ISSN 1725-2555

Official Journal of the European Union

L 69

English edition

Legislation

Volume 50

9 March 2007

Contents

(Continued overleaf)

EN

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

The titles of all other acts are printed in bold type and preceded by an asterisk.

EN

[1] Text with EEA relevance

I

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is obligatory)

REGULATIONS

COMMISSION REGULATION (EC) No 246/2007

of 8 March 2007

establishing the standard import values for determining the entry price of certain fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables [1], and in particular Article 4(1) thereof,

Whereas:

(1) Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto.

(2) In compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

[1] OJ L 337, 24.12.1994, p. 66. Regulation as last amended by Regulation (EC) No 386/2005 (OJ L 62, 9.3.2005, p. 3).

ANNEX

to Commission Regulation of 8 March 2007 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code (1)	Standard import value
0702 00 00	IL	121,1
	MA	58,4
	TN	143,7
	TR	146,5
	ZZ	117,4
0707 00 05	JO	171,8
	MA	67,2
	TR	158,0
	ZZ	132,3
0709 90 70	MA	73,8
	TR	110,1
	ZZ	92,0
0709 90 80	IL	119,7
	ZZ	119,7
0805 10 20	CU	36,7
	EG	52,4
	IL	58,2
	MA	43,2
	TN	49,6
	TR	67,0
	ZZ	51,2
0805 50 10	EG	61,7
	IL	59,9
	TR	51,0
	ZZ	57,5
0808 10 80	AR	84,4
	BR	69,0
	CA	99,2
	CL	109,6
	CN	92,8
	US	113,9
	UY	63,9
	ZA	101,9
	ZZ	91,8
0808 20 50	AR	71,7
	CL	103,4
	CN	75,5
	US	110,6
	ZA	80,3
	ZZ	88,3

(1) Country nomenclature as fixed by Commission Regulation (EC) No 1833/2006 (OJ L 354, 14.12.2006, p. 19). Code 'ZZ' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 247/2007

of 8 March 2007

amending Annex III to Council Regulation (EC) No 318/2006 for the 2007/2008 marketing year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector [1], and in particular Article 10(1) thereof,

Whereas:

(1) Annex III to Regulation (EC) No 318/2006 lays down the national and regional quotas for the production of sugar, isoglucose and inulin syrup. For the 2007/2008 marketing year those quotas must be adjusted by the end of February 2007 at the latest.

(2) The adjustments result in particular from the application of Articles 8 and 9 of Regulation (EC) No 318/2006, which provide for the allocation of additional sugar quotas and additional and supplementary isoglucose quotas. The adjustments must take account of the communications from the Member States provided for in Article 12 of Commission Regulation (EC) No 952/2006 of 29 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards the management of the Community market in sugar and the quota system [2]. These communications were sent to the Commission before 31 January 2007 and relate in particular to the additional and supplementary quotas already allocated on the date on which the communication was drawn up.

(3) Undertakings may request additional sugar quotas until 30 September 2007. Supplementary isoglucose quotas are allocated in accordance with the conditions laid down by the Member States. The additional and supplementary quotas which are to be allocated for the 2007/2008 marketing year, but which do not appear in the communications sent before 31 January 2007, will be taken into account in the next adjustment of the quotas laid down in Annex III to Regulation (EC) No 318/2006 before the end of February 2008.

(4) The adjustments to the quotas laid down in Annex III to Regulation (EC) No 318/2006 also result from the application of Article 3 of Council Regulation (EC) No 320/2006 of 20 February 2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community and amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy [3], which provides for restructuring aid for undertakings which renounce their quotas. It is therefore necessary to take account of the quotas renounced for the 2007/2008 marketing year under the restructuring scheme.

(5) Annex III to Regulation (EC) No 318/2006 should therefore be amended accordingly.

(6) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

Annex III to Regulation (EC) No 318/2006 is hereby replaced by the Annex to this Regulation.

Article 2

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

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

Done at Brussels, 8 March 2007.

For the Commission
Mariann FISCHER BOEL
Member of the Commission

[1] OJ L 58, 28.2.2006, p. 1. Regulation last amended by Regulation (EC) No 2011/2006 (OJ L 384, 29.12.2006, p. 1).
[2] OJ L 178, 1.7.2006, p. 39.
[3] OJ L 58, 28.2.2006, p. 42.

ANNEX

'ANNEX III

NATIONAL AND REGIONAL QUOTAS

from the 2007/2008 marketing year onwards

(tonnes)

Member States or regions (1)	Sugar (2)	Isoglucose (3)	Inulin syrup (4)
Belgium	862 077,0	99 796,0	0
Bulgaria	4 752,0	78 153,0	—
Czech Republic	367 937,8	—	—
Denmark	420 746,0	—	—
Germany	3 655 455,5	49 330,2	—
Ireland	0	—	—
Greece	158 702,0	17 973,0	—
Spain	887 163,7	110 111,0	—
France (metropolitan)	3 640 441,9	—	0
French overseas departments	480 244,5	—	—
Italy	753 845,5	28 300	—
Latvia	0	—	—
Lithuania	103 010,0	—	—
Hungary	298 591,0	191 845,0	—
Netherlands	876 560,0	12 683,6	0
Austria	405 812,4	—	—
Poland	1 772 477,0	37 331,0	—
Portugal (mainland)	15 000,0	13 823,0	—
Autonomous Region of the Azores	9 953,0	—	—
Romania	109 164	13 913,0	—
Slovenia	0	—	—
Slovakia	140 031,0	59 308,3	—
Finland	90 000,0	16 548,0	—
Sweden	325 700,0	—	—
United Kingdom	1 221 474,0	37 967,0	—
Total	16 599 138,3	767 082,1	0'

COMMISSION REGULATION (EC) No 248/2007

of 8 March 2007

on measures concerning the Multi-annual Financing Agreements and the Annual Financing Agreements concluded under the Sapard programme and the transition from Sapard to rural development

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Treaty of Accession of Bulgaria and Romania,

Having regard to the Act of Accession of Bulgaria and Romania, and in particular Article 29 thereof,

Having regard to Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of Central and Eastern Europe in the pre-accession period [1], and in particular Article 12(2) thereof,

Whereas:

(1) Council Regulation (EC) No 1268/1999 introduced Community support for pre-accession measures for agriculture and rural development in the applicant countries of Central and Eastern Europe in the pre-accession period (the Sapard programme) including Bulgaria and Romania in particular.

(2) Article 29 of the Act of Accession of Bulgaria and Romania provides that where the period for multi-annual commitments made under the Sapard programme in relation to certain measures extends beyond the final permissible date for payments under Sapard, the outstanding commitments will be covered within the 2007-2013 rural development programme.

(3) The Sapard programme comprises several measures to be supported after accession by Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) [2].

(4) To facilitate the transition between these two types of support, the period during which commitments can be made to beneficiaries under the Sapard programme should be specified.

(5) The conditions under which projects approved under Regulation (EC) No 1268/1999 but which can no longer be financed under that Regulation can be transferred to rural development programming should be specified.

(6) This Regulation is without prejudice to Commission Regulation (EC) No 1423/2006 of 26 September 2006 establishing a mechanism for appropriate measures in the field of agricultural spending in respect of Bulgaria and Romania [3].

(7) In accordance with the provisions of Article 12 of Commission Regulation (EC) No 2759/1999 of 22 December 1999 laying down rules for the application of Council Regulation (EC) No 1268/1999 [4], an ex-post evaluation of the Sapard programme must be carried out. It has to be ensured that these evaluations may still be carried out and financed after 2006, beyond the period of eligibility under Sapard in accordance with Council Regulation (EC) No 1268/1999.

(8) Multi-annual Financing Agreements (MAFAs) and Annual Financing Agreements (AFAs) were concluded between the European Commission, representing the European Community, on the one hand and Bulgaria and Romania on the other.

(9) In areas falling within the scope of the Treaty establishing the European Community, the relationship between Bulgaria and Romania and the Community, as of 1 January 2007, when these States accede to the European Union, is governed by Community law. In principle, bilateral agreements, without any particular legal acts being necessary, continue to apply as far as they do not contradict obligatory Community law. In certain areas, the MAFAs and AFAs provide for rules which are different from Community law whilst not being contrary to any binding provisions. However, it is appropriate to foresee that in respect of Sapard the new Member States should, as far as possible, follow the same rules as those which apply to any other areas of Community law.

[1] OJ L 161, 26.6.1999, p. 87. Regulation as last amended by Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23).

[2] OJ L 277, 21.10.2005, p. 1. Regulation as last amended by Regulation (EC) No 2012/2006 (OJ L 384, 29.12.2006, p. 8).

[3] OJ L 269, 28.9.2006, p. 10.

[4] OJ L 331, 23.12.1999, p. 51. Regulation as last amended by Regulation (EC) No 2278/2004 (OJ L 396, 31.12.2004, p. 36).

(10) It is therefore appropriate to provide for the continuation of the applicability of the MAFAs and AFAs subject to certain derogations and amendments. At the same time, certain provisions are no longer needed given the fact that the Community is no longer dealing with third countries but with Member States and that the new Member States will be directly submitted to provisions under Community law. Such MAFA provisions should therefore no longer apply. In order to ensure continuity in the application of the MAFAs and AFAs, these changes should apply from 1 January 2007.

(11) Council Regulation (EC) No 1266/1999 of 21 June 1999 on coordinating aid to the Applicant Countries in the framework of the pre-accession strategy and amending Regulation (EEC) No 3906/89 [1] and Commission Regulation (EC) No 2222/2000 of 7 June 2000 laying down financial rules for the application of Council Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development in the Applicant Countries of Central and Eastern Europe in the pre-accession period [2] have been the legal bases for the Commission to confer the management of aid under the Sapard programme on implementing agencies in the Applicant Countries on a case-by-case basis. The MAFAs were concluded based on that possibility. However, in relation to Member States, Community law does not require a conferral of management procedure but an accreditation procedure at national level for paying agencies referred to in Article 6 of Council Regulation (EC) No 1290/2005 on the financing of the common agricultural policy [3]. The MAFAs provide for basically an identical accreditation procedure in their Article 4 of Section A of the Annex. With regard to Member States there is, therefore, no more a need to provide for a conferral of the management of aid. Therefore, derogation from these provisions is appropriate.

(12) Multi-annual Financing Agreements (MAFAs) and Annual Financing Agreements (AFAs) were also concluded between the European Commission, representing the European Community, on the one hand and the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia (the 2004 accession Member States) on the other.

(13) Provisions similar to those contained in this Regulation as regards the MAFAs and AFAs as regards Bulgaria and Romania were adopted in relation to the MAFAs and AFAs as regards the 2004 accession Member States in Commission Regulation (EC) No 1419/2004 of 4 August 2004 on the continuation of the application of the Multi-annual Financing Agreements and the Annual Financing Agreements concluded between the European Commission, representing the European Community, on the one hand and the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia on the other, and providing for certain derogations from the Multi-annual Financing Agreements and from Council Regulation (EC) No 1266/1999 and Regulation (EC) No 2222/2000 [4]. However these measures were adopted as measures to facilitate the transition from the Sapard programme to rural development and so expire on 30 April 2007.

(14) In the light of experience it has been established that these measures do not solely concern the transition from the Sapard programme to rural development but concern predominantly the finalisation of the programmes started under the Sapard programme for the 2004 accession Member States. Regulation (EC) No 1268/1999 states in its Article 1(1) that it remains applicable in this case.

(15) It is therefore appropriate to provide in this Regulation for the adoption of measures identical to those set out in Regulation (EC) No 1419/2004 in order to provide for the finalisation of the programmes started under the Sapard programme for the 2004 accession Member States, since these programmes are not yet finalised. These measures should apply once those contained in Regulation (EC) No 1419/2004 cease to apply, namely from 1 May 2007.

(16) According to Article 12(7) of Section A of the Annex of the MAFA the amount to be recovered in accordance with a conformity clearance Decision shall be deducted from the next application for payment to the Commission. Article 12(8) provides that the amount to be recovered in accordance with the conformity clearance Decision shall not be reallocated to the Programme. The application of both provisions would result in a double deduction of the amount from a Sapard allocation to a Beneficiary country. Therefore, the provision that this amount shall be deducted from the next application for payment to the Commission should be deleted.

(17) The measures provided for in this Regulation are in accordance with the opinion of the Committee on Agricultural Structures and Rural Development and the Committee on the Agricultural Funds,

[1] OJ L 161, 26.6.1999, p. 68.
[2] OJ L 253, 7.10.2000, p. 5. Regulation as last amended by Regulation (EC) No 1052/2006 (OJ L 189, 12.7.2006, p. 3).
[3] OJ L 209, 11.8.2005, p. 1. Regulation as amended by Regulation (EC) No 320/2006 (OJ L 58, 28.2.2006, p. 42).
[4] OJ L 258, 5.8.2004, p. 11. Regulation as amended by Regulation (EC) No 1155/2005 (OJ L 187, 19.7.2005, p. 14).

HAS ADOPTED THIS REGULATION:

CHAPTER I

BULGARIA AND ROMANIA

SECTION I

Transition from Sapard to rural development

Article 1

End of contracting period under Regulation (EC) No 1268/1999

As regards Community funds relating to Regulation (EC) No 1268/1999, Bulgaria and Romania may continue to contract or enter into commitments with any beneficiary until the respective date that each contracts or enters into commitments for the first time under Regulation (EC) No 1698/2005. They shall inform Commission of this date.

Article 2

Financing of Sapard projects beyond the period of eligibility

1. Where the period for multi-annual commitments made under the Sapard programme in relation to afforestation of agricultural land, support for the establishment of producer groups or agri-environment schemes extends beyond the final permissible date for payments under Sapard, the outstanding commitments may be covered under the rural development programmes for the period 2007 to 2013 under Regulation (EC) No 1698/2005 and financed by the EAFRD provided that the rural development programme makes provision for this purpose.

2. Where Bulgaria or Romania apply paragraph 1, they shall notify the Commission, before the end of 2007, the amounts corresponding to appropriations committed.

3. The rules on eligibility of and checks on assistance under Regulation (EC) No 1268/1999 shall continue to apply.

Article 3

Expenditure relating to the ex-post evaluation of the Sapard programmes

Expenditure relating to the *ex-post* evaluations of the relevant Sapard programmes provided for in Article 12 of Regulation (EC) No 2759/1999 may be eligible under the technical assistance component of the rural development programmes for the period 2007 to 2013 under Regulation (EC) No 1698/2005 and financed by the EAFRD provided that the rural development programme makes provision for this purpose.

Article 4

Correlation of measures under the current and the new programming period

The correlation table for measures referred to in Articles 2 and 3 under Regulation (EC) No 1268/1999 and Regulation (EC) No 1698/2005 is set out in Annex I.

SECTION II

MAFAs and AFAs

Article 5

Continuation of the applicability of the MAFAs and the AFAs after Accession

1. Without prejudice to the continuation of the validity of the Multi-annual Financing Agreements (hereinafter referred to as MAFAs) and the Annual Financing Agreements (hereinafter referred to as AFAs), as listed in Annex II, concluded between the European Commission representing the European Community on the one hand and Bulgaria and Romania on the other, these Agreements shall continue to apply subject to the provisions of this Regulation.

2. Articles 2 and 4 of the MAFAs shall cease to apply.

3. The following provisions of the Annex of the MAFAs shall cease to apply:

(a) Articles 1 and 3 of Section A; however, any references to these Articles in the MAFAs or AFAs shall be construed as referring to the national accreditation decision in accordance with Article 4 of Section A;

(b) Article 14, points 2.6 and 2.7 of Section A;

(c) Articles 2, 3, 4, 5, 6 and 8 of Section C; and

(d) Section G.

4. Article 12(2) of Regulation (EC) No 1266/1999 and Article 3 of Regulation (EC) No 2222/2000 shall no longer apply to Bulgaria and Romania with regard to the Sapard programme.

Article 6

Derogations from MAFA provisions and from Regulation (EC) No 2222/2000

By way of derogation from the last subparagraph of Article 4(7) and Article 5(4) of Section A of the Annex of the MAFAs and Article 5(4) of Regulation (EC) No 2222/2000, the Commission shall immediately be informed of any modifications in the implementation or paying arrangements of the SAPARD Agency after its accreditation.

CHAPTER II

MAFAS AND AFAS AS REGARDS THE CZECH REPUBLIC, ESTONIA, HUNGARY, LATVIA, LITHUANIA, POLAND, SLOVAKIA AND SLOVENIA

Article 7

Continuation of the applicability of the MAFAs and the AFAs after Accession

1. Without prejudice to the continuation of the validity of the Multi-annual Financing Agreements (hereinafter referred to as MAFAs) and the Annual Financing Agreements (hereinafter referred to as AFAs), as listed in Annex III, concluded between the European Commission, representing the European Community, on the one hand and the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia on the other, these Agreements shall continue to apply subject to the provisions of this Regulation.

2. Articles 2 and 4 of the MAFAs shall cease to apply.

3. The following provisions of the Annex to the MAFAs shall cease to apply:

(a) Articles 1 and 3 of Section A; however, any references to these Articles in the MAFAs or AFAs shall be construed as referring to the national accreditation decision in accordance with Article 4 of Section A;

(b) Article 14, points 2.6 and 2.7 of Section A;

(c) Articles 2, 3, 4, 5, 6 and 8 of Section C;

(d) Item 8 of Section F; and

(e) Section G.

4. Article 12(2) of Regulation (EC) No 1266/1999 and Article 3 of Regulation (EC) No 2222/2000 shall no longer apply with regard to the Sapard programme.

Article 8

Derogations from MAFA provisions and from Regulation (EC) No 2222/2000

By way of derogation from the last subparagraph of Article 4(7) and Article 5(4) of Section A of the Annex to the MAFAs and Article 5(4) of Regulation (EC) No 2222/2000, the Commission shall immediately be informed of any modifications in the implementation or paying arrangements of the Sapard Agency after its accreditation.

Article 9

Amendment of the MAFAs

1. Article 7(8) of Section A of the Annex to the MAFAs is replaced by the following:

'The final balance of the programme shall be paid:

(a) if the National Authorising Officer submits to the Commission within the deadline for payment laid down in the final Annual Financing Agreement, a certified statement of expenditure actually paid in accordance with Article 9 of this Section;

(b) if the final report on implementation has been submitted to and approved by the Commission;

(c) when the Decision referred to in Article 11 of this section has been adopted.

The payment shall not prejudice the adoption of a subsequent decision pursuant Article 12 of this section.'

2. The following subparagraph is added to Article 10(3) of section A of the Annex to the MAFAs:

'However, interest not accounted for by projects assisted under the programme of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia, respectively, shall be paid to the Commission in euro.'

3. Article 12(7) of Section A of the Annex to the MAFA is replaced by the following:

'The amount to be recovered in accordance with the conformity clearance Decisions, shall be communicated to the National Authorising Officer who shall, on behalf of the Member States, ensure that the amount is credited to the Sapard euro account within two months of the date the conformity clearance Decision was taken.

The Commission may, however, on a case by case basis, decide that any amount to be credited to it shall be offset against payments due to be made by the Commission to the Member States under any Community instrument.'

Article 10

Replacement of the amounts provided for in Article 2 of AFA 2003

The amount provided for in Article 2 of each of the AFAs 2003 shall be replaced by the amounts referred to in Annex IV.

Article 11

Amendment of Article 3 of AFAs 2000 to 2003

At the end of Article 3 of each of the AFAs, the following subparagraph is added:

'Any part of the Community contribution referred to in Article 2 for which no contracts with the final beneficiaries have been signed as of the date referred to in the second subparagraph shall be notified to the Commission within three months of this amount being known.'

CHAPTER III

GENERAL PROVISIONS

Article 12

Scope

Chapter I shall apply in respect of the implementation of the Sapard programme in Bulgaria and Romania.

Chapter II shall apply in respect of the implementation of the Sapard programme in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

Article 13

Entry into force and application

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

Chapter I shall apply from 1 January 2007.

Chapter II shall apply from 1 May 2007.

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

Done at Brussels, 8 March 2007.

For the Commission
Mariann FISCHER BOEL
Member of the Commission

ANNEX I

Correlation table for measures provided for in Regulation (EC) No 1268/1999 and Regulation (EC) No 1698/2005

Measures under Regulation (EC) No 1268/1999	Axe and measures under Regulation (EC) No 1698/2005	Codes under Regulation (EC) No 1698/2005
Agricultural production methods designed to protect the environment and maintain the countryside, Article 2, fourth indent.	Article 36(a)(iv) and Article 39: Agri-environment payments	214
Setting up producer groups, Article 2, seventh indent.	Article 20(d)(ii) and Article 35: Producer groups	142
Forestry, including afforestation of agricultural areas, investments in forest holdings owned by private forest owners and processing and marketing of forestry products, Article 2, 14th indent.	Article 36(b)(i) and Article 43: First afforestation of agricultural land	221
Technical assistance for the measures covered by this Regulation, including studies to assist with the preparation and monitoring of the programme, information and publicity campaigns.	Article 66(2): Technical assistance	511

ANNEX II

Multi-annual Financing Agreements (MAFAs) and Annual Financing Agreements (AFAs) concluded between the European Commission and Romania and Bulgaria

1. LIST OF MAFAS

The following MAFAs were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the twentieth day of April in the year two thousand and one,

— the Government of Romania the seventeenth day of January in the year two thousand and two.

2. LIST OF AFAS

A. **Annual financing agreement 2000**

The following AFAs for 2000 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the twentieth day of April in the year two thousand and one,

— the Government of Romania the seventeenth day of January in the year two thousand and two.

B. **Annual financing agreement 2001**

The following AFAs for 2001 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the twenty-ninth day of July in the year two thousand and two,

— the Government of Romania the eleventh day of October in the year two thousand and two.

C. **Annual financing agreement 2002**

The following AFAs for 2002 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the sixth day of June in the year two thousand and three,

— the Government of Romania the twelfth day of May in the year two thousand and three.

D. **Annual financing agreement 2003**

The following AFAs for 2003 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the first day of October in the year two thousand and three,

— the Government of Romania the twenty-second day of September in the year two thousand and four.

E. **Annual financing agreement 2004**

The following AFAs for 2004 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the sixth day of June in the year two thousand and five,

— the Government of Romania the third day of November in the year two thousand and five.

F. **Annual financing agreement 2005**

The following AFAs for 2005 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the sixth day of June in the year two thousand and six,

— the Government of Romania the twenty-fifth day of July in the year two thousand and six.

G. **Annual financing agreement 2006**

The following AFAs for 2006 were concluded between the European Commission representing the European Community and:

— the Republic of Bulgaria the twenty-ninth of December in the year two thousand and six,

— the Government of Romania [1].

[1] Adopted by the Commission on 18 October 2006, signed by the Commission and the Government of Romania on 31 October 2006, undergoing conclusion procedures in Romania.

ANNEX III

Multi-Annual Financing Agreements (MAFAs) and Annual Financing Agreements (AFAs) concluded between the European Commission and the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia

1. LIST OF MAFAS

The following MAFAs were concluded between the European Commission, representing the European Community, and

— the Czech Republic the tenth day of December in the year two thousand and one,

— the Republic of Estonia the twenty-eighth day of May in the year two thousand and one,

— the Republic of Hungary the fifteenth day of June in the year two thousand and one,

— the Republic of Latvia the fourth day of July in the year two thousand and one,

— the Republic of Lithuania the twenty-ninth day of August in the year two thousand and one,

— the Republic of Poland the eighteenth day of May in the year two thousand and one,

— the Republic of Slovakia the sixteenth day of May in the year two thousand and one, and

— the Republic of Slovenia the twenty-eighth day of August in the year two thousand and one.

2. LIST OF AFAS

A. **Annual financing agreement 2000**

The following AFAs for 2000 were concluded between the European Commission, representing the European Community, and

— the Czech Republic the tenth day of December in the year two thousand and one,

— the Republic of Estonia the twenty-eighth day of May in the year two thousand and one,

— the Republic of Hungary the fifteenth day of June in the year two thousand and one,

— the Republic of Latvia the eleventh day of May in the year two thousand and one,

— the Republic of Lithuania the twenty-ninth day of August in the year two thousand and one,

— the Republic of Poland the eighteenth day of May in the year two thousand and one,

— the Republic of Slovakia the sixteenth day of May in the year two thousand and one, and

— the Republic of Slovenia the sixteenth day of October in the year two thousand and one.

B. **Annual financing agreement 2001**

The following AFAs for 2001 were concluded between the European Commission, representing the European Community, and

— the Czech Republic the nineteenth day of June in the year two thousand and three,

— the Republic of Estonia the tenth day of July in the year two thousand and three,

— the Republic of of Hungary the twenty-sixth day of March in the year two thousand and three,

— the Republic of Latvia the thirtieth day of May in the year two thousand and two,

— the Republic of Lithuania the eighteenth day of July in the year two thousand and two,

— the Republic of Poland the tenth day of June in the year two thousand and two,

— the Republic of Slovakia the fourth day of November in the year two thousand and two, and

— the Republic of Slovenia the seventeenth day of July in the year two thousand and two.

C. **Annual financing agreement 2002**

The following AFAs 2002 were concluded between the European Commission, representing the European Community, and

— the Czech Republic the third day of June in the year two thousand and four,

— the Republic of Estonia the eleventh day of December in the year two thousand and three,

— the Republic of Hungary the twenty-second day of December in the year two thousand and three,

— the Republic of Latvia the twelfth day of May in the year two thousand and three,

— the Republic of Lithuania the sixth day of June in the year two thousand and three,

— the Republic of Poland the fourteenth day of April in the year two thousand and three,

— the Republic of Slovakia the thirtieth day of September in the year two thousand and three, and

— the Republic of Slovenia the twenty-eighth day of July in the year two thousand and three.

D. **Annual financing agreement 2003**

The following AFAs 2003 were concluded between the European Commission representing the European Community and

— the Czech Republic the second day of July in the year two thousand and four,

— the Republic of Estonia the eleventh day of December in the year two thousand and three,

— the Republic of Hungary the twenty-second day of December in the year two thousand and three,

— the Republic of Latvia the first day of December in the year two thousand and three,

— the Republic of Lithuania the fifteenth day of January in the year two thousand and four,

— the Republic of Poland the tenth day of June in the year two thousand and three,

— the Republic of Slovakia the twenty-sixth day of December in the year two thousand and three, and

— the Republic of Slovenia the eleventh day of November in the year two thousand and three.

ANNEX IV

Annual Financial Agreement 2003 allocation by country

(EUR)

Country	Amount
Czech Republic	23 923 565
Estonia	13 160 508
Hungary	41 263 079
Latvia	23 690 433
Lithuania	32 344 468
Poland	182 907 972
Slovakia	19 831 304
Slovenia	6 871 397
Total	**343 992 726**

COMMISSION REGULATION (EC) No 249/2007

of 8 March 2007

amending Regulation (EC) No 1431/94 laying down detailed rules for the application in the poultrymeat sector of the import arrangements provided for in Council Regulation (EC) No 774/94 opening and providing for the administration of certain Community tariff quotas for poultrymeat and certain other agricultural products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2777/75 of 29 October 1975 on the common organisation of the market in poultrymeat [1], and in particular Article 6(1) thereof,

Having regard to Council Regulation (EC) No 774/94 of 29 March 1994 opening and providing for the administration of certain Community tariff quotas for high-quality beef, and for pigmeat, poultrymeat, wheat and meslin, and brans, sharps and other residues [2], and in particular Article 7 thereof,

Whereas:

(1) The tariff quota for group 1 provided for in Annex I to Commission Regulation (EC) No 1431/94 [3], with the serial number 09.4410 covering codes CN 0207 14 10, 0207 14 50 and 0207 14 70 (frozen chicken cuts), is specifically allocated to Brazil.

(2) The Agreement in the form of an Exchange of Letters between the European Community and Brazil reached during negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994, approved by Council Decision 2006/963/EC [4], provides for an annual import tariff quota for poultrymeat of 2 332 tonnes for certain frozen chicken cuts (CN codes 0207 14 10, 0207 14 50 and 0207 14 70), at a rate of 0 %.

(3) This amount should be added to the quota for group 1.

(4) Regulation (EC) No 1431/94 should therefore be amended accordingly.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Poultrymeat and Eggs,

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EC) No 1431/94 is hereby replaced by the Annex hereto.

Article 2

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

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

Done at Brussels, 8 March 2007.

For the Commission
Mariann FISCHER BOEL
Member of the Commission

[1] OJ L 282, 1.11.1975, p. 77. Regulation last amended by Commission Regulation (EC) No 679/2006 (OJ L 119, 4.5.2006, p. 1).
[2] OJ L 91, 8.4.1994, p. 1. Regulation as amended by Commission Regulation (EC) No 2198/95 (OJ L 221, 19.9.1995, p. 3).
[3] OJ L 156, 23.6.1994, p. 9. Regulation last amended by Commission Regulation (EC) No 1938/2006 (OJ L 407, 30.12.2006, p. 150).
[4] OJ L 397, 30.12.2006, p. 10.

ANNEX

'ANNEX I

Reduction in customs duty set at 100 %

Chicken

Country	Group No	Serial number	CN code	Annual quantities (tonnes)
Brazil	1	09.4410	0207 14 10 0207 14 50 0207 14 70	9 432
Thailand	2	09.4411	0207 14 10 0207 14 50 0207 14 70	5 100
Other	3	09.4412	0207 14 10 0207 14 50 0207 14 70	3 300

Turkey

Country	Group No	Serial number	CN code	Annual quantities (tonnes)
Brazil	4	09.4420	0207 27 10 0207 27 20 0207 27 80	1 800
Other	5	09.4421	0207 27 10 0207 27 20 0207 27 80	700
Erga omnes	6	09.4422	0207 27 10 0207 27 20 0207 27 80	2 485'

COMMISSION REGULATION (EC) No 250/2007

of 8 March 2007

fixing the export refunds on white and raw sugar exported without further processing

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the market in the sugar sector [1], and in particular the second subparagraph of Article 33(2) thereof,

Whereas:

(1) Article 32 of Regulation (EC) No 318/2006 provides that the difference between prices on the world market for the products listed in Article 1(1)(b) of that Regulation and prices for those products on the Community market may be covered by an export refund.

(2) Given the present situation on the sugar market, export refunds should therefore be fixed in accordance with the rules and certain criteria provided for in Articles 32 and 33 of Regulation (EC) No 318/2006.

(3) The first subparagraph of Article 33(2) of Regulation (EC) No 318/2006 provides that the world market situation or the specific requirements of certain markets may make it necessary to vary the refund according to destination.

(4) Refunds should be granted only on products that are allowed to move freely in the Community and that comply with the requirements of Regulation (EC) No 318/2006.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

Export refunds as provided for in Article 32 of Regulation (EC) No 318/2006 shall be granted on the products and for the amounts set out in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

[1] OJ L 58, 28.2.2006, p. 1. Regulation as amended by Commission Regulation (EC) No 1585/2006 (OJ L 294, 25.10.2006, p. 19).

ANNEX

Export refunds on white and raw sugar exported without further processing applicable from 9 March 2007 ([a])

Product code	Destination	Unit of measurement	Amount of refund
1701 11 90 9100	S00	EUR/100 kg	20,04 ([1])
1701 11 90 9910	S00	EUR/100 kg	20,04 ([1])
1701 12 90 9100	S00	EUR/100 kg	20,04 ([1])
1701 12 90 9910	S00	EUR/100 kg	20,04 ([1])
1701 91 00 9000	S00	EUR/1 % sucrose × 100 kg of net product	0,2179
1701 99 10 9100	S00	EUR/100 kg	21,79
1701 99 10 9910	S00	EUR/100 kg	21,79
1701 99 10 9950	S00	EUR/100 kg	21,79
1701 99 90 9100	S00	EUR/1 % sucrose × 100 kg of net product	0,2179

NB: The destinations are defined as follows:

S00: all destinations except Albania, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, the former Yugoslav Republic of Macedonia, Andorra, Gibraltar, Ceuta, Melilla, Holy See (Vatican City), Liechtenstein, Communes of Livigno and Campione d'Italia, Heligoland, Greenland, Faeroe Islands and the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control.

([a]) The amounts set out in this Annex are not applicable with effect from 1 February 2005 pursuant to Council Decision 2005/45/EC of 22 December 2004 concerning the conclusion and application of the Agreement between the European Economic Community and the Swiss Confederation of 22 July 1972 as regards the provisions applicable to processed agricultural products (OJ L 23, 26.1.2005, p. 17).

([1]) This amount is applicable to raw sugar with a yield of 92 %. Where the yield for exported raw sugar differs from 92 % the refund amount applicable shall be multiplied, for each exporting operation concerned, by a conversion factor obtained by dividing by 92 the yield of the raw sugar exported, calculated in accordance with paragraph 3 of Point III of the Annex I of Regulation (EC) No 318/2006.

COMMISSION REGULATION (EC) No 251/2007

of 8 March 2007

fixing the maximum export refund for white sugar in the framework of the standing invitation to tender provided for in Regulation (EC) No 958/2006

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector [1], and in particular the second subparagraph and point (b) of the third subparagraph of Article 33(2) thereof,

Whereas:

(1) Commission Regulation (EC) No 958/2006 of 28 June 2006 on a standing invitation to tender to determine refunds on exports of white sugar for the 2006/2007 marketing year [2] requires the issuing of partial invitations to tender.

(2) Pursuant to Article 8(1) of Regulation (EC) No 958/2006 and following an examination of the tenders submitted in response to the partial invitation to tender ending on 8 March 2007, it is appropriate to fix a maximum export refund for that partial invitation to tender.

(3) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

For the partial invitation to tender ending on 8 March 2007, the maximum export refund for the product referred to in Article 1(1) of Regulation (EC) No 958/2006 shall be 26,793 EUR/100 kg.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

[1] OJ L 58, 28.2.2006, p. 1. Regulation as amended by Commission Regulation (EC) No 1585/2006 (OJ L 294, 25.10.2006, p. 19).

[2] OJ L 175, 29.6.2006, p. 49.

COMMISSION REGULATION (EC) No 252/2007

of 8 March 2007

fixing the export refunds on syrups and certain other sugar products exported without further processing

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the market in the sugar sector [1], and in particular the second subparagraph of Article 33(2) thereof,

Whereas:

(1) Article 32 of Regulation (EC) No 318/2006 provides that the difference between prices on the world market for the products listed in Article 1(1)(c), (d) and (g) of that Regulation and prices for those products on the Community market may be covered by an export refund.

(2) Given the present situation on the sugar market, export refunds should therefore be fixed in accordance with the rules and certain criteria provided for in Articles 32 and 33 of Regulation (EC) No 318/2006.

(3) The first subparagraph of Article 33(2) of Regulation (EC) No 318/2006 provides that the world market situation or the specific requirements of certain markets may make it necessary to vary the refund according to destination.

(4) Refunds should be granted only on products that are allowed to move freely in the Community and that comply with the requirements of Commission Regulation (EC) No 951/2006 of 30 June 2006 laying down detailed rules for the implementation of Regulation (EC) No 318/2006 as regards trade with third countries in the sugar sector [2].

(5) Export refunds may be set to cover the competitive gap between Community and third country's exports. Community exports to certain close destinations and to third countries granting Community products a preferential import treatment are currently in a particular favourable competitive position. Therefore, refunds for exports to those destinations should be abolished.

(6) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

1. Export refunds as provided for in Article 32 of Regulation (EC) No 318/2006 shall be granted on the products and for the amounts set out in the Annex to this Regulation subject to the conditions provided for in paragraph 2 of this Article.

2. To be eligible for a refund under paragraph 1 products must meet the relevant requirements laid down in Articles 3 and 4 of Regulation (EC) No 951/2006.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

[1] OJ L 58, 28.2.2006, p. 1. Regulation as amended by Commission Regulation (EC) No 1585/2006 (OJ L 294, 25.10.2006, p. 19).

[2] OJ L 178, 1.7.2006, p. 24.

ANNEX

Export refunds on syrups and certain other sugar products exported without further processing applicable from 9 March 2007 [a]

Product code	Destination	Unit of measurement	Amount of refund
1702 40 10 9100	S00	EUR/100 kg dry matter	21,79
1702 60 10 9000	S00	EUR/100 kg dry matter	21,79
1702 60 95 9000	S00	EUR/1 % sucrose × 100 kg of net product	0,2179
1702 90 30 9000	S00	EUR/100 kg dry matter	21,79
1702 90 60 9000	S00	EUR/1 % sucrose × 100 kg of net product	0,2179
1702 90 71 9000	S00	EUR/1 % sucrose × 100 kg of net product	0,2179
1702 90 99 9900	S00	EUR/1 % sucrose × 100 kg of net product	0,2179 [1]
2106 90 30 9000	S00	EUR/100 kg dry matter	21,79
2106 90 59 9000	S00	EUR/1 % sucrose × 100 kg of net product	0,2179

NB: The destinations are defined as follows:

S00: all destinations except Albania, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo and the former Yugoslav Republic of Macedonia, Andorra, Gibraltar, Ceuta, Melilla, Holy See (Vatican City), Liechtenstein, Communes of Livigno and Campione d'Italia, Heligoland, Greenland, Faeroe Islands and the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control.

[a] The amounts set out in this Annex are not applicable with effect from 1 February 2005 pursuant to Council Decision 2005/45/EC of 22 December 2004 concerning the conclusion and application of the Agreement between the European Economic Community and the Swiss Confederation of 22 July 1972 as regards the provisions applicable to processed agricultural products (OJ L 23, 26.1.2005, p. 17).

[1] The basic amount is not applicable to the product defined under point 2 of the Annex to Commission Regulation (EEC) No 3513/92 (OJ L 355, 5.12.1992, p. 12).

COMMISSION REGULATION (EC) No 253/2007

of 8 March 2007

amending the rates of refunds applicable to certain products from the sugar sector exported in the form of goods not covered by Annex I to the Treaty

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the market in the sugar sector [1], and in particular Article 33(2)(a) and (4) thereof,

Whereas:

(1) The rates of the refunds applicable from 23 February 2007 to the products listed in the Annex, exported in the form of goods not covered by Annex I to the Treaty, were fixed by Commission Regulation (EC) No 181/2007 [2].

(2) It follows from applying the rules and criteria contained in Regulation (EC) No 181/2007 to the information at present available to the Commission that the export refunds at present applicable should be altered as shown in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The rates of refund fixed by Regulation (EC) No 181/2007 are hereby altered as shown in the Annex hereto.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission
Günter VERHEUGEN
Vice-President

[1] OJ L 58, 28.2.2006, p. 1. Regulation as amended by Commission Regulation (EC) No 1585/2006 (OJ L 294, 25.10.2006, p. 19).
[2] OJ L 55, 23.2.2007, p. 24.

ANNEX

Rates of refunds applicable from 9 March 2007 to certain products from the sugar sector exported in the form of goods not covered by Annex I to the Treaty [1]

CN code	Description	Rate of refund in EUR/100 kg	
		In case of advance fixing of refunds	Other
1701 99 10	White sugar	21,79	21,79

[1] The rates set out in this Annex are not applicable to exports to Albania, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, the former Yugoslav Republic of Macedonia, Andorra, Gibraltar, Ceuta, Melilla, Holy See (Vatican City), Liechtenstein, the Communes of Livigno and Campione d'Italia, Heligoland, Greenland, the Faeroe Islands and to the goods listed in Tables I and II to Protocol No 2 to the Agreement between the European Community and the Swiss Confederation of 22 July 1972 exported to the Swiss Confederation.

COMMISSION REGULATION (EC) No 254/2007

of 8 March 2007

fixing the maximum export refund for white sugar in the framework of the standing invitation to tender provided for in Regulation (EC) No 38/2007

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector [1], and in particular the second subparagraph and point (b) of the third subparagraph of Article 33(2) thereof,

Whereas:

(1) Commission Regulation (EC) No 38/2007 of 17 January 2007 opening a standing invitation to tender for the resale for export of sugar held by the intervention agencies of Belgium, the Czech Republic, Spain, Ireland, Italy, Hungary, Poland, Slovakia and Sweden [2] requires the issuing of partial invitations to tender.

(2) Pursuant to Article 4(1) of Regulation (EC) No 38/2007 and following an examination of the tenders submitted in response to the partial invitation to tender ending on 7 March 2007, it is appropriate to fix a maximum export refund for that partial invitation to tender.

(3) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

For the partial invitation to tender ending on 7 March 2007, the maximum export refund for the product referred to in Article 1(1) of Regulation (EC) No 38/2007 shall be 347,70 EUR/tonne.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

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[1] OJ L 58, 28.2.2006, p. 1. Regulation as amended by Commission Regulation (EC) No 1585/2006 (OJ L 294, 25.10.2006, p. 19).

[2] OJ L 11, 18.1.2007, p. 4.

COMMISSION REGULATION (EC) No 255/2007

of 8 March 2007

concerning tenders notified in response to the invitation to tender for the export of common wheat issued in Regulation (EC) No 936/2006

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organisation of the market in cereals [1], and in particular Article 13(3) thereof,

Whereas:

(1) An invitation to tender for the refund for the export of common wheat to certain third countries was opened pursuant to Commission Regulation (EC) No 936/2006 [2].

(2) Article 7 of Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules for the application of Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals [3], and in particular Article 13(3) thereof,

(3) On the basis of the criteria laid down in Article 1 of Regulation (EC) No 1501/95, a maximum refund should not be fixed.

(4) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

No action shall be taken on the tenders notified from 2 to 8 March 2007 in response to the invitation to tender for the refund for the export of common wheat issued in Regulation (EC) No 936/2006.

Article 2

This Regulation shall enter into force on 9 March 2007.

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

Done at Brussels, 8 March 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

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[1] OJ L 270, 21.10.2003, p. 78. Regulation as amended by Commission Regulation (EC) No 1154/2005 (OJ L 187, 19.7.2005, p. 11).

[2] OJ L 172, 24.6.2006, p. 6.

[3] OJ L 147, 30.6.1995, p. 7. Regulation as last modified by Regulation (EC) No 777/2004 (OJ L 123, 27.4.2004, p. 50).

DIRECTIVES

COMMISSION DIRECTIVE 2007/14/EC

of 8 March 2007

laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC [1], and in particular Articles 2(3)(a), 5(6), first subparagraph, and 5(6)(c), 9(7), 12(8)(b) to (e), 13(2), 14(2), 21(4)(a), 23(4)(ii) and 23(7) thereof,

After consulting the Committee of European Securities Regulators (CESR) [2] for technical advice,

Whereas:

(1) Directive 2004/109/EC establishes the general principles for the harmonisation of transparency requirements in respect of the holding of voting rights or financial instruments that result in an entitlement to acquire existing shares with voting rights. It seeks to ensure that, through the disclosure of accurate, comprehensive and timely information about security issuers, investor confidence is built up and sustained. By the same token, by requiring issuers to be informed of movements affecting major holdings in companies, it seeks to ensure that the latter are in a position to keep the public informed.

(2) The rules for the implementation of the rules governing transparency requirements should likewise be designed to ensure a high level of investor protection, to enhance market efficiency, and to be applied in a uniform manner.

(3) As regards the procedural arrangements in accordance with which investors are to be informed of the issuer's choice of home Member State, it is appropriate that such choices be disclosed in accordance with the same procedure as regulated information under Directive 2004/109/EC.

(4) As regards the minimum content of the condensed set of half-yearly financial statements, where that set is not prepared in accordance with international accounting standards, this should be such as to avoid giving a misleading view of the assets, liabilities, financial position and profit or loss of the issuer. The content of half-yearly reports should be such as to ensure appropriate transparency for investors through a regular flow of information about the performance of the issuer, and that information should be presented in such a way that it is easy to compare it with the information provided in the annual report of the preceding year.

(5) Issuers of shares who prepare consolidated accounts in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) should apply the same definition of related party transactions in annual and half-yearly reports under Directive 2004/109/EC. Issuers of shares who do not prepare consolidated accounts and are not required to apply IAS and IFRS should, in their half-yearly reports under Directive 2004/109/EC, apply the definition of related party transactions set out in Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies [3].

(6) For the purposes of benefiting from the exemption from the notification of major holdings under Directive 2004/109/EC in the case of shares acquired for the sole purpose of clearing and settling, the maximum length of the 'short settlement cycle' should be as short as possible.

[1] OJ L 390, 31.12.2004, p. 38.

[2] CESR was established by Commission Decision 2001/527/EC of 6 June 2001 (OJ L 191, 13.7.2001, p. 43).

[3] OJ L 222, 14.8.1978, p. 11. Directive as last amended by Directive 2006/46/EC of the European Parliament and of the Council (OJ L 224, 16.8.2006, p. 1).

(7) In order for the relevant competent authority to be able to monitor compliance as regards the derogation for market makers with respect to the notification of information about major holdings, the market maker seeking to benefit from that derogation should make known that it is acting or intends to act as market maker and for which shares or financial instruments.

(8) Conducting market making activities in full transparency is particularly important. Thus, the market maker should be capable upon request from the relevant competent authority of identifying the activities conducted in relation to the issuer in question, and in particular the shares or financial instruments held for market making activities purposes.

(9) As regards the calendar of trading days, it is appropriate, for the sake of ease of operation, that time limits be calculated by reference to the trading days in the Member State of the issuer. However, in order to enhance transparency, provision should be made for each competent authority to inform investors and market participants of the calendar of trading days applicable for the various regulated markets situated or operating on its territory.

(10) As regards the circumstances in which notification of major holdings is to be made, it is appropriate to determine when that obligation is triggered either individually or collectively, and how that obligation is to be complied with in the case of proxies.

(11) It is reasonable to assume that natural persons or legal entities exercise a high duty of care when acquiring or disposing of major holdings. It follows that such persons or entities will very quickly become aware of such acquisitions or disposals, or of the possibility to exercise voting rights, and it is therefore appropriate to specify only a very short period following the relevant transaction as the period after which they are deemed to have knowledge.

(12) The exemption from the obligation to aggregate major holdings should be available only to parent undertakings that can demonstrate that their subsidiary management companies or investment firms fulfil adequate conditions of independence. To ensure full transparency, a statement to that effect should be notified ex ante to the relevant competent authority. In this regard, it is important that the notification mentions the competent authority supervising the management companies' activities under the conditions laid down pursuant to Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) [1], irrespective of whether or not they are authorised under that Directive, provided in the latter case that they are supervised under national legislation.

(13) For the purposes of Directive 2004/109/EC, financial instruments should be taken into account in the context of notifying major holdings, to the extent that such instruments give the holder an unconditional right to acquire the underlying shares or discretion as to whether to acquire the underlying shares or cash on maturity. Consequently, financial instruments should not be considered to include instruments entitling the holder to receive shares depending on the price of the underlying share reaching a certain level at a certain moment in time. Nor should they be considered to cover those instruments that allow the instrument issuer or a third party to give shares or cash to the instrument holder on maturity.

(14) The financial instruments in Section C of Annex I of Directive 2004/39/EC of the European Parliament and of the Council [2] which are not mentioned in Article 11(1) of this Commission directive do not qualify as financial instruments within the meaning of Article 13(1) of Directive 2004/109/EC.

(15) Directive 2004/109/EC sets high-level requirements in the area of dissemination of regulated information. The mere availability of information, which means that investors must actively seek it out, is therefore not sufficient for the purposes of that Directive. Accordingly, dissemination should involve the active distribution of information from the issuers to the media, with a view to reaching investors.

(16) Minimum quality standards for the dissemination of regulated information are necessary to ensure that investors, even if situated in a Member State other than that of the issuer, have equal access to regulated information. Issuers should ensure that those minimum standards are met, whether by disseminating the regulated information themselves or by entrusting a third party to do so on their behalf. In the latter case, the third party should be capable of dissemination in adequate conditions and have adequate mechanisms in place to ensure that the regulated information it receives emanates from the relevant issuer and that there is no significant risk of data corruption or of

[1] OJ L 375, 31.12.1985, p. 3, Directive as last amended by Directive 2005/1/EC of the European Parliament and of the Council (OJ L 79, 24.3.2005, p. 9).

[2] OJ L 145, 30.4.2004, p. 1. Directive as amended by Directive 2006/31/EC (OJ L 114, 27.4.2006, p. 60).

unauthorised access to unpublished inside information. Where the third party provides other services or performs other functions, such as media, competent authorities, stock exchanges or the entity in charge of the officially appointed storage mechanism, such services or functions should be kept clearly separated from the services and functions relating to the dissemination of regulated information. When communicating information to the media, issuers or third parties should give priority to the use of electronic means and industry standard formats so as to facilitate and accelerate the processing of the information.

(17) Additionally, by way of minimum standards, regulated information should be disseminated in a way that ensures the widest possible public access, and where possible reaching the public simultaneously inside and outside the issuer's home Member State. That is without prejudice to the right of Member States to request issuers to publish parts or all regulated information through newspapers, and to the possibility for issuers to make regulated information available on their own or other websites accessible to investors.

(18) Equivalence should be able to be declared when general disclosure rules of third countries provide users with understandable and broadly equivalent assessment of issuers' position that enable them to make similar decisions as if they were provided with the information according to requirements under Directive 2004/109/EC, even if the requirements are not identical. However, equivalence should be limited to the substance of the relevant information and no exception as regards the time limits set by Directive 2004/109/EC should be accepted.

(19) In order to establish whether or not a third country issuer is meeting equivalent requirements to those laid down in Article 4(3) of Directive 2004/109/EC, it is important to ensure that there is consistency with Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements [1], in particular the items dealing with Historical Financial Information to be included in a prospectus.

(20) As regards the equivalence of independence requirements, a parent undertaking of a management company or investment firm registered in a third country should be able to benefit from the exemption under Article 12(4) or (5) of Directive 2004/109/EC, independently of whether the authorisation is required by the law of the third country for the controlled management company or investment firm to conduct management activities or portfolio management activities, provided that certain conditions of independence are respected.

(21) The measures provided for in this Directive are in accordance with the opinion of the European Securities Committee,

HAS ADOPTED THIS DIRECTIVE:

Article 1

Subject matter

This Directive lays down detailed rules for the implementation of Article 2(1)(i)(ii), the second subparagraph of Article 5(3), the second sentence of Article 5(4), Article 9(1), (2) and (4), Article 10, Article 12(1), (2), (4), (5) and (6), Article 12(2)(a), Article 13(1), Article 21(1), Article 23(1) and (6) of Directive 2004/109/EC.

Article 2

Procedural arrangements for the choice of the home Member State

(Article 2(1)(i)(ii) of Directive 2004/109/EC)

Where the issuer makes a choice of home Member State, that choice shall be disclosed in accordance with the same procedure as regulated information.

Article 3

Minimum content of half-yearly non-consolidated financial statements

(Article 5(3), second subparagraph, of Directive 2004/109/EC)

1. The minimum content of the condensed set of half-yearly financial statements, where that set is not prepared in accordance with international accounting standards adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No 1606/2002, shall be in accordance with paragraphs 2 and 3 of this Article.

2. The condensed balance sheet and the condensed profit and loss account shall show each of the headings and subtotals included in the most recent annual financial statements of the issuer. Additional line items shall be included if, as a result of their omission, the half-yearly financial statements would give a misleading view of the assets, liabilities, financial position and profit or loss of the issuer.

[1] OJ L 149, 30.4.2004, p. 1, as corrected by OJ L 215, 16.6.2004, p. 3. Regulation as amended by Regulation (EC) No 1787/2006 (OJ L 337, 5.12.2006, p. 17).

In addition, the following comparative information shall be included:

(a) balance sheet as at the end of the first six months of the current financial year and comparative balance sheet as at the end of the immediate preceding financial year;

(b) profit and loss account for the first six months of the current financial year with, from two years after the date of entry into force of this Directive, comparative information for the comparable period for the preceding financial year.

3. The explanatory notes shall include the following:

(a) sufficient information to ensure the comparability of the condensed half-yearly financial statements with the annual financial statements;

(b) sufficient information and explanations to ensure a user's proper understanding of any material changes in amounts and of any developments in the half-year period concerned, which are reflected in the balance sheet and the profit and loss account.

Article 4

Major related parties' transactions

(Article 5(4), second sentence, of Directive 2004/109/EC)

1. In the interim management reports, issuers of shares shall disclose as major related parties' transactions, as a minimum, the following:

(a) related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period;

(b) any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

2. Where the issuer of shares is not required to prepare consolidated accounts, it shall disclose, as a minimum, the related parties' transactions referred to in Article 43(1)(7b) of Directive 78/660/EEC.

Article 5

Maximum length of the usual 'short settlement cycle'

(Article 9(4) of Directive 2004/109/EC)

The maximum length of the usual 'short settlement cycle' shall be three trading days following the transaction.

Article 6

Control mechanisms by competent authorities as regards market makers

(Article 9(5) of Directive 2004/109/EC)

1. The market maker seeking to benefit from the exemption provided for in Article 9(5) of Directive 2004/109/EC shall notify to the competent authority of the Home Member State of the issuer, at the latest within the time limit laid down in Article 12(2) of Directive 2004/109/EC, that it conducts or intends to conduct market making activities on a particular issuer.

Where the market maker ceases to conduct market making activities on the issuer concerned, it shall notify that competent authority accordingly.

2. Without prejudice to the application of Article 24 of Directive 2004/109/EC, where in case the market maker seeking to benefit from the exemption provided for in Article 9(5) of that Directive is requested by the competent authority of the issuer to identify the shares or financial instruments held for market making activity purposes, that market maker shall be allowed to make such identification by any verifiable means. Only if the market maker is not able to identify the shares or financial instruments concerned, he may be required to hold them in a separate account for the purposes of that identification.

3. Without prejudice to the application of Article 24(4)(a) of Directive 2004/109/EC, if a market-making agreement between the market maker and the stock exchange and/or the issuer is required under national law, the market maker shall upon request of the relevant competent authority provide the agreement to such authority.

Article 7

Calendar of trading days

(Article 12(2) and (6), and Article 14(1), of Directive 2004/109/EC)

1. For the purposes of Article 12(2) and (6), and Article 14(1), of Directive 2004/109/EC, the calendar of trading days of the home Member State of the issuer shall apply.

2. Each competent authority shall publish in its Internet site the calendar of trading days of the different regulated markets situated or operating on the territory within its jurisdiction.

Article 8

Shareholders and natural persons or legal entities referred to in Article 10 of the Transparency Directive required to make the notification of major holdings

(Article 12(2) of Directive 2004/109/EC)

1. For the purposes of Article 12(2) of Directive 2004/109/EC, the notification obligation which arises as soon as the proportion of voting rights held reaches, exceeds or falls below the applicable thresholds following transactions of the type referred to in Article 10 of Directive 2004/109/EC shall be an individual obligation incumbent upon each shareholder, or each natural person or legal entity as referred to in Article 10 of that Directive, or both in case the proportion of voting rights held by each party reaches, exceeds or falls below the applicable threshold.

In the circumstances referred to in point (a) of Article 10 of the Directive 2004/109/EC, the notification obligation shall be a collective obligation shared by all parties to the agreement.

2. In the circumstances referred to in point (h) of Article 10 of Directive 2004/109/EC, if a shareholder gives the proxy in relation to one shareholder meeting, notification may be made by means of a single notification at the moment of giving the proxy provided that it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights at its discretion.

If, in the circumstances referred to in point (h) of Article 10, the proxy holder receives one or several proxies in relation to one shareholder meeting, notification may be made by means of a single notification at the moment of receiving the proxies provided that it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights at its discretion.

3. Where the duty to make a notification lies with more than one natural person or legal entity, notification may be made by means of a single common notification.

However, use of a single common notification may not be deemed to release any of the natural persons or legal entities concerned from their responsibility in relation to notification.

Article 9

Circumstances under which the notifying person should have learned of acquisition or disposal or of possibility to exercise voting rights

(Article 12(2) of Directive 2004/109/EC)

For the purposes of point (a) of Article 12(2) of Directive 2004/109/EC, the shareholder, or the natural person or legal entity referred to in Article 10 of that Directive, shall be deemed to have knowledge of the acquisition, disposal or possibility to exercise voting rights no later than two trading days following the transaction.

Article 10

Conditions of independence to be complied with by management companies and investment firms involved in individual portfolio management

(Article 12(4), first subparagraph, and Article 12(5), first subparagraph, of Directive 2004/109/EC)

1. For the purposes of the exemption to the aggregation of holdings provided for in the first subparagraphs of Article 12(4) and (5) of Directive 2004/109/EC, a parent undertaking of a management company or of an investment firm shall comply with the following conditions:

(a) it must not interfere by giving direct or indirect instructions or in any other way in the exercise of the voting rights held by that management company or investment firm;

(b) that management company or investment firm must be free to exercise, independently of the parent undertaking, the voting rights attached to the assets it manages.

2. A parent undertaking which wishes to make use of the exemption shall, without delay, notify the following to the competent authority of the home Member State of issuers whose voting rights are attached to holdings managed by the management companies or investment firms:

(a) a list of the names of those management companies and investment firms, indicating the competent authorities that supervise them or that no competent authority supervises them, but with no reference to the issuers concerned;

(b) a statement that, in the case of each such management company or investment firm, the parent undertaking complies with the conditions laid down in paragraph 1.

The parent undertaking shall update the list referred to in point (a) on an ongoing basis.

3. Where the parent undertaking intends to benefit from the exemptions only in relation to the financial instruments referred to in Article 13 of Directive 2004/109/EC, it shall notify to the competent authority of the home Member State of the issuer only the list referred to in point (a) of paragraph 2.

4. Without prejudice to the application of Article 24 of Directive 2004/109/EC, a parent undertaking of a management company or of an investment firm shall be able to demonstrate to the competent authority of the home Member State of the issuer on request that:

(a) the organisational structures of the parent undertaking and the management company or investment firm are such that the voting rights are exercised independently of the parent undertaking;

(b) the persons who decide how the voting rights are to be exercised act independently;

(c) if the parent undertaking is a client of its management company or investment firm or has holding in the assets managed by the management company or investment firm, there is a clear written mandate for an arms-length customer relationship between the parent undertaking and the management company or investment firm.

The requirement in point (a) shall imply as a minimum that the parent undertaking and the management company or investment firm must established written policies and procedures reasonably designed to prevent the distribution of information between the parent undertaking and the management company or investment firm in relation to the exercise of voting rights.

5. For the purposes of point (a) of paragraph 1, 'direct instruction' means any instruction given by the parent undertaking, or another controlled undertaking of the parent undertaking, specifying how the voting rights are to be exercised by the management company or investment firm in particular cases.

'Indirect instruction' means any general or particular instruction, regardless of the form, given by the parent undertaking, or another controlled undertaking of the parent undertaking, that limits the discretion of the management company or investment firm in relation to the exercise of the voting rights in order to serve specific business interests of the parent undertaking or another controlled undertaking of the parent undertaking.

Article 11

Types of financial instruments that result in an entitlement to acquire, on the holder's own initiative alone, shares to which voting rights are attached

(Article 13(1) of Directive 2004/109/EC)

1. For the purposes of Article 13(1) of Directive 2004/109/EC, transferable securities; and options, futures, swaps, forward rate agreements and any other derivative contracts, as referred to in Section C of Annex I of Directive 2004/39/EC, shall be considered to be financial instruments, provided that they result in an entitlement to acquire, on the holder's own initiative alone, under a formal agreement, shares to which voting rights are attached, already issued, of an issuer whose shares are admitted to trading on a regulated market.

The instrument holder must enjoy, on maturity, either the unconditional right to acquire the underlying shares or the discretion as to his right to acquire such shares or not.

A formal agreement means an agreement which is binding under the applicable law.

2. For the purposes of Article 13(1) of Directive 2004/109/EC, the holder shall aggregate and notify all financial instruments within the meaning of paragraph 1 relating to the same underlying issuer.

3. The notification required under Article 13(1) of Directive 2004/109/EC shall include the following information:

(a) the resulting situation in terms of voting rights;

(b) if applicable, the chain of controlled undertakings through which financial instruments are effectively held;

(c) the date on which the threshold was reached or crossed;

(d) for instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;

(e) date of maturity or expiration of the instrument;

(f) identity of the holder;

(g) name of the underlying issuer.

For the purposes of point (a), the percentage of voting rights shall be calculated by reference to the total number of voting rights and capital as last disclosed by the issuer under Article 15 of Directive 2004/109/EC.

4. The notification period shall be the same as laid down in Article 12(2) of Directive 2004/109/EC and the related implementing provisions.

5. The notification shall be made to the issuer of the underlying share and to the competent authority of the home Member States of such issuer.

If a financial instrument relates to more than one underlying share, a separate notification shall be made to each issuer of the underlying shares.

Article 12

Minimum Standards

(Article 21(1) of Directive 2004/109/EC)

1. The dissemination of regulated information for the purposes of Article 21(1) of Directive 2004/109/EC shall be carried out in compliance with the minimum standards set out in paragraphs 2 to 5.

2. Regulated information shall be disseminated in a manner ensuring that it is capable of being disseminated to as wide a public as possible, and as close to simultaneously as possible in the home Member State, or the Member State referred to in Article 21(3) of Directive 2004/109/EC, and in the other Member States.

3. Regulated information shall be communicated to the media in unedited full text.

However, in the case of the reports and statements referred to in Articles 4, 5 and 6 of Directive 2004/109/EC, this requirement shall be deemed fulfilled if the announcement relating to the regulated information is communicated to the media and indicates on which website, in addition to the officially appointed mechanism for the central storage of regulated information referred to in Article 21 of that Directive, the relevant documents are available.

4. Regulated information shall be communicated to the media in a manner which ensures the security of the communication, minimises the risk of data corruption and unauthorised access, and provides certainty as to the source of the regulated information.

Security of receipt shall be ensured by remedying as soon as possible any failure or disruption in the communication of regulated information.

The issuer or the person who has applied for admission to trading on a regulated market without the issuer's consent shall not be responsible for systemic errors or shortcomings in the media to which the regulated information has been communicated.

5. Regulated information shall be communicated to the media in a way which makes clear that the information is regulated information, identifies clearly the issuer concerned, the subject matter of the regulated information and the time and date of the communication of the information by the issuer or the person who has applied for admission to trading on a regulated market without the issuer's consent.

Upon request, the issuer or the person who has applied for admission to trading on a regulated market without the issuer's consent shall be able to communicate to the competent authority, in relation to any disclosure of regulated information, the following:

(a) the name of the person who communicated the information to the media;

(b) the security validation details;

(c) the time and date on which the information was communicated to the media;

(d) the medium in which the information was communicated;

(e) if applicable, details of any embargo placed by the issuer on the regulated information.

Article 13

Requirements equivalent to Article 4(2)(b) of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 4(2)(b) of Directive 2004/109/EC where, under the law of that country, the annual management report is required to include at least the following information:

(a) a fair review of the development and performance of the issuer's business and of its position, together with a description of the principal risks and uncertainties that it faces, such that the review presents a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business;

(b) an indication of any important events that have occurred since the end of the financial year;

(c) indications of the issuer's likely future development.

The analysis referred to in point (a) shall, to the extent necessary for an understanding of the issuer's development, performance or position, include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business.

Article 14

Requirements equivalent to Article 5(4) of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 5(4) of Directive 2004/109/EC where, under the law of that country, a condensed set of financial statements is required in addition to the interim management report, and the interim management report is required to include at least the following information:

(a) review of the period covered;

(b) indications of the issuer's likely future development for the remaining six months of the financial year;

(c) for issuers of shares and if already not disclosed on an ongoing basis, major related parties transactions.

Article 15

Requirements equivalent to Articles 4(2) and 5(2)(c) of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Articles 4(2)(c) and 5(2)(c) of Directive 2004/109/EC where, under the law of that country, a person or persons within the issuer are responsible for the annual and half-yearly financial information, and in particular for the following:

(a) the compliance of the financial statements with the applicable reporting framework or set of accounting standards;

(b) the fairness of the management review included in the management report.

Article 16

Requirements equivalent to Article 6 of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 6 of Directive 2004/109/EC where, under the law of that country, an issuer is required to publish quarterly financial reports.

Article 17

Requirements equivalent to Article 4(3) of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in the first subparagraph of Article 4(3) of Directive 2004/109/EC where, under the law of that country, the provision of individual accounts by the parent company is not required but the issuer whose registered office is in that third country is required, in preparing consolidated accounts, to include the following information:

(a) for issuers of shares, dividends computation and ability to pay dividends;

(b) for all issuers, where applicable, minimum capital and equity requirements and liquidity issues.

For the purposes of equivalence, the issuer must also be able to provide the competent authority of the home Member State with additional audited disclosures giving information on the individual accounts of the issuer as a standalone, relevant to the elements of information referred to under points (a) and (b). Those disclosures may be prepared under the accounting standards of the third country.

Article 18

Requirements equivalent to Article 4(3), second subparagraph, of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in the second subparagraph of Article 4(3) of Directive 2004/109/EC in relation to individual accounts where, under the law of a third country, an issuer whose registered office is in that third country is not required to prepare consolidated accounts but is required to prepare its individual accounts in accordance with international accounting standards recognised pursuant to Article 3 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council [1] as applicable within the Community or with third country national accounting standards equivalent to those standards.

For the purposes of equivalence, if such financial information is not in line with those standards, it must be presented in the form of restated financial statements.

In addition, the individual accounts must be audited independently.

Article 19

Requirements equivalent to Article 12(6) of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 12(6) of Directive 2004/109/EC where, under the law of that country, the time period within which an issuer whose registered office is in that third country must be notified of major holdings and within which it must disclose to the public those major holdings is in total equal to or shorter than seven trading days.

The time frames for the notification to the issuer and for the subsequent disclosure to the public by the issuer may be different from those set out in Articles 12(2) and 12(6) of Directive 2004/109/EC.

Article 20

Requirements equivalent to Article 14 of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 14 of Directive 2004/109/EC where, under the law of that country, an issuer whose registered office is in that third country is required to comply with the following conditions:

(a) in the case of an issuer allowed to hold up to a maximum of 5 % of its own shares to which voting rights are attached, it must make a notification whenever that threshold is reached or crossed;

(b) in the case of an issuer allowed to hold up to a maximum of between 5 % and 10 % of its own shares to which voting rights are attached, it must make a notification whenever a 5 % threshold or that maximum threshold is reached or crossed;

(c) in the case of an issuer allowed to hold more than 10 % of its own shares to which voting rights are attached, it must make a notification whenever the 5 % threshold or the 10 % threshold is reached or crossed.

For the purposes of equivalence, notification above the 10 % threshold need not be required.

Article 21

Requirements equivalent to Article 15 of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 15 of Directive 2004/109/EC where, under the law of that country, an issuer whose registered office is in that third country is required to disclose to the public the total number of voting rights and capital within 30 calendar days after an increase or decrease of such total number has occurred.

Article 22

Requirements equivalent to Articles 17(2)(a) and 18(2)(a) of Directive 2004/109/EC

(Article 23(1) of Directive 2004/109/EC)

A third country shall be deemed to set requirements equivalent to those set out in Article 17(2)(a) and 18(2)(a) of Directive 2004/109/EC, as far as the content of the information about meetings is concerned, where, under the law of that country, an issuer whose registered office is in that third country is required to provide at least information on the place, time and agenda of meetings.

[1] OJ L 243, 11.9.2002, p. 1.

Article 23

Equivalence in relation to the test of independence for parent undertakings of management companies and investment firms

(Article 23(6) of Directive 2004/109/EC)

1. A third country shall be deemed to set conditions of independence equivalent to those set out in Article 12(4) and (5) of that Directive where, under the law of that country, a management company or investment firm as referred to in Article 23(6) of Directive 2004/109/EC is required to meet the following conditions:

(a) the management company or investment firm must be free in all situations to exercise, independently of its parent undertaking, the voting rights attached to the assets it manages;

(b) the management company or investment firm must disregard the interests of the parent undertaking or of any other controlled undertaking of the parent undertaking whenever conflicts of interest arise.

2. The parent undertaking shall comply with the notification requirements laid down in Article 10(2)(a) and (3) of this Directive.

In addition, it shall make a statement that, in the case of each management company or investment firm concerned, the parent undertaking complies with the conditions laid down in paragraph 1 of this Article.

3. Without prejudice to the application of Article 24 of Directive 2004/109/EC, the parent undertaking shall be able to demonstrate to the competent authority of the home Member State of the issuer on request that the requirements laid down in Article 10(4) of this Directive are respected.

Article 24

Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 12 months after date of adoption at the latest. They shall forthwith communicate to the Commission the text of those provisions and a correlation table between those provisions and this Directive.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 25

This Directive shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Article 26

This Directive is addressed to the Member States.

Done at Brussels, 8 March 2007.

For the Commission

Charlie McCREEVY

Member of the Commission

II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

DECISIONS

COUNCIL

COUNCIL DECISION

of 22 February 2007

on the position of the Community in relation to the draft Regulation of the United Nations Economic Commission for Europe concerning the approval of motor vehicles with regard to the forward field of vision of the motor vehicle driver

(Text with EEA relevance)

(2007/159/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 97/836/EC of 27 November 1997 with a view to accession by the European Community to the Agreement of the United Nations Economic Commission for Europe concerning the adoption of uniform technical prescriptions for wheeled vehicles, equipment and parts which can be fitted and/or be used on wheeled vehicles and the conditions for reciprocal recognition of approvals granted on the basis of these prescriptions [1], in particular the second indent of Article 4(2), thereof,

Having regard to the proposal of the Commission,

Having regard to the assent of the European Parliament,

Whereas:

(1) The draft Regulation of the United Nations Economic Commission for Europe concerning the approval of motor vehicles with regard to the forward field of vision of the driver [2] provides for the abolition of the technical barriers to the trade of motor vehicles between the Contracting Parties with respect to these aspects, while ensuring a high level of safety.

(2) It is appropriate to define the Community's position with regard to the said draft Regulation and consequently to provide for the Community, represented by the Commission, to vote in favour of the draft.

(3) The draft Regulation should become part of the Community type-approval system for motor vehicles because the scope of Council Directive 77/649/EEC of 27 September 1977 on the approximation of the laws of the Member States relating to the field of vision of motor vehicle drivers [3] is similar to the one of this draft Regulation,

HAS DECIDED AS FOLLOWS:

Article 1

The draft Regulation of the United Nations Economic Commission for Europe (UN/ECE) concerning the approval of motor vehicles with regard to the forward field of vision of the motor vehicle driver, as contained in document TRANS/WP.29/2005/2082 is hereby approved.

Article 2

The Community, represented by the Commission, shall vote in favour of the draft UN/ECE Regulation referred to in Article 1 at a forthcoming meeting of the Administrative Committee of the UN/ECE World Forum for Harmonisation of Vehicle Regulations.

[1] OJ L 346, 17.12.1997, p. 78.
[2] UN/ECE Document TRANS/WP.29/2005/2082.
[3] OJ L 267, 19.10.1977, p. 1. Directive as last amended by Commission Directive 90/630/EEC (OJ L 341, 6.12.1990, p. 20).

Article 3

The UN/ECE Regulation concerning the approval of motor vehicles with regard to the forward field of vision of the motor vehicle driver shall become part of the Community type-approval system for motor vehicles.

Done at Brussels, 22 February 2007.

For the Council
The President
F. MÜNTEFERING

COUNCIL DECISION

of 22 February 2007

on the position of the Community in relation to the draft Regulation of the United Nations Economic Commission for Europe concerning the approval of partitioning systems to protect passengers against displaced luggage, supplied as non original vehicle equipment

(Text with EEA relevance)

(2007/160/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 97/836/EC of 27 November 1997 with a view to accession by the European Community to the Agreement of the United Nations Economic Commission for Europe concerning the adoption of uniform technical prescriptions for wheeled vehicles, equipment and parts which can be fitted and/or be used on wheeled vehicles and the conditions for reciprocal recognition of approvals granted on the basis of these prescriptions [1], in particular the second indent of Article 4(2) thereof,

Having regard to the proposal of the Commission,

Having regard to the assent of the European Parliament,

Whereas:

(1) The draft Regulation of the United Nations Economic Commission for Europe (hereinafter the draft UN/ECE Regulation) concerning the approval of partitioning systems to protect passengers against displaced luggage, supplied as non-original vehicle equipment [2] provides for the abolition of technical barriers to the trade of motor vehicles between the Contracting Parties with respect to these components, while ensuring a high level of safety and environmental protection.

(2) It is appropriate to define the Community's position in relation to the draft UN/ECE Regulation and consequently to provide for the Community, represented by the Commission, to vote in favour of that draft.

(3) Since the draft UN/ECE Regulation concerns the provision of non original vehicle equipment, it should not become part of the Community system for the type-approval of motor vehicles,

HAS DECIDED AS FOLLOWS:

Article 1

The draft UN/ECE Regulation on partitioning systems to protect passengers against displaced luggage, supplied as non original vehicle equipment, is hereby approved.

Article 2

The Community, represented by the Commission, shall vote in favour of the draft UN/ECE Regulation referred to in Article 1 at a forthcoming meeting of the Administrative Committee of the UN/ECE World Forum for Harmonisation of Vehicle Regulations.

Article 3

The UN/ECE Regulation on partitioning systems to protect passengers against displaced luggage, supplied as non original vehicle equipment, shall not become part of the Community type-approval system for motor vehicles.

Done at Brussels, 22 February 2007.

For the Council
The President
F. MÜNTEFERING

[1] OJ L 346, 17.12.1997, p. 78.
[2] Document TRANS/WP.29/2005/2088.

COMMISSION

COMMISSION DECISION

of 10 August 2006

declaring a concentration compatible with the common market and the functioning of the EEA Agreement

(Case No COMP/M.4094 — Ineos/BP Dormagen)

(notified under document number C(2006) 3592)

(Only the English text is authentic)

(Text with EEA relevance)

(2007/161/EC)

On 10 August 2006 the Commission adopted a Decision in a merger case under Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings ([1]), and in particular Article 8(1) of that Regulation. A non-confidential version of the full Decision can be found in the authentic language of the case and in the working languages of the Commission on the website of the Directorate-General for Competition, at the following address: http://ec.europa.eu/comm/competiton/index_en.html

(1) On 24 January 2006, the Commission received a notification by which the BP Ethylene Oxide/Ethylene Glycol Business (BP Dormagen Business) controlled by British Petroleum Group (BP) by way of purchase of assets.

(2) Ineos is a United Kingdom limited company with various wholly owned subsidiaries which are active worldwide in the production, distribution, sales and marketing of intermediate and speciality chemicals. On 16 December 2006, Ineos acquired Innovene, the former olefins, derivatives and refining business of BP (excluding the BP Dormagen Business, the acquisition of which is the subject of this decision) which manufactures a range of petrochemicals, including olefins and their derivatives and a range of refinery products ([2]). That operation was cleared by the Commission on 9 December 2005 (Case No COMP/M.4005 — Ineos/Innovene, the main transaction).

(3) BP Dormagen Business, which consists solely of a plant located in Köln/Dormagen (Germany), is currently controlled by BP and is active in the manufacture of ethylene oxide (EO) and ethylene glycols (EGs or glycols).

(4) The Advisory Committee on Concentrations, at its 143rd meeting of 28 July 2006, delivered a favourable opinion on a draft Decision granting clearance submitted to it by the Commission ([3]).

(5) The Hearing Officer, in a report dated 26 July 2006, took the view that the right of the parties to be heard had been respected ([3]).

([1]) OJ L 24, 29.1.2004, p. 1.

([2]) Innovene operated three sites in the EEA: Grangemouth (United Kingdom), Lavera (France) and Dormagen (Germany). Grangemouth and Lavera were acquired by Ineos as a result of the Main Transaction.

([3]) OJ C 54, 9.3.2007.

I. THE RELEVANT MARKETS

Background

(6) In its examination of the main transaction, the Commission assessed the markets for ethylene oxide (EO) and for a number of its derivatives (EODs), in particular, alcohol ethoxylates, glycol ethers (GEs) and ethanolamines (EOAs). The Commission concluded that that main transaction did not raise serious doubts as to its compatibility with the common market on the horizontally and vertically related markets.

(7) The only products manufactured and sold by the BP Dormagen Business are EO and EGs. Ineos produces a wide range of chemicals including EO and EO-derivatives (including EGs). Consequently, the only horizontal overlaps which arise as a result of the proposed acquisition by Ineos of the BP Dormagen Business relate to EO and EGs. In addition, vertical relationships exist upstream of EO (as regards ethylene) and downstream of EO (as regards EO derivatives).

Relevant product markets

(8) EO is a colourless gas, which is produced by the partial oxidation of the ethylene. EO has an ethylene content of 82 % and is a hazardous product, being highly inflammable and explosive. It is also toxic and carcinogenic. EO can be used in the non-purified state to produce EGs or be further purified.

(9) EGs are intermediate chemicals produced mainly by the non-catalytic hydration of EO. EGs account for 37,5 % of total EEA consumption of EO and are only produced by integrated EO producers.

(10) An alternative route for processing EO involves its further purification: purified EO can then be used for production of various other chemical intermediates. Most of this purified EO is used captively by the integrated EO producers in downstream operations to produce EO derivatives, the remainder is sold to third parties, which compete with EO producers on the various EO derivatives markets.

Ethylene oxide

(11) The Commission has examined ethylene oxide in previous cases [4]. It identified a separate product market for EO as it is characterised by low substitutability especially when used as a direct raw material in chemical reactions. The investigation in this case confirmed this product market definition.

(12) As only purified EO is sold to third parties, the competition assessment in this case concentrated on the market for purified EO. At a late stage of the proceedings, Ineos submitted that the purified EO could be further subsegmented into high-grade EO (HG-EO) or low-grade EO (LG-EO) depending on the level of impurities (mainly the content of aldehydes). However, the market investigation confirmed that it was not necessary to further sub-divide relevant product market according to purity levels of the purified EO as only H-G EO was sold to the third parties.

(13) The Commission also investigated whether a distinction needs to be made between long term arrangements for supply of EO to customers whose plants are located on, or adjacent to, the EO supplier's site and connected via pipe line (on-site) and supplies to other customers (off-site) which are served by other means such as truck or rail. The Commission found that there were some differences in price levels, contract lengths, and quantities purchased between these two supply methods. However, the Commission did not have to make a decision on this issue, given that the transaction would not significantly impede effective competition, irrespective of whether on-site and off-site supplies are considered to constitute a single or two separate markets.

Ethylene glycols

(14) Ineos submitted that EGs constitute a separate product market, in line with a previous Commission Decision [5]. However, in a subsequent decision [6], the Commission had noted that demand-side considerations might make it necessary to distinguish between the different types of EG. These are: mono-ethylene glycol (MEG), di-ethylene glycol (DEG) and tri-ethylene glycol (TEG). MEG accounts for the great majority of the production (about 90 %), with the remaining production divided between DEG (about 9 %) and TEG (about 1 %).

(15) In this case, the majority of market participants indicated that EGs should be further segmented into three markets, for MEG, DEG and TEG, because they are used in very different applications and are not substitutable to any extent. However, from the supply-side point of view, MEG, DEG, TEG are invariably manufactured together

[4] Case COMP/M.2345 — Deutsche BP/Erdölchemie, 26 April 2001 and Case COMP/M.4005 — Ineos/Innovene, 9 December 2005.

[5] Case COMP/M.2345 — Deutsche BP/Erdölchemie, 26 April 2001.

[6] Case COMP/M.3467 — Dow Chemicals/Pic/White Sands JV, 28 June 2004.

and are always produced in very similar proportions. The exact market definition was left open as the transaction would not significantly impede effective competition with respect to EGs under any of the alternative product market definitions.

Relevant geographic markets

Ethylene oxide

(16) In previous decisions ([7]) the Commission has considered the geographic dimension of the EO market to be probably Western Europe (defined as the EEA plus Switzerland) although the exact market definition was left open. In this case the relevant production plants are located in Antwerp (Belgium), Lavera (France) and Dormagen (Germany). Ineos submitted that the market is EEA-wide as EO from these plants is transported over long distances (according to Ineos' data, in some cases more than 1 000 km, although the majority of deliveries are within 600 km). However, the great majority of customers and at least half of the competitors consider the geographic market to be regional. Shipping distances appear to be between 0 km to 800 km with the large majority between 0 to 600 km, due to transport costs and the hazardous nature of the product.

(17) According to the limitations on transport distance, the Commission identified possible regional markets for EO as: (i) United Kingdom and Ireland, (ii) Nordic countries (Norway, Sweden and Finland), (iii) Mainland North-West Europe, or MNWE (the Netherlands, Denmark, Belgium, Luxemburg, Germany, Austria, Central and Northern France), (iv) the Mediterranean basin (Italy, Portugal, Southern France, and Spain), and (v) Central and Eastern Europe. In addition, the Commission found out that regional price differences and limited trade flows tend to confirm this geographic market segmentation. However, it was not necessary to conclude as to the exact geographic market definition for EO as the Commission found out that the transaction would not significantly impede effective competition on either possible geographic market (an EEA-wide geographic wide or a MNWE market, the only regional market where both parties were active).

Ethylene glycols

(18) Ineos submitted, in line with what has been argued in previous decisions ([8]), that the relevant geographic market for EGs is at least Western Europe and even global. This is because EGs are not hazardous products and, in consequence, they are easily transportable. Prices are comparable at a global level, and imports into the EEA, mainly from Middle East and Russia, represent around 13 % of the total EEA consumption.

(19) The vast majority of the respondents to the market investigation confirmed that the geographic market is at least EEA-wide. However, for the purposes of the decision, the exact market definition was left open as the transaction would not significantly impede effective competition in the common market or a substantial part of it under any alternative geographic market definitions.

II. **ASSESSMENT**

Ethylene oxide

(20) The overall size of the EO market in the EEA, including production for captive use, is around 3 000 ktpa (kilotonnes per annum). The merchant market represents around 18 % of the total production or about 560 ktpa, of which about 33 % by value is accounted for by on-site customers and 67 % by off-site customers.

(21) In terms of market structure, the transaction is a merger between two of the three largest EO suppliers giving rise to combined market shares above 45 % under any reasonable definition of the relevant product and geographic markets for EO. The combined entity's closest competitor, Shell, represents (15-25) % of the overall merchant market for both on-site and off-site supplies. All the remaining competitors have market shares below 10 % (many below 5 %) for both total and off-site sales.

(22) However, taking into account that the merchant market represents a fairly small proportion of total production, relatively small changes in the overall production may have a significant impact on the merchant market. As a result, in its assessment the Commission concentrated on the importance of integrated producers' captive use of EO and its impact on sales to third parties. The Commission examined the conditions relating to the supply of EO and, in particular, those factors capable of constraining the behaviour of the combined entity on the merchant market for EO.

([7]) Case COMP/M.2345 — Deutsche BP/Erdölchemie, 26 April 2001 and Case COMP/M.4005 — Ineos/Innovene, 9 December 2005.

([8]) Case COMP/M.2345 — Deutsche BP/Erdölchemie, 26 April 2001, Case COMP/M.3467 — Dow Chemicals/Pic/White Sands JV, 28 June 2004.

(23) In order to do so, the Commission identified the main aspects on which the availability of EO on the merchant market depends: the production capacity for EO; the purification capacity; the downstream uses of EO, in particular the split between EGs and other uses; the incentives to use additional EO internally and/or sell to the merchant market.

(24) First, the Commission assessed whether currently the parties' competitors have sufficient spare EO capacity to supply the merchant market. In this regard, it is the purification capacity that is critical as merchant market sales are only of purified EO. The investigation showed that although the parties' plants represent an important part of the spare purification capacity, their competitors' spare capacity would be able to constrain the parties' anticompetitive behaviour as they represent significant volumes compared to the relatively small merchant market.

(25) Also, an important part of the Commission assessment in this case was focused on a relationship between the production of purified EO and EGs. A reduction in the production of EGs may enable integrated producers (those producers making both EO and EGs) to increase their purified EO production. This relationship is based on the fact that both products use the same raw material (unpurified EO) and, consequently, a reduction in the production of EGs will release unpurified EO which could be used for the production of additional quantities of purified EO — subject to purification capacity constraints.

(26) Ineos submitted that MEG is used as a swing product allowing EO producers to switch to and from the supply of EO or other EO derivatives depending on market conditions. In order to prove it, Ineos submitted two econometric studies showing that, in the past, the parties' competitors were able to increase their production of purified EO at the expense of the production of glycols in response to outages at the Ineos and BP Dormagen Businesses' plants. It was found that reductions in the EO sales by the affected plants were (to some extent) offset by increased EO sales by competitors.

(27) The Commission concluded that although these studies had some limitations, they indicated a potential for such competitors to counteract anticompetitive behaviour of the combined entity.

(28) The Commission then estimated how big this potential swing from glycols to purified EO could be, taking into account all capacity constraints. The Commission found that in case of the largest foreseeable reduction in production of glycols the potential swing from glycols to purified EO could, in case of unilateral price increase by the merged entity, bring to the EO merchant market quantities that are significant compared to the current overall size of that market.

(29) The Commission also took into consideration the impact of new glycols capacity coming on stream in the Middle East and Asia on the market situation in Europe. It found that these new EO production capacities were likely to result in an increase of exports of EGs to the EEA and that as a result a decrease in EG production in the EEA could be expected. This in turn could increase the availability of EO in the EEA for third party sales and the in-house production of other EO derivatives.

(30) Accordingly, the Commission considered it appropriate to assess the impact of the operation in a prospective manner, that is in relation to the forecast and reasonably expected developments in the future.

(31) The Commission's investigation showed that the total spare capacity for the production of EO in the EEA is expected to grow in the coming years and utilisation rates will be lower. Although the spare purification capacity is expected to decrease in the near future, however, as the merchant market is relatively small and is not expected to increase substantially in the near future, the remaining spare purification capacity can still act as a constraint on unilateral increases in prices by the combined entity.

(32) Additionally, in order to assess the impact of the anticipated increase in imports of glycols from the Middle East on the European EO merchant market, future economic incentives of EO producers to supply the merchant market were taken into account. In order to compensate the predicted downturn in EO consumption for glycols and in order to keep the utilisation rates for EO production at the highest possible levels, EO producers would need to find other outlets for their supply of EO. As all other EO derivatives (apart from glycols) and the merchant market require purified EO, European EO producers would have incentives to increase their current purification capacities.

(33) The Commission found that expansion in the purification sections of EO production is less expensive and often does not need to be accompanied by other investments across the plant. Assuming that competitors will be able to increase their current purification capacities in order to absorb the expected decrease in production of glycols, the extent of these increases depends upon EO producers' captive use of EO for EODs, their ability to increase their EODs capacities and their incentives to use EO captively or sell it to the merchant market.

(34) The Commission's investigation revealed that in the near future, the EODs' capacity of integrated producers will be partially constrained due to increased demand for EODs. Increases in EODs production capacity are more costly and take more time than increases in EO purification capacity. Consequently, not all of the purified EO released as a result of the decrease in production of glycols in the EEA will be absorbed by increased production of EODs by integrated producers. It will consequently be available to the merchant market.

(35) Therefore, a significant impediment of effective competition in the merchant market for EO can be ruled out. EO customers will have supply alternatives which will be sufficient to constrain the combined entity's behaviour.

Glycols

(36) World production and consumption of EG is estimated at some 17 000 ktpa, of which EEA production is around 1 700 ktpa for a demand of some 1 950 ktpa. World demand over recent years has been relatively stable, due in particular to the demand in China and the Far East for MEG used for polyester textiles. This has, in turn, stimulated investments in substantial new EG capacity in Asia and the Middle East scheduled to come on stream over the next few years.

(37) The Commission's investigation indicated that the combined entity's market share on a global merchant market did not exceed 5 % for any possible product market definition. On an EEA-wide merchant market, the combined entity's share did not exceed 20 % for any relevant product market. Also the combined entity would face competition from various strong competitors such as BASF, MEGlobal, Sabic, Shell, Clariant as well as from imports.

(38) In the light of the combined entity's limited market share, the presence of significant competitors with comparable or larger market shares and the predicted downturn in glycols production in Europe (as a result of increased imports), the Commission concluded that the proposed transaction does not raise competition concerns in the market for EG.

III. **CONCLUSION**

(39) For the reasons set out above, the Commission concluded that the proposed concentration does not significantly impede effective competition in the common market or a substantial part of it, in particular as a result of the creation or strengthening of a dominant position. The concentration is therefore to be declared compatible with the common market in accordance with Article 8(1) of the Merger Regulation and Article 57 of the EEA Agreement.