Rural Development EAFRD investment - public beneficiaries	2016	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 452 827,98	0,00	- 452 827,98
	Rural Development EAFRD Measures with flat-rate support	2016	Several non-compliances with the legal framework on Public Procurement	ESTIMATED BY PERCENTAGE	2,44 %	EUR	- 115 226,97	0,00	- 115 226,97
					Total RO:	EUR	- 11 471 569,20	0,00	- 11 471 569,20

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
SE	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2012	absence of double financing verifications	FLAT RATE	10,00 %	EUR	– 65 461,21	– 21 733,12	– 43 728,09
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2013	absence of double financing verifications	FLAT RATE	10,00 %	EUR	– 620 898,88	– 15 648,02	– 605 250,86
	Rural Development EAFRD Investment - public beneficiaries	2014	absence of double financing verifications	FLAT RATE	10,00 %	EUR	– 291 505,90	– 86 612,45	– 204 893,45
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2013	absence of verification of the costs claims	ONE OFF		EUR	– 6 970,99	0,00	– 6 970,99
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2012	absence of verification of the SME criteria and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 55 086,77	– 18 288,81	– 36 797,96
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2013	absence of verification of the SME criteria and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 363 222,29	0,00	– 363 222,29
	Rural Development EAFRD Investment - private beneficiaries	2014	absence of verification of the SME criteria and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 245 246,39	– 72 867,78	– 172 378,61

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD investment - private beneficiaries	2015	absence of verification of the SME criteria and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 64 295,86	0,00	– 64 295,86
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2008	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 751,03	0,00	– 751,03
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2009	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 320,70	0,00	– 320,70
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2011	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 2 236,29	– 67,59	– 2 168,70
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2012	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 113 768,81	– 37 771,25	– 75 997,56
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2013	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 472 874,38	0,00	– 472 874,38
	Rural Development EAFRD Investment - private beneficiaries	2014	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 347 992,77	– 103 395,86	– 244 596,91

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Measures with flat-rate support	2015	absence of verification of the SME criteria and of risk of double financing and deficiencies in the application of selection criteria and in the assessment of costs reasonableness	FLAT RATE	10,00 %	EUR	– 283 956,93	0,00	– 283 956,93
	Rural Development EAFRD Axis 1 (2007-2013)	2007	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 2 143,59	0,00	– 2 143,59
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2012	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 131 152,67	– 87 085,37	– 44 067,30
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2013	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 1 241 577,53	– 2 978,52	– 1 238 599,01
	Rural Development EAFRD Investment - private beneficiaries	2014	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 750 589,53	– 442 938,45	– 307 651,08
	Rural Development EAFRD Investment - public beneficiaries	2014	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 845 717,03	– 499 075,16	– 346 641,87
	Rural Development EAFRD investment - private beneficiaries	2015	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 264 235,27	0,00	– 264 235,27
	Rural Development EAFRD investment - public beneficiaries	2015	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 1 632 649,18	28 498,30	– 1 661 147,48

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2008	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 681,88	0,00	– 681,88
	Rural Development EAFRD Axis 1+3 - Investment orientated measures (2007-2013)	2010	deficiencies in the application of selection criteria and concerning the assessment of costs reasonableness	FLAT RATE	5,00 %	EUR	– 490,86	0,00	– 490,86
					Total SE:	EUR	– 7 803 826,74	– 1 359 964,08	– 6 443 862,66

Currency	Amount	Deductions	Financial Impact
EUR	– 40 815 166,21	– 2 238 949,56	– 38 576 216,65

COMMISSION IMPLEMENTING DECISION (EU) 2018/1842**of 22 November 2018****amending the Annex to Implementing Decision (EU) 2017/247 on protective measures in relation to outbreaks of highly pathogenic avian influenza in certain Member States***(notified under document C(2018) 7911)***(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Council Directive 89/662/EEC of 11 December 1989 concerning veterinary checks in intra-Community trade with a view to the completion of the internal market ⁽¹⁾, and in particular Article 9(4) thereof,

Having regard to Council Directive 90/425/EEC of 26 June 1990 concerning veterinary checks applicable in intra-Union trade in certain live animals and products with a view to the completion of the internal market ⁽²⁾, and in particular Article 10(4) thereof,

Whereas:

- (1) Commission Implementing Decision (EU) 2017/247 ⁽³⁾ was adopted following outbreaks of highly pathogenic avian influenza of subtype H5 in a number of Member States ('the concerned Member States'), and the establishment of protection and surveillance zones by the competent authority of the concerned Member States in accordance with Article 16(1) of Council Directive 2005/94/EC ⁽⁴⁾.
- (2) Implementing Decision (EU) 2017/247 provides that the protection and surveillance zones established by the competent authorities of the concerned Member States in accordance with Directive 2005/94/EC are to comprise at least the areas listed as protection and surveillance zones in the Annex to that Implementing Decision. Implementing Decision (EU) 2017/247 also lays down that the measures to be applied in the protection and surveillance zones, as provided for in Article 29(1) and Article 31 of Directive 2005/94/EC, are to be maintained until at least the dates for those zones set out in the Annex to that Implementing Decision.
- (3) Since the date of its adoption, Implementing Decision (EU) 2017/247 has been amended several times to take account of developments in the epidemiological situation in the Union as regards avian influenza. In particular, Implementing Decision (EU) 2017/247 was amended by Commission Implementing Decision (EU) 2017/696 ⁽⁵⁾ in order to lay down rules regarding the dispatch of consignments of day-old chicks from the areas listed in the Annex to Implementing Decision (EU) 2017/247. That amendment took into account the fact that day-old chicks pose a very low risk for the spread of highly pathogenic avian influenza compared to other poultry commodities.
- (4) Implementing Decision (EU) 2017/247 was also subsequently amended by Commission Implementing Decision (EU) 2017/1841 ⁽⁶⁾ in order to strengthen the disease control measures applicable where there is an increased risk for the spread of highly pathogenic avian influenza. Consequently, Implementing Decision (EU) 2017/247 now provides for the establishment at Union level of further restricted zones in the concerned Member States, as referred to in Article 16(4) of Directive 2005/94/EC, following an outbreak or outbreaks of highly pathogenic avian influenza, and the duration of the measures to be applied therein. Implementing Decision (EU) 2017/247 now also lays down rules for the dispatch of live poultry, day-old chicks and hatching eggs from the further restricted zones to other Member States, subject to certain conditions.
- (5) In addition, the Annex to Implementing Decision (EU) 2017/247 has been amended numerous times, mainly to take account of changes in the boundaries of the protection and surveillance zones established by the concerned Member States in accordance with Directive 2005/94/EC.

⁽¹⁾ OJ L 395, 30.12.1989, p. 13.

⁽²⁾ OJ L 224, 18.8.1990, p. 29.

⁽³⁾ Commission Implementing Decision (EU) 2017/247 of 9 February 2017 on protective measures in relation to outbreaks of highly pathogenic avian influenza in certain Member States (OJ L 36, 11.2.2017, p. 62).

⁽⁴⁾ Council Directive 2005/94/EC of 20 December 2005 on Community measures for the control of avian influenza and repealing Directive 92/40/EEC (OJ L 10, 14.1.2006, p. 16).

⁽⁵⁾ Commission Implementing Decision (EU) 2017/696 of 11 April 2017 amending Implementing Decision (EU) 2017/247 on protective measures in relation to outbreaks of the highly pathogenic avian influenza in certain Member States (OJ L 101, 13.4.2017, p. 80).

⁽⁶⁾ Commission Implementing Decision (EU) 2017/1841 of 10 October 2017 amending Implementing Decision (EU) 2017/247 on protective measures in relation to outbreaks of the highly pathogenic avian influenza in certain Member States (OJ L 261, 11.10.2017, p. 26).

- (6) The Annex to Implementing Decision (EU) 2017/247 was last amended by Commission Implementing Decision (EU) 2018/1652 ⁽¹⁾, following the notification by Bulgaria of further outbreaks of highly pathogenic avian influenza in poultry holdings in the regions of Plovdiv and Haskovo of that Member State. Bulgaria also notified the Commission that it had duly taken the necessary measures required in accordance with Directive 2005/94/EC following these outbreaks, including the establishment of protection and surveillance zones around the infected poultry holdings.
- (7) Since the date of the last amendment made to Implementing Decision (EU) 2017/247 by Implementing Decision (EU) 2018/1652, Bulgaria has notified the Commission of new outbreaks of highly pathogenic avian influenza of subtype H5 in poultry holdings in the regions of Haskovo and Stara Zagora of that Member State.
- (8) Bulgaria has also notified the Commission that it has taken the necessary measures required in accordance with Directive 2005/94/EC following these new outbreaks, including the establishment of protection and surveillance zones around the infected poultry holdings in that Member State.
- (9) The Commission has examined those measures in collaboration with Bulgaria, and the Commission is satisfied that the boundaries of the protection and surveillance zones, established by the competent authority of Bulgaria, are at a sufficient distance to the poultry holdings where the new outbreaks have been confirmed.
- (10) In order to prevent any unnecessary disturbance to trade within the Union, and to avoid unjustified barriers to trade being imposed by third countries, it is necessary to rapidly describe at Union level, in collaboration with Bulgaria, the protection and surveillance zones established in Bulgaria, in accordance with Directive 2005/94/EC, following the new outbreaks of highly pathogenic avian influenza in that Member State.
- (11) Implementing Decision (EU) 2017/247 should therefore be updated to take account of the up-to-date epidemiological situation in Bulgaria, as regards highly pathogenic avian influenza. In particular, the newly established protection and surveillance zones in Bulgaria, now subject to restrictions in accordance with Directive 2005/94/EC, should be listed in the Annex to Implementing Decision (EU) 2017/247.
- (12) The Annex to Implementing Decision (EU) 2017/247 should be amended to update regionalization at Union level in order to include the protection and surveillance zones established in Bulgaria, in accordance with Directive 2005/94/EC, following the new outbreaks of highly pathogenic avian influenza in that Member State, and the duration of the restrictions applicable therein.
- (13) Implementing Decision (EU) 2017/247 should therefore be amended accordingly.
- (14) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS DECISION:

Article 1

The Annex to Implementing Decision (EU) 2017/247 is amended in accordance with the Annex to this Decision.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 22 November 2018.

For the Commission
Vytenis ANDRIUKAITIS
Member of the Commission

⁽¹⁾ Commission Implementing Decision (EU) 2018/1652 of 6 November 2018 amending the Annex to Implementing Decision (EU) 2017/247 on protective measures in relation to outbreaks of highly pathogenic avian influenza in certain Member States (OJ L 275 I, 6.11.2018, p. 1).

ANNEX

The Annex to Implementing Decision (EU) 2017/247 is amended as follows:

(1) In Part A, the entry for Bulgaria is replaced by the following:

Member State: Bulgaria

Area comprising:	Date until applicable in accordance with Article 29(1) of Directive 2005/94/EC
Plovdiv region:	
Municipality of Sadovo: — Ahmatovo — Bogdanitsa — Seltsi	28.11.2018
Municipality of Rodopi: — Krumovo — Yagodovo	12.11.2018
Haskovo region:	
Municipality of Haskovo: — Elena	2.12.2018
Municipality of Dimitrovgrad: — Chernogorovo — Voden — Brod	30.11.2018
Municipality of Dimitrovgrad: — Varbitsa — Bodrovo	28.11.2018
Municipality of Haskovo: — Konush — Manastir — Voyvodovo	28.11.2018
Municipality of Haskovo: — Malevo — Garvanovo	21.11.2018
Stara Zagora region:	
Municipality of Bratya Daskalovi: — Pravoslav — Veren	29.11.2018'

(2) In Part B, the entry for Bulgaria is replaced by the following:

'Member State: Bulgaria

Area comprising:	Date until applicable in accordance with Article 31 of Directive 2005/94/EC
Plovdiv region:	
Municipality of Brezovo: — Tyurkmen — Choba — Zelenikovo	8.12.2018
Municipality of Sadovo: — Ahmatovo — Bogdanitsa — Seltsi	From 29.11.2018 to 7.12.2018
Municipality of Asenovgrad: — Boyantsi — Izbeglii — Konush — Kozanovo — Zlatovrah	7.12.2018
Municipality of Parvomay: — Vinitsa — Tatarevo	7.12.2018
Municipality of Sadovo: — Bolyartsi — Cheshnegirovo — Karadzhovo — Kochevo — Milevo — Mominsko — Popovitsa — Sadovo	7.12.2018
Municipality of Parvomay: — Byala reka — Dobri dol — Ezerovo — Karadzhalovo — Voden	7.12.2018
Municipality of Rodopi: — Krumovo — Yagodovo	From 13.11.2018 to 22.11.2018

Area comprising:	Date until applicable in accordance with Article 31 of Directive 2005/94/EC
Municipality of Rodopi: — Brestnik — Belashtitsa — Markovo — Branipole — Municipality of Sadovo: — Katunitsa — Municipality of Kuklen: — Kuklen — Ruen — Municipality of Asenovgrad: — Asenovgrad — Municipality of Plovdiv: — Plovdiv	22.11.2018
Municipality of Maritsa: — Rogosh — Skutare	22.11.2018
Haskovo region:	
Municipality of Haskovo: — Elena	From 3.12.2018 to 11.12.2018
Municipality of Haskovo: — Bolyarski izvor — Krivo pole — Momino — Dinevo — Lyubenovo — Rodopi — Bryagovo	11.12.2018
Municipality of Harmanli: — Ivanovo — Leshnikovo — Smirnentsi — Slavyanovo — Ostar kamak	11.12.2018
Municipality of Dimitrovgrad: — Chernogorovo — Voden — Brod	From 1.12.2018 to 9.12.2018

Area comprising:	Date until applicable in accordance with Article 31 of Directive 2005/94/EC
Municipality of Dimitrovgrad: — Dolno Belevo — Zlatopole — Raynovo — Krepost — Dobrich — Dimitrovgrad — Radievo — Bryast — Golyamo Asenovo — Malko Asenovo	9.12.2018
Municipality of Haskovo: — Aleskandrovo — Uzundzhovo — Nova Nadezhda	9.12.2018
Municipality of Dimitrovgrad: — Varbitsa — Bodrovo	From 29.11.2018 to 7.12.2018
Municipality of Dimitrovgrad: — Gorski izvor — Svetlina — Skobelevo — Stalevo — Yabalkovo	7.12.2018
Municipality of Mineralni bani: — Susam	7.12.2018
Municipality of Haskovo: — Konush — Manastir — Voyvodovo	From 29.11.2018 to 7.12.2018
Municipality of Haskovo: — Galabets — Kozlets — Mandra — Teketo — Trakiets — Vaglarovo — Stamboliyski — Knizhovnik — Dolno Voyvodino — Gorno Voyvodino — Orlovo	7.12.2018

Area comprising:	Date until applicable in accordance with Article 31 of Directive 2005/94/EC
Municipality of Stambolovo: — Zhalti Bryag	7.12.2018
Municipality of Haskovo: — Malevo	From 22.11.2018 to 7.12.2018
Municipality of Haskovo: — Garvanovo	From 22.11.2018 to 1.12.2018
Municipality of Haskovo: — Haskovo — Staykovo — Klokotnica	1.12.2018
Municipality of Stambolovo: — Stambolovo — Kralevo	1.12.2018
Municipality of Dimitrovgrad: — Kasnakovo — Dobrich — Gorski izvor — Svetlina	1.12.2018
Municipality of Mineralni bani: — Mineralni bani — Tatarevo	1.12.2018
Stara Zagora region:	
Municipality of Bratya Daskalovi: — Pravoslav — Veren	From 30.11.2018 to 8.12.2018
Municipality of Bratya Daskalovi: — Medovo — Markovo — Malak dol — Golyam dol — Bratya Daskalovi — Granit — Kolyu Marinovo — Naydenovo — Gorno Beleva	8.12.2018
Municipality of Chirpan: — Zlatna Livada	7.12.2018'

