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Contents

I Acts whose publication is obligatory

★ Council Regulation (EC) No 2041/2004 of 15 November 2004 on the import of certain steel products originating in the Russian Federation	1
Commission Regulation (EC) No 2042/2004 of 29 November 2004 establishing the standard import values for determining the entry price of certain fruit and vegetables	12
★ Commission Regulation (EC) No 2043/2004 of 26 November 2004 prohibiting fishing for greater silver smelt by vessels flying the flag of Ireland	14
★ Commission Regulation (EC) No 2044/2004 of 29 November 2004 fixing the adjustment coefficients to be applied to the reference quantity for each traditional operator under the tariff quotas A/B and C for banana imports for 2004	15
★ Commission Regulation (EC) No 2045/2004 of 29 November 2004 amending Regulation (EEC) No 2131/93 laying down the procedure and conditions for the sale of cereals held by intervention agencies	17
Commission Regulation (EC) No 2046/2004 of 29 November 2004 fixing the export refunds on cereals and on wheat or rye flour, groats and meal	19
Commission Regulation (EC) No 2047/2004 of 29 November 2004 fixing the corrective amount applicable to the refund on cereals	21
Commission Regulation (EC) No 2048/2004 of 29 November 2004 fixing the export refunds on malt	23
Commission Regulation (EC) No 2049/2004 of 29 November 2004 fixing the corrective amount applicable to the refund on malt	25
Commission Regulation (EC) No 2050/2004 of 29 November 2004 fixing the refunds applicable to cereal and rice sector products supplied as Community and national food aid	27

Price: EUR 18

(Continued overleaf)

EN

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

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

Council

- ★ **Information relating to the entry into force of the Agreement between the European Community and the Republic of India on customs cooperation and mutual administrative assistance in customs matters** 29

Commission

2004/806/EC:

- ★ **Commission Decision of 19 November 2004 terminating the examination procedure concerning obstacles to trade consisting of trade practices maintained by Canada in relation to certain geographical indications for wines (notified under document number C(2004) 4388)** 30

2004/807/EC:

- ★ **Commission Decision of 29 November 2004 amending Decision 97/252/EC as regards the inclusion of establishments in Russia in provisional lists of third country establishments from which Member States are authorised to import milk and milk-based products for human consumption (notified under document number C(2004) 4445) ⁽¹⁾** 32

European Central Bank

2004/808/EC:

- ★ **Guideline of the European Central Bank of 16 July 2004 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template (ECB/2004/15)** 34

Acts adopted under Title V of the Treaty on European Union

- ★ **Council Decision 2004/809/CFSP of 5 July 2004 concerning the conclusion of the Agreement between the European Union and the Swiss Confederation on the participation of the Swiss Confederation in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia** 77

Agreement between the European Union and the Swiss Confederation on the participation of the Swiss Confederation in the European Union police mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima') 78

- ★ **Council Decision 2004/810/CFSP of 5 July 2004 concerning the conclusion of the Agreement between the European Union and Ukraine on the participation of Ukraine in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia** 81

Agreement between the European Union and Ukraine on the participation of Ukraine in the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima') 82

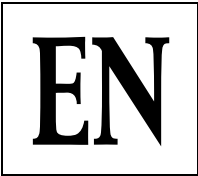
★ Council Decision 2004/811/CFSP of 5 July 2004 concerning the conclusion of the Agreement between the European Union and the Kingdom of Norway on the participation of the Kingdom of Norway in the European Union Police Mission (EUPOL ‘Proxima’) in the former Yugoslav Republic of Macedonia 85

Agreement between the European Union and the Kingdom of Norway on the participation of the Kingdom of Norway in the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL ‘Proxima’) 86

★ Council Decision 2004/812/CFSP of 19 July 2004 concerning the conclusion of the Agreement between the European Union and the Republic of Turkey on the participation of the Republic of Turkey in the European Union Police Mission (EUPOL ‘Proxima’) in the former Yugoslav Republic of Macedonia 89

Agreement between the European Union and the Republic of Turkey on the participation of the Republic of Turkey in the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL ‘Proxima’) 90

1 November 2004 — New version of EUR-Lex! (See inside back cover)



I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 2041/2004
of 15 November 2004
on the import of certain steel products originating in the Russian Federation

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) On 9 July 2002, the European Coal and Steel Community (ECSC) and the Government of the Russian Federation concluded an Agreement on trade in certain steel products⁽¹⁾ (hereinafter referred to as the Agreement). The necessary implementing measures have been adopted by Commission Decision 2002/602/ECSC of 8 July 2002 on administering certain restrictions on imports of certain steel products from the Russian Federation⁽²⁾. Following the expiry of the ECSC Treaty, the European Community took over all rights and obligations under the Agreement.
- (2) Commission Decision 2002/602/ECSC sets quantitative limits on the imports into the Community.
- (3) Given the important increase in the demand worldwide for certain steel products and the ensuing comparable difficulty for some Community users to source those steel products in the Community market, it is necessary to authorise more imports into the Community than originally agreed in the Agreement. The steel products in question (hot-rolled coils for re-rolling) are classified under TARIC codes 7208 37 00 10, 7208 38 00 10 and 7208 39 00 10.
- (4) It is important that the additional quantities be available as soon as possible. The renegotiation of the Agreement and the subsequent implementation of it as amended would require too much time. It is therefore preferable to recur to an autonomous measure.

- (5) The completion of the internal market requires that the formalities to be accomplished by Community importers be identical wherever the goods may be cleared.
- (6) Products placed in a free zone or imported under the arrangements governing customs warehouses, temporary importation or inward processing (suspension system) should not be counted against the limits established for the products in question.
- (7) The effective application of this Regulation requires the introduction of a requirement of a Community import licence for the entry into free circulation in the Community of the products in question together with a system for administering the grant of such Community import licences.
- (8) In order to ensure that the quantitative limits established by this Regulation are not exceeded, a procedure should be followed whereby the competent authorities of the Member States will not issue import licences before obtaining prior confirmation from the Commission that appropriate amounts remain available within the quantitative limit in question,

HAS ADOPTED THIS REGULATION:

Article 1

Without prejudice to Decision 2002/602/ECSC, the importation into the Community of additional quantities of the steel products mentioned in the second subparagraph originating in the Russian Federation shall be authorised up to 200 000 tonnes.

The steel products are classified under the TARIC codes 7208 37 00 10, 7208 38 00 10 and 7208 39 00 10. The classification of the products is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'combined nomenclature', or in abbreviated form 'CN'). The origin of the products covered by this Regulation shall be determined in accordance with the rules in force in the Community.

Article 2

1. The release for free circulation in the Community of the steel products set out in Article 1 originating in the Russian Federation shall be subject to the presentation of an import licence issued by the Member States' authorities in accordance with the provisions of Article 4.

⁽¹⁾ OJ L 195, 24.7.2002, p. 55. Agreement as last amended by the Agreement between the European Community and the Government of the Russian Federation (OJ L 255, 31.7.2004, p. 33).

⁽²⁾ OJ L 195, 24.7.2002, p. 38. Decision as last amended by Council Regulation (EC) No 1386/2004 (OJ L 255, 31.7.2004, p. 1).

2. In order to ensure that quantities for which import licences are issued do not exceed at any moment the total quantitative limits, the competent authorities of the Member States listed in Annex II shall issue import licences only upon confirmation by the Commission that there are still quantities available within the quantitative limits.

3. For the purposes of this Regulation and as from the date of its application, shipment of products shall be considered as having taken place on the date on which they were loaded on to the exporting means of transport. Shipment must take place no later than 31 December 2004.

Article 3

1. The quantitative limits referred to in Article 1 shall not apply to products placed in a free zone or free warehouse or imported under the arrangements governing customs warehouses, temporary importation or inward processing (suspension system).

2. Where the products referred to in paragraph 1 are subsequently released for free circulation, either in the unaltered state or after working or processing, Article 2(2) shall apply and the products so released shall be counted against the quantitative limit set out in Article 1.

Article 4

1. For the purpose of applying Article 2(2), before issuing import licences, the competent authorities of the Member States listed in Annex II shall notify the Commission of the amounts of the requests for import licences which they have received. By return, the Commission shall notify whether the requested amounts of quantities are available for importation in the chronological order in which the notifications of the Member States have been received (first-come, first-served basis). The import licence shall then be issued within five working days of the positive confirmation of the Commission.

2. The requests included in the notifications to the Commission shall be valid if they establish clearly in each case the exporting country, the amounts to be imported, the quota period, the Member State in which the products are intended to be put into free circulation and the specific code to identify the products referred to in Article 1. The necessary technical modalities for the proper management of these quantitative limits shall be agreed within the Steel Liaison Committee.

3. The notifications referred to in paragraphs 1 and 2 shall be communicated electronically within the integrated network set up for this purpose, unless for imperative technical reasons it is necessary to use other means of communication temporarily.

4. As far as possible, the Commission shall confirm to the authorities the full amount indicated in the requests notified.

5. The import licences or equivalent documents shall be issued in accordance with Annex I.

6. Import licences issued in accordance with this Regulation shall be valid throughout the customs territory of the Community. A Community importer may apply for an import licence with any of the competent authorities.

7. The importer's application shall be made no later than 31 December 2004 and shall include the following elements:

- (a) the name and full address of the applicant (including telephone and fax numbers, and possible identification number used by the competent national authorities) and VAT registration number, if subject to VAT;
- (b) if applicable, the name and full address of the declarant or representative of the applicant (including telephone and fax numbers);
- (c) the full name and address of the exporter;
- (d) the exact description of the goods, including:
 - their trade name,
 - the combined nomenclature (CN) code(s),
 - the country of origin,
 - the country of consignment;
- (e) the net weight expressed in kg, and the quantity in the unit prescribed where other than net weight, by combined nomenclature heading;
- (f) the cif value of the goods in euro at the Community frontier by combined nomenclature heading;
- (g) whether the products concerned are seconds or of substandard quality⁽¹⁾;
- (h) the proposed period and place of customs clearance;
- (i) whether the application is a repeat of a previous application concerning the same contract;

⁽¹⁾ Under the criteria given in OJ C 180, 11.7.1991, p. 4.

- (j) a copy of the contract of sale or purchase and of the *pro forma* invoice;
- (k) the following declaration, dated and signed by the applicant with the transcription of his name in capital letters:

'I, the undersigned, certify that the information provided in this application is true and given in good faith, and that I am established in the Community.'

8. The period of validity of the import licence is hereby fixed at four months. Upon duly motivated request by an importer, the competent authorities of a Member State may extend the duration of validity for a period of two months.

9. The competent national authorities may allow the submission of declarations or requests to be transmitted or printed by electronic means, under the conditions fixed by them. However, all documents and evidence shall be available to the competent national authorities.

10. The import licence may be issued by electronic means, as long as the customs offices involved have access to the document via a computer network.

11. The importers shall be under no obligation to import in one consignment the total quantity mentioned in an import licence.

Article 5

1. A finding that the unit price at which the transaction is effected varies from that indicated in the import licence by less than 5 % in either direction or that the total quantity of the products presented for import exceeds the quantity given in the import licence by less than 5 % shall not preclude the release for free circulation of the products in question.

2. Applications for import licence and the documents themselves shall be confidential. They shall be restricted to the competent national authorities and the applicant.

Article 6

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

It shall apply until 31 December 2004.

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

Done at Brussels, 15 November 2004.

For the Council

The President

M. VAN DER HOEVEN

ANNEX I

EUROPEAN COMMUNITY IMPORT LICENCE

1 Holder's copy	1. Consignee (name, full address, country, VAT number)	2. Issue number
		3. Period
		4. Authority responsible for issue (name, address and telephone No)
	5. Declarant/representative as applicable (name and full address)	6. Country of origin (and geonomenclature code)
		7. Country of consignment (and geonomenclature code)
		8. Last day of validity
1	9. Description of goods	10. CN code
		11. Quantity expressed in quota unit
		12. Security/guarantee (as applicable)
13. Further particulars		
14. Competent authority's endorsement		
Date: (Signature) (Stamp)		

15. ATTRIBUTIONS Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof			
16. Net quantity (net mass or other unit of measure stating the unit)		19. Customs document (form and number) or extract No and date of attribution	20. Name, Member State, stamp and signature of the attributing authority
17. In figures	18. In words for the quantity attributed		
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
Extension pages to be attached hereto.			

EUROPEAN COMMUNITY IMPORT LICENCE

Copy for the issuing authority	2	1. Consignee (name, full address, country, VAT number)	2. Issue number
			3. Period
			4. Authority responsible for issue (name, address and telephone No)
		5. Declarant/representative as applicable (name and full address)	6. Country of origin (and geonomenclature code)
			7. Country of consignment (and geonomenclature code)
	2		8. Last day of validity
9. Description of goods		10. CN code	
		11. Quantity expressed in quota unit	
		12. Security/guarantee (as applicable)	
13. Further particulars			
14. Competent authority's endorsement			
Date: (Signature) (Stamp)			

15. ATTRIBUTIONS Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof			
16. Net quantity (net mass or other unit of measure stating the unit)		19. Customs document (form and number) or extract No and date of attribution	20. Name, Member State, stamp and signature of the attributing authority
17. In figures	18. In words for the quantity attributed		
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
Extension pages to be attached hereto.			

ANNEX II

LISTA DE LAS AUTORIDADES NACIONALES COMPETENTES
SEZNAM PŘÍSLUŠNÝCH VNITROSTÁTNÍCH ORGÁNŮ
LISTE OVER KOMPETENTE NATIONALE MYNDIGHEDER
LISTE DER ZUSTÄNDIGEN BEHÖRDEN DER MITGLIEDSTAATEN
PÄDEVATE RIIKLIKE ASUTUSTE NIMEKIRI
ΔΙΕΥΘΥΝΣΕΙΣ ΤΩΝ ΑΡΧΩΝ ΕΚΔΟΣΗΣ ΑΔΕΙΩΝ ΤΩΝ ΚΡΑΤΩΝ ΜΕΛΩΝ
LIST OF THE COMPETENT NATIONAL AUTHORITIES
LISTE DES AUTORITÉS NATIONALES COMPÉTENTES
ELENCO DELLE AUTORITÀ NAZIONALI COMPETENTI
VALSTU KOMPETENTO IESTĀŽU SARAKSTS
KOMPETENTINGŲ NACIONALINIŲ INSTITUCIJŲ SĄRAŠAS
AZ ILLETÉKES NEMZETI HATÓSÁGOK LISTÁJA
LISTA TA' L-AWTORITAJIET KOMPETENTI NAZZJONALI
LIJST VAN BEVOEGDE NATIONALE INSTANTIES
LISTA WŁAŚCIWYCH ORGANÓW KRAJOWYCH
LISTA DAS AUTORIDADES NACIONAIS COMPETENTES
ZOZNAM PŘÍSLUŠNÝCH VNÚTROŠTÁTNÝCH ORGÁNOV
SEZNAM PRISTOJNIH NACIONALNIH ORGANOV
LUETTELO TOIMIVALTAISISTA KANSALLISISTA VIRANOMAISISTA
FÖRTECKNING ÖVER BEHÖRIGA NATIONELLA MYNDIGHETER

BELGIQUE/BELGIË

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PORTUGAL

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UNITED KINGDOM

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Import Licensing Branch
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COMMISSION REGULATION (EC) No 2042/2004**of 29 November 2004****establishing the standard import values for determining the entry price of certain fruit and vegetables**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Whereas:

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

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

HAS ADOPTED THIS REGULATION:

Article 1

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

Article 2

This Regulation shall enter into force on 30 November 2004.

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

Done at Brussels, 29 November 2004.

For the Commission

J. M. SILVA RODRÍGUEZ

*Director-General for Agriculture and
Rural Development*

⁽¹⁾ OJ L 337, 24.12.1994, p. 66. Regulation as last amended by Regulation (EC) No 1947/2002 (OJ L 299, 1.11.2002, p. 17).

ANNEX

to Commission Regulation of 29 November 2004 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)		
CN code	Third country code ⁽¹⁾	Standard import value
0702 00 00	052	85,9
	070	81,3
	204	103,0
	999	90,1
0707 00 05	052	107,6
	204	32,5
	999	70,1
0709 90 70	052	96,7
	204	66,0
	999	81,4
0805 20 10	052	59,1
	204	54,2
	999	56,7
0805 20 30, 0805 20 50, 0805 20 70, 0805 20 90	052	66,4
	624	93,9
	999	80,2
0805 50 10	052	50,7
	388	41,4
	528	21,3
	999	37,8
0808 10 20, 0808 10 50, 0808 10 90	052	90,5
	388	137,1
	400	83,2
	404	95,7
	512	104,5
	720	67,6
	800	194,0
	804	107,6
0808 20 50	999	110,0
	052	120,9
	400	96,5
	720	52,0
	999	89,8

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 2081/2003 (OJ L 313, 28.11.2003, p. 11). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 2043/2004**of 26 November 2004****prohibiting fishing for greater silver smelt by vessels flying the flag of Ireland**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy⁽¹⁾, and in particular Article 21(3) thereof,

Whereas:

- (1) Council Regulation (EC) No 2340/2002 of 16 December 2002 fixing for 2003 and 2004 the fishing opportunities for deep-sea fish stocks⁽²⁾ lays down quotas for great silver smelt for 2004.
- (2) In order to ensure compliance with the provisions relating to the quantity limits on catches of stocks subject to quotas, the Commission must fix the date by which catches made by vessels flying the flag of a Member State are hereby deemed to have exhausted the quota allocated.
- (3) According to the information received by the Commission, catches of great silver smelt in the waters of ICES zone III, IV (Community waters and waters not under the sovereignty or jurisdiction of third countries) by vessels flying the flag of Ireland or registered in

Ireland have exhausted the quota allocated for 2004. Ireland has prohibited fishing for this stock from 1 August 2004. This date should be adopted in this Regulation also,

HAS ADOPTED THIS REGULATION:

Article 1

Catches of great silver smelt in the waters of ICES zone III, IV (Community waters and waters not under the sovereignty or jurisdiction of third countries) by vessels flying the flag of Ireland or registered in Ireland are hereby deemed to have exhausted the quota allocated to Ireland for 2004.

Fishing for great silver smelt in the waters of ICES zone III, IV, (Community waters and waters not under the sovereignty or jurisdiction of third countries) by vessels flying the flag of Ireland or registered in Ireland is hereby prohibited, as are the retention on board, transshipment and landing of this stock caught by the above vessels after the date of application of this Regulation.

Article 2

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

It shall apply with effect from 1 August 2004.

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

Done at Brussels, 26 November 2004.

For the Commission

Jörgen HOLMQUIST

Director-General for Fisheries

⁽¹⁾ OJ L 261, 20.10.1993, p. 1. Regulation as last amended by Regulation (EC) No 1954/2003 (OJ L 289, 7.11.2003, p. 1).

⁽²⁾ OJ L 356, 31.12.2002, p. 1.

COMMISSION REGULATION (EC) No 2044/2004**of 29 November 2004****fixing the adjustment coefficients to be applied to the reference quantity for each traditional operator under the tariff quotas A/B and C for banana imports for 2004**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

tional hardship situations and in order to take account of pending legal procedures.

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 404/93 of 13 February 1993 on the common organisation of the market in bananas ⁽¹⁾, and in particular Article 20 thereof,

Having regard to Commission Regulation (EC) No 896/2001 of 7 May 2001 laying down detailed rules for applying Council Regulation (EEC) No 404/93 as regards the arrangements for importing bananas into the Community ⁽²⁾, and in particular Article 5(3) thereof,

Whereas:

(1) Article 4(1) of Commission Regulation (EC) No 896/2001 of 7 May 2001 laying down detailed rules for applying Council Regulation (EEC) No 404/93 as regards the arrangements for importing bananas into the Community lays down the method for calculating the reference quantity for traditional operators A/B and C for 2004 and 2005 on the basis of the use of import licences for those operators during a reference year.

(2) According to the reports from the Member States under Article 5(2) of Regulation (EC) No 896/2001, the sum of the reference quantities thus determined for 2004 is 2 197 147,342 tonnes for all traditional operators A/B and 630 713,105 tonnes for all traditional operators C.

(3) Notwithstanding Article 5 (3) of Regulation (EC) No 896/2001, Commission Regulation (EC) No 2036/2003 of 19 November 2003 ⁽³⁾ did not provisionally fix the adjustment factors to be applied to the traditional operators' reference quantity for the tariff quotas A/B and C for 2004, in order to allow for the adoption of the appropriate measures justified in dealing with excep-

(4) Ultimately, for 2004, the quantities of 5 731,658 tonnes and 5 642,248 tonnes prove available respectively for the tariff quotas A/B and C. Pursuant to Article 5 (3) of Regulation (EC) No 896/2001, it is advisable to fix an adjustment factor to be applied to the reference quantity of each traditional operator in each of the two categories of A/B and C operators, and to repeal Regulation (EC) No 2036/2003.

(5) It is advisable to provide for the issuing of import licences to the amount of the quantities available.

(6) The provisions of this regulation must enter into force immediately in order to allow for the issuing of import licences as soon as possible.

(7) The measures provided for in this regulation are in accordance with the opinion of the Management Committee for Bananas,

HAS ADOPTED THIS REGULATION:

Article 1

For the tariff quotas A/B and C provided for in Article 18 of Regulation (EEC) No 404/93, the adjustment coefficient provided for in Article 5(3) of Regulation (EC) No 896/2001, for 2004, shall be:

— for each traditional operator A/B: 1,00261;

— for each traditional operator C: 1,00894.

⁽¹⁾ OJ L 47, 25.2.1993, p. 1. Regulation as last amended by the 2003 Act of Accession.

⁽²⁾ OJ L 126, 8.5.2001, p. 6. Regulation as last amended by Regulation (EC) No 838/2004 (OJ L 127, 29.4.2004, p. 52).

⁽³⁾ OJ L 302, 20.11.2003, p. 7.

By 3 December 2004 at the latest the competent authorities of the Member States shall notify the operators concerned of their reference quantities as adjusted pursuant to this Article.

Article 2

Operators can submit licence requests on 7 and 8 December 2004.

To be accepted, the requests for import licences submitted by a traditional operator must not cover a quantity higher than the difference between the reference quantity, communicated pursuant to Article 1, and the total of the quantities referring to the import licences which were issued to him for 2004.

The national authorities shall issue the import licences as soon as possible.

Article 3

Regulation (EC) No 2036/2003 shall be repealed.

Article 4

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

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

Done at Brussels, 29 November 2004.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

COMMISSION REGULATION (EC) No 2045/2004**of 29 November 2004****amending Regulation (EEC) No 2131/93 laying down the procedure and conditions for the sale of cereals held by intervention agencies**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organisation of the market in cereals ⁽¹⁾, and in particular Article 6 thereof,

Whereas:

(1) Commission Regulation (EEC) No 2131/93 ⁽²⁾ lays down the procedure and conditions for the sale of cereals held by intervention agencies.

(2) New modern means of communication should be used to inform all interested parties all over the Community about sales out of intervention. This permits to authorise intervention bodies to sell by tender higher quantities without prior decision of the Commission, to take into account the market situation in their Member States. To simplify the sales for export, the mention of the storage localisation should not be required in the decision issuing invitations to the tender.

(3) In Member States which do not have sea ports, tenderers for cereals put up for sale are penalized by higher transport costs. As a result of these additional costs, cereals are more difficult to export from those Member States, which results in particular in longer intervention storage and additional costs to the Community budget. Provision should accordingly be made for the possibility in certain cases of financing the lowest transport costs between the place of storage and the place of exit in order to make tenders comparable. The Romanian port of Constanta was a traditional port of exit for the countries of Central Europe before their accession to the Union. It is therefore necessary to include Constanta as a place for the calculation of the transport costs that can be reimbursed in the case of export.

(4) In order to simplify the procedure for selling the cereals, the security accompanying the tenders for sale for export as well as on the Community market should be unified.

(5) Regulation (EEC) No 2131/93 should therefore be amended accordingly.

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

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2131/93 is amended as follows:

1. in Article 2 (2), '2 000 tonnes' is replaced by '5 000 tonnes';

2. in Article 3(1), the first sentence is replaced by the following sentence:

'The intervention agencies shall draw up notices of invitations to tender in accordance with Article 12 and shall ensure an appropriate publicity of those notices, in particular by displaying them at their head offices as well as on their website or on the website of the competent Ministry.';

3. Article 7 is amended as follows:

(a) in paragraph 1, point (b) is deleted;

(b) in paragraph 2a, the following sentence is added:

'For the purpose of this paragraph, the Romanian port of Constanta may be regarded as a place of exit';

4. in Article 13 (4), the second subparagraph is replaced by the following:

'Tenders shall be valid only if they are accompanied by proof that the tenderer has lodged a security of EUR 5 per tonne'.

⁽¹⁾ OJ L 270, 21.10.2003, p. 78.

⁽²⁾ OJ L 191, 31.7.1993, p. 76. Regulation as last amended by Regulation (EC) No 777/2004 (OJ L 123, 27.4.2004, p. 50).

Article 2

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

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

Done at Brussels, 29 November 2004.

For the Commission
Mariann FISCHER BOEL
Member of the Commission

COMMISSION REGULATION (EC) No 2046/2004**of 29 November 2004****fixing the export refunds on cereals and on wheat or rye flour, groats and meal**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Whereas:

- (1) Article 13 of Regulation (EC) No 1784/2003 provides that the difference between quotations or prices on the world market for the products listed in Article 1 of that Regulation and prices for those products in the Community may be covered by an export refund.
- (2) The refunds must be fixed taking into account the factors referred to in Article 1 of Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules under Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals⁽²⁾.
- (3) As far as wheat and rye flour, groats and meal are concerned, when the refund on these products is being calculated, account must be taken of the quantities of cereals required for their manufacture. These quantities were fixed in Regulation (EC) No 1501/95.

- (4) The world market situation or the specific requirements of certain markets may make it necessary to vary the refund for certain products according to destination.
- (5) The refund must be fixed once a month. It may be altered in the intervening period.
- (6) It follows from applying the detailed rules set out above to the present situation on the market in cereals, and in particular to quotations or prices for these products within the Community and on the world market, that the refunds should be as set out in the Annex hereto.
- (7) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on the products listed in Article 1(a), (b) and (c) of Regulation (EC) No 1784/2003, excluding malt, exported in the natural state, shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 1 December 2004.

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

Done at Brussels, 29 November 2004.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

⁽¹⁾ OJ L 270, 21.10.2003, p. 78.

⁽²⁾ OJ L 147, 30.6.1995, p. 7. Regulation as last amended by Regulation (EC) No 1431/2003 (OJ L 203, 12.8.2003, p. 16).

ANNEX

to the Commission Regulation of 29 November 2004 fixing the export refunds on cereals and on wheat or rye flour, groats and meal

Product code	Destination	Unit of measurement	Amount of refunds	Product code	Destination	Unit of measurement	Amount of refunds
1001 10 00 9200	—	EUR/t	—	1101 00 15 9130	A00	EUR/t	0
1001 10 00 9400	A00	EUR/t	0	1101 00 15 9150	A00	EUR/t	0
1001 90 91 9000	—	EUR/t	—	1101 00 15 9170	A00	EUR/t	0
1001 90 99 9000	A00	EUR/t	0	1101 00 15 9180	A00	EUR/t	0
1002 00 00 9000	A00	EUR/t	0	1101 00 15 9190	—	EUR/t	—
1003 00 10 9000	—	EUR/t	—	1101 00 90 9000	—	EUR/t	—
1003 00 90 9000	A00	EUR/t	0	1102 10 00 9500	A00	EUR/t	0
1004 00 00 9200	—	EUR/t	—	1102 10 00 9700	A00	EUR/t	0
1004 00 00 9400	A00	EUR/t	0	1102 10 00 9900	—	EUR/t	—
1005 10 90 9000	—	EUR/t	—	1103 11 10 9200	A00	EUR/t	0
1005 90 00 9000	—	EUR/t	—	1103 11 10 9400	A00	EUR/t	0
1007 00 90 9000	—	EUR/t	—	1103 11 10 9900	—	EUR/t	—
1008 20 00 9000	—	EUR/t	—	1103 11 90 9200	A00	EUR/t	0
1101 00 11 9000	—	EUR/t	—	1103 11 90 9800	—	EUR/t	—
1101 00 15 9100	A00	EUR/t	0				

NB: The product codes and the 'A' series destination codes are set out in the Commission Regulation (EEC) No 3846/87 (OJ L 366, 24.12.1987, p. 1), as amended.

COMMISSION REGULATION (EC) No 2047/2004
of 29 November 2004
fixing the corrective amount applicable to the refund on cereals

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organisation of the market in cereals⁽¹⁾, and in particular Article 15(2) thereof,

Whereas:

- (1) Article 14(2) of Regulation (EC) No 1784/2003 provides that the export refund applicable to cereals on the day on which an application for an export licence is made must be applied on request to exports to be effected during the period of validity of the export licence. In this case, a corrective amount may be applied to the refund.
- (2) Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules under Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the cereals and the measures to be taken in the event of disturbance on the market for cereals⁽²⁾, allows for the fixing of a corrective amount for the products listed in Article 1(1)(c) of Regulation (EEC) No 1766/92. That corrective amount must be calculated taking account of the factors referred to in Article 1 of Regulation (EC) No 1501/95.

- (3) The world market situation or the specific requirements of certain markets may make it necessary to vary the corrective amount according to destination.
- (4) The corrective amount must be fixed at the same time as the refund and according to the same procedure; it may be altered in the period between fixings.
- (5) It follows from applying the provisions set out above that the corrective amount must be as set out in the Annex hereto.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The corrective amount referred to in Article 1(1)(a), (b) and (c) of Regulation (EC) No 1784/2003 which is applicable to export refunds fixed in advance except for malt shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 1 December 2004.

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

Done at Brussels, 29 November 2004.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

⁽¹⁾ OJ L 270, 21.10.2003, p. 78.

⁽²⁾ OJ L 147, 30.6.1995, p. 7. Regulation as last amended by Regulation (EC) No 1431/2003 (OJ L 203, 12.8.2003, p. 16).

ANNEX

to the Commission Regulation of 29 November 2004 fixing the corrective amount applicable to the refund on cereals

								(EUR/t)
Product code	Destination	Current 12	1st period 1	2nd period 2	3rd period 3	4th period 4	5th period 5	6th period 6
1001 10 00 9200	—	—	—	—	—	—	—	—
1001 10 00 9400	A00	0	0	0	0	0	—	—
1001 90 91 9000	—	—	—	—	—	—	—	—
1001 90 99 9000	A00	0	0	0	0	0	—	—
1002 00 00 9000	A00	0	0	0	0	0	—	—
1003 00 10 9000	—	—	—	—	—	—	—	—
1003 00 90 9000	A00	0	0	0	0	0	—	—
1004 00 00 9200	—	—	—	—	—	—	—	—
1004 00 00 9400	A00	0	0	0	0	0	—	—
1005 10 90 9000	—	—	—	—	—	—	—	—
1005 90 00 9000	—	—	—	—	—	—	—	—
1007 00 90 9000	—	—	—	—	—	—	—	—
1008 20 00 9000	—	—	—	—	—	—	—	—
1101 00 11 9000	—	—	—	—	—	—	—	—
1101 00 15 9100	A00	0	0	0	0	0	—	—
1101 00 15 9130	A00	0	0	0	0	0	—	—
1101 00 15 9150	A00	0	0	0	0	0	—	—
1101 00 15 9170	A00	0	0	0	0	0	—	—
1101 00 15 9180	A00	0	0	0	0	0	—	—
1101 00 15 9190	—	—	—	—	—	—	—	—
1101 00 90 9000	—	—	—	—	—	—	—	—
1102 10 00 9500	A00	0	0	0	0	0	—	—
1102 10 00 9700	A00	0	0	0	0	0	—	—
1102 10 00 9900	—	—	—	—	—	—	—	—
1103 11 10 9200	A00	0	0	0	0	0	—	—
1103 11 10 9400	A00	0	0	0	0	0	—	—
1103 11 10 9900	—	—	—	—	—	—	—	—
1103 11 90 9200	A00	0	0	0	0	0	—	—
1103 11 90 9800	—	—	—	—	—	—	—	—

NB: The product codes and the 'A' series destination codes are set out in Commission Regulation (EEC) No 3846/87 (OJ L 366, 24.12.1987, p. 1) as amended. The numeric destination codes are set out in Regulation (EC) No 2081/2003 (OJ L 313, 28.11.2003, p. 11).

COMMISSION REGULATION (EC) No 2048/2004
of 29 November 2004
fixing the export refunds on malt

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Whereas:

- (1) Article 13 of Regulation (EC) No 1784/2003 provides that the difference between quotations or prices on the world market for the products listed in Article 1 of that Regulation and prices for those products within the Community may be covered by an export refund.
- (2) The refunds must be fixed taking into account the factors referred to in Article 1 of Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules under Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals⁽²⁾.
- (3) The refund applicable in the case of malts must be calculated with amount taken of the quantity of cereals required to manufacture the products in question. The said quantities are laid down in Regulation (EC) No 1501/95.

- (4) The world market situation or the specific requirements of certain markets may make it necessary to vary the refund for certain products according to destination.
- (5) The refund must be fixed once a month. It may be altered in the intervening period.
- (6) It follows from applying these rules to the present situation on markets in cereals, and in particular to quotations or prices for these products within the Community and on the world market, that the refunds should be as set out in the Annex hereto.
- (7) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on malt listed in Article 1(1)(c) of Regulation (EC) No 1784/2003 shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 1 December 2004.

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

Done at Brussels, 29 November 2004.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

⁽¹⁾ OJ L 270, 21.10.2003, p. 78.

⁽²⁾ OJ L 147, 30.6.1995, p. 7. Regulation as last amended by Regulation (EC) No 1431/2003 (OJ L 203, 12.8.2003, p. 16).

ANNEX

to the Commission Regulation of 29 November 2004 fixing the export refunds on malt

Product code	Destination	Unit of measurement	Amount of refunds
1107 10 19 9000	A00	EUR/t	0,00
1107 10 99 9000	A00	EUR/t	0,00
1107 20 00 9000	A00	EUR/t	0,00

NB: The product codes and the 'A' series destination codes are set out in Commission Regulation (EEC) No 3846/87 (OJ L 366, 24.12.1987, p. 1) as amended.

The numeric destination codes are set out in Commission Regulation (EC) No 2081/2003 (OJ L 313, 28.11.2003, p. 11).

COMMISSION REGULATION (EC) No 2049/2004
of 29 November 2004
fixing the corrective amount applicable to the refund on malt

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organization of the market in cereals⁽¹⁾, and in particular Article 15(2),

Whereas:

- (1) Article 14(2) of Regulation (EC) No 1784/2003 provides that the export refund applicable to cereals on the day on which application for an export licence is made must be applied on request to exports to be effected during the period of validity of the export licence. In this case, a corrective amount may be applied to the refund.
- (2) Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules under Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals⁽²⁾ allows for the fixing of a corrective amount for the malt referred to in Article 1(1)(c) of Regulation (EEC) No 1766/92.

That corrective amount must be calculated taking account of the factors referred to in Article 1 of Regulation (EC) No 1501/95.

- (3) It follows from applying the provisions set out above that the corrective amount must be as set out in the Annex hereto.
- (4) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The corrective amount referred to in Article 15(3) of Regulation (EC) No 1784/2003 which is applicable to export refunds fixed in advance in respect of malt shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 1 December 2004.

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

Done at Brussels, 29 November 2004.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

⁽¹⁾ OJ L 270, 21.10.2003, p. 78.

⁽²⁾ OJ L 147, 30.6.1995, p. 7. Regulation as last amended by Regulation (EC) No 1431/2003 (OJ L 203, 12.8.2003, p. 16).

ANNEX

to the Commission Regulation of 29 November 2004 fixing the corrective amount applicable to the refund on malt

(EUR/t)

Product code	Destination	Current 12	1st period 1	2nd period 2	3rd period 3	4th period 5	5th period 5
1107 10 11 9000	A00	0	0	0	0	0	0
1107 10 19 9000	A00	0	0	0	0	0	0
1107 10 91 9000	A00	0	0	0	0	0	0
1107 10 99 9000	A00	0	0	0	0	0	0
1107 20 00 9000	A00	0	0	0	0	0	0

(EUR/t)

Product code	Destination	6th period 6	7th period 7	8th period 8	9th period 9	10th period 10	11th period 11
1107 10 11 9000	A00	0	0	0	0	0	0
1107 10 19 9000	A00	0	0	0	0	0	0
1107 10 91 9000	A00	0	0	0	0	0	0
1107 10 99 9000	A00	0	0	0	0	0	0
1107 20 00 9000	A00	0	0	0	0	0	0

NB: The product codes and the 'A' series destination codes are set out in Commission Regulation (EEC) No 3846/87 (OJ L 366, 24.12.1987, p. 1) as amended.

The numeric destination codes are set out in Regulation (EC) No 2081/2003 (OJ L 313, 28.11.2003, p. 11).

COMMISSION REGULATION (EC) No 2050/2004**of 29 November 2004****fixing the refunds applicable to cereal and rice sector products supplied as Community and national food aid**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Having regard to Council Regulation (EC) No 3072/95 of 22 December 1995 on the common organisation of the market in rice⁽²⁾ and in particular Article 13(3) thereof,

Whereas:

- (1) Article 2 of Council Regulation (EEC) No 2681/74 of 21 October 1974 on Community financing of expenditure incurred in respect of the supply of agricultural products as food aid⁽³⁾ lays down that the portion of the expenditure corresponding to the export refunds on the products in question fixed under Community rules is to be charged to the European Agricultural Guidance and Guarantee Fund, Guarantee Section.
- (2) In order to make it easier to draw up and manage the budget for Community food aid actions and to enable the Member States to know the extent of Community participation in the financing of national food aid actions, the level of the refunds granted for these actions should be determined.

(3) The general and implementing rules provided for in Article 13 of Regulation (EC) No 1784/2003 and in Article 13 of Regulation (EC) No 3072/95 on export refunds are applicable *mutatis mutandis* to the abovementioned operations.

(4) The specific criteria to be used for calculating the export refund on rice are set out in Article 13 of Regulation (EC) No 3072/95.

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

HAS ADOPTED THIS REGULATION:

Article 1

For Community and national food aid operations under international agreements or other supplementary programmes, and other Community free supply measures, the refunds applicable to cereals and rice sector products shall be as set out in the Annex.

Article 2

This Regulation shall enter into force on 1 December 2004.

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

Done at Brussels, 29 November 2004.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

⁽¹⁾ OJ L 270, 21.10.2003, p. 78.

⁽²⁾ OJ L 329, 30.12.1995, p. 18. Regulation as last amended by Commission Regulation (EC) No 411/2002 (OJ L 62, 5.3.2002, p. 27).

⁽³⁾ OJ L 288, 25.10.1974, p. 1.

ANNEX

to the Commission Regulation of 29 November 2004 fixing the refunds applicable to cereal and rice sector products supplied as Community and national food aid

(EUR/t)

Product code	Refund
1001 10 00 9400	0,00
1001 90 99 9000	0,00
1002 00 00 9000	0,00
1003 00 90 9000	0,00
1005 90 00 9000	0,00
1006 30 92 9100	0,00
1006 30 92 9900	0,00
1006 30 94 9100	0,00
1006 30 94 9900	0,00
1006 30 96 9100	0,00
1006 30 96 9900	0,00
1006 30 98 9100	0,00
1006 30 98 9900	0,00
1006 30 65 9900	0,00
1007 00 90 9000	0,00
1101 00 15 9100	0,00
1101 00 15 9130	0,00
1102 10 00 9500	0,00
1102 20 10 9200	54,39
1102 20 10 9400	46,62
1103 11 10 9200	0,00
1103 13 10 9100	69,93
1104 12 90 9100	0,00

NB: The product codes are defined in Commission Regulation (EEC) No 3846/87 (OJ L 366, 24.12.1987, p. 1), amended.

II

(Acts whose publication is not obligatory)

COUNCIL

Information relating to the entry into force of the Agreement between the European Community and the Republic of India on customs cooperation and mutual administrative assistance in customs matters

The Agreement between the European Community and the Republic of India on customs cooperation and mutual administrative assistance in customs matters⁽¹⁾, entered into force on 1 November 2004, the procedures provided for in Article 22 of the Agreement having been completed on 29 October 2004.

⁽¹⁾ OJ L 304, 30.9.2004, p. 25.

COMMISSION

COMMISSION DECISION

of 19 November 2004

terminating the examination procedure concerning obstacles to trade consisting of trade practices maintained by Canada in relation to certain geographical indications for wines

(notified under document number C(2004) 4388)

(2004/806/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 3286/94 of 22 December 1994 laying down Community procedures in the field of the common commercial policy in order to ensure the exercise of the Community's rights under international trade rules, in particular those established under the auspices of the World Trade Organisation ⁽¹⁾, and in particular Article 11(1) thereof,

After consulting the Advisory Committee,

Whereas:

- (1) On 6 December 2001, the *Conseil interprofessionnel du vin de Bordeaux* (CIVB) lodged a complaint pursuant to Article 4 of Regulation (EC) No 3286/94 (hereinafter 'the Regulation').
- (2) CIVB claimed that Community sales of Bordeaux and Médoc in Canada are hindered by a number of obstacles to trade within the meaning of Article 2(1) of the Regulation, i.e. 'a practice adopted or maintained by a third country and in respect of which international trade rules establish a right of action'.
- (3) The alleged obstacle to trade resulted from the C-57 Amendment to the Canadian Trademarks Act, which deprived the geographical indications Bordeaux and

Médoc of a standard protection in compliance with the protection requirements laid down by the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) for geographical indications for wines.

- (4) The Commission decided that the complaint contained sufficient evidence to justify the initiation of an examination procedure. A corresponding notice was published in the *Official Journal of the European Communities* ⁽²⁾.
- (5) The investigation confirmed the complainant's legal claim that the C-57 Amendment to the Canadian Trademarks Act violated Article 23.1 and 2 as well as Article 24.3 (the standstill clause) of TRIPS and that such infringements could not be justified on the basis of the exception under Article 24.6 of TRIPS.
- (6) The examination procedure also concluded that the C-57 Amendment threatens to cause adverse trade effects to the complainant, within the meaning of Article 2(4) and 10(4) of the Regulation.
- (7) On 12 February 2003, the Advisory Committee established by the Regulation considered the final report on the examination procedure.
- (8) On 24 April 2003, the Commission initialled a Bilateral Agreement with Canada on trade in wine and spirits, which provided for the definitive elimination of the names listed as 'generic' in Canada, including 'Bordeaux', 'Médoc' and 'Medoc' by the entry into force of the agreement.

⁽¹⁾ OJ L 349, 31.12.1994, p. 71. Regulation as amended by Regulation (EC) No 356/95 (OJ L 41, 23.2.1995, p. 3).

⁽²⁾ OJ C 124, 25.5.2002, p. 6.

(9) On 9 July 2003, the Commission decided to suspend⁽¹⁾ the examination procedure with a view to terminate it as soon as Canada effectively eliminated these names from the list of generic names provided by the C-57 Amendment.

(10) On 30 July 2003, the Council approved the conclusion, on behalf of the European Community, of the Bilateral Agreement with Canada on trade in wine and spirits⁽²⁾. On 1 June 2004, the Bilateral Agreement entered into force⁽³⁾.

(11) By the Order Amending Subsections 11.18(3) and (4) of the Trade-marks Act⁽⁴⁾, Canada eliminated Bordeaux, Médoc and Medoc from the list of generic names provided by the C-57 Amendment.

(12) Accordingly, it is appropriate to terminate the examination procedure,

HAS DECIDED AS FOLLOWS:

Sole Article

The examination procedure concerning obstacles to trade, consisting of trade practices maintained by Canada in relation to certain geographical indications for wines, is hereby terminated.

Done at Brussels, 19 November 2004.

For the Commission

Pascal LAMY

Member of the Commission

⁽¹⁾ OJ L 170, 9.7.2003, p. 29.

⁽²⁾ OJ L 35, 6.2.2004, p. 1.

⁽³⁾ Article 41 of the Bilateral Agreement provided that: 'This Agreement shall enter into force on the first day of the second month following the date on which the Contracting Parties have exchanged diplomatic notes confirming the completion of their respective procedures for the entry into force of this Agreement'. The EC note was delivered on 16 September 2003 and Canada's response was delivered on 26 April 2004.

⁽⁴⁾ The Department of Industry published the *Order Amending Subsections 11.18(3) and (4) of the Trade-marks Act* in the Part II of the *Canada Gazette* of 5 May 2004. The Order is effective as of the date of registration, which is 22 April 2004.

COMMISSION DECISION

of 29 November 2004

amending Decision 97/252/EC as regards the inclusion of establishments in Russia in provisional lists of third country establishments from which Member States are authorised to import milk and milk-based products for human consumption

(notified under document number C(2004) 4445)

(Text with EEA relevance)

(2004/807/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 95/408/EC of 22 June 1995 on the conditions for drawing up, for an interim period, provisional lists of third country establishments from which Member States are authorised to import certain products of animal origin, fishery products or live bivalve molluscs⁽¹⁾, and in particular Article 2(4) thereof,

Whereas:

- (1) Commission Decision 97/252/EC of 25 March 1997 drawing up provisional lists of third country establishments from which the Member States authorise imports of milk and milk products for human consumption⁽²⁾ sets out provisional lists of establishments in third countries from which the Member States are authorised to import milk and milk products for human consumption.
- (2) Russia has provided a list of establishments producing milk and milk products for human consumption for which the responsible authorities certify that the establishments comply with Community rules.
- (3) Accordingly, those establishments should be included in the lists set out in Decision 97/252/EC.
- (4) Imports from those establishments should not be eligible for reduced physical checks pursuant to Council Directive

97/78/EC of 18 December 1997 laying down the principles governing the organisation of veterinary checks on products entering the Community from third countries⁽³⁾.

- (5) Decision 97/252/EC should therefore be amended accordingly.
- (6) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS DECISION:

Article 1

The Annex to Decision 97/252/EC is amended in accordance with the Annex to this Decision.

Article 2

This Decision shall apply from 3 December 2004.

Article 3

This Decision is addressed to the Member States.

Done at Brussels, 29 November 2004.

For the Commission

David BYRNE

Member of the Commission

⁽¹⁾ OJ L 243, 11.10.1995, p. 17. Decision as last amended by Directive 2004/41/EC of the European Parliament and of the Council (OJ L 157, 30.4.2004, p. 33).

⁽²⁾ OJ L 101, 18.4.1997, p. 46. Decision as last amended by Decision 2003/59/EC (OJ L 23, 28.1.2003, p. 28).

⁽³⁾ OJ L 24, 30.1.1998, p. 9. Directive as last amended by Regulation (EC) No 882/2004 of the European Parliament and of the Council (OJ L 165, 30.4.2004, p. 1).

ANNEX

The following text is inserted in the Annex in accordance with the alphabetical order of the ISO code:

‘País: **Rusia** / Země: **Rusko** / Land: **Rusland** / Land: **Russland** / Riik: **Venemaa** / Χώρα: **Ρωσία** / Country: **Russia** / Pays: **Russie** / Paese: **Russia** / Valsts: **Krievija** / Šalis: **Rusija** / Ország: **Oroszország** / Pajjiž: **Russja** / Land: **Risland** / Państwo: **Rosja** / País: **Rússia** / Krajina: **Rusko** / Država: **Rusija** / Maa: **Venäjä** / Land: **Ryssland**

1	2	3	4	5	6
1PM-77/2	PJSC “Lianozovo Dairy”	Moscow	Moscow		
1PM-22/1	“Altayholod” Ltd	Barnaul	Altayskiy territory		
1PM-48/3	PJSC “Lipetskiy hladokombinat”	Lipetsk	Lipetskiy region’		

EUROPEAN CENTRAL BANK

GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 16 July 2004

on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template

(ECB/2004/15)

(2004/808/EC)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular to Articles 5.1, 12.1 and 14.3 thereof,

Whereas:

- (1) To fulfil its tasks, the European System of Central Banks (ESCB) requires comprehensive and reliable balance of payments and international investment position statistics, and the international reserves template, showing the main items affecting monetary conditions and exchange markets in the euro area.
- (2) The first sentence of Article 5.1 of the Statute requires the European Central Bank (ECB), assisted by the national central banks (NCBs), to collect either from the competent authorities other than NCBs or directly from economic agents the statistical information necessary in order for it to undertake the tasks of the ESCB. The second sentence of Article 5.1 provides that for these purposes it shall cooperate with the Community institutions or bodies and with the competent authorities of the Member States or third countries and with international organisations. Article 5.2 stipulates that the NCBs shall carry out, to the extent possible, the tasks described in Article 5.1.
- (3) Information necessary to meet the ECB's requirements in the field of balance of payments and international investment position statistics may be collected and/or compiled by competent authorities other than NCBs. Therefore, some of the tasks to be undertaken under this Guideline require cooperation between the ECB or the NCBs and such competent authorities, in line with Article 5.1 of the Statute. Article 4 of Council Regulation

(EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank⁽¹⁾ requires the Member States to organise themselves in the field of statistics and to cooperate fully with the ESCB in order to ensure the fulfilment of the obligations arising out of Article 5 of the Statute.

- (4) Part of the necessary statistical information relates to the financial account of the balance of payments, the related income and the international investment position for which the Eurosystem has prime responsibility. In order to be able to fulfil their obligation to assist the ECB in this area, the NCBs should be equipped with the necessary statistical expertise, in particular as regards concepts, methodology and data collection, compilation, analysis and transmission. In Ireland the Central Statistics Office (CSO) collects and compiles the relevant statistical information. In order to meet the statistical requirements of the ECB, the Central Bank and Financial Services Authority of Ireland and the CSO have to cooperate with each other as laid down in Recommendation ECB/2004/16 of 16 July 2004 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template⁽²⁾. Recommendation ECB/2004/16 is also addressed to the Ufficio Italiano dei Cambi, which is responsible, jointly with the Banca d'Italia, for collecting and compiling the relevant statistical information in Italy.
- (5) Since the adoption of Guideline ECB/2003/7 of 2 May 2003 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template⁽³⁾, tangible progress has been made with new requirements and data collection and compilation methods within the euro area. It is therefore necessary to replace Guideline ECB/2003/7 with the present Guideline.

⁽¹⁾ OJ L 318, 27.11.1998, p. 8.

⁽²⁾ OJ C 292, 30.11.2004.

⁽³⁾ OJ L 131, 28.5.2003, p. 20.

- (6) Given the inherent difficulties in the compilation of portfolio investment statistics, it was considered necessary to define common approaches for the collection of this information across the euro area. Portfolio investment collection systems in the euro area should conform from March 2008 to a common standard, i.e. one of the four models entailing, as a minimum, the collection of quarterly stocks on a security-by-security basis as set out in the table contained in Annex VI. The availability of a functioning centralised securities database (CSDB) is considered essential for the new collection systems to become operational. Therefore, if the project closure document⁷ for Phase 1 of the CSDB project is not submitted to the Governing Council via the Statistics Committee of the ESCB (hereinafter 'the STC') by the end of March 2005, this deadline (as well as those applicable to other portfolio investment-related requirements) will be postponed by the same amount of time as that by which the submission is late. The ESCB should also assess by mid-2006 whether the coverage of the securities information in the CSDB and the arrangements for data exchange with the Member States are considered sufficient to enable NCBs, or other competent statistical authorities where relevant, to meet the quality standards specified in the present Guideline. In order to enable compliance with the requirements on portfolio investment securities issued by euro-area residents, broken down by sector of issuer, according to the deadlines contained in Table 13 of Annex II, the ECB will provide the NCBs with CSDB information at least 15 months before the reference dates.
- (7) Reporting of data on transactions and positions in the assets and/or liabilities of euro-area residents vis-à-vis residents of other euro-area Member States is necessary to fulfil the ECB's statistical requirements in the area of portfolio investment (and related income). The data are used to compile the euro-area aggregated transactions and positions in portfolio investment liabilities and debits in portfolio investment income. This is in accordance with national requirements or established practices.
- (8) The CSDB, which will in the future be used for many different statistical (compilation and production) and non-statistical (economic, financial stability or operation analyses) purposes, will be made available to NCBs. The data content will be made available to competent authorities other than NCBs, subject to any legal constraints. This will, notably, assist their production of the required data for the compilation of the euro-area transactions and positions statistics concerning portfolio investment. In particular, by combining information from the CSDB with data collected on a security-by-security basis, it should be possible accurately to compile transactions and positions in portfolio investment securities issued by euro-area residents and held by residents in other euro-area countries. This will ultimately allow the compilation of a sectoral breakdown in respect of the euro-area portfolio investment liabilities data.
- (9) The use of the euro-area balance of payments and international investment position for the compilation of the rest of the world account in the quarterly euro-area financial accounts entails the need to compile international investment position data at a quarterly frequency. Additionally, for the euro-area financial accounts as well as for monetary analysis, it is necessary to separate deposits from loans and to identify other investments. Moreover, the valuation of the euro-area foreign direct investment equity stocks requires an additional breakdown between listed and unlisted direct investment companies.
- (10) As a contribution to the annual review of the international role of the euro, statistical data on transactions and positions in debt securities broken down by currency are needed to assess the role of the euro as an investment currency.
- (11) The quality assessment framework for the euro-area balance of payments and international investment position statistics and the international reserves template should be defined, as far as possible, in line with the 'data quality assessment framework' developed by the International Monetary Fund (IMF). The NCBs, in cooperation with competent authorities other than NCBs, where appropriate, should assess the quality of the data which they contribute. Appropriate criteria for assessing the data quality including timeliness, accuracy, plausibility, internal and external consistency and reliability will be established.
- (12) The transmission from the NCBs to the ECB of confidential statistical information takes place to the extent and in the detail necessary for the exercise of the tasks of the ESCB. Where competent authorities other than NCBs are the sources of statistical information marked as confidential, the use of such information by the ECB should be limited to the exercise of ESCB-related statistical tasks.
- (13) It is necessary to set up a procedure to carry out technical amendments to the Annexes to this Guideline in an effective manner, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden of reporting agents in Member States. Account will be taken of the views of the STC when following this procedure. NCBs may propose such technical amendments to the Annexes to this Guideline through the STC.
- (14) In accordance with Articles 12.1 and 14.3 of the Statute, ECB guidelines form an integral part of Community law,

HAS ADOPTED THIS GUIDELINE:

Article 1

Definitions

For the purposes of this Guideline:

- ‘participating Member State’ shall mean a Member State which has adopted the single currency in accordance with the Treaty,
 - the term ‘resident’ shall have the same meaning as defined in Article 1 of Regulation (EC) No 2533/98,
 - ‘euro area’ shall mean the economic territory of the participating Member States, and the ECB. Territories forming part of, or countries associated with, euro-area Member States are given in Annex II, Table 10,
 - ‘Eurosystème’ shall mean the NCBs of the participating Member States and the ECB,
 - ‘cross-border transaction’ shall mean any transaction that creates or redeems, in full or in part, claims or debts, or any transaction that implies the transfer of a right over an object between residents of the euro area and non-euro-area residents,
 - ‘cross-border positions’ shall mean the stock of financial claims on and financial liabilities to non-euro-area residents. Cross-border positions shall also encompass (i) land, other tangible non-produced assets and other immovable assets physically located outside the euro area and owned by euro-area residents and/or located inside the euro area and owned by non-euro-area residents and (ii) monetary gold and special drawing rights (SDRs) owned by euro-area residents.
- However, to the extent necessary to compile the portfolio investment account and the portfolio investment income account within the balance of payments statistics, and the portfolio investment account within the international investment position statistics, covering the euro area, the terms ‘cross-border positions’ and ‘cross-border transactions’ also include positions and transactions in the assets and/or liabilities of euro-area residents vis-à-vis residents of other euro-area Member States,
- ‘reserve assets’ shall mean highly liquid, marketable and creditworthy claims held by the Eurosystem on non-euro-area residents and denominated in currencies other than the euro, plus gold, reserve positions in the IMF and SDR holdings,
 - ‘other foreign currency assets’ shall mean (i) claims held by the Eurosystem on euro-area residents denominated in currencies other than the euro and (ii) claims held by the Eurosystem on non-euro-area residents denominated in currencies other than the euro which do not meet the liquidity, marketability and creditworthiness criteria of reserve assets,
 - ‘reserve-related liabilities’ shall mean predetermined and contingent short-term net drains on the Eurosystem, similar to reserve assets and other foreign currency assets of the Eurosystem,
 - ‘balance of payments’ shall mean the statistical statement that reports, with the appropriate breakdown, cross-border transactions during the period under review,
 - ‘international reserves template’ shall mean the statistical statement that reports, with the appropriate breakdown, stocks of reserve assets, other foreign currency assets and reserve-related liabilities of the Eurosystem at a reference date,
 - ‘international investment position’ shall mean the balance sheet that reports, with the appropriate breakdown, the stock of cross-border financial assets and liabilities at a reference date,
 - ‘security-by-security’ data collection shall mean the collection of data broken down into individual securities.

Article 2

Statistical obligations of the NCBs

1. The NCBs shall make available to the ECB data on the cross-border transactions and positions as well as stocks of reserve assets, other foreign currency assets and reserve-related liabilities necessary to enable the ECB to compile the aggregated balance of payments and international investment position statistics and the international reserves template of the euro area. The data shall be made available in accordance with the deadlines contained in Table 13 of Annex II.
2. The data shall be accompanied by readily available information on single major events and on reasons for revisions, when the magnitude of the change to the data caused by such single major events and by revisions is significant or upon request by the ECB.

3. For monthly and quarterly transactions and quarterly and annual positions, the required data shall be made available to the ECB as laid down in Annexes I, II and III, which conform to current international standards, notably the fifth edition of the IMF Balance of Payments Manual. In particular, the required data on transactions and positions concerning portfolio investment assets in euro-area securities broken down by sector of the euro-area resident issuer shall be made available as laid down in Annex I, Sections 1.1, 1.2 and 3 and Annex II, Tables 1, 2, 4 and 5.

4. The required data on the balance of payments shall be made available on a monthly and quarterly basis. The quarterly balance of payments data shall include a geographical breakdown in respect of the counterparts laid down in Table 9 of Annex II. The required data on the international reserves template shall be made available as at the end of the month to which the data relate. The required data on the international investment position shall be made available on a quarterly and annual basis. The annual international investment position data shall include a geographical breakdown in respect of the counterparts laid down in Table 9 of Annex II.

5. For the analysis of the international role of the euro as an investment currency, the required data broken down by currency shall be made available on a semi-annual basis as laid down in Table 6 of Annex II.

6. From March 2008, starting with data corresponding to January 2008 transactions and to end-2007 positions, portfolio investment collection systems shall conform to one of the models set out in the table contained in Annex VI.

Article 3

Timeliness

1. The data required for the compilation of the monthly balance of payments of the euro area shall be made available to the ECB by the close of business on the 30th working day following the end of the month to which the data relate.

2. The data required for the compilation of the quarterly balance of payments of the euro area shall be made available to the ECB within three months of the end of the quarter to which the data relate.

3. The data required for the compilation of the international reserves template of the Eurosystem shall be made available to the ECB within three weeks of the end of the month to which the data relate.

4. From 1 January 2005, the data required for the compilation of the quarterly international investment position of the euro area shall be made available to the ECB within three months of the end of the quarter to which the data relate.

5. The annual data required for the compilation of the international investment position of the euro area shall be made available to the ECB within nine months of the end of the year to which the data relate.

6. Transactions and positions in debt securities broken down by currency of issue and by sector of the issuer shall be made available to the ECB within six months of the end of the period to which the data relate.

7. Revisions concerning the balance of payments and the international investment position of the euro area shall be made available to the ECB according to the time schedule laid down in Annex IV.

8. The national collection of these data shall be organised with a view to meeting these deadlines.

Article 4

Cooperation with competent authorities other than NCBs

1. Where the sources for part or all of the data described in Article 2 are competent authorities other than NCBs, NCBs shall establish the appropriate modalities of cooperation with these authorities to ensure a permanent structure for transmission of data which fulfils the ECB's standards, in particular on data quality, and any other of its requirements as set out in this Guideline, unless the same result is already achieved by national legislation.

2. For the financial account of the balance of payments, the related income, and the international investment position, the NCBs shall be responsible for ensuring that the concepts, methodology and data collection, compilation, analysis and transmission in these areas are maintained and developed.

3. Where competent authorities other than NCBs are the source of statistical information marked as confidential, such information shall be used by the ECB exclusively for the exercise of ESCB-related statistical tasks, unless the reporting agent or the other legal or natural person, entity or branch which provided the information, assuming that it can be identified, has explicitly given its consent to the use of such information for other purposes.

Article 5

Transmission standard

The required statistical information shall be made available to the ECB in a form which meets the requirements laid down in Annex IV.

*Article 6***Quality of the statistical information**

1. Without prejudice to the ECB's monitoring tasks as laid down in Annex V, the NCBs shall, in cooperation with competent authorities other than NCBs as mentioned in Article 4 where relevant, ensure the monitoring and the assessment of the quality of statistical information made available to the ECB. The ECB assesses in a similar manner data relating to the euro-area balance of payments, international investment position statistics and international reserves. The assessment shall be carried out in a timely manner. The Executive Board of the ECB shall report yearly to the Governing Council on the quality of the data.

2. The assessment of the quality of data on portfolio investment transactions and positions, as well as on related income is subject to sufficient coverage of the securities information in the CSDB. The ECB, as administrator of the CSDB, will monitor whether, from June 2006 onwards, coverage of the securities information is sufficient to enable NCBs, or other competent authorities where relevant, to fully meet the quality standards specified in this Guideline.

3. For the provision of data on transactions and positions concerning portfolio investment assets in euro-area securities, broken down by sector of the euro-area resident issuer, the use of estimates is allowed until security-by-security portfolio investment collection systems become mandatory.

4. For the provision of data on currency of issue in respect of portfolio investment data, the use of estimates is allowed until security-by-security portfolio investment collection systems become mandatory.

5. The ECB's monitoring of the quality of statistical information may include scrutiny of revisions made to these data: firstly, to include the latest assessment of the statistical information, thereby improving the quality; secondly, to ensure as far as possible consistency between the corresponding balance of payments items for each of the different frequencies.

*Article 7***Simplified amendment procedure**

Taking account of the views of the STC, the Executive Board of the ECB shall be entitled to make technical amendments to the annexes to this Guideline, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden of reporting agents in Member States.

*Article 8***Repeal**

Guideline ECB/2003/7 is hereby repealed.

*Article 9***Entry into force**

This Guideline shall enter into force on 1 September 2004.

*Article 10***Addressees**

This Guideline is addressed to the NCBs of participating Member States.

Done at Frankfurt am Main, 16 July 2004.

For the Governing Council of the ECB
The President of the ECB
Jean-Claude TRICHET

ANNEX I

Statistical requirements of the European Central Bank**1. Balance of payments statistics**

The European Central Bank (ECB) requires balance of payments statistics at two frequencies: monthly and quarterly in respect of the corresponding reference calendar periods. Annual data are compiled by adding up the quarterly data reported by the Member States for the corresponding year. As far as possible, balance of payments statistics should be consistent with other statistics provided for the conduct of monetary policy.

1.1. Monthly balance of payments statistics**Objective**

The objective of the monthly balance of payments of the euro area is to show the main items affecting monetary conditions and exchange markets (see Annex II, Table 1).

Requirements

It is essential that the data are suitable for use in the calculation of the balance of payments of the euro area.

In view of the short deadline for the provision of the monthly balance of payments data, their highly aggregated nature and their use for monetary policy purposes and foreign exchange operations, the ECB allows some departure from international standards (see Article 2(3) of the present Guideline), where unavoidable. Recording on a full accruals or transactions basis is not required. In agreement with the ECB, national central banks (NCBs) may provide data on the current and financial account on a settlement basis. Where necessary to meet the deadline, the ECB will accept estimates or preliminary data.

The requirement for each broad category of transaction is assets and liabilities (or credits and debits for current account items). In general this requires NCBs, as regards external transactions, to distinguish between transactions with residents of other euro-area Member States and transactions outside the euro area. NCBs do this in a consistent manner.

When membership of the euro area changes, the NCBs are required to implement the change in the definition of the country composition of the euro area from the date on which the change in membership takes effect. Best estimates for historical data covering the enlarged euro area are requested from NCBs of the euro area in its previous composition and of the new participating Member State(s).

In order to permit a meaningful aggregation of the data relating to the euro area on a monthly basis in the area of portfolio investment, a distinction is required between transactions in securities issued by euro-area residents and transactions in securities issued by non-euro-area residents. The statistics on net transactions in portfolio investment assets of the euro area are compiled by aggregating reported net transactions in securities issued by non-euro-area residents. Statistics on net transactions in portfolio investment liabilities of the euro area are compiled by consolidation of net transactions in total national liabilities and net transactions in securities issued and purchased by euro-area residents.

An analogous reporting requirement and compilation method for the aggregate data are applied for portfolio investment income.

With a view to compiling the monetary presentation of the balance of payments, NCBs are required to submit the data broken down by institutional sector. For the monthly balance of payments the following is the sectoral breakdown:

- for direct investment: (i) MFIs (excluding central banks); and (ii) other sectors,
- for portfolio investment assets: (i) monetary authorities; (ii) MFIs (excluding central banks); and (iii) non-MFIs,
- for other investment: (i) monetary authorities; (ii) MFIs (excluding central banks); (iii) general government; and (iv) other sectors.

With a view to compiling a sectoral breakdown of the balance of payments, thereby allowing the construction of a monetary presentation, NCBs will be required to provide, from the date laid down in Table 13 of Annex II to the present Guideline, data on net transactions in portfolio investment securities issued by euro-area residents broken down by the institutional sector to which the issuer belongs. In addition, portfolio investment liabilities will include a breakdown by institutional sector of the domestic issuer.

The statistics on net transactions in portfolio investment liabilities of the euro area broken down by sector are then compiled by consolidation of the respective sectors' net total national liabilities and the corresponding net transactions in securities issued and purchased by euro-area residents.

From March 2008, for transactions related to January 2008, NCBs (and other competent national authorities where appropriate), collect portfolio investment data according to one of the models set out in the table contained in Annex VI.

1.2. *Quarterly balance of payments statistics*

Objective

The objective of the quarterly balance of payments of the euro area is to provide more detailed information to permit further analysis of external transactions. These statistics notably contribute to the compilation of the euro-area sectoral and financial accounts and to the joint publication of EU/euro-area balance of payments in cooperation with the Commission of the European Communities (Eurostat).

Requirements

Quarterly balance of payments statistics conform as far as possible to international standards (see Article 2(3) of the present Guideline). The required breakdown of quarterly balance of payments statistics is presented in Annex II, Table 2. Harmonised concepts and definitions used in the capital and financial accounts are set out in Annex III.

The breakdown of the quarterly current account is similar to the one required for the monthly figures. However, for income a more detailed breakdown is needed on a quarterly basis.

In the financial account, the ECB follows the requirements of the fifth edition of the International Monetary Fund (IMF) *Balance of Payments Manual* (hereinafter 'the BPM5') for the 'other investment' item. There is a difference in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is however compatible with the breakdown of the BPM5 where instruments have priority. As in the BPM5 presentation, currency and deposits are distinguished from loans and other investments.

NCBs are required to distinguish in their quarterly balance of payments statistics between transactions with participating Member States and all other external transactions. As for the monthly data, a distinction between transactions in securities issued by euro-area residents and securities issued by non-euro-area residents is required for quarterly data in the area of portfolio investment. The statistics on net transactions in portfolio investment assets of the euro area are compiled by aggregating reported net transactions in securities issued by non-euro-area residents. Net transactions in portfolio investment liabilities of the euro area are compiled by consolidation of net transactions in total national liabilities and net transactions in securities issued and purchased by euro-area residents.

An analogous reporting requirement and compilation method for the aggregate data are applied for portfolio investment income.

For direct investment NCBs are required to submit quarterly an 'MFIs (excluding central banks)/non-MFIs' sectoral breakdown. For 'portfolio investment assets' and 'other investment' the breakdown of reports according to institutional sectors follows the standard components of the IMF comprising (i) monetary authorities, (ii) MFIs (excluding central banks), (iii) general government and (iv) other sectors.

For compiling the statistics on euro-area net transactions in portfolio investment liabilities by sector of the euro-area resident issuers, the requirements for quarterly data are similar to those for monthly balance of payments.

For the balance of payments of the euro area, accrued investment income data are required on a quarterly basis. In line with the system of national accounts, the BPM5 recommends that interest should be recorded on an accruals basis. This requirement affects the current account (investment income) as well as the financial account.

2. International reserves template

Objective

The international reserves template is a monthly statement of the reserve assets, other foreign currency assets and reserve-related liabilities held by NCBs and the ECB following the presentation of the joint IMF/Bank for International Settlements (BIS) template on 'International Reserves and Foreign Currency Liquidity'. This information complements the data on reserve assets included in the euro-area balance of payments and international investment position statistics.

Requirements

Reserve assets of the euro area are highly liquid, marketable and creditworthy claims held by the ECB ('pooled reserves') and by the NCBs ('unpooled reserve assets') on non-euro-area residents and denominated in foreign currency (i.e. in currencies other than the euro), gold, reserve positions in the IMF and SDR holdings. They may include positions in financial derivatives. Reserve assets are compiled on a gross basis without any netting out of reserve-related liabilities. The breakdown of the data required from the NCBs is presented in Annex II, Table 3, Section I.A.

Foreign currency-denominated assets of the Eurosystem which do not meet this definition, namely (i) claims on euro-area residents and (ii) claims on non-euro-area residents which do not meet the liquidity, marketability and creditworthiness criteria, are included under the 'other foreign currency assets' item of the international reserves template (Annex II, Table 3, Section I.B).

Euro-denominated claims on non-residents and balances in foreign currency held by governments of participating Member States are not considered as reserve assets; such amounts are recorded as 'other investment' if they represent claims on non-euro-area residents.

In addition, information on predetermined and contingent short-term net drains on the Eurosystem connected to reserve assets and other foreign currency assets of the Eurosystem, the so-called 'reserve-related liabilities', is to be reported under Annex II, Table 3, Sections II to IV.

3. International investment position statistics

Objective

The international investment position is a statement of the external assets and liabilities of the euro area as a whole, for monetary policy and exchange market analysis. In particular, it contributes to the assessment of the Member States' external vulnerability and to monitoring the developments in holdings of liquid assets abroad by the money holding sector. This statistical information is key to the compilation of the rest of the world account in the euro-area quarterly financial accounts and may also assist in the compilation of balance of payments flows.

Requirements

The ECB requires international investment position statistics on a quarterly and annual basis in respect of end-of-period stock levels.

The international investment position data conform as far as possible to international standards (see Article 2(3) of the present Guideline). The ECB compiles the international investment position for the euro area as a whole. The breakdown of the international investment position for the euro area is presented in Annex II, Table 4.

The international investment position shows financial stocks at the end of the reference period, valued at end-period prices. Changes in the value of stocks could be due to the following factors. First, part of the change in the value during the reference period will be due to the financial transactions that have taken place and been recorded in the balance of payments. Secondly, part of the changes in positions at the beginning and at the end of a given period will be caused by changes in the prices of the financial assets and liabilities shown. Thirdly, in the event that stocks are denominated in currencies other than the unit of account used for the international investment position, changes in the exchange rates vis-à-vis other currencies will also affect the values. Finally, any other change which is not due to the above factors will be considered as due to 'other adjustments'.

A proper reconciliation between the financial flows and stocks of the euro area requires changes in value owing to price, to exchange-rate changes and to other adjustments to be distinguished.

Coverage of the international investment position should be as close as possible to that for quarterly balance of payments flows. The concepts, definitions and breakdowns are in line with those used for quarterly balance of payments flows. As far as possible, data on the international investment position should be consistent with other statistics, such as money and banking statistics, financial accounts and national accounts.

As for the monthly and quarterly balance of payments, NCBs are required to distinguish in their international investment position statistics between holdings vis-à-vis participating Member States and all other external positions. A distinction between holdings in securities issued by euro-area residents and in securities issued by non-euro-area residents is required in the portfolio investment accounts. The statistics on net assets in portfolio investment of the euro area are compiled by aggregating reported net assets in securities issued by non-euro-area residents. Statistics on net liabilities in portfolio investment of the euro area are compiled by consolidation of net total national liabilities and net holdings in securities issued and purchased by euro-area residents.

NCBs are required to submit quarterly and annual holdings according to the same sectoral breakdown for 'direct investment', 'portfolio investment assets' and 'other investment' as for quarterly balance of payments flows.

For the ECB's compiling of a sectoral breakdown of the euro area net liabilities in portfolio investment, the requirements imposed on NCBs regarding international investment position data are the same as for balance of payments flows, subject to the provisions of Article 2(6) of this Guideline.

Portfolio investment assets and liabilities within the international investment position are compiled purely from stock data.

From the end of March 2008, NCBs (and other competent national statistical authorities where appropriate) collect, as a minimum, quarterly portfolio investment stocks of assets and liabilities on a security-by-security basis according to one of the models set out in the table contained in Annex VI.

ANNEX II

REQUIRED BREAKDOWNS

TABLE 1

Monthly national contributions to the euro-area balance of payments⁽¹⁾

	Credit	Debit	Net
I. Current account			
Goods	extra	extra	extra
Services	extra	extra	extra
Income			
Compensation of employees	extra	extra	extra
Investment income			
— direct investment	extra	extra	extra
— portfolio investment	extra		national
— other investment	extra	extra	extra
Current transfers	extra	extra	extra
II. Capital account	extra	extra	extra
	Net assets	Net liabilities	Net
III. Financial account			
Direct investment			extra
Abroad			extra
— Equity			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Reinvested earnings			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Other capital			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
In the reporting economy			extra
— Equity			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Reinvested earnings			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Other capital			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra

	Net assets	Net liabilities	Net
Portfolio investment ⁽²⁾	extra/intra	national	
Equity securities	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) MFIs (excluding central banks)	extra/intra	national	
(iii) Non-MFIs	extra/intra	national	
Debt securities	extra/intra	national	
— Bonds and notes	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) MFIs (excluding central banks)	extra/intra	national	
(iii) Non-MFIs	extra/intra	national	
— Money market instruments	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) MFIs (excluding central banks)	extra/intra	national	
(iii) Non-MFIs	extra/intra	national	
Financial derivatives			national
Other investment	extra	extra	extra
Monetary authorities	extra	extra	
General government	extra	extra	
Of which:			
Currency and deposits	extra		
MFIs (excluding central banks)	extra	extra	
— Long-term	extra	extra	
— Short-term	extra	extra	
Other sectors	extra	extra	
Of which:			
Currency and deposits	extra		
Reserve assets	extra		

(1) 'extra' means transactions with non-euro-area residents (for portfolio investment assets and related income it refers to the residency of the issuers)
'intra' means transactions between different Member States of the euro area
'national' means all cross-border transactions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(2) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

TABLE 2

Quarterly national contributions to the euro-area balance of payments ⁽¹⁾

	Credit	Debit	Net
I. Current account			
Goods	extra	extra	extra
Services	extra	extra	extra
Income			
Compensation of employees	extra	extra	extra
Investment income			
— Direct investment	extra	extra	extra
— Income on equity	extra	extra	extra
— Income on debt (interest)	extra	extra	extra
— Portfolio investment	extra		national
— Income on equity (dividends)	extra		national
— Income on debt (interest)	extra		national
Bonds and notes	extra		national
Money market instruments	extra		national
— Other investment	extra	extra	extra
Current transfers	extra	extra	extra
II. Capital account	extra	extra	extra
	Net assets	Net liabilities	Net
III. Financial account			
Direct investment			extra
Abroad			extra
— Equity			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Reinvested earnings			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Other capital			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
In the reporting economy			extra
— Equity			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra

	Net assets	Net liabilities	Net
— Reinvested earnings			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
— Other capital			extra
(i) MFIs (excluding central banks)			extra
(ii) Other sectors			extra
Portfolio investment ⁽²⁾	extra/intra	national	
Equity securities	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) General government	extra/intra	—	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
Debt securities	extra/intra	national	
— Bonds and notes	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
— Money market instruments	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
Financial derivatives			national
(i) Monetary authorities			national
(ii) General government			national
(iii) MFIs (excluding central banks)			national
(iv) Other sectors			national
Other investment	extra	extra	extra
(i) Monetary authorities	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	
(ii) General government	extra	extra	
— Trade credits	extra	extra	
— Loans/currency and deposits	extra	extra	
— Loans	extra		
— Currency and deposits	extra		
— Other assets/liabilities	extra	extra	

	Net assets	Net liabilities	Net
(iii) MFIs (excluding central banks)	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	
(iv) Other sectors	extra	extra	
— Trade credits	extra	extra	
— Loans/currency and deposits	extra	extra	
— Loans	extra		
— Currency and deposits	extra		
— Other assets/liabilities	extra	extra	
Reserve assets	extra		
Monetary gold	extra		
SDRs	extra		
Reserve position in the International Monetary Fund (IMF)	extra		
— Foreign exchange	extra		
— Currency and deposits	extra		
— With monetary authorities	extra		
— Securities	extra		
— Equities	extra		
— Bonds and notes	extra		
— Money market instruments	extra		
— Financial derivatives	extra		
Other claims	extra		

(¹) 'extra' means transactions with non-euro-area residents (for portfolio investment assets and related income it refers to the residency of the issuers)

'intra' means transactions between different Member States of the euro area

'national' means all cross-border transactions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(²) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

TABLE 3

Monthly international reserves of the Eurosystem; reserve-related liabilities of the euro area**I. Official reserve assets and other foreign currency assets (approximate market value)****A. Official reserve assets**

1. Foreign currency reserves (in convertible foreign currencies)
 - (a) Securities, of which:
 - issuer headquartered in the euro area
 - (b) total currency and deposits with
 - (i) other NCBs, Bank for International Settlements (BIS) and IMF
 - (ii) banks headquartered in the euro area and located abroad
 - (iii) banks headquartered and located outside the euro area
2. IMF reserve position
3. SDRs
4. gold (including gold deposits and gold swaps)
5. other reserve assets
 - (a) financial derivatives
 - (b) loans to non-bank non-residents
 - (c) other

B. Other foreign currency assets

- (a) securities not included in official reserve assets
- (b) deposits not included in official reserve assets
- (c) loans not included in official reserve assets
- (d) financial derivatives not included in official reserve assets
- (e) gold not included in official reserve assets
- (f) other

II. Predetermined short-term net drains on foreign currency assets (nominal value)

	Total	Maturity breakdown (residual maturity, where applicable)		
		Up to one month	More than one month and up to three months	More than three months and up to one year
1. Foreign currency loans, securities and deposits				
— outflows (–) Principal				
Interest				
— inflows (+) Principal				
Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)				
(a) Short positions (–)				
(b) Long positions (+)				

		Maturity breakdown (residual maturity, where applicable)		
	Total	Up to one month	More than one month and up to three months	More than three months and up to one year
3. Other (specify)				
— outflows related to repos (-)				
— inflows related to reverse repos (+)				
— trade credits (-)				
— trade credits (+)				
— other accounts payable (-)				
— other accounts receivable (+)				

III. *Contingent short-term net drains on foreign currency assets (nominal value)*

		Maturity breakdown (residual maturity, where applicable)		
	Total	Up to one month	More than one month and up to three months	More than three months and up to one year
1. Contingent liabilities in foreign currency				
(a) Collateral guarantees on debt falling due within one year				
(b) Other contingent liabilities				
2. Foreign currency securities issued with embedded options (puttable bonds)				
3.1. Undrawn, unconditional credit lines provided by:				
(a) other national monetary authorities, BIS, IMF and other international organisations				
— other national monetary authorities (+)				
— BIS (+)				
— IMF (+)				
(b) banks and other financial institutions head-quartered in the reporting country (+)				
(c) banks and other financial institutions head-quartered outside the reporting country (+)				
3.2. Undrawn, unconditional credit lines provided to:				
(a) other national monetary authorities, BIS, IMF and other international organisations				
— other national monetary authorities (-)				
— BIS (-)				
— IMF (-)				
(b) banks and other financial institutions head-quartered in the reporting country (-)				
(c) banks and other financial institutions head-quartered outside the reporting country (-)				

		Maturity breakdown (residual maturity, where applicable)		
	Total	Up to one month	More than one month and up to three months	More than three months and up to one year
4. Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency (a) Short positions (i) bought puts (ii) written calls (b) Long positions (i) bought calls (ii) written puts				
PRO MEMORIA: in-the-money options 1. At current exchange rates (a) short position (b) long position 2. + 5 % (depreciation of 5 %) (a) short position (b) long position 3. – 5 % (appreciation of 5 %) (a) short position (b) long position 4. + 10 % (depreciation of 10 %) (a) short position (b) long position 5. – 10 % (appreciation of 10 %) (a) short position (b) long position 6. Other (specify) (a) short position (b) long position				

IV. Memo items

1. To be reported with standard periodicity and timeliness:
 - (a) short-term domestic currency debt indexed to foreign exchange rates
 - (b) financial instruments denominated in foreign currency and settled by other means (e.g. in domestic currency)
 - non-deliverable forwards
 - (i) short positions
 - (ii) long positions
 - other instruments
 - (c) pledged assets
 - included in reserve assets
 - included in other foreign currency assets

- (d) securities lent and on repo
 - lent or repoed and included in Section I
 - lent or repoed but not included in Section I
 - borrowed or acquired and included in Section I
 - borrowed or acquired but not included in Section I
 - (e) financial derivative assets (net, marked to market)
 - forwards
 - futures
 - swaps
 - options
 - other
 - (f) derivatives (forward, futures or options contracts) that have a residual maturity greater than one year, which are subject to margin calls
 - aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)
 - (i) short positions
 - (ii) long positions
 - aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency
 - (i) short positions
 - bought puts
 - written calls
 - (ii) long positions
 - bought calls
 - written puts
2. To be disclosed less frequently (e.g. once a year):
- (a) currency composition of reserves (by groups of currencies)
 - currencies in SDR basket
 - currencies not included in SDR basket

TABLE 4

Quarterly national contributions to the euro-area international investment position ⁽¹⁾

	Assets	Liabilities	Net
I. Direct investment			extra
Abroad	extra		
— Equity and reinvested earnings	extra		
(i) MFIs (excluding central banks)	extra		
(ii) Other sectors	extra		
— Other capital	extra		
(i) MFIs (excluding central banks)	extra		
(ii) Other sectors	extra		
In the reporting economy		extra	
— Equity and reinvested earnings		extra	
(i) MFIs (excluding central banks)		extra	
(ii) Other sectors		extra	
— Other capital		extra	
(i) MFIs (excluding central banks)		extra	
(ii) Other sectors		extra	
II. Portfolio investment ⁽²⁾			
Equity securities	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) General government	extra/intra	—	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
Debt securities	extra/intra	national	
— Bonds and notes	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
— Money market instruments	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
III. Financial derivatives	extra	extra	extra
(i) Monetary authorities	extra	extra	extra
(ii) General government	extra	extra	extra
(iii) MFIs (excluding central banks)	extra	extra	extra
(iv) Other sectors	extra	extra	extra

	Assets	Liabilities	Net
IV. Other investment	extra	extra	extra
(i) Monetary authorities	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	
(ii) General government	extra	extra	
— Trade credits	extra	extra	
— Loans/currency and deposits	extra	extra	
— Loans	extra		
— Currency and deposits	extra		
— Other assets/liabilities	extra	extra	
(iii) MFIs (excluding central banks)	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	
(iv) Other sectors	extra	extra	
— Trade credits	extra	extra	
— Loans/currency and deposits	extra	extra	
— Loans	extra		
— Currency and deposits	extra		
— Other assets/liabilities	extra	extra	
V. Reserve assets	extra		
Monetary gold	extra		
SDRs	extra		
Reserve position in the IMF	extra		
Foreign exchange	extra		
— Currency and deposits	extra		
— With monetary authorities	extra		
— With MFIs (excluding central banks)	extra		
— Securities	extra		
— Equities	extra		
— Bonds and notes	extra		
— Money market instruments	extra		
— Financial derivatives	extra		
Other claims	extra		

(¹) 'extra' means positions with non-euro-area residents (for portfolio investment assets, it refers to the residency of the issuers)
'intra' means positions between different Member States of the euro area
'national' means all cross-border positions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(²) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

TABLE 5

Annual national contributions to the euro-area international investment position ⁽¹⁾

	Assets	Liabilities	Net
I. Direct investment			extra
Abroad	extra		
— Equity and reinvested earnings	extra		
(i) MFIs (excluding central banks)	extra		
(ii) Other sectors	extra		
Of which:			
Equity stocks in foreign listed companies (market values)	extra		
Equity stocks in foreign unlisted companies (book values)	extra		
Memorandum item:			
Equity stocks in foreign listed companies (book values)	extra		
— Other capital	extra		
(i) MFIs (excluding central banks)	extra		
(ii) Other sectors	extra		
In the reporting economy		extra	
— Equity and reinvested earnings		extra	
(i) MFIs (excluding central banks)		extra	
(ii) Other sectors		extra	
Of which:			
Equity stocks in euro-area listed companies (market values)	extra		
Equity stocks in euro-area unlisted companies (book values)	extra		
Memorandum item:			
Equity stocks in euro-area listed companies (book values)	extra		
— Other capital		extra	
(i) MFIs (excluding central banks)		extra	
(ii) Other sectors		extra	
II. Portfolio investment ⁽²⁾			
Equity securities	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) General government	extra/intra	—	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	

	Assets	Liabilities	Net
Debt securities	extra/intra	national	
— Bonds and notes	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFI (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
— Money market instruments	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFI (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
III. Financial derivatives	extra	extra	extra
(i) Monetary authorities	extra	extra	extra
(ii) General government	extra	extra	extra
(iii) MFI (excluding central banks)	extra	extra	extra
(iv) Other sectors	extra	extra	extra
IV. Other investment	extra	extra	extra
(i) Monetary authorities	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	
(ii) General government	extra	extra	
— Trade credits	extra	extra	
— Loans/currency and deposits	extra	extra	
— Loans	extra		
— Currency and deposits	extra		
— Other assets/liabilities	extra	extra	
(iii) MFI (excluding central banks)	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	
(iv) Other sectors	extra	extra	
— Trade credits	extra	extra	
— Loans/currency and deposits	extra	extra	
— Loans	extra		
— Currency and deposits	extra		
— Other assets/liabilities	extra	extra	
V. Reserve assets	extra		
Monetary gold	extra		
SDRs	extra		
Reserve position in the IMF	extra		
Foreign exchange	extra		

	Assets	Liabilities	Net
— Currency and deposits	extra		
— With monetary authorities	extra		
— With MFIs (excluding central banks)	extra		
— Securities	extra		
— Equities	extra		
— Bonds and notes	extra		
— Money market instruments	extra		
— Financial derivatives	extra		
Other claims	extra		

(¹) 'extra' means positions with non-euro-area residents (for portfolio investment assets, it refers to the residency of the issuers)
'intra' means positions between different Member States of the euro area
'national' means all cross-border positions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(²) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

TABLE 6

Statistics on debt securities for the analysis of the international role of the euro as an investment currency ⁽¹⁾

Euro	Transactions in the first/last six months of the year		
	Debt securities — Bonds and notes — Money market instruments	Assets	Liabilities
		extra/intra	national
		extra/intra	national
		extra/intra	national
	Positions as at end of June/end of December		
	Debt securities — Bonds and notes — Money market instruments	Assets	Liabilities
		extra/intra	national
		extra/intra	national
		extra/intra	national
US Dollar	Transactions in the first/last six months of the year		
	Debt securities — Bonds and notes — Money market instruments	Assets	Liabilities
		extra/intra	national
		extra/intra	national
		extra/intra	national
	Positions as at end of June/end December		
	Debt securities — Bonds and notes — Money market instruments	Assets	Liabilities
		extra/intra	national
		extra/intra	national
		extra/intra	national
Other currencies	Transactions in the first/last six months of the year		
	Debt securities — Bonds and notes — Money market instruments	Assets	Liabilities
		extra/intra	national
		extra/intra	national
		extra/intra	national
	Positions as at end of June/end of December		
	Debt securities — Bonds and notes — Money market instruments	Assets	Liabilities
		extra/intra	national
		extra/intra	national
		extra/intra	national

⁽¹⁾ 'extra' means transactions/positions with non-euro-area residents (for portfolio investment assets and related income it refers to the residency of the issuers)
'intra' means transactions/positions between different Member States of the euro area
'national' means all cross-border transactions/positions by/of residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

TABLE 7

Quarterly national contributions to the euro-area balance of payments with geographical breakdown ⁽¹⁾

	Credit	Debit	Net
I. Current account			
Goods	Step 3	Step 3	Step 3
Services	Step 3	Step 3	Step 3
Income			
Compensation of employees	Step 3	Step 3	Step 3
Investment income			
— Direct investment	Step 3	Step 3	Step 3
— Portfolio investment	Step 3		
— Other investment	Step 3	Step 3	Step 3
Current transfers	Step 3	Step 3	Step 3
II. Capital account	Step 3	Step 3	Step 3
	Net assets	Net liabilities	Net
III. Financial account			
Direct investment			Step 3
Abroad			Step 3
— Equity			Step 3
— Reinvested earnings			Step 3
— Other capital			Step 3
In the reporting economy			Step 3
— Equity			Step 3
— Reinvested earnings			Step 3
— Other capital			Step 3
Portfolio investment	Step 3		
Equity securities	Step 3		
Debt securities	Step 3		
— Bonds and notes	Step 3		
— Money market instruments	Step 3		
Financial derivatives			
Other investment	Step 3	Step 3	Step 3
(i) Monetary authorities	Step 3	Step 3	
(ii) General government	Step 3	Step 3	
— Trade credits	Step 3	Step 3	
— Loans/currency and deposits	Step 3	Step 3	
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3	Step 3	

	Net assets	Net liabilities	Net
(iii) MFIs (excluding central banks)	Step 3	Step 3	
(iv) Other sectors	Step 3	Step 3	
— Trade credits	Step 3	Step 3	
— Loans/currency and deposits	Step 3	Step 3	
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3	Step 3	
Reserve assets			

(¹) Step-3 refers to the geographical breakdown as detailed in Table 9.

TABLE 8

Annual national contributions to the euro-area international investment position with geographical breakdown⁽¹⁾

	Assets	Liabilities	Net
I. Direct investment			
Abroad	Step 3		
— Equity and reinvested earnings	Step 3		
— Other capital	Step 3		
In the reporting economy		Step 3	
— Equity and reinvested earnings		Step 3	
— Other capital		Step 3	
II. Portfolio investment			
Equity securities	Step 3		
Debt securities	Step 3		
— Bonds and notes	Step 3		
— Money market instruments	Step 3		
III. Financial derivatives			
IV. Other investment	Step 3	Step 3	Step 3
(i) Monetary authorities	Step 3	Step 3	
(ii) General government	Step 3	Step 3	
— Trade credits	Step 3		
— Loans/currency and deposits	Step 3		
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3	Step 3	
(iii) MFIs (excluding central banks)	Step 3	Step 3	
(iv) Other sectors	Step 3	Step 3	
— Trade credits	Step 3		
— Loans/currency and deposits	Step 3		
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3		
V. Reserve assets			

⁽¹⁾ Step-3 refers to the geographical breakdown as detailed in Table 9.

TABLE 9

ECB geographical breakdowns for quarterly balance of payments flows and annual international investment position data

— Denmark
— Sweden
— United Kingdom
— EU institutions ⁽¹⁾
— Other EU Member States (i.e. the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia) ⁽²⁾
— Switzerland
— Canada
— United States
— Japan
— Offshore centres ⁽³⁾
— International organisations excluding the EU institutions ⁽⁴⁾
— Residual ⁽⁵⁾

TABLE 10

Territories forming part of, or countries associated with, euro-area Member States

Territories forming part of the euro area:

- Helgoland: Germany
- Canary Islands, Ceuta and Melilla: Spain
- Monaco, Guyana, Guadeloupe, Martinique, Réunion, Saint Pierre and Miquelon, Mayotte: France
- Madeira, the Azores: Portugal
- The Åland Islands: Finland

Territories associated with euro-area Member States to be included in the RoW:

- Büsingen (not Germany)
- Andorra (neither Spain nor France)
- The Netherlands Antilles and Aruba (not the Netherlands)
- French Polynesia, New Caledonia and the Wallis and Futuna Islands (not France)
- San Marino and the Vatican City (not Italy)

⁽¹⁾ See composition in TABLE 12 . No individual breakdown is required.

⁽²⁾ No individual breakdown is required.

⁽³⁾ Only mandatory for the balance of payments financial account, the related income accounts and the international investment position. Current account (excluding income) flows vis-à-vis offshore centres may be reported either separately or indistinguishably under the residual item category. See composition in TABLE 11. No individual breakdown is required.

⁽⁴⁾ See composition in TABLE 12 . No individual breakdown is required.

⁽⁵⁾ Calculated as residual (excluding from the total national contribution to the euro-area balance of payments/international investment position item the amounts corresponding to the above-listed counterparts).

TABLE 11

List of offshore centres for the ECB geographical breakdown for quarterly balance of payments flows and annual international investment position data

ISO codes	Eurostat + OECD Offshore financial centers
AD	Andorra
AG	Antigua and Barbuda
AI	Anguilla
AN	Netherlands Antilles
BB	Barbados
BH	Bahrain
BM	Bermuda
BS	Bahamas
BZ	Belize
CK	Cook Islands
DM	Dominica
GD	Grenada
GG	Guernsey
GI	Gibraltar
HK	Hong Kong
IM	Isle of Man
JE	Jersey
JM	Jamaica
KN	Saint Kitts and Nevis
KY	Cayman Islands
LB	Lebanon
LC	Saint Lucia
LI	Liechtenstein
LR	Liberia
MH	Marshall Islands
MS	Montserrat
MV	Maldives
NR	Nauru
NU	Niue
PA	Panama
PH	Philippines
SG	Singapore
TC	Turks and Caicos Islands
VC	Saint Vincent and the Grenadines
VG	Virgin Islands, British
VI	Virgin Islands, U.S.
VU	Vanuatu
WS	Samoa

TABLE 12

List of international organisations ⁽¹⁾ for the ECB geographical breakdown for quarterly balance of payments flows and annual international investment position data

1. European Union institutions
1.1. Major European Union institutions, organs and organisms (excluding the ECB)
EIB (European Investment Bank)
EC (European Commission)
EDF (European Development Fund)
EIF (European Investment Fund)
1.2. Other European Union institutions, organs and organisms covered by the general budget
European Parliament
Council of the European Union
Court of Justice
Court of Auditors
European Economic and Social Committee
Committee of the Regions
Other European Union institutions, organs and organisms
2. International organisations
2.1. International monetary organisations
IMF (International Monetary Fund)
BIS (Bank for International Settlements)
2.2. International non-monetary organisations
2.2.1. Major United Nations organisations
WTO (World Trade Organisation)
IBRD (International Bank for Reconstruction and Development)
IDA (International Development Association)
2.2.2. Other United Nations organisations
Unesco (United Nations Educational, Scientific and Cultural Organisation)
FAO (Food and Agriculture Organisation)
WHO (World Health Organisation)
IFAD (International Fund for Agricultural Development)
IFC (International Finance Corporation)
MIGA (Multilateral Investment Guarantee Agency)
Unicef (United Nations Children's Fund)
UNHCR (United Nations High Commissioner for Refugees)
UNRWA (United Nations Relief and Works Agency for Palestine)
IAEA (International Atomic Energy Agency)
ILO (International Labour Organisation)
ITU (International Telecommunication Union)

⁽¹⁾ Based on the European Commission (Eurostat) balance of payment vademecum.

2.2.3. Other major international institutions, organs and organisms (excluding the ECB)
OECD (Organisation for Economic Cooperation and Development)
IADB (Inter-American Development Bank)
AfDB (African Development Bank)
AsDB (Asian Development Bank)
EBRD (European Bank for Reconstruction and Development)
IIC (Inter-American Investment Corporation)
NIB (Nordic Investment Bank)
IBEC (International Bank for Economic Cooperation)
IIB (International Investment Bank)
CDB (Caribbean Development Bank)
AMF (Arab Monetary Fund)
BADEA (Banque arabe pour le développement économique en Afrique)
CASDB (Central African States Development Bank)
African Development Fund
Asian Development Fund
Fonds spécial unifié de développement
CABEI (Central American Bank for Economic Integration)
ADC (Andean Development Corporation)
2.2.4. Other international organisations
NATO (North Atlantic Treaty Organisation)
Council of Europe
ICRC (International Committee of the Red Cross)
ESA (European Space Agency)
EPO (European Patent Office)
Eurocontrol (European Organisation for the Safety of Air Navigation)
EUTELSAT (European Telecommunications Satellite Organisation)
INTELSAT (International Telecommunications Satellite Organisation)
EBU/UER (European Broadcasting Union/Union européenne de radio-télévision)
EUMETSAT (European Organisation for the Exploitation of Meteorological Satellites)
ESO (European Southern Observatory)
ECMWF (European Centre for Medium-range Weather Forecasts)
EMBL (European Molecular Biology Laboratory)
CERN (European Organisation for Nuclear Research)
IOM (International Organisation for Migration)

TABLE 13
Summary of requirements and deadlines

Item	First reference period(s)	First transmission/ deadline	Relevant provision(s) of the guideline
Geographical breakdown (except other investment instruments)			Article 2(4), Annex III Section 2
Quarterly b.o.p.	Q1 2003 to Q1 2004	End of June 2004	Annex II, Table 7
Annual i.i.p.	2002 and 2003	End of September 2004	Annex II, Table 8
Geographical breakdown for other investment instruments			Article 2(4), Annex III Section 2
Quarterly b.o.p.	Q1 2004 to Q2 2005	End of September 2005	Annex II, Table 7
Annual i.i.p.	2003 and 2004	End of September 2005	Annex II, Table 8
Quarterly i.i.p.	Q4 2003 to Q3 2004	End of December 2004	Article 3(4)
Portfolio investment s-b-s			
Quarterly i.i.p.	Q4 2007 position	End of March 2008	Article 2(6)
Annual i.i.p.	2007	End of September 2008	Article 2(6)
Portfolio investment (intra) assets broken down by issuer sector			Article 2(3)
Monthly b.o.p.	January to April 2006	June 2006	Annex II, Table 1
Quarterly b.o.p.	Q1 2006	End of June 2006	Annex II, Table 2
Quarterly i.i.p.	Q4 2005 and Q1 2006	End of June 2006	Annex II, Tables 4 and 5
Annual i.i.p.	2005	End of September 2006	Annex II, Tables 4-5
FDI additional breakdowns by valuation of equity stocks			Annex III, Section 1.3
Annual i.i.p.	2004 and 2005	End of September 2006	Annex II, Table 5 and Annex III, Table 1
Split loans/deposits			
Monthly b.o.p.	January and February 2004	April 2004	Annex II, Table 1
Quarterly b.o.p.	Q1 2004	End of June 2004	Annex II, Table 2
Quarterly i.i.p.	Q4 2003 to Q3 2004	End of December 2004	Annex II, Table 4
Annual i.i.p.	2003	End of September 2004	Annex II, Table 5

Item	First reference period(s)	First transmission/ deadline	Relevant provision(s) of the guideline
Currency breakdown on debt securities (EUR/non-EUR)			Article 3(6)
Six-month transactions	July to December 2004	End of June 2005	Annex II, Table 6
Positions end of June/end of December	2004	End of June 2005	Annex II, Table 6
Currency breakdown on debt securities (EUR/USD/other currencies)			Article 3(6)
Six-month transactions	July to December 2007	End of June 2008	Annex II, Table 6
Positions end of June/end of December	2007	End of June 2008	Annex II, Table 6

ANNEX III

Concepts and definitions to be used in the balance of payments and international investment position statistics, and the international reserves template

In order to construct meaningful aggregated external statistics for the euro area, concepts and definitions have been defined in the field of balance of payments statistics (income, capital and financial accounts), international investment position statistics and the international reserves template. These concepts and definitions are based on the 'Implementation Package' (July 1996) and additional documents endorsed by the Governing Council of the European Central Bank (ECB). Current international standards, such as the fifth edition of the International Monetary Fund (IMF) *Balance of Payments Manual* (hereinafter 'the BPM5') and the IMF/Bank for International Settlements template on International Reserves and Foreign Currency Liquidity, have been used as a reference in formulating these concepts and definitions. The most important harmonisation proposals are listed below in line with the ECB's methodological notes on 'Balance of payments and international investment position of the euro area (including reserves)' published on its website at <http://www.ecb.int>. Further guidance is available in Chapters 2 and 3 of the ECB's publication *European Union balance of payments/international investment position statistical methods* (hereinafter 'the B.o.p. book') which is revised annually and is available both on the website and in hard copy.

1. Concepts and definitions of selected items**1.1. Investment income (see also B.o.p. book, Section 3.4)**

Investment income incorporates income derived from a euro-area resident's ownership of a non-euro-area financial asset (credits) and symmetrically, income derived from a non-euro-area resident's ownership of a euro-area financial asset (debits). Where they are separately identifiable, gains and losses on (capital) holdings are not classified as income on investments, but as changes in the value of the investments due to market price developments.

Investment income includes income generated by direct investment, portfolio investment and other investment and by the Eurosystem's reserve assets. However, net flows associated with interest-rate derivatives are recorded under 'financial derivatives' in the financial account. Reinvested earnings are recorded under 'direct investment income'. They are defined as the direct investor's share of the total consolidated profits earned by the direct investment enterprise in the given reference period (after allowing for tax, interest and depreciation) less dividends due for payment in the reference period, even if these dividends relate to profits earned in previous periods.

The requirements for monthly and quarterly balance of payments data are almost identical to IMF Standard Components as defined in the BPM5. The main difference is that the ECB does not require a breakdown of direct investment income on equity into distributed and undistributed profits.

Interest income is recorded on an accruals basis (this is not required for the monthly data). Dividends are recorded as of the date on which they become payable. Reinvested earnings are to be recorded in the period in which they are earned.

1.2. Capital account (see also B.o.p. book, Section, 3.6)

The capital account covers capital transfers and the acquisition/disposal of non-produced non-financial assets. Current transfers are to be recorded in the current account. Capital transfers consist of (i) transfers of ownership of fixed assets, (ii) transfers of funds linked to, or conditional upon, the acquisition or disposal of fixed assets and (iii) the cancellation, without any consideration being received in return, of liabilities by creditors. Capital transfers may be in cash or in kind (such as debt forgiveness). The distinction between current and capital transfers, in practice, rests in the use of the transfer by the recipient country. Acquisition/disposal of non-produced non-financial assets covers mainly intangibles such as patents, leases or other transferable contracts. Only the purchase/sale of such assets, but not their use, is to be recorded in this item of the capital account.

While the IMF's standard components of the capital account consist of a sectoral breakdown into the items 'general government' and 'other sectors' (with a further breakdown thereafter), the ECB compiles only a lump-sum capital account, without any breakdown.

1.3. *Direct investment (see also B.o.p. book, Section 3.7)*

Direct investment is a category of international investment that reflects the objective of an entity resident in one economy to obtain a lasting interest in an enterprise resident in another economy. In line with international standards (IMF), the '10 % ownership criterion' is applied in order to infer the existence of a direct investment relationship, i.e. a lasting interest in the case of the euro-area balance of payments/international investment position. Based on this criterion, a direct investment relationship can exist between a number of related enterprises, regardless of whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment is established, all subsequent financial flows/holdings between/vis-à-vis the related entities are recorded as direct investment transactions/positions ⁽¹⁾.

Following the IMF standards and Eurostat/OECD guidelines, direct investment relationships of the euro area are recorded using the directional principle, implying that the financial transactions between the euro-area resident direct investor and the non-euro-area direct investment enterprises are classified as 'direct investment abroad'. Symmetrically, the financial transactions between resident direct investment enterprises and non-euro-area direct investors are classified under the 'direct investment in the reporting economy' item of the euro-area balance of payments.

The components of direct investment are equity capital, reinvested earnings and 'other capital' associated with various inter-company debt operations. Equity capital comprises equity in branches as well as all shares in subsidiaries and associates. Reinvested earnings consist of the offsetting entry to the direct investor's share of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor and which are recorded under 'investment income'. 'Other capital' covers all financial operations between affiliated companies (borrowing and lending of funds) — including debt securities and suppliers' credits (i.e. trade credits) — between direct investors and subsidiaries, branches and associates.

With regard to the valuation of direct investment stocks, the internationally recommended approach is to use market prices. This approach is applied to the valuation of equity stocks in the case of direct investment companies listed in stock exchanges. Conversely, in the case of unlisted direct investment companies, equity stocks are valued on the basis of book values using a common definition comprising the following accounting items:

- (i) paid-up capital (excluding own shares and including shares premium accounts);
- (ii) all types of reserves (including investment grants when accounting guidelines consider them as company's reserves);
- (iii) non-distributed profits net of losses (including results for the current year).

As memorandum items, the book values of equity stocks in listed direct investment companies are also required using the same common definition.

The work of the joint ECB/Commission (Eurostat) Task Force on Foreign Direct Investment led to some recommendations aimed at harmonising methodology and practices across Member States. TABLE 1 summarises the main recommendations.

1.4. *Portfolio investment (see also B.o.p. book, Section 3.8)*

The euro-area portfolio investment account includes (i) equity securities and (ii) debt securities in the form of bonds and notes and money market instruments, unless they are categorised either as direct investment or as reserve assets. Financial derivatives as well as repurchase agreements and securities lending are excluded from portfolio investment.

The 'equity securities' item covers all instruments representing claims on the residual value of incorporated enterprises after the claims of all creditors have been met. Stocks, shares, preference stocks or shares, participation certificates or similar documents denote ownership of equity. Transactions/holdings of shares of collective investment institutions, e.g. investment funds, are also included.

⁽¹⁾ Exceptions relate to transactions/positions in financial derivatives between affiliates for which recording under the category 'financial derivatives' rather than under 'direct investment/other capital' was agreed at the euro-area level.

Bonds and notes are securities issued with an initial maturity of more than one year which usually give the holder (i) the unconditional right to a fixed monetary income or contractually determined variable monetary income (payment of interest being independent of the earnings of the debtor) and (ii) the unconditional right to a fixed sum in repayment of principal on a specified date or dates.

Unlike bonds and notes, money market instruments are securities issued with an initial maturity of one year or less. They generally give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. These instruments are usually traded, at a discount, in organised markets; the discount is dependent upon the interest rate and the time remaining to maturity.

The report by the Task Force on Portfolio Investment Data Collection Systems was followed by national feasibility studies concerning the possibility of data collection on a security-by-security basis euro-area-wide. These studies were carried out by the then 15 European Union Member States and concluded with an agreement to collect, as a minimum, quarterly portfolio investment stocks in the euro area on a security-by-security basis. This agreement established four valid models for the compilation of portfolio investment statistics, as presented in the table contained in Annex VI.

For the sectoral breakdown of the euro-area net liabilities in portfolio investment, the requirements regarding international investment position data are the same as for balance of payments flows.

The recording of portfolio investment transactions in the euro-area balance of payments takes place when the euro-area creditors or debtors enter the claim or liability in their books. Transactions are recorded at the effective price received or paid, less commission and expenses. Thus, in the case of securities with coupons, the interest accrued from the last payment of interest is included and, in that of securities issued at a discount, the interest accumulated since the issue is included. Inclusion of interest accrued is required for the financial account of the quarterly balance of payments and the international investment position; in the monthly balance of payments the same treatment is encouraged; these recordings in the quarterly (and monthly) financial account need to have offsetting entries in the respective income account.

1.5. *Financial derivatives (see also B.o.p. book, Section 3.9)*

Financial derivatives are financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Transactions in financial derivatives are treated as separate transactions rather than as integral parts of the value of underlying transactions to which they may be linked.

Transactions and positions in options, futures, swaps, forward foreign exchange contracts, credit derivatives and embedded derivatives are recorded in the balance of payments, international reserves and international investment position. For practical reasons, embedded derivatives are not distinguished from the underlying instrument to which they are linked.

Net flows associated with interest-rate derivatives are recorded as financial derivatives, not as investment income, in line with recent international agreement. The classification of specific instruments of credit derivatives should be decided on a case-by-case basis.

Initial margin payments are regarded as changes in deposits and should be recorded, if identifiable, under 'other investment'. The treatment of variation margin payments depends on the form of the variation margin: options-style variation margins are regarded, in principle, as changes in deposits and should be recorded, if identifiable, under 'other investment'. Futures-style variation margin payments are regarded, in principle, as transactions in derivatives and should be recorded under 'financial derivatives'.

In the case of options, the full premium (i.e. the purchase/sale price of the options and the implied service charge) is recorded.

The valuation of financial derivatives should be conducted on a marked-to-market basis.

The recording of transactions in financial derivatives takes place when the euro-area creditors and debtors enter the claim or liability in their books. Owing to practical problems involved in separating the asset and liability flows for some derivative instruments, all financial derivatives transactions in the euro-area balance of payments are recorded net. Financial derivative asset and liability positions in the international investment position statistics are recorded on a gross basis, with the exception of those financial derivatives falling into the category of reserve assets, which are recorded on a net basis.

1.6. *Other investment (see also B.o.p. book, Section 3.10)*

Other investment is defined as a residual category that includes all financial transactions not covered in the direct investment, portfolio investment, financial derivatives or reserve assets categories.

Other investment covers trade credits, loans, currency and deposits and other assets/other liabilities. It also encompasses the offsetting entries for accrued income on instruments classified under other investment.

Trade credits consist of claims or liabilities arising from the direct extension of credit by euro-area suppliers or buyers respectively for transactions in goods and services and advance payments for work in progress (or to be undertaken) that is associated with such transactions.

Loans/currency and deposits comprise transactions/holdings in the following financial instruments: loans, i.e. financial assets created through the direct lending of funds by a creditor (lender) to a debtor (borrower) through an arrangement in which the lender either receives no security or receives a non-negotiable document or instrument, repo-type operations, currency and deposits. This includes, *inter alia*, loans to finance trade, other loans and advances (including mortgages) and financial leases. The distinction between 'loans' and 'currency and deposits' is based on the nature of the borrower. This implies that, on the assets side, money granted by the euro-area money-holding sector to non-euro-area banks is to be classified as 'deposits' and money granted by the euro-area money-holding sector to non-euro-area non-banks (i.e. institutional units other than banks) is to be classified as 'loans'. On the liabilities side, money taken by euro-area non-banks (i.e. non-MFIs) is always to be classified as 'loans'. Finally, this distinction implies that all transactions involving euro-area MFIs and foreign banks are to be classified as 'deposits'.

All repo-type operations, i.e. repurchase agreements, sell/buy-back operations and securities lending (with exchange of cash as collateral), are treated in the euro-area balance of payments/international investment position as collateralised loans, not as outright purchases/sales of securities, and are recorded under 'other investment', within the euro-area resident sector that carries out the operation. This treatment, which is also in line with the accounting practice of banks and other financial corporations, is intended to better reflect the economic rationale behind these financial instruments.

Other assets/other liabilities covers all items other than trade credits, loans and currency and deposits.

The euro-area sector 'Eurosysteem' in 'other investment' includes net positions of the Eurosysteem with the national central banks (NCBs) of non-participating Member States related to the operation of the TARGET system. These intra-European System of Central Banks (ESCB) balances/accounts, which are denominated in euro, are similar to movements of the monetary financial institutions' (MFIs) *nostro/vostro* accounts and thus, reported to the ECB on a net basis under liabilities.

The principles of 'transfer of ownership', 'time of settlement' and 'time of payment' all conform to the IMF standards.

Compared with BPM5 standard components, there is a difference in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is however compatible with the breakdown of the BPM5 where instruments have priority. For the monthly balance of payments data, a distinction between short-term and long-term flows in the MFI sector is required. As in the BPM5 presentation, currency and deposits are distinguished from loans and other investments.

1.7. *Reserve assets (see also B.o.p. book, Section 3.11)*

The reserve assets of the euro area consist of the Eurosysteem's reserve assets, i.e. the ECB's and the NCBs' reserve assets.

Reserve assets must (i) be under the effective control of the relevant monetary authority of the Eurosysteem or an NCB and (ii) be highly liquid, marketable and creditworthy claims held by the Eurosysteem on non-euro-area residents denominated in currencies other than the euro, gold, reserve positions in the IMF or special drawing rights (SDRs).

This definition expressly excludes foreign currency claims on residents of the euro area, and euro claims on non-residents of the euro area, from being considered to be reserve assets either at the national or at the euro-area level. Likewise, foreign exchange positions of central governments and/or the Treasury are not included in the definition of reserve assets for the euro area in accordance with the institutional arrangements in the Treaty establishing the European Community.

Reserve assets of the ECB are those assets which are pooled in accordance with Article 30 of the Statute of the ESCB and thus considered to be under the direct and effective control of the ECB. As long as no further transfer of ownership takes place, reserve assets retained by the NCBs are under their direct and effective control and are treated as reserve assets of each individual NCB.

The presentation of the Eurosystem's international reserves transactions shows a total figure for monthly transactions. Additional details of Eurosystem transactions in gold, foreign exchange, holdings of SDRs and reserve position in the IMF are available quarterly following BPM5 standard components. A separate category for financial derivatives is presented, in line with the recent IMF recommendation in this field.

The Eurosystem's reserves are compiled on a gross basis without any netting-off of reserve-related liabilities (with the exception of those reserve assets included in the sub-category 'financial derivatives', which are recorded on a net basis).

The valuation is based on market prices by using (i) for transactions, the prevailing market prices at the time when the transaction takes place and (ii) for holdings, the closing mid-market prices at the end of the appropriate period. Prevailing market exchange rates at the time when the transaction takes place and closing mid-market prices at the end of the appropriate period are respectively used for the conversion of transactions and holdings of foreign currency-denominated assets into euro.

Income on reserve assets is to be recorded indistinguishably under the 'other investment' item of the investment income account, including interest income on reserve holdings of debt securities, and on an accruals basis at least quarterly.

The view that usable reserves might be a more important indicator of a country's ability to meet its foreign exchange obligations than gross reserves as shown in the balance of payments and international investment position statistics has become more widespread and has been adopted in the IMF's Special Data Dissemination Standard. To calculate usable reserves, data on gross reserves need to be supplemented with information about other foreign currency assets and reserve-related liabilities. Accordingly, monthly data on (gross) reserve assets of the Eurosystem are supplemented with information on other foreign currency assets and predetermined and contingent short-term net drains on the gross reserve assets classified according to residual maturity. Moreover, a currency distinction between gross reserve assets denominated in SDR currencies (in total) and other currencies (in total) with a quarter's lag is also required.

Regarding specific items, holdings of monetary gold should remain unchanged in all reversible gold transactions (gold swaps, repos, loans and deposits). Repo transactions in foreign currency-denominated securities result in increases in the total amount of the reserve assets of the cash-borrowing NCB owing to the fact that the repoed securities still remain on the balance sheet; in the case of reverse repos, the cash-lending monetary authority does not register any variation in the total amount of reserve assets if the non-resident counterpart is another monetary authority or financial institution, owing to the fact that the claim on the cash borrower is then regarded as a reserve asset.

2. Implementation methods for geographical allocation

A step-by-step approach has been followed for the compilation of geographically broken down balance of payments and international investment position statistics. This approach has involved three steps towards meeting data requirements, which were progressively more demanding:

Step 1: Compilation method at the euro-area level: addition of national total net transactions/positions.

Step 2: Compilation method at the euro-area level: separate addition of transactions/positions with non-residents for credits and debits or net assets and net liabilities (balance of payments)/assets and liabilities (international investment position).

Data requirements at the NCB level: separate identification of transactions/positions between euro-area and non-euro-area residents, as laid down in Annex II (Tables 1, 2, 4 and 5).

Step 3: Compilation method at the euro-area level and data requirements at the NCB level: similar to Step 2 with the addition of a geographical breakdown within non-euro-area transactions/positions. Step 3 is only necessary for quarterly balance of payments and annual international investment position statistics, as laid down in Annex II (Tables 7 and 8).

Data requirements at the NCB level: separate identification of transactions/positions between euro-area residents and residents of countries in the agreed list of counterpart countries/regions contained in Annex II (Tables 9 to 12).

3. Classification by institutional sector in the euro-area aggregates (See also B.o.p. book, Section 3.1.6)

The sectoral breakdown of euro-area aggregates comprises monetary authorities, general government, MFIs and other sectors of the euro area.

Monetary authorities

The 'monetary authorities' sector of the euro-area statistics consists of the Eurosystem.

General government

The 'general government' sector of the euro-area statistics is consistent with the definition of that sector in the SNA 93 and ESA 95 and thus comprises the following units:

- central government,
- state/regional government,
- local government,
- social security funds.

MFIs excluding monetary authorities

This 'MFIs excluding monetary authorities' sector coincides with the MFI sector for money and banking statistics (excluding monetary authorities). It comprises:

- (i) credit institutions as defined by Community law, i.e. undertakings whose business is to receive deposits or other repayable funds from the public (including the proceeds arising from the sales of bank bonds to the public) and to grant credit for their own account;
- (ii) all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and for their own account (at least in economic terms), to grant credits and/or to make investments in securities.

Other sectors

The 'other sectors' category of the euro-area statistics comprises a variety of institutional units, mainly:

- (i) other financial institutions not included in the MFI definition, such as collective investment institutions not deemed to be money market funds, real estate investment institutions, securities dealers, mortgage credit institutions, insurance corporations, pension funds and financial auxiliaries;
- (ii) non-financial institutions, such as public and private non-financial enterprises, non-profit institutions serving households and households.

Non-MFIs

The 'non-MFIs sectors' category of the euro-area statistics comprises the sectors (i) 'general government' and (ii) 'other sectors'.

TABLE 1
Recommendations related to foreign direct investment transactions, including related income, and positions ⁽¹⁾

Priority	Action
	Short term
High	— All indirect FDI relationships ⁽²⁾ should be conceptually treated in accordance with the interpretation of international statistical standards outlined in Chapter 1 of the Task Force on FDI report — All (indirect) FDI transactions/positions should be geographically allocated to the immediate affiliate or parent company ⁽²⁾, ⁽³⁾ — All Member States should start compiling FDI equity stocks and reinvested earnings on the basis of the results of FDI surveys (to be collected at least annually) ⁽⁴⁾, ⁽⁵⁾ — FDI equity stocks should be collected separately for listed (both book and market values) and non-listed companies
Low	— Contributions to cover losses of direct investment enterprises should be recorded in the financial account
	Medium term
High	— The 'current operating performance concept' should be used by all Member States to record reinvested earnings ⁽⁶⁾ — Other capital components should be classified in accordance with the recommendations of the Task Force on FDI report
	Medium term
Medium	— Payment of dividends from exceptional capital gains should be recorded in the financial account (thus not entering in the calculation of reinvested earnings)
	Long term
High	— Indirect FDI relationships should cover (as a minimum) either (i) indirect links of ownership above 50 % or (ii) direct and indirect links of ownership above 10 %, calculated as the product of the subsequent links of ownership along a chain

⁽¹⁾ As at end 2003.

⁽²⁾ This recommendation does not refer to the need to cover indirect relationships, but rather to the methodology that should be applied. See also the long-term action related to the coverage of indirect FDI relationships in practice.

⁽³⁾ This recommendation is only applicable to reinvested earnings (flows) and FDI equity stocks. To better understand the distortions that any other criterion would imply, see Chapter 2 of the Task Force on FDI report.

⁽⁴⁾ Exceptions are the first i.i.p. assessment (to be provided at T + 9) and real estate investments. The following non-acceptable practices should be abandoned: (i) leaving the choice of the valuation criterion to reporting agents (market values or book values); (ii) the application of a perpetual inventory method/accumulation of b.o.p. flows to compile stocks.

⁽⁵⁾ During a transitional period to be defined bilaterally, best estimates for the new requirements, within the agreed deadlines, will be accepted.

⁽⁶⁾ Member States may focus on a reduced number of companies (the biggest ones and/or holding companies) in making a distinction between ordinary and extraordinary gains and losses.

ANNEX IV

Transmission of data to the European Central Bank

The national central banks (NCBs) use the facility provided by the European System of Central Banks (ESCB), which relies upon the telecommunications network 'ESCB-Net', for the electronic transmission of the statistical information required by the European Central Bank (ECB). All exchanges of data within the ESCB use the same conceptual data model. The statistical message format developed for this electronic exchange of statistical information is the 'GESMES/TS' format. This requirement does not prevent the use of some other means of transmitting statistical information to the ECB as an agreed fall-back solution.

NCBs observe the recommendations listed below in order to ensure that data transmission functions satisfactorily.

- Completeness: NCBs report all required series keys. Reporting no series keys or non-listed series keys will be considered as incomplete reporting. Should an observation be missing, the omission is recorded using the corresponding observation status flag. In addition, when revisions are made to only a subset of series keys, the validation rules should be applied to the whole balance of payments.
- Sign convention: the data transmission by NCBs to the ECB as well as to the European Commission (Eurostat) follows a uniform sign convention for all data which are to be reported. Under this sign convention, credits and debits in the current and capital account must be reported with a plus sign, whilst net balances are to be calculated and reported as credits minus debits. In the financial account, decreases in net assets/increases in net liabilities must be reported with a plus sign, whereas increases in net assets/decreases in net liabilities must be reported with a minus sign. Net balances are to be calculated and reported as net changes in assets plus net changes in liabilities.

In transmitting international investment position data, the net positions should be calculated and reported as asset position minus liability position.

- Accounting identities of the data: the validation rules which were distributed and which are available on request must be implemented by the NCBs before the data are transmitted to the ECB.

Whenever revisions occur, NCBs may send an updated dataset to the ECB. Any revisions should be transmitted as follows:

- revisions for monthly balance of payments data are made available with the submission of (i) the data for the following month, (ii) the corresponding quarterly data and (iii) the corresponding revised quarterly data,
- revisions for quarterly balance of payments data are made available with the submission of the data for the following quarter,
- revisions for quarterly international investment position data are made available with the submission of the data for the following quarter,
- revisions for annual international investment position data are made available with the submission of the data for following years.

Any revisions for monthly and quarterly balance of payments data relating to full years are made available by the NCBs to the ECB at the end of March and at the end of September, the latter together with the submission of the annual international investment position data. Revisions for quarterly international investment position data relating to full years are made available by the NCBs to the ECB at the end of September together with the submission of the annual international investment position data. The data for the international reserves template may be revised on an ongoing basis, where appropriate. However, the consistency between the end-of-period positions and the relevant items in the contributions to the euro-area (quarterly and annual) international investment position should be ensured.

ANNEX V

Monitoring of statistical compilation methods

The European Central Bank (ECB) monitors the compilation methods used for the reporting of the balance of payments and international investment position statistics, as well as the concepts and definitions applied on a regular basis by the participating Member States. The monitoring will be carried out in connection with the updating of the ECB's publication *European Union balance of payments/international investment position statistical methods* (hereinafter 'the B.o.p. book'). Besides the monitoring purpose, the B.o.p. book aims at informing the euro-area balance of payments compilers about developments in other euro-area Member States.

The B.o.p. book contains information on the structure of balance of payments and international investment position statistics for all Member States. There are detailed descriptions of data compilation methods and of the concepts and definitions applied, as well as information on departures from the agreed definitions for the balance of payments and international investment position statistics in the Member States.

The B.o.p. book is updated on an annual basis in close cooperation with the Member States.

ANNEX VI

Data collection in the area of portfolio investment

Given the inherent difficulties in the compilation of portfolio investment statistics, it was considered necessary to define common approaches for the collection of this information across the euro area.

As explained in Section 1.4 of Annex III, national feasibility studies were carried out concerning the possibility of data collection on a security-by-security basis euro-area-wide. These studies concluded with the following agreement: by the end of March 2008, euro-area Member States will collect at least quarterly portfolio investment stocks of assets and liabilities on a security-by-security basis. Until then, some Member States will only be able to supply best estimates for some specific portfolio investment breakdowns, in particular issuer sector or currency/country of issue.

The availability of a functioning centralised securities database (CSDB) is considered essential for the new collection systems to become operational. Therefore, if the 'project closure document' for Phase 1 of the CSDB project is not submitted to the Governing Council via the Statistics Committee of the European System of Central Banks by the end of March 2005, this deadline will be postponed by the same amount of time as that by which the submission is late.

The target coverage is defined as follows: stocks of securities reported to the national compiler on an aggregate basis, i.e. not using standard (ISIN or similar) codes, should not exceed 15 % of the total portfolio investment stocks of assets or liabilities. This threshold should be used as a guide in the assessment of the coverage of Member States' systems. The CSDB should sufficiently cover portfolio investment securities worldwide as to enable the compilation of statistics from security-by-security data.

Portfolio investment stocks of assets and liabilities within the international investment position are compiled purely from stock data.

From March 2008 (starting with data corresponding to January 2008 transactions and end of 2007 positions) euro-area portfolio investment collection systems conform to one of the models in the following table:

Valid portfolio investment data collection models

- | |
|---|
| <ul style="list-style-type: none">— Monthly stocks [s-b-s] + monthly flows [s-b-s]— Quarterly stocks [s-b-s] + monthly flows [s-b-s]— Monthly stocks [s-b-s] + derived monthly flows [s-b-s]— Quarterly stocks [s-b-s] + monthly flows [aggregate] |
|---|

Notes: 's-b-s' = security-by-security data collection

'derived flows' = difference of stocks (adjusted for movements in exchange rates, prices and other identified changes in volume)

(Acts adopted under Title V of the Treaty on European Union)

COUNCIL DECISION 2004/809/CFSP

of 5 July 2004

concerning the conclusion of the Agreement between the European Union and the Swiss Confederation on the participation of the Swiss Confederation in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia

THE COUNCIL OF THE EUROPEAN UNION,

HAS DECIDED AS FOLLOWS:

Article 1

Having regard to the Treaty on European Union, and in particular Article 24 thereof,

The Agreement between the European Union and the Swiss Confederation on the participation of the Swiss Confederation in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia is hereby approved on behalf of the European Union.

Having regard to the recommendation from the Presidency,

The text of the Agreement is attached to this Decision.

Whereas:

Article 2

(1) On 29 September 2003 the Council adopted Joint Action 2003/681/CFSP on the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia⁽¹⁾.

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement in order to bind the European Union.

Article 3

(2) Article 9(6) of that Joint Action provides that detailed arrangements regarding the participation of Third States shall be the subject of an agreement, in conformity with Article 24 of the Treaty on European Union.

This Decision shall take effect on the day of its adoption.

Article 4

(3) Following the Council Decision of 2 March 2004 authorising the Presidency, assisted where necessary by the Secretary-General/High Representative, to open negotiations, the Presidency negotiated an agreement with the Swiss Confederation on the participation of the Swiss Confederation in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia.

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 5 July 2004.

(4) The Agreement should be approved,

For the Council
The President
G. ZALM

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

AGREEMENT**between the European Union and the Swiss Confederation on the participation of the Swiss Confederation in the European Union police mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')**

THE EUROPEAN UNION,

on the one hand, and

THE SWISS CONFEDERATION,

on the other hand,

together hereinafter referred to as the 'Participating Parties',

TAKING INTO ACCOUNT:

- the adoption by the Council of the European Union on 29 September 2003 of Joint Action 2003/681/CFSP on the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')⁽¹⁾, stating that Accessing States are invited and other third States may be invited to contribute to EUPOL 'Proxima',
- the invitation to the Swiss Confederation to participate in EUPOL 'Proxima',
- the successful completion of the Force Generation process and the recommendation by the Police Head of Mission and the Committee for Civilian Aspects of Crisis Management to agree on the participation of the Swiss Confederation in EUPOL 'Proxima',
- the decision by the Political and Security Committee of 10 February 2004 to accept the contribution of the Swiss Confederation to EUPOL 'Proxima',
- the agreement concluded on 11 December 2003 between the EU and the Former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia⁽²⁾, including provisions on the status of the EUPOL 'Proxima' personnel,

HAVE AGREED AS FOLLOWS:

*Article 1***Framework**

1. The Swiss Confederation shall associate itself with the provisions of the Joint Action 2003/681/CFSP on EUPOL 'Proxima' adopted by the Council of the European Union on 29 September 2003, and with any Joint Action or Decision by which the Council of the European Union may decide to extend EUPOL 'Proxima'.

2. The contribution of the Swiss Confederation to EUPOL 'Proxima' is without prejudice to the decision-making autonomy of the European Union.

*Article 2***Status of personnel**

1. The status of personnel seconded to EUPOL 'Proxima' by the Swiss Confederation shall be governed by the agreement concluded on 11 December 2003 between the EU and the former Yugoslav Republic of Macedonia on the status and

activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia.

2. Without prejudice to the agreement between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia, the Swiss Confederation shall exercise jurisdiction over its personnel participating in EUPOL 'Proxima'.

3. The Swiss Confederation shall be responsible for answering any claims linked to the participation in EUPOL 'Proxima', from or concerning any of its personnel. The Swiss Confederation shall be responsible for bringing any action, in particular legal or disciplinary, against any of its personnel.

4. The Swiss Confederation shall waive all claims against any State participating in EUPOL 'Proxima', for injury, death of the Swiss Confederation personnel, or damage to, or loss of, any assets owned by itself and used by EUPOL 'Proxima' if such injury, death, damage or loss:

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

⁽²⁾ OJ L 16, 23.1.2004, p. 65.

- was caused by EUPOL 'Proxima' personnel in the execution of their duties in connection with the operation, except in case of gross negligence or wilful misconduct,
- or arose from the use of any assets owned by States participating in EUPOL 'Proxima', provided that the assets were used in connection with the operation and except in case of gross negligence or wilful misconduct of EUPOL 'Proxima' personnel using those assets.

5. The European Union Member States undertake to make a declaration as regards the waiver of claims, for participation of the Swiss Confederation in EUPOL 'Proxima'.

Article 3

Classified information

1. The Swiss Confederation shall take appropriate measures to ensure that EU classified information is protected in accordance with the European Union Council's security regulations, contained in the Council Decision 2001/264/EC⁽¹⁾, and in accordance with further guidance issued by competent authorities, including by the EUPOL 'Proxima' Head of Mission/Police Commissioner.

2. Where the EU and the Swiss Confederation have concluded an agreement on security procedures for the exchange of classified information, the provisions of such an agreement shall apply in the context of EUPOL 'Proxima'.

Article 4

Personnel seconded to EUPOL 'Proxima'

1. The Swiss Confederation shall ensure that its personnel seconded to EUPOL 'Proxima' undertake their mission in conformity with:

- the provisions of the Joint Action 2003/681/CFSP and subsequent amendments as referred to in Article 1(1) of this Agreement,
- the Operation Plan,
- implementing measures.

2. The Swiss Confederation shall inform in due time the EUPOL 'Proxima' Head of Mission/Police Commissioner and the General Secretariat of the Council of the European Union of any change to its contribution to EUPOL 'Proxima'.

3. Personnel seconded to EUPOL 'Proxima' shall undergo a medical examination, vaccination and be certified medically fit for duty by a competent authority from the Swiss Confederation. Personnel seconded to EUPOL 'Proxima' shall produce a copy of this certification.

4. Seconded police officers shall work in their national police uniforms. Berets and insignia shall be provided by EUPOL 'Proxima'.

Article 5

Chain of command

1. Personnel seconded by the Swiss Confederation shall carry out their duties and conduct themselves solely with the interests of EUPOL 'Proxima' in mind.

2. All personnel shall remain under the full command of their national authorities.

3. National authorities shall transfer Operational Control (OPCON) to the EUPOL 'Proxima' Head of Mission/Police Commissioner, who shall exercise that command and control through a hierarchical structure of command and control.

4. The Head of Mission/Police Commissioner shall lead EUPOL 'Proxima' and assume its day-to-day management.

5. The Swiss Confederation shall have the same rights and obligations in terms of day-to-day management of the operation as European Union Member States taking part in the operation, in accordance with Article 9, paragraph 4, of the Joint Action 2003/681/CFSP.

6. The EUPOL 'Proxima' Head of Mission/Police Commissioner shall be responsible for disciplinary control over operation personnel. Where required, disciplinary action shall be taken by the national authority concerned.

7. A national Contingent Point of Contact (NPC) shall be appointed by the Swiss Confederation to represent its national contingent in the operation. NPCs shall report to the EUPOL 'Proxima' Head of Mission/Police Commissioner on national matters and shall be responsible for day-to-day contingent discipline.

⁽¹⁾ OJ L 101, 11.4.2001, p. 1.

8. The decision to end the operation shall be taken by the European Union following consultation with the Swiss Confederation, provided that this State is still contributing to EUPOL 'Proxima' at the date of termination of the operation.

Article 6

Financial aspects

1. The Swiss Confederation shall assume all the costs associated with its participation in the operation apart from the costs, which are subject to EU common funding, as set out in the operational budget of the operation.

2. The Swiss Confederation shall consider making contributions of a voluntary nature.

3. In case of such contributions of a voluntary nature, an arrangement on the practical modalities of the payment shall be signed between the EUPOL 'Proxima' Head of Mission/Police Commissioner and the relevant administrative services of the Swiss Confederation on the contributions of the Swiss Confederation to the operational budget of EUPOL 'Proxima'. This arrangement shall, *inter alia*, include the following provisions:

(a) the amount concerned;

(b) the arrangements for payment of the financial contribution;

(c) the auditing procedure.

4. In case of death, injury, loss or damage to natural or legal persons from the former Yugoslav Republic of Macedonia, the Swiss Confederation shall, when its liability has been established, pay compensation under the conditions foreseen in the agreement on status of mission as referred to in Article 2(1) of the Agreement.

Article 7

Non-compliance

Should one of the Parties fail to comply with its obligations laid down in the previous Articles, the other Party shall have the right to terminate this agreement by serving a notice of one month.

Article 8

Dispute settlement

Disputes concerning the interpretation or application of this Agreement shall be settled by diplomatic means between the Parties.

Article 9

Entry into force

1. This Agreement shall enter into force on the first day of the first month after the Parties have notified each other of the completion of the internal procedures necessary for this purpose.

2. This Agreement shall be provisionally applied from the date of signature.

3. This Agreement may be amended on the basis of mutual written agreement between the Parties.

4. This Agreement may be denounced by one Party by written notice of denunciation given to the other Party. Such denunciation shall take effect six months after receipt of notification by the other Party.

Done at Brussels,

14 -07- 2004

in the English language in four copies.

For the European Union

For the Swiss Confederation



COUNCIL DECISION 2004/810/CFSP**of 5 July 2004****concerning the conclusion of the Agreement between the European Union and Ukraine on the participation of Ukraine in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia**

THE COUNCIL OF THE EUROPEAN UNION,

HAS DECIDED AS FOLLOWS:

Having regard to the Treaty on European Union, and in particular Article 24 thereof,

Having regard to the recommendation from the Presidency,

Whereas:

- (1) On 29 September 2003 the Council adopted Joint Action 2003/681/CFSP on the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia⁽¹⁾.
- (2) Article 9(6) of that Joint Action provides that detailed arrangements regarding the participation of third countries shall be the subject of an agreement, in conformity with Article 24 of the Treaty on European Union.
- (3) Following the Council Decision of 2 March 2004 authorising the Presidency, assisted where necessary by the Secretary-General/High Representative to open negotiations, the Presidency negotiated an agreement with Ukraine on the participation of Ukraine in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia.
- (4) The Agreement should be approved,

Article 1

The Agreement between the European Union and Ukraine on the participation of Ukraine in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia is hereby approved on behalf of the European Union.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement in order to bind the European Union.

Article 3

This Decision shall take effect on the day of its adoption.

Article 4

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 5 July 2004.

For the Council

The President

G. ZALM

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

AGREEMENT**between the European Union and Ukraine on the participation of Ukraine in the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')**

THE EUROPEAN UNION,

on the one hand, and

UKRAINE,

on the other hand,

together hereinafter referred to as the 'Participating Parties',

TAKING INTO ACCOUNT:

- the adoption by the Council of the European Union on 29 September 2003 of Joint Action 2003/681/CFSP on the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')⁽¹⁾, stating that acceding States are invited and other third countries may be invited to contribute to EUPOL 'Proxima',
- the invitation to Ukraine to participate in EUPOL 'Proxima',
- the successful completion of the Force Generation process and the recommendation by the Police Head of Mission and the Committee for Civilian Aspects of Crisis Management to agree on the participation of Ukraine in EUPOL 'Proxima',
- the decision by the Political and Security Committee of 10 February 2004 to accept the contribution of Ukraine to EUPOL 'Proxima',
- the Agreement concluded on 11 December 2003 between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia⁽²⁾, including provisions on the status of the EUPOL 'Proxima' personnel,

HAVE AGREED AS FOLLOWS:

*Article 1***Framework**

1. Ukraine shall associate itself with the provisions of Joint Action 2003/681/CFSP on EUPOL 'Proxima' adopted by the Council of the European Union on 29 September 2003, and with any Joint Action or Decision by which the Council of the European Union may decide to extend EUPOL 'Proxima'.

2. The contribution of Ukraine to EUPOL 'Proxima' is without prejudice to the decision-making autonomy of the European Union.

Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia.

2. Without prejudice to the Agreement between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia, Ukraine shall exercise jurisdiction over its personnel participating in EUPOL 'Proxima'.

3. Ukraine shall be responsible for answering any claims linked to the participation in EUPOL 'Proxima', from or concerning any of its personnel. Ukraine shall be responsible for bringing any action, in particular legal or disciplinary, against any of its personnel.

*Article 2***Status of personnel**

1. The status of personnel seconded to EUPOL 'Proxima' by Ukraine shall be governed by the Agreement concluded on 11 December 2003 between the EU and the former Yugoslav

4. Ukraine shall waive all claims against any State participating in EUPOL 'Proxima', for injury, death of Ukraine personnel, or damage to, or loss of, any assets owned by itself and used by EUPOL 'Proxima' if such injury, death, damage or loss:

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

⁽²⁾ OJ L 16, 23.1.2004, p. 65.

- was caused by EUPOL 'Proxima' personnel in the execution of their duties in connection with the operation, except in case of gross negligence or wilful misconduct,
- or arose from the use of any assets owned by States participating in EUPOL 'Proxima', provided that the assets were used in connection with the operation and except in case of gross negligence or wilful misconduct of EUPOL 'Proxima' personnel using those assets.

5. The European Union Member States undertake to make a declaration as regards the waiver of claims, for participation of Ukraine in EUPOL 'Proxima'.

Article 3

Classified information

1. Ukraine shall take appropriate measures to ensure that EU classified information is protected in accordance with the European Union Council's security regulations, contained in the Council Decision 2001/264/EC of 19 March 2001⁽¹⁾, and in accordance with further guidance issued by competent authorities, including by EUPOL 'Proxima' Head of Mission/Police Commissioner.

2. Where the EU and Ukraine have concluded an agreement on security procedures for the exchange of classified information, the provisions of such an agreement shall apply in the context of EUPOL 'Proxima'.

Article 4

Personnel seconded to EUPOL 'Proxima'

1. Ukraine shall ensure that its personnel seconded to EUPOL 'Proxima' undertake their mission in conformity with:

- the provisions of Joint Action 2003/681/CFSP and subsequent amendments as referred to in Article 1(1) of this Agreement,
- the Operation Plan,
- implementing measures.

2. Ukraine shall inform in due time EUPOL 'Proxima' Head of Mission/Police Commissioner and the General Secretariat of the Council of the European Union of any change to its contribution to EUPOL 'Proxima'.

3. Personnel seconded to EUPOL 'Proxima' shall undergo a medical examination, vaccination and be certified medically fit for duty by a competent authority from Ukraine. Personnel seconded to EUPOL 'Proxima' shall produce a copy of this certification.

4. Seconded police officers shall work in their national police uniforms. Berets and insignia shall be provided by EUPOL 'Proxima'.

Article 5

Chain of command

1. Personnel seconded by Ukraine shall carry out their duties and conduct themselves solely with the interests of EUPOL 'Proxima' in mind.

2. All personnel shall remain under the full command of their national authorities.

3. National authorities shall transfer Operational Control (OPCON) to EUPOL 'Proxima' Head of Mission/Police Commissioner, who shall exercise that command and control through a hierarchical structure of command and control.

4. The Head of Mission/Police Commissioner shall lead EUPOL 'Proxima' and assume its day-to-day management.

5. Ukraine shall have the same rights and obligations in terms of day-to-day management of the operation as European Union Member States taking part in the operation, in accordance with Article 9, paragraph 4, of Joint Action 2003/681/CFSP.

6. EUPOL 'Proxima' Head of Mission/Police Commissioner shall be responsible for disciplinary control over operation personnel. Where required, disciplinary action shall be taken by the national authority concerned.

7. A national Contingent Point of Contact (NPC) shall be appointed by Ukraine to represent its national contingent in the operation. NPCs shall report to the EUPOL 'Proxima' Head of Mission/Police Commissioner on national matters and shall be responsible for day-to-day contingent discipline.

⁽¹⁾ OJ L 101, 11.4.2001, p. 1.

8. The decision to end the operation shall be taken by the European Union following consultation with Ukraine, provided that this State is still contributing to EUPOL 'Proxima' at the date of termination of the operation.

Article 6

Financial aspects

1. Ukraine shall assume all the costs associated with its participation in the operation apart from the costs, which are subject to EU common funding, as set out in the operational budget of the operation.

2. Ukraine shall consider making contributions of a voluntary nature.

3. In case of such contributions of a voluntary nature, an arrangement on the practical modalities of the payment shall be signed between the EUPOL 'Proxima' Head of Mission/Police Commissioner and the relevant administrative services of Ukraine on the contributions of Ukraine to the operational budget of EUPOL 'Proxima'. This arrangement shall, *inter alia*, include the following provisions:

- (a) the amount concerned,
- (b) the arrangements for payment of the financial contribution,
- (c) the auditing procedure.

4. In case of death, injury, loss or damage to natural or legal persons from the Former Yugoslav Republic of Macedonia, Ukraine shall, when its liability has been established, pay compensation under the conditions foreseen in the agreement on status of mission as referred to in Article 2(1) of the Agreement.

Article 7

Non-compliance

Should one of the Parties fail to comply with its obligations laid down in the previous Articles, the other Party shall have the right to terminate this agreement by serving a notice of one month.

Article 8

Dispute settlement

Disputes concerning the interpretation or application of this Agreement shall be settled by diplomatic means between the Parties.

Article 9

Entry into force

1. This Agreement shall enter into force on the first day of the first month after the Parties have notified each other of the completion of the internal procedures necessary for this purpose.

2. This Agreement shall be provisionally applied from the date of signature.

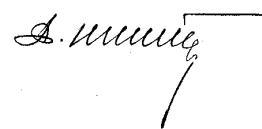
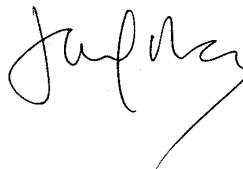
3. This Agreement may be amended on the basis of mutual written agreement between the Parties.

4. This Agreement may be denounced by one Party by written notice of denunciation given to the other Party. Such denunciation shall take effect six months after receipt of notification by the other Party.

Done at the Hague, on the eighth day of July 2004 in the English language in four copies.

For the European Union

For Ukraine



COUNCIL DECISION 2004/811/CFSP

of 5 July 2004

concerning the conclusion of the Agreement between the European Union and the Kingdom of Norway on the participation of the Kingdom of Norway in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia

THE COUNCIL OF THE EUROPEAN UNION,

HAS DECIDED AS FOLLOWS:

Having regard to the Treaty on European Union, and in particular Article 24 thereof,

Having regard to the recommendation from the Presidency,

Whereas:

- (1) On 29 September 2003 the Council adopted Joint Action 2003/681/CFSP on the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia⁽¹⁾.
- (2) Article 9(6) of that Joint Action provides that detailed arrangements regarding the participation of third countries shall be the subject of an agreement, in conformity with Article 24 of the Treaty on European Union.
- (3) Following the Council Decision of 2 March 2004 authorising the Presidency, assisted where necessary by the Secretary-General/High Representative to open negotiations, the Presidency negotiated an agreement with the Kingdom of Norway on the participation of the Kingdom of Norway in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia.
- (4) The Agreement should be approved,

Article 1

The Agreement between the European Union and the Kingdom of Norway on the participation of the Kingdom of Norway in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia is hereby approved on behalf of the European Union.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement in order to bind the European Union.

Article 3

This Decision shall take effect on the day of its adoption.

Article 4

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 5 July 2004.

For the Council
The President
G. ZALM

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

AGREEMENT**between the European Union and the Kingdom of Norway on the participation of the Kingdom of Norway in the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')**

THE EUROPEAN UNION,

on the one hand, and

THE KINGDOM OF NORWAY,

on the other hand,

together hereinafter referred to as the 'Participating Parties',

TAKING INTO ACCOUNT:

- the adoption by the Council of the European Union on 29 September 2003 of Joint Action 2003/681/CFSP on the European Union Police Mission in the Former Yugoslav Republic of Macedonia (EUPOL 'Proxima')⁽¹⁾, stating that Accessing States are invited and other third States may be invited to contribute to EUPOL 'Proxima',
- the invitation to the Kingdom of Norway to participate in EUPOL 'Proxima',
- the successful completion of the Force Generation process and the recommendation by the Police Head of Mission and the Committee for Civilian Aspects of Crisis Management to agree on the participation of the Kingdom of Norway in EUPOL 'Proxima',
- the decision by the Political and Security Committee of 10 February 2004 to accept the contribution of the Kingdom of Norway to EUPOL 'Proxima',
- the agreement concluded on 11 December 2003 between the EU and the Former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the Former Yugoslav Republic of Macedonia⁽²⁾, including provisions on the status of the EUPOL 'Proxima' personnel,

HAVE AGREED AS FOLLOWS:

Article 1

Framework

1. The Kingdom of Norway shall associate itself with the provisions of the Joint Action 2003/681/CFSP on EUPOL 'Proxima' adopted by the Council of the European Union on 29 September 2003, and with any Joint Action or Decision by which the Council of the European Union may decide to extend EUPOL 'Proxima'.

2. The contribution of the Kingdom of Norway to EUPOL 'Proxima' is without prejudice to the decision-making autonomy of the European Union.

Article 2

Status of personnel

1. The status of personnel seconded to EUPOL 'Proxima' by the Kingdom of Norway shall be governed by the agreement concluded on 11 December 2003 between the EU and the

former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia.

2. Without prejudice to the agreement between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia, the Kingdom of Norway shall exercise jurisdiction over its personnel participating in EUPOL 'Proxima'.

3. The Kingdom of Norway shall be responsible for answering any claims linked to the participation in EUPOL 'Proxima', from or concerning any of its personnel. The Kingdom of Norway shall be responsible for bringing any action, in particular legal or disciplinary, against any of its personnel.

4. The Kingdom of Norway shall waive all claims against any State participating in EUPOL 'Proxima', for injury, death of the Kingdom of Norway personnel, or damage to, or loss of, any assets owned by itself and used by EUPOL 'Proxima' if such injury, death, damage or loss:

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

⁽²⁾ OJ L 16, 23.1.2004, p. 65.

- was caused by EUPOL 'Proxima' personnel in the execution of their duties in connection with the operation, except in case of gross negligence or wilful misconduct,
- or arose from the use of any assets owned by States participating in EUPOL 'Proxima', provided that the assets were used in connection with the operation and except in case of gross negligence or wilful misconduct of EUPOL 'Proxima' personnel using those assets.

5. The European Union Member States undertake to make a declaration as regards the waiver of claims, for participation of the Kingdom of Norway in EUPOL 'Proxima'.

Article 3

Classified information

1. The Kingdom of Norway shall take appropriate measures to ensure that EU classified information is protected in accordance with the European Union Council's security regulations, contained in the Council Decision 2001/264/EC of 19 March 2001⁽¹⁾, and in accordance with further guidance issued by competent authorities, including by EUPOL 'Proxima' Head of Mission/Police Commissioner.

2. Where the EU and the Kingdom of Norway have concluded an agreement on security procedures for the exchange of classified information, the provisions of such an agreement shall apply in the context of EUPOL 'Proxima'.

Article 4

Personnel seconded to EUPOL 'Proxima'

1. The Kingdom of Norway shall ensure that its personnel seconded to EUPOL 'Proxima' undertake their mission in conformity with:

- the provisions of Joint Action 2003/681/CFSP and subsequent amendments as referred to in Article 1(1) of this Agreement;
- the Operation Plan;
- Implementing measures.

2. The Kingdom of Norway shall inform in due time EUPOL 'Proxima' Head of Mission/Police Commissioner and the General Secretariat of the Council of the European Union of any change to its contribution to EUPOL 'Proxima'.

3. Personnel seconded to EUPOL 'Proxima' shall undergo a medical examination, vaccination and be certified medically fit for duty by a competent authority from the Kingdom of Norway. Personnel seconded to EUPOL 'Proxima' shall produce a copy of this certification.

4. Seconded police officers shall work in their national police uniforms. Berets and insignia shall be provided by EUPOL 'Proxima'.

Article 5

Chain of command

1. Personnel seconded by the Kingdom of Norway shall carry out their duties and conduct themselves solely with the interests of EUPOL 'Proxima' in mind.

2. All personnel shall remain under the full command of their national authorities.

3. National authorities shall transfer Operational Control (OPCON) to EUPOL 'Proxima' Head of Mission/Police Commissioner, who shall exercise that command and control through a hierarchical structure of command and control.

4. The Head of Mission/Police Commissioner shall lead EUPOL 'Proxima' and assume its day-to-day management.

5. The Kingdom of Norway shall have the same rights and obligations in terms of day-to-day management of the operation as European Union Member States taking part in the operation, in accordance with Article 9(4) of Joint Action 2003/681/CFSP.

6. EUPOL 'Proxima' Head of Mission/Police Commissioner shall be responsible for disciplinary control over operation personnel. Where required, disciplinary action shall be taken by the national authority concerned.

7. A national contingent point of contact (NPC) shall be appointed by the Kingdom of Norway to represent its national contingent in the operation. NPCs shall report to the EUPOL 'Proxima' Head of Mission/Police Commissioner on national matters and shall be responsible for day-to-day contingent discipline.

⁽¹⁾ OJ L 101, 11.4.2001, p. 1.

8. The decision to end the operation shall be taken by the European Union following consultation with the Kingdom of Norway, provided that this State is still contributing to EUPOL 'Proxima' at the date of termination of the operation.

Article 6

Financial aspects

1. The Kingdom of Norway shall assume all the costs associated with its participation in the operation apart from the costs, which are subject to EU common funding, as set out in the operational budget of the operation.

2. The Kingdom of Norway shall consider making contributions of a voluntary nature.

3. In case of such contributions of a voluntary nature, an arrangement on the practical modalities of the payment shall be signed between the EUPOL 'Proxima' Head of Mission/Police Commissioner and the relevant administrative services of the Kingdom of Norway on the contributions of the Kingdom of Norway to the operational budget of EUPOL 'Proxima'. This arrangement shall, *inter alia*, include the following provisions:

- (a) the amount concerned;
 - (b) the arrangements for payment of the financial contribution;
 - (c) the auditing procedure.
4. In case of death, injury, loss or damage to natural or legal persons from the former Yugoslav Republic of Macedonia, the Kingdom of Norway shall, when its liability has been established, pay compensation under the conditions foreseen in the agreement on status of mission as referred to in Article 2(1) of the Agreement.

Article 7

Non-compliance

Should one of the Parties fail to comply with its obligations laid down in the previous Articles, the other Party shall have the right to terminate this agreement by serving a notice of one month.

Article 8

Dispute settlement

Disputes concerning the interpretation or application of this Agreement shall be settled by diplomatic means between the Parties.

Article 9

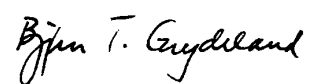
Entry into force

1. This Agreement shall enter into force on the first day of the first month after the Parties have notified each other of the completion of the internal procedures necessary for this purpose.
2. This Agreement shall be provisionally applied from the date of signature.
3. This Agreement may be amended on the basis of mutual written agreement between the Parties.
4. This Agreement may be denounced by one Party by written notice of denunciation given to the other Party. Such denunciation shall take effect six months after receipt of notification by the other Party.

Done at Brussels, 9 September 2004 in the English language in four copies.

For the European Union

For the Kingdom of Norway



COUNCIL DECISION 2004/812/CFSP

of 19 July 2004

concerning the conclusion of the Agreement between the European Union and the Republic of Turkey on the participation of the Republic of Turkey in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia

THE COUNCIL OF THE EUROPEAN UNION,

HAS DECIDED AS FOLLOWS:

Having regard to the Treaty on European Union, and in particular Article 24 thereof,

Having regard to the recommendation from the Presidency,

Whereas:

(1) On 29 September 2003 the Council adopted Joint Action 2003/681/CFSP on the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia⁽¹⁾.

(2) Article 9(6) of that Joint Action provides that detailed arrangements regarding the participation of third countries shall be the subject of an agreement, in conformity with Article 24 of the Treaty on European Union.

(3) Following the Council Decision of 2 March 2004 authorising the Presidency, assisted where necessary by the Secretary-General/High Representative to open negotiations, the Presidency negotiated an agreement with the Republic of Turkey on the participation of the Republic of Turkey in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia.

(4) The Agreement should be approved,

Article 1

The Agreement between the European Union and the Republic of Turkey on the participation of the Republic of Turkey in the European Union Police Mission (EUPOL 'Proxima') in the former Yugoslav Republic of Macedonia is hereby approved on behalf of the European Union.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement in order to bind the European Union.

Article 3

This Decision shall take effect on the day of its adoption.

Article 4

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 19 July 2004.

For the Council
The President
P. H. DONNER

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

AGREEMENT**between the European Union and the Republic of Turkey on the participation of the Republic of Turkey in the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')**

THE EUROPEAN UNION,

on the one hand, and

THE REPUBLIC OF TURKEY,

on the other hand,

together hereinafter referred to as the 'Participating Parties',

TAKING INTO ACCOUNT:

- the adoption by the Council of the European Union on 29 September 2003 of Joint Action 2003/681/CFSP on the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL 'Proxima')⁽¹⁾, stating that Accessing States are invited and other third States may be invited to contribute to EUPOL 'Proxima',
- the invitation to the Republic of Turkey to participate in EUPOL 'Proxima',
- the successful completion of the Force Generation process and the recommendation by the Police Head of Mission and the Committee for Civilian Aspects of Crisis Management to agree on the participation of the Republic of Turkey in EUPOL 'Proxima',
- the decision by the Political and Security Committee of 10 February 2004 to accept the contribution of the Republic of Turkey to EUPOL 'Proxima',
- the agreement concluded on 11 December 2003 between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia⁽²⁾, including provisions on the status of the EUPOL 'Proxima' personnel,

HAVE AGREED AS FOLLOWS:

*Article 1***Framework**

1. The Republic of Turkey shall associate itself with the provisions of the Joint Action 2003/681/CFSP on EUPOL 'Proxima' adopted by the Council of the European Union on 29 September 2003, and with any Joint Action or Decision by which the Council of the European Union may decide to extend EUPOL 'Proxima'.

2. The contribution of the Republic of Turkey to EUPOL 'Proxima' is without prejudice to the decision-making autonomy of the European Union.

concluded on 11 December 2003 between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia.

2. Without prejudice to the Agreement between the EU and the former Yugoslav Republic of Macedonia on the status and activities of EUPOL 'Proxima' in the former Yugoslav Republic of Macedonia, the Republic of Turkey shall exercise jurisdiction over its personnel participating in EUPOL 'Proxima'.

*Article 2***Status of personnel**

1. The status of personnel seconded to EUPOL 'Proxima' by the Republic of Turkey shall be governed by the Agreement

3. The Republic of Turkey shall be responsible for answering any claims linked to the participation in EUPOL 'Proxima', from or concerning any of its personnel. The Republic of Turkey shall be responsible for bringing any action, in particular legal or disciplinary, against any of its personnel.

⁽¹⁾ OJ L 249, 1.10.2003, p. 66.

⁽²⁾ OJ L 16, 23.1.2004, p. 65.

4. The Republic of Turkey shall waive all claims against any State participating in EUPOL 'Proxima', for injury, death of the Republic of Turkey personnel, or damage to, or loss of, any assets owned by itself and used by EUPOL 'Proxima' if such injury, death, damage or loss:

— was caused by EUPOL 'Proxima' personnel in the execution of their duties in connection with the operation, except in case of gross negligence or wilful misconduct,

— or arose from the use of any assets owned by States participating in EUPOL 'Proxima', provided that the assets were used in connection with the operation and except in case of gross negligence or wilful misconduct of EUPOL 'Proxima' personnel using those assets.

5. The European Union Member States undertake to make a declaration as regards the waiver of claims, for participation of the Republic of Turkey in EUPOL 'Proxima'.

Article 3

Classified information

1. The Republic of Turkey shall take appropriate measures to ensure that EU classified information is protected in accordance with the European Union Council's security regulations, contained in the Council Decision 2001/264/EC⁽¹⁾, and in accordance with further guidance issued by competent authorities, including by EUPOL 'Proxima' Head of Mission/Police Commissioner.

2. Where the EU and the Republic of Turkey have concluded an agreement on security procedures for the exchange of classified information, the provisions of such an agreement shall apply in the context of EUPOL 'Proxima'.

Article 4

Personnel seconded to EUPOL 'Proxima'

1. The Republic of Turkey shall ensure that its personnel seconded to EUPOL 'Proxima' undertake their mission in conformity with:

— the provisions of Joint Action 2003/681/CFSP and subsequent amendments as referred to in Article 1(1) of this Agreement,

— the Operation Plan,

— Implementing measures.

2. The Republic of Turkey shall inform in due time EUPOL 'Proxima' Head of Mission/Police Commissioner and the General Secretariat of the Council of the European Union of any change to its contribution to EUPOL 'Proxima'.

3. Personnel seconded to EUPOL 'Proxima' shall undergo a medical examination, vaccination and be certified medically fit for duty by a competent authority from the Republic of Turkey. Personnel seconded to EUPOL 'Proxima' shall produce a copy of this certification.

4. Seconded police officers shall work in their national police uniforms. Berets and insignia shall be provided by EUPOL 'Proxima'.

Article 5

Chain of command

1. Personnel seconded by the Republic of Turkey shall carry out their duties and conduct themselves solely with the interests of EUPOL 'Proxima' in mind.

2. All personnel shall remain under the full command of their national authorities.

3. National authorities shall transfer Operational Control (OPCON) to EUPOL 'Proxima' Head of Mission/Police Commissioner, who shall exercise that command and control through a hierarchical structure of command and control.

4. The Head of Mission/Police Commissioner shall lead EUPOL 'Proxima' and assume its day-to-day management.

5. The Republic of Turkey shall have the same rights and obligations in terms of day-to-day management of the operation as European Union Member States taking part in the operation, in accordance with Article 9(4) of Joint Action 2003/681/CFSP.

⁽¹⁾ OJ L 101, 11.4.2001, p. 1.

6. EUPOL 'Proxima' Head of Mission/Police Commissioner shall be responsible for disciplinary control over operation personnel. Where required, disciplinary action shall be taken by the national authority concerned.

7. A national contingent point of contact (NPC) shall be appointed by the Republic of Turkey to represent its national contingent in the operation. NPCs shall report to the EUPOL 'Proxima' Head of Mission/Police Commissioner on national matters and shall be responsible for day-to-day contingent discipline.

8. The decision to end the operation shall be taken by the European Union following consultation with the Republic of Turkey, provided that this country is still contributing to EUPOL 'Proxima' at the date of termination of the operation.

Article 6

Financial aspects

1. The Republic of Turkey shall assume all the costs associated with its participation in the operation apart from the costs, which are subject to EU common funding, as set out in the operational budget of the operation.

2. The Republic of Turkey shall consider making contributions of a voluntary nature.

3. In case of such contributions of a voluntary nature, an arrangement on the practical modalities of the payment shall be signed between the EUPOL 'Proxima' Head of Mission/Police Commissioner and the relevant administrative services of the Republic of Turkey on the contributions of the Republic of Turkey to the operational budget of EUPOL 'Proxima'. This arrangement shall, *inter alia*, include the following provisions:

- (a) the amount concerned;
- (b) the arrangements for payment of the financial contribution;
- (c) the auditing procedure.

4. In case of death, injury, loss or damage to natural or legal persons from the former Yugoslav Republic of Macedonia, the Republic of Turkey shall, when its liability has been established, pay compensation under the conditions provided for in the

agreement on status of mission as referred to in Article 2(1) of the Agreement.

Article 7

Non-compliance

Should one of the Parties fail to comply with its obligations laid down in the Agreement, the other Party shall have the right to terminate this agreement by serving a notice of one month.

Article 8

Dispute settlement

Disputes concerning the interpretation or application of this Agreement shall be settled by diplomatic means between the Parties.

Article 9

Entry into force

1. This Agreement shall enter into force on the first day of the first month after the Parties have notified each other of the completion of the internal procedures necessary for this purpose.

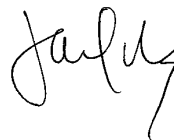
2. This Agreement may be amended on the basis of mutual written agreement between the Parties. The amendments shall enter into force in accordance with the procedures provided for in paragraph 1.

3. This Agreement may be denounced by one Party by written notice of denunciation given to the other Party. Such denunciation shall take effect six months after receipt of notification by the other Party.

Done at Brussels, on 10 -09- 2004

in four copies. in the English language

For the European Union



For the Republic of Turkey



1 November 2004 — New version of EUR-Lex!

europa.eu.int/eur-lex/lex/

The new site incorporates the Celex service and provides free and easy access in 20 languages to the largest documentary database on EU law.