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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 1001/97

of 2 June 1997

imposing a definitive anti-dumping duty on imports of polyester textured filament yarn originating in Malaysia and collecting definitively the provisional duty imposed

THE COUNCIL OF THE EUROPEAN UNION,

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⁾ (hereinafter referred to as 'the Basic Regulation'), and in particular Article 9 thereof,

Having regard to the proposal submitted by the Commission after consulting the Advisory Committee,

Whereas:

A. Provisional measures

- (1) By Regulation (EC) No 53/97⁽²⁾ (hereinafter referred to as 'the provisional duty Regulation'), the Commission imposed a provisional anti-dumping duty on imports into the Community of polyester textured filament yarn (hereinafter referred to as 'PTY') originating in Malaysia, falling with CN codes 5402 33 10 and 5402 33 90.

B. Subsequent procedure

- (2) Following the imposition of the provisional anti-dumping duty, all interested parties received disclosure in writing concerning the essential facts and considerations on the basis of which provisional measures had been imposed.

At the same time, all other parties known to be concerned by this proceeding were informed of the imposition of the provisional measures.

- (3) The provisional duty Regulation also set a time limit, within which the parties concerned could make known their views in writing and apply to be heard orally by the Commission.

- (4) However, no party made its views known or applied to be heard orally by the Commission within the time limit set, nor were any other comments received after that period.

C. Product under consideration and like product, dumping, Community industry, injury, causation of injury and Community interest

- (5) As no further arguments have been advanced by any of the parties concerned regarding the Commission's provisional findings on the product under consideration, on the like product, on dumping, Community industry, injury, causation of injury and Community interest, the findings, as set out in recitals (7) to (72) of the provisional duty Regulation, are confirmed by the Council.

D. Definitive duty

- (6) For the purpose of establishing the level of the definitive duty to be imposed, the Council took account of the dumping margins found and the level of the duty necessary to remove the injury sustained by the Community industry, on the basis of the methodology set out in recitals (73) to (78) of the provisional duty Regulation.

- (7) Since the dumping margins were lower than the injury margins found, it is confirmed that the level of the anti-dumping duty should be based on the level of the dumping margins definitively established pursuant to Article 9 (4) of the Basic Regulation, i.e. 16,4 % for the cooperating Malaysian exporter Hualon Corporation (M) Sdn. Bhd. and 32,5 % for other, non-cooperating exporters/producers in Malaysia.

⁽¹⁾ OJ No L 56, 6. 3. 1996, p. 1. Regulation as amended by Regulation (EC) No 2331/96 (OJ No L 317, 6. 12. 1996, p. 1).

⁽²⁾ OJ No L 13, 16. 1. 1997, p. 6.

The Council confirms these levels and the form of the definitive measures to be imposed.

E. Collection of the provisional duty

- (8) In view of the dumping margins definitively established and the substantial injury caused to the Community industry, the Council considers that the amounts secured by way of the provisional anti-dumping duties should be definitively collected at the level of the amounts of duties definitively imposed,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of PTY falling within CN code 5402 33 10 and 5402 33 90 and originating in Malaysia.
2. The rate of the definitive anti-dumping duty applicable to the net, free-at-Community-frontier price, before duty, shall be as follows:

Malaysia	Duty	Taric additional code
Hualon Corporation (M) Sdn. Bhd.	16,4 %	8933
Others	32,5 %	8900

3. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

The amounts secured by way of the provisional anti-dumping duties pursuant to Regulation (EC) No 53/97 shall be definitively collected at the rate of the duties definitively imposed.

Article 3

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

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

Done at Luxembourg, 2 June 1997.

For the Council
The President
 H. VAN MIERLO

COMMISSION REGULATION (EC) No 1002/97

of 4 June 1997

fixing the representative prices and the additional import duties for molasses in the sugar sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the market in sugar ⁽¹⁾, as last amended by Regulation (EC) No 1599/96 ⁽²⁾,

Having regard to Commission Regulation (EC) No 1422/95 of 23 June 1995 laying down detailed rules of application for imports of molasses in the sugar sector and amending Regulation (EEC) No 785/68 ⁽³⁾, and in particular Articles 1 (2) and 3 (1) thereof,

Whereas Regulation (EC) No 1422/95 stipulates that the cif import price for molasses, hereinafter referred to as the 'representative price', should be set in accordance with Commission Regulation (EEC) No 785/68 ⁽⁴⁾; whereas that price should be fixed for the standard quality defined in Article 1 of the above Regulation;

Whereas the representative price for molasses is calculated at the frontier crossing point into the Community, in this case Amsterdam; whereas that price must be based on the most favourable purchasing opportunities on the world market established on the basis of the quotations or prices on that market adjusted for any deviations from the standard quality; whereas the standard quality for molasses is defined in Regulation (EEC) No 785/68;

Whereas, when the most favourable purchasing opportunities on the world market are being established, account must be taken of all available information on offers on the world market, on the prices recorded on important third-country markets and on sales concluded in international trade of which the Commission is aware, either directly or through the Member States; whereas, under Article 7 of Regulation (EEC) No 785/68, the Commission may for this purpose take an average of several prices as a basis, provided that this average is representative of actual market trends;

Whereas the information must be disregarded if the goods concerned are not of sound and fair marketable quality or if the price quoted in the offer relates only to a small

quantity that is not representative of the market; whereas offer prices which can be regarded as not representative of actual market trends must also be disregarded;

Whereas, if information on molasses of the standard quality is to be comparable, prices must, depending on the quality of the molasses offered, be increased or reduced in the light of the results achieved by applying Article 6 of Regulation (EEC) No 785/68;

Whereas a representative price may be left unchanged by way of exception for a limited period if the offer price which served as a basis for the previous calculation of the representative price is not available to the Commission and if the offer prices which are available and which appear not to be sufficiently representative of actual market trends would entail sudden and considerable changes in the representative price;

Whereas where there is a difference between the trigger price for the product in question and the representative price, additional import duties should be fixed under the conditions set out in Article 3 of Regulation (EC) No 1422/95; whereas should the import duties be suspended pursuant to Article 5 of Regulation (EC) No 1422/95, specific amounts for these duties should be fixed;

Whereas application of these provisions will have the effect of fixing the representative prices and the additional import duties for the products in question as set out in the Annex to this Regulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

The representative prices and the additional duties applying to imports of the products referred to in Article 1 of Regulation (EC) No 1422/95 are fixed in the Annex hereto.

Article 2

This Regulation shall enter into force on 5 June 1997.

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 43.

⁽³⁾ OJ No L 141, 24. 6. 1995, p. 12.

⁽⁴⁾ OJ No L 145, 27. 6. 1968, p. 12.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX

fixing the representative prices and additional import duties applying to imports of molasses in the sugar sector

CN code	Amount of the representative price in ECU per 100 kg net of the product in question	Amount of the additional duty in ECU per 100 kg net of the product in question	Amount of the duty to be applied to imports in ECU per 100 kg net of the product in question because of suspension as referred to in Article 5 of Regulation (EC) No 1422/95 ⁽²⁾
1703 10 00 ⁽¹⁾	8,38	—	0,00
1703 90 00 ⁽¹⁾	12,23	—	0,00

⁽¹⁾ For the standard quality as defined in Article 1 of amended Regulation (EEC) No 785/68.

⁽²⁾ This amount replaces, in accordance with Article 5 of Regulation (EC) No 1422/95, the rate of the Common Customs Tariff duty fixed for these products.

COMMISSION REGULATION (EC) No 1003/97
of 4 June 1997
altering the export refunds on white sugar and raw sugar exported in the natural state

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector ⁽¹⁾, as last amended by Regulation (EC) No 1599/96 ⁽²⁾, and in particular the second subparagraph of Article 19 (4) thereof,

Whereas the refunds on white sugar and raw sugar exported in the natural state were fixed by Commission Regulation (EC) No 941/97 ⁽³⁾, as amended by Regulation (EC) No 971/97 ⁽⁴⁾;

Whereas it follows from applying the detailed rules contained in Regulation (EC) No 941/97 to the information known to the Commission that the export refunds at

present in force should be altered to the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on the products listed in Article 1 (1) (a) of Regulation (EEC) No 1785/81, undenatured and exported in the natural state, as fixed in the Annex to amended Regulation (EC) No 941/97, are hereby altered to the amounts shown in the Annex hereto.

Article 2

This Regulation shall enter into force on 5 June 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 43.

⁽³⁾ OJ No L 123, 15. 5. 1997, p. 3.

⁽⁴⁾ OJ No L 141, 31. 5. 1997, p. 14.

ANNEX

to the Commission Regulation of 4 June 1997 altering the export refunds on white sugar and raw sugar exported in its unaltered state

Product code	Amount of refund
	— ECU/100 kg —
1701 11 90 9100	36,68 ⁽¹⁾
1701 11 90 9910	34,88 ⁽¹⁾
1701 11 90 9950	⁽²⁾
1701 12 90 9100	36,68 ⁽¹⁾
1701 12 90 9910	34,88 ⁽¹⁾
1701 12 90 9950	⁽²⁾
	— ECU/1 % of sucrose × 100 kg —
1701 91 00 9000	0,3987
	— ECU/100 kg —
1701 99 10 9100	39,87
1701 99 10 9910	38,65
1701 99 10 9950	38,65
	— ECU/1 % of sucrose × 100 kg —
1701 99 90 9100	0,3987

⁽¹⁾ Applicable to raw sugar with a yield of 92 %; if the yield is other than 92 %, the refund applicable is calculated in accordance with the provisions of Article 17a (4) of Regulation (EEC) No 1785/81.

⁽²⁾ Fixing suspended by Commission Regulation (EEC) No 2689/85 (OJ No L 255, 26. 9. 1985, p. 12), as amended by Regulation (EEC) No 3251/85 (OJ No L 309, 21. 11. 1985, p. 14).

COMMISSION REGULATION (EC) No 1004/97**of 4 June 1997****fixing the maximum export refund for white sugar for the 41st partial invitation to tender issued within the framework of the standing invitation to tender provided for in Regulation (EC) No 1464/96**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector ⁽¹⁾, as last amended by Regulation (EC) No 1599/96 ⁽²⁾, and in particular the second subparagraph of Article 17 (5) (b) thereof,

Whereas Commission Regulation (EC) No 1464/96 of 25 July 1996 on a standing invitation to tender to determine levies and/or refunds on exports of white sugar ⁽³⁾, requires partial invitations to tender to be issued for the export of this sugar;

Whereas, pursuant to Article 9 (1) of Regulation (EC) No 1464/96 a maximum export refund shall be fixed, as the case may be, account being taken in particular of the state and foreseeable development of the Community and world markets in sugar, for the partial invitation to tender in question;

Whereas, following an examination of the tenders submitted in response to the 41st partial invitation to

tender, the provisions set out in Article 1 should be adopted;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

For the 41st partial invitation to tender for white sugar issued pursuant to Regulation (EC) No 1464/96 the maximum amount of the export refund is fixed at 41,653 ECU per 100 kilograms.

Article 2

This Regulation shall enter into force on 5 June 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 43.

⁽³⁾ OJ No L 187, 26. 7. 1996, p. 42.

COMMISSION REGULATION (EC) No 1005/97

of 4 June 1997

re-establishing the preferential customs duty on imports of single-flower (standard) carnations originating in Israel

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 4088/87 of 21 December 1987 fixing conditions for the application of preferential customs duties on imports of certain flowers originating in Cyprus, Israel, Jordan and Morocco⁽¹⁾, as last amended by Regulation (EC) No 539/96⁽²⁾, and in particular Article 5 (2) (b) thereof,

Whereas Regulation (EEC) No 4088/87 fixes conditions for the application of a preferential customs duty on large-flowered roses, small-flowered roses, uniflorous (bloom) carnations and multiflorous (spray) carnations within the limit of tariff quotas opened annually for imports of fresh cut flowers into the Community;

Whereas Council Regulation (EC) No 1981/94⁽³⁾, as last amended by Regulation (EC) No 592/97⁽⁴⁾, opens and provides for the administration of Community tariff quotas for cut flowers and flower buds, fresh, originating in Cyprus, Jordan, Morocco and Israel;

Whereas Article 2 (3) of Regulation (EEC) No 4088/87 stipulates that the preferential customs duty shall be reintroduced for a given product of a given origin if the prices of the imported product (full rate customs duty not deducted) are, for at least 70 % of the quantities for which prices are available on representative Community import markets, not less than 85 % of the Community producer price for a period, calculated from the actual date of suspension of the actual preferential customs duty,

- of two successive market days, after suspension under Article 2 (2) (a) of that Regulation,
- of three successive market days, after suspension under Article 2 (2) (b) of that Regulation;

Whereas Commission Regulation (EC) No 989/97⁽⁵⁾ fixed Community producer prices for carnations and roses for application of the arrangements for importation from the countries in question;

Whereas Commission Regulation (EEC) No 700/88⁽⁶⁾, as last amended by Regulation (EEC) No 2917/93⁽⁷⁾, laid

down detailed rules for the application of these arrangements;

Whereas the representative market rates defined in Article 1 of Council Regulation (EEC) No 3813/92⁽⁸⁾, as last amended by Regulation (EC) No 150/95⁽⁹⁾, are used to convert amounts expressed in third country currencies and are used as the basis for determining the agricultural conversion rates of the Member States' currencies; whereas detailed rules on the application and determination of these conversions were set by Commission Regulation (EEC) No 1068/93⁽¹⁰⁾, as last amended by Regulation (EC) No 1482/96⁽¹¹⁾;

Whereas the preferential customs duty fixed for single-flower (standard) carnations originating in Israel by Regulation (EC) No 1981/94 was suspended by Commission Regulation (EC) No 855/97⁽¹²⁾;

Whereas on the basis of price recordings made as specified in Regulations (EEC) No 4088/87 and (EEC) No 700/88 it must be concluded that the requirement for reintroduction of the preferential customs duty laid down in the last indent of Article 2 (3) of Regulation (EEC) No 4088/87 is met for single-flower (standard) carnations originating in Israel; whereas the preferential customs duty should be reintroduced,

HAS ADOPTED THIS REGULATION:

Article 1

For imports of single-flower (standard) carnations (CN codes ex 0603 10 13 and ex 0603 10 53) originating in Israel the preferential customs duty set by amended Regulation (EC) No 1981/94 is reintroduced.

Article 2

This Regulation shall enter into force on 5 June 1997.

⁽¹⁾ OJ No L 382, 31. 12. 1987, p. 22.

⁽²⁾ OJ No L 79, 29. 3. 1996, p. 6.

⁽³⁾ OJ No L 199, 2. 8. 1994, p. 1.

⁽⁴⁾ OJ No L 89, 4. 4. 1997, p. 1.

⁽⁵⁾ OJ No L 141, 31. 5. 1997, p. 71.

⁽⁶⁾ OJ No L 72, 18. 3. 1988, p. 16.

⁽⁷⁾ OJ No L 264, 23. 10. 1993, p. 33.

⁽⁸⁾ OJ No L 387, 31. 12. 1992, p. 1.

⁽⁹⁾ OJ No L 22, 31. 1. 1995, p. 1.

⁽¹⁰⁾ OJ No L 108, 1. 5. 1993, p. 106.

⁽¹¹⁾ OJ No L 188, 27. 7. 1996, p. 22.

⁽¹²⁾ OJ No L 122, 14. 5. 1997, p. 19.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

COMMISSION REGULATION (EC) No 1006/97

of 4 June 1997

opening and providing for the administration of an import tariff quota for frozen beef intended for processing (1 July 1997 to 30 June 1998)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1095/96 of 18 June 1996 on the implementation of the concessions set out in Schedule CXL drawn up in the wake of the conclusion of the GATT XXIV.6 negotiations⁽¹⁾, and in particular Article 1 (1) thereof,

Whereas pursuant to Schedule CXL the Community has undertaken to open an annual import tariff quota of 50 700 tonnes of frozen beef intended for processing; whereas the rules of application for the quota year 1997/98 starting 1 July 1997 must be established;

Whereas the import of frozen beef under the tariff quota shall qualify for the total suspension of the specific rate of customs duty where the meat is intended for the manufacture of preserved food, which does not contain characteristic components other than beef and jelly; whereas where the meat is intended for other processed products containing beef the import shall qualify for a 55 % suspension of the autonomous specific rate of customs duty; whereas the breakdown of the tariff quota into each of the arrangements referred to above should be made taking into account the experience gained in respect of similar imports in the past;

Whereas so as to avoid speculation, access to the quota should be allowed only to active processors carrying out processing in a processing establishment approved in accordance with Article 8 of Council Directive 77/99/EEC⁽²⁾, as last amended by Directive 95/68/EC⁽³⁾;

Whereas, imports into the Community under the present tariff quota are subject to presentation of an import licence; whereas licences may be issued following allocations of import rights on the basis of applications from eligible processors; whereas subject to the provisions of this Regulation the provisions of Commission Regulation (EEC) No 3719/88 of 16 November 1988 laying down common detailed rules for the application of the system of import and export licences and advance fixing certifi-

ates for agricultural products⁽⁴⁾, as last amended by Regulation (EC) No 2350/96⁽⁵⁾, and Commission Regulation (EC) No 1445/95 of 26 June 1995 on rules of application for import and export licences in the beef and veal sector and repealing Regulation (EEC) No 2377/80⁽⁶⁾, as last amended by Regulation (EC) No 266/97⁽⁷⁾, shall apply to import licences issued under this Regulation;

Whereas the application of the present tariff quota requires strict surveillance of imports and effective checks as to their use and destination; whereas the processing should therefore be authorized only in the importing Member State; whereas, furthermore, a security shall be lodged in order to ensure that the imported meat is used according to the tariff quota specifications; whereas the amount of security should be fixed taking into account the difference between the customs duties applicable inside and outside the quota;

Whereas experience shows that importers do not always notify the competent authorities which issued the import licences of the quantity and origin of the beef imported under the quota concerned; whereas this information is important for assessing the market situation; whereas a security covering notification of the information should therefore be introduced;

Whereas provision should be made for communication by the Member States of information concerning the imports concerned;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

HAS ADOPTED THIS REGULATION:

Article 1

1. An import tariff quota of 50 700 tonnes, bone-in equivalent of frozen beef falling within CN codes 0202 20 30, 0202 30 10, 0202 30 50, 0202 30 90 or 0206 29 91 and intended for processing in the Community is hereby opened for the period 1 July 1997 to 30 June 1998.

⁽¹⁾ OJ No L 146, 20. 6. 1996, p. 1.

⁽²⁾ OJ No L 26, 31. 1. 1977, p. 85.

⁽³⁾ OJ No L 332, 30. 12. 1995, p. 10.

⁽⁴⁾ OJ No L 331, 2. 12. 1988, p. 1.

⁽⁵⁾ OJ No L 320, 11. 12. 1996, p. 4.

⁽⁶⁾ OJ No L 143, 27. 6. 1995, p. 35.

⁽⁷⁾ OJ No L 45, 15. 2. 1997, p. 1.

2. The overall quantity referred to in paragraph 1 shall be divided into two quantities:

- (a) 38 000 tonnes of frozen beef intended for manufacture of preserved food as defined in Article 7 (a),
- (b) 12 700 tonnes of frozen beef intended for manufacture of beef containing products as defined in Article 7 (b).

3. The quota shall bear the following order Nos:

- 09.4057 for the quantity to in paragraph 2 (a),
- 09.4058 for the quantity referred to in paragraph 2 (b).

4. The customs import duties to apply on frozen beef under the present tariff quota are those referred to in order No 13 of Annex 7 to Annex III of Commission Regulation (EC) No 1734/96⁽¹⁾.

The conversion rate for the relevant amounts of duty shall be the agricultural rate applicable on the day of importation.

5. For the purpose of this Regulation the day of importation is the day of acceptance of the declaration of release for free circulation.

Article 2

1. An application for import rights is valid only if it is lodged by, or on behalf of a natural or legal person who, during the 12 months prior to the entry into force of this Regulation, has been in the business of producing processed products containing beef and who is entered in a national VAT register. Furthermore, the application shall be lodged by, or on behalf of a processing establishment approved under Article 8 of Directive 77/99/EEC. For each quantity referred to in Article 1 (2) only one application for import rights may be accepted in respect of each approved processing establishment.

For the purposes of the above subparagraph, an approved processing establishment does not include a retail or catering establishment, or an establishment attached to a retail sales point, in which meat is being processed and offered for sale to the final consumer.

2. Applicants no longer active in the meat processing industry on 1 June 1997 shall not qualify under the arrangements provided for in this Regulation.

3. Documentary evidence, to the satisfaction of the competent authority, of compliance with the conditions

of the preceding paragraphs shall be lodged together with the application.

Article 3

1. Each application for import rights for production of A-products or B-products shall be expressed in bone-in equivalence and shall not exceed the available quantity under each of the two categories.

2. Each application referring to either A-products or B-products shall reach the competent authority by 12 June 1997.

3. Member States shall forward to the Commission by 24 June 1997 a list of applicants and quantities applied for under each of the two categories together with the approval numbers of the processing establishments concerned.

The Commission shall decide as soon as possible to what extent applications may be accepted, where necessary as a percentage of the quantity applied for.

Article 4

1. Any import of frozen beef for which import rights have been allocated pursuant to Article 3 shall be subject to presentation of an import licence.

2. Within his allocated import rights a processor may apply for import licences until 27 February 1998 at the latest. The application shall be lodged in the Member State where the import rights are registered.

For the purpose of this paragraph 100 kilograms of bone-in beef equals 77 kilograms of boneless beef.

3. A security shall be lodged with the competent authority at the time of importation ensuring that the processor processes the entire quantity of meat imported into the required finished products in the establishment specified in the licence application, within three months following the day of importation.

The amounts of security are fixed in Annex I.

Article 5

1. On the licence application and the licence itself shall be entered:

- (a) in box 8, the country of origin,
- (b) in box 16, one of the eligible CN codes,
- (c) in box 20, at least one of the following endorsements:

⁽¹⁾ OJ No L 238, 19. 9. 1996, p. 1.

- Certificado válido en ... (Estado miembro expedidor) / carne destinada a la transformación ... [productos A] [productos B] (táchese lo que no proceda) en ... (designación exacta y número de registro del establecimiento en el que vaya a procederse a la transformación / Reglamento (CE) n° 1006/97.
- Licens gyldig i ... (udstedende medlemsstat) / Kød bestemt til forarbejdning til (A-produkter) (B-produkter) (det ikke gældende overstreges) i ... (nøjagtig betegnelse for den virksomhed, hvor forarbejdningen sker) / forordning (EF) nr. 1006/97.
- In ... (ausstellender Mitgliedstaat) gültige Lizenz / Fleisch für die Verarbeitung zu [A-Erzeugnissen] [B-Erzeugnissen] (Unzutreffendes bitte streichen) in ... (genaue Bezeichnung des Betriebs, in dem die Verarbeitung erfolgen soll) / Verordnung (EG) Nr. 1006/97.
- Το πιστοποιητικό ισχύει ... (κράτος μέλος έκδοσης) / Κρέας που προορίζεται για μεταποίηση ... [προϊόντα Α] [προϊόντα Β] (διαγράφεται η περιττή ένδειξη) ... (ακριβής περιγραφή και αριθμός έγκρισης της εγκατάστασης όπου πρόκειται να πραγματοποιηθεί η μεταποίηση) / Κανονισμός (ΕΚ) αριθ. 1006/97.
- Licence valid in ... (issuing Member State) / Meat intended for processing ... [A-products] [B-products] (delete as appropriate) at ... (exact designation and approval No of the establishment where the processing is to take place) / Regulation (EC) No 1006/97.
- Certificat valable ... (État membre émetteur) / viande destinée à la transformation de ... [produits A] [produits B] (rayer la mention inutile) dans ... (désignation exacte et numéro d'agrément de l'établissement dans lequel la transformation doit avoir lieu) / règlement (CE) n° 1006/97.
- Titolo valido in ... (Stato membro di rilascio) / Carni destinate alla trasformazione ... [prodotti A] [prodotti B] (deppennare la voce inutile) presso ... (esatta designazione e numero di riconoscimento dello stabilimento nel quale è prevista la trasformazione) / Regolamento (CE) n. 1006/97.
- Certificaat geldig in ... (Lidstaat van afgifte) / Vlees bestemd voor verwerking tot [A-producten] [B-producten] (doorhalen wat niet van toepassing is) in ... (nauwkeurige aanduiding en toelatingsnummer van het bedrijf waar de verwerking zal plaatsvinden) / Verordening (EG) nr. 1006/97.
- Certificado válido em ... (Estado-membro emissor) / carne destinada à transformação ... [produtos A] [produtos B] (riscar o que não interessa) em ... (designação exacta e número de aprovação do estabelecimento em que a transformação será efectuada) / Regulamento (CE) n° 1006/97.
- Todistus on voimassa ... (myöntäjäsensvaltio) / Liha on tarkoitettu [A-luokan tuotteet] [B-luokan tuotteet] (tarpeeton poistettava) jalostukseen ...ssa (tarkka ilmoitus laitoksesta, jossa jalostus suoritetaan, hyväksyntänumero mukaan lukien) / Asetus (EY) N:o 1006/97.
- Licensen är giltig i ... (utfärdande medlemsstat) / Kött avsett för bearbetning ... [A-produkter] [B-produkter] (stryk det som inte gäller) vid ... (exakt angivelse av och godkännandenummer för anläggningen där bearbetningen skall ske) / Förordning (EG) nr 1006/97.
2. Without prejudice to the provisions of this Regulation, Regulations (EEC) No 3719/88 and (EC) No 1445/95 shall apply.
3. Import licences shall be valid for 120 days from the date of issue within the meaning of Article 21 (1) of Regulation (EEC) No 3719/88. However, their term of validity shall expire on 30 June 1998 at the latest.
4. Notwithstanding Article 8 (4) of Regulation (EEC) No 3719/88, the full Common Customs Tariff duty applicable on the date of release for free circulation shall be collected in respect of all quantities imported in excess of those shown on the import licence.
5. The second subparagraph of Article 14 (3) of Regulation (EEC) No 3719/88 shall not apply.
6. Notwithstanding Article 33 (3) (b) (ii) of Regulation (EEC) No 3719/88, the maximum period within which proof of importation must be provided if the portion of the security forfeited is to be limited to 15 % shall be four months.

Article 6

1. Quantities for which import licence applications have not been lodged by 27 February 1998 shall be subject to a further allocation of import rights.

To that end, by 6 March 1998, Member States shall forward to the Commission details of the quantities for which no applications have been received.

2. The Commission shall decide as soon as possible on the breakdown of those quantities into those intended for A-products and those intended for B-products. In doing so, the actual utilization of the import rights allocated pursuant to Article 3 under each of the two categories may be taken into account.

3. For the purposes of this Article, Articles 2 to 5 shall apply. However, the date referred to in Article 3 (2) shall be replaced by 3 April 1998 and the date referred to in Article 3 (3) shall be replaced by 10 April 1998.

Article 7

For the purposes of this Regulation:

- (a) An A-product shall be defined as a processed product falling within CN codes 1602 10, 1602 50 31, 1602 50 39 or 1602 50 80, not containing meat other than that of animals of the bovine species, with a collagen/protein ratio of no more than 0,45 % ⁽¹⁾ and containing by weight at least 20 % ⁽²⁾ of lean meat excluding offal ⁽³⁾ and fat with meat and jelly accounting for at least 85 % of the total net weight.

The product must be subjected to a heat treatment sufficient to ensure the coagulation of meat proteins in the whole of the product which may not show any traces of a pinkish liquid on the cut surface when the product is cut along a line passing through its thickest part.

- (b) A B-product shall be defined as a processed product containing beef, other than:
- one specified in Article 1 (1) (a) of Council Regulation (EEC) No 805/68 ⁽⁴⁾, or
 - one referred to under (a).

However, a processed product falling within CN code 0210 20 90 which has been dried or smoked so that the colour and consistency of the fresh meat has totally disappeared and with a water/protein ratio not exceeding 3,2 shall be considered to be a B-product.

Article 8

Member States shall set up a system of physical and documentary supervision to ensure that all meat is processed into the category of product specified on the import licence concerned.

The system must include physical checks of quantity and quality at the start of the processing, during the processing and after the processing operation is completed. To this end, processors shall at any time be able to demonstrate the identity and use of the imported meat through appropriate production records.

⁽¹⁾ Determination of collagen content: the collagen content shall be taken to mean the hydroxyproline content multiplied by the factor 8. The hydroxyproline content must be determined according to ISO method 3496-1978.

⁽²⁾ The lean bovine meat content excluding fat is determined in accordance with the procedure prescribed in the Annex to Commission Regulation (EEC) No 2429/86 (OJ No L 210, 1. 8. 1986, p. 39).

⁽³⁾ Offal includes the following: heads and cuts thereof (including ears), feet, tails, hearts, udders, livers, kidneys, sweetbreads (thymus glands and pancreas), brains, lungs, throats, thick skirts, spleens, caul, spinal cords, edible skin, reproductive organs (i.e. uteri, ovaries and testes), thyroid glands, pituitary glands.

⁽⁴⁾ OJ No L 148, 28. 6. 1968, p. 24.

Technical verification of the production method by the competent authority may, to the extent necessary, make allowance for drip losses and trimmings.

In order to verify the quality of the finished product and establish its conformity with the processor's recipe Member States shall proceed to representative samplings and analysis of those products. The costs of such operations shall be born by the processor concerned.

Article 9

1. The security referred to in Article 4 (3) shall be released in proportion to the quantity for which, within seven months, proof has been furnished to the satisfaction of the competent authority that all or part of the imported meat has been processed into the relevant products within three months following the day of importation in the designated establishment.

However,

- (a) if processing took place after the abovementioned three-month time limit, the security shall be released minus:
- 15 % and
 - 2 % of the remaining amount for each day by which the time limit has been exceeded;
- (b) if proof of processing is established within the abovementioned seven-month time limit and is produced within 18 months following those seven months the amount forfeited less 15 % of the security amount, shall be repaid.

2. The amount of security not released shall be forfeited and retained as a customs duty.

Article 10

1. Importers shall notify the competent authority which issued the import licence not later than three weeks after the importation of the product referred to in this Regulation of the quantity and origin of the product imported giving separate particulars for each of the CN codes for the frozen meat and for each of the two categories of finished products.

The competent authority shall forward the information to the Commission at the beginning of each month.

2. The competent authority shall communicate to the Commission not later than four months after each half year of importation the quantities of products referred to in Article 1 for which import licences issued under this Regulation have been used during that half year.

3. All communications to the Commission under this Regulation, including nil returns, shall be made to the address indicated in Annex II.

Article 11

1. Importers shall, when submitting an import licence application, establish a security of ECU 1 per 100 kg to cover the notification referred to in Article 10 (1) of this Regulation.

2. The security shall be released where the information is sent to the competent authority within the period

referred to in Article 10 (1) regarding the quantity covered by the notification. Where notification is not made within the period specified the security shall be forfeit.

A decision to release the security shall be taken simultaneously with the decision to release the security covering the licence.

Article 12

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

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX I

AMOUNTS OF SECURITY

(in ECU/1 000 kg net)

Product (CN code)	For manufacture of A-products	For manufacture of B-products
0202 20 30	1 812	818
0202 30 10	2 833	1 279
0202 30 50	2 833	1 279
0202 30 90	3 897	1 759
0206 29 91	3 897	1 759

The conversion rate is the agricultural rate valid on the day of application for the licence.

ANNEX II

European Commission
DG VI-D.2 — Beef/veal and sheepmeat,
Rue de la Loi/Wetstraat 130
B-1049 Brussels.
Fax: (32-2) 295 36 13.

COMMISSION REGULATION (EC) No 1007/97

of 4 June 1997

amending Regulation (EC) No 1429/95 on implementing rules for export refunds on products processed from fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2201/96 of 28 October 1996 on the common organization of the market in products processed from fruit and vegetables⁽¹⁾, and in particular Article 16 (8) thereof,

Whereas Commission Regulation (EC) No 1429/95⁽²⁾, as amended by Regulation (EC) No 341/96⁽³⁾, lays down implementing rules for export refunds on products processed from fruit and vegetables other than those granted for added sugars;

Whereas, in the light of experience gained in applying the arrangements, a number of changes should be made;

Whereas, at the same time, in the interests of uniformity, certain aspects of the arrangements should be aligned on those for export refunds on fruit and vegetables which are governed by Commission Regulation (EC) No 2190/96⁽⁴⁾, as last amended by Regulation (EC) No 610/97⁽⁵⁾;

Whereas provision should be made for including in licence applications and licences more than one agricultural product nomenclature code for export refunds provided these codes correspond to products in the same category;

Whereas account should be taken also, in the measures for the issue of licences, of quantities for which licences are in the process of being issued, that is to say, licences for which no specific measures have been taken by the Commission and which will be issued on the fifth working day following the day on which the application was lodged;

Whereas in order to avoid duplication with Article 49 of Commission Regulation (EEC) No 3665/87 of 27 November 1987 laying down common detailed rules for the application of the system of export refunds on agricultural products⁽⁶⁾, as last amended by Regulation (EC) No 815/97⁽⁷⁾, notification of quantities for which refunds have been granted without a licence pursuant to the first

paragraph of Article 2a of Regulation (EEC) No 3665/87 should be discontinued;

Whereas the meaning of date of issue of licences should be defined by reference to Commission Regulation (EEC) No 3719/88 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products⁽⁸⁾, as last amended by Regulation (EC) No 495/97⁽⁹⁾;

Whereas, where a licence application is withdrawn after the licence has been issued, provision should be made for the cancellation of the licence;

Whereas in the interests of transparency and flexibility the automatic carry-over of unused quantities from one period to the next should be terminated;

Whereas, where the day set for notification to the Commission is a national holiday, provision should be made that it be brought forward to the preceding working day;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Products Processed from Fruit and Vegetables,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1429/95 is hereby amended as follows:

1. The second subparagraph of Article 3 (2) is replaced by the following:

'However, more than one code may appear simultaneously in licence applications and licences provided the codes are those of products in the same category and the rate of refund is the same.'

2. Article 4 is amended as follows:

(a) In the first indent of paragraph 1 the words 'less the quantities for which licences with advance fixing of the refund have been issued' are replaced

⁽¹⁾ OJ No L 297, 21. 11. 1996, p. 29.

⁽²⁾ OJ No L 141, 24. 6. 1995, p. 28.

⁽³⁾ OJ No L 48, 27. 2. 1996, p. 8.

⁽⁴⁾ OJ No L 292, 15. 11. 1996, p. 12.

⁽⁵⁾ OJ No L 93, 8. 4. 1997, p. 16.

⁽⁶⁾ OJ No L 351, 14. 12. 1987, p. 1.

⁽⁷⁾ OJ No L 116, 6. 5. 1997, p. 22.

⁽⁸⁾ OJ No L 331, 2. 12. 1988, p. 1.

⁽⁹⁾ OJ No L 77, 19. 3. 1997, p. 12.

by 'less the quantities for which licences with advance fixing of the refund have been issued or are in the process of being issued'.

- (b) The second and third indents of paragraph 1 are deleted.
- (c) In paragraph 3 the words 'date of their issue' are replaced by 'date of their issue within the meaning of Article 21 (2) of Regulation (EEC) No 3719/88'.
- (d) The following subparagraph is added to paragraph 4:

'Where a licence has been issued before the application is withdrawn it must be returned for cancellation to the responsible agency referred to in Article 2 at the same time as the notification of withdrawal of the licence application'.

3. Article 5 is deleted.

4. Article 6 is amended as follows:

- (a) The second indent of the first paragraph is deleted.
- (b) The following paragraph is added:

'Where the date set for notification is a public holiday, the Member State concerned shall notify the Commission on the working day preceding the national holiday'.

5. The Annex is replaced by the Annex to this Regulation.

Article 2

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

It shall apply to licences applied for from 24 June 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

COMMISSION REGULATION (EC) No 1008/97

of 4 June 1997

amending Regulation (EC) No 1328/96 establishing a forecast balance for the supply to the Canary Islands of live bovine animals and beef and veal products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1601/92 of 15 June 1992 concerning specific measures for the Canary Islands with regard to certain agricultural products⁽¹⁾, as last amended by Regulation (EC) No 2348/96⁽²⁾, and in particular Article 3 (4) thereof,

Whereas Commission Regulation (EC) No 2790/94⁽³⁾, as amended by Regulation (EC) No 2883/94⁽⁴⁾, lays down the detailed rules for implementation of the specific arrangements for the supply of certain agricultural products to the Canary Islands;

Whereas Regulation (EC) No 1328/96⁽⁵⁾, establishes the supply balance for beef and veal products for the Canary Islands; whereas that balance may be revised where necessary, by means of adjustments during the year to the quantities, within the total laid down, on the basis of the region's requirements; whereas in order to satisfy the requirements of the Canary Islands for beef and veal

products, the quantities set down in the forecast supply balances for those products must be adjusted; whereas the corresponding Annex to Commission Regulation (EC) No 1328/96 should consequently be amended;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EC) No 1328/96 is hereby replaced by the Annex hereto.

Article 2

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

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 173, 27. 6. 1992, p. 13.

⁽²⁾ OJ No L 320, 11. 12. 1996, p. 1.

⁽³⁾ OJ No L 296, 17. 11. 1994, p. 23.

⁽⁴⁾ OJ No L 304, 29. 11. 1994, p. 18.

⁽⁵⁾ OJ No L 171, 10. 7. 1996, p. 9.

ANNEX

**FORECAST SUPPLY BALANCE FOR LIVE BOVINE ANIMALS AND BEEF AND VEAL FOR
THE CANARY ISLANDS FOR THE PERIOD 1 JULY 1996 TO 30 JUNE 1997**

CN code	Description of goods	Number (*) or quantity (in tonnes)
0102 10 00	Pure-bred breeding bovines (1)	4 300 (*)
0201	Meat of bovine animals, fresh or chilled	17 500
0202	Meat of bovine animals, frozen	22 500

(1) Entry under this heading is subject to the conditions laid down in the relevant Community provisions.

(*) Head.

COMMISSION REGULATION (EC) No 1009/97
of 4 June 1997
amending for the second time Regulation (EC) No 581/97 adopting exceptional
support measures for the market in pigmeat in Belgium

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2759/75 of 29 October 1975 on the common organization of the market in pigmeat ⁽¹⁾, as last amended by Regulation (EC) No 3290/94 ⁽²⁾, and in particular Article 20 thereof,

Whereas, because of the outbreak of classical swine fever in certain border regions with the Netherlands, exceptional support measures for the market in pigmeat have been adopted for Belgium by Commission Regulation (EC) No 581/97 ⁽³⁾, as amended by Regulation (EC) No 772/97 ⁽⁴⁾,

Whereas, because of the outbreak of new cases of classical swine fever in the regions bordering on the Netherlands, the Belgian veterinary authorities have introduced new surveillance zones; whereas those zones should be included with effect from 13 May 1997 in the exceptional market support measures laid down in Regulation (EC) No 581/97 by amending Annex II to that Regulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Pigmeat,

HAS ADOPTED THIS REGULATION:

Article 1

In the second indent of Annex II to Regulation (EC) No 581/97, the date '9 April 1997' is replaced by '9 May 1997'.

Article 2

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

It shall apply from 13 May 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 282, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 349, 31. 12. 1994, p. 105.

⁽³⁾ OJ No L 87, 2. 4. 1997, p. 11.

⁽⁴⁾ OJ No L 112, 29. 4. 1997, p. 20.

COMMISSION REGULATION (EC) No 1010/97
of 4 June 1997
on the issue of import licences for garlic originating in China

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2200/96 of 28 October 1996 on the common organization of the market in fruit and vegetables⁽¹⁾,

Having regard to Council Regulation (EC) No 903/97 of 21 May 1997 concerning a protective measure applicable to imports of garlic from China⁽²⁾, and in particular Article 1 (3) thereof,

Whereas pursuant to Commission Regulation (EEC) No 1859/93⁽³⁾, as amended by Regulation (EC) No 1662/94⁽⁴⁾, the release for free circulation in the Community of garlic imported from third countries is subject to presentation of an import licence;

Whereas Article 1 (1) of Regulation (EC) No 903/97, restricts the issue of import licences for garlic originating in China to a maximum monthly quantity in the case of applications lodged from 1 June 1997 to 31 May 1998;

Whereas, given the criteria laid down in Article 1 (2) of that Regulation and the import licences already issued, the quantity applied for on 2 June 1997 is in excess of the maximum monthly quantity given in the Annex to

that Regulation for the month of June 1997; whereas it is therefore necessary to determine to what extent import licences may be issued in response to these applications; whereas the issue of licences in response to applications lodged after 2 June 1997 and before 4 July 1997 should be refused,

HAS ADOPTED THIS REGULATION:

Article 1

Import licences applied for on 2 June 1997 under Article 1 of Regulation (EEC) No 1859/93 for garlic falling within CN code 0703 20 00 originating in China shall be issued for 0,20964 % of the quantity applied for, having regard to the information available to the Commission on 4 June 1997.

For the abovementioned products applications for import licences lodged after 2 June 1997 and before 4 July 1997 shall be refused.

Article 2

This Regulation shall enter into force on 5 June 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 297, 21. 11. 1996, p. 1.
⁽²⁾ OJ No L 130, 22. 5. 1997, p. 6.
⁽³⁾ OJ No L 170, 13. 7. 1993, p. 10.
⁽⁴⁾ OJ No L 176, 9. 7. 1994, p. 1.

COMMISSION REGULATION (EC) No 1011/97
of 4 June 1997

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⁾, as last amended by Regulation (EC) No 2375/96⁽²⁾, and in particular Article 4 (1) thereof,

Having regard to Council Regulation (EEC) No 3813/92 of 28 December 1992 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy⁽³⁾, as last amended by Regulation (EC) No 150/95⁽⁴⁾, and in particular Article 3 (3) thereof,

Whereas Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commis-

sion fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto;

Whereas, 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 5 June 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 337, 24. 12. 1994, p. 66.

⁽²⁾ OJ No L 325, 14. 12. 1996, p. 5.

⁽³⁾ OJ No L 387, 31. 12. 1992, p. 1.

⁽⁴⁾ OJ No L 22, 31. 1. 1995, p. 1.

ANNEX

to the Commission Regulation of 4 June 1997 establishing the standard import values for determining the entry price of certain fruit and vegetables

(ECU/100 kg)

CN code	Third country code ⁽¹⁾	Standard import value
0709 90 77	052	69,9
	999	69,9
0805 30 30	052	97,2
	388	68,5
	528	94,7
0808 10 61, 0808 10 63, 0808 10 69	999	86,8
	060	49,9
	388	86,0
	400	82,5
	404	112,3
	508	87,7
	512	76,0
	528	72,2
0809 20 49	804	99,8
	999	83,3
	400	249,8
	999	249,8

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 68/96 (OJ No L 14, 19. 1. 1996, p. 6). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 1012/97
of 4 June 1997
fixing the agricultural conversion rates

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3813/92 of 28 December 1992 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy⁽¹⁾, as last amended by Regulation (EC) No 150/95⁽²⁾, and in particular Article 3 (1) thereof,

Whereas the agricultural conversion rates were fixed by Commission Regulation (EC) No 930/97⁽³⁾;

Whereas Article 4 of Regulation (EEC) No 3813/92 provides that, subject to confirmation periods being triggered, the agricultural conversion rate for a currency is to be adjusted where the monetary gap between it and the representative market rate exceeds certain levels;

Whereas the representative market rates are determined on the basis of basic reference periods or, where applicable, confirmation periods, established in accordance with Article 2 of Commission Regulation (EEC) No 1068/93 of 30 April 1993 on detailed rules for determining and applying the agricultural conversion rates⁽⁴⁾, as last amended by Regulation (EC) No 1482/96⁽⁵⁾; whereas paragraph 2 of that Article provides that, in cases where the absolute value of the difference between the monetary gaps in two Member States, calculated from the average of the ecu rates for three consecutive quotation days, exceeds six points, the representative market rates are to be adjusted on the basis of the three quotation days in question;

Whereas, as a consequence of the exchange rates recorded from 26 May to 4 June 1997, it is necessary to fix a new agricultural conversion rate for the Pound sterling;

Whereas Article 15 (2) of Regulation (EEC) No 1068/93 provides that an agricultural conversion rate fixed in advance is to be adjusted if the gap between that rate and the agricultural conversion rate in force at the time of the operative event applicable for the amount concerned exceeds four points; whereas, in that event, the agricultural conversion rate fixed in advance is brought more closely into line with the rate in force, up to the level of a gap of four points with that rate; whereas the rate which replaces the agricultural conversion rate fixed in advance should be specified,

HAS ADOPTED THIS REGULATION:

Article 1

The agricultural conversion rates are fixed in Annex I hereto.

Article 2

In the case referred to in Article 15 (3) of Regulation (EEC) No 1068/93, the agricultural conversion rate fixed in advance shall be replaced by the ecu rate for the currency concerned, shown in Annex II:

- Table A, where the latter rate is higher than the rate fixed in advance,
- Table B, where the latter rate is lower than the rate fixed in advance.

Article 3

Regulation (EC) No 930/97 is hereby repealed.

Article 4

This Regulation shall enter into force on 5 June 1997.

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

Done at Brussels, 4 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 387, 31. 12. 1992, p. 1.

⁽²⁾ OJ No L 22, 31. 1. 1995, p. 1.

⁽³⁾ OJ No L 133, 24. 5. 1997, p. 17.

⁽⁴⁾ OJ No L 108, 1. 5. 1993, p. 106.

⁽⁵⁾ OJ No L 188, 27. 7. 1996, p. 22.

ANNEX I

Agricultural conversion rates

ECU 1 =	40,4285	Belgian and Luxembourg francs
	7,49997	Danish kroner
	1,95929	German marks
	312,011	Greek drachmas
	198,202	Portuguese escudos
	6,61023	French francs
	6,02811	Finnish marks
	2,20397	Dutch guilders
	0,759189	Irish punt
	1 973,93	Italian lire
	13,7910	Austrian schillings
	165,571	Spanish pesetas
	8,88562	Swedish kroner
	0,720829	Pound sterling

ANNEX II

Agricultural conversion rates fixed in advance and adjusted

Table A			Table B		
ECU 1 =	38,8736	Belgian and Luxembourg francs	ECU 1 =	42,1130	Belgian and Luxembourg francs
	7,21151	Danish kroner		7,81247	Danish kroner
	1,88393	German marks		2,04093	German marks
	300,011	Greek drachmas		325,011	Greek drachmas
	190,579	Portuguese escudos		206,460	Portuguese escudos
	6,35599	French francs		6,88566	French francs
	5,79626	Finnish marks		6,27928	Finnish marks
	2,11920	Dutch guilders		2,29580	Dutch guilders
	0,729989	Irish punt		0,790822	Irish punt
	1 898,01	Italian lire		2 056,18	Italian lire
	13,2606	Austrian schillings		14,3656	Austrian schillings
	159,203	Spanish pesetas		172,470	Spanish pesetas
	8,54387	Swedish kroner		9,25585	Swedish kroner
	0,693105	Pound sterling		0,750864	Pound sterling

II

(Acts whose publication is not obligatory)

CONFERENCE OF THE REPRESENTATIVES OF THE
GOVERNMENTS OF THE MEMBER STATES

DECISION
OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER
STATES

of 29 May 1997

appointing a member of the Court of First Instance of the European Commu-
nities

(97/342/ECSC, EC, Euratom)

THE REPRESENTATIVES OF THE GOVERNMENTS OF
THE MEMBER STATES OF THE EUROPEAN COMMUN-
ITIES,

Having regard to the Treaty establishing the European
Community, and in particular Article 168a (3) thereof,

Having regard to the Treaty establishing the European
Coal and Steel Community, and in particular Article 32d
(3) thereof,

Having regard to the Treaty establishing the European
Atomic Energy Community, and in particular Article
140a (3) thereof,

Having regard to Council Decision 88/591/ECSC, EEC,
Euratom of 24 October 1988 establishing a Court of First
Instance of the European Communities⁽¹⁾,

Whereas, pursuant to Articles 7 and 44 of the Protocol on
the Statute of the Court of Justice of the European
Community and to the corresponding provisions of the
Protocols on the Statutes of the Court of Justice of the
European Coal and Steel Community and of the Euro-
pean Atomic Energy Community and consequent on the

decease of Mr Heinrich Kirschner, a member of the Court
of First Instance of the European Communities should be
appointed for the remainder of Mr Heinrich Kirschner's
term of office,

HAVE DECIDED AS FOLLOWS:

Article 1

The following is hereby appointed a member of the Court
of First Instance of the European Communities, for the
period from the date of swearing his oath up to and in-
cluding 31 August 2001, Mr Karl Jörg Pirrung.

Article 2

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

Done at Brussels, 29 May 1997.

The President

B. R. BOT

⁽¹⁾ OJ No L 319, 25. 11. 1988, p. 1. Decision as last amended by
the 1994 Act of Accession.

**DECISION
OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER
STATES**

of 29 May 1997

**appointing Judges and Advocates-General to the Court of Justice of the Euro-
pean Communities**

(97/343/ECSC, EC, Euratom)

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 167 thereof,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 32b thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 139 thereof,

Whereas the terms of office of Messrs Claus Gulmann, Constantinos Kakouris, John Murray, Gil Carlos Rodríguez Iglesias, Romain Schintgen, Leif Sevón and Melchior Wathelet, Judges, and those of Messrs Michael Elmer, Francis Jacobs, Carl Otto Lenz, Dámaso Ruiz-Jarabo Colomer, Advocates-General to the Court of Justice of the European Communities, expire on 6 October 1997;

Whereas a partial replacement of the Court of Justice of the European Communities should take place for the period from 7 October 1997 up to and including 6 October 2003,

HAVE DECIDED AS FOLLOWS:

Article 1

1. The following are hereby appointed Judges of the Court of Justice of the European Communities for the period from 7 October 1997 up to and including 6 October 2003,

Mr Claus Gulmann,
Mr Krateros Ioannou,
Mr John Murray,
Mr Gil Carlos Rodríguez Iglesias,
Mr Romain Schintgen,
Mr Leif Sevón,
Mr Melchior Wathelet.

2. The following are hereby appointed Advocates-General of the Court of Justice of the European Communities for the period from 7 October 1997 up to and including 6 October 2003,

Mr Francis Jacobs
Mr Jean Mischo
Mr Siegbert Alber
Mr Dámaso Ruiz-Jarabo Colomer.

Article 2

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

Done at Brussels, 29 May 1997.

The President

B. R. BOT

COMMISSION

COMMISSION RECOMMENDATION

of 22 April 1997

on improving and simplifying the business environment for business start-ups

(97/344/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Council Resolution of 10 October 1994 on giving full scope to the dynamism and innovative potential of small and medium-sized enterprises, including the craft sector and micro-enterprises, in a competitive economy⁽¹⁾,

Having regard to the Commission Report presented to the Madrid European Council of 15 and 16 December 1995 on small and medium-sized enterprises: a dynamic source of employment, growth and competitiveness in the European Community⁽²⁾,

Having regard to the Commission Communication on an integrated programme in favour of small and medium-sized enterprises (SMEs) and the craft sector⁽³⁾ and the Council Resolution of 9 December 1996⁽⁴⁾,

Having regard to the Council Resolution of 8 July 1996 on legislative and administrative simplification in the field of the Single Market⁽⁵⁾,

Having regard to the European Parliament Legislative Resolution of 19 September 1996 embodying Parliament's opinion on the proposal for a Council Decision on a third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union (1997 to 2000)⁽⁶⁾,

Having regard to the Commission Action Plan for Innovation⁽⁷⁾ which *inter alia* underlines that cumbersome

administrative formalities can have a negative effect on businesses' potential for innovation,

Having regard to Council Decision 97/15/EC of 9 December 1996 on a third multiannual programme for SMEs in the European Community (1997-2000)⁽⁸⁾,

Whereas:

I. INTRODUCTION

- (1) Improving and simplifying the business environment is considered by European business organizations to be of the highest priority as business today has to operate in a complex and ever changing environment. Many regulations have been brought into force over the last twenty years and, together with administrative procedures, they have a cumulative effect on enterprises which stifles their daily operations and affects their competitiveness. Moreover, the burden is disproportionately heavy on smaller enterprises which, in comparison to large enterprises, do not have the human or financial resources to cope with it⁽⁹⁾. Since it is widely acknowledged that SMEs⁽¹⁰⁾ are the greatest potential job creators, public authorities should now consider, as a matter of priority, ways of reducing the administrative burden on these enterprises. It is vital that their potential for growth and job creation is encouraged and supported.

⁽¹⁾ OJ No C 294, 22. 10. 1994, p. 6.

⁽²⁾ CSE(95) 2087, European Commission, DG XXIII, 1995.

⁽³⁾ COM(96) 329 of 9 July 1996.

⁽⁴⁾ OJ No C 18, 17. 1. 1997, p. 1.

⁽⁵⁾ OJ No C 224, 1. 8. 1996, p. 5.

⁽⁶⁾ OJ No C 320, 28. 10. 1996, p. 163.

⁽⁷⁾ COM(96) 589 of 20 November 1996.

⁽⁸⁾ OJ No L 6, 10. 1. 1997, p. 25.

⁽⁹⁾ According to three studies, the average cost of administrative burdens is between 6 and 30 times higher for SMEs than that for larger businesses (EIM: *Administratieve lasten bedrijven 1993*; G. Barbieri and V. Lo Moro: *Utenti e Pubblica Amministrazione*, il Mulino, 1996; Institut für Mittelstandsforschung: *Bürokratie — ein Kostenfaktor: eine Belastungsuntersuchung bei mittelständischen Unternehmen*, 1995).

⁽¹⁰⁾ Defined by the Commission recommendation of 3 April 1996 concerning the definition of small and medium-sized enterprises, OJ No L 107, 30. 4. 1996, p. 4.

II. A FRAMEWORK FOR A SIMPLIFICATION POLICY

- (2) Regulatory and administrative burdens stem mainly from the Member States' regulations. Through the application of the subsidiarity principle, decisions and measures are taken at all levels, national, regional and local. The number of regulations issued by Member States is higher by far than the number of Community regulations and directives.
- (3) A framework for a simplification policy therefore requires coordination between the public authorities in the Member States, not only between the central departments but also between them and local authorities. France, Portugal and the United Kingdom have set up a specific department, under the responsibility of the Prime Minister, whereas most of the other Member States have set up advisory committees which often do not have the same authority. The task of simplification is difficult and requires authority and power with respect to ministerial departments, as well as adequate financial and human resources⁽¹⁾. The awareness of officials should be raised with the help of information campaigns and officials who handle SME matters should receive appropriate training⁽²⁾. There needs to be a change of culture towards a more customer-oriented approach between administrations and businesses with public administrations proactively thinking more about how to help business rather than how to control it⁽³⁾. Finally, a successful simplification policy is dependent on continuous and systematic

⁽¹⁾ An interesting example is the United Kingdom's Deregulation Unit which is charged with coordinating the UK Government's deregulation policy between all government departments and ensuring that the business community's point of view is taken into account and that compliance costs and administrative burdens are minimized. The Unit comes under the responsibility of the Deputy Prime Minister and the Cabinet office, which gives it the necessary authority *vis-à-vis* other ministerial departments.

⁽²⁾ The Flemish Institute for Self-employed Entrepreneurs — VIZO — in Belgium is a government institution founded in 1991. Its mission is to promote and stimulate free and creative entrepreneurship, notably by training and by simplifying administration. VIZO gives advice, undertakes research and takes initiatives in raising awareness among those concerned, while at the same time developing methods and techniques for simplifying administrative tasks. For example, VIZO has organized a training course for civil servants who handle SME matters within the Flemish administration. The aim is to provide these civil servants with an insight into, and knowledge of, the basic principles and techniques involved in simplification and quality services, and to demonstrate how they themselves can function as initiators within their administration.

⁽³⁾ The Municipality of Korsør, in Denmark, is a municipality with a population of 20 000. The municipality has set up a development department which acts as a consultancy partner providing qualified know-how and expertise to the business sector. This requires both training for the employees and changes in the organizational set-up in order to meet demands. The department functions as the coordinating body for all business matters with the local authority.

assessment and the monitoring of the results achieved in consultation with business organizations.

III. THE REGULATORY ENVIRONMENT

- (4) A difficult or complex regulatory environment can discourage entrepreneurship and the creation of new businesses. This is particularly the case when a business decides to develop its operations in another Member State, where it is not so familiar with the language, the culture, or how foreign administrations work. Whereas the need for appropriate regulations is not questioned, it is the cumulative effect of regulations, their complexity and their compliance costs which cause concern, and risk making the impact on business disproportionate to the objective of the regulations. In the end, complex and costly regulations are difficult to implement and lead to criticism and avoidance.
- (5) Member States should therefore be more aware of the effects of regulation on business. The aim should be to identify the improvements that are necessary, bearing in mind that a balance has to be struck between the need for changes and the burden imposed on business because it has to assimilate the change, even if it is a positive one.
- (6) When proposing new legislation, the legislator should have full knowledge of the impact the regulation will have on businesses in terms of compliance costs and administrative burdens. Business-impact assessments and cost-benefit analyses, where appropriate, should be carried out in close cooperation with the business community. In doing so, the legislator should give special attention to the compliance requirements for SMEs. If SMEs can comply with the regulation at a reasonable cost, then so too can large firms, whereas the reverse is not necessarily true. This 'think small first' principle should act as a litmus test⁽⁴⁾.
- ⁽⁴⁾ As part of its task the United Kingdom Deregulation Unit is responsible for ensuring that new regulations and administrative procedures are introduced only when strictly necessary. Before any new regulation is made the Government must assess its cost to business and publish the results. Ministers must satisfy themselves that the cost is justified by the benefits. Because SMEs are most vulnerable to overregulation and red-tape, Ministers must also carry out the 'small business litmus test'. This means that small businesses must be consulted on every new regulation to ensure that they will be able to cope. In Germany, it was recently decided that a similar assessment be made relating to the administrative costs imposed by new legislation, in particular on SMEs.

- (7) The compliance costs for business resulting from necessary regulations have to be balanced against other policy requirements, for example in respect of health and safety or the environment. Member States should consider introducing, where appropriate, derogations or simplified procedures to help SMEs which do not unacceptably reduce the objective of the regulation. For example, in regulations dealing with taxation, company law, statistics or the environment, the introduction of threshold levels or reduced monitoring and reporting requirements can significantly reduce the burden and compliance costs for SMEs. Threshold levels should not, however, act as a disincentive to growth and should be applied with some flexibility. For example, enterprises should be allowed to remain in a specific SME scheme as long as their turnover does not exceed the turnover threshold level of the scheme by a certain percentage⁽¹⁵⁾.

IV. SIMPLIFYING BUSINESS START-UP FORMALITIES

- (8) In addition to the general principle mentioned above, the Commission wants to highlight some practices which it considers useful to promote in the Member States because they are important elements in facilitating the start-up phase of a business. The first part concerns better coordination of the way public authorities deal with the start-up process and simplification of the administrative procedures.
- (9) Most Member States require a number of different kinds of registration, (tax, social security, statistical, business and trade registers, and so forth). The number of different contact points for registration purposes varies from one Member State to another, but can easily be in as many as ten different locations which makes registration time consuming for the businessman/woman, particularly when the same registration point has to be revisited. At each registration point a form has to be filled in, often containing similar requests for information. The number of formalities and procedures depends on the legal structure that a business chooses. It is the highest for limited companies, for which in one Member State, for example, 23 different procedures and forms are necessary⁽¹⁶⁾. In addition, authorizations to start up a

business are delivered by different authorities, which again makes it complicated for the new businessman/woman to find his/her way quickly. As a result, it can take weeks or even months before a business can actually start operating. This first exposure to bureaucracy, together with the cost of registration which varies from one Member State to another but can be as high as ECU 2 000⁽¹⁷⁾, is very discouraging and sets the scene for future relations between the new business and the administration.

Single contact points

- (10) The Commission proposes that Member States should identify all the formalities at all levels that are required when starting up a business and consider ways to coordinate and simplify them. A good example is the Belgian Auditform project which includes an inventory of all the procedures and administrative formalities imposed on business, with a view to assessing their efficiency and the burdens they cause for SMEs. A further example of coordination can be found in the French system of Enterprise Formalities Centres, (Centres de formalités des entreprises — CFEs)⁽¹⁸⁾ and in the German 'Gewerbeämter'. These systems are based on the principle of a single contact point or communication point between business — according to their type and/or nature — and public authorities at all levels.
- (11) Experience shows that administrative start-up formalities in Member States can be dealt with in between one and five days, as compared to a delay of 120 days which is the longest period reported to the Commission.
- (12) Such a single contact point for business start-ups can play an even more important role if it becomes an intermediary for all the formalities that have to be complied with during the life of a business, e.g. change of address or statutes, transfer of ownership,

⁽¹⁷⁾ Id.

⁽¹⁸⁾ The *Centres de Formalités des Entreprises* were set up in France in 1981 with a view to simplifying the completion of some of the formalities that an enterprise has to comply with, for example, legal, fiscal, social and statistical formalities linked to events in the lifetime of a business, including the creation or start-up phase. The CFEs act as single contact points to the various administrations, such as the local trade register, the taxation office, the administrations in charge of social security and pensions, the statistical office, etc. Once the enterprise has given the required information to the CFE, the latter transmits this information to the other relevant administrations, including the Statistical Office (Insee). Insee also plays an important role as it is in a charge of the national enterprise directory (Sirene) and gives a national identification number (Siren) to the new enterprises.

⁽¹⁵⁾ An example of this is the United Kingdom annual accounting scheme for VAT where there is flexibility in the upper threshold of £ 300 000 so that firms can remain in the scheme until their turnover exceeds £ 375 000.

⁽¹⁶⁾ Study by Logotech *Étude comparative des dispositions légales et administratives nécessaires pour la formation de PME dans six pays de l'Union européenne* (FR, DE, GR, IT, IRL, UK) and IDEM CD-ROM by the Paris Chamber of Commerce and Industry.

employment issues, permits and licences, etc. In France, for example, discussions are underway to integrate into the CFEs the formalities relating to employment. While reaching such a level of coordination between public authorities requires a high degree of determination and persuasion, the Commission knows from its contacts with business that such a single contact point is very welcome.

A single registration form

- (13) Another important element is the need to coordinate the information that is requested from business, not only in the start-up phase, but also in the development phase. France has interesting experience to share in this area as well. Information requested from a new business is incorporated into a single questionnaire managed by the CFEs⁽¹⁹⁾. This questionnaire is developed by CERFA⁽²⁰⁾ which is the central authority responsible for all information-gathering formalities.
- (14) A single form constitutes a major simplification for the new entrepreneur as it gathers all the information required by any part of the administration to register the new enterprise. The advantage of such a system is that the information necessary for registration purposes is given only once and queries about the filling-in of the form can be answered by the CFE. However, the single form system in France has a drawback in that the form has to be accompanied by supporting documents which take time to gather and authenticate. Administrations should avoid sending a newly registered business large numbers of forms and questionnaires from different authorities as this significantly reduces the advantages of the single form.
- (15) Public administrations should be encouraged to share information and to make greater use of available databases and information technology and should adapt, where appropriate, their regulations regarding

⁽¹⁹⁾ The French questionnaires M0 and P0 (one for individual entrepreneurs, one for corporate bodies) issued by the Centre for the registration and revision of forms (CERFA) gather, on a single page, all the information required by any administrative body to register the new enterprise and to apply the relevant rules to this new enterprise. The applicant must attach to the completed questionnaire a number of relevant documents. These documents, which may be the original or a certified copy, are usually the birth and nationality certificates for natural persons and members of a partnership and articles of association for corporate bodies. They may also be proof of preliminary registration for regulated professions.

⁽²⁰⁾ Cerfa: Centre d'enregistrement et de révision des formulaires administratifs/Committee for the registration and revision of forms.

data protection⁽²¹⁾. It is to be understood that this sharing of information relates to non-confidential data. In Italy, Law No 241 of 1990 introduced various administrative simplification measures. For example, it states that whenever a person who is being asked for specific information declares that the information is contained in documents which are already in the hands of the administration that is asking for it, or in another branch of the administration, then the administration itself must obtain the information. Similarly, in Denmark, a Bill is in preparation which would prohibit public authorities from requesting information from a business if that information can be obtained elsewhere in the administration. It would seem to follow that businesses are allowed to remain silent if information requested has already been given to another public authority.

A single identification number

- (16) In line with the proposals for a single contact point and a single form, a single identification number for enterprises is a useful simplification measure. Such a system exists in France, Sweden, Portugal, and Denmark⁽²²⁾. The basic advantage for business is that it can use the same number for all its contacts with different administrations. It is also very useful for public authorities as it simplifies the management of databases and the sharing of information.

Authorizations, licences and permits

- (17) Apart from the abovementioned registration formalities, a new business also has to obtain a number of authorizations giving it the right to start-up an activity and/or access to a specific occupation. This can be a general authorization to start an economic activity, as is the case in Luxembourg, or a more specific authorization to pursue a particular occupation, e.g. tourist guide, hairdresser, or travel agent. Permits or licences are also often needed for construction works, environmental protection purposes or health and safety reasons, etc. The type and complexity of authorizations necessary vary

⁽²¹⁾ For example, the Business Register in Italy, administered by the Chambers of Commerce, gives information about all enterprises (name, address, statutes, annual accounts). Part of this information was previously stored, in paper form, at the local court. This new register offers in a single database information regarding business which should systematically be used by the public administration. This is unlikely to raise any concern regarding data protection principles. See also Directive 95/46/EC of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data, OJ No L 281, 23. 11. 1995, p. 31.

⁽²²⁾ In Sweden, a single identification number has existed since 1975. This number is used by the enterprise from the start-up phase until its dissolution. The number can be kept by the company even if it changes its name and is used for administrative purposes in areas such as taxation, insurance, banking and telecommunications. In France, the single number 'Siren' was established by decree in 1974.

considerably from one to another. Sometimes, establishment criteria have to be satisfied, e.g. good repute, financial soundness, professional qualifications or experience. The Commission is concerned to ensure the general freedom of establishment in the Single Market, notably through the mutual recognition of professional qualifications. It considers that the Member States should regularly review and simplify, where appropriate, their authorization procedures in order to maximise the potential for the creation of new business.

(18) Lengthy procedures, the need to obtain authorizations, and the number of different awarding authorities can constitute a disincentive to business. Italy has adopted two laws⁽²³⁾ which set out in general terms, principles designed to simplify authorization procedures. These include the possibility of starting an economic activity without an explicit authorization order, and the principle of consent by silence⁽²⁴⁾. This means that if the administration concerned fails to take a decision before a fixed deadline, the application for an authorization is deemed accepted. In January 1996, Germany adopted a series of laws to speed up authorization procedures with the objective of reducing the length of time taken for planning procedures. This was seen as making Germany more attractive as a business location, and part of its programme to generate higher investment and more jobs.

(19) It is difficult to assess the results of the laws in Italy. On the other hand, some positive experience is reported from Baden-Württemberg which launched such simplification reforms in 1992. The underlying principles of these initiatives in respect of authorizations are worth promoting in other Member States (see Annex I). The simplification of authorization procedures often requires a change of working practices and culture in the civil service, and a move towards more self-regulation on the part of business.

(20) The aforementioned proposals should greatly simplify the development of trading activities in the

European Community. It will be much easier for a businessman/woman to start operating in another Member State if he/she can turn to a single contact point, only has one form to fill in, receives a single identification number in that Member State, and is quickly granted the necessary authorizations to start operating. Moreover, the single identification number could be used for other policy areas, such as VAT, which is the case in France and would be a relatively easy simplification measure for other Member States. Finally, these measures should greatly facilitate the work of any private or public organizations which are advising businesses interested in establishing an activity in the European Community.

V. STIMULATING NEW BUSINESS

(21) There are other areas where best practice could be promoted from one Member State to another. These relate to taxation, social security, accounting and statistical requirements as well as company law. Some Member States⁽²⁵⁾ have introduced incentives or simplification measures in these fields, notably for new enterprises as well as with a view to encouraging self-employment (see Annex II). Most of these measures relate to the first years of development of a business rather than the start-up phase. These measures are important bearing in mind that although approximately 80 % of new firms are still in existence after the first year, only 65 % are still in business after three years, and only 50 % after five years⁽²⁶⁾. Measures in this field are also of importance because very often the legislation they cover (taxation, company law, employment issues, etc.) discourages those who wish to start up a company. For example, taking-on an employee means filling in over ten different forms. Mandatory filing requirements vary from one field of regulation to

⁽²³⁾ In the framework of the Danish 'new business creation' policy, the Danish Government has proposed an action plan, including actions to lighten the administrative burdens by:

- removing or simplifying existing administrative regulations,
- removing or simplifying taxes and duties,
- setting up a single information point,
- developing new procedures to assess the administrative consequences of new legislation.

⁽²⁶⁾ *Enterprises in Europe — Fourth Report*, p. 62.

⁽²³⁾ Law No 241 of 1990 and Financial Law No 537 of 1993.

⁽²⁴⁾ In the view of the Commission, this possibility would not cover authorizations dealing with such issues as emissions of dangerous substances. In this case, according to Community law and national law, an explicit authorization is necessary and is in the interests of the business itself.

another⁽²⁷⁾, and procedures required in company law for shareholders' meetings are often inappropriate for small companies. This is why Germany adopted legislation simplifying procedures in the *kleine Aktiengesellschaft*⁽²⁸⁾.

- (22) In respect of improving the fiscal environment, a large number of Member States have introduced some kind of tax relief for SMEs or for new business⁽²⁹⁾ (see Annex III). In addition, France, the United Kingdom and the Netherlands have introduced tax reductions for private individuals investing in start-ups, rather similar to the Business Angels concept in the United States⁽³⁰⁾.
- (23) Tax administration is also an area which needs reform as the number of different taxes that have to be paid, the different dates for payment, the long delays for reimbursement of taxes, the use of stamps and other administrative procedures are time consuming and cumbersome.
- (24) In the view of the Commission, tax obligations will be substantially simplified by the implementation of the proposals set out in its Programme for the introduction of the New Common System for VAT⁽³¹⁾. The cost of compliance with tax obligations borne by all businesses should be reduced by these proposals, and proportionally to a greater extent for SMEs. In this respect, the most significant element in the proposals is the principle of a single place of supply. This will mean that any business trading in more than one Member State will need to account for the tax on all its activities to the Member State in which it is established, thus eliminating the need to deal with more than one tax authority. In addition, it will be accompanied by a radical review of reporting and accounting obligations which will achieve a better balance between the needs of the tax administration and those of business.
- (25) In the current VAT system, there is scope to alleviate the burden on SMEs. Most Member States exempt micro-enterprises from VAT liability, although the

threshold for such an exemption varies widely, e.g. a turnover of ECU 2 500 in Denmark and ECU 56 850 in the United Kingdom.

- (26) For those enterprises which are liable for VAT, the frequency of VAT declarations and payments can be a great burden. Some Member States have introduced simplification measures including a VAT declaration on an annual basis for small companies and/or a payment term which is identical to the declaration term. In the case of monthly payments, small enterprises are often paying VAT on invoices where payment has not yet been received from their client. This is why many Member States require only quarterly and, for micro businesses, yearly payments⁽³²⁾. In addition a number of Member States permit small enterprises to pay VAT after receipt of the client's payment rather than when establishing the invoice (cash accounting)⁽³³⁾. The European Parliament has published a working paper on the impact of VAT and Intrastat obligations on SMEs⁽³⁴⁾ which gives an outline of potential measures including switching to a system of quarterly VAT declarations.
- (27) Administrative obligations arising from intra-Community trade is another field for possible simplification. France and Italy have integrated the Intrastat obligation and the recapitulative statement required by the Sixth Council Directive on VAT⁽³⁵⁾. This means that enterprises only have to fill in a single form which can be used by both competent authorities. The French and Italian system is not at present ideal because both can require monthly returns for the combined Intrastat/VAT declaration, and the threshold below which SMEs are exempted is still quite low. Another simplification relates to consolidation of the time periods adopted for returning the Intrastat declarations and VAT recapitulative statements following the implementation of different kinds of regulations. Where Member States still apply different time periods for Intrastat declarations and VAT recapitulative statements using different threshold levels, they are invited to align these requirements and to adopt quarterly or annual returns for SMEs.

⁽²⁷⁾ According to a publication entitled *Überprüfung von administrativen Pflichten für Unternehmen* by the German Independent Commission *Rechts- und Verwaltungsvereinfachung des Bundes*, the so-called *Waffenschmidt-Kommission* (Federal Ministry of the Interior, 1994) there is a large variety of requirements for maintaining records. For example, in the area of personnel and salary administration, the publication indicates that the conditions for maintaining 119 different records could be alleviated.

⁽²⁸⁾ See also Article 4 (b) of the Commission Recommendation on the transfer of SMEs of 7 December 1994, OJ No L 385, 31. 12. 1994, p. 14.

⁽²⁹⁾ In Belgium, a system of reduced corporation tax is available for SMEs. Provided certain conditions are met, a company whose assessable profit does not exceed ECU 25 733 is charged at the reduced rate of 28,84 % instead of the standard rate of 40,17 %. In addition, there is some flexibility in the system for advance payment of income tax for persons aged under 35 setting up in business as a sole trader or as an active member of a company. They pay no penalty during the first three years for unpaid or insufficient advance payments.

⁽³⁰⁾ Commission Communication on the improvement of the fiscal environment of small and medium-sized enterprises, OJ No C 187, 9. 7. 1994, p. 5, paragraph 6.

⁽³¹⁾ COM(96) 328 of 22 July 1996.

⁽³²⁾ The United Kingdom annual accounting scheme allows one VAT return each year (rather than quarterly). There is flexibility in the upper threshold of £ 300 000 so that firms can remain in the scheme until their turnover exceeds £ 375 000.

⁽³³⁾ The United Kingdom cash accounting scheme allows SMEs with a turnover below £ 350 000, to account for VAT on the basis of payments made and received, rather than on invoices. Germany has a similar scheme. See also Article 2 (3) (a) of the Commission recommendation on payment periods in commercial transactions of 12 May 1995, OJ No L 127, 10. 6. 1995, p. 19.

⁽³⁴⁾ European Parliament, Directorate-General for Research, Economic Affairs Series W-25, 5-1996.

⁽³⁵⁾ OJ No L 145, 13. 6. 1977, p. 1.

- (28) Member States should consider the benefit of specific cooperation between the social security and taxation departments. These departments constantly interact with business and impose most of the administrative burdens on enterprises. Such cooperation can result in both administrations using a common identification number, sharing information and criteria, deciding to fix the same payment dates or to collect income tax and social security contributions through one system⁽³⁶⁾. The fact that employment is the major priority for the European Community and the governments of the Member States makes it all the more important that time is devoted by public authorities to examining why employers are discouraged from taking on employees. Member States should take the necessary steps to remove the administrative burdens which accompany taking on employees⁽³⁷⁾ and encourage a more flexible labour market⁽³⁸⁾.
- (29) Some Member States have also introduced schemes where businesses which take on one or more employees for the first time⁽³⁹⁾ have their social security contributions reduced or even waived.
- (30) Most of the Member States have regulations limiting access to certain occupations, such as hairdressing, plumbing, operating travel agencies or taxis, etc., which often act as a barrier to entry. Often these regulations have been requested by business themselves as a form of protection against bad or illegal operators. The Commission recommends that these regulations should be re-examined on a case-by-case basis, and assessed to see that the right balance exists between protection for the consumer and necessary competition.

⁽³⁶⁾ In the UK and Ireland, separate departments are responsible for income tax and social security contributions, but both contributions are collected together via the payroll system 'PAYE'.

⁽³⁷⁾ Since January 1996, businesses in France only have to fill in one form, (*déclaration d'embauche unique*), instead of the eleven that were previously necessary when taking on an employee. A single contact point for social security contributions dealing with all the formalities required in this field is also planned. Moreover, a pilot scheme is currently underway where seasonal or part-time work within enterprises can be paid for with a 'service voucher'. There is no need for a contract and the formalities with the authorities are reduced because the voucher is both a means of payment and an instrument for informing the relevant authorities.

⁽³⁸⁾ Germany has raised the threshold below which the unfair dismissal law is inapplicable from five to ten employees with a view of increasing micro-enterprises' propensity to take on employees.

⁽³⁹⁾ In Belgium, the *Plan Plus Un* grants reductions in employer's social security contributions for businesses who hire a first employee. No social security contributions are due for the first year, 75 % and 50 % reductions are foreseen for the second and third years respectively. A similar scheme exists when a second and a third employee is taken-on (*Plan plus-deux, plus-trois*). The *Plan Avantage à l'embauche* involves cuts in employer's social security contributions for the hiring of long-term unemployed.

- (31) Micro enterprises, in particular self-employed entrepreneurs, face particular problems and probably represent the category of SMEs which, proportionately, suffer most from administrative burdens and regulations, because they have to deal with both the relevant legislation and the attendant administrative burdens on their own. This, together with the financial risks and the lack of social security, discourages many young people from starting a business on their own. Some Member States have specifically addressed this problem and have adopted tax incentives, accounting simplifications, and pension schemes, with a view to encouraging young people and the unemployed to develop their own businesses⁽⁴⁰⁾.

VI. CONCLUSION

- (32) The exchange of best practice on improving and simplifying the environment for new businesses showed that there is substantial interest from public authorities and business representatives concerning simplification measures experienced elsewhere. Although similar simplification initiatives in Member States are implemented in different ways and the regulatory environment for business start-ups differs widely in the Member States, it is possible to identify some best practice which can be used as a benchmark by the other Member States. Some general principles were identified and should be brought to the attention of the Member States and other interested parties. Concrete measures should therefore be adopted by the Member States to reduce and simplify the administrative and regulatory burdens imposed on new firms, with the practical effect of saving time and reducing the costs that are imposed on these enterprises,

HEREBY RECOMMENDS:

Article 1

Objectives

Member States should take the necessary measures to improve and simplify the business environment, in particular relating to the establishment of new businesses and their first years of development, thus stimulating their potential for innovation and encouraging the growth of enterprises and subsequent job creation.

⁽⁴⁰⁾ In Belgium and Finland, for example, self-employed persons who start a business for the first time can maintain the right to unemployment benefit. In France, self-employed persons can benefit from simplified accounting rules which are harmonized with the taxation requirements. As a result, only one accounting book has to be kept instead of three.

Member States are invited to take the most appropriate measures to reorganize, simplify and update their own administrative, legal and fiscal systems, in order to:

- (a) improve the interface between the administration and the business community, become more customer-oriented, reduce the time taken to process requests from businesses, and give authorizations within a specified time;
- (b) encourage business start-ups by means of a favourable regulatory environment and simplify, amend or abolish existing regulations that hamper the creation of businesses and their first years of existence.

Article 2

Framework for a simplification policy

A long-term and coherent policy is needed to implement simplification measures successfully and to ensure effective coordination between public administrations. To this end, the Commission recommends that Member States and public authorities at all levels develop in consultation with the business community a simplification policy to which they are strongly committed and which should comprise:

- (a) the setting-up of a specific department or unit at the appropriate level with the authority to coordinate the simplification policy and measures;
- (b) proper information and training of officials with a view to developing a service-oriented attitude towards business, thus improving the interface between public administrations and enterprises.

Article 3

Regulatory environment

1. The impact of regulation on businesses, in particular on SMEs, should be continuously assessed in full consultation with the business community and in particular:

- (a) Member States should apply 'the think small first' concept which takes account of the interests of SMEs at the earliest stage of considering new legislation and its accompanying administrative procedures;
- (b) where appropriate, derogations, thresholds or simplified procedures benefiting SMEs should be introduced. However, thresholds should allow the necessary flexibility so that they do not act as a disincentive to growth;

- (c) the effects of regulation and administrative procedures on enterprises should be assessed wherever appropriate with the assistance of a Committee composed of government and business representatives.

2. Member States should consider introducing a systematic evaluation procedure to assess the impact on business of regulatory proposals to ensure that the appropriate balance between the objectives and the means is achieved and the compliance costs and administrative burdens understood.

3. Business impact assessment systems should include cost-effectiveness analysis or cost-benefit analysis as appropriate, and there should be comprehensive consultation procedures with business organizations, including those representing SMEs.

Article 4

Simplifying business formalities at the start-up phase

1. Administrative procedures which are required for starting up a new business should be simplified and made more user-friendly, so that entrepreneurs can obtain a quicker and more efficient service and are encouraged in their new business venture. The Commission therefore recommends that Member States, or any appropriate level of public authority, consider the advantages of:

- (a) introducing a single business registration form;
- (b) setting up single contact points where enterprises can deposit the single registration form mentioned in point (a). The contact points would be responsible for forwarding the information contained in the application to all other administrative departments within a fixed period of one or two working days;
- (c) introducing a system whereby a business is identified by a single number which it can use with any public or government department;
- (d) ensuring that the different government departments avoid introducing duplicated or superfluous forms and/or contact points;
- (e) allowing business to reject a demand for non-confidential information, if this information is available from another government department;
- (f) using information technology and databases as much as possible for the transmission and authentication of the information supplied and for the sharing of information between departments, subject to appropriate safeguards protecting private data;

- (g) setting clear targets in terms of deadlines for the processing of enterprises' requests and the granting of licences or authorizations;
- (h) introducing, where appropriate, a system whereby an application is deemed to have been automatically granted if the administration has not responded within a fixed deadline.

2. Member States are also invited to examine the possibility of extending the scope of the contact points so as to cover the whole life cycle of an enterprise, not only the start-up phase, and any administrative interface between public authorities and enterprises.

Article 5

Stimulating businesses in their first years of development

1. Constraints of a tax, social, environmental and statistical nature that hamper the establishment and first years of development of an enterprise should be alleviated or abolished. Member States are invited to:
- (a) examine any possible improvements in the fiscal treatment of newly established enterprises;
- (b) take the appropriate fiscal measures to encourage outside investment in start-ups, e.g. the 'business angel' concept;
- (c) alleviate employers' social security contributions, at least for a certain period, when employees are taken on;
- (d) examine possible improvements to the administrative or legal provisions which can discourage companies from taking on employees in order to promote a more flexible labour market;
- (e) establish a dialogue between social security and taxation offices with a view to reaching a coordinated interface with business;
- (f) examine the different reporting requirements to which SMEs are subject, e.g. the nature of the reports, their frequency, and the period of time that records have to be kept, in order to simplify and consolidate requirements as much as possible;

- (g) examine existing administrative or legal provisions with a view to simplifying or abolishing those which unnecessarily limit access to certain occupations.

2. Member States are invited to reduce the impact of VAT and/or Intrastat obligations on SMEs. Small enterprises should be allowed to make quarterly VAT returns, and an optional VAT exemption should be offered.

3. Member States are invited to examine ways of improving the situation for micro-enterprises, in particular for self-employed entrepreneurs, in the fields of taxation, social security and pension schemes.

Article 6

Coordination at Community level

1. The Commission will continue its coordinating role with the Member States and the European business organizations within the framework of the group on improving and simplifying the business environment, to establish benchmarking of best practice.

2. To enable the Commission to evaluate the progress that has been made, Member States are requested to report to the Commission, on a yearly basis, concerning the measures which they have adopted in order to put this Recommendation into effect.

The Commission will keep the European network of Euro Info Centres fully informed of those developments in order to enable them to supply information to enterprises required to comply with administrative formalities in other Member States.

Article 7

This Recommendation is addressed to the Member States.

Done at Brussels, 22 April 1997.

For the Commission

Christos PAPOUTSIS

Member of the Commission

*ANNEX I***SEVEN BASIC PRINCIPLES FOR PROMPT AUTHORIZATION**

- The decision should be 'centralized' at one point (for example, the single contact point).
 - Where appropriate, the principle of, 'consent by silence', should be applied.
 - The licensing authorities should operate strict management systems, in particular:
 - someone must be appointed to take specific charge of the licensing procedures and should be responsible for completing them on time,
 - a target deadline must be set for the completion of the procedures and should be binding on the decision-making authorities. Unless otherwise stated, the deadline should be 30 days,
 - advice should be given to the entrepreneur even before his application has been submitted. This includes advice on the type and extent of the documents required for the application.
 - The licensing authorities should have adequate staff and resources to be able to attend to procedures quickly. Provision should be made so that flexible human-resource allocation is possible for authorization procedures for large projects.
 - The licensing authorities should hold regular discussions with their 'clients' to receive feedback about how the procedures are going, to identify weaknesses in the authorization procedures and to receive suggestions for improvement.
 - The central authorities should support the local licensing authorities when they are implementing difficult administrative procedures. An especially effective way of doing so is by producing clear internal rules, guidelines and check lists.
 - The legal provisions on which the authorities base their decisions must allow authorization to be as rapid as possible.
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ANNEX II

IMPROVING THE BUSINESS ENVIRONMENT: BEST PRACTICE FOR START-UPS

Overview of measures taken by Member States

A. POLICY COORDINATION

	B	DK	D	EL	E	F	IRL
Coordinating department/committee for improving the business environment	Comform and Audit-form	Simplification committee (interdepartmental)	Commission <i>Schlanker Staat</i> and <i>Waffenschmidt Kommission</i>	New special committee for contact with the public	Proposal for an interdepartmental committee	Cosiform ⁽⁴⁾ chaired by the Prime Minister's Office	Government policy programme — small business division — committee in parliament — small business forum
Business impact assessment system		Operational	Administrative compliance costs at federal level — impact assessment system is also operational in some Länder (Bavaria)	Proposal	Proposal	Operational in principle	Pilot project
Training of officials/civil servants	Training courses provided by VIZO ⁽⁴²⁾ and by federal authority	Guidance on business impact assessments			Guidance provided by the Ministry of Public Administration		
Use of new information technologies		Project for electronic filling of financial reports	Federal Government Programme (1996-2000) promoting the development and availability of databases on technical and scientific information, notably for SMEs	Enterprises may deliver information via computer discs — data info base on public sector procedures	Telematic transmission use accepted in principle	Telematic transmission between CFE partners being tested. Use of Minitel. Electronic transfer of data allowed for a number of procedures	Companies Registration Office on-line

⁽⁴¹⁾ France also has a private institution 'institut national pour la simplification'.⁽⁴²⁾ Flemish institute for self-employed.

A. POLICY COORDINATION (continued)

	I	L	NL	A	P	FIN	S	UK
Coordinating department/committee for improving the business environment	Committees studying specific aspects	Inter-ministerial committee including business organizations and chambers of commerce	Inter-ministerial committee		Secretariat (SMA) ⁽⁴³⁾ and committee (CEA) ⁽⁴⁴⁾	SME advisory committee (policy planning)	Simplification Committee (Ministry of industry and trade, inter-ministerial group)	Cabinet committee, central deregulation unit, business task force, departmental deregulation units
Business impact assessment system		Under examination	Operational	Informal cost/benefit assessment of legislative proposals		No official system but case-by-case studies	Operational	Operational, with specific small firms test
Training of officials/civil servants		Reform of the administration in process, including a better service to the public	Operational		Guidance about legal formalities provided by SMA, I'APMEI ⁽⁴⁵⁾ and DGC ⁽⁴⁶⁾	No special training but cooperation between different administrative units of the public sector		Guidance on best deregulatory practice. A 'Guide to Regulatory Appraisal Incorporating Risk Assessment'. 'Checking the Cost of Regulation: A Guide to Compliance Cost Assessment'
Use of new information technologies	New Business Register administered by the Chambers of Commerce with information in a single database previously kept in paper form at the local court or chamber	Computerisation in process — Interdepartmental database under examination — Self-training systems available for enterprises at the 'Chambres des métiers'	Operational for reporting illness of employees; tax returns; statistics and other fields.	On-line access to data from the Austrian Patent Office — computer supported company index — central computerized trade register in process	Information service based on 4 databases ('Infocid', 'SIAE', 'InfoPME' and 'Dataimpresa') ⁽⁴⁷⁾	Databases for company registers, industry and enterprises statistics	Telephone service: The Start-Up-Line; the EMAS-Line ⁽⁴⁸⁾	Pilot service launched on the Internet for a one-stop-shop for regulatory information and forms called 'Direct Access Government': http://www.direct.gov.uk:8080

(43) SMA: Secretariado para a Modernização Administrativa.

(44) CEA: Commission of Enterprises and Administration.

(45) IAPMEI: Instituto de Apoio às Pequenas e Médias Empresas e ao Investimento.

(46) DGC: Directorate General for Commerce.

(47) Infocid: database including information on formalities and procedures relating to the creation of a business; SIAE: Interactive database on the main support measures and subventions for business;

InfoPME: Off-line information, E-mail and VTX, including information for start-ups;

Dataimpresa: On-line information on business markets, business opportunities, subventions, regulations.

(48) The EMAS-Line is a telephone service offered free of charge on management issues in the area of the environment.

B. COMPANY REGISTRATION AND FORMS

	B	DK	D	EL	E	F	IRL
Simplification of forms (e.g. language, detail, number)	Auditform project	Project on inter departmental coordination	Waffenschmidt-Kommission		By individual ministries and IMPI	Use of single form when establishing new businesses — Centralization role for CERFA (*) for new and revised forms	General policy of simplifying the language and detail on forms
Single contact point for start-up formalities		One contact point for small businesses (tax registration) — two contact points for limited companies		Creation of one stop shops and of a network of intermediaries	Proposal	<i>Centre de formalités des entreprises (CFE)</i>	Single company registration — single tax registration
Single identification number		Central Business Register with single identification number expected to be established in 1998				Single identification number	
Simplification of authorization procedures			Legal proposals will be adopted in the Autumn 1996 with a view to speed up new plants' approval and authorization procedures	Decentralization of licensing procedures			

(*) CERFA: *Centre d'enregistrement et de révision des formulaires administratifs.*

B. COMPANY REGISTRATION AND FORMS (continued)

	I	L	NL	A	P	FIN	S	UK
Simplification of forms (e.g. language, detail, number)	Handbook on simplification of administrative language and forms — Single form for environmental certification (MUD) administered by the chambers of commerce	Under examination	In the fields of taxation and social security		Forms are reviewed and simplified regularly	Simplification of forms relating to statistics and taxation	Forms are reviewed regularly New surveys require ministerial approval. Use of plain English encouraged.	Administrative and survey forms reviewed regularly. New surveys require ministerial approval. Use of plain English encouraged.
Single contact point for start-up formalities	Only at the stage of pilot-action: single contact point for start-up formalities for young entrepreneurs ⁽⁵⁰⁾				Proposal to extend the notaries' role as an intermediary between business and administration	National Board of Registration Taxation offices	Registration at the patent & registration office and at the national tax board	Single point of notification for newly self-employed for tax and social security purposes
Single identification number			Cooperation between revenue offices, statistical bureau and chambers of commerce	Under discussion in connection with the creation of a Central Trade Register	Operational (NIPC) ⁽⁵¹⁾	Under examination	Operational	
Simplification of authorization procedures	Authorization is deemed granted if the administration has not responded within fixed time period	Under examination	Simplification of authorization procedures for limited companies; authorization delays will be limited to 48 hours	Simplified procedures for certain activities — Notification is enough for new activities which are not regulated — Further improvements in process	Authorization is deemed granted if administration has not responded within fixed deadline			Pilot project looking at this issue

⁽⁵⁰⁾ *Punti Nuova Impresa FORMAPER.*⁽⁵¹⁾ Identification number for companies.

C. SIMPLIFICATION OF REGULATIONS AND DEROGATIONS FOR SMEs

	B	DK	D	EL	E	F	IRL
Simplification of accounting requirements	Simplified book-keeping for small traders (turnover < Bfr 20 million) Simplified annual accounts for SMEs		Proposal	Simplification of annual accounts		Simplified book-keeping (Loi Madelin)	Legislation to remove auditing requirements for companies under £ Irl 100 000 turnover
Simplification of statistical requirements	Specific thresholds for SMEs	Increasing use of existing databases	Simplification of statistics ⁽³²⁾			Permanent simplification under the control of the national council for statistics	
Simplification of tax requirements (formalities, reduced frequency of returns etc.)	For VAT: Exemption for turnover < Bfr 225 000 — Lump sum (for certain sectors) or quarterly notification for turnover < Bfr 20 million	Simplified systems in use	Simplification of income tax requirements	New simplified system on VAT	For VAT	Simplification of requirements for micro and small enterprises	VAT simplification
Tax relief	Reduced corporate tax on profit not exceeding Bfr 1 million — three year tax relief for self-employed (up to 35 years old) who start a business for the first time				For unemployed starting a business	For individuals investing in start-ups (Loi Madelin)	Fiscal incentives for unemployed who set-up own business
Simplification of company law requirements			Yes, for small public limited companies	Single person company	Proposal for a single person company	Several formalities and provisions imposed on public and private limited companies have been simplified or abolished (Loi Madelin)	Legislation being prepared
Minimizing licensing requirements for start-ups		Simple standards for SMEs 'start up kits'	Comprehensive up-date of the list of professions in the craft sector ⁽³³⁾			Freedom of trade (Loi Le Chapelier) — New project in process ⁽³⁴⁾	

⁽³²⁾ for example, by eliminating some characteristics, extending periodicity and reducing spot checks.

⁽³³⁾ with the objective of strengthening the competitiveness of — and increasing the attractiveness for — start-ups in the craft sector.

⁽³⁴⁾ Project for reducing the number of authorizations still needed for certain activities and for rendering some authorizations automatic in cases where the administration does not reply.

C. SIMPLIFICATION OF REGULATIONS AND DEROGATIONS FOR SMEs (continued)

	I	L	NL	A	P	FIN	S	UK
Simplification of accounting requirements	Simplified accounting requirements for companies under Lit 360 million turnover		Reduction of record keeping from ten to seven years	Exemption for SMEs to keep books	For single person company under Esc 30 000 000	Simplified book-keeping in small private companies (most run by single person)	Some auditing exemptions	Auditing exemptions for SMEs and annual pre-printed return forms
Simplification of statistical requirements		Under examination by a sub-group of the inter-ministerial committee	Action programme — central bureau of statistics	Data collection through spot checks — Simplification of the information requested ⁽⁵⁾	Data collection concentrated by national statistics institute	Data collection concentrated as much as possible by Statistics Finland that has a simplified questionnaire for micro enterprises	Data collection through sample based surveys	Monitoring of business surveys to minimize burdens. Small firms exempted from registrations and official returns where possible
Simplification of tax requirements (formalities, reduced frequency of returns, etc.)	"Tremonti Decree" one tax will replace six; 'single contact point' at the chambers of commerce	Under examination by a sub-group of the inter-ministerial committee	Specific Committees on tax simplification — legislation is in progress	Lump sum	System based on three taxes: corporate tax, income tax and VAT	Reduced number of payments under preparation	VAT simplifications	Employee income tax/social security insurance paid monthly by employers (quarterly for smaller businesses). VAT exemptions for smallest SMEs, cash accounting and annual VAT return for SMEs above the threshold
Tax relief			Tax relief for SMEs and start-ups	Specific thresholds for SMEs	For micro and small companies	VAT exemptions for small firms	For private individuals investing in start-ups	Reduced rate of corporate tax for small companies
Simplification of company law requirements			Possible improvements are being examined	Incorporation possible for small and micro businesses		Simplified personal company for small firms		Law applicable to private companies currently under review

	I	L	NL	A	P	FIN	S	UK
Minimizing licensing requirements for start-ups	Abolition of authorization for new private activities (Law No 537 of 1993)	Reform in process of the right to establishment	New business licensing Act in 1996	Relief regarding the notification of certificate of proficiency and more freedom for doing business	For single person company	Number of registration and permissions reduced during last few years	Very few businesses need a license	General review of business licences being undertaken. Over 130 so far identified to be abolished or simplified

(⁵) SMEs will receive a floppy disk with explanations and help — Accounting data can be saved directly on the floppy disk.

D. LABOUR MARKET FLEXIBILITY

	B	DK	D	EL	E	F	IRL
Single contact point dealing with formalities relating to employment						From 1 January 1996 single contact point for formalities relating to employment and later in the year single contact point for social security contributions (<i>Plan emploi</i> of Prime Minister Juppé)	
Incentives for start-ups or new employees	Right to unemployment benefit maintained for self-employed who start a business for the first time — 'unemployment loans' possible for unemployed who start a business — reduction of social security contributions when taking-on an employee for the first time	Job rotation schemes with financial support				30 % reduction on the payment of health insurance — One year reduction of social security for first three employees in certain regions	Two years exemption of social security charges for new employees and reduced rates for low wage workers
Privatization of employment agencies		Any individual/company can conduct employment place-	Yes				
Flexibility in labour law	Possibility to undertake successive temporary work contracts		Flexible rules regarding working time, protection against unlawful dismissal and labour law			Chèque emploi-service used for people employed at home with possible extension for short term contracts in enterprises — <i>Chèque emploi-premier salarié</i> (Plan PME-PMI of Prime Minister Juppé)	

D. LABOUR MARKET FLEXIBILITY (continued)

	I	L	NL	A	P	FIN	S	UK
Single contact point dealing with formalities relating to employment		Single contact point for social security matters — use of single form when taking-on employees	Single contact points for social security matters are in progress	For social security contributions	Single contact point for social security matters — use of single form when taking-on employees	In operation	Only tax registration	Single notification when taking on first employee. Integrated national Helpline and single audit visit for tax and social security deductions from payroll
Incentives for start-ups or new employees	Vocational training contracts aimed at encouraging long term unemployed to start-up a business		Experiments are taking place	Possible incentives are being examined	Exemption of social security charges for the first three years when taking-on unemployed and young people looking for first job	Unemployment benefit for entrepreneurs possible — Reduced social security charges for small firms		Social security insurance exemptions where long-term unemployed taken on, to be introduced
Privatization of employment agencies	Project of law is being examined	New regulation for temporary work contracts		Liberalization of employment agencies		Yes, subject to permission	Yes	Recently removed need for licence for private employment agencies
Flexibility in labour law	Flexibility in labour agreements concerning hours of work, part-time and temporary work		Government plans are in progress	Working group on working time flexibility	Significant changes in several domains took place during the last year	Flexibility in labour agreements	The Government is reviewing Labour Laws	Flexible rules for hours of work, conditions of part-time and temporary work, and redundancy

ANNEX III

SIMPLIFYING TAX ADMINISTRATION IN THE MEMBER STATES

Member State	Simplifying VAT	Integrating Tax and Social Security Administrations	Simplifying Taxation for Self-Employed and SMEs
BELGIUM	<ol style="list-style-type: none"> 1. VAT exemption if turnover < Bfrs 225 000 (ECU 5 790). 2. VAT returns: abolition of the system of annual returns if turnover < Bfrs 3 million (ECU 77 200); Quarterly returns if turnover < Bfrs 20 million (ECU 500 000); Monthly returns if turnover > Bfrs 20 million. 3. Flat-rate liability for companies dealing directly with consumers in certain sectors and with a turnover < Bfrs 20 million (ECU 500 000). 	<p>Only plans to merge VAT and Revenue Departments</p>	<p>1. Reduced rates of corporation tax:</p> <ul style="list-style-type: none"> — If annual profits < Bfr 1 million (ECU 25 733) the rate is 28,84 % instead of 40,17 %. — Tax credit of 7,5 % up to a maximum of Bfrs 800 000 (20 590 ECU) for increases in own capital — Tax credit of 10 % up to a maximum of Bfrs 1 50 000 for the self-employed. <p>2. Flexibility on the system of advance payment of tax for persons < 35 setting up in business for the first time: no penalty is due the first three years for unpaid or insufficient advance payments.</p>
DENMARK	<ol style="list-style-type: none"> 1. Optional exemption for turnover < DKR 20 000 (ECU 2 500). 2. VAT returns: quarterly, in addition VAT declaration and payment can be made by using the same form. 3. Only one rate covering the supply of goods and services. 4. VAT identification number required by the Sixth Directive is the same as the business's normal registration number used in all dealings with administrations. 		<ol style="list-style-type: none"> 1. Special tax arrangement for the self employed (Business Scheme), including possibility for the self employed to retain profits in a business under the same conditions as applying to companies. A simpler Business Scheme was introduced in 1993. 2. Since 1996, tax exemptions and simpler formalities with respect to the taxation of estates of deceased persons or gifts 3. Gradual abolition of the wealth tax: reduction in the tax paid and simplification of the income tax form. 4. User groups within taxation departments 5. Electronic data transfer possible.
GERMANY	<ol style="list-style-type: none"> 1. VAT: optional exemption if turnover < DM 32 500 (ECU 17 200). 2. VAT returns: quarterly if VAT payable from the previous year < DM 12 000 (ECU 6 350). 		<ol style="list-style-type: none"> 1. Legal basis for laying down flat-rate sums for operating expenditure in certain branches. 2. Abolition of the wealth tax and capital trade tax proposed from 1 January 1997. 3. Drastic simplification of personal tax and corporate tax planned (lower tax rates and elimination of derogations)
SPAIN	<ol style="list-style-type: none"> 1. VAT returns: quarterly. 	<p>Ongoing discussions with a view to encourage close cooperation between the two administrations, including a common identification number, the use of information technologies and the sharing of identical criteria.</p>	

Member State	Simplifying VAT	Integrating Tax and Social Security Administrations	Simplifying Taxation for Self-Employed and SMEs
GREECE	<ol style="list-style-type: none"> 1. VAT exemption if turnover < Dr 500 000 (services) and < 1,5 million (goods) (ECU 2 000 / 6 000). 2. VAT returns: quarterly 		
FRANCE	<ol style="list-style-type: none"> 1. Optional VAT exemption if turnover < FF 70 000 (ECU 10 800). 2. VAT declarations and payments: quarterly (small companies) or yearly (flat-rate system). 3. VAT registration done through the Enterprise Formalities Centres (CFE). 		<ol style="list-style-type: none"> 1. Either special flat-rate system or administrative assessment for turnover < FF 500 000 / ECU 77 160 (sale of goods) and < FF 150 000 / ECU 23 150 (provision of services) — The system includes less onerous accounting obligations. 2. Micro-enterprise system for turnover < FF 70 000 (ECU 10 800) including simplified taxation of income from professional activity which can be included in the individual income-tax declaration — This system limits accounting obligations to keeping receipts. 3. Simplified taxation scheme for turnover < FF 5 million / ECU 771 600 (sale of goods) or turnover < FF 1,5 million / ECU 231 500 (supply of services) involving simplified fiscal obligations (five documents instead of 16). 4. Enterprises can submit their declarations of results and related accounting annexes by telematic means.
IRELAND	<ol style="list-style-type: none"> 1. VAT exemption if turnover < £/Ir£ 40 000 (ECU 50 000). 2. VAT returns: yearly for small companies. 	<p>Income tax and social security contributions are collected via the payroll system 'PAYE'. Further integration is being considered.</p>	<ol style="list-style-type: none"> 1. Self assessment scheme for the self employed (since 1988) and plans to introduce a very simple assessment form. 2. Advice given by revenue commissioners to new traders in relation to their tax obligations.
ITALY	<ol style="list-style-type: none"> 1. Consideration of total exemption from VAT for certain types of activity 2. VAT returns: yearly for small companies. 	<p>Law No 549/1995 gives the government specific power to harmonise tax requirements and social security (documentation, procedures and payments).</p>	<ol style="list-style-type: none"> 1. Abolition of 60 tax headings for government licences. 2. Abolition of requests for information which tax authorities can readily obtain elsewhere. 3. Abolition of superfluous obligations. 4. Proposals to simplify returns and filing requirements and to allow deferred payments up to thirty days after due date. 5. Consideration of a flat-rate income assessment system for some types of activity.
LUXEMBOURG	<ol style="list-style-type: none"> 1. VAT exemption if turnover < Lfrs 400 000 (ECU 10 000). 2. VAT returns: quarterly (small companies) or yearly (very small companies). 		

Member State	Simplifying VAT	Integrating Tax and Social Security Administrations	Simplifying Taxation for Self-Employed and SMEs
NETHERLANDS	VAT returns: quarterly (medium companies) and yearly (small companies).	Since 1990, common basic value for the levy of the wage tax and an important part of the social security contributions — Discussions are being held about the coordination of income tax and social security contributions.	<ol style="list-style-type: none"> 1. Reduction of recordkeeping requirements (from 10 to seven years) 2. Legislation in preparation to streamline the tax treatment of expenses for employees. 3. Proposal to streamline various requests and thresholds in tax laws. 4. Proposals to simplify income tax system.
AUSTRIA	<ol style="list-style-type: none"> 1. Exemption from VAT liability if turnover < ÖS 300 000 (ECU 22 550) and no requirement to submit returns if turnover < ÖS 100 000 (ECU 7 500). 2. VAT returns: quarterly (small companies) or yearly (very small companies). 3. Option of determining input tax as a flat rate average percentage if turnover < ÖS 5 million (ECU 376 250). For capital goods with a purchase price over ÖS 15 000 (ECU 1 130), input tax may also be calculated separately. 4. Special regulations for flat-rate input tax calculation in the case of certain branches and if turnover < ÖS 5 million (ECU 376 250). 5. Possibility to calculate VAT on the basis of payment received if turnover < ÖS 5 million (ECU 376 250). 	Plans to administer under a single authority the collection of tax on earned income and social security contributions.	<ol style="list-style-type: none"> 1. Simplified account-keeping for turnover < ÖS 5 million (EC 376 250). 2. Option of a flat-rate system for turnover < ÖS 3 million (ECU 225 730) — This system removes the need to register operating expenditure for VAT.
PORTUGAL	1. VAT returns: quarterly for small companies.		
FINLAND	1. VAT returns: monthly payments (no special scheme for SMEs).	Plans to develop a system for combining the various deductions from salaries (tax, social security, insurance), and reducing the number of payments made by business to the State.	
SWEDEN	VAT returns: monthly (normal) and yearly (for SMEs with a turnover less than Skr 1 million (ECU 115 340)).		<p>Proposed simplified regulation for self-employed if gross income < Skr 1 million (ECU 115 340).</p> <ul style="list-style-type: none"> — one page tax return form limited to a few headings so that it can be filled in without assistance. — possibility to fulfil annual accounts obligation by using the tax return form.

Member State	Simplifying VAT	Integrating Tax and Social Security Administrations	Simplifying Taxation for Self-Employed and SMEs
UNITED KINGDOM	<p>1. VAT declarations and payments: quarterly (normal) and yearly (for small businesses).</p> <p>2. VAT: exemption if turnover < £ 47 000 (ECU 56 850)</p>	<p>Separate departments are responsible for income tax and social security contributions but both are collected together in one payment via the payroll system (PAYE).</p> <p>A specific programme aims at improving the contact between fiscal, social security administrations and the employer.</p> <ul style="list-style-type: none"> — Single notification by business when starts to employ for the first time, — combined national telephone helpline, — single audit visit, — streamlined integrated annual guidance pack, — regulatory information made available on internet, — pilot automatic 24-hour telephone service for new employers to calculate payroll deductions. 	<p>Self assessment system to apply from tax year 1996-1997:</p> <ul style="list-style-type: none"> — taxpayer responsible for supplying information and calculating tax liability (optional), — simpler computation of earnings for sole proprietors and partners, based on profits of accounting period ending in the current tax year, — simpler basis of calculation of income from real property, alignment of dates on which any underpayment of tax is payable and standardised dates for payments on accounts.

EUROPEAN ECONOMIC AREA

THE EEA JOINT COMMITTEE

DECISION OF THE EEA JOINT COMMITTEE

No 83/96

of 13 December 1996

**amending Protocol 31 to the EEA Agreement, on cooperation in specific fields
outside the four freedoms**

THE EEA JOINT COMMITTEE,

Having regard to the Agreement on the European Economic Area, as adjusted by the Protocol Adjusting the Agreement, hereafter referred to as 'the Agreement', and in particular Article 86 and 98 thereof,

Whereas Protocol 31 to the Agreement was amended by Decision of the EEA Joint Committee No 8/94⁽¹⁾;

Whereas it is appropriate to extend the cooperation of the Contracting Parties to the Agreement to include a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society (Info 2000) as set out in Council Decision 96/339/EC⁽²⁾;

Whereas Protocol 31 to the Agreement should therefore be amended in order to allow for such extended cooperation to take place from 1 January 1996,

HAS DECIDED AS FOLLOWS:

Article 1

The following indent shall be added to Article 2 (5) of Protocol 31 to the Agreement:

— 396 D 0339: Council Decision 96/339/EC of 20 May 1996 adopting a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society (Info 2000) (OJ No L 129, 30. 5. 1996, p. 24).'

⁽¹⁾ OJ No L 198, 30. 7. 1994, p. 142.

⁽²⁾ OJ No L 129, 30. 5. 1996, p. 24.

Article 2

This Decision shall enter into force on 1 January 1997, provided that all the notifications under Article 103 (1) of the Agreement have been made to the EEA Joint Committee. It shall apply from 1 January 1996.

Article 3

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the *Official Journal of the European Communities*.

Done at Brussels, 13 December 1996.

For the EEA Joint Committee

The President

H. HAFSTEIN
