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(Acts whose publication is obligatory)

COMMISSION REGULATION (EC) No 1072/2005**of 7 July 2005****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 8 July 2005.

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

Done at Brussels, 7 July 2005.

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 7 July 2005 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	45,3
	096	42,0
	999	43,7
0707 00 05	052	102,8
	999	102,8
0709 90 70	052	82,1
	999	82,1
0805 50 10	388	58,3
	528	53,7
	999	56,0
0808 10 80	388	84,5
	400	96,1
	404	94,3
	508	64,4
	512	76,0
	528	56,8
	720	76,1
	804	89,2
	999	79,7
0808 20 50	388	80,7
	512	47,8
	528	60,4
	800	35,3
	999	56,1
0809 10 00	052	180,1
	999	180,1
0809 20 95	052	282,8
	400	316,1
	999	299,5
0809 40 05	624	113,7
	999	113,7

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 750/2005 (OJ L 126, 19.5.2005, p. 12). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 1073/2005

of 7 July 2005

amending Regulation (EC) No 1725/2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, as regards IFRIC 2

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

this interpretation is the same as that for IAS 32, as already indicated in Recital 3 of Regulation (EC) No 2237/2004 as of 29 December 2004 adopting IAS 32.

Having regard to the Treaty establishing the European Community.

Having regard to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ⁽¹⁾, and in particular Article 3 (1) thereof,

(5) The consultation with technical experts in the field support that IFRIC Interpretation 2 Members' Shares in Cooperative Entities and Similar Instruments meet the technical criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.

Whereas:

(6) Regulation (EC) No 1725/2003 should therefore be amended accordingly.

(1) By Commission Regulation (EC) No 1725/2003 ⁽²⁾ certain international standards and interpretations that were extant at 14 September 2002 were adopted.

(7) This amendment should exceptionally take effect for company's financial year starting on or after 1 January 2005, i.e. from a point in time before the publication of this regulation. The retrospective application is exceptionally justified as to enable cooperatives the preparation of accounts in accordance with IAS 32, as construed by IFRIC 2, and as the companies concerned could legitimately expect such application already at the point of the adoption of IAS 32.

(2) On 17 December 2003 the International Accounting Standard Board (IASB) published revised International Accounting Standard (IAS) 32 *Financial Instruments: Disclosure and Presentation*. IAS 32 establishes basic principles for the classification of instruments as liabilities or equity and was adopted by the European Commission by Commission Regulation (EC) No 2237/2004 ⁽³⁾ as of 29 December 2004.

(8) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee.

(3) Following bilateral discussions with representatives of the cooperative world and due to a request by the Commission, the IASB invited its International Financial Reporting Interpretation Committee (IFRIC), to develop an interpretation to facilitate the application of the revised IAS 32.

HAS ADOPTED THIS REGULATION:

(4) IFRIC 2 *Members' Shares in Cooperative Entities and Similar Instruments* was published on 25 November 2004. The Interpretation clarifies that the classification of members' shares as financial liabilities or as equity depends upon the characteristics of such shares, especially the redemption features. The effective date of application of

Article 1

Annex to Regulation (EC) No 1725/2003 is amended as follows:

The text of the Interpretation IFRIC 2 *Members' Shares in Cooperative Entities and Similar Instruments* set out in the Annex to this Regulation, is inserted.

⁽¹⁾ OJ L 243, 11.9.2002, p. 1.

⁽²⁾ OJ L 261, 13.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 211/2005 (OJ L 41, 11.2.2005, p. 1).

⁽³⁾ OJ L 393, 31.12.2004, p. 1.

Article 2

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

It shall apply to each financial year of a company starting on or after 1 January 2005 at the latest.

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

Done at Brussels, 7 July 2005.

For the Commission
Charlie McCREEVY
Member of the Commission

ANNEX

INTERNATIONAL FINANCIAL REPORTING STANDARDS

IFRIC 2	<i>Members' Shares in Cooperative Entities and Similar Instruments</i>
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IFRIC INTERPRETATION 2*Members' Shares in Cooperative Entities and Similar Instruments***References**

- IAS 32 *Financial Instruments: Disclosure and Presentation* (as revised in 2003)
- IAS 39 *Financial Instruments: Recognition and Measurement* (as revised in 2003)

Background

- 1 Cooperatives and other similar entities are formed by groups of persons to meet common economic or social needs. National laws typically define a cooperative as a society endeavouring to promote its members' economic advancement by way of a joint business operation (the principle of self-help). Members' interests in a cooperative are often characterised as members' shares, units or the like, and are referred to below as 'members' shares'.
- 2 IAS 32 establishes principles for the classification of financial instruments as financial liabilities or equity. In particular, those principles apply to the classification of puttable instruments that allow the holder to put those instruments to the issuer for cash or another financial instrument. The application of those principles to members' shares in cooperative entities and similar instruments is difficult. Some of the International Accounting Standards Board's constituents have asked for help in understanding how the principles in IAS 32 apply to members' shares and similar instruments that have certain features, and the circumstances in which those features affect the classification as liabilities or equity.

Scope

- 3 This Interpretation applies to financial instruments within the scope of IAS 32, including financial instruments issued to members of cooperative entities that evidence the members' ownership interest in the entity. This Interpretation does not apply to financial instruments that will or may be settled in the entity's own equity instruments.

Issue

- 4 Many financial instruments, including members' shares, have characteristics of equity, including voting rights and rights to participate in dividend distributions. Some financial instruments give the holder the right to request redemption for cash or another financial asset, but may include or be subject to limits on whether the financial instruments will be redeemed. How should those redemption terms be evaluated in determining whether the financial instruments should be classified as liabilities or equity?

Consensus

- 5 The contractual right of the holder of a financial instrument (including members' shares in cooperative entities) to request redemption does not, in itself, require that financial instrument to be classified as a financial liability. Rather, the entity must consider all of the terms and conditions of the financial instrument in determining its classification as a financial liability or equity. Those terms and conditions include relevant local laws, regulations and the entity's governing charter in effect at the date of classification, but not expected future amendments to those laws, regulations or charter.
- 6 Members' shares that would be classified as equity if the members did not have a right to request redemption are equity if either of the conditions described in paragraphs 7 and 8 is present. Demand deposits, including current accounts, deposit accounts and similar contracts that arise when members act as customers are financial liabilities of the entity.
- 7 Members' shares are equity if the entity has an unconditional right to refuse redemption of the members' shares.
- 8 Local law, regulation or the entity's governing charter can impose various types of prohibitions on the redemption of members' shares, e.g. unconditional prohibitions or prohibitions based on liquidity criteria. If redemption is unconditionally prohibited by local law, regulation or the entity's governing charter, members' shares are equity. However, provisions in local law, regulation or the entity's governing charter that prohibit redemption only if conditions — such as liquidity constraints — are met (or are not met) do not result in members' shares being equity.

- 9 An unconditional prohibition may be absolute, in that all redemptions are prohibited. An unconditional prohibition may be partial, in that it prohibits redemption of members' shares if redemption would cause the number of members' shares or amount of paid-in capital from members' shares to fall below a specified level. Members' shares in excess of the prohibition against redemption are liabilities, unless the entity has the unconditional right to refuse redemption as described in paragraph 7. In some cases, the number of shares or the amount of paid-in capital subject to a redemption prohibition may change from time to time. Such a change in the redemption prohibition leads to a transfer between financial liabilities and equity.
- 10 At initial recognition, the entity shall measure its financial liability for redemption at fair value. In the case of members' shares with a redemption feature, the entity measures the fair value of the financial liability for redemption at no less than the maximum amount payable under the redemption provisions of its governing charter or applicable law discounted from the first date that the amount could be required to be paid (see example 3).
- 11 As required by paragraph 35 of IAS 32, distributions to holders of equity instruments are recognised directly in equity, net of any income tax benefits. Interest, dividends and other returns relating to financial instruments classified as financial liabilities are expenses, regardless of whether those amounts paid are legally characterised as dividends, interest or otherwise.
- 12 The Appendix, which is an integral part of the consensus, provides examples of the application of this consensus.

Disclosure

- 13 When a change in the redemption prohibition leads to a transfer between financial liabilities and equity, the entity shall disclose separately the amount, timing and reason for the transfer.

Effective date

- 14 The effective date and transition requirements of this Interpretation are the same as those for IAS 32 (as revised in 2003). An entity shall apply this Interpretation for annual periods beginning on or after 1 January 2005. If an entity applies this Interpretation for a period beginning before 1 January 2005, it shall disclose that fact. This Interpretation shall be applied retrospectively.
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*Appendix***EXAMPLES OF APPLICATION OF THE CONSENSUS**

This appendix is an integral part of the Interpretation.

- A1 This appendix sets out seven examples of the application of the IFRIC consensus. The examples do not constitute an exhaustive list; other fact patterns are possible. Each example assumes that there are no conditions other than those set out in the facts of the example that would require the financial instrument to be classified as a financial liability.

UNCONDITIONAL RIGHT TO REFUSE REDEMPTION (paragraph 7)**Example 1***Facts*

- A2 The entity's charter states that redemptions are made at the sole discretion of the entity. The charter does not provide further elaboration or limitation on that discretion. In its history, the entity has never refused to redeem members' shares, although the governing board has the right to do so.

Classification

- A3 The entity has the unconditional right to refuse redemption and the members' shares are equity. IAS 32 establishes principles for classification that are based on the terms of the financial instrument and notes that a history of, or intention to make, discretionary payments does not trigger liability classification. Paragraph AG26 of IAS 32 states:

When preference shares are non-redeemable, the appropriate classification is determined by the other rights that attach to them. Classification is based on an assessment of the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. When distributions to holders of the preference shares, whether cumulative or non-cumulative, are at the discretion of the issuer, the shares are equity instruments. The classification of a preference share as an equity instrument or a financial liability is not affected by, for example:

- (a) a history of making distributions;
- (b) an intention to make distributions in the future;
- (c) a possible negative impact on the price of ordinary shares of the issuer if distributions are not made (because of restrictions on paying dividends on the ordinary shares if dividends are not paid on the preference shares);
- (d) the amount of the issuer's reserves;
- (e) an issuer's expectation of a profit or loss for a period; or
- (f) an ability or inability of the issuer to influence the amount of its profit or loss for the period.

Example 2*Facts*

- A4 The entity's charter states that redemptions are made at the sole discretion of the entity. However, the charter further states that approval of a redemption request is automatic unless the entity is unable to make payments without violating local regulations regarding liquidity or reserves.

Classification

- A5 The entity does not have the unconditional right to refuse redemption and the members' shares are a financial liability. The restrictions described above are based on the entity's ability to settle its liability. They restrict redemptions only if the liquidity or reserve requirements are not met and then only until such time as they are met. Hence, they do not, under the principles established in IAS 32, result in the classification of the financial instrument as equity. Paragraph AG25 of IAS 32 states:

Preference shares may be issued with various rights. In determining whether a preference share is a financial liability or an equity instrument, an issuer assesses the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. For example, a preference share that provides for redemption on a specific date or at the option of the holder contains a financial liability because the issuer has an obligation to transfer financial assets to the holder of the share. *The potential inability of an issuer to satisfy an obligation to redeem a preference share when contractually required to do so, whether because of a lack of funds, a statutory restriction or insufficient profits or reserves, does not negate the obligation.* [Emphasis added]

PROHIBITIONS AGAINST REDEMPTION (paragraphs 8 and 9)

Example 3*Facts*

- A6 A cooperative entity has issued shares to its members at different dates and for different amounts in the past as follows:

- (a) 1 January 20x1 100 000 shares at CU 10 each (CU 1 000 000);
- (b) 1 January 20x2 100 000 shares at CU 20 each (a further CU 2 000 000, so that the total for shares issued is CU 3 000 000).

Shares are redeemable on demand at the amount for which they were issued.

- A7 The entity's charter states that cumulative redemptions cannot exceed 20 per cent of the highest number of its members' shares ever outstanding. At 31 December 20x2 the entity has 200 000 of outstanding shares, which is the highest number of members' shares ever outstanding and no shares have been redeemed in the past. On 1 January 20x3 the entity amends its governing charter and increases the permitted level of cumulative redemptions to 25 per cent of the highest number of its members' shares ever outstanding.

Classification

Before the governing charter is amended

- A8 Members' shares in excess of the prohibition against redemption are financial liabilities. The cooperative entity measures this financial liability at fair value at initial recognition. Because these shares are redeemable on demand, the cooperative entity determines the fair value of such financial liabilities as required by paragraph 49 of IAS 39, which states: 'The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand ...' Accordingly, the cooperative entity classifies as financial liabilities the maximum amount payable on demand under the redemption provisions.
- A9 On 1 January 20x1 the maximum amount payable under the redemption provisions is 20 000 shares at CU 10 each and accordingly the entity classifies CU 200 000 as financial liability and CU 800 000 as equity. However, on 1 January 20x2 because of the new issue of shares at CU 20, the maximum amount payable under the redemption provisions increases to 40 000 shares at CU 20 each. The issue of additional shares at CU 20 creates a new liability that is measured on initial recognition at fair value. The liability after these shares have been issued is 20 per cent of the total shares in issue (200 000), measured at CU 20, or CU 800 000. This requires recognition of an additional liability of CU 600 000. In this example no gain or loss is recognised. Accordingly the entity now classifies CU 800 000 as financial liabilities and CU 2 200 000 as equity. This example assumes these amounts are not changed between 1 January 20x1 and 31 December 20x2.

After the governing charter is amended

A10 Following the change in its governing charter the cooperative entity can now be required to redeem a maximum of 25 per cent of its outstanding shares or a maximum of 50 000 shares at CU 20 each. Accordingly, on 1 January 20x3 the cooperative entity classifies as financial liabilities an amount of CU 1 000 000 being the maximum amount payable on demand under the redemption provisions, as determined in accordance with paragraph 49 of IAS 39. It therefore transfers on 1 January 20x3 from equity to financial liabilities an amount of CU 200 000, leaving CU 2 000 000 classified as equity. In this example the entity does not recognise a gain or loss on the transfer.

Example 4

Facts

A11 Local law governing the operations of cooperatives, or the terms of the entity's governing charter, prohibit an entity from redeeming members' shares if, by redeeming them, it would reduce paid-in capital from members' shares below 75 per cent of the highest amount of paid-in capital from members' shares. The highest amount for a particular cooperative is CU 1 000 000. At the balance sheet date the balance of paid-in capital is CU 900 000.

Classification

A12 In this case, CU 750 000 would be classified as equity and CU 150 000 would be classified as financial liabilities. In addition to the paragraphs already cited, paragraph 18(b) of IAS 32 states in part:

... a financial instrument that gives the holder the right to put it back to the issuer for cash or another financial asset (a 'puttable instrument') is a financial liability. This is so even when the amount of cash or other financial assets is determined on the basis of an index or other item that has the potential to increase or decrease, or when the legal form of the puttable instrument gives the holder a right to a residual interest in the assets of an issuer. The existence of an option for the holder to put the instrument back to the issuer for cash or another financial asset means that the puttable instrument meets the definition of a financial liability.

A13 The redemption prohibition described in this example is different from the restrictions described in paragraphs 19 and AG25 of IAS 32. Those restrictions are limitations on the ability of the entity to pay the amount due on a financial liability, i.e. they prevent payment of the liability only if specified conditions are met. In contrast, this example describes an unconditional prohibition on redemptions beyond a specified amount, regardless of the entity's ability to redeem members' shares (e.g. given its cash resources, profits or distributable reserves). In effect, the prohibition against redemption prevents the entity from incurring any financial liability to redeem more than a specified amount of paid-in capital. Therefore, the portion of shares subject to the redemption prohibition is not a financial liability. While each member's shares may be redeemable individually, a portion of the total shares outstanding is not redeemable in any circumstances other than liquidation of the entity.

Example 5

Facts

A14 The facts of this example are as stated in example 4. In addition, at the balance sheet date, liquidity requirements imposed in the local jurisdiction prevent the entity from redeeming any members' shares unless its holdings of cash and short-term investments are greater than a specified amount. The effect of these liquidity requirements at the balance sheet date is that the entity cannot pay more than CU 50 000 to redeem the members' shares.

Classification

A15 As in example 4, the entity classifies CU 750 000 as equity and CU 150 000 as a financial liability. This is because the amount classified as a liability is based on the entity's unconditional right to refuse redemption and not on conditional restrictions that prevent redemption only if liquidity or other conditions are not met and then only until such time as they are met. The provisions of paragraphs 19 and AG25 of IAS 32 apply in this case.

Example 6

Facts

A16 The entity's governing charter prohibits it from redeeming members' shares, except to the extent of proceeds received from the issue of additional members' shares to new or existing members during the preceding three years. Proceeds from issuing members' shares must be applied to redeem shares for which members have requested redemption. During the three preceding years, the proceeds from issuing members' shares have been CU 12 000 and no member's shares have been redeemed.

Classification

A17 The entity classifies CU 12 000 of the members' shares as financial liabilities. Consistently with the conclusions described in example 4, members' shares subject to an unconditional prohibition against redemption are not financial liabilities. Such an unconditional prohibition applies to an amount equal to the proceeds of shares issued before the preceding three years, and accordingly, this amount is classified as equity. However, an amount equal to the proceeds from any shares issued in the preceding three years is not subject to an unconditional prohibition on redemption. Accordingly, proceeds from the issue of members' shares in the preceding three years give rise to financial liabilities until they are no longer available for redemption of members' shares. As a result the entity has a financial liability equal to the proceeds of shares issued during the three preceding years, net of any redemptions during that period.

Example 7*Facts*

A18 The entity is a cooperative bank. Local law governing the operations of cooperative banks state that at least 50 per cent of the entity's total 'outstanding liabilities' (a term defined in the regulations to include members' share accounts) has to be in the form of members' paid-in capital. The effect of the regulation is that if all of a cooperative's outstanding liabilities are in the form of members' shares, it is able to redeem them all. On 31 December 20x1 the entity has total outstanding liabilities of CU 200 000, of which CU 125 000 represent members' share accounts. The terms of the members' share accounts permit the holder to redeem them on demand and there are no limitations on redemption in the entity's charter.

Classification

A19 In this example members' shares are classified as financial liabilities. The redemption prohibition is similar to the restrictions described in paragraphs 19 and AG25 of IAS 32. The restriction is a conditional limitation on the ability of the entity to pay the amount due on a financial liability, i.e. they prevent payment of the liability only if specified conditions are met. More specifically, the entity could be required to redeem the entire amount of members' shares (CU 125 000) if it repaid all of its other liabilities (CU 75 000). Consequently, the prohibition against redemption does not prevent the entity from incurring a financial liability to redeem more than a specified number of members' shares or amount of paid-in capital. It allows the entity only to defer redemption until a condition is met, i.e. the repayment of other liabilities. Members' shares in this example are not subject to an unconditional prohibition against redemption and are therefore classified as financial liabilities.

COMMISSION REGULATION (EC) No 1074/2005**of 7 July 2005****amending Regulation (EC) No 1227/2000 laying down detailed rules for the application of Council Regulation (EC) No 1493/1999 on the common organisation of the market in wine, as regards production potential**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine ⁽¹⁾, and in particular Article 15 thereof,

Whereas:

- (1) In order to harmonise the Community area aid system in all agricultural sectors, the rules applicable to the wine sector should be amended as regards the tolerance applicable to the system for the restructuring and conversion of vineyards.
- (2) This amendment involves a significant administrative burden. Since the wine year begins on 1 August each year, this Regulation should apply to aid applications approved from 1 August 2005.
- (3) Articles 16 and 17 of Commission Regulation (EC) No 1227/2000 ⁽²⁾ lay down the rules on financing the restructuring and conversion scheme.
- (4) For the 2005 financial year, funding allocations have been allocated to the Member States under Commission Decision 2004/687/EC of 6 October 2004 fixing, for the 2004/2005 marketing year and in respect of a certain number of hectares, an indicative financial allocation by Member State for the restructuring and conversion of vineyards under Council Regulation (EC) No 1493/1999 ⁽³⁾.

- (5) The rules laid down in Articles 16 and 17 of Regulation (EC) No 1227/2000 stipulate in particular that the appropriations allocated to a Member State whose corresponding expenditure was not incurred or validated by 30 June is to be reallocated to the Member States whose incurred and validated expenditure equals the allocation awarded to them. The rules also provide for the amounts awarded to the Member States to be reduced for the following financial year if the expenditure incurred by them on 30 June is less than 75 % of their initial allocations.
- (6) Some Member States for which the 2004/2005 wine year is the first year of application of the restructuring and conversion scheme are finding it hard to implement. Application of the rules in Articles 16 and 17 of Regulation (EC) No 1227/2000 would result in excessive reductions in the appropriations available to those Member States for restructuring and conversion in this and the next financial year.
- (7) So, on a transitional basis and for the 2004/2005 wine year, these excessive reductions are to be avoided by making provision for the reallocation, within appropriate limits, of the appropriations in respect of which the corresponding expenditure was neither incurred nor validated on 30 June 2005 to those Member States that have not yet totally exhausted their allocations by that date and for which the 2004/2005 wine year is the first year of application of the restructuring and conversion scheme.
- (8) A similar provision was introduced in 2001 when the vineyard restructuring and conversion scheme first applied. As the efforts made by the Member States for which the 2004/2005 wine year is their first to apply this scheme are greater than those that had been recorded for certain Member States in the 2000/2001 wine year, the option of reallocating the appropriations must be fixed at a higher level than the one that applied in 2001.
- (9) Regulation (EC) No 1227/2000 should therefore be amended.

⁽¹⁾ OJ L 179, 14.7.1999, p. 1. Regulation last amended by Commission Regulation (EC) No 1795/2003 (OJ L 262, 14.10.2003, p. 13).

⁽²⁾ OJ L 143, 16.6.2000, p. 1. Regulation last amended by Regulation (EC) No 1389/2004 (OJ L 255, 31.7.2004, p. 7).

⁽³⁾ OJ L 313, 12.10.2004, p. 23.

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

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1227/2000 is hereby amended as follows:

1. Article 15(4) shall be replaced by the following:

‘4. For the purpose of this Article, a tolerance of 5 % shall be permitted when checking the areas concerned.

The tolerance provided for in the first subparagraph shall not apply to the payment of aid.’

2. Article 15a(3) is replaced by the following:

‘3. For the purpose of this Article, a tolerance of 5 % shall be permitted when checking the areas concerned.

The tolerance provided for in the first subparagraph shall not apply to the payment of aid.’

3. The following paragraph 9 is added to Article 17:

‘9. In the case of the 2005 financial year:

(a) any Member State for which the 2004/2005 wine year is the first year of application of the restructuring and conversion scheme and which reports to the Commission under Article 16(1)(a) and (b) an amount below 90 % of the financial allocation awarded to it

under Commission Decision 2004/687/EC (*) may apply to the Commission, no later than 10 July 2005, for a further contribution to expenditure in the 2005 financial year above that notified to the Commission under Article 16(1)(a) and (b) and up to 90 % of the financial allocation awarded to it by Decision 2004/687/EC;

(b) applications for further funding sent to the Commission under Article 16(1)(c) by the Member States not referred to in point (a) of this paragraph shall be accepted on a pro rata basis by using the available appropriations once the amounts for all Member States notified under Article 16(1)(a) and (b) and accepted and the total of the amounts accepted under point (a) of this paragraph have together been deducted;

(c) the Commission shall notify the Member States of their definitive allocations for 2005 as soon as possible.

(*) OJ L 313, 12.10.2004, p. 23.’

Article 2

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

Points 1 and 2 of Article 1 shall apply to aid applications approved from 1 August 2005.

Point 3 of Article 1 shall apply from 1 July 2005.

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

Done at Brussels, 7 July 2005.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

COMMISSION REGULATION (EC) No 1075/2005
of 7 July 2005
on the issuing of export licences for wine-sector products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 883/2001 of 24 April 2001, laying down detailed rules for implementing Council Regulation (EC) No 1493/1999 as regards trade with third countries in products in the wine sector⁽¹⁾, and in particular Article 7 and Article 9(3) thereof,

Whereas:

- (1) Article 63(7) of Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine⁽²⁾, limits the grant of export refunds for wine-sector products to the volumes and expenditure contained in the Agreement on Agriculture concluded during the Uruguay Round multilateral trade negotiations.
- (2) Article 9 of Regulation (EC) No 883/2001 lays down the conditions under which the Commission may take specific measures to prevent an overrun of the quantity laid down or the budget available under the said Agreement.
- (3) On the basis of information on export licence applications available to the Commission on 6 July 2005, the quantity still available for the period until 31 August 2005, for destination zones (1) Africa and (3) eastern Europe, referred to in Article 9(5) of Regu-

lation (EC) No 883/2001, could be exceeded unless the issue of export licences with advance fixing of the refund is restricted. Therefore, a single percentage for the acceptance of applications submitted from 29 June to 5 July 2005 should be applied and the submission of applications and the issue of licences suspended for this zone until 16 September 2005,

HAS ADOPTED THIS REGULATION:

Article 1

1. Export licences with advance fixing of the refund for wine-sector products for which applications are submitted from 29 June to 5 July 2005 under Regulation (EC) No 883/2001 shall be issued in concurrence with 67,34 % of the quantities requested for zone (1) Africa and in concurrence with 78,57 % of the quantities requested for zone (3) eastern Europe.

2. The issue of export licences for wine-sector products referred to in paragraph 1 for which applications are submitted from 6 July 2005 and the submission of export licence applications from 8 July 2005 for destination zones (1) Africa and (3) eastern Europe shall be suspended until 16 September 2005.

Article 2

This Regulation shall enter into force on 8 July 2005.

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

Done at Brussels, 7 July 2005.

For the Commission

J. M. SILVA RODRÍGUEZ

*Director-General for Agriculture and
Rural Development*

⁽¹⁾ OJ L 128, 10.5.2001, p. 1. Regulation as last amended by Regulation (EC) No 908/2004 (OJ L 163, 30.4.2004, p. 56).

⁽²⁾ OJ L 179, 14.7.1999, p. 1. Regulation as last amended by Commission Regulation (EC) No 1795/2003 (OJ L 262, 14.10.2003, p. 13).

COMMISSION REGULATION (EC) No 1076/2005
of 7 July 2005
determining the world market price for unginned cotton

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Protocol 4 on cotton, annexed to the Act of Accession of Greece, as last amended by Council Regulation (EC) No 1050/2001 ⁽¹⁾,

Having regard to Council Regulation (EC) No 1051/2001 of 22 May 2001 on production aid for cotton ⁽²⁾, and in particular Article 4 thereof,

Whereas:

- (1) In accordance with Article 4 of Regulation (EC) No 1051/2001, a world market price for unginned cotton is to be determined periodically from the price for ginned cotton recorded on the world market and by reference to the historical relationship between the price recorded for ginned cotton and that calculated for unginned cotton. That historical relationship has been established in Article 2(2) of Commission Regulation (EC) No 1591/2001 of 2 August 2001 laying down detailed rules for applying the cotton aid scheme ⁽³⁾. Where the world market price cannot be determined in this way, it is to be based on the most recent price determined.
- (2) In accordance with Article 5 of Regulation (EC) No 1051/2001, the world market price for unginned

cotton is to be determined in respect of a product of specific characteristics and by reference to the most favourable offers and quotations on the world market among those considered representative of the real market trend. To that end, an average is to be calculated of offers and quotations recorded on one or more European exchanges for a product delivered cif to a port in the Community and coming from the various supplier countries considered the most representative in terms of international trade. However, there is provision for adjusting the criteria for determining the world market price for ginned cotton to reflect differences justified by the quality of the product delivered and the offers and quotations concerned. Those adjustments are specified in Article 3(2) of Regulation (EC) No 1591/2001.

- (3) The application of the above criteria gives the world market price for unginned cotton determined hereinafter,

HAS ADOPTED THIS REGULATION:

Article 1

The world price for unginned cotton as referred to in Article 4 of Regulation (EC) No 1051/2001 is hereby determined as equalling 22,569 EUR/100 kg.

Article 2

This Regulation shall enter into force on 8 July 2005.

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

Done at Brussels, 7 July 2005.

For the Commission

J. M. SILVA RODRÍGUEZ

*Director-General for Agriculture and
Rural Development*

⁽¹⁾ OJ L 148, 1.6.2001, p. 1.

⁽²⁾ OJ L 148, 1.6.2001, p. 3.

⁽³⁾ OJ L 210, 3.8.2001, p. 10. Regulation as amended by Regulation (EC) No 1486/2002 (OJ L 223, 20.8.2002, p. 3).

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 6 July 2005

granting derogations to bring Member States' statistical systems into conformity with Regulation (EC) No 501/2004 of the European Parliament and of the Council on quarterly financial accounts for general government

(notified under document number C(2005) 1861)

(Only the Czech, Danish, German, Estonian, Greek, Spanish, French, English, Italian, Latvian, Lithuanian, Polish, Slovenian and Slovak texts are authentic)

(2005/488/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 501/2004 of the European Parliament and of the Council of 10 March 2004 on quarterly financial accounts for general government ⁽¹⁾, and in particular Article 6(3) and (4) thereof,

Having regard to the requests made by the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia and the Slovak Republic,

Whereas:

(1) The purpose of Regulation (EC) No 501/2004 is to list and define the main characteristics of the ESA 95 categories of financial transactions and of stocks of financial assets and liabilities, for the general government sector

and for each of the subsectors within general government. Member States are required to transmit data to the Commission (Eurostat) quarterly following a step-by-step approach.

(2) However, under Article 6(3) and (4) of Regulation (EC) No 501/2004, the Commission is empowered to grant to Member States one or more derogations from the timetable set by the Regulation for the submission of quarterly data. Those derogations are granted for different purposes and are subject to different conditions.

(3) In accordance with the provisions of Regulation (EC) No 501/2004, a number of Member States' authorities have asked, by letter, to be granted derogations to enable them to bring their national statistical systems into conformity with the Regulation's requirements.

(4) According to the information provided to Eurostat, the Member States' requests for derogations are due to the need for major adaptations to national statistical systems in order to comply fully with Regulation (EC) No 501/2004. The requested derogations should therefore be granted in their entirety,

⁽¹⁾ OJ L 81, 19.3.2004, p. 1.

HAS ADOPTED THIS DECISION:

Article 1

Derogations are hereby granted to the Member States listed in the Annex, on the conditions and subject to the limits set out therein, in order to enable those Member States to bring their respective national statistical systems into conformity with Regulation (EC) No 501/2004.

Article 2

This Decision is addressed to the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of

Estonia, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia and the Slovak Republic.

Done at Brussels, 6 July 2005.

For the Commission

Joaquín ALMUNIA

Member of the Commission

ANNEX

Country	Quarterly data for which a derogation is granted, with reference to financial transactions and/or financial assets and liabilities, and/or to related sectors or subsectors	Deadline
Czech Republic	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Denmark	— Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Germany	— F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.62/AF.62, F.7/AF.7 — assets for sector S.13 and subsectors S.1311, S.1312 and S.1313, and F.511/AF.511 — assets for subsector S.1311 — F.34/AF.34, F.61/AF.61, F.62/AF.62, F.7/AF.7 — liabilities for sector S.13 and subsectors S.1311, S.1312, S.1313 and S.1314 — F.34/AF.34, F.5/AF.5, F.62/AF.62, F.7/AF.7 — assets for subsector S.1314 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Estonia	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Greece	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Spain	— F.34/AF.34 for sector S.13 and all its subsectors	December 2005
France	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and subsectors S.1313 and S.1314 — F.7/AF.7 — assets and liabilities for subsector S.1311	December 2005
Ireland	— Breakdown by counterpart sector for subsectors S.1311 and S.1314	June 2005
Italy	— F.7/AF.7 for sector S.13 and all its subsectors	December 2005

Country	Quarterly data for which a derogation is granted, with reference to financial transactions and/or financial assets and liabilities, and/or to related sectors or subsectors	Deadline
Cyprus	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Latvia	— F.1, F.2, F.331, F.332, F.34, F.41, F.42, F.5, F.61, F.62, F.7 for sector S.13 and all its subsectors, and F.511 and F.21 for subsector S.1311 — AF.5 assets for sector S.13 and subsectors S.1311 and S.1313, and AF.511 assets for subsector S.1311 — AF.7 assets for sector S.13 and all its subsectors — Breakdown by counterpart sector for AF.41 assets for the subsector S.1311 and for AF.5 assets for subsectors S.1311 and S.1314	December 2005
Lithuania	— F.5/AF.5, F.511/AF.511 and F.7/AF.7 for sector S.13 and all its subsectors — Breakdown by counterpart sector for F.5/AF.5 for subsectors S.1311 and S.1314	December 2005
Luxembourg	— F.61/AF.61, F.62/AF.62 and F.7/AF.7 for sector S.13 and all its subsectors	December 2005
Malta	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Austria	— F.41/AF.41, F.42/AF.42 — assets for sector S.13 and subsectors S.1312 and S.1313 — F.7/AF.7 — assets and liabilities for sector S.13 and all its subsectors	December 2005
Poland	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Slovenia	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005
Slovakia	— F.1/AF.1, F.2/AF.2, F.331/AF.331, F.332/AF.332, F.34/AF.34, F.41/AF.41, F.42/AF.42, F.5/AF.5, F.61/AF.61, F.62/AF.62, F.7/AF.7 for sector S.13 and all its subsectors — F.511/AF.511 and F.21/AF.21 for subsector S.1311 — Breakdown by counterpart sector for subsectors S.1311 and S.1314	December 2005

COMMISSION DECISION

of 6 July 2005

**granting derogations to certain Member States concerning the first transmission of quarterly data
pursuant to Council Regulation (EC) No 1222/2004**

*(notified under document number C(2005) 1874)***(Only the Czech, Danish, Greek, French, Polish, Portuguese and Slovenian texts are authentic)**

(2005/489/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1222/2004 of 28 June 2004 concerning the compilation and transmission of data on the quarterly government debt ⁽¹⁾, and in particular Article 2(3) thereof,

Whereas:

- (1) Regulation (EC) No 1222/2004 provides for the compilation and transmission of data on the quarterly government debt, using the same definition of government debt except for the reference period as is given in Council Regulation (EC) No 3605/93 of 22 November 1993 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community ⁽²⁾.
- (2) Article 2(3) of Regulation (EC) No 1222/2004 provides that the Commission may grant a derogation, not exceeding one year, concerning the first transmission of quarterly data, insofar as national statistical systems require major change.
- (3) Such derogations have been requested by the respective authorities of Czech Republic, Denmark, Greece, France, Poland, Portugal and Slovenia.
- (4) According to the information received by the Commission (Eurostat), the requests from the Member

States concerned are due to the fact that they need to make important changes to their statistical systems, which cannot be implemented before 31 December 2004.

- (5) The derogations requested should therefore be granted,

HAS ADOPTED THIS DECISION:

Article 1

Derogations from the deadline fixed by Regulation (EC) No 1222/2004 for the first transmission of data on quarterly government debt are granted to the Member States enumerated in Article 2 of this Decision.

The deadline applicable to those Member States shall be 31 December 2005.

Article 2

This Decision is addressed to the Czech Republic, the Kingdom of Denmark, the Hellenic Republic, the French Republic, the Republic of Poland, the Portuguese Republic, and the Republic of Slovenia.

Done at Brussels, 6 July 2005.

For the Commission

Joaquín ALMUNIA

Member of the Commission

⁽¹⁾ OJ L 233, 2.7.2004, p. 1.

⁽²⁾ OJ L 332, 31.12.1993, p. 7. Regulation as last amended by Commission Regulation (EC) No 351/2002 (OJ L 55, 26.2.2002, p. 23).

COMMISSION DECISION

of 7 July 2005

terminating the anti-dumping proceeding concerning imports of certain tube or pipe fittings originating in Taiwan and Vietnam

(2005/490/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community⁽¹⁾ (basic anti-dumping Regulation), and in particular Article 9 thereof,

After consulting the Advisory Committee,

Whereas:

I. PROCEDURE

- (1) On 11 August 2004, by a notice published in the *Official Journal of the European Union*⁽²⁾, the Commission announced the initiation of an anti-dumping proceeding with regard to imports into the Community of tube or pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes originating in Taiwan and Vietnam, normally declared within CN codes 7307 93 11, 7307 93 19, 7307 99 30 and 7307 99 90.
- (2) The anti-dumping proceeding was initiated, pursuant to Article 5 of the basic anti-dumping Regulation, following a complaint lodged on 28 June 2004 by the Defence Committee of the Steel Butt-welding Fittings Industry of the European Union (the complainant) on behalf of producers representing a major proportion, in this case more than 60 %, of the Community production of these fittings. The complaint contained *prima facie* evidence of the existence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the initiation of a proceeding.
- (3) The Commission officially advised the exporting producers in Vietnam and Taiwan, importers/traders and their associations, suppliers and users known to be concerned, the representatives of the exporting countries concerned and the complainant Community producers of the initiation of the proceeding. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the notice of initiation.

II. WITHDRAWAL OF THE COMPLAINT AND TERMINATION OF THE PROCEEDING

- (4) By a letter of 23 March 2005 to the Commission, the complainant formally withdrew its complaint.
- (5) In accordance with Article 9(1) of the basic anti-dumping Regulation, the proceeding may be terminated where the complaint is withdrawn unless such termination would not be in the Community interest.
- (6) The Commission considered that the present proceeding should be terminated since the investigation had not brought to light any consideration showing that such termination would not be in the Community interest. Interested parties were informed accordingly and were given the opportunity to comment. However, no comments were received.
- (7) The Commission therefore concludes that the anti-dumping proceeding concerning imports of certain tube or pipe fittings originating in Taiwan and Vietnam into the Community should be terminated without the imposition of anti-dumping measures.
- (8) The measures provided for in this Decision are in accordance with the opinion of the Advisory Committee,

HAS DECIDED AS FOLLOWS:

Sole article

The anti-dumping proceeding concerning imports of tube or pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, normally declared within CN codes 7307 93 11, 7307 93 19, 7307 99 30 and 7307 99 90 and originating in Taiwan and Vietnam is hereby terminated.

Done at Brussels, 7 July 2005.

For the Commission

Peter MANDELSON

Member of the Commission

⁽¹⁾ OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Regulation (EC) No 461/2004 (OJ L 77, 13.3.2004, p. 12).

⁽²⁾ OJ C 203, 11.8.2004, p. 5.