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II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2017/979

of 2 March 2017

amending Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to the list of exempted entities*(Text with EEA relevance)*

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ⁽¹⁾, and in particular Article 1(6) thereof,

Whereas:

- (1) The exercise of monetary responsibilities and the management of sovereign debt have a combined impact on the functioning of interest rate markets and should be coordinated to ensure that these two functions are performed efficiently. As Regulation (EU) No 648/2012 excludes from its scope Union central banks and other Union public bodies managing debt so as not to impede their ability to perform tasks of common interest, the application of different rules to such functions when they are exercised by third-country entities would be detrimental to their effectiveness. In order to ensure that third country central banks and other public bodies charged with or intervening in the management of the public debt continue to be in a position to perform their tasks adequately, third-country public bodies charged with or intervening in the management of the public debt should also be exempted from Regulation (EU) No 648/2012.
- (2) The Commission carried out an assessment of the treatment of public bodies charged with or intervening in the management of public debt and central banks under the national laws of certain third countries and presented its conclusions to the European Parliament and the Council. In particular, the Commission conducted a comparative analysis of that treatment as well as of the risk-management standards applicable to the derivative transactions entered into by those bodies and by central banks in those jurisdictions.
- (3) The Commission's analysis concluded that central banks and public bodies charged with or intervening in the management of public debt in Australia, Canada, Hong Kong, Mexico, Singapore, and Switzerland should be exempted from the clearing and reporting requirements laid down in Regulation (EU) No 648/2012.
- (4) The central banks and public bodies charged with or intervening in the management of the public debt in Australia, Canada, Hong Kong, Mexico, Singapore, and Switzerland should therefore be added to the list of exempted entities laid down in Regulation (EU) No 648/2012.
- (5) The Commission continues to monitor on a regular basis the treatment of those central banks and public bodies exempted from the clearing and reporting requirements laid down in Regulation (EU) No 648/2012. The list may be updated in light of the development of the regulatory arrangements in those third countries and taking into account any relevant new sources of information. Such reassessment could lead to removal of certain third countries from the list of exempted entities,

⁽¹⁾ OJ L 201, 27.7.2012, p. 1.

HAS ADOPTED THIS REGULATION:

Article 1

In Article 1(4)(c) of Regulation (EU) No 648/2012, the following points are added:

- ‘(iii) Australia;
- (iv) Canada;
- (v) Hong Kong;
- (vi) Mexico;
- (vii) Singapore;
- (viii) Switzerland.’

Article 2

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

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

Done at Brussels, 2 March 2017.

For the Commission
The President
Jean-Claude JUNKER

COMMISSION IMPLEMENTING REGULATION (EU) 2017/980**of 7 June 2017****laying down implementing technical standards with regard to standard forms, templates and procedures for cooperation in supervisory activities, for on-site verifications, and investigations and exchange of information between competent authorities in accordance with Directive 2014/65/EU of the European Parliament and of the Council****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ⁽¹⁾, and in particular Articles 80(4) and 81(4) thereof,

Whereas:

- (1) Directive 2014/65/EU sets out obligations for the cooperation and exchange of information between competent authorities. As part of that procedure, a competent authority may request the cooperation of the competent authority of another Member State for an on-the-spot verification or in an investigation.
- (2) In order to ensure that competent authorities are able to cooperate and exchange information in an efficient and timely manner for the purposes of Directive 2014/65/EU and provide each other full mutual assistance, it is appropriate to lay down procedures as well as templates and forms to be used by competent authorities for such cooperation and exchanges of information, including for the submission of requests for cooperation or exchange of information, acknowledgements of receipt and replies to such requests.
- (3) To ensure that requested authorities process requests for cooperation or information efficiently and expeditiously, each request should clearly set out the reason for the request for cooperation or exchange of information. Beyond the use of templates and forms for requests for cooperation or requests for information and replies to such requests, the procedures for cooperation and exchange of information should allow and facilitate the communication, consultation and interaction between the requesting authority and the requested authority, throughout the process.
- (4) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union.
- (5) For reasons of consistency and in order to ensure the smooth functioning of the financial markets, it is necessary that the provisions laid down in this Regulation and the provisions laid down in Directive 2014/65/EU apply from the same date.
- (6) This Regulation is based on the draft implementing technical standards submitted by the European Securities and Markets Authority ('ESMA') to the Commission.
- (7) ESMA did not conduct open public consultations on the draft implementing technical standards on which this Regulation is based, nor did it analyse the potential related costs and benefits of introducing the standard forms, templates and procedures to be used by the relevant competent authorities, as this would have been disproportionate in relation to the scope and impact of those standards, taking into account that their addressees would only be the national competent authorities of the Member States and not market participants.
- (8) ESMA has requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽²⁾,

⁽¹⁾ OJ L 173, 12.6.2014, p. 349.

⁽²⁾ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

HAS ADOPTED THIS REGULATION:

Article 1

Contact points

1. Competent authorities shall designate contact points for the communication of requests for cooperation or for exchange of information pursuant to Articles 80 and 81 of Directive 2014/65/EU respectively. They shall publish the details of the contact points on their websites.
2. The competent authorities shall communicate the details of their contact points to ESMA. ESMA shall maintain and update a list of the contact points designated in accordance with paragraph 1, for the use of the competent authorities.

Article 2

Request for cooperation or exchange of information

1. A requesting authority shall make a request for cooperation or exchange of information in paper form or by electronic means, using the form set out in Annex I. It shall address the request to the contact point of the requested authority.
2. In urgent cases, the requesting authority may make the request for cooperation or exchange of information verbally provided that subsequent confirmation of the request is made in writing within a reasonable timeframe, unless the requested authority agrees otherwise.
3. The requesting authority may attach to the request any document or supporting material deemed necessary to support the request.

Article 3

Acknowledgement of receipt

Within 10 working days of receipt of the request for cooperation or exchange of information by the contact point of the requested authority, that authority shall send an acknowledgement of receipt to the requesting authority, using the form set out in Annex II.

Article 4

Reply to a request for cooperation or exchange of information

1. The requested authority shall respond to a request for cooperation or exchange of information in paper form or by electronic means, using the form set out in Annex III. Unless otherwise specified by the requesting authority, the reply shall be addressed to the contact point of the requesting authority.
2. The requested authority shall execute requests for cooperation or exchange of information in a manner which ensures any necessary regulatory action shall proceed without undue delay, taking into account the complexity of the request and the necessity to involve third parties or another authority.

Article 5

Procedures for sending and processing a request for cooperation or exchange of information

1. The requesting authority and the requested authority shall communicate in relation to the request for cooperation or exchange of information either in paper form or electronically, depending on which of the two is the most expeditious, and taking due account of confidentiality considerations, correspondence times, the volume of material to be communicated and the ease of access to the information by the requesting authority. In particular, the requesting authority shall respond promptly to any clarifications asked by the requested authority.
2. The requested authority shall notify the requesting authority where it anticipates a delay of more than 5 working days beyond the estimated date of response specified in the acknowledgement of receipt.

3. Where the request has been qualified by the requesting authority as urgent, the requested authority and the requesting authority shall agree on the frequency with which the requested authority will update the requesting authority on its handling of the request and on the date when it expects to provide a response.

4. The requested authority and the requesting authority shall cooperate to resolve any difficulties that may arise in executing a request.

Article 6

Procedure for requests for taking a statement from a person

1. If the requesting authority includes within its request the taking of a statement of any person, the requested authority and the requesting authority shall, subject to existing legal limitations or constraints and any differences in procedural requirements, assess and take into account:

- (a) the rights of the person or persons from which the statements are to be taken;
- (b) the role of the staff of the requested authority and of the requesting authority in the taking of the statement;
- (c) whether the person from whom the statement is to be taken has the right to be assisted by a legal representative and, if so, the scope of the representative's assistance during the taking of the statement, including in relation to any records or report of the statement;
- (d) whether the statement is to be taken on a voluntary or compelled basis where that distinction exists;
- (e) whether, based on the information that is available at the time of the request, the person from which the statement is to be taken is a witness or subject of investigation;
- (f) whether, based on the information that is available at the time of the request, the statement could be, or is intended to be used in criminal proceedings;
- (g) the admissibility of the statement in the requesting authority's jurisdiction;
- (h) the recording of the statement and the applicable procedures, including whether it will be contemporaneous or summarised written minutes or an audio or audiovisual recording;
- (i) procedures on the certification or confirmation of the statement by the persons providing the statement, including whether that takes place after the statement is taken.

2. The requested authority and the requesting authority shall ensure that arrangements are in place for their staff to proceed efficiently, including arrangements to enable their staff to agree on any additional information that may be necessary, including the following:

- (a) planning of dates;
- (b) the list of questions to be asked of the person from which the statement is to be taken and its review;
- (c) travelling arrangements, including ensuring that the requested authority and the requesting authority are able to meet to discuss the matter prior to the taking of the statement;
- (d) translation arrangements.

Article 7

Procedure for requests for an on-site verification or investigation

1. Where there is a request for carrying out an on-site verification or investigation, the requesting authority and the requested authority shall consult each other on the best way to give useful effect to the request for cooperation taking into account points (a), (b) and (c) of Article 80(1) of Directive 2014/65/EU, including on the merits of conducting a joint on-site verification or joint investigation.

In deciding on the best way to give useful effect to the request for cooperation, the requesting authority and the requested authority shall take into account at least the following:

- (a) the contents of any request for cooperation received from the requesting authority, including any suggestion on the appropriateness to carry out the investigation or on-site verification jointly;
- (b) whether they are separately conducting their own inquiries into a matter with cross-border implications and whether that matter would be more suitably dealt with by joint collaboration;

- (c) the legal and regulatory framework in each of their jurisdictions, ensuring that both authorities have a good understanding of the potential constraints and legal limitations on their conduct and on any proceedings that may follow, including any issues relating to the principle of *ne bis in idem*;
- (d) the management and direction needed for the investigation or on-site inspection;
- (e) the allocation of resources and appointment of staff in charge of carrying out investigation or on-site inspections;
- (f) the possibility to establish a joint action plan and timings of work by each authority;
- (g) the determination of actions to be taken, jointly or individually, by each authority;
- (h) mutual sharing of information gathered and reporting on the outcomes of the individual actions taken;
- (i) other case specific issues.

2. Where the requested authority carries out the verification or investigation itself, it shall keep the requesting authority informed of the progress of these activities and shall deliver its findings in good time.

3. Where the requesting authority and the requested authority decide to carry out a joint investigation or joint on-site verification, they shall:

- (a) engage in ongoing dialogue to coordinate the information gathering process and the finding of facts;
- (b) work closely and cooperate with each other when conducting the joint investigation or joint on-site inspection;
- (c) identify the specific legal provisions that form the subject matter of the investigation or on-site inspection;
- (d) where relevant, agree upon at least the following:
 - (i) the drawing up of a joint action plan specifying the substance, nature and timing of the actions to be taken, including the allocation of responsibilities in delivering the outcome of the work and taking into account each authority's respective priorities;
 - (ii) the identification and assessment of any legal limitations or constraints and any differences in procedures with respect to investigative or enforcement action or any other proceedings, including the rights of any person subject to investigation;
 - (iii) the identification and assessment of specific legal professional privileges that may have an impact on the investigation proceedings as well as the enforcement proceedings, including self-incrimination;
 - (iv) the public and press strategy;
 - (v) the intended use of information exchanged.

Article 8

Unsolicited exchanges of information

1. Where a competent authority has information that it believes would assist another competent authority for the purposes of carrying out its duties under Directive 2014/65/EU or Regulation (EU) No 600/2014 of the European Parliament and of the Council ⁽¹⁾, it shall transmit that information in paper form or by electronic means to the contact point of the other competent authority.

2. By way of derogation from paragraph 1, if the competent authority sending the information believes the information should be sent urgently, it may initially communicate the information verbally provided that subsequent transmission of information is made in writing within a reasonable timeframe, unless the authority receiving the information agrees otherwise.

3. An authority that sends information on an unsolicited basis shall do so using the form set out in Annex III, identifying in particular issues relating to the confidentiality of information.

⁽¹⁾ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

*Article 9***Requirement to notify competent authorities**

1. Where, pursuant to Article 80(1) of Directive 2014/65/EU, a competent authority of a regulated market directly addresses investment firms that are remote members or participants of the regulated market, it shall inform the competent authority of the home Member State of the remote member or participant, in paper form or by electronic means, using the form set out in Annex IV to this Regulation, immediately after it has contacted the remote member or participant, unless the authority of the home Member State of the remote member or participant has previously agreed in writing to be informed by other means of communication.
2. If the reason for addressing the remote member or participant of the regulated market is urgent, the competent authority of the regulated market may for justified reasons, make the notification verbally provided that subsequent confirmation of the request is made in writing within a reasonable timeframe, unless the requested authority agrees otherwise.

*Article 10***Entry into force and application**

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

It shall apply from 3 January 2018.

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

Done at Brussels, 7 June 2017.

For the Commission

The President

Jean-Claude JUNKER

ANNEX I

Form for a request for cooperation or exchange of information

Request for cooperation or exchange of information

Reference number:

Date:

General information

FROM:

Member State:

Requesting Authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Requested Authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear [insert appropriate name]

In accordance with Article(s) [80/81 ⁽¹⁾] of Directive 2014/65/EU your input is sought in relation to the matter(s) set out in further detail below.

I would be grateful to receive a response to the above request by *[insert indicative date for the reply and in case of an urgent request insert deadline for the information to be provided by]* or, if that is not possible, for an indication as to when you anticipate being in a position to provide the assistance which is sought.

⁽¹⁾ Please insert relevant Article of Directive 2014/65/EU.

Type of request

Please tick the appropriate box(es)

Supervisory Activities (provision of information, taking of a statement, other) ☐

Investigation ☐

On-site verification ☐

Reasons for the request

.....

[insert provision(s) of the sectoral legislation under which the requesting authority is competent to deal with the matter]

The request concerns cooperation or exchange of information on

.....

[insert description of the subject matter of the request, the purpose for which the cooperation or exchange of information is sought, facts underlying the investigation which form the basis of the request and explanation for its helpfulness]

Further to

.....

[if applicable, insert details of the previous request in order to enable it to be identified]

Supervisory Activities (provision of information, taking of a statement)

- (a) Please provide a detailed description of the specific information sought with reasons why that information will be of assistance and, if known, a list of the persons considered possessing the information sought or the places where such information may be obtained.

.....

- (b) If the request concerns information relating to a transaction or order in a specific financial instrument, please provide the following information.

Product ID:

[insert precise description of the financial instrument, including the ISIN code]

Person ID:

[insert the identity of any person connected with the transaction or order, including a person dealing in the financial instrument or on whose behalf the dealing is considered to have taken place]

Dates:

[insert the dates between which transactions or orders in those financial instruments took place including in the case of a significant period of time, reasons why the entirety of the time period is beneficial]

- (c) If the request concerns information relating to the business or activities of a person, please provide information as precise as possible to enable that person to be identified.

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.....
.....

- (d) If there are special considerations on the sensitivity of the information sought, please provide an indication of the sensitivity of the information contained in the request and any special precautions that have to be taken in collecting the information due to investigatory considerations.

.....
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.....
.....

- (e) Please provide any additional information.

.....
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.....
.....

[Whether the requesting authority has been or will be in contact with any other authority or law enforcement agency in our Member State in relation to the subject matter of the request or any other authority which the requesting authority is aware that has an active interest in the subject matter of the request]

- (f) In case of an urgent request and the setting of any deadlines, please provide full explanation of the urgency of the request and an explanation of any deadlines that the requesting authority has asked for the information to be provided by.

.....
.....
.....
.....

Taking of a statement

Please indicate:

- (a) Statement under: oath ☐/affirmation ☐

(b) Need and purpose of the taking of a statement:

.....
.....
.....

(c) Name of person(s) from whom the statement is to be obtained:

.....
.....
.....

[insert details of the persons from which the statement will be taken to enable the requested authority to begin the summoning process where applicable]

(d) Detailed description of the information sought, including a preliminary list of questions (if available at the time of the request).

.....
.....
.....
.....

(e) Any additional information which may be useful:

.....
.....
.....
.....

[Whether the requesting authority's staff is requesting participation in the taking of the statement, details of the participating officials of the requesting authority, where appropriate, description of any legal and procedural requirements that must be complied with to ensure the admissibility of statements made in the interview in the jurisdiction of the requesting's authority]

On-site verification or investigation

If the request concerns an on-site verification or investigation on behalf of the requesting authority, please provide information to enable the requested authority to assess whether it may have an interest in entering into a joint investigation, including the requesting authority's proposal for the verification or investigation, its reasoning and the benefits to the requested authority.

.....
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.....
.....

[including all relevant information required by the requested authority to enable the latter to provide the necessary assistance, as appropriate]

.....
.....
.....

[Insert any necessary confidentiality warnings or any necessary restrictions on the permissible uses of information (in compliance with Union law)].

Yours sincerely,

[signature]

ANNEX II

Form for the acknowledgement of receipt

Acknowledgement of receipt

Reference number:

Date:

FROM:

Member State:

Requested Authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Requesting Authority:

Legal address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear *[insert appropriate name]*

Following your request *[insert reference to request]* we hereby acknowledge receipt of your request for cooperation or request for information on *[insert date]*.

Estimated date of response:

Yours sincerely,

[signature]

ANNEX III

Form for the reply to a request for cooperation or exchange of information

Reply to a request for cooperation or exchange of information

Reference number:

Date:

General information

FROM:

Member State:

Requested Authority:

Legal address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Requesting Authority:

Legal address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear *[insert appropriate name]*

We confirm that your request dated *[dd.mm.yyyy]* with reference *[insert request reference number]* has been processed by us.

Information gathered

.....
.....
.....
.....

[If the information has been gathered, please set out the information here or provide an explanation of how it will be provided]

The information provided is confidential and is disclosed to *[insert name of the requesting authority]* pursuant to the *[insert provision of MiFID II]* and on the basis that the information shall remain confidential in accordance with *[insert provision of MiFID II]*.

The *[insert name of the requesting authority]* shall observe the requirements of the *[insert provision of MiFID II]* with respect to confidentiality restrictions and the permissible uses of that information.

.....
.....
.....

[Insert any other necessary confidentiality warnings or any necessary restrictions on the permissible uses of information (in compliance with Union law).

Where relevant, please explain any clarification you may require in relation to the precise information requested:

.....
.....
.....
.....

Please provide, on your own initiative, any essential information that could further assist the cooperation or exchange of information for the purposes of the request:

.....
.....
.....
.....

Yours sincerely,

[signature]

ANNEX IV

Form for the notification for directly addressing a remote member or participant of a regulated market

Notification for directly addressing to a remote member or participant of a regulated market

Reference number:

Date:

FROM:

Member State:

Authority of Regulated Market:

Legal address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Authority of remote member or participant of regulated market:

Legal address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear *[insert appropriate name]*

I am notifying you of a direct approach I have just made to a remote member or participant of a regulated market for which we are the home competent authority. Below are the details of the regulated market and the remote member or participant and the reasons why they are being approached.

Name of Regulated Market:

Name of remote member or participant:

*Contact details of the person at the remote member or participant who is being addressed:**Name:**Telephone:**Email:**Reasons for the approach to the remote member or participant*

.....

.....

.....

COMMISSION IMPLEMENTING REGULATION (EU) 2017/981**of 7 June 2017****laying down implementing technical standards with regard to standard forms, templates and procedures for the consultation of other competent authorities prior to granting an authorisation in accordance with Directive 2014/65/EU of the European Parliament and of the Council****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ⁽¹⁾, and in particular Article 84(4) thereof,

Whereas:

- (1) Article 84 of Directive 2014/65/EU provides for consultation of competent authorities prior to granting an authorisation in accordance with Article 7 of that Directive. Directive 2014/65/EU also provides for establishment of standard forms, templates and procedures for such consultation.
- (2) To facilitate communication between competent authorities, they should designate a contact point specifically for the purpose of communication prior to granting an authorisation.
- (3) In order to ensure that competent authorities are able to consult each other prior to granting an authorisation in an efficient and timely manner it is necessary to lay down the procedures for requests for consultation, acknowledgements of receipt and replies to requests for consultation.
- (4) The standard forms, templates and procedures should allow for the information exchanged or transmitted to be kept confidential in accordance with Directive 2014/65/EU, and for the rules laid down in Union legislation on the processing of personal data and the transfer of such data to be complied with.
- (5) For reasons of consistency and in order to ensure the smooth functioning of the financial markets, it is necessary that the provisions laid down in this Regulation and the related national provisions transposing Directive 2014/65/EU apply from the same date.
- (6) This Regulation is based on the draft implementing technical standards submitted by European Securities and Markets Authority (ESMA) to the Commission.
- (7) ESMA did not conduct open public consultations on the draft implementing technical standards on which this Regulation is based, nor did it analyse potential related costs and benefits of introducing the standard forms and procedures for the relevant competent authorities, as this would have been disproportionate in relation to their scope and impact, taking into account that the addressees of the implementing technical standards would only be the national competent authorities of the Member States and not market participants.
- (8) ESMA has requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽²⁾,

HAS ADOPTED THIS REGULATION:

*Article 1***Contact points**

1. The competent authorities shall designate contact points for the communication under this Regulation and publish the information on their contact points on their websites.

⁽¹⁾ OJ L 173, 12.6.2014, p. 349.

⁽²⁾ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

2. The competent authorities shall send the information on their contact points to European Securities and Markets Authority (ESMA). ESMA shall keep up to date a list of the contact points for the use of the competent authorities and shall publish it on its website.

Article 2

Request for consultation

1. The requesting competent authority shall submit the request for consultation in paper form, or by electronic means, to the contact point of the competent authority to be consulted.

2. The requesting competent authority shall submit its request for consultation by filling in the form set out in Annex I. The requesting competent authority may attach to the request for consultation any document or supporting material deemed necessary to support the request.

Article 3

Acknowledgement of receipt

The competent authority receiving the request shall send an acknowledgement of receipt by filling in the form set out in Annex II, within five working days of receipt of the request for consultation, addressed to the contact point of the requesting competent authority.

Article 4

Reply to a request for consultation

1. The competent authority receiving the request shall reply to a request for consultation in paper form, or by electronic means. It shall be addressed to the contact point of requesting competent authority unless otherwise specified by that authority.

2. The competent authority receiving the request shall inform the requesting competent authority of any clarification it requires in relation to the information requested.

3. The competent authority receiving the request shall provide the requesting competent authority as soon as possible by filling in the form set out in Annex III, and within 60 working days of receipt of the request for consultation at the latest with the following information:

(a) the information requested in the request for consultation and any views or reservations in relation to the granting of the authorisation;

(b) any other essential information that could influence the granting of the authorisation.

4. Where the competent authority receiving the request considers it likely not to be able to meet the time-limit set out in paragraph 3, it shall promptly inform the requesting competent authority thereof, indicating the reasons for the delay and an estimated date of response. It shall also provide information regularly on the progress of preparation of its reply.

5. Where the competent authority receiving the request is not able to meet the time-limit set out in paragraph 3 of this Article, it shall provide the information in a manner which ensures that any necessary action may proceed expeditiously, whilst complying with the time-limit set out in Article 7(3) of Directive 2014/65/EU.

Article 5

Procedures for consultation

1. The competent authorities shall communicate in relation to the request for consultation and the response using the most expeditious means from among those set out in Articles 2(1) and 4(1), taking due account of confidentiality considerations, correspondence times, the volume of material to be communicated and the ease of access to the information by the requesting competent authority. In particular, the requesting competent authority shall respond promptly to any clarifications requested by the competent authority receiving the request.

2. If the information requested is or may be held by a competent authority of a Member State other than the competent authority of the same Member State receiving the request, the competent authority receiving the request shall collect the information promptly from the other competent authority and transmit it to the requesting competent authority in accordance with Article 4.
3. The competent authorities shall cooperate to resolve any difficulties that may arise in executing a request.
4. Where new information or a need for further information arises during the procedure for granting or refusing the authorisation, the competent authorities shall cooperate to ensure that all relevant information is exchanged. The forms set out in Annexes I and II shall be used for this purpose.
5. By way of derogation from Articles 2(1) and 4(1), where the requesting competent authority makes request for consultation during the period of the last 30 working days before the end of the assessment of the application for authorisation, it may make that request verbally, provided that subsequent confirmation of the request for consultation is made in writing, unless the competent authority receiving the request agrees otherwise.

Article 6

Use of information

1. If the information provided by the competent authority receiving the request is reproduced in the response of the requesting competent authority to the application for authorisation, the requesting competent authority shall inform the competent authority receiving the request prior to informing the applicant.
2. In the event of a demand to disclose information that a competent authority has received from another competent authority, the competent authority receiving the demand shall notify the other competent authority prior to disclosing the information and shall assert such appropriate legal exemptions or privileges with respect to that information as may be available.

Article 7

Entry into force and application

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

It shall apply from 3 January 2018.

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

Done at Brussels, 7 June 2017.

For the Commission

The President

Jean-Claude JUNCKER

ANNEX I

Form for a request for consultation

Request for consultation under Article 84 of Directive 2014/65/EU

Reference number:

Date:

General information

FROM:

Member State:

Requesting competent authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Requested competent authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear *[insert appropriate name]*

In accordance with Article 84 of Directive 2014/65/EU, a request for consultation is made in relation to the matters set out in further detail below.

Please note that in accordance with Article 7(3) of Directive 2014/65/EU the time-limit for the reply to the application for authorisation is *[insert date]*. Please provide the requested information and any other essential information within 60 working days from the receipt of this request or, if that is not possible, an indication as to when you will be able to provide the requested information, taking into account the time-limit for the reply to the application for authorisation.

Information on the authorisation procedure

Subject matter

.....
.....
.....
.....

[please provide the information here or make reference to the annexes containing the information]

Information on the authorisation procedure

.....
.....
.....

[please provide the information here or make reference to the annexes containing the information]

Information on any other competent authorities involved

.....
.....
.....

[please provide the information here or make reference to the annexes containing the information]

Further to

.....
.....
.....

[if applicable, please provide information on the previous request that allows it to be identified]

Information requested *[if any]*:

.....
.....
.....

[please insert a detailed description of the specific information requested, including any relevant documents requested, with reasons why that information is necessary for the review of the application for authorisation]

Additional information provided by the requesting competent authority.

.....
.....
.....

[please provide information on whether the requesting competent authority has contacted or intends to contact any other authority or law enforcement agency in the Member State of the competent authority receiving the request in relation to the subject matter of the request or with any other competent authority that according to the requesting competent has an active interest in the subject matter of the request]

Confidentiality

.....
.....
.....

[please insert any necessary confidentiality warnings or any necessary restrictions on the permissible uses of information (in compliance with Union law)].

Yours sincerely,

[signature]

ANNEX II

Form for the acknowledgement of receipt of a request for consultation

Acknowledgement of receipt of a request for consultation under Article 84 of Directive 2014/65/EU

Reference number:

Date:

FROM:

Member State:

Competent authority receiving the request:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Requesting competent authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear *[insert appropriate name]*

We acknowledge receipt of your request for consultation which was made, in accordance with Article 84 of Directive 2014/65/EU, on *[insert date]*.

Estimated date of response:

Yours sincerely,

[signature]

ANNEX III

Form for reply to request for consultation

Reply to a request for consultation under Article 84 of Directive 2014/65/EU

Reference number:

Date:

FROM:

Member State:

Competent authority receiving the request:

Legal address:

(Contact details of the contact point)

Name:

Telephone:

Email:

TO:

Member State:

Requesting competent authority:

Address:

(Contact details of the contact point)

Name:

Telephone:

Email:

Dear *[insert appropriate name]*

In accordance with Article 84 of Directive 2014/65/EU, we examined your consultation request dated *[dd.mm.yyyy]* with reference *[insert reference number]*.

Where relevant, please explain any clarification you may require in relation to the information requested or to any other aspect of the relevant authorisation procedure:

.....
.....
.....
.....

If the information requested has been gathered, please provide that information here or explain how it will be provided, or make reference to the relevant annexes containing the information requested:

.....
.....
.....
.....

If there is any other relevant or essential information, please provide that information here or explain how it will be provided, or make reference to the relevant annexes containing that information:

.....
.....
.....

[please provide any other essential information that could influence the granting of the authorisation]

.....
.....
.....

Confidentiality

.....
.....
.....

[please insert any necessary confidentiality warnings or any necessary restrictions on the permissible uses of information (in compliance with Union law)].

Yours sincerely,

[signature]

COMMISSION IMPLEMENTING REGULATION (EU) 2017/982
of 7 June 2017
concerning the classification of certain goods in the Combined Nomenclature

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code ⁽¹⁾, and in particular Article 57(4) and Article 58(2) thereof,

Whereas:

- (1) In order to ensure uniform application of the Combined Nomenclature annexed to Council Regulation (EEC) No 2658/87 ⁽²⁾, it is necessary to adopt measures concerning the classification of the goods referred to in the Annex to this Regulation.
- (2) Regulation (EEC) No 2658/87 has laid down the general rules for the interpretation of the Combined Nomenclature. Those rules apply also to any other nomenclature which is wholly or partly based on it or which adds any additional subdivision to it and which is established by specific provisions of the Union, with a view to the application of tariff and other measures relating to trade in goods.
- (3) Pursuant to those general rules, the goods described in column (1) of the table set out in the Annex should be classified under the CN code indicated in column (2), by virtue of the reasons set out in column (3) of that table.
- (4) It is appropriate to provide that binding tariff information issued in respect of the goods concerned by this Regulation which does not conform to this Regulation may, for a certain period, continue to be invoked by the holder in accordance with Article 34(9) of Regulation (EU) No 952/2013. That period should be set at three months.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The goods described in column (1) of the table set out in the Annex shall be classified within the Combined Nomenclature under the CN code indicated in column (2) of that table.

Article 2

Binding tariff information which does not conform to this Regulation may continue to be invoked in accordance with Article 34(9) of Regulation (EU) No 952/2013 for a period of three months from the date of entry into force of this Regulation.

⁽¹⁾ OJ L 269, 10.10.2013, p. 1.

⁽²⁾ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

Article 3

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

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

Done at Brussels, 7 June 2017.

For the Commission,

On behalf of the President,

Stephen QUEST

Director-General

Directorate-General for Taxation and Customs Union

ANNEX

Description of the goods	Classification (CN-code)	Reasons
(1)	(2)	(3)
<p>An article (so-called bathtub step) with measurements of approximately 41 × 31 × 14 cm, consisting of a plastic surface held by four legs made of aluminium. The bottom of each leg is surrounded by a buffer i.e. a non-slip cap made of rubber.</p> <p>The article is presented as a step to assist persons in getting into and out of a bathtub.</p> <p>See image (*).</p>	9403 20 80	<p>Classification is determined by General Rules 1 and 6 for the interpretation of the Combined Nomenclature, note 2 to Chapter 94, and by the wording of CN codes 9403, 9403 20 and 9403 20 80.</p> <p>The article is used for equipping rooms in, for example, private dwellings (see also the Harmonized System Explanatory Notes to Chapter 94, General, second paragraph, (A)). It is therefore a piece of furniture in the sense of heading, 9403 designed for placing on the floor or ground.</p> <p>Classification under heading 7616 as other articles of aluminium is excluded by virtue of note 1(k) to Section XV. The article is therefore to be classified under CN code 9403 20 80 as other metal furniture other than beds.</p>

(*) The image is purely for information.



COMMISSION REGULATION (EU) 2017/983**of 9 June 2017****amending Annexes III and V to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for tricyclazole in or on certain products****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 396/2005 of the European Parliament and of the Council of 23 February 2005 on maximum residue levels of pesticides in or on food and feed of plant and animal origin and amending Council Directive 91/414/EEC ⁽¹⁾, and in particular Article 14(1)(a), Article 17, Article 18(1)(b) and Article 49(2) thereof,

Whereas:

- (1) For tricyclazole maximum residue levels (MRLs) were set in Part A of Annex III to Regulation (EC) No 396/2005. All MRLs, except the one for rice, are set at the limit of determination (LOD).
- (2) The non-inclusion of tricyclazole in Annex I to Directive 91/414/EEC was provided for in Commission Decision 2008/770/EC. ⁽²⁾ Following a new application in accordance with Article 7(1) of Regulation (EC) No 1107/2009 of the European Parliament and of the Council ⁽³⁾, this active substance was not approved by Commission Implementing Regulation (EU) 2016/1826 ⁽⁴⁾. All existing authorisations for plant protection products containing the active substance tricyclazole have been revoked. It is therefore appropriate to delete the MRL for rice set out for this substance in Annex III in accordance with Article 17 of Regulation (EC) No 396/2005 in conjunction with Article 14(1)(a) thereof.
- (3) In view of the non-approval of the active substance tricyclazole, the MRLs for this substance should be set at the LOD in accordance with Article 18 of Regulation (EC) No 396/2005. For the active substances for which all MRLs should be reduced to the relevant LOD, default values should be listed in Annex V in accordance with Article 18(1)(b) of Regulation (EC) No 396/2005.
- (4) The Commission consulted the European Union reference laboratories as regards the need to adapt certain LODs. Those laboratories concluded that for certain commodities technical development permits the setting of lower LODs.
- (5) Through the World Trade Organisation, the trading partners of the Union were consulted on the new MRLs and their comments have been taken into account.
- (6) Regulation (EC) No 396/2005 should therefore be amended accordingly.
- (7) In view of the long shelf life of rice, this Regulation should provide for a transitional arrangement for rice grown in 2016 or before, in order to allow for the normal marketing, processing and consumption of rice. However taking into account the uncertainties regarding certain properties of tricyclazole, the timelines foreseen in this Regulation do not allow for any treatment with tricyclazole in 2017 or thereafter.
- (8) With a view of applying the same approach to Basmati rice, bearing in mind that Basmati rice undergoes a specific procedure of maturation before it can be placed on the market, for such rice grown in 2016 or before an additional period of 6 months should be allowed to elapse before the modified MRL for Basmati rice becomes applicable, in order to allow for the normal marketing, processing and consumption of Basmati rice.

⁽¹⁾ OJ L 70, 16.3.2005, p. 1.

⁽²⁾ Commission Decision 2008/770/EC of 30 September 2008 concerning the non-inclusion of tricyclazole in Annex I to Council Directive 91/414/EEC and the withdrawal of authorisations for plant protection products containing that substance (OJ L 263, 2.10.2008, p. 16).

⁽³⁾ Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).

⁽⁴⁾ Commission Implementing Regulation (EU) 2016/1826 of 14 October 2016 concerning the non-approval of the active substance tricyclazole, in accordance with Regulation (EC) No 1107/2009 of the European Parliament and of the Council concerning the placing of plant protection products on the market (OJ L 279, 15.10.2016, p. 88).

- (9) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

Article 1

Annexes III and V to Regulation (EC) No 396/2005 are amended in accordance with the Annex to this Regulation.

Article 2

Regulation (EC) No 396/2005 as it stood before being amended by this Regulation shall continue to apply to all rice, except to Basmati rice, which was imported or placed on the market before 30 June 2017.

Regulation (EC) No 396/2005 as it stood before being amended by this Regulation shall continue apply to Basmati rice which was imported before 30 December 2017.

Article 3

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

It shall apply to all products except to Basmati rice from 30 June 2017.

It shall apply to Basmati rice from 30 December 2017.

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

Done at Brussels, 9 June 2017.

For the Commission
The President
Jean-Claude JUNKER

ANNEX

Annexes III and V to Regulation (EC) No 396/2005 are amended as follows:

(1) In Part A of Annex III the column for tricyclazole is deleted.

(2) In Annex V the column for tricyclazole is added:

Pesticide residues and maximum residue levels (mg/kg)

Code number	Groups and examples of individual products to which the MRLs apply ^(a)	Tricyclazole
(1)	(2)	(3)
0100000	FRUITS, FRESH or FROZEN; TREE NUTS	0,01 (*)
0110000	Citrus fruits	
0110010	Grapefruits	
0110020	Oranges	
0110030	Lemons	
0110040	Limes	
0110050	Mandarins	
0110990	Others	
0120000	Tree nuts	
0120010	Almonds	
0120020	Brazil nuts	
0120030	Cashew nuts	
0120040	Chestnuts	
0120050	Coconuts	
0120060	Hazelnuts/cobnuts	
0120070	Macadamias	
0120080	Pecans	
0120090	Pine nut kernels	
0120100	Pistachios	
0120110	Walnuts	
0120990	Others	
0130000	Pome fruits	
0130010	Apples	
0130020	Pears	
0130030	Quinces	
0130040	Medlars	
0130050	Loquats/Japanese medlars	
0130990	Others	
0140000	Stone fruits	
0140010	Apricots	
0140020	Cherries (sweet)	
0140030	Peaches	
0140040	Plums	
0140990	Others	
0150000	Berries and small fruits	
0151000	(a) <i>grapes</i>	
0151010	Table grapes	
0151020	Wine grapes	

(1)	(2)	(3)
0152000	(b) <i>strawberries</i>	
0153000	(c) <i>cane fruits</i>	
0153010	Blackberries	
0153020	Dewberries	
0153030	Raspberries (red and yellow)	
0153990	Others	
0154000	(d) <i>other small fruits and berries</i>	
0154010	Blueberries	
0154020	Cranberries	
0154030	Currants (black, red and white)	
0154040	Gooseberries (green, red and yellow)	
0154050	Rose hips	
0154060	Mulberries (black and white)	
0154070	Azaroles/Mediterranean medlars	
0154080	Elderberries	
0154990	Others	
0160000	Miscellaneous fruits with	
0161000	(a) <i>edible peel</i>	
0161010	Dates	
0161020	Figs	
0161030	Table olives	
0161040	Kumquats	
0161050	Carambolas	
0161060	Kaki/Japanese persimmons	
0161070	Jambuls/jambolans	
0161990	Others	
0162000	(b) <i>inedible peel, small</i>	
0162010	Kiwi fruits (green, red, yellow)	
0162020	Litchis/lychees	
0162030	Passionfruits/maracujas	
0162040	Prickly pears/cactus fruits	
0162050	Star apples/cainitos	
0162060	American persimmons/Virginia kaki	
0162990	Others	
0163000	(c) <i>inedible peel, large</i>	
0163010	Avocados	
0163020	Bananas	
0163030	Mangoes	
0163040	Papayas	
0163050	Granate apples/pomegranates	
0163060	Cherimoyas	
0163070	Guavas	
0163080	Pineapples	
0163090	Breadfruits	
0163100	Durians	
0163110	Soursops/guanabanas	
0163990	Others	

(1)	(2)	(3)
0200000	VEGETABLES, FRESH or FROZEN	
0210000	Root and tuber vegetables	0,01 (*)
0211000	(a) <i>potatoes</i>	
0212000	(b) <i>tropical root and tuber vegetables</i>	
0212010	Cassava roots/manioc	
0212020	Sweet potatoes	
0212030	Yams	
0212040	Arrowroots	
0212990	Others	
0213000	(c) <i>other root and tuber vegetables except sugar beets</i>	
0213010	Beetroots	
0213020	Carrots	
0213030	Celeriacs/turnip rooted celeries	
0213040	Horseradishes	
0213050	Jerusalem artichokes	
0213060	Parsnips	
0213070	Parsley roots/Hamburg roots parsley	
0213080	Radishes	
0213090	Salsifies	
0213100	Swedes/rutabagas	
0213110	Turnips	
0213990	Others	
0220000	Bulb vegetables	0,01 (*)
0220010	Garlic	
0220020	Onions	
0220030	Shallots	
0220040	Spring onions/green onions and Welsh onions	
0220990	Others	
0230000	Fruiting vegetables	0,01 (*)
0231000	(a) <i>solanacea</i>	
0231010	Tomatoes	
0231020	Sweet peppers/bell peppers	
0231030	Aubergines/eggplants	
0231040	Okra/lady's fingers	
0231990	Others	
0232000	(b) <i>cucurbits with edible peel</i>	
0232010	Cucumbers	
0232020	Gherkins	
0232030	Courgettes	
0232990	Others	
0233000	(c) <i>cucurbits with inedible peel</i>	
0233010	Melons	
0233020	Pumpkins	
0233030	Watermelons	
0233990	Others	
0234000	(d) <i>sweet corn</i>	
0239000	(e) <i>other fruiting vegetables</i>	

(1)	(2)	(3)
0240000	Brassica vegetables (excluding brassica roots and brassica baby leaf crops)	0,01 (*)
0241000	(a) <i>flowering brassica</i>	
0241010	Broccoli	
0241020	Cauliflowers	
0241990	Others	
0242000	(b) <i>head brassica</i>	
0242010	Brussels sprouts	
0242020	Head cabbages	
0242990	Others	
0243000	(c) <i>leafy brassica</i>	
0243010	Chinese cabbages/pe-tsai	
0243020	Kales	
0243990	Others	
0244000	(d) <i>kohlrabies</i>	
0250000	Leaf vegetables, herbs and edible flowers	
0251000	(a) <i>lettuces and salad plants</i>	0,01 (*)
0251010	Lamb's lettuces/corn salads	
0251020	Lettuces	
0251030	Escaroles/broad-leaved endives	
0251040	Cresses and other sprouts and shoots	
0251050	Land cresses	
0251060	Roman rocket/rucola	
0251070	Red mustards	
0251080	Baby leaf crops (including brassica species)	
0251990	Others	
0252000	(b) <i>spinaches and similar leaves</i>	0,01 (*)
0252010	Spinaches	
0252020	Purslanes	
0252030	Chards/beet leaves	
0252990	Others	
0253000	(c) <i>grape leaves and similar species</i>	0,01 (*)
0254000	(d) <i>watercresses</i>	0,01 (*)
0255000	(e) <i>witloofs/Belgian endives</i>	0,01 (*)
0256000	(f) <i>herbs and edible flowers</i>	0,02 (*)
0256010	Chervil	
0256020	Chives	
0256030	Celery leaves	
0256040	Parsley	
0256050	Sage	
0256060	Rosemary	
0256070	Thyme	
0256080	Basil and edible flowers	
0256090	Laurel/bay leave	
0256100	Tarragon	
0256990	Others	
0260000	Legume vegetables	0,01 (*)
0260010	Beans (with pods)	
0260020	Beans (without pods)	

(1)	(2)	(3)
0260030	Peas (with pods)	
0260040	Peas (without pods)	
0260050	Lentils	
0260990	Others	
0270000	Stem vegetables	0,01 (*)
0270010	Asparagus	
0270020	Cardoons	
0270030	Celeries	
0270040	Florence fennels	
0270050	Globe artichokes	
0270060	Leeks	
0270070	Rhubarbs	
0270080	Bamboo shoots	
0270090	Palm hearts	
0270990	Others	
0280000	Fungi, mosses and lichens	0,01 (*)
0280010	Cultivated fungi	
0280020	Wild fungi	
0280990	Mosses and lichens	
0290000	Algae and prokaryotes organisms	0,01 (*)
0300000	PULSES	0,01 (*)
0300010	Beans	
0300020	Lentils	
0300030	Peas	
0300040	Lupins/lupini beans	
0300990	Others	
0400000	OILSEEDS AND OIL FRUITS	0,01 (*)
0401000	Oilseeds	
0401010	Linseeds	
0401020	Peanuts/groundnuts	
0401030	Poppy seeds	
0401040	Sesame seeds	
0401050	Sunflower seeds	
0401060	Rapeseeds/canola seeds	
0401070	Soyabeans	
0401080	Mustard seeds	
0401090	Cotton seeds	
0401100	Pumpkin seeds	
0401110	Safflower seeds	
0401120	Borage seeds	
0401130	Gold of pleasure seeds	
0401140	Hemp seeds	
0401150	Castor beans	
0401990	Others	
0402000	Oil fruits	
0402010	Olives for oil production	
0402020	Oil palms kernels	
0402030	Oil palms fruits	
0402040	Kapok	
0402990	Others	

(1)	(2)	(3)
0500000	CEREALS	0,01 (*)
0500010	Barley	
0500020	Buckwheat and other pseudo-cereals	
0500030	Maize/corn	
0500040	Common millet/proso millet	
0500050	Oat	
0500060	Rice	
0500070	Rye	
0500080	Sorghum	
0500090	Wheat	
0500990	Others	
0600000	TEAS, COFFEE, HERBAL INFUSIONS, COCOA AND CAROBS	0,05 (*)
0610000	Teas	
0620000	Coffee beans	
0630000	Herbal infusions from	
0631000	(a) <i>flowers</i>	
0631010	Chamomile	
0631020	Hibiscus/roselle	
0631030	Rose	
0631040	Jasmine	
0631050	Lime/linden	
0631990	Others	
0632000	(b) <i>leaves and herbs</i>	
0632010	Strawberry	
0632020	Rooibos	
0632030	Mate/maté	
0632990	Others	
0633000	(c) <i>roots</i>	
0633010	Valerian	
0633020	Ginseng	
0633990	Others	
0639000	(d) <i>any other parts of the plant</i>	
0640000	Cocoa beans	
0650000	Carobs/Saint John's breads	
0700000	HOPS	0,05 (*)
0800000	SPICES	
0810000	Seed spices	0,05 (*)
0810010	Anise/aniseed	
0810020	Black caraway/black cumin	
0810030	Celery	
0810040	Coriander	
0810050	Cumin	
0810060	Dill	
0810070	Fennel	
0810080	Fenugreek	
0810090	Nutmeg	
0810990	Others	

(1)	(2)	(3)
0820000	Fruit spices	0,05 (*)
0820010	Allspice/pimento	
0820020	Sichuan pepper	
0820030	Caraway	
0820040	Cardamom	
0820050	Juniper berry	
0820060	Peppercorn (black, green and white)	
0820070	Vanilla	
0820080	Tamarind	
0820990	Others	
0830000	Bark spices	0,05 (*)
0830010	Cinnamon	
0830990	Others	
0840000	Root and rhizome spices	
0840010	Liquorice	0,05 (*)
0840020	Ginger	0,05 (*)
0840030	Turmeric/curcuma	0,05 (*)
0840040	Horseradish	(+)
0840990	Others	0,05 (*)
0850000	Bud spices	0,05 (*)
0850010	Cloves	
0850020	Capers	
0850990	Others	
0860000	Flower pistil spices	0,05 (*)
0860010	Saffron	
0860990	Others	
0870000	Aril spices	0,05 (*)
0870010	Mace	
0870990	Others	
0900000	SUGAR PLANTS	0,01 (*)
0900010	Sugar beet roots	
0900020	Sugar canes	
0900030	Chicory roots	
0900990	Others	
1000000	PRODUCTS OF ANIMAL ORIGIN -TERRESTRIAL ANIMALS	
1010000	Tissues from	0,01 (*)
1011000	(a) <i>swine</i>	
1011010	Muscle	
1011020	Fat tissue	
1011030	Liver	
1011040	Kidney	
1011050	Edible offals (other than liver and kidney)	
1011990	Others	
1012000	(b) <i>bovine</i>	
1012010	Muscle	
1012020	Fat tissue	
1012030	Liver	

(1)	(2)	(3)
1012040	Kidney	
1012050	Edible offals (other than liver and kidney)	
1012990	Others	
1013000	(c) <i>sheep</i>	
1013010	Muscle	
1013020	Fat tissue	
1013030	Liver	
1013040	Kidney	
1013050	Edible offals (other than liver and kidney)	
1013990	Others	
1014000	(d) <i>goat</i>	
1014010	Muscle	
1014020	Fat tissue	
1014030	Liver	
1014040	Kidney	
1014050	Edible offals (other than liver and kidney)	
1014990	Others	
1015000	(e) <i>equine</i>	
1015010	Muscle	
1015020	Fat tissue	
1015030	Liver	
1015040	Kidney	
1015050	Edible offals (other than liver and kidney)	
1015990	Others	
1016000	(f) <i>poultry</i>	
1016010	Muscle	
1016020	Fat tissue	
1016030	Liver	
1016040	Kidney	
1016050	Edible offals (other than liver and kidney)	
1016990	Others	
1017000	(g) <i>other farmed terrestrial animals</i>	
1017010	Muscle	
1017020	Fat tissue	
1017030	Liver	
1017040	Kidney	
1017050	Edible offals (other than liver and kidney)	
1017990	Others	
1020000	Milk	0,01 (*)
1020010	Cattle	
1020020	Sheep	
1020030	Goat	
1020040	Horse	
1020990	Others	
1030000	Birds eggs	0,01 (*)
1030010	Chicken	
1030020	Duck	
1030030	Geese	

(1)	(2)	(3)
1030040	Quail	
1030990	Others	
1040000	Honey and other apiculture products	0,05 (*)
1050000	Amphibians and Reptiles	0,01 (*)
1060000	Terrestrial invertebrate animals	0,01 (*)
1070000	Wild terrestrial vertebrate animals	0,01 (*)

(*) Indicates lower limit of analytical determination

(**) Pesticide-code combination for which the MRL as set in Annex III Part B applies.

(^a) For the complete list of products of plant and animal origin to which MRLs apply, reference should be made to Annex I.

Tricyclazole

(+) The applicable maximum residue level for horseradish (*Armoracia rusticana*) in the spice group (code 0840040) is the one set for horseradish (*Armoracia rusticana*) in the Vegetables category, root and tuber vegetables group (code 0213040) taking into account changes in the levels by processing (drying) according to Art. 20 (1) of Regulation (EC) No 396/2005.

0840040 Horseradish'

DECISIONS

COUNCIL DECISION (EU) 2017/984

of 8 August 2016

giving notice to Spain to take measures for the deficit reduction judged necessary in order to remedy the situation of excessive deficit

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 126(9) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) According to Article 126 of the Treaty on the Functioning of the European Union (TFEU), Member States are to avoid excessive government deficits.
- (2) The Stability and Growth Pact is based on the objective of sound government finances as a means of strengthening the conditions for price stability and for strong sustainable growth conducive to employment creation. The Stability and Growth Pact includes Council Regulation (EC) No 1467/97 ⁽¹⁾, which was adopted in order to further the prompt correction of excessive general government deficits.
- (3) On 27 April 2009, the Council decided, in accordance with Article 104(6) of the Treaty establishing the European Community (TEC), that an excessive deficit existed in Spain and issued a recommendation to correct the excessive deficit by 2012 at the latest, in accordance with Article 104(7) of that Treaty. Since then, the Council has issued three new recommendations to Spain (on 2 December 2009, 10 July 2012 and 21 June 2013) on the basis of Article 126(7) TFEU, which extended the deadline for correcting the excessive deficit to 2013, 2014 and 2016 respectively. In all three recommendations, the Council considered that Spain had taken effective action, but unexpected adverse economic events with major unfavourable consequences for government finances had occurred ⁽²⁾.
- (4) According to Article 126(8) TFEU, the Council decided on 12 July 2016 that Spain had not taken effective action in response to the Council Recommendation of 21 June 2013.
- (5) According to Article 10(2) of Regulation (EC) No 1467/97, if action by a participating Member State is not being implemented or, in the Council's view, is proving to be inadequate, the Council shall immediately take a decision under Article 126(9) TFEU.
- (6) The Commission has updated its 2016 spring forecast with information available up to 19 July 2016. On this basis, the real GDP growth forecast for 2016 has been revised upwards by 0,3 percentage points in comparison to the spring forecast, to 2,9 %, and downwards for 2017 (2,3 % vs. 2,5 % in spring). For 2018, real GDP is forecast to grow by 2,1 %. This compares to growth of 3,2 % in 2015. Economic growth is therefore set to ease but to remain robust, still benefitting from reforms undertaken in response to the crisis and the successful completion of the financial assistance programme. The recovery continues to be accompanied by strong job creation, in a context of continued wage moderation and benefitting from the labour market reforms. Low oil prices also support growth. At the same time, inflation is expected to be — 0,3 % in 2016. There are, however, downside risks to the growth forecast, especially as from 2017, related among others, to the outcome of the referendum in the United Kingdom on its membership of the Union, which has increased uncertainty, with potential negative implications for trade and domestic demand.

⁽¹⁾ Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).

⁽²⁾ All documents related to the excessive deficit procedure of Spain can be found at: http://ec.europa.eu/economy_finance/economic_governance/sgp/deficit/countries/spain_en.htm

- (7) According to the updated Commission 2016 spring forecast, the general government deficit is expected to narrow to 4,6 % of GDP in 2016, 3,3 % of GDP in 2017 and 2,7 % of GDP in 2018 (compared to Stability Programme targets of 3,6 %, 2,9 % and 2,2 % of GDP in 2016, 2017 and 2018, respectively and a projected deficit outcome of 3,9 % of GDP in 2016 and 3,1 % of GDP in 2017 in the spring forecast). The higher deficit forecast is due partly to the fact that the updated Commission forecast takes on board a lower amount of measures to contain expenditure at central and regional government level in response to the March 2016 Commission Recommendation (0,2 % of GDP) than the Stability Programme forecast (0,4 % of GDP) on account of the fact that some of these measures have not yet been sufficiently specified to be included in the Commission forecast on the basis of the usual no-policy-change assumption. However, most of the difference stems from changes made to the corporate income tax legal framework, leading to lower advanced payments by companies (*'pagos fraccionados'*) in 2016. The shortfalls in advanced payments were not quantified in the Stability Programme and only became apparent in April, at the time of the first instalment, after the cut-off date of the spring forecast. The updated Commission 2016 spring forecast estimates these shortfalls at 0,5 % of GDP in 2016. As the abovementioned changes create a permanent delay in the payment of taxes, but not to a change in the tax rate or tax base, they would not affect revenue from corporate income taxes in a new steady state (starting in 2017). They result in a temporary loss of tax collection in 2016, which has been treated as a one-off in the updated spring forecast.

For 2017, the differences between the updated spring forecast and the Stability Programme stem from the worse-than-expected starting position and the fact that the savings measures taken in response to the March 2016 Commission Recommendation are not yet sufficiently specified to be taken into account on the basis of the usual no-policy-change assumption. The structural deficit is expected to increase by 0,4 % and 0,1 % of GDP in 2016 and 2017, respectively, and to remain unchanged in 2018. However, in 2016, the projected increase of the structural deficit is partly driven by the fact that the current outlook for inflation and nominal GDP growth is lower than the one underpinning the 2016 budget, which adversely affected structural government revenue while not allowing to adjust expenditure.

- (8) The general government gross debt-to-GDP ratio rose from 36 % in 2007 to about 99 % in 2014. In 2015, the debt ratio was more or less stable, as net sales of financial assets offset the negative impact of the deficit growing faster than nominal GDP growth. According to the updated Commission 2016 spring forecast, the debt ratio is expected to peak at 100,6 % of GDP in 2017, whereas the spring forecast projected the debt to peak at 100,3 % of GDP in 2016. Although Spain does not appear to face immediate risks of fiscal stress arising from this high debt ratio, debt-sustainability risks will significantly increase in the medium term if the budgetary position is not improved. In the longer term, risks to fiscal sustainability are set to be reduced thanks to the positive impact of reductions in age-related expenditure.
- (9) According to Article 5 of Regulation (EC) No 1467/97, in its decision to give notice to take measures for the deficit reduction in accordance with Article 126(9) TFEU, the Council is to request that the Member State achieve annual budgetary targets which, on the basis of the forecast underpinning the notice, are consistent with a minimum annual improvement of at least 0,5 % of GDP as a benchmark, in its cyclically adjusted balance net of one-off and temporary measures. However, the fact that that decision is adopted in the second half of the year amplifies the fiscal effort needed to achieve a given annual improvement of the structural balance. It is also important to bear in mind that the baseline scenario for the new adjustment path starts with a deterioration of 0,4 % of GDP of the structural deficit, which is at least in part the result of the inflation turning out lower than projected in the scenario underpinning the 2016 budget — an event that is largely outside the control of the Government. Taking this into account, it appears appropriate not to request further structural measures in 2016.
- (10) Considering that no further structural measures should be requested in 2016, granting Spain one additional year for the correction of its excessive deficit, which is the rule under Regulation (EC) No 1467/97, would require an annual improvement of the structural balance in 2017 which would have a too negative impact on growth. Therefore, it seems adequate to extend the deadline for Spain to bring an end to its excessive deficit situation by two years.
- (11) Therefore, a credible and sustainable adjustment path would require Spain to reach a general government deficit of 4,6 %, 3,1 % and 2,2 % of GDP in 2016, 2017 and 2018, respectively, which is consistent with a deterioration of the structural balance of 0,4 % of GDP in 2016 and a 0,5 % of GDP improvement in both 2017 and 2018. These budgetary targets also take into account the need to compensate for second-round effects of fiscal consolidation on public finances, through its impact on the wider economy.

- (12) In order to reach those targets, further structural measures with an estimated impact of 0,5 % of GDP in both 2017 and 2018, are considered necessary. Savings for 2017 and 2018 could among others include the reduction of the number and scope of tax expenditures, in particular the reduced VAT rates, in order to achieve the required structural effort.
- (13) In addition, strict enforcement at all government levels of the preventive and corrective mechanisms provided for in Spain's Stability Law could be conducive to a timely and durable correction of the excessive deficit. This could be achieved through greater automaticity in their implementation. Moreover, the contribution of the Stability Law's spending rule to the sustainability of public finances could be enhanced by further clarifying the coverage and definition of the spending categories needed for its computation and by explicitly calling on the non-compliant public administrations to make up for spending slippages in the year following their occurrence.
- (14) Spain should also pay due attention to the qualitative aspects of public finances, including its public procurement policy. The number of wrongdoings having an impact on the application of EU public procurement legislation brought to the Commission's attention in recent years has been significant. The data show that there are disparities in the implementation of public procurement across contracting authorities and entities and that insufficient *ex ante* and *ex post* control mechanisms hinder the correct and uniform application of public procurement legislation. Spain stands out for a low publication rate of contract notices and a relatively high use of the negotiated procedure without prior publication compared with other Member States. This translates into limited competition from undertakings from other Member States and frequently, into direct awards, with implications in terms of higher general government expenditure. The limited use of centralised or joint procurement instruments prevents efficiency gains which would contribute to fiscal savings. The absence of an independent body in charge of ensuring efficiency and legal compliance in public procurement throughout the country hampers the proper implementation of procurement rules and may create opportunities for wrongdoings, both of which have negative impacts on the situation of Spain's public finances.
- (15) To facilitate the success of the fiscal consolidation strategy, it will also be important to back the fiscal consolidation by comprehensive structural reforms, in line with the Council recommendations addressed to Spain in the context of the 2016 European Semester and in particular those related to the correction of its macroeconomic imbalances.
- (16) According to Article 126(9) TFEU, the Council may, as part of its decision to give notice under that provision, request the Member State concerned to submit reports on the adjustment effort in accordance with a specific timetable. According to Article 5(1a) of Regulation (EC) No 1467/97, the Member State report is to include the targets for government expenditure and revenue and specify the fiscal policy measures on both the expenditure and the revenue side, as well as information on the policy actions being taken in response to the specific Council recommendations. In order to facilitate the monitoring of the deadline for compliance with the recommendations contained in this Decision, as well as the deadline for correction of the excessive deficit, Spain should submit such a report by 15 October 2016, at the same time as its 2017 Draft Budgetary Plan.
- (17) Spain should also report to the Commission and the Economic and Financial Committee as required under Article 10 of Council Regulation (EU) No 473/2013 ⁽¹⁾ in accordance with the specifications laid down in Commission Delegated Regulation (EU) No 877/2013 ⁽²⁾. The report should be submitted for the first time by 15 January 2017 and on a three-monthly basis thereafter,

HAS ADOPTED THIS DECISION:

Article 1

1. Spain shall put an end to the present excessive deficit situation by 2018.

⁽¹⁾ Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11).

⁽²⁾ Commission Delegated Regulation (EU) No 877/2013 of 27 June 2013 supplementing Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 244, 13.9.2013, p. 23).

2. Spain shall reduce the general government deficit to 4,6 % of GDP in 2016, to 3,1 % of GDP in 2017 and to 2,2 % of GDP in 2018. This improvement in the general government deficit is consistent with a deterioration of the structural balance by 0,4 % of GDP in 2016 and a 0,5 % of GDP improvement in both 2017 and 2018, based on the updated Commission 2016 spring forecast. Spain shall also use all windfall gains to accelerate the deficit and debt reduction.
3. In addition to the savings already included in the updated Commission 2016 spring forecast, Spain shall adopt and fully implement consolidation measures for the amount of 0,5 % of GDP in both 2017 and 2018.
4. Spain shall stand ready to adopt further measures should risks to the budgetary plans materialise. Fiscal consolidation measures shall secure a lasting improvement in the general government structural balance in a growth-friendly manner.
5. Spain shall adopt measures to strengthen its fiscal framework, in particular with a view to increasing the automaticity of mechanisms to prevent and correct deviations from the deficit, debt and expenditure targets and to strengthening the contribution of the Stability Law's spending rule to public finance sustainability.
6. Spain shall set up a consistent framework to ensure transparency and coordination of public procurement policy across all contracting authorities and entities with a view to guaranteeing economic efficiency and a high level of competition. Such framework shall include appropriate *ex ante* and *ex post* control mechanisms for public procurement to ensure efficiency and legal compliance.

Article 2

The Council establishes the deadline of 15 October 2016 for Spain to take effective action and, in accordance with Article 5(1a) of Regulation (EC) No 1467/97, to submit a report to the Council and the Commission on action taken in response to this Decision. The report shall include the targets for government expenditure and revenue, and specify the discretionary measures on both the expenditure and the revenue side, as well as information on the actions being taken in response to the specific Council recommendations to strengthen its fiscal framework and its public procurement policy framework in accordance with Article 1(5) and (6).

Article 3

This Decision is addressed to the Kingdom of Spain.

Done at Brussels, 8 August 2016.

For the Council
The President
M. LAJČÁK

COUNCIL DECISION (EU) 2017/985**of 8 August 2016****giving notice to Portugal to take measures for the deficit reduction judged necessary in order to remedy the situation of excessive deficit**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 126(9) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) According to Article 126 of the Treaty on the Functioning of the European Union (TFEU), Member States are to avoid excessive government deficits.
- (2) The Stability and Growth Pact is based on the objective of sound government finances as a means of strengthening the conditions for price stability and for strong sustainable growth conducive to employment creation. The Stability and Growth Pact includes Council Regulation (EC) No 1467/97 ⁽¹⁾, which was adopted in order to further the prompt correction of excessive general government deficits.
- (3) On 2 December 2009, the Council decided, in accordance with Article 126(6) TFEU, that an excessive deficit existed in Portugal and issued a recommendation to correct it by 2013 at the latest, in accordance with Article 126(7) TFEU and Article 3 of Regulation (EC) No 1467/97. Following the request by the Portuguese authorities for financial assistance from the Union, the Member States whose currency is the euro and the International Monetary Fund (IMF), the Council granted financial assistance to Portugal ⁽²⁾. The Memorandum of Understanding on Specific Economic Policy Conditionality (the 'Memorandum of Understanding') between the Commission and the Portuguese authorities was signed on 17 May 2011. Since then, the Council has addressed two new recommendations to Portugal (on 9 October 2012 and 21 June 2013) on the basis of Article 126(7) TFEU, which extended the deadline for correcting the excessive deficit to 2014 and 2015 respectively. In both recommendations, the Council considered that Portugal had taken effective action, but unexpected adverse economic events with major unfavourable consequences for government finances had occurred. ⁽³⁾
- (4) According to Article 126(8) TFEU, the Council decided on 12 July 2016 that Portugal had not taken effective action in response to the Council Recommendation of 21 June 2013.
- (5) If actual data pursuant to Regulation (EC) No 479/2009 indicate that an excessive deficit has not been corrected by a participating Member State within the time-limits specified in a recommendation issued under Article 126(7) TFEU, the Council should immediately take a decision under Article 126(9) TFEU.
- (6) The Commission 2016 spring forecast projects a moderate recovery of the Portuguese economy. In 2016, real GDP is projected to grow by 1,5 %, at the same pace as in 2015, mainly driven by domestic demand amid still high macroeconomic imbalances. Private consumption is expected to lose momentum in 2016 due to higher indirect taxes and a slight recovery in energy price inflation. The strong rebound in the consumption of durable goods in the first half of 2015 is not forecast to be maintained over the medium term as still high unemployment and debt levels are projected to keep upward pressures on household savings. Business investment already decelerated significantly over the second half of 2015 and is not expected to resume its previous growth rate soon, despite a relatively high capacity utilisation rate. Total investment is anticipated to gain some pace in 2017, supported by EU structural funds and the improvement in financing conditions. Exports are forecast to grow in line with foreign demand, but imports are still expected to outbalance exports. As a result,

⁽¹⁾ Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).

⁽²⁾ Council Implementing Decision 2011/344/EU of 30 May 2011 on granting Union financial assistance to Portugal (OJ L 159, 17.6.2011, p. 88).

⁽³⁾ All documents related to the excessive deficit procedure of Portugal can be found at: http://ec.europa.eu/economy_finance/economic_governance/sgp/deficit/countries/portugal_en.htm

the contribution of net trade to GDP growth is forecast to remain slightly negative although significantly less so than in 2015. HICP inflation is expected to increase to 0,7 % in 2016, mainly driven by higher indirect taxes. While downward risks to the outlook have increased since the publication of the spring forecast, data on the first quarter of 2016 and preliminary information on the second quarter overall confirm the outlook of the forecast for the rest of the year.

- (7) According to the Commission 2016 spring forecast, the general government deficit is expected to decrease to 2,7 % of GDP in 2016. The 2016 Budget, which entered into force on 31 March 2016, targets a deficit of 2,2 % of GDP, which was confirmed in the 2016 Stability Programme. The difference between the government's target and the Commission forecast is due to the Commission's less optimistic macroeconomic scenario, leading to lower tax revenues and higher social expenditure, as well as the Commission's more conservative assessment of the yields of some consolidation measures, in particular as regards planned savings in intermediate consumption and other current expenditure. The Commission 2016 spring forecast projects the general government deficit to decline further to 2,3 % of GDP in 2017. The projected improvement is largely linked to a deficit improving one-off operation linked to the expected recovery of the Banco Privado Português (BPP) bank guarantee worth about ¼ % of GDP. Adjusted for this one-off budgetary impact, the deficit would be projected to reach 2,6 % of GDP in 2017. Based on the Commission's assessment of the yields of the measures indicated in the 2016 Budget and in the 2016 Stability Programme, the structural deficit is expected to deteriorate by ¼ % of GDP each year in 2016 and 2017 according to the Commission 2016 spring forecast.
- (8) The general government gross debt-to-GDP ratio has broadly stabilised during the period 2013-2015, reaching 129,2 % in 2013, 130,2 % in 2014 and 129,0 % in 2015. Taking into account significant debt-reducing stock-flow adjustments in 2016 and continued primary surpluses, the Commission 2016 spring forecast projects the debt ratio to decrease to 126 % of GDP in 2016, and subsequently to 124,5 % of GDP in 2017. Portugal does not appear to face considerable risks of fiscal stress in the short term, while short-term challenges are nevertheless not excluded (stemming from gross and net public debt, gross financing needs, the net international investment position, as well as the level and the change in the share of non-performing loans or general capital needs in the banking system). In the medium term, however, risks appear to be significant due to the high stock of debt and the high sensitivity of the debt ratio to possible interest rate increases and negative nominal growth shocks. In the long term, provided that adequate structural primary balances are consistently preserved, sustainability risks appear low owing to the pension reforms implemented in the past.
- (9) Under the fiscal policy measures taken in the 2016 Budget, the general government deficit would be below 3 % of GDP in 2016. However, according to the Commission 2016 spring forecast, the safety margin against breaching the Treaty reference value is narrow. Against the background of high uncertainties regarding economic and budgetary developments, the budgetary targets recommended for the correction year should be set at a level clearly below the Treaty reference value of 3 % of GDP, in order to guarantee a durable correction of the excessive deficit situation within the requested deadline.
- (10) According to Article 5 of Regulation (EC) No 1467/97, in its decision to give notice to take measures for the deficit reduction in accordance with Article 126(9) TFEU, the Council is to request that the Member State achieve annual budgetary targets which, on the basis of the forecast underpinning the notice, are consistent with a minimum annual improvement of at least 0,5 % of GDP as a benchmark, in its cyclically adjusted balance net of one-off and temporary measures. As that decision is adopted in the second half of the year, and taking into consideration the current Commission estimates of the spring forecast, an unchanged structural balance would be warranted for 2016 to provide a sufficient safety margin towards a durable correction of the excessive deficit.
- (11) Therefore, a credible and sustainable adjustment path would require Portugal to reach a general government deficit of 2,5 % of GDP in 2016, which is consistent with an unchanged structural balance with respect to 2015. Those budgetary targets take into account the need to compensate for second-round effects of fiscal consolidation on public finances, through its impact on the wider economy.
- (12) The deficit target implied by the proposed adjustment path does not incorporate the possible direct fiscal effect of potential bank support measures in the second half of 2016. This is because there is high uncertainty regarding the effective implementation and statistical recording of these measures, and hence their possible impact on deficit and debt. Any possible bank sector support measures should aim at limiting the fiscal impact to the minimum possible to ensure debt sustainability.

- (13) To attain the budgetary targets implied by the proposed adjustment path, additional consolidation measures with an estimated impact of 0,25 % of GDP in 2016 are considered necessary, also in view of the structural deterioration identified in the Commission 2016 spring forecast. In particular, Portugal is to implement the measures included in the 2016 Budget as well as the expenditure control mechanism in the procurement of goods and services, which is currently highlighted in the 2016 Stability Programme. These savings would need to be complemented with other measures of a structural nature which could focus on the revenue side aiming at increasing the yields of indirect taxation by broadening the tax base and reducing tax expenditures. One way to achieve this could be by adjusting the still broad use of reduced VAT rates.
- (14) In addition, Portugal should reinforce structural reforms to enhance competitiveness and long-term sustainable growth in line with the Council Recommendations addressed to Portugal in the context of the European Semester and in particular those related to the correction of its excessive macroeconomic imbalances. In particular, further fiscal-structural measures are necessary to strengthen the resilience of Portugal's public finances. The timely and strict implementation of the revised Budget Framework Law and the Commitment Control Law as well as further improvements in revenue collection and expenditure control may significantly contribute to achieving and maintaining a healthy fiscal position. Portugal should present a clear schedule and implement steps to clear arrears fully and improve efficiency in the health care system, to reduce the reliance of the pension system on budget transfers and to ensure fiscal savings in the restructuring of State-owned enterprises.
- (15) According to Article 126(9) TFEU, the Council may, as part of its decision to give notice under that provision, request the Member State concerned to submit reports on the adjustment effort in accordance with a specific timetable. According to Article 5(1a) of Regulation (EC) No 1467/97, the Member State report should include the targets for government expenditure and revenue and specify the fiscal policy measures on both the expenditure and the revenue side, as well as information on the policy actions being taken in response to the specific Council recommendations. In order to facilitate the monitoring of the deadline for compliance with the recommendations contained in this Decision, as well as the deadline for correction of the excessive deficit, Portugal should submit such a report by 15 October 2016, at the same time as its 2017 Draft Budgetary Plan.
- (16) By the same deadline of 15 October 2016, Portugal should also present an economic partnership programme in accordance with Articles 9(1) and 17(2) of Regulation (EU) No 473/2013 of the European Parliament and of the Council ⁽¹⁾. The economic partnership programme should describe policy measures and structural reforms that are needed to ensure an effective and lasting correction of the excessive deficit, as a development of the national reform programme and the stability programme, and fully taking into account the Council recommendations on the implementation of the integrated guidelines for the economic and employment policies.
- (17) Portugal should also report to the Commission and the Economic and Financial Committee as required under Article 10 of Regulation (EU) No 473/2013 in accordance with the specifications laid down in Commission Delegated Regulation (EU) No 877/2013 ⁽²⁾. The report should be submitted for the first time by 15 January 2017 and on a three-monthly basis thereafter,

HAS ADOPTED THIS DECISION:

Article 1

1. Portugal shall put an end to the present excessive deficit situation by 2016.
2. Portugal shall reduce the general government deficit to 2,5 % of GDP in 2016. This target does not include the impact of the direct effect of potential bank support. This improvement in the general government deficit is consistent with an unchanged structural balance with respect to 2015, based on the Commission 2016 spring forecast. Portugal shall also use all windfall gains to accelerate the deficit and debt reduction.

⁽¹⁾ Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11).

⁽²⁾ Commission Delegated Regulation (EU) No 877/2013 of 27 June 2013 supplementing Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 244, 13.9.2013, p. 23).

3. In addition to the savings already included in the Commission 2016 spring forecast, Portugal shall adopt and fully implement consolidation measures for the amount of 0,25 % of GDP in 2016. In particular, Portugal shall implement fully the consolidation measures incorporated in the 2016 Budget, including the additional expenditure control in the procurement of goods and services highlighted in the Stability Programme. Portugal shall complement those savings with further measures of a structural nature to achieve the recommended structural effort.
4. Portugal shall stand ready to adopt further measures should risks to the budgetary plans materialise. Fiscal consolidation measures shall secure a lasting improvement in the general government balance in a growth-friendly manner.
5. To ensure a durable improvement of public finances, Portugal shall strictly implement the Budget Framework Law and the Commitment Control Law and further improve revenue collection and expenditure control. Portugal shall present a clear schedule and implement steps to fully clear arrears and improve efficiency in the health care system, to reduce the reliance of the pension system on budget transfers, and to ensure fiscal savings in the restructuring of State-owned enterprises.

Article 2

The Council establishes the deadline of 15 October 2016 for Portugal to take effective action and to submit a report to the Council and the Commission on action taken in response to this Decision. The report shall include the targets for the government expenditure and revenue and specify the discretionary measures on both the expenditure and the revenue side, as well as information on the actions being taken in accordance with Article 1(5).

Article 3

This Decision is addressed to the Portuguese Republic.

Done at Brussels, 8 August 2016.

For the Council
The President
M. LAJČÁK

COUNCIL DECISION (EU) 2017/986
of 8 June 2017
extending the term of office of a Deputy Executive Director of Europol

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ⁽¹⁾, and in particular Article 54 paragraphs 3 to 5 thereof,

Acting as the authority vested with the power to appoint the Executive Director and Deputy Executive Directors of Europol,

Having regard to the proposal of the Management Board of Europol of 19 May 2017,

Whereas:

- (1) Mr Wilhelmus Martinus VAN GEMERT was appointed as Deputy Executive Director of Europol by Council Act of 11 February 2014 ⁽²⁾. The term of office of Mr Wilhelmus Martinus VAN GEMERT is due to expire on 30 April 2018.
- (2) The Deputy Executive Directors of Europol are appointed for a four-year period, extendable once in accordance with Article 54(4) of Regulation (EU) 2016/794.
- (3) The decision of the Management Board of Europol of 1 May 2017 sets out the procedure for the extension of the term of office of Deputy Executive Directors of Europol.
- (4) The Management Board informed the European Parliament on 10 May 2017 that it intended to propose to the Council that Mr Wilhelmus Martinus VAN GEMERT's term of office be extended.
- (5) The Management Board presented the Council with an opinion proposing that the term of office of Deputy Executive Director of Europol, Mr Wilhelmus Martinus VAN GEMERT, be extended and that his grade be reclassified as grade AD 14.
- (6) On the basis of the proposal submitted by the Management Board, the Council wishes to extend the term of office of Mr Wilhelmus Martinus VAN GEMERT as Deputy Executive Director of Europol,

HAS ADOPTED THIS DECISION:

Article 1

The term of office of Mr Wilhelmus Martinus VAN GEMERT as Deputy Executive Director of Europol is extended from 1 May 2018 to 30 April 2022 at grade AD 14, step 1.

⁽¹⁾ OJ L 135, 24.5.2016, p. 53.

⁽²⁾ OJ C 44, 15.2.2014, p. 3.

Article 2

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

Done at Luxembourg, 8 June 2017.

For the Council
The President
U. REINSALU

