

COMMISSION REGULATION (EEC) No 1644/89

of 12 June 1989

amending Regulation (EEC) No 411/88 on the method and the rate of interest to be used for calculating the costs of financing intervention measures comprising buying-in, storage and disposal

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1883/78 of 2 August 1978 laying down general rules for the financing of interventions by the European Agricultural Guidance and Guarantee Fund, Guarantee Section ⁽¹⁾, as last amended by Regulation (EEC) No 787/89 ⁽²⁾, and in particular Article 5 thereof,

Whereas Article 5 of Regulation (EEC) No 1883/78 provides that interest charges to be financed by the EAGGF Guarantee Section for funds used for the buying-in of products are, in the case of funds originating in the Member States, to be calculated using a method and an interest rate uniform throughout the Community and whereas that interest rate must be representative of interest rates actually paid;

Whereas Commission Regulation (EEC) No 411/88 ⁽³⁾, as amended by Regulation (EEC) No 439/89 ⁽⁴⁾, lays down the method and the interest rate to be applied for the calculation of the financing costs mentioned above;

Whereas the interest rates for short-term and long-term financing vary considerably depending on the Member State; whereas a weighting of those interest rates used hitherto has not given satisfactory results;

Whereas the interest rates recorded in recent years for the ecu increasingly reflect the interest rates, subject to a weighting, for currencies which make up the ecu and whereas the interest rates for the ecu may thus be considered representative of interest charges in the Community;

Whereas, in view of the time limits for the financing of capital invested in intervention stocks, the uniform interest rate should reflect the three months' and 12 months' forward rates;

Whereas Article 4 of that Regulation should stipulate the specific rules to be applied for a Member State bearing interest charges lower than those resulting from the application of the uniform interest rates;

Whereas the EAGGF Committee has not delivered an opinion within the time limit set by the chairman,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 411/88 is hereby amended as follows:

- Article 3 is replaced by the following:

Article 3

The interest rate referred to in Article 5 of Regulation (EEC) No 1883/78 shall correspond to the interest rates for the ecu for three months' and 12 months' forward rates recorded by the Statistical Office of the European Communities on the Euromarkets with a weighting of one-third and two-thirds respectively.

The interest rate shall be fixed before the beginning of each EAGGF Guarantee Section accounting year on the basis of the rates recorded in the six months preceding fixing.

- In Article 4 the following paragraph 1a is hereby inserted:

'1a. The interest costs borne by a Member State shall be notified to the Commission no later than 20 days before the end of the financial year. It shall relate to the six months preceding such notification.

Where no interest rate is notified, the interest costs to be applied are determined on the basis of the reference interest rates set out in the Annex.'

- The Annex to this Regulation is added.

Article 2

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 216, 5. 8. 1978, p. 1.

⁽²⁾ OJ No L 85, 30. 3. 1989, p. 1.

⁽³⁾ OJ No L 40, 13. 2. 1988, p. 25.

⁽⁴⁾ OJ No L 51, 23. 2. 1989, p. 7.

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

Done at Brussels, 12 June 1989.

For the Commission

Ray MAC SHARRY

Member of the Commission

ANNEX

ANNEX

Reference interest rates referred to in Article 4 (1a) (1)

1. *Belgium*:
Brussels interbank borrowing offered rate three months
2. *Denmark*:
Yield on issue of 12-month Treasury bonds
3. *Germany*:
Frankfurt interbank borrowing offered rate three months
4. *Greece*:
Yield on issue of three-month Treasury bonds
5. *France*:
Paris interbank borrowing offered rate three months
6. *Spain*:
Madrid interbank borrowing offered rate three months
7. *Ireland*:
Dublin interbank borrowing offered rate three months
8. *Italy*:
Yield on issue of three month Treasury bonds
9. *Luxembourg*:
Interbank rate three months
10. *Netherlands*:
Amsterdam interbank borrowing offered rate three months
11. *Portugal*:
Lisbon interbank borrowing offered rate three months
12. *United Kingdom*:
London interbank borrowing offered rate three months

NB: These rates will be increased by one percentage point, corresponding to banking margin.

(1) Net interest rates concerned, i.e. interest rates after setting off the possible part that corresponds to fiscal charges (withholding tax, etc.).