

# Official Journal

## of the European Union

C 72



English edition

### Information and Notices

Volume 52

26 March 2009

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Price:  
18 EUR

(<sup>1</sup>) Text with EEA relevance

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## II

*(Information)*

## INFORMATION FROM EUROPEAN UNION INSTITUTIONS AND BODIES

## COMMISSION

**Communication from the Commission on the treatment of impaired assets in the Community banking sector**

(2009/C 72/01)

## 1. INTRODUCTION

1. Since mid-2007, the functioning of wholesale credit markets has been severely disrupted. The result has been a drying up of liquidity in the banking sector and a reluctance of banks to lend to each other and to the broader economy. As the disruption of credit markets has intensified over the past eighteen months, the financial crisis has intensified and the global economy has entered a severe recession.
2. It is difficult to envisage a resolution of the financial crisis and a recovery in the global economy without assured stability in the banking sector and the broader financial system. Only then will investor confidence return and banks resume their normal lending behaviour. Accordingly, Member States have put measures in place to support the stability of their banking sectors and underpin lending, notably the injection of new capital using public funds and the provision of government guarantees for bank borrowing. These measures were announced in October 2008 and have been gradually implemented over the past months.
3. Recently, several Member States have announced their intention to complement their existing support measures by providing some form of relief for impaired bank assets. Those announcements, in parallel with a similar initiative in the United States, have triggered a wider debate within the Community on the merits of asset relief as a government support measure for banks. In the context of that debate, this Communication has been prepared by the Commission, in consultation with the European Central Bank (ECB), and builds on the recommendations issued on 5 February 2009 by the Eurosystem (see Annex I).
4. This Communication focuses on issues to be addressed by Member States in considering, designing and implementing asset relief measures. At a general level, those issues include the rationale for asset relief as a measure to safeguard financial stability and underpin bank lending, the longer-term considerations of banking-sector viability and budgetary sustainability to be taken into account when considering asset relief measures and the need for a common and co-ordinated Community approach to asset relief, notably to ensure a level playing field. In the context of such a Community approach, this Communication also offers more specific guidance on the application of State-aid rules to asset relief, focusing on issues such as (i) transparency and disclosure requirements; (ii) burden sharing between the State, shareholders and creditors; (iii) aligning incentives for beneficiaries with public policy objectives; (iv) principles for designing asset relief measures in terms of eligibility, valuation and management of impaired assets; and (v) the relationship between asset relief, other government support measures and the restructuring of banks.

## 2. ASSET RELIEF AS A MEASURE TO SAFEGUARD FINANCIAL STABILITY AND UNDERPIN BANK LENDING

5. The immediate objectives of the Member State rescue packages announced in October 2008 are to safeguard financial stability and underpin the supply of credit to the real economy. It is too early to draw definitive conclusions on the effectiveness of the packages, but it is clear that they have averted the risk of financial meltdown and have supported the functioning of important inter-bank markets. On the other hand, the evolution in lending to the real economy since the announcement of the packages has been unfavourable, with recent statistics suggesting a sharp deceleration in credit growth <sup>(1)</sup>. In many Member States, reports of businesses being denied access to bank credit are now widespread and it would seem that the squeeze on credit goes beyond that justified by cyclical considerations.
6. A key reason identified for the insufficient flow of credit is uncertainty about the valuation and location of impaired assets, a source of problems in the banking sector since the beginning of the crisis. Uncertainty regarding asset valuations has not only continued to undermine confidence in the banking sector, but has weakened the effect of the government support measures agreed in October 2008. For example, bank recapitalisation has provided a cushion against asset impairment but much of the capital buffer provided has been absorbed by banks in provisioning against future asset impairments. Banks have already taken steps to address the problem of impaired assets. They have recorded substantial write-downs in asset values <sup>(2)</sup>, taken steps to limit remaining losses by reclassification of assets within their balance sheets and gradually put additional capital aside to strengthen their solvency positions. However, the problem has not been resolved to a sufficient degree and the unexpected depth of the economic slowdown now suggests a further and more extensive deterioration in credit quality of bank assets.
7. Asset relief would directly address the issue of uncertainty regarding the quality of bank balance sheets and therefore help to revive confidence in the sector. It could also help to avoid the risk of repeated rounds of recapitalisation of banks as the extent of asset impairment increases amid a deteriorating situation in the real economy. On this basis, several Member States are actively considering relief for impaired bank assets as a complement to other measures in implementing the strategy agreed by Heads of State and Government in October 2008.

## 3. LONGER-TERM CONSIDERATIONS: A RETURN TO VIABILITY IN THE BANKING SECTOR AND SUSTAINABILITY OF PUBLIC FINANCES

8. Asset relief measures must be designed and implemented in the manner that most effectively achieves the immediate objectives of safeguarding financial stability and underpinning bank lending. An important issue to be addressed in this context is ensuring an adequate participation in the asset relief measures by setting appropriate pricing and conditions and through mandatory participation if deemed necessary. However, the focus in designing and implementing asset relief measures should not be limited to these immediate objectives. It is essential that longer-term considerations are also taken into account.
9. If asset relief measures are not carried out in such a way as to ring-fence the danger of serious distortions of competition among banks (both within Member States and on a cross-border basis) in compliance with the State aid rules of the Treaty establishing the European Community, including where necessary the restructuring of beneficiaries, the outcome will be a structurally weaker Community banking sector with negative implications for productive potential in the broader economy. Furthermore, it could lead to a recurrent need for government intervention in the sector, implying a progressively heavier burden on public finances. Such risks are serious given the likely scale of State exposure.

<sup>(1)</sup> While official data for the euro area suggest that bank lending to businesses is still resilient, the underlying trend is weakening, with month-on-month growth rates in lending slowing markedly toward the end of 2008. In December 2008, bank loans to the private economy (loans to non-MFI excl. governments) fell by 0,4 % relative to November.

<sup>(2)</sup> From mid-2007 to date, there has been a total of USD 1 063 billion in asset write-downs, of which USD 737,6 billion has been reported by US-based banks and USD 293,7 has been reported by European-based banks. Of the latter, USD 68 billion has been reported in Switzerland. Despite the scale of asset write-downs already reported, the IMF currently estimates that the total of bank losses related to asset impairment is likely to reach USD 2 200 billion. This estimate is based on global holdings of U.S.-originated and securitized mortgage, consumer, and corporate debt and has been steadily rising since the beginning of the crisis. Some market commentators suggest that total losses may be substantially higher. For example, Nouriel Roubini who has consistently argued that official estimates are too low now suggests that total losses could be USD 3 600 billion for the United States alone.

In order to limit the risk of such longer-term damage, government intervention in the banking sector should be appropriately targeted and accompanied by behavioural safeguards that align the incentives of banks with the objectives of public policy. Asset-relief measures should form part of an overall effort to restore the viability of the banking sector, based on necessary restructuring. The need for restructuring in the banking sector as a counterpart of government support is discussed in more detail in the context of State aid rules in Sections 5 and 6.

10. In considering the design and implementation of asset relief measures, it is also essential that Member States take account of the budgetary context. Estimates of total expected asset write-downs suggest that the budgetary costs — actual, contingent or both — of asset relief could be substantial — both in absolute terms and relative to gross domestic product (GDP) in Member States. Government support through asset relief (and other measures) should not be on such a scale that it raises concern about the sustainability of public finances such as over-indebtedness or financing problems. Such considerations are particularly important in the current context of widening budget deficits, rising public debt levels and challenges facing sovereign bond issuance.
11. More specifically, the budgetary situation of Member States will be an important consideration in the choice of management arrangement for assets subject to relief, namely asset purchase, asset insurance, asset swap or a hybrid of such arrangements <sup>(1)</sup>. The implications for budgetary credibility may not differ significantly between the various approaches to asset relief, as financial markets are likely to discount potential losses on a similar basis <sup>(2)</sup>. However, an approach requiring the outright purchase of impaired assets would have a more immediate impact on budgetary ratios and government financing. While the choice of management arrangement for impaired assets is the responsibility of each Member State, hybrid approaches whereby bad assets are segregated from the balance sheet of banks in a separate entity (either within or outside the banks) which benefits in some way from a government guarantee could be considered. Such an approach is attractive as it provides many of the benefits of the asset purchase approach from the perspective of restoring confidence in the banking system, while limiting the immediate budgetary impact.
12. In a context of scarce budgetary resources, it may be appropriate to focus asset relief measures on a limited number of banks of systemic importance. For some Member States, asset relief for banks may be severely constrained, due to their existing budgetary constraints and/or the size of their banks' balance sheet relative to GDP.

#### 4. NEED FOR A COMMON AND CO-ORDINATED COMMUNITY APPROACH

13. In considering some form of asset relief measures, there is a need to reconcile the immediate objectives of financial stability and bank lending with the need to avoid longer-term damage to the banking sector within the Community, to the single market and to the broader economy. This can be achieved most effectively by a common and co-ordinated Community approach, with the following broad objectives:
  - (a) boosting market confidence by demonstrating a capacity for an effective Community-level response to the financial crisis and creating the scope for positive spillovers among Member States and on the wider financial markets;
  - (b) limiting negative spillovers among Member States, where the introduction of asset relief measures by a first-mover Member State results in pressure on other Member States to follow suit and risks launching a subsidy race between Member States;

<sup>(1)</sup> These arrangements are discussed in more detail in Annex II.

<sup>(2)</sup> Asset purchases by government need not imply heavy budgetary costs in the longer term if a sufficient portion of the acquired assets can be subsequently sold at a profit (see US and Swedish examples in Annex II). However, they imply an upfront budgetary outlay which would increase gross public debt and the government's gross financing requirements. An approach based on swapping government debt for impaired assets could be used to ease the operational problems relating to issuance, but would not avoid the impact on the budgetary ratios nor an increase in the supply of government debt in the market.

- (c) protecting the single market in financial services by ensuring consistency in asset relief measures introduced by the Member States and resisting financial protectionism;
  - (d) ensuring compliance with State-aid control requirements and any other legal requirements by further ensuring consistency among asset relief measures, and by minimising competitive distortions and moral hazard.
14. Co-ordination among Member States would only be necessary at a general level and could be achieved while retaining sufficient flexibility to tailor measures to the specific situations of individual banks. In the absence of sufficient coordination *ex ante*, many of those objectives will only be met by additional State aid control requirements *ex post*. Common guidance on the basic features of relief measures would, therefore, help to minimise the need for corrections and adjustments as a result of assessment under the State aid rules. Such guidance is provided in the following Sections.

#### 5. GUIDELINES ON THE APPLICATION OF STATE AID RULES TO ASSET RELIEF MEASURES

15. It is the normal duty of banks to assess the risk of the assets they acquire and to make sure they can cover any associated losses <sup>(1)</sup>. Asset relief may, however, be considered to support financial stability. Public asset relief measures are State aid inasmuch as they free the beneficiary bank from (or compensate for) the need to register either a loss or a reserve for a possible loss on its impaired assets and/or free regulatory capital for other uses. This would notably be the case where impaired assets are purchased or insured at a value above the market price, or where the price of the guarantee does not compensate the State for its possible maximum liability under the guarantee <sup>(2)</sup>.
16. Any aid for asset relief measures should, however, comply with the general principles of necessity, proportionality and minimisation of the competition distortions. Such assistance implies serious distortions of competition between beneficiaries and non-beneficiary banks and among beneficiary banks with different degrees of need. Non-beneficiary banks that are fundamentally sound may feel obliged to consider seeking government intervention to preserve their competitive position in the market. Similar distortions in competition may arise among Member States, with the risk of a subsidy race between Member States (trying to save their banks without regard to the effects on banks in other Member States) and a drift towards financial protectionism and fragmentation of the internal market. Participation in the asset relief scheme should therefore be conditioned upon clearly defined and objective criteria, in order to avoid that individual banks take unwarranted advantage.
17. The principles governing the application of the State aid rules and, in particular, Article 87(3)(b) of the Treaty to any support measure for banks in the context of the global financial crisis in were established in the Communication from the Commission — *The application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis* <sup>(3)</sup>. More detailed guidance on the practical implementation of these principles to recapitalisation was subsequently provided in the Communication from the Commission — *The recapitalisation of financial institutions in the current financial crisis: limitation of aid to the minimum necessary and safeguards against undue distortions of competition* <sup>(4)</sup>. In the same vein, the guidelines set out in this Communication, based on the same principles, identify the key features of asset relief measures or schemes, which determine their effectiveness as well as their impact on competition. These guidelines apply to all banks that are granted asset relief, irrespective of

<sup>(1)</sup> Banks typically hold a variety of assets, including: cash, financial assets (treasury bills, debt securities, equity securities, traded loans, and commodities), derivatives (swaps, options), loans, financial investments, intangible assets, property, plant and equipment. Losses may be incurred when assets are sold below their book value, when their value is decreased and reserves are created on possible loss or *ex post* when the revenue streams at maturity are lower than the book value.

<sup>(2)</sup> A guarantee is presumed to constitute State aid when the beneficiary bank cannot find any independent private operator on the market willing to provide a similar guarantee. The amount of State aid is set at the maximum net liability for the State.

<sup>(3)</sup> OJ C 270, 25.10.2008, p. 8.

<sup>(4)</sup> OJ C 10, 15.1.2009, p. 2.

their individual situation, but the practical implications of their application may vary depending on the risk profile and viability of a beneficiary. The principles of these guidelines apply *mutatis mutandis* where two or more Member States coordinate measures to provide asset relief to cross-border banks.

18. This Communication aims to establish coordinated principles and conditions to ensure the effectiveness of asset relief measures in the single market as far as possible, taking account of the long-term objective of a return to normal market conditions, while remaining flexible enough so as to cater for specific features or provide additional measures or procedures at individual or national levels for reasons of financial stability. Effective asset relief measures should have as a consequence the maintenance of lending to the real economy.

#### **5.1. Appropriate identification of the problem and options for solution: full *ex ante* transparency and disclosure of impairments and an upfront assessment of eligible banks**

19. Any asset relief measure must be based on a clear identification of the magnitude of the bank's asset-related problems, its intrinsic solvency prior to the support and its prospects for return to viability, taking into due consideration all possible alternatives, in order to facilitate the necessary restructuring process, prevent distortion in the incentives of all players and avoid waste of State resources without contributing to resumption in the normal flow of credit to the real economy.
20. Therefore, in order to minimise the risk of a recurrent need for State interventions in favour of the same beneficiaries, the following criteria should be satisfied as a prerequisite for benefitting from asset relief:
  - (a) applications for aid should be subject to full *ex ante* transparency and disclosure of impairments by eligible banks on the assets which will be covered by the relief measures, based on adequate valuation, certified by recognised independent experts and validated by the relevant supervisory authority, in line with the principles of valuation developed in Section 5.5 <sup>(1)</sup>; such disclosure of impairments should take place prior to government intervention; this should lead to the identification of the aid amount and of the incurred losses for the bank from the asset transfer <sup>(2)</sup>;
  - (b) an application for aid by an individual bank should be followed by a full review of that bank's activities and balance sheet, with a view to assessing the bank's capital adequacy and its prospects for future viability (viability review); that review must occur in parallel with the certification of the impaired assets covered by the asset relief programme but, given its scale, could be finalised after the bank enters into the asset relief programme; the results of the viability review must be notified to the Commission and will be taken into account in the assessment of necessary follow-up measures (see Section 6).

#### **5.2. Burden-sharing of the costs related to impaired assets between the State, shareholders and creditors**

21. As a general principle, banks ought to bear the losses associated with impaired assets to the maximum extent. This requires, firstly, full *ex ante* transparency and disclosure, followed by the correct valuation of assets prior to government intervention and a correct remuneration of the State for the asset relief measure, whatever its form, so as to ensure equivalent shareholder responsibility and burden-sharing

<sup>(1)</sup> Without prejudice to the necessity of making public the impact on the balance sheet of an asset relief measure implying appropriate burden-sharing, the terms 'transparency' and 'full disclosure' should be understood as meaning transparency *vis-à-vis* the national authorities, the independent experts involved and the Commission.

<sup>(2)</sup> The aid amount corresponds to the difference between the transfer value of the assets (normally based on their real economic value) and the market price. In this paper, the incurred losses correspond to the difference between the transfer value and the book value of the assets. Actual losses will normally only be known *ex post*.



irrespective of the exact model chosen. The combination of those elements should lead to overall coherence concerning burden-sharing across various forms of State support, having regard to the specific distinctive features of different types of assistance <sup>(1)</sup>.

22. Once assets have been properly evaluated and losses are correctly identified <sup>(2)</sup>, and if this would lead to a situation of technical insolvency without State intervention, the bank should either be put into administration or be wound up, according to Community and national law. In such a situation, with a view to preserving financial stability and confidence, protection or guarantees to bondholders <sup>(3)</sup> may be appropriate.
23. Where putting a bank into administration or its orderly winding up appears inadvisable for reasons of financial stability <sup>(4)</sup>, aid in the form of guarantee or asset purchase, limited to the strict minimum, could be awarded to banks so that they can continue to operate for the period necessary to allow to devise a plan for either restructuring or orderly winding-up. In such cases, shareholders should also be expected to bear losses at least until the regulatory limits of capital adequacy are reached. Nationalisation options may also be considered.
24. Where it is not possible to achieve full burden-sharing *ex ante*, the bank should be requested to contribute to the loss or risk coverage at a later stage, for example in the form of claw-back clauses or, in the case of an insurance scheme, by a clause of 'first loss', to be borne by the bank (typically with a minimum of 10 %) and a clause of 'residual loss sharing', through which the bank participates to a percentage (typically with a minimum of 10 %) of any additional losses <sup>(5)</sup>.
25. As a general rule, the lower the contribution upfront, the higher the need for a shareholder contribution at a later stage, either in the form of a conversion of State losses into bank shares and/or in the form of additional compensatory measures to limit the distortion of competition when assessing necessary restructuring.

### 5.3. Aligning incentives for banks to participate in asset relief with public policy objectives

26. As a general feature, impaired asset relief programmes should have an enrolment window limited to six months from the launch of the scheme by the government. This will limit incentives for banks to delay necessary disclosures in the hope of higher levels of relief at a later date, and facilitate a rapid resolution of the banking problems before the economic downturn further aggravates the situation. During the six-month window, the banks would be able to present eligible assets baskets to be covered by the asset relief measures, with the possibility of rollover <sup>(6)</sup>.
27. Appropriate mechanisms may need to be devised so as to ensure that the banks most in need of asset relief participate in the government measure. Such mechanisms could include mandatory participation in the programme, and should include at least mandatory disclosure to the supervisory authorities. The obligation for all banks to reveal the magnitude of their asset-related problems will contribute to the clear identification of the need and necessary scope for an asset relief scheme at the Member State level.

<sup>(1)</sup> Asset relief measures are somewhat comparable to capital injections insofar as they provide a loss absorption mechanism and have a regulatory capital effect. However, with the former the State generally incurs a larger risk, related to a specific portfolio of impaired assets, with no direct contribution of other bank's income generating activities and funds, and beyond its possible stake into the bank. In view of the larger down-side and more limited up-side remuneration for asset relief should normally be higher than for capital injections.

<sup>(2)</sup> Comparing the book value of the assets with their transfer value (i.e. their real economic value).

<sup>(3)</sup> Shareholder protection should, however, normally be excluded. See Decisions NN 39/08 (Denmark, Aid for liquidation of Roskilde Bank) and NN 41/08 (United Kingdom, Rescue aid to Bradford & Bingley).

<sup>(4)</sup> That may be the case where the bank's size or type of activity would be unmanageable in an administrative or judiciary procedure or via an orderly winding-up without having dangerous systemic implications on other financial institutions or on lending to the real economy. A justification by the monetary and/or supervisory authority would be necessary in this respect.

<sup>(5)</sup> Other factors, for example higher remuneration, may influence the appropriate level. Moreover, it has to be noted that *ex post* compensations may only occur several years after the measure has been introduced and may therefore unsatisfactorily prolong the uncertainty linked to the valuation of the impaired assets. Claw-back clauses based on *ex ante* valuation would not have this problem.

<sup>(6)</sup> Case of enrolled assets that may mature afterwards.

28. Where participation is not mandatory, the scheme could include appropriate incentives (such as the provision of warrants or rights to existing shareholders so that they may participate in future private capital-raising at preferential terms) to facilitate take-up by the banks without derogating from the principles of transparency and disclosure, fair valuation and burden sharing.
29. Participation after the expiration of the six month enrolment window should be possible only in exceptional and unforeseeable circumstances for which the bank is not responsible <sup>(1)</sup>, and subject to stricter conditions, such as higher remuneration to the State and/or higher compensatory measures.
30. Access to asset relief should always be conditional on a number of appropriate behavioural constraints. In particular, beneficiary banks should be subject to safeguards which ensure that the capital effects of relief are used for providing credit to appropriately meet demand according to commercial criteria and without discrimination and not for financing a growth strategy (in particular acquisitions of sound banks) to the detriment of competitors.
31. Restrictions on dividend policy and caps on executive remuneration should also be considered. The specific design of behavioural constraints should be determined on the basis of a proportionality assessment taking account of the various factors that may imply the necessity of restructuring (see Section 6).

#### 5.4. Eligibility of assets

32. When determining the range of eligible assets for relief, a balance needs to be found between meeting the objective of immediate financial stability and the need to ensure the return to normal market functioning over the medium term. Assets commonly referred to as 'toxic assets' (for example, US mortgage backed securities and associated hedges and derivatives), which have triggered the financial crisis and have largely become illiquid or subject to severe downward value adjustments, appear to account for the bulk of uncertainty and scepticism concerning the viability of banks. Restricting the range of eligible assets to such assets would limit the State's exposure to possible losses and contribute to the prevention of competition distortions <sup>(2)</sup>. However, an overly narrow relief measure would risk falling short of restoring confidence in the banking sector, given the differences between the specific problems encountered in different Member States and banks and the extent to which the problem of impairment has now spread to other assets. This would plead in favour of a pragmatic approach including elements of flexibility, which would ensure that other assets also benefit from relief measures to an appropriate extent and where duly justified.
33. A common and coordinated Community approach to the identification of the assets eligible for relief measures is necessary to both prevent competitive distortions among Member States and within the Community banking sector, and limit incentives for cross-border banks to engage in arbitrage among different national relief measures. To ensure consistency in the identification of eligible assets across Member States, categories of assets ('baskets') reflecting the extent of existing impairment should be developed. More detailed guidance on the definition of those categories is provided in Annex III. The use of such categories of assets would facilitate the comparison of banks and their risk profiles across the Community. Member States would then need to decide which category of assets could be covered and to what extent, subject to the Commission's review of the degree of impairment of the assets chosen.
34. A proportionate approach would need to be developed to allow a Member State whose banking sector is additionally affected by other factors of such magnitude as to jeopardise financial stability (such as the burst of a bubble in their own real estate market) to extend eligibility to well-defined categories of assets corresponding to the systemic threat upon due justification, without quantitative restrictions.

<sup>(1)</sup> An 'unforeseeable circumstance' is a circumstance that could in no way be anticipated by the company's management when making its decision not to join the asset relief programme during the enrolment window and that is not a result of negligence or error on the part of the company's management or decisions of the group to which it belongs. An 'exceptional circumstance' is to be understood as exceptional beyond the current crisis. Member States wishing to invoke such circumstances shall notify all necessary information to the Commission.

<sup>(2)</sup> This would seem the approach chosen in the US for Citigroup and Bank of America.

35. Additional flexibility could further be envisaged by allowing for the possibility for banks to be relieved of impaired assets outside the scope of eligibility set out in paragraphs 32, 33 and 34 without the necessity of a specific justification for a maximum of 10-20 % of the overall assets of a given bank covered by a relief mechanism in view of the diversity of circumstances of different Member States and banks. However, assets that cannot presently be considered impaired should not be covered by a relief programme. Asset relief should not provide an open-ended insurance against future consequences of recession.
36. As a general principle, the wider the eligibility criteria, and the greater the proportion which the assets concerned represent in the portfolio of the bank, the more thorough the restructuring and the remedies to avoid undue distortions of competition will have to be. In any case, the Commission will not consider assets eligible for relief measures where they have entered the balance sheet of the beneficiary bank after a specified cut-off date prior to the announcement of the relief programme <sup>(1)</sup>. To do otherwise could result in asset arbitrage and would give rise to inadmissible moral hazard by providing incentives for banks to abstain from properly assessing risks in future lending and other investments and thus repeat the very mistakes that have brought about the current crisis <sup>(2)</sup>.

#### 5.5. Valuation of assets eligible for relief and pricing

37. A correct and consistent approach to the valuation of assets, including assets that are more complex and less liquid, is of key importance to prevent undue distortions of competition and to avoid subsidy races between Member States. Valuation should follow a general methodology established at the Community level and should be closely co-ordinated *ex ante* by the Commission across the Member States in order to ensure maximum effectiveness of the asset relief measure and reduce the risk of distortions and damaging arbitrage, notably for cross-border banks. Alternative methodologies may need to be employed to take account of specific circumstances relating to, for example, timely availability of relevant data, provided they attain equivalent transparency. In any case, eligible banks should value their portfolios on a daily basis and make regular and frequent disclosures to the national authorities and to their supervisory authorities.
38. Where the valuation of assets appears particularly complex, alternative approaches could be considered such as the creation of a 'good bank' whereby the State would purchase the good rather than the impaired assets. Public ownership of a bank (including nationalisation) could be an alternative option, with a view to carrying out the valuation over time in a restructuring or orderly winding-up context, thus eliminating any uncertainty about the proper value of the assets concerned <sup>(3)</sup>.
39. As a first stage, assets should be valued on the basis of their current market value, whenever possible. In general, any transfer of assets covered by a scheme at a valuation in excess of the market price will constitute State aid. The current market value may, however, be quite distant from the book value of those assets in the current circumstances, or non-existent in the absence of a market (for some assets the value may effectively be as low as zero).
40. As a second stage, the value attributed to impaired assets in the context of an asset relief program (the 'transfer value') will inevitably be above current market prices in order to achieve the relief effect. To ensure consistency in the assessment of the compatibility of aid, the Commission would consider a transfer value reflecting the underlying long-term economic value (the 'real economic value') of the assets, on the basis of underlying cash flows and broader time horizons, an acceptable benchmark indicating the compatibility of the aid amount as the minimum necessary. Uniform hair-cuts applicable to certain asset categories will have to be considered to approximate the real economic value of assets that are so complex that a reliable forecast of developments in the foreseeable future would appear impracticable.

<sup>(1)</sup> Generally, the Commission considers that a uniform and objective cut-off date, such as the end of 2008, will ensure a level playing field among banks and Member States.

<sup>(2)</sup> Where necessary, State support in relation to the risks of future assets can be tackled on the basis of the guarantee notice and the temporary framework.

<sup>(3)</sup> This would be the case, for example, if the State swapped assets for government bonds in the amount of their nominal value but received contingent warrants on bank capital, the value of which depends on the eventual sales price of the impaired assets.

41. Consequently, the transfer value for asset purchase or asset insurance <sup>(1)</sup> measures should be based on their real economic value. Moreover, adequate remuneration for the State must be secured. Where Member States deem it necessary — notably to avoid technical insolvency — to use a transfer value of the assets that exceeds their real economic value, the aid element contained in the measure is correspondingly larger. It can only be accepted if it is accompanied by far-reaching restructuring and the introduction of conditions allowing the recovery of this additional aid at a later stage, for example through claw-back mechanisms.
42. The valuation process both with regard to the market value and the real economic value, as well as the remuneration of the State, should follow the same guiding principles and processes listed in Annex IV.
43. When assessing the valuation methods put forward by Member States for asset relief measures, and their implementation in individual cases, the Commission will consult panels of valuation experts <sup>(2)</sup>. The Commission will also build on the expertise of existing bodies organised at Community level in order to ensure the consistency of valuation methodologies.

#### 5.6. Management of assets subject to relief measures

44. It is for Member States to choose the most appropriate model for relieving banks from assets, from the range of options set out in Section 3 and Annex II, in the light of the extent of the problem of impaired assets, the situation of the individual banks concerned and budgetary considerations. The objective of State aid control is to ensure that the features of the selected model are designed so as to ensure equal treatment and prevent undue distortions of competition.
45. While the specific pricing arrangements for an aid measure may vary, their distinctive features should not have an appreciable impact on the adequate burden-sharing between the State and the beneficiary banks. On the basis of proper valuation, the overall financing mechanism of an asset management company, an insurance or a hybrid solution should ensure that the bank will have to assume the same proportion of losses. Claw-back clauses can be considered in this context. In general, all schemes must ensure that the beneficiary banks bear the losses incurred in the transfer of assets (see further paragraph 50 and footnote 10).
46. Whatever the model, in order to facilitate the bank's focus on the restoration of viability and to prevent possible conflicts of interest, it is necessary to ensure clear functional and organisational separation between the beneficiary bank and its impaired assets, notably as to their management, staff and clientele.

#### 5.7. Procedural aspects

47. Detailed guidance on the implications of these guidelines on State aid procedure with regard to both the initial notification of aid and the assessment of restructuring plans, where necessary, is provided in Annex V.

### 6. FOLLOW-UP MEASURES — RESTRUCTURING AND RETURN TO VIABILITY

48. The principles and conditions in Section 5 set the framework for designing asset relief measures in compliance with State aid rules. State aid rules aim, in the present context, at ensuring the minimum and least distortive support for a removal of risks related to a separate category of assets from the beneficiary banks in order to prepare a solid ground for return to long-term viability without State support. While the treatment of impaired assets along the above principles is a necessary step for a return to viability for the banks, it is not in itself sufficient to achieve that goal. Depending on their particular situation and characteristics, banks will have to take appropriate measures in their own interest in order to avoid a recurrence of similar problems and to ensure sustainable profitability.

<sup>(1)</sup> In the case of an insurance measure, the transfer value is understood as insured amount.

<sup>(2)</sup> The Commission will use the opinion of such panels of valuation experts in a manner similar to other State aid proceedings, where it may have recourse to external expertise.

49. Under State aid rules and notably those for rescue and restructuring aid, asset relief amounts to a structural operation and requires a careful assessment of three conditions: (i) adequate contribution of the beneficiary to the costs of the impaired assets programme; (ii) appropriate action to guarantee the return to viability; and (iii) necessary measures to remedy competition distortions.
50. The first condition should normally be achieved by fulfilling the requirements set out in the Section 5, notably disclosure, valuation, pricing and burden-sharing. This should ensure a contribution by the beneficiary of at least the entirety of the losses incurred in the transfer of assets to the State. Where this is materially not possible, aid may still be authorised, by way of exception, subject to stricter requirements as to the other two conditions.
51. Requirements to return to viability and the need for remedies for competition distortion will be determined on a case-by-case basis. As regards the second condition, the need to return to long-term viability, it should be noted that asset relief may contribute to that objective. The viability review should certify the actual and prospective capital adequacy of the bank after a complete assessment and consideration of the possible factors of risk <sup>(1)</sup>.
52. The Commission's assessment of the extent of necessary restructuring, following the initial authorisation of the asset relief measures, will be determined on the basis of the following criteria: criteria outlined in the 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*, the proportion of the bank's assets subject to relief, the transfer price of such assets compared to the market price, the specific features of the impaired asset relief granted, the total size of State exposure relative to a bank's risk-weighted assets, the nature and origin of the problems of the beneficiary bank, and the soundness of the bank's business model and investment strategy. It will also take into account any additional granting of State guarantee or State recapitalisation, in order to draw a complete picture of the situation of the beneficiary bank <sup>(2)</sup>.
53. Long-term viability requires that the bank is able to survive without any State support, which implies clear plans for redeeming any State capital received and renouncing State guarantees. Depending on the outcome of that assessment, restructuring will have to comprise an in-depth review of the bank's strategy and activity, including, for example, focussing on core business, reorientation of business models, closure or divestment of business divisions/subsidiaries, changes in the asset-liability management and other changes.
54. The need for in-depth restructuring will be presumed where an appropriate valuation of impaired assets according to the principles set out in Section 5.5 and Annex IV would lead to negative equity/technical insolvency without State intervention. Repeated requests for aid and departure from the general principles set out in Section 5, will normally point to the need for such in-depth restructuring.
55. In-depth restructuring would also be required where the bank has already received State aid in whatever form that either contributes to coverage or avoidance of losses, or altogether exceeds 2 % of the total bank's risk weighted assets, while taking the specific features of the situation of each beneficiary in due consideration <sup>(3)</sup>.
56. The timing of any required measures to restore viability will take account of the specific situation of the bank concerned, as well as the overall situation in the banking sector, without unduly delaying the necessary adjustments.
57. Thirdly, the extent of necessary compensatory measures should be examined, on the basis of distortions of competition resulting from the aid. This may involve downsizing or divestment of profitable business units or subsidiaries, or behavioural commitments to limit commercial expansion.

<sup>(1)</sup> Compliance with the criteria set in paragraph 40 of the 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* would also need to be ensured as far as applicable.

<sup>(2)</sup> For those banks already subject to the obligation of a restructuring plan, following the granting of previous State aid, such a plan would need to duly take into consideration the new aid and envisage all options from restructuring to orderly winding-up.

<sup>(3)</sup> Participation in an authorised credit guarantee scheme, without the guarantee having had to be invoked to cover losses, are not to be taken into consideration for the purposes of this paragraph.

58. The need for compensatory measures will be presumed if the beneficiary bank does not fulfil the conditions set out in Section 5 and notably those of disclosure, valuation, pricing and burden sharing.
59. The Commission will assess the scope of the compensatory measures required, depending on its assessment of competition distortions resulting from the aid, and notably on the basis of the following factors: total amount of aid, including from guarantee and recapitalisation measures, volume of impaired assets benefiting from the measure, proportion of losses resulting from the asset, general soundness of the bank, risk profile of the relieved assets, quality of risk management of the bank, level of solvency ratios in the absence of aid, market position of the beneficiary bank and distortions of competition from the bank's continued market activities, and impact of the aid on the structure of the banking sector.

#### **7. FINAL PROVISION**

60. The Commission applies this Communication from 25 February 2009, the date on which it agreed in principle its content, having regard to the financial and economic context which required immediate action.
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## ANNEX I

**Eurosystem guidance on asset support measures for banks**

The Eurosystem has identified seven guiding principles for bank asset support measures:

1. *eligibility of institutions*, which should be voluntary, with possible priority for institutions with large concentrations of impaired assets in case of constraints;
  2. relatively broad *definition of assets* eligible for support;
  3. *valuation of eligible assets* which is transparent, preferably based on a range of approaches and common criteria to be adopted across Member States, based on independent third-party expert opinions, use of models which use micro-level inputs to estimate the economic value of, and probabilities attached to, the expected losses, and of asset-specific haircuts on book values of assets when the assessment of market value is particularly challenging, or when the situation requires swift action;
  4. an adequate degree of *risk sharing* as a necessary element of any scheme in order to limit the cost to the government, provide the right incentives to the participating institutions and maintain a level playing field across these institutions;
  5. sufficiently long *duration* of the asset-support schemes, possibly matching the maturity structure of the eligible assets;
  6. *governance of institutions* which should continue to be run according to business principles, and favouring of schemes that envisage well defined exit strategies; and
  7. *conditionality* of public support schemes to some measurable yardsticks, such as commitments to continue providing credit to appropriately meet demand according to commercial criteria.
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## ANNEX II

**The different approaches to asset relief and experience with the use of bad-bank solutions in the United States, Sweden, France, Italy, Germany, Switzerland and the Czech Republic****I. Possible approaches**

In principle, two broad approaches to managing assets subject to relief measures can be considered:

1. the segregation of impaired assets from good assets within a bank or in the banking sector as a whole. Several variants of this approach can be considered. An asset management company (bad bank or risk shield) could be created for each bank, whereby the impaired assets would be transferred to a separate legal entity, with the assets still managed by the ailing bank or a separate entity and possible losses shared between the good bank and the State. Alternatively, the State could establish a self-standing institution (often called an 'aggregator bank') to purchase the impaired assets of either an individual banks or of the banking sector as a whole, thereby allowing banks to return to normal lending behaviour unencumbered by the risk of asset write-downs. This approach could also involve prior nationalisation, whereby the State takes control of some or all banks in the sector before segregating their good and bad assets;
2. an asset insurance scheme whereby banks retain impaired assets on their balance sheets but are indemnified against losses by the State. In the case of asset insurance, the impaired assets remain on the balance sheet of banks, which are indemnified against some or all losses by the State. A specific issue concerning asset insurance is setting the appropriate premium for heterogeneous and complex assets, which should in principle reflect some combination of valuation and risk characteristics of the insured assets. Another issue is that insurance schemes are technically difficult to operate in a situation where the insured assets are spread across a large number of banks rather than concentrated in a few larger banks. Finally, the fact that the insured assets remain on the balance sheets of banks will allow for the possibility of conflicts of interest and remove the important psychological effect of clearly separating the good bank from the bad assets.

**II. Experience with bad banks**

In the United States, the Resolution Trust Corporation (RTC) was created as a government-owned asset-management company in 1989. The RTC was charged with liquidating assets (primarily real estate-related assets, including mortgage loans) that had been assets of savings and loan associations ('S&Ls') declared insolvent by the Office of Thrift Supervision, as a consequence of the Savings and Loan crisis (1989-1992). The RTC also took over the insurance functions of the former Federal Home Loan Bank Board. Between 1989 and mid-1995, the Resolution Trust Corporation closed or otherwise resolved 747 thrifts with total assets of USD 394 billion. In 1995, its duties were transferred to the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation. Overall, the cost to the taxpayers was estimated at USD 124 billion in 1995 dollars.

The RTC operated via so-called 'equity partnership programs'. All equity partnerships involved a private sector partner acquiring a partial interest in a pool of assets. By retaining an interest in asset portfolios, the RTC was able to participate in the extremely strong returns being realized by portfolio investors. Additionally, the equity partnerships enabled the RTC to benefit from the management and liquidation efforts of their private sector partners, and the structure helped assure an alignment of incentives superior to that which typically exists in a principal/contractor relationship. The various forms of equity partnerships are the following: Multiple Investment Fund (limited and selected partnership, unidentified portfolio of assets), N-series and S-series Mortgage Trusts (competitive bid for identified portfolio of assets), Land fund (to take profit from longer-term recovery and development of land), and JDC Partnership (selection of general partner on a 'beauty-contest' basis for claims unsecured or of questionable value).

In Sweden, two bank asset management corporations (AMCs), *Securum* and *Retriva*, were set up to manage the non-performing loans of financial institutions as part of the resolution policy for the financial crisis in 1992/1993. The assets of an ailing bank were split into 'good' and 'bad' assets, with the bad assets then transferred to one of the asset management corporations, mainly to *Securum*. An important feature of the Swedish programme was to force banks to disclose expected loan losses in full and assign realistic values to real estate and other assets. For this, the Financial Supervisory Authority tightened its rules for the definition of probable loan losses as well as for the valuation of real estate. In order to obtain uniform valuation of the real estate holdings of banks applying for support, the Authority set up a Valuation Board with real estate experts. The low market values assigned to the assets in the due diligence process, effectively helped setting a floor for asset values. As market participants did not expect prices to fall below that level, trading was



maintained<sup>(1)</sup>. In the long run, the two bank asset management corporations turned out to be successful in the sense that the budgetary cost of supporting the financial system was roughly balanced by the revenues received by the bank asset management corporations from the liquidation of their asset holdings.

In France, a public body enjoying an institutional unlimited State guarantee was created in the 1990s to take over and liquidate over time the bad assets of Credit Lyonnais. The bad bank financed the acquisition of the assets by means of a loan from Credit Lyonnais. The latter, therefore, could avoid recording losses on the assets and free capital for an equivalent amount of risk-weighted assets, as the loan to the bad bank could enjoy a 0 % risk weight in view of the State guarantee. The Commission approved the bad bank as restructuring aid. A feature of the model was the neat separation between the good and the bad bank in order to prevent conflicts of interest and the 'better fortunes clause' on the good bank's profit to the benefit of the State. After a few years, the bank was successfully privatised. However, transfer of the assets to the bad bank at book value sheltered the shareholders from responsibility for the losses and implied high cost for the State over time.

A few years later in Italy, Banco di Napoli was split into a bad bank and a good bank after the absorption of the losses by existing shareholders and a Treasury recapitalisation to the extent necessary to keep the bank afloat. Banco Napoli financed the bad bank's acquisition of the discounted but still impaired assets via a subsidised loan of the Central Bank counter-guaranteed by the Treasury. The cleaned bank was privatised one year later. In neither the case of Credit Lyonnais nor that of Banco di Napoli was there an immediate budgetary outlay for the Treasury for the acquisition of the bad assets, over and above the provision of capital to the banks.

A soft form of bad bank has been recently used by Germany in dealing with the bad assets of their Landesbanken. In the SachsenLB case, the beneficiary was sold as a going concern after the bad assets of around EUR 17,5 billion were channelled into a special purpose vehicle (SPV) with the purpose to hold the assets until maturity. The former owners, the Land of Saxony, gave a loss guarantee for around 17 % of the nominal value, which was considered as the absolute maximum of possible losses in a stress test (the base case was estimated only at 2 %). The new owner took over most of the refinancing and covered the remaining risk. The aid amount was at least considered to go up to the worst case estimate of around 4 %. In the WestLB case, a portfolio of assets of EUR 23 billion was channelled into an SPV and equipped with a government guarantee of EUR 5 billion so as to cover eventual losses and protect the balance sheet of adjusting the value of the assets according to IFRS. This allowed WestLB to remove the market volatility of the assets from its balance sheet. A guarantee fee of 0,5 % was paid to the State. The risk shield is still in place and is considered to be State aid.

In Switzerland, the government has created a new fund to which UBS has transferred a portfolio of toxic assets that was valued by a third party prior to the transfer. To ensure financing of this fund, Switzerland first injected capital into UBS (in the form of notes convertible into UBS shares), which UBS immediately wrote off and transferred to the Fund. The remainder of the financing of the Fund was ensured by a loan from the Swiss National Bank.

In the late 1990s, the Czech banks' lending conditions to corporations were very loose. The Czech banks were severely damaged by that and they had to be bailed out in the late 1990s by the government. Major rounds of cleaning up banks' balance sheets were undertaken in order to establish a healthy banking industry.

In February 1991, the Czech government created a consolidation bank (Konsolidační banka, KOB), established in order to take on bad loans from the banking sector accumulated before 1991 — such as debts inherited from the centrally planned economy, especially those related to trading within the Soviet bloc. In September 2001, the special bank turned into an agency that also had to absorb bad loans connected to 'new innovative' loans (especially so-called privatization loans, nonperforming loans and fraudulent loans).

Starting in 1991, larger banks were freed from bad loans and as of 1994 emphasis shifted to smaller banks. In particular, the failure of Kředitní banka in August 1996, and a subsequent partial run on Agrobanka, caused some strain on the Czech banking system. The programmes concerned led only to a temporary increase of State ownership in banking in 1995, and again in 1998, due to the revocation of the license of Agrobanka. Overall, the government share in banking rose to 32 % at the end of 1995 from 29 % in 1994.

Moreover, to support the small banks, another programme — the Stabilisation Programme — was approved in 1997. This essentially consisted of replacing poor-quality assets with liquidity of up to 110 % of each participating bank's capital through the purchase of poor-quality assets from the bank by a special company called Česká finanční, with subsequent repurchase of the residual amount of these assets within 5 to 7-year horizon. Six banks joined the programme, but five of these were excluded after failing to comply with its criteria and subsequently went out of business. Thus, the Stabilisation Programme was not successful and was halted.

(1) This is in sharp contrast to the Japanese policy setting too high values for 'bad' assets, thus freezing the real estate market for about a decade.

By the end of 1998, 63 banking licences had been granted (60 of these before the end of 1994). As of end-September 2000, 41 banks and branches of foreign banks remained in business, 16 were under extraordinary regimes (8 in liquidation, 8 involved in bankruptcy proceedings), 4 had merged with other banks, and the licence of one foreign bank had been revoked because it had failed to start its operations. Out of the 41 remaining institutions (including CKA) 15 were domestically controlled banks and 27 foreign-controlled banks, including foreign subsidiaries and foreign branches.

In May 2000, the amended Act on Bankruptcy and Settlement and the Act on Public Auctions became effective, which aimed at accelerating bankruptcy proceedings and balancing creditors' and debtors' rights by allowing specialised firms or legal persons to act as trustees in bankruptcy proceedings and by offering the possibility to negotiate out-of-court settlements.

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## ANNEX III

**The definition of categories ('baskets') of eligible assets and full disclosure concerning the impaired assets as well as the entire business activities of a bank**

**I. The definition of categories ('baskets') of eligible assets**

The definition of baskets of impaired financial assets of banks should be a common denominator based on categories that are already used for:

1. prudential reporting and valuation (Basel pillar 3 = CRD Annex XII; FINREP and COREP);
2. financial reporting and valuation (IAS 39 and IFRS 7 in particular);
3. Specialised *ad hoc* reporting on the credit crisis: IMF, FSF, Roubini and CEBS work on transparency.

Using a common denominator of existing reporting and valuation categories for defining asset baskets will:

1. prevent any additional reporting burden for banks;
2. make it possible to assess the basket of impaired assets of individual banks to Community and global estimates (which can be relevant for determining the 'economic value' at a point in time); and
3. provide objective (certified) starting points for the valuation of impaired assets.

Taking into account the above the Commission suggests the following baskets of financial assets as an entry point for determining the 'economic value' and the asset impairment relief:

Table 1

I. Structured finance/securitised products						
	Type of product	Accounting category	Valuation basis for the scheme			Comments
			Market value	Economic Value	Transfer Value	
1	RMBS	FVPL/AFS (*)				Further refined into: geographic area, seniority of tranches, ratings, sub-prime or Alt-A related, or other underlying assets, maturity/vintage, allowances and write-offs
2	CMBS	FVPL/AFS				
3	CDO	FVPL/AFS				
4	ABS	FVPL/AFS				
5	Corporate debt	FVPL/AFS				
6	Other loans	FVPL/AFS				
Total						
II. Non securitised loans						
	Type of product	Accounting category	Valuation basis for the scheme			Comments
			Cost (**)	Economic Value	Transfer Value	
7	Corporate	HTM/L&R (*)	Cost (**)			Further refinement on: geographic area, counterparty risk (PD) credit risk mitigation (collateral) and maturity structures; allowances and write-offs.
8	Housing	HTM/L&R	Cost			
9	Other personal	HTM/L&R	Cost			
Total						

(\*) FVPL = Fair value through profit and loss = trading portfolio + fair value option); AFS = available for sale, HTM = Held to Maturity, L&R = loans and receivables.

(\*\*) Cost means the carrying amount of the loans minus impairment.

## II. Full disclosure concerning impaired assets and the related business activities

On the basis of the asset baskets shown in Table 1, the information provided on the impaired assets of a bank which should be covered by an asset relief measure should be presented with a further degree of granularity as suggested in the comment column of Table 1.

On the basis of good practices observed by the Committee of European Banking Supervisors <sup>(1)</sup> (CEBS) for disclosures on activities affected by the market turmoil, information on the bank's activities related to the impaired assets that would feed into the viability review referred to in Section 5.1 could be structured as follows:

Table 2

CEBS observed good practices	Senior Supervisors Group (SSG): Leading Practice Disclosures
<p><b>Business model</b></p> <ul style="list-style-type: none"> <li>— Description of the business model (i.e. of the reasons for engaging in activities and of the contribution to value creation process) and, if applicable of any changes made (e.g. as a result of crisis).</li> <li>— Description of strategies and objectives.</li> <li>— Description of importance of activities and contribution to business (including a discussion in quantitative terms).</li> <li>— Description on the type of activities including a description of the instruments as well as of their functioning and qualifying criteria that products/investments have to meet.</li> <li>— Description of the role and the extent of involvement of the institution, i.e. commitments and obligations.</li> </ul>	<ul style="list-style-type: none"> <li>— Activities (SPE) (*).</li> <li>— Nature of exposure (sponsor, liquidity and/or credit enhancement provider) (SPE).</li> <li>— Qualitative discussion of policy (LF).</li> </ul>
<p><b>Risks and risk management</b></p> <ul style="list-style-type: none"> <li>— Description of the nature and extent of risks incurred in relation to the activities and instruments.</li> <li>— Description of risk management practices of relevance to the activities, of any identified weaknesses of any corrective measures that have been taken to address these.</li> <li>— In the current crisis, particular attention should be given to liquidity risk.</li> </ul>	
<p><b>Impact of the crisis on results</b></p> <ul style="list-style-type: none"> <li>— Qualitative and quantitative description of results, with a focus on losses (where applicable) and write-downs impacting the results.</li> <li>— Breakdown of the write-downs/losses by types of products and instruments affected by the crisis (CMBS, RMBS, CDO, ABS and LBO further broken down by different criteria).</li> <li>— Description of the reasons and factors responsible for the impact incurred.</li> <li>— Comparison of (i) impacts between (relevant) periods; and of (ii) income statement balances before and after the impact of the crisis.</li> <li>— Distinction of write-downs between realised and unrealised amounts.</li> <li>— Description of the influence the crisis had on the firm's share price.</li> <li>— Disclosure of maximum loss risk and description how the institution's situation could be affected by a further downturn or by a market recovery.</li> <li>— Disclosure of impact of credit spread movements for own liabilities on results and on the methods used to determine this impact.</li> </ul>	<ul style="list-style-type: none"> <li>— Change in exposure from the prior period, including sales and write-downs (CMB/LF)</li> </ul>

<sup>(1)</sup> Source: CEBS (Committee of European Banking Supervisors) report on banks' transparency on activities and products affected by the recent market turmoil, 18 June 2008.

CEBS observed good practices	Senior Supervisors Group (SSG): Leading Practice Disclosures
<p><b>Exposure levels and types</b></p> <ul style="list-style-type: none"> <li>— Nominal amount (or amortised cost) and fair values of outstanding exposures.</li> <li>— Information on credit protection (e.g. through credit default swaps) and its effect on exposures.</li> <li>— Information on the number of products</li> <li>— Granular disclosures of exposures with breakdowns provided by: <ul style="list-style-type: none"> <li>— level of seniority of tranches,</li> <li>— level of credit quality (e.g. ratings, investment grade, vintages),</li> <li>— geographic origin,</li> <li>— whether exposures have been originated, retained, warehoused or purchased,</li> <li>— product characteristics: e.g. ratings, share of sub-prime mortgages, discount rates, attachment points, spreads, funding,</li> <li>— characteristics of the underlying assets: e.g. vintages, loan-to-value ratios, information on liens, weighted average life of the underlying, prepayment speed assumptions, expected credit losses.</li> </ul> </li> <li>— Movement schedules of exposures between relevant reporting periods and the underlying reasons (sales, disposals, purchases etc.).</li> <li>— Discussion of exposures that have not been consolidated (or that have been recognised in the course of the crisis) and the related reasons.</li> <li>— Exposure to monoline insurers and quality of insured assets: <ul style="list-style-type: none"> <li>— nominal amounts (or amortized cost) of insured exposures as well as of the amount of credit protection bought,</li> <li>— fair values of the outstanding exposures as well as of the related credit protection,</li> <li>— amount of write-downs and losses, differentiated into realised and unrealised amounts,</li> <li>— breakdowns of exposures by ratings or counterparty.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>— Size of vehicle versus firm's total exposure (SPE/CDO).</li> <li>— Collateral: type, tranches, credit rating, industry, geographic distribution, average maturity, vintage (SPE/CDO/CMB/LF).</li> <li>— Hedges, including exposures to monolines, other counterparties (CDO). Creditworthiness of hedge counterparties (CDO).</li> <li>— Whole loans, RMBS, derivatives, other (O).</li> <li>— Detail on credit quality (such as credit rating, loan-to-value ratios, performance measures) (O).</li> <li>— Change in exposure from the prior period, including sales and write-downs (CMB/LF).</li> <li>— Distinction between consolidated and non consolidated vehicles. Reason for consolidation (if applicable) (SPE).</li> <li>— Funded exposure and unfunded commitments (LF).</li> </ul>
<p><b>Accounting policies and valuation issues</b></p> <ul style="list-style-type: none"> <li>— Classification of the transactions and structured products for accounting purposes and the related accounting treatment.</li> <li>— Consolidation of SPEs and other vehicles (such as VIEs) and a reconciliation of these to the structured products affected by the sub-prime crisis.</li> <li>— Detailed disclosures on fair values of financial instruments: <ul style="list-style-type: none"> <li>— financial instruments to which fair values are applied,</li> <li>— fair value hierarchy (a breakdown of all exposures measured at fair value by different levels of the fair value hierarchy and a breakdown between cash and derivative instruments as well as disclosures on migrations between the different levels),</li> <li>— treatment of day 1 profits (including quantitative information),</li> <li>— use of the fair value option (including its conditions for use) and related amounts (with appropriate breakdowns).</li> </ul> </li> <li>— Disclosures on the modelling techniques used for the valuation of financial instruments, including discussions of the following: <ul style="list-style-type: none"> <li>— description of modelling techniques and of the instruments to which they are applied,</li> <li>— description of valuation processes (including in particular discussions of assumptions and input factors the models rely on),</li> <li>— type of adjustments applied to reflect model risk and other valuation uncertainties,</li> <li>— sensitivity of fair values, and</li> <li>— stress scenarios.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>— Valuation methodologies and primary drivers (CDO).</li> <li>— Credit valuation adjustments for specific counterparties (CDO).</li> <li>— Sensitivity of valuation to changes in key assumptions and inputs (CDO).</li> </ul>

CEBS observed good practices	Senior Supervisors Group (SSG): Leading Practice Disclosures
<p><b>Other disclosure aspects</b></p> <p>— Description of disclosure policies and of the principles that are used for disclosures and financial reporting.</p>	
<p><b>Presentation issues</b></p> <p>— Relevant disclosures for the understanding of an institution's involvement in a certain activity should as far as possible be provided in one place.</p> <p>— Where information is spread between different parts or sources clear cross-references should be provided to allow the interested reader to navigate between the parts.</p> <p>— Narrative disclosures should to the largest extent possible be supplemented with illustrative tables and overviews to improve the clarity.</p> <p>— Institutions should ensure that the terminology used to describe complex financial instruments and transactions is accompanied by clear and adequate explanations.</p>	
<p>(*) In the SSG Report, each feature refers to an specific type of SPE, or to all of them as a whole, being SPE (Special Purpose Entities in general), LF (Leveraged Finance), CMB (Commercial Mortgage-Backed Securities), O (Other sub-prime and Alt-A Exposures), CDO (Collateralised Debt Obligations)</p>	

## ANNEX IV

**Valuation and pricing principles and processes****I. Valuation methodology and procedure**

For the purposes of asset relief measures, assets should be classified along the lines of the illustrative tables 1 and 2 in Annex III.

The determination of the real economic value for the purposes of this Communication (see Section 5.5) should be based on observable market inputs and realistic and prudent assumptions about future cash flows.

The valuation method to be applied to eligible assets should be agreed at the Community level and could vary with the individual assets or baskets of assets concerned. Whenever possible, such valuation should be re-assessed in reference to the market at regular intervals over the life of the asset.

In the past, several valuation options have been applied more or less successfully. Simple reverse auction procedures proved useful in the case of categories of assets where market values are reasonably certain. However, this approach failed in valuing more complex assets in the United States. More sophisticated auction procedures are more adapted where there is less certainty about market values and a more exact method of price discovery of each asset would be needed. Unfortunately, their design is not straightforward. The alternative of model-based calculations for complex assets presents the drawback of being sensitive to the underlying assumptions <sup>(1)</sup>.

The option of applying uniform valuation haircuts to all complex assets simplifies the process of valuation overall, although it results in less accurate pricing of individual assets. Central banks have substantial experience regarding possible criteria and parameters for collateral pledged for refinancing, which could serve as a useful reference.

Whatever the model chosen, the valuation process and particularly the assessment of the likelihood of future losses should be based on rigorous stress-testing against a scenario of protracted global recession.

The valuation must be based on internationally recognised standards and benchmarks. A common valuation methodology agreed at the Community level and consistently implemented by Member States could greatly contribute to mitigating concerns regarding threats to a level playing field resulting from potentially significant implications of discrepant valuation systems. When assessing the valuation methods put forward by Member States for asset relief measures, the Commission will, in principle, consult panels of valuation experts <sup>(2)</sup>.

**II. The pricing of State support on the basis of valuation**

The valuation of assets must be distinguished from the pricing of a support measure. A purchase or insurance on the basis of the established current market value or the 'real economic value', factoring in future cash flow projections on a hold-to-maturity basis, will in practice often exceed the present capacities of beneficiary banks for burden-sharing <sup>(3)</sup>. The objective of the pricing must be based on a transfer value as close to the identified real economic value as possible. While implying an advantage as compared to the current market value and thus State aid, pricing on the basis of the 'real economic value' can be perceived as counterbalancing current market exaggerations fuelled by current crisis conditions which have led to the deterioration or even collapse of certain markets. The greater any deviation of the transfer value from the 'real economic value', and thus the amount of aid, the greater the need for remedial measures to ensure accurate pricing over time (for example, through better fortune clauses) and for more in-depth restructuring. The admissible deviation from the result of valuation should be more restricted for assets the value of which can be established on the basis of reliable market input than for those for which markets are illiquid. Non-compliance with these principles would represent a strong indicator for the necessity of far-reaching restructuring and compensatory measures or even an orderly winding-up.

In any event, any pricing of asset relief must include remuneration for the State that adequately takes account of the risks of future losses exceeding those that are projected in the determination of the 'real economic value' and any additional risk stemming from a transfer value above the real economic value.

Such remuneration may be provided by setting the transfer price of assets at below the 'real economic value' to a sufficient extent so as to provide for adequate compensation for the risk in the form of a commensurate upside, or by adapting the guarantee fee accordingly.

<sup>(1)</sup> In any case, an auction would only be possible for homogeneous classes of assets and where there exist a sufficiently large number of potential sellers. In addition a reserve price would need to be introduced to ensure the protection of the interest of the State and claw back mechanism in case the final losses would exceed the reserve price, so as to ensure a sufficient contribution by the beneficiary bank. In order to assess such mechanisms, comparative scenarios with alternatives guarantee/purchase schemes will have to be submitted, including stress tests, in order to guarantee their global financial equivalence.

<sup>(2)</sup> The Commission will use the opinion of such panels of valuation experts in a manner similar to other State aid proceedings, where it may have recourse to external expertise.

<sup>(3)</sup> See Section 5.2.

Identifying the necessary target return could be 'inspired' by the remuneration that would have been required for recapitalisation measures to the extent of the capital effect of the proposed asset relief. This should be in line with the Commission 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, while taking into account the specific features of asset relief measures and particularly the fact that they may involve higher exposure than capital injections <sup>(1)</sup>.

The pricing system could also include warrants for shares in the banks equal in value to the assets (implying that a higher price paid will result in a higher potential equity stake). One model for such a pricing system could be an asset purchase scenario, in which such warrants will be returned to the bank once the assets are sold by the bad bank and if they have earned the necessary target return. If the assets do not yield such a return, the bank should pay the difference in cash to reach the target return. If the bank does not pay the cash, the Member State will sell the warrants to achieve the target return.

In an asset guarantee scenario, the guarantee fee could be paid in the form of shares with a fixed cumulative interest representing the target return. Where the guarantee needs to be drawn upon, the Member State could use the warrants to acquire shares corresponding to the amounts that had to be covered by the guarantee.

Any pricing system would have to ensure that the overall contribution of beneficiary banks reduces the extent of net State intervention to the minimum necessary.

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<sup>(1)</sup> In an asset guarantee scenario, it would also have to be taken into consideration that in contrast to recapitalisation measures, no liquidity is provided.



## ANNEX V

**State aid procedure**

Member States notifying asset relief measures must provide the Commission with comprehensive and detailed information on all the elements of relevance for the assessment of the public support measures under the State aid rules as set out in this Communication <sup>(1)</sup>. This includes notably the detailed description of the valuation methodology and its intended implementation involving independent third-party expertise <sup>(2)</sup>. Commission approval will be granted for a period of 6 months, and conditional on the commitment to present either a restructuring plan or a viability review for each beneficiary institution within 3 months from its accession to the asset relief programme.

Where a bank is granted aid either as an individual measure or under an approved asset relief scheme, the Member State must provide the Commission, at the latest in the individual notification concerning the restructuring plan or viability review, with detailed information regarding the assets covered and its valuation at the time such individual aid is granted, as well as the certified and validated results of the disclosure of impairments concerning the assets covered by the relief measure <sup>(3)</sup>. The full review of the bank's activities and balance sheet should be provided as soon as possible to initiate discussions on the appropriate nature and extent of restructuring well in advance of the formal presentation of a restructuring plan with a view to accelerating this process and providing clarity and legal certainty as quickly as possible.

For banks that have already benefited from other forms of State aid, whether under approved guarantee, asset swaps or recapitalisation schemes or individual measures, any assistance granted under the asset relief scheme must be reported first under existing reporting obligations so that the Commission has a complete picture of multiple State aid measures benefiting an individual aid recipient and can better appreciate the effectiveness of the previous measures and the contribution that the Member State proposes to introduce in a global assessment.

The Commission will reassess the aid granted under temporary approval in the light of the adequacy of the proposed restructuring and the remedial measures <sup>(4)</sup>, and will take a view on its compatibility for longer than 6 months through a new decision.

Member States must also provide a report to the Commission every six months on the functioning of the asset relief programmes and on the development of the banks' restructuring plans. Where the Member State is already subject to a reporting requirement for other forms of aid to its banks, such a report must be complemented with the necessary information concerning the asset relief measures and the banks' restructuring plans.

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<sup>(1)</sup> Pre-notification contact is encouraged.

<sup>(2)</sup> See Section 5.5 and Annex IV.

<sup>(3)</sup> A letter from the head of the supervisory authority certifying the detailed results must be provided.

<sup>(4)</sup> In order to facilitate the work of the Member States and the Commission, the Commission will be prepared to examine grouped notifications of similar restructuring/winding-up cases. The Commission may consider that there is no need to submit a plan for the pure winding up of an institution, or where the size of the institution is negligible.

**Non-opposition to a notified concentration**  
**(Case COMP/M.5364 — Iberia/Vueling/Clickair)**

(Text with EEA relevance)

(2009/C 72/02)

On 9 January 2009, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) in conjunction with Article 6(2) of Council Regulation (EC) No 139/2004. The full text of the decision is available only in Spanish and will be made public after it is cleared of any business secrets it may contain. It will be available:

- from the Europa competition website (<http://ec.europa.eu/comm/competition/mergers/cases/>). This website provides various facilities to help locate individual merger decisions, including company, case number, date and sectoral indexes,
  - in electronic form on the EUR-Lex website under document number 32009M5364. EUR-Lex is the on-line access to European law (<http://eur-lex.europa.eu>).
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## IV

(Notices)

## NOTICES FROM EUROPEAN UNION INSTITUTIONS AND BODIES

## COMMISSION

Euro exchange rates <sup>(1)</sup>

25 March 2009

(2009/C 72/03)

1 euro =

Currency	Exchange rate	Currency	Exchange rate		
USD	US dollar	1,3494	AUD	Australian dollar	1,9310
JPY	Japanese yen	132,24	CAD	Canadian dollar	1,6598
DKK	Danish krone	7,4486	HKD	Hong Kong dollar	10,4580
GBP	Pound sterling	0,92425	NZD	New Zealand dollar	2,3847
SEK	Swedish krona	10,9565	SGD	Singapore dollar	2,0376
CHF	Swiss franc	1,5230	KRW	South Korean won	1 837,68
ISK	Iceland króna		ZAR	South African rand	12,8317
NOK	Norwegian krone	8,7275	CNY	Chinese yuan renminbi	9,2176
BGN	Bulgarian lev	1,9558	HRK	Croatian kuna	7,4750
CZK	Czech koruna	27,290	IDR	Indonesian rupiah	15 754,25
EEK	Estonian kroon	15,6466	MYR	Malaysian ringgit	4,8956
HUF	Hungarian forint	300,22	PHP	Philippine peso	64,880
LTL	Lithuanian litas	3,4528	RUB	Russian rouble	45,4110
LVL	Latvian lats	0,7095	THB	Thai baht	47,890
PLN	Polish zloty	4,5600	BRL	Brazilian real	3,0442
RON	Romanian leu	4,2811	MXN	Mexican peso	19,3909
TRY	Turkish lira	2,2433	INR	Indian rupee	68,3740

<sup>(1)</sup> Source: reference exchange rate published by the ECB.

## NOTICES FROM MEMBER STATES

LIST OF BODIES OR PUBLIC AUTHORITIES IN CHARGE OF INSPECTION PROVIDED FOR IN  
ARTICLE 15 OF REGULATION (EEC) No 2092/91

(2009/C 72/04)

Article 9 of Council Regulation (EEC) No 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs, requires that the Member States set up an inspection system operated by one or more designated inspection authorities and/or approved private inspection bodies.

According to the provision of the last subparagraph of Article 15 of the Regulation, the current communication lists, on the basis of the information from the Member States updated in 2008, the system made operational in each Member State and the bodies and/or authorities approved for inspection.

Under the column 'comments' the systems made operational in each of the Member States are indicated as follows:

A: System of approved private inspection bodies

B: System of (a) designated public inspection authority(ies)

C: System of a designated public inspection authority and approved private inspection bodies

From January 1998 approved inspection bodies in the European Union must satisfy the requirements laid down in the conditions of standard EN 45011 (Article 9(10) of Regulation (EEC) No 2092/91).

The list also contains the bodies and/or authorities approved for inspection by non-EEC countries adhered to the EEA.

**AUSTRIA AND SPAIN**

In Austria and Spain, the bodies have their activity limited to certain specified Länder/Autonomous Communities.

The following codes have been used for the different Länder/Autonomous Communities, in the column 'comments'.

<b>Austria</b>		Balearic Islands	BA
Carinthia	K	Canary Islands	CA
Lower Austria	N	Cantabria	CN
Upper Austria	O	Castile-La Mancha	CM
Salzburg	S	Castile-y-Léon	CL
Styria	ST	Catalonia	CT
Tyrol	T	Extremadura	EX
Vienna	W	Galicia	GA
Burgenland	B	Rioja	RI
Vorarlberg	V	Madrid	MA
<b>Spain</b>		Murcia	MU
Andalusia	AN	Navarre	NA
Aragon	AR	Basque Country	VAS
Asturias	AS	Valencia	VA

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>AUSTRIA</b>		<b>System A</b>
AT-N-01-BIO	Austria Bio Garantie Königsbrunnerstrasse 8 A-2202 Enzersfeld Tel: +43 2262 67 22 12 Fax: +43 22 62 67 41 43 E-mail: nw@abg.at Website: www.abg.at	N, B, K, O, S, ST, T, V, W
AT-0-01-BIO	BIOS — Biokontrollservice Österreich Feyregg 39 A-4552 Wartberg Tel: +43 7587 7178 Fax: +43 7587 71 78-11 E-mail: office@bios-kontrolle.at Website: www.bios-kontrolle.at	O, B, K, N, S, ST, T, V, W
AT-O-02-BIO	LACON GmbH Linzerstrasse 2 A-4150 Rohrbach Tel: +43 7289 40977 Fax: +43 7289 40977-4 E-mail: office@lacon-institut.at Website: www.lacon-institut.at	O, B, K, N, S, ST, T, V, W
AT-O-04-BIO	GfRS Gesellschaft für Ressourcenschutz mbH Prinzenstraße 4 D-37073 Göttingen Tel: +49 551 58657 Fax: +49 551 58774 E-mail: postmaster@gfrs.de Website: www.gfrs.de	O, B, K, S, ST, T
AT-S-01-BIO	SLK GesmbH Maria-Cebotari-Strasse 3 A-5020 Salzburg Tel: +43 (0)662 649483 14 or +43 (0)662 649483 11 Fax: +43 662 649 483 19 E-mail: office@slk.at Website: www.slk.at	S, B, K, N, O, ST, T, V, W
AT-T-01-BIO	Kontrollservice BIKO Tirol Wilhelm — Greil — Straße 9 A-6020 Innsbruck Tel: +43 (0)59292-3100 or +43 (0)59292 3101 Fax: +43 059292-3199 E-mail: office@biko.at Website: www.biko.at	T, K, N, O, S, V, W
AT-W-01-BIO	LVA Blaasstrasse 29 A-1190 Wien Tel: +43 (0)1 3688555 541 or +43 (0)1 3688555 12 Fax: +43 1 368 85 55-20 E-mail: cs@lva.co.at or bio@lva.at Website: www.lva.co.at	W, B, K, N, O, S, ST, T, V
AT-W-02-BIO	SGS Austria Controll — Co. GesmbH Diefenbachgasse 35 A-1150 Wien Tel: +43 (0)1 5122567 154 or +43 (0)1 5122567 0 Fax: +43 (0)1 5122567 9 E-mail: sgs.austria@sgs.com Website: www.at.sgs.com	W, B, K, N, O, S, ST, T, V

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>BELGIUM</b>		<b>System A</b>
BE-BIO-01	CERTISYS Av. de l'Escrime 85 Schermlaan B-1150 Bruxelles — Brussel Bureaux: Chemin de la Haute Baudecet 1 B-1457 Walhain Tel: +32 (0) 81 60 03 77 Fax: +32 (0) 81 60 03 13 E-mail: info@certisys.eu Website: www.certisys.eu	
BE-BIO-02	INTEGRA bvba, afdeling BLIK Statiestraat 164 B-2600 Berchem Tel: +32 (0)3 287 37 60 Fax: +32 (0)3 287 37 61 E-mail: info@integra-bvba.be Website: www.integra-bvba.be	
<b>BULGARIA</b>		<b>System A</b>
BG-02	BALKAN BIOCERT Ltd 13, Christo G. Danov Str. BG-4000 Plovdiv Tel: +359 32 625 888 Fax: +359 32 625 818 E-mail: gm@balkanbiocert.com Website: www.balkanbiocert.com	
BG-03	QC I INTERNATIONAL SERVICES S.P.A. 23, Vasil Aprilov Blvd., floor 3 BG-4000 Plovdiv Tel/Fax: +359 32 649 228 E-mail: office@qci.bg Website: qci.bg	
BG-04	CERES — Certification of Environmental Standards Ltd. 15, Ivan Gechov Blvd. BG-1431 Sofia Tel/Fax: +359 29530264 E-mail: bioxm_bg@yahoo.com Website: www.ceres-cert.com	
BG-05	LACON Ltd 17, Prolet Str. BG-5140 Lyaskovetz Tel/Fax: +359 619/231 87 E-mail: laconbg@gmail.com E-mail: b_cert@yahoo.co.uk Website: www.b-cert.com	
BG-06	BCS Öko-Garantie Ltd 15, Ivailo Str. BG-1606 Sofia Tel: + 359 29880276 Fax: +359 29880259 E-mail: bulgaria@bcs-oeko.com Website: www.bcs-oeko.com	
BG-07	Control Union Certifications Ltd 40, Graf Ignatiev Str. BG-9000 Varna Tel: + 359 52/66 55 903 Fax: + 359 52/600 453 E-mail: sales@fidelitas.bg Website: www.controlunion.com	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>CYPRUS</b>		<b>System A</b>
CY-BIO-001	LACON LTD Archbishop Kyprianos 53 2059 Strovolos Cyprus Tel: +35 722499640 Fax: +35 722499643 E-mail: laconcy@cytanet.com.cy	
CY-BIO-002	BIOCERT (CYPRUS) LTD Olympias 12 1070 Lefkosia Cyprus Tel: +35 722766446 Fax: +35 722375069	
<b>CZECH REPUBLIC</b>		<b>System A</b>
CZ-BIO-KEZ-01	KEZ o.p.s. Poděbradova 909 CZ-53701 Chrudim Tel: +420 469 622 249 Fax: +420 469 625 027 E-mail: kez@kez.cz Website: www.kez.cz	
CZ-BIO-ABCERT-02	ABCERT AG, organizační složka Lidická 40 CZ-602 00 Brno Tel: +420 545 215 899 Fax: +420 545 217 876 E-mail: info@abcert.cz Website: www.abcert.cz	
CZ-BIOKONT-03	BIOKONT CZ, s r.o. Měříčkova 34 CZ-62100 Brno Tel: +420 545 225 565 Fax: +420 547 225 565 E-mail: slavik@biokont.cz Website: www.biokont.cz	
<b>DENMARK</b>		<b>System B</b>
DK-Ø-50	Plantedirektoratet Skovbrynet 20 DK-2800 Lyngby Tel: +45 45 26 36 00 Fax: +45 45 26 36 19 E-mail: pdir@pdir.dk	
DK-Ø-1	Fødevareregion Nord Kontrolafdeling Aalborg Sofiendalsvej 90 DK-9200 Aalborg SV. Tel: +45 7227 5000 Fax: +45 7227 5003 E-mail: kontr.aalborg.nord@fvst.dk	
DK-Ø-2	Fødevareregion Nord Kontrolafdeling Viborg Klostermarken 16 DK-8800 Viborg Tel: +45 7227 5000 Fax: +45 7227 5007 E-mail: kontr.viborg.nord@fvst.dk	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
DK-Ø-3	Fødevareregion Nord Kontrolafdeling Herning Rosenholmsvej 15, Tjørring DK-7400 Herning Tel: +45 7227 5000 Fax: +45 7227 5005 E-mail: kontr.herning.nord@fvst.dk	
DK-Ø-4	Fødevareregion Nord Kontrolafdeling Århus Sønderskovvej 5 DK-8520 Lystrup Tel: +45 7227 5000 Fax: +45 7227 5001 E-mail: kontr.aarhus.nord@fvst.dk	
DK-Ø-5	Fødevareregion Syd Kontrolafdeling Vejle Tysklandsvej 7 DK-7100 Vejle Tel: +45 7227 5500 Fax: +45 7227 5501 E-mail: kontr.vejle.syd@fvst.dk	
DK-Ø-6	Fødevareregion Syd Kontrolafdeling Esbjerg Høgevej 25 DK-6705 Esbjerg Ø. Tel: +45 7227 5500 Fax: +45 7227 5601 E-mail: kontr.esbjerg.syd@fvst.dk	
DK-Ø-7	Fødevareregion Syd Kontrolafdeling Haderslev Ole Rømersvej 30 DK-6100 Haderslev Tel: +45 7227 5500 Fax: +45 7227 5701 E-mail: kontr.haderslev.syd@fvst.dk	
DK-Ø-8	Fødevareregion Syd Kontrolafdeling Odense Lille Tornbjerg Vej 30 DK-5220 Odense SØ. Tel: +45 7227 5500 Fax: +45 7227 5801 E-mail: kontr.odense.syd@fvst.dk	
DK-Ø-9	Fødevareregion Øst Kontrolafdeling Ringsted Søndervang 4 DK-4100 Ringsted Tel: +45 7227 6000 Fax: +45 7227 6101 E-mail: kontr.ringsted.oest@fvst.dk	
DK-Ø-10	Fødevareregion Øst Kontrolafdeling Rødovre Fjeldhammervej 15 DK-2610 Rødovre Tel: +45 7227 6000 Fax: +45 7227 6399 E-mail: kontr.roedovre.oest@fvst.dk	
<b>ESTONIA</b>		<b>System B</b>
EE-VTA	Veterinary and Food Board Väike-Paala 3 EE-11415 Tallinn Tel: +372 605 1710 Fax: +372 621 1441 E-mail: vet@vet.agri.ee Website: www.vet.agri.ee	VFB is inspection authority responsible for import authorization and processing



Member states and codes	Inspection authority(ies) or body(ies)	Comments
EE-TTI	Plant Production Inspectorate Teaduse 2, Saku 75501 Harjumaa Tel: +372 6712 602 Fax: +372 6712 604 E-mail: plant@plant.agri.ee Website: www.plant.agri.ee	PPI is inspection authority responsible for production
<b>FINLAND</b>		<b>System B</b>
FI-A-001	Uudenman työvoima- ja elinkeinokeskus Elintarviketurvallisuusvirasto Evira (The Finnish Food Safety Authority Evira) Mustialankatu 3 FIN-00790 Helsinki Tel: +358 20 772 003 Fax: +358 20 772 4350 E-mail: kirjaamo@evira.fi Website: www.evira.fi	
FI-A-002	Varsinais-Suomen työvoima- ja elinkeinokeskus As above	
FI-A-003	Satakunnan työvoima- ja elinkeinokeskus As above	
FI-A-004	Hämeen työvoima- ja elinkeinokeskus As above	
FI-A-005	Pirkanmaan työvoima- ja elinkeinokeskus As above	
FI-A-006	Kaakkois-Suomen työvoima- ja elinkeinokeskus As above	
FI-A-007	Etelä-Savon työvoima- ja elinkeinokeskus As above	
FI-A-008	Pohjois-Savon työvoima- ja elinkeinokeskus As above	
FI-A-009	Pohjois-Karjalan työvoima- ja elinkeinokeskus As above	
FI-A-010	Keski-Suomen työvoima- ja elinkeinokeskus As above	
FI-A-011	Etelä-Pohjanmaan työvoima- ja elinkeinokeskus As above	
FI-A-012	Pohjanmaan työvoima- ja elinkeinokeskus As above	
FI-A-013	Pohjois-Pohjanmaan työvoima- ja elinkeinokeskus As above	
FI-A-014	Kainuun työvoima- ja elinkeinokeskus As above	
FI-A-015	Lapin työvoima- ja elinkeinokeskus As above	
FI-B	Elintarviketurvallisuusvirasto Evira As above	
FI-C	Sosiaali- ja terveysalan lupa- ja valvontavirasto P.O. Box 210 FIN-00531 Helsinki Tel: +358-9-772 920 Fax: +358-9-7729 2498 E-mail: kirjaamo@valvira.fi Website: www.valvira.fi	
FI-D	Ålands landskapsregering PB 1060 FIN-22111 Mariehamn, Åland Tel: +358 18 250 00 Fax: +358-18-192 40 E-mail: registrator@regeringen.ax Website: www.regeringen.ax	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<p><b>FRANCE</b></p> <p>FR-BIO 01</p> <p>FR-AB 06</p> <p>FR-BIO 07</p> <p>FR-BIO 09</p> <p>FR-BIO 10</p> <p>FR-BIO 11</p>	<p>ECOCERT S.A.S. B.P. 47 F-32600 L'Isle Jourdain Tel: +33 (0)5 62 07 34 24 Fax: +33 (0)5 62 07 11 67 E-mail: info@ecocert.com Website: www.ecocert.fr</p> <p>ULASE SAS B.P. 68 F-26270 Loriol sur Drôme Tel: +33 (0)4 75 61 13 05 Fax: +33 (0)4 75 85 62 12 E-mail: info@ulase.fr Website: www.ulase.fr</p> <p>AGROCERT 4, rue Albert Gary F-47200 Marmande Tel: +33 (0)5 53 20 93 04 Fax: +33 (0)5 53 20 92 41 E-mail: agrocert@agrocert.fr</p> <p>ACLAVE 56, rue Roger Salengro F-85013 LA-ROCHE-SUR-YON CEDEX Tel: +33(0)2 51 05 14 92 Fax: +33 (0)2 51 36 84 63 E-mail: accueil@aclave.asso.fr Website: www.aclave.asso.fr</p> <p>QUALITÉ FRANCE S.A.S. * Immeuble le Guillaumet 60, av. du G<sup>l</sup> de Gaulle F-92046 PARIS la DÉFENSE CEDEX Tel: +33 (0)1 41 97 00 74 Fax: +33 (0)1 41 97 08 32 E-mail: bio@fr.bureauveritas.com Website: www.qualite-france.com</p> <p>* ZAC ATALANTE CHAMPEAUX 1, rue Maillard de la Gournerie CS 63901 F-35039 RENNES CEDEX</p> <p>* ZA CHAMPGRAND B.P. 68 F-26270 LORIOL-SUR-DRÔME</p> <p>SGS ICS S.A.S. 191, avenue Aristide Briand F-94237 CACHAN CEDEX Tel: +33(0)1 41 24 83 04 Fax: +33 (0)1 41 24 89 96 E-mail: fr.certification@sgs.com Website: www.fr.sgs.com</p>	<p><b>System A</b></p>
<p><b>GERMANY</b></p> <p>DE-001-Öko-Kontrollstelle</p>	<p>BCS Öko-Garantie GmbH Control System Peter Grosch Cimbernstraße 21 D-90402 Nürnberg Tel: +49 (0)911 424390 Fax: +49 (0)911 492239 E-mail: info@bcs-oeko.de Website: www.bcs-oeko.de</p>	<p><b>System A</b></p>

Member states and codes	Inspection authority(ies) or body(ies)	Comments
DE-003-Öko-Kontrollstelle	Lacon GmbH Privatinstitut für Qualitätssicherung und Zertifizierung ökologisch erzeugter Lebensmittel Brünnesweg 19 D-77654 Offenburg Tel: +49 (0)781 91937 30 Fax: +49 (0)781 91937 50 E-mail: lacon@lacon-institut.com Website: www.lacon-institut.com	
DE-005-Öko-Kontrollstelle	IMO GmbH Institut für Marktökologie GmbH Obere Laube 51-53 D-78462 Konstanz Tel: +49 (0)7531/81301-0 Fax: +49 (0)7531/81301-29 E-mail: imod@imo.ch Website: www.imo.ch	
DE-006-Öko-Kontrollstelle	ABCERT GmbH Kontrollstelle für ökologisch erzeugte Lebensmittel Martinstraße 42-44 D-73728 Esslingen Tel: +49 (0)711 351792-0 Fax: +49 (0)711 351792-200 E-mail: info@abcert.de Website: www.abcert.de	
DE-007-Öko-Kontrollstelle	Prüfverein Verarbeitung Ökologische Landbauprodukte e.V. Vorholzstraße 36 D-76137 Karlsruhe Tel: +49(0)721 35239-20 Fax: +49(0)721 35239-09 E-mail: kontakt@pruefverein.de Website: www.pruefverein.de	
DE-009-Öko-Kontrollstelle	LC Landwirtschafts-Consulting GmbH Am Kamp 15-17 D-24768 Rendsburg Tel: +49 (0)4331 33630 0 Fax: +49 (0)4331 33630 12 Website: www.lc-kiel.de	
DE-012-Öko-Kontrollstelle	AGRECO R.F. Göderz GmbH Mündener Straße 19 D-37218 Witzhausen Tel: +49 (0)5542 4044 Fax: +49 (0)5542 6540 E-mail: info@agrecogmbh.de Website: www.agrecogmbh.de	
DE-013-Öko-Kontrollstelle	QC & I Gesellschaft für Kontrolle und Zertifizierung von Qualitätssicherungssystemen GmbH Geschäftsstelle: Tiergartenstraße 32 D-54595 Prüm/ Eifel Tel: +49 (0)6551 147641 Fax: +49 (0)6551 147645  Sitz der Gesellschaft: Gleuelerstraße 286 D-50935 Köln E-mail: qci.koeln@qci.de Website: www.qci.de	
DE-021-Öko-Kontrollstelle	Grünstempel Ökoprüfstelle e.V. EU Kontrollstelle für ökologische Erzeugung und Verarbei- tung landwirtschaftlicher Produkte Windmühlenbreite 25d D-39164 Wanzleben Tel: +49 (0)39209 46696 Fax: +49 (0)39209 60596 E-mail: info@gruenstempel.de Website: www.gruenstempel.de	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
DE-022-Öko-Kontrollstelle	Kontrollverein ökologischer Landbau e.V. Vorholzstraße 36 D-76137 Karlsruhe Tel: +49 (0)721 35239-10 Fax: +49 (0)721 35239-09 E-mail: kontakt@kontrollverein.de Website: www.kontrollverein.de	
DE-024-Öko-Kontrollstelle	Ecocert Deutschland GmbH Güterbahnhofstr.10 D-37154 Northeim Tel: +49 (0)5551 908430 Fax: +49 (0)5551 9084380 E-mail: info-deutschland@ecocert.com	
DE-026-Öko-Kontrollstelle	Certification Services International CSI GmbH Flughafendamm 9a D-28199 Bremen Tel: +49 (0)421 5977322 or (0)421 594770 Fax: +49 (0)421 594771 E-mail: info@csicert.com Website: www.csicert.com	
DE-032-Öko-Kontrollstelle	Kontrollstelle für ökologischen Landbau GmbH Dorfstraße 11 D-07646 Tissa Tel: +49 (0)36428 60934 (Office Stadtroda) Fax: +49 (0)36428 13852 Tel/Fax: +49 (0)36428 62743 (Office Tissa) E-mail: kontrollstelle@t-online.de	
DE-034-Öko-Kontrollstelle	Fachverein für Öko-Kontrolle e.V. Plauerhäger Straße16 D-19395 Karow Tel: +49 (0)38738 70755 Fax: +49 (0)38738 70756 E-mail: info@fachverein.de Website: www.fachverein.de	
DE-037-Öko-Kontrollstelle	ÖKOP Zertifizierungs GmbH Schlesische Straße 17 d D-94315 Straubing Tel: +49 (0)9421 703075 Fax: +49 (0)9421 703074 E-mail: biokontrollstelle@oekop.de Website: www.oekop.de	
DE-039-Öko-Kontrollstelle	GfRS Gesellschaft für Ressourcenschutz GmbH Prinzenstraße 4 D-37073 Göttingen Tel: +49 (0)551 5865 Fax: +49 (0)551 58774 E-mail: postmaster@gfrs.de Website: www.gfrs.de	
DE-043-Öko-Kontrollstelle	Agro-Öko-Consult Berlin GmbH Dorotheastraße 30 D-10318 Berlin Tel: +49 (0)30 54782352 Fax: +49 (0)30 54782309 E-mail: aoec@aoec.de Website: www.aoec.de	
DE-044-Öko-Kontrollstelle	Ars Probata GmbH Möllendorffstraße 49 D-10367 Berlin Tel: +49 (0)30/47004632 Fax: +49 (0)30/47004633 E-mail: ars-probata@ars-probata.de Website: www.ars-probata.de	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
DE-060-Öko-Kontrollstelle	QAL Gesellschaft für Qualitätssicherung in der Agrar und Lebensmittelwirtschaft GmbH Am Branden 6b D-85256 Vierkirchen Tel: +49 (0)8139 8027-0 Fax: +49 (0)8139 8027-50 E-mail: info@qal-gmbh.de Website: www.qal-gmbh.de	
DE-061-Öko-Kontrollstelle	LAB — Landwirtschaftliche Beratung der Agrarverbände Brandenburg GmbH Chausseestraße 2 D-03058 Groß Gaglow Tel: +49 (0)355 541465 Fax: +49 (0)355 541466 E-mail: labgmbh.cottbus@t-online.de	
DE-063-Öko-Kontrollstelle	Öko-kontrollstelle der TÜV Nord Cert GmbH Langemarckstraße 20 D-45141 Essen Tel: +49 (0)2 01 825 3404 Fax: +49 (0)2 01 825 3290 E-mail: oeko-kontrollstelle@tuev-nord.de Website: www.tuev-nord.de	
DE-064-Öko-Kontrollstelle	ABC GmbH Agrar- Beratungs- und Controll GmbH An der Hessenhalle 1 D-36304 Alsfeld Tel: +49 (0)6631/78490 Fax: +49 (0)6631/78495 E-mail: zwick@abcg-alsfeld.de	
<b>GREECE</b>		<b>System A</b>
EL-01-BIO	DIO 38, Aristotelous str. GR-10433 Athens Tel: +30 210 8224384 Fax: +30 210 8218117 E-mail: info@dionet.gr Website: www.dionet.gr	
EL-02-BIO	PHYSIOLOGIKI Ltd 24, N. Plastira str. GR-59300 Alexandria Imathias Tel: +30 23330 24440 Fax: +30 23330 24440 E-mail: fysicert@acn.gr	
EL-03-BIO	BIOELLAS S.A. 11 B, Kodringtonos str. GR-10434 Athens Tel: +30 210 8211940/8211707 Fax: +30 210 8211015 E-mail: info@bio-hellas.gr Website: www.bio-hellas.gr	
EL-04-BIO	QWAYS DIADROMES PIOTITAS A.E. 8, Demokratias str. GR-15127 Melissia Athens Tel: +30 210 6130070/6136326 Fax: +30 210 6136071 E-mail: info@qways.gr Website: www.qways.gr	
EL-05-BIO	A CERT European Organisation for Certification 2, Telou str. GR-54638 Thessaloniki Tel: +30 2310 210777/210417 Fax: +30 2310 219824/210417 E-mail: info@a-cert.org Website: www.a-cert.org	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
EL-06-BIO	IRIS — A. HATZIDAKI & Co E.E. I. Marneli 13 & Zotou GR-71305 Heraklion, Crete Tel: +30 2810 360715-7 Fax: +30 2810 360718 E-mail: info@irisbio.gr	
EL-07-BIO	PRASINOS ELEGCHOS — GREEN CONTROL 10th km on the Veria-Skydra road Kopano-Stenimacho district P.O.Box 50 GR-59035 Tel: +30 23320 6438 Fax: +30 23320 43509 E-mail: greencontrol@hol.gr Website: www.greencontrol.gr	
EL-08-BIO	GEOTECHNIKO ERGASTIRIO SA Paleochori Administrative Department Plateos Municipality GR-59300 Imathia Tel: +30 23320 64387 Fax: +30 23320 43509 E-mail: info@bio-geolab.gr Website: www.bio-geolab.gr	
<b>HUNGARY</b>		<b>System A</b>
HU-ÖKO-01	Biokontroll Hungária Nonprofit Kft. Margit krt. 1. III/16-17. H-1027 Budapest Tel: +36 1 336 11 22 Fax: +36 1 315 11 23 E-mail: info@biokontroll.hu E-mail: biokontroll@biokontroll.hu Website: www.biokontroll.hu	
HU-ÖKO-02	Hungária Öko Garancia Kft. Miklós tér 1. H-1033 Budapest Tel: +36 1 336 0533 Fax: +36 1 336 0534 E-mail: info@okogarancia.hu Website: www.okogarancia.hu	
<b>IRELAND</b>		<b>System A</b>
IRL-OIB1	Demeter Standards Ltd Watergarden Thomastown Co. Kilkenny Ireland Tel: +353 56 7754214 Fax: +353 56 7754214 E-mail: bdaai@indigo.ie Website: www.demeter.net	
IRL-OIB2	Irish Organic Farmers and Growers Association Ltd Main Street Newtownforbes Co. Longford Ireland Tel: +353 43 42495 Fax: +353 43 42496 E-mail: iofga@eircom.net Website: www.irishorganic.ie	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
IRL-OIB3	Organic Trust Ltd 2 Vernon Avenue Clontarf Dublin 3 Ireland Tel: +353 1 8530271 Fax: +353 1 8530271 E-mail: organic@iol.ie Website: www.organic-trust.org	
<b>ITALY</b>		<b>System A</b>
IT-ASS	Suolo & Salute srl Via Paolo Borsellino, 12/B I-61032 Fano (PU) Tel: +39 0721 860543 Fax: +39 0721 860543 E-mail: info@suoloesalute.it Website: www.suoloesalute.it	
IT-ICA	ICEA — Istituto per la Certificazione Etica e Ambientale Strada Maggiore, 29 I-40125 Bologna Tel: +39 051 272986 Fax: +39 051 232011 E-mail: icea@icea.info Website: www.icea.info	
IT-IMC	Istituto Mediterraneo di Certificazione srl — IMC Via Carlo Pisacane, 32 I-60019 Senigallia (AN) Tel: +39 071 7928725 or 7930179 Fax: +39 071 7910043 E-mail: imcert@imcert.it Website: www.imcert.it	
IT-BAC	Bioagricert srl Via dei Macabraccia, 8 I-40033 Casalecchio Di Reno (BO) Tel: +39 051562158 Fax: +39 051564294 E-mail: info@bioagricert.org Website: www.bioagricert.org	
IT-CPB	CCPB S.r.l. via Jacopo Barozzi 8 I-40126 Bologna Tel: +39 051 254688 or 6089811 Fax: +39 051 254842 E-mail: ccpb@ccpb.it Website: www.ccpb.it	
IT-CDX	CODEX srl Via Duca degli Abruzzi, 41 I-95048 Scordia (CT) Tel: +39 095 650716/634 Fax: +39 095 650356 E-mail: codex@codexsrl.it Website: www.codexsrl.it	
IT-QCI	QC & I International Services s.a.s. Villa Parigini Località Basciano Monteriggioni I-53035 Siena Tel: +39 (0)577 327234 Fax: +39 (0)577 329907 E-mail: lettera@qci.it Website: www.qci.it	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
IT-ECO	Ecocert Italia S.r.l. Corso delle Province 60 I-95127 Catania Tel: +39 095 442746 or 433071 Fax: +39 095 505094 E-mail: info@ecocertitalia.it Website: www.ecocertitalia.it	
IT-BSI	BIOS srl Via Monte Grappa 37/C I-36063 Marostica (VI) Tel: +39 0424 471125 Fax: +39 0424 476947 E-mail: info@certbios.it Website: www.certbios.it	
IT-ECS	ECS — Ecosystem International Certificazioni s.r.l. Via Monte San Michele 49 I-73100 Lecce Tel: +39 0832 318433 Fax: +39 0832 315845 E-mail: info@ecosystem-srl.com Website: www.ecosystem-srl.com	
IT-BZO	BIOZOO srl Via Chironi 9 I-07100 SASSARI Tel: +39 079 276537 Fax: +39 178 2247626 E-mail: info@biozoo.org Website: www.biozoo.org	
IT-ABC	ABC Fratelli Bartolomeo società semplice via Roma, 45 Grumo Appula I-70025 Bari Tel: +39 080 3839578 Fax: +39 080 3839578 E-mail: abc.italia@libero.it Website: www.abcitalia.org	
IT-ANC	ANCCP S.r.l via Rombon 11 I-20134 MILANO Tel: +39 02 2104071 Fax: +39 02 210407218 E-mail: anccp@anccp.it Website: www.anccp.it	
IT-SDL	Sidel S.p.a. via Larga, 34/2 I-40138 BOLOGNA Tel: +39 051 6026611 Fax: +39 051 6012227 E-mail: sidel@sidelitalia.it Website: www.sideitalia.it	
IT-CTQ	Certiquality S.r.l. Via Gaetano Giardino 4 I-20123 Milano Tel: +39 02 8069171 Fax: +39 02 86465295 E-mail: certiquality@certiquality.it Website: www.certiquality.it	
IT-BZ-BZT	ABCERT GmbH Martinstrasse 42-44 D-73728 Esslingen Tel: +49 (0) 711 351792-0 Fax: +49 (0) 711 351792-200 E-mail: info@abcert.de Website: www.abcert.de	



Member states and codes	Inspection authority(ies) or body(ies)	Comments
IT-BZ-INC	INAC GmbH International Nutrition and Agriculture Certification In der Kämmerliethe 1 D-37213 Witzenhausen Tel: +49 (0)5542 911400 Fax: +49 (0)5542 911401 Website: www.inac-gmbh.net	
IT-BZ-IMO	IMO GMBH Obere Laube 51/53 D-78462 Konstanz Tel: +49 (0) 7531 81301-0 Fax: +49 (0) 7531 81301-29 E-mail: imod@imo.ch Website: www.imo-control.net	
IT-BZ-QCI	QC I GmbH — Gesellschaft für Kontrolle und Zertifizierung von Qualitätssicherungssystemen mbh Gleuelerstraße 286 D-50935 KÖLN Tel: +49 (0)221 94392-09 Fax: +49 (0)221 94392-11 E-mail: qci.koeln@qci.de Website: www.qci.de	
IT-BZ-BKT	Kontrollservice BIKO Tirol Wilhelm-Greil-Straße 9 A-6020 INNSBRUCK Tel: +43 (0)5 92 92 3101 Fax: +43 (0)5 92 92 3199 E-mail: biko@lk-tirol.at Website: www.kontrollservice-tirol.at	
<b>LATVIA</b>		<b>System A</b>
LV-EQ	Biedrība 'Vides kvalitāte' Rīgas iela 113 Salaspils Rīgas raj. LV-2169 Tel: +371 67709090 Fax: +371 67709090 E-mail: eq@videskvalitate.lv Website: www.videskvalitate.lv	
LV-STC	Valsts SIA 'Sertifikācijas un testēšanas centrs' Dārza iela 12 Priekule pagasts Cēsu raj. LV-4126 Tel: +371 64130013 Fax: +371 641 30010 E-mail: info@stc.lv Website: www.stc.lv	
<b>LITHUANIA</b>		<b>System B</b>
LT-01	Ekoagros K. Donelaičio str. 33 or A. Mickevičiaus str. 48 LT-44240 Kaunas Tel: +370 37203181 Fax: +370 37203182 E-mail: ekoagros@ekoagros.lt Website: www.ekoagros.lt	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>LUXEMBOURG</b>		<b>System C</b>
LU-BIO-01	Administration des Services techniques de l'Agriculture (autorité compétente) Service de la protection des végétaux BP 1904 L-1019 Luxembourg Tel: +352 45 71 72 353 Fax: +352 45 71 72 340 E-mail: Monique.Faber@asta.etat.lu Website: www.asta.etat.lu	
LU-BIO-04	Prüfverein Verarbeitung Ökologische Landbauprodukte e.V. (DE-007) Vorholzstr. 36 D-76137 Karlsruhe Tel: +49 721 35239-20 Fax: +49 721-626840-22 E-mail: kontakt@pruefverein.de Website: www.pruefverein.de	
LU-BIO-05	Kontrollverein Ökologischer Landbau e.V. (DE-022) Vorholzstraße 36 D-76137 Karlsruhe Tel: +49 (0)721 35239-10 Fax: +49 (0)721 35239-09 E-mail: kontakt@kontrollverein.de Website: www.kontrollverein.de	
LU-BIO-06	CERTISYS (BE-01) Siège social: Av. de l'Escrime 85 Schermlaan B-1150 Bruxelles  Bureaux: Chemin de la Haute Baudecet 1 B-1457 Walhain Tel: +32 (0) 81 60 03 77 Fax: +32 (0) 81 60 03 13 E-mail: info@certisys.eu Website: www.certisys.eu	
<b>MALTA</b>		<b>System C</b>
MT01	Malta Standards Authority 2nd Floor, Evans Building Merchants' Street Valletta Tel: + 356 21242420 Fax: + 356 21242406 E-mail: michael.cassar@msa.org.mt Website: www.msa.gov.mt	
MT02	BIOZOO via Chironi 9 IT-07100 Sassari Tel: + 39 079 276537 E-mail: info@biozoo.org Website: www.biozoo.org	
<b>NETHERLANDS</b>		<b>System B</b>
NL01	Stichting Skal Postbus 384 NL-8000 AJ Zwolle Tel: +31 38 4268181 Fax: +31 38 4268182 E-mail: info@skal.nl Website: www.skal.nl	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>POLAND</b>		<b>System C</b>
RE-01/2005/PL	EKOGWARANCJA PTRE Ltd ul. Irysowa 12/2 PL-20-834 Lublin Tel.: +48 (0) 81 742 68 64 E-mail: biuro@ekogwarancja.pl Website: www.ekogwarancja.pl	
RE-02/2005/PL	Certifying Body of Organic Production PNG Ltd PL-26-065 Piekoszów Zajaczkow k.Kielc Tel.: +48 (0)41 306 40 00 E-mail: png@ecofarm.pl Website: www.ecofarm.pl	
RE-03/2005/PL	COBICO Ltd ul. Grzegórzecka 77 PL-31-559 Kraków Tel.: +48 (0)12 632 35 71 E-mail: cobico@cobico.pl Website: www.cobico.pl	
RE-04/2005/PL	BIOEKSPERT Ltd ul. Narbutta 3A m1 PL-02-564 Warsaw Tel.: +48 (0)22 499 53 66 E-mail: bioekspert@bioekspert.waw.pl Website: www.bioekspert.waw.pl	
RE-05/2005/PL	BIOCERT MAŁOPOLSKA Ltd. ul. Lubicz 25A PL-31-503 Kraków Tel.: +48 (0)12 430 36 06 E-mail: sekretariat@biocert.pl Website: www.biocert.pl	
RE-06/2005/PL	Polish Centre of Research and Certification, Branch in Piła ul. Śniadeckich 5 PL-64-920 Piła Tel.: +48 (0)67 213 87 00 E-mail: pcbcpila@i-pila.pl Website: www.pcbc.gov.pl	
RE-07/2005/PL	AgroBioTest Ltd ul. Nowoursynowska 166 PL-02-787 Warsaw Tel.: +48 (0)22 847 87 39 E-mail: agro.bio.test@agrobiotest.pl Website: www.agrobiotest.pl	
<b>PORTUGAL</b>		<b>System A</b>
PT/AB 02	ECOCERT PORTUGAL, Unipessoal Lda Rua Alexandre Herculano, 68 — 1º Esq. P-2520-273 Peniche Tel: +351 262 785117 Fax: +351 262 787171 E-mail: ecocert@mail.telepac.pt Website: www.ecocert.com	
PT/AB 03	SATIVA, DESENVOLVIMENTO RURAL, Lda Rua Robalo Gouveia, 1º 1a P-1900-392 Lisboa Tel: +351 21 799 11 00 Fax: +351 21 799 11 19 E-mail: sativa@sativa.pt Website: www.sativa.pt	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
PT/AB 04	CERTIPLANET, Certificação da Agricultura, Floresta e Pescas, Unipessoal Lda Av. do Porto de Pescas, Lote C — 15, 1 ° C P-2520 — 208 Peniche Tel: +351 262 789 005 Fax: +351 262 789 514 E-mail: certiplanet@sapo.pt Website: www.certiplanet.pt	
PT/AB 05	CERTIALENTEJO, Certificação de Produtos Agrícolas, Lda Rua Diana de Liz — Horta do Bispo Apartado 320 P-7006 — 804 Évora Tel: +351 266 769564/5 Fax: +351 266769566 E-mail: geral@certialentejo.pt Website: www.certialentejo.pt	
PT/AB 06	AGRICERT — Certificação de Produtos Alimentares Lda Rua Alfredo Mirante, 1, R/C Esq. P-7350-153 Elvas Tel: +351 268 625 026 Fax: +351 268 626 546 E-mail: agricert@agricert.pt Website: www.agricert.pt	
PT/AB 07	TRADIÇÃO E QUALIDADE — Associação Interprofissional para os Produtos Agro-Alimentares de Trás-os-Montes Av. 25 de Abril 273 S/L E P-5370-202 Mirandela Tel/Fax: +351 278 261 410 E-mail: tradicao-qualidade@clix.pt	
PT/AB 08	CODIMACO — Certificação e Qualidade, Lda Pátio do Município, 1, 3º Dtº P-2550 — 103 Cadaval Tel: +351 262 691 155 Fax: +351 262 695 095 E-mail: codimaco@codimaco.pt Website: www.codimaco.pt	
PT/AB 09	SGS Portugal — Sociedade Geral de Superintendência, S A Pólo Tecnológico de Lisboa, Lote 6, Pisos 0 e 1 P-1600-546 Lisboa Tel: +351 217 104 200 Fax: +351 217 157 520 E-mail: sgs.portugal@sgs.com Website: www.pt.sgs.com	
<b>ROMANIA</b>		<b>System A</b>
RO-ECO-001	BCS OKO-Garantie România SRL Strada Belsugului, nr. 24, ap.1 RO-540037, Oras Targu Mures Judet Mures Tel: +40 265250846 Fax: +40 265250928 E-mail: bcs_oko@zappmobile.ro Website: www.bcs-oeco.com	
RO-ECO-002	S.C QC I România SRL Strada Franz Listz nr.1, ap.1 RO-300081, Oras Timisoara Judet Timis Tel: +40 723 748499 Fax: +40 256241562 E-mail: victor_scorodeti@yahoo.com	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
RO-ECO-003	SUOLO E SALUTE SRL România Strada Nicolae Balcescu nr. 5, sc. G, ap. 9 RO-600052, Oras Bacau Judet Bacau Tel: +40 234206165 Fax: +40 234206166 E-mail: danielciubotaru@yahoo.com	
RO-ECO-005	ICEA ROMANIA SRL Strada Comisia Centrala nr. 80 A RO-620165, Oras Focsani Judet Vrancea Tel: +40 237210497 Fax: +40 0237210497 E-mail: icearomania@yahoo.com	
RO-ECO-006	S.C. Eleghos Bio Ellas România SRL Strada Calea Mosilor, nr. 284, bl. 22A,, sc. B, ap. 32, sector 2 RO-020894, Oras Bucuresti Tel/Fax: +40 216104020 E-mail: dragomir_damian@yahoo.com	
RO-ECO-007	ECOCERT ESE SRL Strada Viitorului, nr. 112, ap. 1, sector 2 RO-020616, Oras Bucuresti Tel/Fax: +40 2106835 E-mail: office.romania@ecocert.com	
RO-ECO-008	S.C Ecoinspect SRL România Strada Horia, nr. 75, ap.5 RO-400202, Oras Cluj Napoca Judet Cluj Tel/Fax: +40 264432088 E-mail: ecoinspect@from.ro Website: www.ecoinspect.ro	
RO-ECO-009	BIOS SRL Italia România Branch Strada Dionisie Lupu, nr.50, ap. 2, sector 1 RO-010458, Oras Bucuresti Tel: +40 212106620 Fax: +40 212106660 E-mail: bios.romania@certbios.it	
RO-ECO-010	LACON SRL Germania- România Branch Strada Baia de Aries, nr. 3, bl. 5B, sc. 1, et. 4, ap.18, sector 6 RO-060801, Oras Bucuresti, Tel: +40 214115446 E-mail: marianaexpert@yahoo.com	
RO-ECO-011	SC BIO CERT SRL România Strada Calea Mosilor, nr. 284, bl. 22A, sc. B, ap. 32, sect. 2 RO-020894, Oras Bucuresti Tel/Fax: +40 216104020 E-mail: biocert_romania@yahoo.com	
RO-ECO-012	BIOINSPECTA SRL Suisse România Branch Strada Gurghiu, nr. 2, ap. 9 RO-400647, Oras Cluj-Napoca Judet Cluj Tel/Fax: +40 264573546 E-mail: monika.zimmermeier@bio-inspecta.ch	
RO-ECO-013	IMO CONTROL SRL România Strada Crizantemelor, nr. 7, ap. 51 RO-545400, Oras Sighisoara Judet Mures Tel/Fax: +40 269543609 E-mail: tartler@gmx.de	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
RO-ECO-014	CERES HAPPURG GmbH Sucursala Iernut Romania Strada 1 dec.1918, bl. 3, sc. A, ap. 5 RO-545100, Oras Iernut Judet Mures Tel: +40 740591529 E-mail: ameliarachita@yahoo.com Website: www.ceres-cert.com	
RO-ECO-015	Agreco R.F GÖDERZ GmbH Germania Sucursala Romania Strada Magurii, nr. 4, bloc 33, sc.C ap.16 RO-100473, Oras Ploiesti Judet Prahova Tel: +40 244561615 E-mail:info@agrecogmbh.de Website: www.agrecogmbh.de	
RO-ECO-016	Bioagricert Italia srl Sucursala România str. Mateescu Nicolae nr. 3, camera nr. 1, sector 6 București Tel/Fax: +40 213173291 E-mail: achira@info.usamv.ro Website: www.bioagricert.org	
RO-ECO-017	Certification Services International CSI GmbH Germania Sucursala Romania str. Reconstructiei nr.6, Bloc 28, Sc.2, etaj 1, ap 50, sect.3 București Tel/Fax: +40 216475983 E-mail: beeswoborders@yahoo.com Website: www.csicert.com	
<b>SLOVAKIA</b>		<b>System A</b>
SK-02-BIO	Naturalis SK Ltd. Björnsonova 14 SK-811 05 Bratislava Tel: +421 2 52 62 66 61-3 Fax: +421 2 52 62 66 63 E-mail: kontrola@naturalis.sk, certo@naturalis.sk Website: www.naturalis.sk	
<b>SLOVENIA</b>		<b>System A</b>
SI-01-EKO	Institute of Inspection and Certification in Agriculture and Forestry Vinarska ulica 14 SLO-2000 Maribor Tel: +386 2 228 49 31/32/33 Fax: +386 2 251 94 82 E-mail: info@kon-cert.si Website: www.kon-cert.si	
SI-IKC-EKO	IKC — Institute for Inspection and Certification of Univer- sity of Maribor Pivola 8 SLO-2311 Hoče Tel: +386 (0)2 613 08 31 (-32) Fax: +386 (0)2 613 08 33 E-mail: Polonca.replic@uni-mb.si Website: www.ikc-um.si	
SI-BV-EKO	Bureau Veritas, d.o.o. Linhartova cesta 49A SLO-1000 Ljubljana Tel: +386 1 475 76 61 Fax: +386 1 475 76 07 E-mail: Marko.Majer@si.bureauveritas.com E-mail: info@si.bureauveritas.com Website: www.bureauveritas.si	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>SPAIN</b>		<b>System C</b>
ES-AN-00-AE ES-CM-03-AE	Servicio de certificación CAAE Av. Emilio Lemos, 2 Edificio Torre Este, planta 6a Módulo 603 E-41020 Sevilla Tel: +34 955 024 150 Tel: +34 902 521 555 Fax: +34 955 029 440 E-mail: certi@caae.es Website: www.caae.es	AN, CM
ES-AN-01-AE ES-AR-05/C-AE ES-CM-01-AE	SOHISCERT S.A. Finca La Cañada — Ctra Sevilla-Utrera Km 20.8 E-41710 Utrera (Sevilla) Tel: +34 955 86 80 51 Fax: +34 955 86 81 37 E-mail: sohiscert@sohiscert.com Website: www.sohiscert.com	AN, AR, CM
ES-AN-03-AE	AGROCOLOR, S.L. Ctra. De Ronda, nº11.-bajo E-04004 Almeria Tel: +34 950 280 380 Fax: +34 950 281 331 E-mail: agrocolor@agrocolor.es Website: www.agrocolor.es	AN
ES-AN-04-AE ES-AR-23/C-AE	LGAI TECHNOLOGICAL CENTER, S.A. Parque Empresarial de Las Mercedes C/Campezo nº 1, Edificio 3, 1ª planta E-28022 Madrid Tel: +34 91 208 0800/+34 912 756 312 Fax: +34 912 080 803 E-mail: certiagroalimentario@appluscorp.com/imanas@appluscorp.com Website: www.appluscorp.com	AN, AR
ES-AN-05-AE	AGROCALIDAD DEL SUR S.L. C/ Méndez Núñez 15, 3º 21001 Huelva Tel: +34 959 255 524 Fax: +34 959 285 926 E-mail: agrocalidadsur@agrocalidadsur.com Website: http://www.agrocalidadsur.com	
ES-AR-AE	Comité Aragonés de Agricultura Ecológica (CAAE) Edificio Centrorigen Ctra. Cogullada, 65 — Mercazaragoza E-50014 Zaragoza Tel: +34 976.47.57.78 Fax: +34 976.47.58.17 E-mail: caae-aragon@caae-aragon.com Website: http://www.caae-aragon.com	AR
ES-AR-03/C-AE	BCS Öko — Garantie GmbH Cimbernstrasse, 21 D-90402 Nürnberg — Alemania Tel: +49 911 424 391/+34 679 983 598 Fax: +49 911 424 391 E-mail: fischer@bcs-oeko.de/esanchez@canricastell.net	AR
ES-AN-06-AE ES-AR-17/C-AE	Certificación of Environmental Standards GmbH (CERES) C/Serrano, 91, 2º E-28006 Madrid Tel: +34 915 630 171 Fax: +34 915 637 335 E-mail: ceres-iberica@gmail.com Website: www.ceres-cert.com	AN, AR

Member states and codes	Inspection authority(ies) or body(ies)	Comments
ES-AR-18/C-AE	CERTIAL, S.L. Polígono Los Leones, Nave 63 E-50298-PINSEQUE (Zaragoza) Tel: +34-97-6656919 Fax: +34-97-6656823 E-mail: info@certial.com Website: www.certial.com	AR
ES-AR-19/C-AE	Instituto de Ecomercado (IMO) C/ Venezuela, 17 3º C E-36203-VIGO (Pontevedra) Tel/Fax: +34 986 423 252 E-mail: imo-spain@imo.ch Website: www.imo.ch	AR
ES-AS-AE	Consejo de la Producción Agraria Ecológica del Principado de Asturias Avda. Prudencio González, 81 E-33424 Posada de Llanera (Asturias) Tel: +34 98 577 35 58 Fax: +34 98 577 22 05 E-mail: copae@copaeastur.org Website: www.copaeastur.org	AS
ES-BA-AE	Consejo Balear de la Producción Agraria Ecológica C/Selletes, 25 (Edif. Centro BIT) E-07300 INCA (Mallorca) Tel: +34 971 88 70 14 Fax: +34 971 88 70 01 E-mail: info@cbpae.org Website: www.cbpae.org	BA
ES-CA-AE	Instituto Canario de Calidad Agroalimentaria (ICCA) Av. José Manuel Guimerá, 8, 4ª planta E-38071 Santa Cruz de Tenerife Tel: +34 922 47 6514 Fax: +34 922 47 67 39 E-mail: icca.cagpa@gobiernodecanarias.org Website: www.gobiernodecanarias.org/agricultura/icca	CA
ES-CL-AE	Consejo de Agricultura Ecológica de Castilla y León C/Pío del Río Horteiga, 1, 5º A E-47014 Valladolid Tel: +34 983/34 38 55 Fax: +34 983/34 26 40 E-mail: caecyl@nemo.es	CL
ES-CM-01-AE	SOHISCERT S.A. see ES-AN-01-AE Delegación en Toledo C/ Italia, 113 45005 Toledo Tel: +34 925 28 04 68 Fax: +34 925 28 02 22 E-mail: castillalamanca@sohiscert.com	CM
ES-CM-02-AE	Servicios de Inspección y certificación S.L. (SIC) C/Ronda de Buenavista, 15, 2º E-45005 TOLEDO Tel/Fax: +34 925 28 51 39 E-mail: sic-toledo@sicagro.org  Delegación en Albacete P de la Libertad, 15-6º E-02001 Albacete Tel: +34 967 21 09 09 Fax: +34 967 21 07 07 E-mail: sic-albacete@sicagro.org Website: www.sicagro.org	CM



Member states and codes	Inspection authority(ies) or body(ies)	Comments
ES-CM-03-AE	Servicio de certificación CAAE See ES-AN-00-AE Delegación en Castilla-La Mancha: C/ Pedro Muñoz, 1 Edificio CEEI E-13005 Ciudad Real Tel: +34 926 20 03 39 Fax: +34 926 21 20 12 E-mail: certi@caae.es Website:www.caae.es	CM
ES-CM-04-AE	ECOAGROCONTROL, S.L. C/ Carlos VII, 9 E-13630 Socuéllamos (Ciudad Real) Tel: +34 926 53 26 28 Fax: +34 926 53 90 64 E-mail: tecnico@ecoagrocontrol.com Website: www.ecoagrocontrol.com	CM
ES-CN-AE	Consejo Regulador de la Agricultura Ecológica de Cantabria C/Héroes Dos de Mayo, s/n E-39600 Muriedas-Camargo (Cantabria) Tel: +34 942 26 98 55 Fax: +34 942 26 98 56 E-mail: odeca@odeca.es	CN
ES-CT-AE	Consejo Catalán de la Producción Agraria Ecológica Avinguda Meridiana, 38 E-08018 Barcelona Tel: +34 93 552 47 90 Fax: +34 93 552 47 91 E-mail: ccpae.darp@gencat.cat Website: www.ccpae.org	CT
ES-EX-01-AE	Consejo Regulador Agroalimentario Ecológico de Extremadura Avda. de Huelva 6, 2º E-06004 Badajoz Tel: +34 924 01 08 60 Fax: +34 924 01 08 47 E-mail: craex@eco.juntaex.es	EX Control of processors and importers
ES-EX-02-AE	Comité Extremeño de la Producción Agraria Ecológica Avda. Portugal, s/n E-06800 Mérida (Badajoz) Tel: +34 924 00 22 75 Fax: +34 924 00 21 26 E-mail: cepae@adr.juntaex.es Website: www.cepae.org	EX Control of producers
ES-GA-AE	Consejo Regulador de la Agricultura Ecológica de Galicia Edificio Multiusos C/Circunvalación, s/n Apdo de Correos 55 E-27400 Monforte de Lemos (Lugo) Tel: +34 982 40 53 00 Fax: +34 982 41 65 30 E-mail: craega@craega.es Website: www.craega.es	GA
ES-MA-AE	Comité de Agricultura Ecológica de la Comunidad de Madrid Ronda de Atocha, 17, 7º planta E-28012 Madrid Tel: +34 91 420 66 65 Fax: +34 91 420 66 66 E-mail: agricultura.ecologica@madrid.org Website: www.caem.es	MA

Member states and codes	Inspection authority(ies) or body(ies)	Comments
ES-MU-AE	<p>Consejo de Agricultura Ecológica de la Región de Murcia            Avda. del Río Segura, 7            E-30002 Murcia            Tel: +34 968 35 54 88            Fax: +34 968 22 33 07            E-mail: caermurcia@caermurcia.com            Website: www.caermurcia.com</p>	MU
ES-NA-AE	<p>Consejo de la Producción Agraria Ecológica de Navarra            Avda — San Jorge, 81 entreplanta dcha.            E-31012 Pamplona — Iruña            Tel: +34 948-17 83 32            Tel: +34 948-25 67 37            Tel: +34 948-25 66 42            Fax: +34 948-25 15 33            E-mail: cpaen@cpaen.org            Website: www.cpaen.org</p>	NA
ES-VAS-AE	<p>Consejo de Agricultura y Alimentación Ecológica de Euskadi            Euskadiko Nekazaritza eta Elikadura Ekologikoaren Kontseilua            Bekoibarra kalea, 35, 'San Migel' eraikina 2/9 bulegoa            E-48300 Gernika (Bizcaia)            Tel: +34 902 540 165            E-mail: info@eneek-caee.net</p>	VAS
ES-RI-AE	<p>Dirección General de Calidad e Investigación Agroalimentaria            Consejería de Agricultura, Ganadería y Desarrollo Rural            Avda. de la Paz, 8-10            E-26071 Logroño (La Rioja)            Tel: +34 941 29 16 00            Fax: +34 941 29 16 02            E-mail: seccionproduccion.compatible.agri@larioja.org            Website: www.larioja.org/agricultura</p>	RI
ES-VA-AE	<p>Comité de Agricultura Ecológica de la Comunidad Valenciana            Camí de la Marjal, s/n            E-46470 Albal (Valencia)            Tel: +34 961 22 05 60            Fax: +34 961 22 05 61            E-mail: caecv@caecv.com            Website: www.caecv.com</p>	VA
<b>SWEDEN</b>		<b>System A</b>
SE Ekol 1	<p>Aranea Certifiering AB            Box 1940            S-751 49 Uppsala            Tel: +46 18 17 00 00            Fax: +46 18 10 03 66            E-mail: info@araneacert.se            Website: www.araneacert.se</p>	
SE Ekol 3	<p>SMAK AB            Box 42            S-230 53 Alnarp            Tel: +46 40 46 00 72            Fax: +46 40 46 33 72            E-mail: smak@smak.se            Website: www.smak.se</p>	For primary production and feed labelling

Member states and codes	Inspection authority(ies) or body(ies)	Comments
<b>UNITED KINGDOM</b>		<b>System A</b>
UK 2	Organic Farmers and Growers Ltd The Old Estate Yard Shrewsbury Road Albrighton Shrewsbury Shropshire SY4 3AG United Kingdom Tel: +44 (0)1939 291800 E-mail: info@organicfarmers.org.uk Website: www.organicfarmers.org.uk	
UK 3	Scottish Organic Producers Association Scottish Food Quality Certification (SFQC) 10th Avenue Royal Highland Centre Ingliston Edinburgh EH28 8NF United Kingdom Support and development: Tel: +44 (0)131 333 0940 E-mail: sopa@sfqc.co.uk Website:www.sopa.org.uk	
UK 4	Organic Food Federation 31 Turbine Way Eco Tech Business Park Swaffham Norfolk PE37 7XD United Kingdom Tel: +44 (0)1760 720444 E-mail: info@orgfoodfed.com Website: www.orgfoodfed.com	
UK 5	Soil Association Certification Ltd South Plaza Marlborough Street Bristol BS1 3NX United Kingdom Farmers and growers: Tel: +44 (0)117 914 2412 E-mail: prod.cert@soilassociation.org Website: www.soilassociation.org/certification	
UK 6	Bio-Dynamic Agricultural Association Demeter Certification Office 17 Inverleith Place Edinburgh EH3 5QE United Kingdom Farmers and growers: Tel: +44 (0)131 478 1201 E-mail: timbrink@biodynamic.org.uk Website: www.biodynamic.org.uk/demeter	
UK 7	Irish Organic Farmers and Growers Association Main Street Newtownforbes Co. Longford Ireland Tel: +353 043 42495 E-mail: iofga@eircom.net	
UK 9	Organic Trust Limited Vernon House 2 Vernon Avenue Clontarf Dublin 3 Ireland Tel.: +353 185 30271 Fax: +353 185 30271 E-mail: organic@iol.ie Website: www.organic-trust.org	

Member states and codes	Inspection authority(ies) or body(ies)	Comments
UK 13	Quality Welsh Food Certification Ltd Gorseland North Road Aberystwyth Ceredigion SY23 2WB United Kingdom Tel: +44 (0)1970 636688 E-mail: mossj@wfsagri.net	
UK 15	Ascisco Ltd South Plaza Marlborough Street Bristol BS1 3NX United Kingdom Farmers and growers: Tel: +44(0)117 914 2407 E-mail: Dpeace@soilassociation.org	

EEA countries and codes	Inspection authority(ies) or body(ies)	Comments
<b>ICELAND</b>		<b>System B</b>
IS-1	Vottunarstofan Tún e h f Laugavegur 7 IS-101 Reykjavík E-mail: tun@nmedia.is	
<b>NORWAY</b>		<b>System A</b>
N-001	Debio N-1940 Bjørkelangen Tel: +47 63862650 Fax: +47 63856985 E-mail: kontor@debio.no Website: www.debio.no	

## NOTICES CONCERNING THE EUROPEAN ECONOMIC AREA

## EFTA SURVEILLANCE AUTHORITY

**Invitation to submit comments pursuant to Article 1(2) in Part I of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice on State aid with regard to taxation of captive insurance companies in Liechtenstein**

(2009/C 72/05)

By means of Decision No 620/08/COL of 24 September 2008, reproduced in the authentic language on the pages following this summary, the EFTA Surveillance Authority initiated proceedings pursuant to Article 1(2) in Part I of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice. The Liechtenstein authorities have been informed by means of a copy of the decision.

The EFTA Surveillance Authority hereby gives the EFTA States, EU Member States and interested parties notice to submit their comments on the measure in question within one month from the publication of this notice to:

EFTA Surveillance Authority  
Registry  
35, rue Belliard  
1040 Bruxelles/Brussel  
BELGIQUE/BELGIË

The comments will be communicated to the Liechtenstein authorities. Confidential treatment of the identity of the interested party submitting the comments may be requested in writing, stating the reasons for the request.

## SUMMARY

The case was initiated by the Authority sending a request for information to the Liechtenstein authorities 14 March 2007.

By virtue of Act of 18 December 1997 on the amendment of the Liechtenstein Tax Act <sup>(1)</sup>, the Liechtenstein authorities introduced special tax rules applicable to captive insurance companies.

Pursuant to Article 82(a)(1) of the Tax Act, captive insurance companies pay a capital tax of 1 ‰ on the company's own capital. For capital exceeding 50 million, the tax rate is reduced to 0,75 ‰ and for the capital in excess of 100 million, to 0,5 ‰. The normal capital tax rate is 2 ‰.

Article 82(a) read in conjunction with Article 73 of the Act, implies that captive insurance companies do not pay any income tax.

Moreover, by virtue of Article 88(d)(3) of the Tax Act, shares or parts of captive insurance companies are exempted from payment of the coupon tax, which is normally levied at the rate of 4 ‰.

<sup>(1)</sup> Act of 18 December 1997 on the amendment of the Liechtenstein Tax Act, Law Gazette 1998, No 36.

In the preliminary view of the Authority, captive insurance companies are undertakings in the meaning of Article 61(1) of the EEA Agreement. They provide services to one or a specifically confined group of companies. Providing insurance is a service, which, in principle, is an economic activity. A captive insurance company would normally earn an income for services it provides. That the service is delivered only to one customer or a limited group of customers does not prevent it from being an economic activity.

The relief from income tax and the reduced capital tax fulfil also, in the preliminary view of the Authority, the other conditions that would classify them as State aid in the meaning of Article 61(1) of the EEA Agreement.

Partial or full tax exemption implies a drain on State resources. Advantages are accorded to the companies as they are relieved of charges that would normally be borne out of their budgets. The eligible companies provide services which are traded between the Contracting Parties to the EEA Agreement and thus are open to cross-border competition. The measures are selective as they are applicable only to a designated group of undertakings. The Authority has not found that this selectivity could be said to represent an inherent logic of the tax system.

For the coupon tax, similar reasoning to the above would apply. There is, however, a difference stemming from the fact that the coupon tax is a withholding tax. The exemption from the coupon tax thus confers advantages upon the owners of captive insurance companies. Such owners are normally (large) undertakings. These kinds of undertakings will thus be the direct beneficiaries of the aid measure. Further, the captive insurance companies could be considered to benefit indirectly from coupon tax exemption. They will be more attractive for investors and the measure would therefore make capital more easily accessible.

Support measures caught by Article 61(1) of the EEA Agreement are generally incompatible with the functioning of the EEA Agreement, unless they qualify for a derogation in Article 61(2) or (3) of the EEA Agreement. In the preliminary opinion of the Authority, none of the derogations foreseen under these provisions seem to be applicable to the taxation of captive insurance companies in Liechtenstein. As the measures were enacted after Liechtenstein joined the EEA Agreement, any incompatible aid would normally have to be recovered.

### **Conclusion**

In the light of the foregoing considerations, the Authority decided to open the formal investigation procedure in accordance with Article 1(2) of the EEA Agreement. Interested parties are invited to submit their comments within one month from publication of this Decision in the *Official Journal of the European Union*.

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## V

(Announcements)

PROCEDURES RELATING TO THE IMPLEMENTATION OF THE COMPETITION  
POLICY

COMMISSION

DECISION No 842

of 23 December 2008

**on the opening of a procedure for granting of authorisation for prospecting and exploration of oil and gas — underground natural resources in accordance with Article 2(1)(3) of the Underground Natural Resources Act, at Block 1-5 'Devetaki', located in the provinces of Loven, Pleven and Gabrovo and notification concerning the envisaged competition for granting of authorisation**

(2009/C 72/06)

REPUBLIC OF BULGARIA

COUNCIL OF MINISTERS

Pursuant to Article 5(2), Article 42(1)(1) and Article 44(3) of the Underground Natural Resources Act, and having regard to Article 4(2)(16) and Article 1(24a) of the Energy Act,

THE COUNCIL OF MINISTERS HAS DECIDED:

1. to open a procedure for granting authorisation for prospecting and exploration of crude oil and natural gas in Block 1-5 'Devetaki', with a surface area of 786,74 km<sup>2</sup> and with coordinates of points as specified and indicated in the map contained in the draft prospecting and exploration contract, which is an integral part of the competition dossier;
2. to announce that the granting of authorisation pursuant to point 1 will be based on a competition;
3. to specify that the period covered by the authorisation for prospecting and exploration will be five years after the date of the entry into force of the prospecting and exploration contract, with a right to extension of this period pursuant to Article 31(3) of the Underground Natural Resources Act;
4. the competition for granting of authorisation pursuant to point 1 will take place on the 150th day after the date of publication of this Decision in the *Official Journal of the European Union*, at the building of the Ministry of Economy and Energy, Triaditza Street No 8, Sofia;
5. the deadline for purchasing the competition dossier is 17.00 on the 120th day after the date of publication of this Decision in the *Official Journal of the European Union*;
6. the deadline for submission of notifications for participation in the competition is 17.00 on the 130th day after the date of publication of this Decision in the *Official Journal of the European Union*;
7. the deadline for submission of applications for the competition is 17.00 on the 144th day after the date of publication of this Decision in the *Official Journal of the European Union*;
8. the competition will not require personal presence;
9. the price of the competition dossier is set at BGN 500 (500 Bulgarian leva). The competition dossier can be purchased from room No 802 at the Ministry of Economy and Energy, Triaditza Street No 8, Sofia, during the period laid down in point 5;

10. the participants in the competition must comply with the requirements specified in Article 23(1) of the Underground Natural Resources Act;
11. the applications of the participants in the competition will be evaluated on the basis of the proposed work programmes, environmental protection instruments and training instruments, bonuses, and also according to their managerial and financial capacities;
12. The deposit for participation in the competition is set at BGN 10 000 (10 000 Bulgarian leva) and should be paid before the deadline specified in point 6 to the bank account of the Ministry of Economy and Energy, as stated in the competition dossier;
13. in the case of non-admission of an applicant to the competition, the deposit shall be reimbursed within a period of 14 days after the date on which the applicant is notified of non-admission;
14. the deposit of the successful applicant will be retained and the deposits of all other applicants will be reimbursed within a period of 14 days after the publication of the Decision of the Council of Ministers for granting of authorisation for prospecting and exploration in the *State Gazette*;
15. the notifications for participation in the competition and the proposals from the applicants concerning the conditions of the competition should be submitted to the Ministry of Economy and Energy, Triaditza Street No 8, in accordance with the requirements of Article 46 of the Underground Natural Resources Act;
16. the applications for the competition should comply with the requirements and conditions indicated in the competition dossier;
17. the competition can take place even if only one applicant is admitted to participate;
18. the Minister of Economy and Energy is authorised as follows:
  - 18.1. To send the text of this Decision for publication in the *Official Journal of the European Union* and in the *State Gazette*, and also on the website of the Council of Ministers;
  - 18.2. to appoint a committee to arrange and conduct the competition;
19. appeals against this Decision can be addressed to the Supreme Administrative Court within 14 days after its publication in the *Official Journal of the European Union*.

*Prime Minister*

Sergei STANISHEV

*Principal Secretary of the Council of Ministers*

Veselin DAKOV

True copy

*Director of the Cabinet Office*

Veselin DAKOV

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**DECISION No 843  
of 23 December 2008**

**on the opening of a procedure for granting of authorisation for prospecting and exploration of oil and gas — underground natural resources in accordance with Article 2(1)(3) of the Underground Natural Resources Act, at Block 1-9 'Miziya', located in the province of Vratsa, and notification concerning the envisaged competition for granting of authorisation**

(2009/C 72/07)

REPUBLIC OF BULGARIA

COUNCIL OF MINISTERS

Pursuant to Article 5(2), Article 42(1)(1) and Article 44(3) of the Underground Natural Resources Act, and having regard to Article 4(2)(16) and Article 1(24a) of the Energy Act,

THE COUNCIL OF MINISTERS HAS DECIDED:

1. to open a procedure for granting authorisation for prospecting and exploration of crude oil and natural gas in Block 1-9 'Miziya', with a surface area of 155,95 km<sup>2</sup> and with coordinates of points as specified and indicated in the map contained in the draft prospecting and exploration contract, which is an integral part of the competition dossier;
2. to announce that the granting of authorisation pursuant to point 1 will be based on a competition;
3. to specify that the period covered by the authorisation for prospecting and exploration will be five years after the date of the entry into force of the prospecting and exploration contract, with a right to extension of this period pursuant to Article 31(3) of the Underground Natural Resources Act;
4. the competition for granting of authorisation pursuant to point 1 will take place on the 150th day after the date of publication of this Decision in the *Official Journal of the European Union*, at the building of the Ministry of Economy and Energy, Triaditza Street No 8, Sofia;
5. the deadline for purchasing the competition dossier is 17.00 on the 120th day after the date of publication of this Decision in the *Official Journal of the European Union*;
6. the deadline for submission of notifications for participation in the competition is 17.00 on the 130th day after the date of publication of this Decision in the *Official Journal of the European Union*;
7. the deadline for submission of applications for the competition is 17.00 on the 144th day after the date of publication of this Decision in the *Official Journal of the European Union*;
8. the competition will not require personal presence;
9. the price of the competition dossier is set at BGN 500 (500 Bulgarian leva). The competition dossier can be purchased from room No 802 at the Ministry of Economy and Energy, Triaditza Street No 8, Sofia, during the period laid down in point 5;
10. the participants in the competition must comply with the requirements specified in Article 23(1) of the Underground Natural Resources Act;
11. the applications of the participants in the competition will be evaluated on the basis of the proposed work programmes, environmental protection instruments and training instruments, bonuses, and also according to their managerial and financial capacities;
12. the deposit for participation in the competition is set at BGN 10 000 (10 000 Bulgarian leva) and should be paid before the deadline specified in point 6 to the bank account of the Ministry of Economy and Energy, as stated in the competition dossier;
13. in the case of non-admission of an applicant to the competition, the deposit shall be reimbursed within a period of 14 days after the date on which the applicant is notified of non-admission;
14. the deposit of the successful applicant will be retained and the deposits of all other applicants will be reimbursed within a period of 14 days after the publication of the Decision of the Council of Ministers for granting of authorisation for prospecting and exploration in the *State Gazette*;

15. the notifications for participation in the competition and the proposals from the applicants concerning the conditions of the competition should be submitted to the Ministry of Economy and Energy, Triaditza Street No 8, in accordance with the requirements of Article 46 of the Underground Natural Resources Act;
16. the applications for the competition should comply with the requirements and conditions indicated in the competition dossier;
17. the competition can take place even if only one applicant is admitted to participate;
18. the Minister of Economy and Energy is authorised as follows:
  - 18.1. to send the text of this Decision for publication in the *Official Journal of the European Union* and in the *State Gazette*, and also on the website of the Council of Ministers;
  - 18.2. to appoint a committee to arrange and conduct the competition;
19. appeals against this Decision can be addressed to the Supreme Administrative Court within 14 days after its publication in the *Official Journal of the European Union*.

*Prime Minister*

Sergeï STANISHEV

*Principal Secretary of the Council of Ministers*

Veselin DAKOV

True copy

*Director of the Cabinet Office*

Veselin DAKOV

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**DECISION No 844  
of 23 December 2008**

**on the opening of a procedure for granting of authorisation for prospecting and exploration of oil and gas — underground natural resources in accordance with Article 2(1)(3) of the Underground Natural Resources Act, at Block 1-10 'Botevo', located in the provinces of Vratsa and Montana, and notification concerning the envisaged competition for granting of authorisation**

(2009/C 72/08)

REPUBLIC OF BULGARIA

COUNCIL OF MINISTERS

Pursuant to Article 5(2), Article 42(1)(1) and Article 44(3) of the Underground Natural Resources Act, and having regard to Article 4(2)(16) and Article 1(24a) of the Energy Act,

THE COUNCIL OF MINISTERS HAS DECIDED:

1. to open a procedure for granting authorisation for prospecting and exploration of crude oil and natural gas in Block 1-10 'Botevo', with a surface area of 280,58 km<sup>2</sup> and with coordinates of points as specified and indicated in the map contained in the draft prospecting and exploration contract, which is an integral part of the competition dossier;
2. to announce that the granting of authorisation pursuant to point 1 will be based on a competition;
3. to specify that the period covered by the authorisation for prospecting and exploration will be five years after the date of the entry into force of the prospecting and exploration contract, with a right to extension of this period pursuant to Article 31(3) of the Underground Natural Resources Act;
4. the competition for granting of authorisation pursuant to point 1 will take place on the 150th day after the date of publication of this Decision in the *Official Journal of the European Union*, at the building of the Ministry of Economy and Energy, Triaditza Street No 8, Sofia;
5. the deadline for purchasing the competition dossier is 17.00 on the 120th day after the date of publication of this Decision in the *Official Journal of the European Union*;
6. the deadline for submission of notifications for participation in the competition is 17.00 on the 130th day after the date of publication of this Decision in the *Official Journal of the European Union*;
7. the deadline for submission of applications for the competition is 17.00 on the 144th day after the date of publication of this Decision in the *Official Journal of the European Union*;
8. the competition will not require personal presence;
9. the price of the competition dossier is set at BGN 500 (500 Bulgarian leva). The competition dossier can be purchased from room No 802 at the Ministry of Economy and Energy, Triaditza Street No 8, Sofia, during the period laid down in point 5;
10. the participants in the competition must comply with the requirements specified in Article 23(1) of the Underground Natural Resources Act;
11. the applications of the participants in the competition will be evaluated on the basis of the proposed work programmes, environmental protection instruments and training instruments, bonuses, and also according to their managerial and financial capacities;
12. the deposit for participation in the competition is set at BGN 10 000 (10 000 Bulgarian leva) and should be paid before the deadline specified in point 6 to the bank account of the Ministry of Economy and Energy, as stated in the competition dossier;
13. in the case of non-admission of an applicant to the competition, the deposit shall be reimbursed within a period of 14 days after the date on which the applicant is notified of non-admission;
14. the deposit of the successful applicant will be retained and the deposits of all other applicants will be reimbursed within a period of 14 days after the publication of the Decision of the Council of Ministers for granting of authorisation for prospecting and exploration in the *State Gazette*;

15. the notifications for participation in the competition and the proposals from the applicants concerning the conditions of the competition should be submitted to the Ministry of Economy and Energy, Triaditza Street No 8, in accordance with the requirements of Article 46 of the Underground Natural Resources Act;
16. the applications for the competition should comply with the requirements and conditions indicated in the competition dossier;
17. the competition can take place even if only one applicant is admitted to participate;
18. the Minister of Economy and Energy is authorised as follows:
  - 18.1. to send the text of this Decision for publication in the *Official Journal of the European Union* and in the *State Gazette*, and also on the website of the Council of Ministers;
  - 18.2. to appoint a committee to arrange and conduct the competition;
19. appeals against this Decision can be addressed to the Supreme Administrative Court within 14 days after its publication in the *Official Journal of the European Union*.

*Prime Minister*

Sergeï STANISHEV

*Principal Secretary of the Council of Ministers*

Veselin DAKOV

True copy

*Director of the Cabinet Office*

Veselin DAKOV

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## OTHER ACTS

## COMMISSION

**Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs**

(2009/C 72/09)

This publication confers the right to object to the application pursuant to Article 7 of Council Regulation (EC) No 510/2006 <sup>(1)</sup>. Statements of objection must reach the Commission within six months of the date of this publication.

## SUMMARY

**COUNCIL REGULATION (EC) No 510/2006****'GRELOS DE GALICIA'****EC No: ES-PGI-0005-0469-13.06.2005****PDO ( ) PGI ( X )**

This summary sets out the main elements of the product specification for information purposes.

**1. Responsible department in the Member State:**

Name: Subdirección General de Calidad y Agricultura ecológica — Dirección General de Industrias y Mercados Agroalimentarios — Secretaría General de Medio Rural del Ministerio de Medio Ambiente, y Medio Rural y Marino de España

Address: Paseo Infanta Isabel 1  
28071 Madrid  
ESPAÑA

Tel. +34 913475394

Fax +34 913475410

E-mail: sgcaae@mapya.es

**2. Group:**

Name: CHAMPIVIL, S.L. y otros

Address: Mourence, 6  
27820 Villalba (Lugo)  
ESPAÑA

Tel. +34 9825112 22

Fax +34 982512135

E-mail: info@champivil.com

Composition: Producers/processors ( X ) Other ( )

<sup>(1)</sup> OJL 93, 31.3.2006, p. 12.

### 3. **Type of product:**

Class 1.6: Fruit, vegetables and cereals, fresh or processed

### 4. **Specification:**

(Summary of requirements under Article 4(2) of Regulation (EC) No 510/2006)

#### 4.1. *Name:*

'Grelos de Galicia'

#### 4.2. *Description:*

The product protected by the Protected Geographical Indication 'Grelos de Galicia' is the vegetative part, destined for human consumption, of plants of the species *Brassica rapa* L. var. *rapa* (commonly known as the turnip), from the variety groups corresponding to the Santiago and Lugo ecotypes, and the registered commercial varieties 'Grelos de Santiago' and 'Globo blanco de Lugo', which represent these two ecotypes and are sold fresh, frozen and preserved.

The morphological characteristics of the plant are the following: taproot, with a swollen upper part which is joined to a straight stem branching from the neck. Petiolated, hairy lower leaves, with small, broad lateral lobes, which become larger at the top. Upper flower spike leaves of an oblong spear shape, with two large rounded auricles, hairless and embracing the stem (amplexicaul).

The designation 'grelos' is used indiscriminately to mean the leaves and vegetative stems gathered throughout the life cycle of the plant, called '*nabizas*' (turnip greens), and the leaves and flower spikes obtained immediately before flowering, known in many parts of Galicia as '*cimos*'.

Fresh turnip greens will be marketed in uniform batches in line with origin and variety, using traditional bunches weighing approximately 0,5 kg or 1 kg, tied up with vegetable stems or other materials authorised in the Quality Manual.

Frozen turnip greens will be graded, washed, scalded and in some cases cut into pieces prior to freezing, and will be packaged in containers of weights and made from materials authorised by current legislation and explicitly laid down in the Quality Manual.

The preserved turnip greens will be processed naturally, adding only the cooking water and salt to the covering liquid, with no acidification, and will be put up in tins or glass jars of weights authorised by current legislation and explicitly laid down in the Quality Manual.

*Organoleptic characteristics:* Turnip greens are not consumed raw. To render them edible, they must be cooked for a period which varies depending on their phenological development. Therefore the organoleptic characteristics refer to turnip greens that are ready for consumption, in other words cooked, either by consumers or by the processing industry.

These characteristics include: an intense green colour, which darkens as the plant gets ready to flower; slightly acid and rather bitter taste; slightly fibrous texture, more accentuated if the variety has narrow leaves with a large percentage of petioles; rather soft because of the low fibre content.

#### 4.3. *Geographical area:*

The production area covers all the municipalities in the Autonomous Community of Galicia. The area of preparation and packing is the same as the area of production.

#### 4.4. *Proof of origin:*

Only turnip greens grown in accordance with the conditions laid down in the specification and in the Quality Manual in plots and by growers entered in the corresponding register can be granted the PGI 'Grelos de Galicia' or be used for the processing of turnip greens covered by this PGI. Likewise, only turnip greens handled and/or processed in facilities entered in the corresponding register can be covered by the PGI 'Grelos de Galicia'.

All legal and natural persons, owners of property entered in the registers, plots, stores, processing undertakings and products will be subject to inspections and checks carried out by the inspection body with a view to verifying that the products with the Protected Geographical Indication 'Grelos de Galicia' comply with the requirements laid down in the specification and Quality Manual.

#### 4.5. *Method of production:*

The seed to be used must come from plants of the Santiago and Lugo ecotypes, both those corresponding to the authorised commercial varieties 'Grelos de Santiago' and 'Globo blanco de Lugo' and those from their respective variety groups arising from the re-use of the same land or from other parcels entered in the Register of Plantations of the Protected Geographical Indication 'Grelos de Galicia'. The seed is sown broadcast from the middle of August, with the date varying depending on the area and earliness of the variety. Harvesting is carried out manually, preferably at times of the day when the temperature is lower. The plants require very careful handling to prevent damage to the leaves which affects their appearance and also forms a potential entry point for disease-carrying micro-organisms. The product may also be harvested using mechanical means when it is to be processed subsequently. On the same day as harvesting, taking great care not to damage the product, the turnip greens are sent to the store for handling or to the processing undertakings as the case may be.

Processing and packaging of turnip greens must be carried out within the defined geographical area because of the delicate conditions under which the product must be handled and preserved after harvesting. These operations must be conducted within the defined geographical area so as to:

- *avoid damaging the product:* turnip greens are leafy vegetables which deteriorate rapidly between harvesting and arrival at the handling centre. Water loss plus cell lysis cause the leaves to yellow and wilt, reducing the market take-up of the product. Turnip greens have added value as functional foodstuffs because of their high content of glucosinolate, flavonoid and vitamin and other compounds. However, once harvested these and other compounds deteriorate rapidly, leading to a considerable loss of nutritional value. It is known that over 50 % of the vitamin C content is lost within two days, and that the glucosinolates (anti-carcinogenic compounds) deteriorate rapidly after harvesting. This makes it necessary to carry out all the handling, transport, storage and processing operations not later than 24 hours after harvesting, therefore it is essential to reduce as much as possible the distances between the harvesting points and the distribution, packaging and/or processing points,
- *guarantee traceability and ensure monitoring:* the geographical area of the inspection body is confined to the defined geographical area, which is the Autonomous Community of Galicia. Under the monitoring and certification system, the origin and traceability of 'Grelos de Galicia' are guaranteed provided that they are prepared, processed and packaged in this Community,
- *retain the typical characteristics and preserve the quality of 'Grelos de Galicia':* there is a long tradition of consuming and preparing this product in the Autonomous Community of Galicia. The fact that the packaging is carried out in the defined geographical area contributes decisively to the protection of the special characteristics and quality of the 'Grelos de Galicia'. This gives producers and the Protected Geographical Indication inspection body the task of implementing and monitoring the rules on transport, processing and packaging of the turnip greens. These bodies have the necessary knowledge and skills to guarantee the proper handling of 'Grelos de Galicia'.

#### 4.6. *Link:*

The inclusion of turnips in crop rotation is documented in the 13th century in various municipal texts and sales documents relating to 'turnip' farms. Such rotation made it possible to exploit land fully by alternating a summer cereal crop with turnips and with a winter cereal crop.

Turnips are suited to damp climates and moderate temperatures, and are resistant to frost. They also require fertile soil that has high organic matter content and is of average consistency, deep and loose, and well-drained but with high relative humidity. These weather and soil conditions are found in large parts of Galicia.

Turnip greens are an essential ingredient in some of the most typical Galician dishes such as 'Caldo' or 'Pote gallego', 'Cocido' and 'Lacón con Grelos', and they are the element which distinguishes Galician cuisine from that of other regions.

Historical and gastronomic references to this vegetable are numerous and point to its strong influence on Galician culture. Various ethnographic and food writers have unanimously highlighted the presence and specific nature of turnip greens as a mainstay of traditional Galician cuisine. References can be found, for instance, in the writings of Ramón Otero Pedrayo, the famous writer who wrote on a variety of subjects (*Guía de Galicia*, 1926), the food critic, Ángel Muro (*Almanaque y conferencias culinarias*, 1890-1905), and the novelists Emilia Pardo Bazán (*La cocina española antigua*, 1912), Manuel María Puga y Parga (*La cocina práctica*, 1905) and Álvaro Cunqueiro (*A cocíña galega*, 1973).

Finally, this product is mentioned as a typical Galician vegetable in the *Inventario Español de Productos Tradicionales* (Spanish inventory of traditional products) published in 1996 by the Ministry of Agriculture, Fisheries and Food.

#### 4.7. Inspection body:

Name: Instituto Galego da Calidade Alimentaria (INGACAL)

Address: Rúa Fonte dos Concheiros, 11 baixo.  
15703 Santiago de Compostela  
ESPAÑA

Tel. +34 981540055

Fax +34 981540018

E-mail: sxca.agri@xunta.es

#### 4.8. Labelling:

For turnip greens marketed under the Protected Geographical Indication 'Grelos de Galicia', the commercial label corresponding to the trade mark of each producer/packager should be featured under the certification. They will also carry a specific label bearing the geographical indication, a sequential alphanumeric code authorised and issued by the inspection body, and the official logo of the Protected Geographical Indication.

Both the commercial label and the specific geographical indication label must bear the words 'Protected Geographical Indication, Grelos de Galicia'.

The label may, optionally, indicate the phenological state of the plant, distinguishing between 'nabizas' and 'cimos', as stated in the product description section.

Moreover, with regard to turnip greens subjected to different processing procedures from those laid down in the specification, authorisation may be granted to state on their labels that they are prepared with turnip greens bearing the PGI 'Grelos de Galicia' provided that the raw materials comply with the requirements in the specification and the relevant rules laid down in the Quality Manual.

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**Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs**

(2009/C 72/10)

This publication confers the right to object to the application pursuant to Article 7 of Council Regulation (EC) No 510/2006 <sup>(1)</sup>. Statements of objection must reach the Commission within six months from the date of this publication.

SUMMARY

**COUNCIL REGULATION (EC) No 510/2006**

**‘MOUTARDE DE BOURGOGNE’**

**EC No: FR-PGI-005-0503-25.10.2005**

**PDO ( ) PGI ( X )**

This summary sets out the main elements of the product specification for information purposes.

**1. Responsible department in the Member State:**

Name: Institut National des Appellations d'Origine (I.N.A.O.)  
Address: 51, rue d'Anjou  
75 008 Paris  
FRANCE  
Tel. +33 153898000  
Fax +33 142255797  
E-mail: info@inao.gouv.fr

**2. Group:**

Name: Association Moutarde de Bourgogne (AMB)  
Address: AMB ARIA Bourgogne  
4, Bd du Docteur Jean Veillet  
21 000 Dijon  
FRANCE  
Tel. +33 380288140  
Fax +33 380288169  
E-mail: laure.ohleyer@cote-dor.chambagri.fr  
Composition: Producers/processors ( X ) Other ( X )

**3. Type of product:**

Class 2.6: Mustard paste

**4. Specification:**

(Summary of requirements under Article 4(2) of Regulation (EC) No 510/2006)

<sup>(1)</sup> OJL 93, 31.3.2006, p. 12.

4.1. *Name:*

'Moutarde de Bourgogne'

4.2. *Description:*

'Moutarde de Bourgogne' is a strong or extra-strong mustard containing white wine. It is pale yellow with a uniform, thick, creamy texture. It has the strong, characteristic smell of white Burgundy. The taste is intensely sharp, with a strong flavour of white Burgundy.

4.2.1. *Ingredients and authorised additives:*

- mustard seeds produced and stored in Burgundy,
- liquid used in dilution: a mixture of water and white wine with a protected designation of origin, produced in the Burgundy wine-growing region; the minimum proportion of wine is 25 % during dilution. The wines used are dry white wines produced from the traditional Burgundy grapes Aligoté and Chardonnay. They are noted for their powerful aroma and long finish,
- salt, sugar, spices and additives (those authorised by the 1995 European Directive on additives, with the exception of artificial colouring agents, cereal flours and all other stabilisers and thickening agents, natural and artificial mustard essences, and extract of or essential mustard oil).

4.2.2. *Physico-chemical properties of 'Moutarde de Bourgogne':*

- dry extract from seeds > or = 24 % in weight of the finished product,
- fats from the mustard seed > or = 9 % in weight of the finished product,
- the quantity of seed coat remaining in the paste is under 2 % of the total weight.

4.3. *Geographical area:*

The production and storage of seeds and the production (processing) of mustard paste must be carried out in the geographical production area. This area consists of the *départements* making up the Burgundy region: Côte d'Or, Nièvre, Saône and Loire, and Yonne.

The geographical area was established on the basis of special local know-how in Burgundy in the production of mustard seeds and wine, which are processed to produce a mustard paste that results in a product with original characteristics (cf. paragraph 4.6).

The mustard seeds produced in Burgundy have special properties which have been recognised for centuries. Charles Estienne, Francis I's physician, considered that the mustard produced in Burgundy was of a superior quality because of the charlock used (common name for the mustard seed plant). Charlock was grown in woods and in charcoal-burning clearings up until the Second World War. Following the combustion of the charcoal in these clearings, the soil became rich in potassium and very suitable for growing mustard (and producing seeds rich in mustard essence), which the charcoal-burners sowed in March and harvested in August. In addition, the quite uniform, semi-continental Burgundian climate is suited to mustard-growing. Mustard-growing does not require a lot of water. Mustard plants flourish in places where there is a shortage of water and high temperatures. They do not grow well in places where the weather is excessively damp at the end of spring. Following a decline in mustard-growing lasting several decades, it was resumed in Burgundy on the initiative of the industries producing mustard paste, the aim being to ensure a supply of good quality raw materials and improve the quality of the finished product. This programme to resume mustard-growing involves research bodies, the Côte d'Or Chamber of Agriculture, regional storage agencies, farmers and processing companies. Varieties with specific characteristics were selected to satisfy the special Burgundian soil and climate needs, and the quality requirements of the processing companies.

Within this area, a zone was chosen that was suitable for growing mustard seed. The zone was defined in line with geological and soil criteria to ensure suitability for mustard-growing, therefore acid brown soils and high-altitude brown soils with podzols were excluded. Mustard-growing tests had shown that these soils had limited potential because of poor grain-filling and insufficient volatile isothiocyanate content, making it impossible to obtain a typical mustard paste.

#### 4.4. *Proof of origin:*

Traceability based on codified documents is assured throughout the process of producing Burgundy mustard, from the plot where the plants are grown to the packaged mustard paste. The mustard seeds are harvested only on the plots included in the growing area approved for the PGI. These plots must comply with the selection criteria laid down in the production plan. The farmers supply their products to storage agencies located in Burgundy. All operators involved in mustard seed production, storage and processing are obliged to keep codified documents. Analytical tests are conducted on the mustard seeds and paste during manufacture.

#### 4.5. *Method of production:*

Only the seed varieties chosen by the *Association Moutarde de Bourgogne* (Burgundy mustard association — AMB), which come from the species *Brassica juncea* (brown and white mustard) and *Brassica nigra*, are authorised for mustard-seed growing. A production plan has been drawn up which covers the areas under mustard plants, the selection of plots and the planting of mustard in the PGI zone. When the seeds are harvested, they are delivered to a storage agency located in Burgundy which looks after traceability and seed cleaning and storage.

The batches of seeds are then subject to approval, during which the following criteria are checked:

- Burgundian origin of the seeds and varieties chosen by the AMB,
- presence of green or immature seeds, which should not be more than 1,5 % (grades I and II),
- presence of foreign seeds: 0,3 % at most in the case of grade I, 0,5 % at most in the case of grade II,
- absence of insects, mould and overheating
- size of the seeds: thousand-seed weight > 2,35 g (> 2 g in the case of exceptional climate conditions),
- water and volatile materials: 4,2 % to 9 % mass,
- fats: 28 % to 42 % mass on a dry weight basis,
- volatile isothiocyanate: 0,7 % to 0,94 % mass on a dry weight basis,
- protein: 24,2 % to 30,8 % mass on a dry weight basis.

Following approval, the seeds are prepared and delivered to industries located in the geographical area. The seeds are crushed and brought into contact with the dilution liquid (water + wine). The wine used is a white wine with a protected designated origin produced in the Burgundy wine-growing area. During this stage, the kernel is removed from the seed and an initial mustard paste is produced. This paste is then sieved to remove the seed coats. The result is a pale yellow paste with a uniform, thick, creamy texture, which is 'de-aerated'. Then follows a rest period to allow the mustard to develop a sharp taste. The paste is then stored and packaged.

#### 4.6. *Link:*

The link with geographic origin is based on ancient regional know-how, the traditional growing of mustard seeds in Burgundy, a strong historic link between mustard and Burgundy wine-growing, and an age-old reputation.

##### 4.6.1. *Specific quality*

'Moutarde de Bourgogne', characterised by its intensely sharp taste, is obtained from mixing mustard seeds grown and stored in Burgundy with a dilution liquid consisting of water, salt, sugar, spices and at least 25 % of dry white wine made from traditional Burgundy grapes. These white wines have a characteristic powerful aroma and long finish, giving 'moutarde de Bourgogne' its strong, typical smell and pronounced white Burgundy wine flavour, which distinguish it from other mustards. The dry extract from the seeds must be higher than 24 %, while the fats must be higher than 9 %.

#### 4.6.2 Reputation

There are close historic ties between Burgundy and mustard. It is said that a large cask (206,75 l) of mustard was consumed in 1336 at a feast organised at Rouvres by Duke Eudes IV, Duke of Burgundy, in honour of Philippe VI. Back in the 16th century, statutes were laid down to define the mustard-makers' guild (the statutes of Dijon date from 1634 and those of Beaune from 1647). Up until the 19th century, mustard was manufactured in small workshops. Then the industrial revolution began to affect the mustard industry. Burgundy manufacturers rivalled one another in ingenuity, for instance Mr Grey, a Dijon mustard manufacturer, who had a machine which significantly increased productivity patented in 1850 by the *Académie des Arts, Sciences et Belles Lettres*. Between 1750 and 1984, there were 263 mustard manufacturers. Such density was unknown in any other French region.

Mustard-seed growing in Burgundy also has a long history as can be seen from the fact that Francis I's physician, Charles Estienne, considered that the mustard produced in Burgundy was of a high quality because of the mustard plant 'which grew better there than in any other region'.

Wine and mustard are closely linked. In 1911, A. Berthiot thought that the reputation of mustard was due to the quality of the manufacturing process which, he said, involved crushing the finest seeds and mixing in a special Burgundy liquid, verjuice, which was a kind of very sour wine obtained from pressing white grapes that were not completely ripe. When the plants producing these grapes were destroyed by phylloxera, the manufacturers turned to little acidic white wines, which later disappeared and were replaced by wine produced from quality vines that had been grafted. Replacing vinegar with white wine made it possible to typify the mustard organoleptically.

Mustard-makers began to use the designation 'Moutarde de Bourgogne' very early on. For instance, the trademark 'Moutarde de Bourgogne, extra-blanche supérieure' (Burgundy mustard, superior extra-white) was registered with Sens court (89) in 1891, while in 1903, the trade name 'Moutarde Jacquemart au pur verjus de Bourgogne' (Jacquemart mustard with pure Burgundy verjuice) was registered with Dijon court. In addition to the use of the designation, the fact that the brand names chosen referred to Burgundy and its history indicates the well-established reputation of Burgundy mustard, for instance in names such as 'Jean-sans-Peur', 'Téméraire', 'Moutarde à la cuillère de la Belle Bourguignonne' and 'La Bourguignonne'.

#### 4.6.3 Human factors and specific know-how

There was extensive mustard-seed growing in Burgundy up until the Second World War. After 1945, the mustard industries tried to keep production in the region. To this end, the mustard manufacturers' association published a brochure on mustard-plant growing. However, these initiatives were undermined by competition from other oil and fibre plants and on the world market.

It was not until the start of the 1990s that mustard-seed growing was resumed to a significant extent. At that point in time, the entire sector shared the same concerns:

- the manufacturers were attempting to diversify their sources of supply and to gain some control over the quality of the production and raw materials. In order to do this, they wanted to influence the development of seeds so as to improve the quality of the finished product,
- the farmers were endeavouring to diversify their products and to develop them on a regional basis.

A steering committee was established, therefore, to oversee the resumption of this activity:

- the Dijon *Etablissement National d'Enseignement Supérieur Agronomique* (national agricultural training institute) and the *Institut national de recherche agronomique pour la recherche génétique* (national institute of agricultural genetic research), which focused on improving productivity and ensuring the specific quality of seeds to meet the criteria laid down by the AMB,
- the Côte d'Or Chamber of Agriculture, which was engaged in applied research and experimentation,
- regional storage agencies, concentrating on logistics, and seed harvesting and packaging,
- the farmers, who tested in the field the references established in the experimental stations and grew sufficient quantities of seeds to enable manufacturers to conduct manufacturing trials,
- the French federation of prepared-meat industries, prepared-food suppliers and meat processors, and industries involved in various manufacturing trials: pilot, semi-industrial and industrial tests.

As a result of this cooperation, it was possible to reference two varieties for the PGI approach.

Production expanded as this research got under way, rising from approximately 350 ha in 1993 to 1 230 ha in 2003.

4.7. *Inspection body:*

Name: CERTIPAQ

Address: 44, rue La Quintinie  
75015 Paris  
FRANCE

Tel. +33 145309292

Fax +33 145309300

E-mail: certipaq@certipaq.com

4.8. *Labelling:*

The label must include the following indications:

- name under which product is sold: 'Moutarde de Bourgogne',
  - PGI logo.
-

**Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs**

(2009/C 72/11)

This publication confers the right to object to the application pursuant to Article 7 of Council Regulation (EC) No 510/2006 <sup>(1)</sup>. Statements of objection must reach the Commission within six months from the date of this publication.

SUMMARY

**COUNCIL REGULATION (EC) No 510/2006**

**‘ŠTAJERSKO PREKMURSKO BUČNO OLJE’**

**EC No: SI-PGI-0005-0418-29.10.2004**

**PDO ( ) PGI ( X )**

This summary sets out the main elements of the product specification for information purposes.

**1. Responsible department in the Member State:**

Name: Ministrstvo za kmetijstvo, gozdarstvo in prehrano RS  
Address: Dunajska 58  
SI-1000 Ljubljana  
SLOVENIJA  
Tel. +386 14789109  
Fax +386 14789055  
E-mail: varnahrana.mkgp@gov.si

**2. Applicant:**

Name: GOLICA GIZ  
Address: Trg svobode 3,  
SI-2310 Slovenska Bistrica  
SLOVENIJA  
Tel. +386 28432611  
Fax +386 28432613  
E-mail: —  
Composition: Producers/processors ( X ) Other ( )

**3. Type of product:**

Class 1.5: Oils and fats (butter, margarine, oil, etc.)

**4. Specification:**

(Summary of requirements under Article 4(2) of Regulation (EC) No 510/2006)

**4.1. Name:**

‘Štajersko prekmursko bučno olje’

<sup>(1)</sup> OJL 93, 31.3.2006, p. 12.

#### 4.2. Description:

'Štajersko Prekmursko Bučno Olje' is an unrefined, edible vegetable oil produced by pressing roasted top-quality pumpkin seeds obtained from oil pumpkins.

'Štajersko Prekmursko Bučno Olje' is dark green to red in colour and has a characteristic aromatic odour and taste. It has a good fatty acids composition: it contains around 20 % saturated fatty acids, around 35 % monounsaturated fatty acids and around 45 % polyunsaturated fatty acids.

'Štajersko Prekmursko Bučno Olje' is also a rich source of tocopherols, since it contains around 50 mg of vitamin E per 100 g of oil. The oil also contains other vitamins, microelements, carotenoids, rare amino acids and natural colouring (chlorophyll).

#### 4.3. Geographical area:

The region in which 'Štajersko Prekmursko Bučno Olje' is made from pumpkin seeds is delimited by a line that runs from Dravograd to Slovenj Gradec, Mislinja and Velenje (where the main road forms the boundary), Šoštanj, Mozirje, Nazarje, Vransko, Prebold, Zabukovica and Laško. From there the boundary runs along the Savinja and Sava rivers past Radeče, Sevnica, Krško and Brežice to Obrežje, and then runs along the national border with Croatia to the national border with Hungary, and along the national border with Hungary to the national border with Austria, and then along the national border with Austria (along the Karavanke range) back to Dravograd.

#### 4.4. Proof of origin:

All producers of 'Štajersko Prekmursko Bučno Olje' must be registered within the stipulated region and must process the pumpkin seeds into pumpkin oil in accordance with the specification. They must keep records of the seller and the quantity of pumpkin seeds for each individual seller of pumpkin seeds, and the date of analysis, the results of the chemical analyses, and the physical and chemical parameters. Producers must also keep reports on the production process, setting out the consumption of raw material, the consumption of materials and the quantity of pumpkin oil produced.

All these factors are monitored by a certification body accredited in accordance with European standard EN 45011.

#### 4.5. Method of production:

Various types of pumpkin seeds can be used to produce 'Štajersko Prekmursko Bučno Olje', but they must meet the stipulated quality requirements.

These pumpkin seeds may be produced outside the stipulated geographical area but they must be processed into 'Štajersko Prekmursko Bučno Olje' within the stipulated geographical area.

1. Gathering of pumpkin seeds (checks on physico-chemical parameters (impurities, moisture content, oil content, proportion of damaged seeds) and appearance).
2. Storage of seeds.
3. Cleaning of seeds (removal of impurities).
4. Drying of seeds to arrive at a moisture content of 6-7 %.
5. Crushing of seeds.
6. Kneading.
7. Roasting of seeds (max. temperature of roasted mass 120 °C, 30-60 minutes).
8. Pressing of roasted mass.
9. Sedimentation of pumpkin oil.
10. Quality control (physico-chemical analysis and organoleptic analysis).
11. Bottling and labelling.

#### 4.6. *Link:*

'Štajersko Prekmursko Bučno Olje' is a culinary speciality of the geographical area set out in point 4.3. The production of pumpkin seed oil in Štajerska and Prekmurje is a tradition, as testified by written records of the founding of the first pumpkin seed oil press in Fram as early as 1750. The large-scale production of pumpkin seeds in the region led to the setting-up of several factories to process pumpkin seeds into oil by artisanal methods (Slovenska Bistrica, Središče ob Dravi, Selo pri Pragerskem, etc.). In 1904 Albert Stigar founded a factory in Slovenska Bistrica for processing pumpkin seeds into pumpkin seed oil by artisanal methods. There are no large processing plants in Prekmurje, only small plants belonging to farmers. One such plant is Feri Vučak in Vadarci in Goričko. His mill/processing plant is still standing after 130 years and is now operated by the fourth generation of his family.

The reputation of 'Štajersko Prekmursko Bučno Olje' is spreading beyond Slovenia to other European countries, the USA, Australia, Russia, etc., as demonstrated, *inter alia*, by the award that it won for the most innovative product at the IFE07 competition (the International food & drink event) in London in 2007.

#### 4.7. *Inspection body:*

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#### 4.8. *Labelling:*

If 'Štajersko Prekmursko Bučno Olje' is packaged inside the geographical area, each producer may use his own packaging and label, but the protected name 'Štajersko Prekmursko Bučno Olje', the coloured logo 'Štajersko Prekmursko Bučno Olje' and the corresponding Community symbol or national symbol of quality must be marked on the label or elsewhere.

If the product is packaged outside the stipulated geographical area, traceability to the source of 'Štajersko Prekmursko Bučno Olje' must be guaranteed. In this case as well, packaged 'Štajersko Prekmursko Bučno Olje' must be marked with the protected name, the logo and the corresponding Community symbol.

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