

COMMISSION REGULATION (EEC) No 2150/91
of 19 July 1991

concerning the conditions under which a credit guarantee agreement, introducing a credit guarantee for exports of agricultural products and foodstuffs to the Soviet Union, shall be concluded with a pool of commercial banks

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 599/91 of 5 March 1991 introducing a credit guarantee for exports of agricultural products and foodstuffs from the Community to the Soviet Union⁽¹⁾, as amended by Regulation (EEC) No 1758/91⁽²⁾, and in particular Article 4 thereof,

Whereas Article 4 of Regulation (EEC) No 599/91 provides that the Commission shall conclude the guarantee agreement with the pool of banks;

Whereas the guarantee agreement shall contain the conditions provided for by Regulation (EEC) No 599/91 and a number of other conditions;

Whereas the other conditions referred to shall specifically take account of the enforcement of the guarantee in case of default of the borrower and of the conditions under which the guarantee shall cover payments to the suppliers of the products;

Whereas the Soviet Union Guarantee Committee has not delivered an opinion within the time limit set by its Chairman,

HAS ADOPTED THIS REGULATION:

Article 1

The credit guarantee referred to in Article 4 of Regulation (EEC) No 599/91 shall, in addition to the conditions provided for by Regulation (EEC) No 599/91, include the conditions laid down in this Regulation.

Article 2

The amount of the guarantee which shall not exceed ECU 500 million shall be reduced progressively by the amounts of principal and interest as they are paid to the banks.

Article 3

1. In the event of default by the borrower, the pool of banks shall notify the Commission. The guarantee shall be enforced after a grace period to be agreed with the pool of banks. No additional interest shall be paid by the guarantor during this period.

2. The enforcement of the guarantee shall not require acceleration of any remaining payments due in accordance with the credit agreement.

Article 4

The net proceeds of the credit which is guaranteed by the Community shall be used exclusively for the purchase in the Community and import into the Soviet Union of those products that were agreed upon between the Community and the Soviet Union and are listed in the Annex to the Agreement in the form of an exchange of letters between the European Economic Community and the Union of Soviet Socialist Republics on a credit guarantee for exports of agricultural products and foodstuffs from the Community to the Soviet Union. A maximum of 15 % of this amount may be used to cover costs of transport of the products to the Soviet Union.

Article 5

The guarantee shall only cover payments made by the banks pursuant to delivery contracts provided that such contracts have been recognized by the Commission as complying with the provisions of Regulation (EEC) No 599/91 and with the provisions of the Agreement referred to in Article 4.

Article 6

Recognition as referred to in Article 5 shall only be granted subject to fulfilment of the following conditions, in particular:

- the goods which are purchased shall be of Community origin and appear on the list which is annexed to the referred to in Article 4;
- the goods shall be subject to sanitary, epidemiological and quarantine requirements existing in the Soviet Union and the European Economic Community;
- the contract was awarded following a procedure ensuring fair competition between independent firms;
- the contract offers the most favourable terms in relation to the price normally obtained on the Community market;
- the quality and quantity of goods shall be in accordance with the requirements laid down in the contract;
- the contracts shall indicate which part of the supply costs is relevant to the transport to the Soviet Union and which part is relevant to the purchase of the products.

Article 7

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

⁽¹⁾ OJ No L 67, 14. 3. 1991, p. 21.

⁽²⁾ OJ No L 158, 22. 6. 1991, p. 4.

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

Done at Brussels, 19 July 1991.

For the Commission

Ray MAC SHARRY

Member of the Commission
