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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 - Outcome of European Parliament's proceedings (Brussels, 19 to 23 October 2020)

I. INTRODUCTION

The rapporteur, Ulrike MÜLLER (Renew Europe, DE), presented a report consisting of 206 amendments (amendments 1-206) to the abovementioned proposal for a Regulation on behalf of the Committee on Agriculture and Rural Development.

In addition, the GUE/NGL group tabled 5 amendments (amendments 207, 288-289, 292, 298), the S&D group tabled 7 amendments (amendments 208-214), the ID group tabled 32 amendments (amendments 231-239, 242-264), the Greens/EFA group tabled 5 amendments (amendments 299-303), the Renew, EPP, S&D, Greens/EFA, ECR and GUE/NGL groups jointly tabled 10 amendments (amendments 215-219, 222, 224, 227, 229-230), the Renew, Greens/EFA and GUE/NGL groups jointly tabled 4 amendments (amendments 220-221, 223, 225), the Renew, EPP, S&D, Greens/EFA and GUE/NGL groups jointly tabled 1 amendment (amendment 226), the Renew, Greens/EFA, ECR and GUE/NGL groups jointly tabled 1 amendment (amendment 228), the EPP, S&D and ECR groups jointly tabled 18 amendments (amendments 265-282), the EPP and ECR groups jointly tabled 1 amendment (amendment 283), the GUE/NGL and Greens/EFA groups jointly tabled 11 amendments (amendments 284-287, 290-291, 293-297); individual MEPs tabled 2 amendments (amendments 240-241).

II. VOTE

When it voted on 20, 22 and 23 October 2020, the plenary adopted 157 amendments. These were amendments 2-10, 12-18, 23, 25-29, 31-32, 39-50, 63, 74-78, 79 and 242, 80-81, 82 and 244, 83, 84 and 247, 85-104, 109-110, 121-127, 132, 141, 146-152, 159-182, 183, 211cp1 and 283cp1, 184-188, 211cp3 and 283cp3, 190-191 and 211cp6, 202-205, 209 and 285, 210 and 286, 211cp2, 212cp1 and 293, 212cp2 and 294, 215-216, 222, 224, 226-230, 265-282, 284, 291, 299 to the abovementioned proposal for a Regulation. No other amendments were adopted. The amendments adopted are set out in the annex.

At the end of the vote, the proposal was referred back to the Committee, pursuant to Rule 59(4) of the European Parliament's Rules of Procedure, thereby not bringing the Parliament's first reading to a close and opening the negotiations with the Council.

P9_TA-PROV(2020)0288

Common agricultural policy: financing, management and monitoring ***I

Amendments* adopted by the European Parliament on 23 October 2020 on the proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (COM(2018)0393 – C8-0247/2018 – 2018/0217(COD))¹

(Ordinary legislative procedure: first reading)

Amendment 284

Proposal for a regulation Recital 1

Text proposed by the Commission

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'The Future of Food and Farming' of 29 November 2017 concludes that the Common Agricultural Policy (hereinafter 'CAP') should continue to step up its response to future challenges and opportunities, by boosting employment, **growth** and investment, fighting and adapting to climate change **and bringing** research and innovation **out of** the laboratories **and onto** fields and markets. The CAP should furthermore address citizens' concerns regarding sustainable agriculture production.

Amendment

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'The Future of Food and Farming' of 29 November 2017 concludes that the Common Agricultural Policy (hereinafter 'CAP') should continue to step up its response to future challenges and opportunities, by boosting employment and investment, **raising labour standards**, fighting and adapting to climate change, **adapting and transferring** research and innovation **from** the laboratories **to** fields and markets. The CAP should furthermore address citizens' concerns regarding sustainable agriculture production **and rural development**.

* References to 'cp' in the headings of adopted amendments shall be understood as the corresponding part of those amendments.

¹ The matter was referred back for interinstitutional negotiations to the committee responsible, pursuant to Rule 59(4), fourth subparagraph (A8-0199/2019).

Amendment 2

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) It is necessary that the agricultural sector does not suffer the financial consequences of political decisions, such as the withdrawal of the United Kingdom from the European Union, or the funding of new Union policies. Account should be taken of the European Parliament resolution of 30 May 2018 on the 2021-2027 multiannual financial framework and own resources (2018/2714(RSP)) which deplored the fact that the Commission proposal of 2 May 2018 on the MFF for 2021-2027 led to a 15 % reduction in the level of the CAP, and stated that the European Parliament was particularly opposed to any radical cuts that would adversely impact on the very nature and objectives of the CAP. It also questioned, in that context, the proposal to reduce the European Agricultural Fund for Rural Development by more than 25 %.

Amendment 3

Proposal for a regulation Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) The CAP has a fundamental role in the Union with direct payments and second-pillar funds to farmers contributing significantly not only to food security, but also to investment and employment in rural areas. The severe cuts envisaged for the CAP are not acceptable. For that reason, the CAP should focus on its core activities and the funding allocated to the CAP 2021-2027 for the EU-27 should be maintained at least at the level of the 2014-2020 budget while budgeting the initial amount for the

agricultural crisis reserve.

Amendment 4

Proposal for a regulation

Recital 1 c (new)

Text proposed by the Commission

Amendment

(1c) In accordance with Article 208 of the Treaty on the Functioning of the European Union (TFEU), the implementation of the CAP should take account of the objectives of development cooperation including, inter alia, the 2030 Agenda for Sustainable Development and the achievement of the Union's climate change mitigation obligations under the Paris Agreement.

Amendment 5

Proposal for a regulation

Recital 3

Text proposed by the Commission

Amendment

(3) The CAP's compliance-driven delivery model should be adjusted to ensure a greater focus on results and performance. Accordingly the Union should set the basic policy objectives, types of intervention and basic Union requirements while greater responsibility and accountability for meeting those objectives should be borne by the Member States. As a consequence, there is a need to ensure greater subsidiarity in order to take better account of the local conditions and needs. Accordingly, under the new delivery model, Member States should be responsible for tailoring their CAP interventions in line with basic Union requirements in order to maximize their contribution to Union CAP objectives ***and to*** establish and design the ***compliance and*** control framework for beneficiaries.

(3) The CAP's compliance-driven delivery model should be adjusted to ensure a greater focus on results and performance. Accordingly the Union should set the basic policy objectives, types of intervention and basic Union requirements while greater responsibility and accountability for meeting those objectives should be borne by the Member States. As a consequence, there is a need to ensure greater subsidiarity ***and flexibility*** in order to take better account of the local conditions and needs. Accordingly, under the new delivery model, Member States should be responsible for tailoring their CAP interventions in line with ***their specific needs and*** basic Union requirements in order to maximize their contribution to Union CAP objectives. ***Member States should also*** establish and design the control framework for beneficiaries ***to continue to ensure***

compliance of the CAP strategic plans interventions with applicable Union law. Basic Union requirements, including good agricultural and environmental conditions (GAEC) and statutory management requirements (SMRs), ensure a common approach and a level playing field between Member States.

Amendment 6

Proposal for a regulation Recital 5

Text proposed by the Commission

(5) The provisions of Regulation (EU, Euratom) .../... of the European Parliament and of the Council [New Financial Regulation]¹², in particular those governing shared management with Member States, the function of accredited bodies and the budgetary principles, should apply to the interventions and measures set out in this Regulation.

¹² Regulation (EU, Euratom) *No [New Financial Regulation]*.

Amendment

(5) The provisions of Regulation (EU, Euratom) **2018/1046** of the European Parliament and of the Council [New Financial Regulation]¹², in particular those governing shared management with Member States, the function of accredited bodies and the budgetary principles, should apply to the interventions and measures set out in this Regulation.

¹² Regulation (EU, Euratom) **2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012. (OJ L 193, 30.7.2018, p. 1).**

Amendment 7

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) Part of the provisions of Regulation (EU) .../...[CPR Regulation^{1a}] should apply to this Regulation.

Amendment 8

Proposal for a regulation

Recital 5 b (new)

Text proposed by the Commission

Amendment

(5b) Member States should refrain from adding rules that complicate the use of the EAGF and the EAFRD for the beneficiary.

Amendment 9

Proposal for a regulation

Recital 9

Text proposed by the Commission

Amendment

(9) It is necessary to provide for the accreditation of paying agencies and coordinating bodies by Member States and for the establishment of the procedures for obtaining management declarations ***and*** annual performance reports, and for obtaining the certification of management and monitoring systems, of reporting systems and the certification of annual accounts by independent bodies. Moreover, in order to ensure the transparency of the system of checks to be carried out at national level, in particular as regards procedures for authorisation, validation and payment and to reduce the administrative and audit burden for the Commission and for the Member States where accreditation of each individual paying agency is required, the number of authorities and bodies to which those responsibilities are delegated should be restricted while respecting the constitutional provisions of each Member State.

(9) It is necessary to provide for the accreditation of paying agencies and coordinating bodies by Member States and for the establishment of the procedures for obtaining management declarations, annual ***clearance report and*** performance reports, and for obtaining the certification of management and monitoring systems, of reporting systems and the certification of annual accounts by independent bodies. Moreover, in order to ensure the transparency of the system of checks to be carried out at national level, in particular as regards procedures for authorisation, validation and payment and to reduce the administrative and audit burden for the Commission and for the Member States where accreditation of each individual paying agency is required, the number of authorities and bodies to which those responsibilities are delegated should be restricted while respecting the constitutional provisions of each Member State. ***Paying agencies should develop their role as advisors to farmers and make efforts towards the simplification of procedures for beneficiaries while***

ensuring compliance with standards at Union level.

Amendment 10

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Where a Member State accredits more than one paying agency, it should designate a single public coordinating body in order to ensure consistency in the management of Funds, to provide for a liaison between the Commission and the various accredited paying agencies, and to ensure that the information requested by the Commission concerning the operations of several paying agencies is provided promptly. The coordinating body should also take and coordinate actions with a view to resolving any deficiencies of a common nature encountered at national level and should keep the Commission informed of any follow-up.

Amendment

(10) Where a Member State accredits more than one paying agency, it should designate a single public coordinating body in order to ensure consistency in the management of Funds, to provide for a liaison between the Commission and the various accredited paying agencies, and to ensure that the information requested by the Commission concerning the operations of several paying agencies is provided promptly. The coordinating body should also take and coordinate actions with a view to resolving any deficiencies of a common nature encountered at national **or regional** level and should keep the Commission informed of any follow-up.

Amendment 265

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) Involving paying agencies that have been accredited by the Member States is a crucial prerequisite under the new delivery model for having reasonable assurance that the objectives and targets set out in the relevant CAP Strategic Plans will be reached by the interventions financed by the Union's budget. It should, therefore, be explicitly provided in this Regulation that only expenditure effected by accredited paying agencies can be reimbursed from the Union's budget. In addition, the expenditure financed by the Union for the interventions referred to in the CAP Strategic Plan Regulation should **have a**

Amendment

(11) Involving paying agencies that have been accredited by the Member States is a crucial prerequisite under the new delivery model for having reasonable assurance that the objectives and targets set out in the relevant CAP Strategic Plans will be reached by the interventions financed by the Union's budget. It should, therefore, be explicitly provided in this Regulation that only expenditure effected by accredited paying agencies can be reimbursed from the Union's budget. In addition, the expenditure financed by the Union for the interventions referred to in the CAP Strategic Plan Regulation should comply

corresponding output regarding and should comply with the *basic* Union requirements and *the* governance systems.

with the *applicable* Union requirements and governance systems, *including Member States' obligations with regard to the effective protection of the financial interests of the Union and to the performance reporting.*

Amendment 12

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) With a view to ensuring that the amounts for the financing of the CAP comply with the annual ceilings, the financial discipline mechanism by which the level of direct support is adjusted, should be maintained. *However, the threshold of EUR 2000 should be abolished. An agricultural reserve should be maintained to support the agricultural sector in the event of market developments or major crises affecting the agricultural production or distribution. Article 12(2)(d) of Regulation (EU, Euratom) [New Financial Regulation] foresees that non-committed appropriations may be carried over to the following financial year only. In order to significantly simplify the implementation for beneficiaries and national administrations, a roll-over mechanism should be used, using any unused amounts of the reserve for crises in the agricultural sector established in 2020. For this purpose a derogation from Article 12(2)(d) is necessary, allowing for non-committed appropriations of the agricultural reserve to be carried over without time limitation to finance the agricultural reserve in the following financial year(s). Furthermore, as regards the financial year 2020, a second derogation is necessary as the total unused amount of the reserve available at the end of year 2020 should be carried over to the year 2021 to the corresponding line of the new agricultural reserve*

Amendment

(14) With a view to ensuring that the amounts for the financing of the CAP comply with the annual ceilings, the financial discipline mechanism by which the level of direct support is adjusted should be maintained.

without being returned to the budgetary lines which cover direct payment interventions under the CAP Strategic Plan.

Amendment 13

Proposal for a regulation Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) The existing crisis reserve should be reviewed and strengthened to support the establishment of an EU agricultural crisis reserve, a more effective and flexible tool which should provide supplementary support for the agricultural sector in the event of market developments and enable the Union to better respond to major crises affecting agricultural production or distribution. For that purpose and to allow the development of a sound framework enabling farmers to manage risks appropriately, the EU agricultural crisis reserve appropriations should be mobilised for the financing of the market stabilisation measures and the exceptional measures referred to in Regulation (EU) No 1308/2013, as well as for measures allowing for the substitution of the income stabilisation tools put in place by the Member States under Article 70 of Regulation (EU) ... / ... [CAP Strategic Plan Regulation] and made available to farmers in the event of a sharp decline in agricultural income beyond a threshold per sector predefined by the Commission, in respect of which it should be empowered to adopt delegated acts.

Amendment 14

Proposal for a regulation Recital 14 b (new)

Text proposed by the Commission

Amendment

(14b) The EU agricultural crisis reserve

should be established in the budget of the CAP and its initial amount should be set up in 2021 as an addition to the EAGF and EAFRD budgets. Point (d) of Article 12(2) of Regulation (EU, Euratom) 2018/1046 provides that non-committed appropriations may be carried over to the following financial year only. For that purpose a derogation from that point is necessary, allowing for non-committed appropriations of the agricultural reserve to be carried over without time limitation to finance the agricultural reserve in the following financial year(s), allowing the accumulation of appropriations for the EU agricultural crisis reserve from one year to the next, throughout the programming period.

Amendment 15

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) In order to avoid an excessive administrative burden for national administrations and farmers provision should be made that reimbursement of the amounts carried over from the preceding financial year in relation to financial discipline applied, should not take place either where financial discipline is applied for a second subsequent year (year N+1), or where the overall amount of non-committed appropriations represents less than 0,2% of the EAGF annual ceiling.

Amendment

(15) In order to avoid an excessive administrative burden for national administrations and farmers, ***to simplify procedures as much as possible and limit the complexity of payment forms,*** provision should be made that reimbursement of the amounts carried over from the preceding financial year in relation to financial discipline applied should not take place either where financial discipline is applied for a second subsequent year (year N+1), or where the overall amount of non-committed appropriations represents less than 0,2% of the EAGF annual ceiling.

Amendment 16

Proposal for a regulation

Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) Equalising the level of direct payments among the Member States is essential in order to ensure a level playing field in the internal market. There is an urgent need for a fair distribution of direct payments between Member States.

Amendment 17

Proposal for a regulation

Recital 21

Text proposed by the Commission

Amendment

(21) In order to provide the Commission with, in particular, the means to manage agricultural markets, to facilitate the monitoring of agricultural expenditure and to monitor agricultural resources in the medium and long term, the use of the agro-meteorological system and the acquisition and improvement of satellite data should be provided for.

(21) In order to provide the Commission with, in particular, the means to manage agricultural markets, to facilitate the monitoring of agricultural expenditure, ***to assess and provide timely aid in the event of natural disasters*** and to monitor agricultural resources ***needed for production*** in the medium and long term, the use of the agro-meteorological system and the acquisition and improvement of satellite data should be provided for.

Amendment 18

Proposal for a regulation

Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) The Commission's monitoring of agricultural markets should be extended to monitoring trade flows to and from developing countries in sectors which have been identified as sensitive by the partner countries, so as to ensure the coherence of CAP-related agro-food sector trade outcomes with the Union's commitment to Policy Coherence for Development.

Amendment 266

Proposal for a regulation Recital 25

Text proposed by the Commission

(25) In accordance with the architecture and the key characteristics of the **new** CAP delivery model the eligibility of payments made by Member States for Union financing should **no longer** depend on the legality and regularity of payments to individual beneficiaries. **Instead**, as regards types of interventions referred to in Regulation (EU).../[CAP Strategic Plan Regulation], Member States' payments should be eligible if they are **matched by corresponding output and** in compliance with the applicable **basic** Union requirements.

Amendment

(25) In accordance with the architecture and the key characteristics of the CAP delivery model, the eligibility of payments made by Member States for Union financing should depend on the legality and regularity of payments to individual beneficiaries. **However**, as regards types of interventions referred to in Regulation (EU).../[CAP Strategic Plan Regulation], Member States' payments should be eligible **only** if they are in compliance with the applicable Union requirements **and if the rules on the applicable governance systems, including the performance reporting obligations of the Member States, are complied with.** **The new focus of the CAP on a result-oriented performance model should not remove the obligations of the Member States to check the legality and regularity of expenditure in order to ensure the protection of the financial interests of the Union.**

Amendment 267

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Member States should send the annual accounts **and an annual** performance report on the implementation of the CAP Strategic Plan **to the Commission by 15 February N+1**. Where these documents are not sent, thus preventing the Commission from clearing the accounts for the concerned paying agency or checking the eligibility of the expenditure **against reported outputs**, the Commission should be empowered to suspend the monthly payments and to

Amendment

(28) Member States should send the annual accounts, **the audit summary and the management declaration to the Commission by 15 February every year.** **As regards the performance report on the implementation of the CAP Strategic Plan, the Member States should send their first performance report the second calendar year after the date of application of this Regulation and then every year thereafter.** **For the purpose of the annual performance monitoring and of the**

interrupt the quarterly reimbursement until the outstanding documents are received.

multiannual performance review, the performance report should reflect the operations carried out and the progress made towards the achievement of the objectives as set out in the CAP National Strategic Plan and contain information about realised outputs and realised expenditure every year, information on realised results and distance to respective targets every two years, and, where feasible, reporting on impacts using the data referred to in Article 129 of Regulation (EU) .../... [CAP Strategic Plan Regulation]. Where these documents are not sent, thus preventing the Commission from clearing the accounts for the concerned paying agency or checking the eligibility of the expenditure, the Commission should be empowered to suspend the monthly payments and to interrupt the quarterly reimbursement until the outstanding documents are received.

Amendment 268

Proposal for a regulation Recital 29

Text proposed by the Commission

(29) *A new form of payment suspension* should be introduced for situations of abnormally low outputs. Where the outputs reported are at an abnormally low level in comparison with the declared expenditure, and where Member States cannot provide good and comprehensible reasons for this situation, the Commission should be empowered to, *in addition to reducing the expenditure for the financial year N-1 suspend future expenditure* related to the intervention for which the output was abnormally low. *Such suspensions should be subject to confirmation in the annual performance clearance decision.*

Amendment

(29) *An annual performance monitoring* should be introduced for situations of abnormally low outputs. Where the outputs reported are at an abnormally low level in comparison with the declared expenditure, and where Member States cannot provide good and comprehensible reasons for this situation, the Commission should be empowered to *request from the Member State concerned an assessment of the issues affecting the implementation of the CAP Strategic Plan and to devise and implement the additional remedial actions* related to the intervention for which the output was abnormally low *for the following financial year.*

Amendment 269

Proposal for a regulation Recital 30

Text proposed by the Commission

(30) *As regards the multi-annual performance **monitoring** the Commission **should also have the power to suspend payments**. Accordingly in cases of delayed or insufficient progress towards targets, set out in the national CAP Strategic Plan, the Commission should be empowered to request the Member State concerned to **take the necessary remedial actions in accordance with** an action plan to be established in consultation with the Commission **and containing clear progress indicators, by means of an implementing act**. Where the Member State fails to submit or to implement the action plan or where the action plan is manifestly insufficient to remedy the situation, the Commission should have the power to suspend the monthly or interim payments, by means of an implementing act.*

Amendment

(30) *Given the necessary transition to a result-oriented performance **model**, the performance reporting on the realised results and the distance to respective targets should be submitted for the first time by 15 April of the second calendar year after the date of application of this Regulation and the multiannual performance review should be carried out by the Commission every two years.* Accordingly, in cases of delayed or insufficient progress towards targets, set out in the national CAP Strategic Plan, *and where the Member State cannot provide duly justified reasons*, the Commission should be empowered to request the Member State concerned to **present** an action plan to be established in consultation with the Commission. *The action plan should describe the necessary remedial actions and the expected timeframe for its execution.* Where the Member State fails to submit or to implement the action plan or where *it becomes evident that* the action plan is manifestly insufficient to remedy the situation, the Commission should have the power to suspend the monthly or interim payments, by means of an implementing act.

Amendment 270

Proposal for a regulation Recital 30 a (new)

Text proposed by the Commission

Amendment

(30a) *Where the situation is not remedied by the end of the sixth month following the decision by the Commission to suspend the payments in the framework of the multiannual performance review, the*

Commission should be empowered to definitively reduce the amount suspended for the Member State concerned. The amounts definitively reduced shall be reallocated to reward Member States with satisfactory performance in relation to the specific objectives referred to in Article 6(1) of Regulation (EU) .../... [CAP Strategic Plan Regulation].

Amendment 23

Proposal for a regulation

Recital 39

Text proposed by the Commission

(39) In order to establish the financial relationship between the accredited paying agencies and the Union's budget, the Commission should clear the accounts of the paying agencies annually, in the framework of the annual **financial** clearance. The decision relating to the clearance of accounts should be limited to the completeness, accuracy and veracity of the accounts and should not cover the conformity of the expenditure with Union law.

Amendment

(39) In order to establish the financial relationship between the accredited paying agencies and the Union's budget, the Commission should clear the accounts of the paying agencies annually, in the framework of the annual clearance. The decision relating to the clearance of accounts should be limited to the completeness, accuracy and veracity of the accounts and should not cover the conformity of the expenditure with Union law.

Amendment 271

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) In line with the new delivery model, an annual performance clearance should be established in order to check the eligibility of the expenditure in relation to the reported outputs. In order to tackle situations where the expenditure declared does not have corresponding reported outputs and the Member States cannot provide justifications for this deviation, a mechanism of reduction of payments should be put in place.

Amendment

deleted

Amendment 25

Proposal for a regulation Recital 42

Text proposed by the Commission

(42) In order **to** to safeguard the financial interests of the Union's budget, systems should be put in place by Member States in order to satisfy themselves that interventions financed by the Funds are actually carried out and are executed correctly, while maintaining the current robust framework for sound financial management. In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013¹⁵ of the European Parliament and of the Council, Council Regulation (Euratom, **EC**) No 2988/95¹⁶, Council Regulation (Euratom, EC) No 2185/96¹⁷ and Council Regulation (EU) 2017/1939¹⁸, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities including fraud, the recovery of Funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. Moreover, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371¹⁹ of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union Funds is to fully cooperate in the protection of the

Amendment

(42) In order to safeguard the financial interests of the Union's budget, systems should be put in place by Member States in order to satisfy themselves that interventions financed by the Funds are actually carried out and are executed correctly, while maintaining the current robust framework for sound financial management. In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013¹⁵ of the European Parliament and of the Council, Council Regulation (**EC**, Euratom) No 2988/95¹⁶ **and** Council Regulation (Euratom, EC) No 2185/96¹⁷, and Council Regulation (EU) 2017/1939¹⁸, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities including fraud, the recovery of Funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. Moreover, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371¹⁹ of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union Funds is to fully cooperate in the protection of the

Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union Funds grant equivalent rights. Member States should have the systems in place allowing them to report to the Commission, for the purpose of enabling OLAF to exercise its powers and ensure an efficient analysis of cases of irregularity, on detected irregularities and other cases of non-compliance with the conditions established by Member States in the CAP Strategic Plan, including fraud and on their follow-up as well as on the follow-up of OLAF investigations. To ensure the effective examination of complaints concerning the Funds, Member States should have in place the necessary arrangements.

¹⁵ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L248, 18.9.2013, p. 1).

¹⁶ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p. 1).

¹⁷ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L292, 15.11.96, p. 2).

¹⁸ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L283, 31.10.2017, p. 1).

¹⁹ Directive (EU) 2017/1371 of the European Parliament and of the Council of

Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union Funds grant equivalent rights. Member States should have the systems in place allowing them to report to the Commission, for the purpose of enabling OLAF to exercise its powers and ensure an efficient analysis of cases of irregularity, on detected irregularities and other cases of non-compliance with the conditions established by Member States in the CAP Strategic Plan, including fraud and on their follow-up as well as on the follow-up of OLAF investigations. To ensure the effective examination of complaints concerning the Funds, Member States should have in place the necessary arrangements.

¹⁵ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1).

¹⁶ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

¹⁷ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.96, p. 2).

¹⁸ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

¹⁹ Directive (EU) 2017/1371 of the European Parliament and of the Council of

5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

Amendment 26

Proposal for a regulation Recital 46 a (new)

Text proposed by the Commission

Amendment

(46a) To ensure a level playing field between beneficiaries in different Member States, certain general rules should be introduced on controls and penalties at Union level.

Amendment 215

Proposal for a regulation Recital 46 b (new)

Text proposed by the Commission

Amendment

(46b) In order to ensure greater accountability and transparency concerning support from the EAFRD and EAGF, additional information on ownership structures should be collected by Member States through the Integrated Administration and Control System. To facilitate the monitoring of land concentration and of ownership structures and the investigation of potential conflicts of interest, corruption, and fraudulent behaviour, beneficiaries should, where applicable, indicate the identity of their parent undertaking or undertakings. Applicants should be facilitated to minimise administrative burden, e.g. by pre-filled application forms and access to appropriate data.

Amendment 27

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) The existing main elements of the integrated system and, in particular, the provisions concerning a system for identifying agricultural parcels, a geo-spatial and an animal-based application system, a system for identifying and registering payment entitlements, a system for recording the identity of beneficiaries and a control and penalties system should be maintained. Member States should continue to use data or information products provided by the Copernicus programme, in addition to information technologies such as GALILEO and EGNOS in order to ensure that comprehensive and comparable data is available throughout the Union for the purposes of monitoring agri-environment-climate policy and for the purposes of boosting the use of full, free and open data and information captured by Copernicus Sentinels satellites and services. To this end, the integrated system should include also an area monitoring system.

Amendment

(47) The existing main elements of the integrated ***system including the early warning*** system and, in particular, the provisions concerning a system for identifying agricultural parcels, a geo-spatial and an animal-based application system, a system for identifying and registering payment entitlements, a system for recording the identity of beneficiaries and a control and penalties system should be maintained, ***at an appropriate level, while taking due account of proportionality and the need not to impose undue administrative burdens on farmers and administrative bodies***. Member States should continue to use data or information products provided by the Copernicus programme, in addition to information technologies such as GALILEO and EGNOS in order to ensure that comprehensive and comparable data is available throughout the Union for the purposes of monitoring agri-environment-climate policy and for the purposes of boosting the use of full, free and open data and information captured by Copernicus Sentinels satellites and services. To this end, the integrated system should include also an area monitoring system, ***which may limit the instances where on farm inspections are required and reduce the administrative burden on farmers***.

Amendment 28

Proposal for a regulation
Recital 48

Text proposed by the Commission

(48) The integrated system, as part of the governance systems which should be in place in order to implement the CAP, should ensure that the aggregate data provided in the ***annual performance*** reporting is reliable and verifiable. Given the importance of a properly functioning

Amendment

(48) The integrated system, as part of the governance systems which should be in place in order to implement the CAP, should ensure that the aggregate data provided in the reporting is reliable and verifiable. Given the importance of a properly functioning integrated system, it

integrated system, it is necessary to set quality requirements. Member States should carry out an annual quality assessment of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system. Member States should also address any deficiencies and, if so requested by the Commission, set up an action plan.

is necessary to set quality requirements. Member States should carry out an annual quality assessment of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system. Member States should also address any deficiencies and, if so requested by the Commission, set up an action plan.

Amendment 299

Proposal for a regulation

Recital 49

Text proposed by the Commission

(49) The **Communication** from the Commission on 'The future of food and farming' set out the bolstering of environmental care and climate action and the contributing to the achievement of Union environmental and climate objectives as a strategic orientation of the future CAP. Hence, sharing Land Parcel Identification System and other Integrated Administration and Control System data has become necessary for environmental and climate purposes at national and Union level. Provision should therefore be made for sharing the data collected through the integrated system, which is relevant for environmental and climate purposes, between Member States' public authorities and with the Union institutions and bodies. In order to increase efficiency in using data available to different public authorities for the production of European statistic, it should also be provided that data from the integrated system has to be made available for statistical purposes to bodies which are part of the European Statistical System.

Amendment

(49) The **Communications** from the Commission on 'The future of food and farming', **the 'European Green Deal', the 'Farm to Fork Strategy – for a fair, healthy and environmentally-friendly food system' and the 'EU Biodiversity Strategy for 2030'** set out the bolstering of environmental care and climate action and the contributing to the achievement of Union environmental and climate objectives **and targets** as a strategic orientation of the future CAP. Hence, sharing Land Parcel Identification System and other Integrated Administration and Control System data has become necessary for environmental and climate purposes at national and Union level. Provision should therefore be made for sharing the data collected through the integrated system, which is relevant for environmental and climate purposes, between Member States' public authorities and with the Union institutions and bodies. In order to increase efficiency in using data available to different public authorities for the production of European statistic, it should also be provided that data from the integrated system has to be made available for statistical purposes to bodies which are part of the European Statistical System.

Amendments 209 and 285

Proposal for a regulation Recital 49 a (new)

Text proposed by the Commission

Amendment

(49a) The Commission Communication of 20 May 2020 entitled “A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system” calls on the importance of ensuring that the key principles enshrined in the European Pillar of Social Rights (EPSR) are respected. The considerations of workers’ social protection, working and housing conditions as well as protection of health and safety will play a major role in building fair, strong and sustainable food systems. The CAP should be one of the tools to pursue the objectives of the EPSR.

Amendment 29

Proposal for a regulation Recital 53

Text proposed by the Commission

Amendment

(53) Having regard to the international structure of agricultural trade and in the interest of the proper functioning of the internal market, it is necessary to organise cooperation among the Member States. It is also necessary to set up a centralised documentation system at Union level concerning undertakings established in third countries and which receive or make payments.

(53) Having regard to the international structure of agricultural trade and in the interest of the proper functioning of the internal market ***and respect for the Union’s Policy Coherence for Development obligations***, it is necessary to organise cooperation among the Member States ***and between Member States and third countries***. It is also necessary to set up a centralised documentation system at Union level concerning undertakings established in third countries and which receive or make payments. ***Such a system should also contribute to the identification of incoherencies between the implementation of the CAP and the objectives of the external policies of the Union. It would contribute to monitoring the achievement of the CAP objectives as outlined in Regulation (EU) No.../...***

[CAP Strategic Plan Regulation], by allowing for the evaluation of the impact of undertakings established in third countries on the 2030 Agenda for Sustainable Development, and the Union's development objectives, as provided for in Article 208 TFEU.

Amendments 210 and 286

Proposal for a regulation

Recital 55

Text proposed by the Commission

(55) Conditionality is an important element of the CAP, in particular with regard to its environmental and climate elements but also concerning public health and animal *related issues*. This implies that controls should be carried out and, where necessary, penalties should be applied to ensure the effectiveness of the conditionality system. To *have* a level playing field between beneficiaries in different Member States, certain general rules on conditionality controls and penalties should be introduced at Union level.

Amendment

(55) Conditionality is an important element of the CAP, *which ensures that payments promote a high degree of sustainability and ensure a level playing field for farmers within and between Member States*, in particular with regard to its *social*, environmental and climate elements but also concerning public health and animal *welfare*. This implies that controls should be carried out and, where necessary, penalties should be applied to ensure the effectiveness of the conditionality system. To *ensure such* a level playing field between beneficiaries in different Member States, certain general rules on conditionality, *and* controls and penalties *related to non-compliance* should be introduced at Union level.

Amendment 31

Proposal for a regulation

Recital 57

Text proposed by the Commission

(57) While Member States should be allowed to set out the details on penalties, those penalties should be proportionate, effective and dissuasive and should be without prejudice to other penalties laid down under Union or national law. To ensure an effective and coherent approach by Member States, it is necessary to

Amendment

(57) While Member States should be allowed to set out the details on penalties, those penalties should be proportionate, effective and dissuasive and should be without prejudice to other penalties laid down under Union or national law. To ensure an effective and coherent approach by Member States, it is necessary to

provide for *a* minimum penalty *rate* at Union level *for* non-compliance occurring for the first time due to negligence, while reoccurrence should lead to a higher percentage and intentionality *may* result in *the* total exclusion from the payment. To ensure proportionality of the penalties, where the non-compliance is of a minor nature and occurs for the first time, Member States should *be allowed to* introduce an early warning system.

provide for minimum penalty *rates* at Union level. *Such rates should apply to cases of* non-compliance occurring for the first time due to negligence, while reoccurrence should lead to a higher percentage and intentionality *should potentially* result in total exclusion from the payment. To ensure *the* proportionality of the penalties, where the non-compliance is of a minor nature and occurs for the first time, Member States should introduce an early warning system, *notifying the beneficiary of the obligation to take corrective measures and allowing them to remedy the non-compliance. No administrative penalties should be imposed in the cases of non-compliance due to force majeure, simple negligence or due to obvious errors recognised by the competent authority or another authority.*

Amendment 216

Proposal for a regulation Recital 66 a (new)

Text proposed by the Commission

Amendment

(66a) Following demands by the European Parliament ^{1a} for greater transparency on distribution of farmland and land concentration which impacts an access to land for farmers, and opinions of the European Ombudsman ^{1b} and Court of Auditors on the need to shed more light on ownership structures linked to CAP beneficiaries in the context of possible fraud and misuse of Union funds, and given that the statistics available ^{1c} provide a limited picture of the ownership and control of farms, and in order to facilitate monitoring by public authorities of land-grabbing and land concentration and to ensure greater accountability and transparency concerning support from the EAFRD and EAGF, information on ownership structures should therefore also be made available to the public. The list of beneficiaries of CAP funds, published ex-post by Member State,

should, where applicable, also allow for the identification of parent undertakings. This would significantly contribute to the monitoring of ownership structures and facilitate the investigation of potential conflicts of interest, corruption, and fraudulent behaviour.

^{1a} European Parliament resolution of 30 March 2017 on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers (Texts adopted, P8_TA(2017)0197).

^{1b} European Ombudsman's decision in case 1782/2019/EWM.

^{1c} Regulation (EU) 2018/1091 of the European Parliament and of the Council of 18 July 2018 on integrated farm statistics and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011 (OJ L 200, 7.8.2018, p. 1).

Amendment 32

Proposal for a regulation Recital 71

Text proposed by the Commission

(71) Publishing such information together with the general information provided for in this Regulation, enhances transparency regarding the use of Union Funds in the CAP, thus contributing to the visibility and better understanding of that policy. It enables citizens to participate more closely in the decision-making process and guarantees that the administration enjoys greater legitimacy, and is more effective and is more accountable to the citizen. It also brings concrete examples of the provision of "public goods" by farming to the attention of citizens, thereby underpinning the legitimacy of state support for the agricultural sector.

Amendment

(71) Publishing such information together with the general information provided for in this Regulation, enhances transparency regarding the use of Union Funds in the CAP, thus contributing to the visibility and better understanding of that policy. It enables citizens to participate more closely in the decision-making process and guarantees that the administration enjoys greater legitimacy, and is more effective and is more accountable to the citizen. It also brings concrete examples of the provision of "public goods" by farming to the attention of citizens, thereby underpinning the legitimacy of ***Union and*** state support for the agricultural sector.

Amendment 272

Proposal for a regulation Article 2

Text proposed by the Commission

For the purposes of this Regulation, the following definitions apply:

(a) "irregularity" means an irregularity within the meaning of Article 1(2) of Regulation (EC, Euratom) No 2988/95;

(b) "governance systems" means the governance bodies referred to in Chapter II of Title II of this Regulation and the basic Union requirements laid down in this Regulation and Regulation (EU) .../... [CAP Strategic Plan Regulation], including the reporting system put in place for the purposes of the annual performance **report** referred to in Article 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation];

(c) "basic Union requirements" means the requirements laid down in Regulation (EU) .../... [CAP Strategic Plan Regulation] and in this Regulation.

Amendment

For the purposes of this Regulation, the following definitions apply:

(a) "irregularity" means an irregularity within the meaning of Article 1(2) of Regulation (EC, Euratom) No 2988/95;

(b) "governance systems" means the governance bodies referred to in Chapter II of Title II of this Regulation and the basic Union requirements laid down in this Regulation and Regulation (EU) .../... [CAP Strategic Plan Regulation], including ***Member States' obligations with regard to the effective protection of the financial interests of the Union referred to in Article 57 of this Regulation*** and the reporting system put in place for the purposes of the annual performance ***monitoring referred to in Article 38a of this Regulation and the multiannual performance review*** referred to in Article 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation];

(c) "basic Union requirements" means the requirements laid down in Regulation (EU) .../... [CAP Strategic Plan Regulation] and in this Regulation, ***in Regulation (EU) 2018/1046 (Financial Regulation) and in Directive 2014/24/EU (Public Procurement Directive);***
(ca) "Union requirements" means the basic Union requirements and the eligibility rules stemming from Regulation (EU) .../... [CAP Strategic Plan Regulation] contained in the CAP strategic plan of the Member State;
(cb) "output indicator" means output indicator as defined in point 12 of Article 2 of Regulation (EU) .../... [CPR Regulation];
(cc) "result indicator" means result indicator as defined in point 13 of Article 2 of Regulation (EU) .../... [CPR Regulation];

(cd) "serious deficiency" means serious deficiency as defined in point 30 of Article 2 of Regulation (EU) .../...[CPR Regulation];
(ce) "intermediate body" means intermediate body as defined in point 7 of Article 2 of Regulation (EU) .../...[CPR Regulation];
(cf) "action plan" means action plan as referred to in Article 39(1) and Article 40(1) of this Regulation.

Amendment 39

Proposal for a regulation

Article 3 – paragraph 1 – point -a (new)

Text proposed by the Commission

Amendment

(-a) the death of the beneficiary;

Amendment 40

Proposal for a regulation

Article 3 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) a *severe* natural disaster gravely affecting the holding;

(a) a natural disaster *or meteorological event* gravely affecting the holding;

Amendment 41

Proposal for a regulation

Article 3 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) the long-term professional incapacity of beneficiary;

Amendment 42

Proposal for a regulation

Article 3 – paragraph 1 – point a b (new)

Text proposed by the Commission

Amendment

(ab) market circumstances gravely affecting the holding;

Amendment 43

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) the ***accidental*** destruction of livestock buildings on the holding;

(b) the destruction of livestock buildings on the holding;

Amendment 44

Proposal for a regulation

Article 3 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an epizootic ***or*** a plant disease affecting part or all of the beneficiary's livestock or crops respectively;

(c) an epizootic, a plant disease ***or a plant pest outbreak*** affecting part or all of the beneficiary's livestock or crops respectively;

Amendment 45

Proposal for a regulation

Article 3 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Member States may apply point (a) of the first paragraph to a group of agricultural holdings affected by the same natural disaster or meteorological event.

Amendment 46

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

Amendment

The EAFRD shall be implemented in

The EAFRD shall be implemented in

shared management between the Member States and the Union. It shall finance the Union's financial contribution to the CAP Strategic Plan rural development interventions referred to in Chapter 4 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation].

shared management between the Member States and the Union. It shall finance the Union's financial contribution to the CAP Strategic Plan rural development interventions referred to in Chapter 4 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation] **and actions under Article 112 of that Regulation.**

Amendment 47

Proposal for a regulation

Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

The Funds may, either on the initiative of the Commission or on its behalf, each directly finance the preparatory, monitoring, administrative and technical support activities, and the evaluation, audit and inspection, required to implement the CAP. In particular, they shall include:

Amendment

The Funds may, either on the initiative of the Commission or on its behalf, each directly finance the **increased** preparatory, monitoring, administrative and technical support activities, and the evaluation, audit and inspection required to implement the CAP. **The EAFRD contribution referred to in Article 86(3) of Regulation (EU) .../... [CAP Strategic Plan Regulation] shall take into account the increase in administrative capacity building as regards the new governance and control systems in the Member States.** In particular, they shall include:

Amendment 48

Proposal for a regulation

Article 7 – paragraph 1 – point f

Text proposed by the Commission

(f) studies on the CAP and evaluations of measures financed by the Funds, including improvement of evaluation methods and exchange of information on practices under the CAP, as well as studies carried out with the European Investment Bank (EIB);

Amendment

(f) studies on the CAP and evaluations of measures financed by the Funds, including **the** improvement of evaluation methods and **the** exchange of information on **best** practices under the CAP **and consultations with the relevant stakeholders** as well as studies carried out with the European Investment Bank (EIB);

Amendment 49

Proposal for a regulation

Article 7 – paragraph 1 – point h

Text proposed by the Commission

(h) contribution to measures relating to the dissemination of information, raising awareness, promoting cooperation and exchanging experiences at Union level, and taken in the context of rural development interventions, including the networking of the parties concerned;

Amendment

(h) contribution to measures relating to the dissemination of information, raising awareness, promoting cooperation and exchanging experiences **with the relevant stakeholders** at Union level, and taken in the context of rural development interventions, including the networking of the parties concerned;

Amendment 50

Proposal for a regulation

Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a

Competent authority

1. Member States shall designate an authority at ministerial level responsible for:

- (a) the issuing, reviewing and withdrawing of accreditation of paying agencies referred to in Article 9(2);**
- (b) the issuing, reviewing and withdrawing of the accreditation of the coordinating body referred to in Article 10;**
- (c) the appointment, and revocation thereof, of the certification body referred to in Article 11;**
- (d) carrying out the tasks assigned to the competent authority under this Chapter taking into account the principle of proportionality.**

2. On the basis of an examination of the criteria to be adopted by the Commission in accordance with Article 12(1), the competent authority shall, by way of a formal act, decide:

- (a) on the issuing or, following a review, the withdrawal of the accreditation of the paying agency and**

the coordinating body;
(b) on the appointment, and revocation thereof, of the certification body.
The competent authority shall inform the Commission without delay of accreditation or appointment of the paying agencies, coordinating body and certification body, and of the withdrawal or revocation thereof.
The Commission shall promote the exchange of best practices for the operation of governance systems between Member States.

Amendment 273/rev

Proposal for a regulation Article 8

Text proposed by the Commission

Paying agencies **and coordinating bodies**

1. Paying agencies shall be departments or bodies of the Member States responsible for the management and control of expenditure referred in Article 5(2) and Article 6.

With the exception of making payment, the carrying out of those tasks may be delegated.

2. Member States shall accredit, as paying agencies, departments or bodies which have an administrative organisation and a system of internal control which provide sufficient guarantees that payments are legal, regular and properly accounted for. To this end, paying agencies shall comply with minimum conditions for the accreditation with regard to the internal environment, control activities, information and communication and monitoring laid down by the Commission pursuant to point (a) of Article **10(1)**.

Each Member State shall restrict the number of its accredited paying agencies as follows:

Amendment

Paying agencies

1. Paying agencies shall be departments or bodies of the Member States **and, if applicable, of regions** responsible for the management and control of expenditure referred in Article 5(2) and Article 6.

With the exception of making payment, the carrying out of those tasks may be delegated.

2. Member States shall accredit, as paying agencies, departments or bodies which have an administrative organisation and a system of internal control which provide sufficient guarantees that payments are legal, regular and properly accounted for. To this end, paying agencies shall comply with minimum conditions for the accreditation with regard to the internal environment, control activities, information and communication and monitoring laid down by the Commission pursuant to point (a) of Article **12a(1)**.

Each Member State shall, **taking into account its constitutional provisions**, restrict the number of its accredited paying agencies as follows:

- (a) to a single agency at national level or, where applicable, one per region; and
- (b) to a single agency for the management of both EAGF and EAFRD expenditure.

However, where paying agencies are established at regional level, Member States shall, in addition, either accredit a paying agency at national level for aid schemes which, by their nature, have to be managed at national level or Member States shall confer the management of these schemes on their regional paying agencies.

Paying agencies which did not manage EAGF or EAFRD expenditure for at least three years shall have their accreditation withdrawn.

Member States ***shall not*** appoint any ***new*** additional paying ***agency*** after the date of entry into force of this Regulation.

3. For the purposes of Article 63(5) and (6) of Regulation (EU, Euratom) **2018/...** ***[the new Financial Regulation]*** ('the Financial Regulation'), the person in charge of the accredited paying agency shall, by 15 February of the year following the financial year concerned, draw up and provide the Commission with the

- (a) to a single agency at national level or, where applicable, one per region; and
- (b) to a single agency for the management of both EAGF and EAFRD expenditure, ***where only an agency at national level exists.***

However, where paying agencies are established at regional level, Member States shall, in addition, either accredit a paying agency at national level for aid schemes which, by their nature, have to be managed at national level or Member States shall confer the management of these schemes on their regional paying agencies.

The accreditation of paying agencies for the period 2014-2020 shall be carried over to the programming period 2021-2027, provided that they have informed the competent authority that they are in compliance with the accreditation criteria, and unless a review carried out pursuant to point (a) of Article 7a(2) shows that this is not the case.

Paying agencies which did not manage EAGF or EAFRD expenditure for at least three years shall have their accreditation withdrawn.

Member States ***may*** appoint any additional paying ***agencies*** after...[the date of entry into force of this Regulation], ***provided that:***

(a) the number of accredited paying agencies does not increase in relation to the situation on 31 December 2019; or

(b) the new paying agencies are appointed pursuant to an administrative reorganisation in the Member State concerned.

3. For the purposes of Article 63(5) and (6) of Regulation (EU, Euratom) **2018/1046** ('the Financial Regulation'), the person in charge of the accredited paying agency shall, by 15 February of the year following the financial year concerned, draw up and provide the Commission with the

following:

(a) the annual accounts for the expenditure incurred in carrying out the tasks entrusted to their accredited paying agency, as provided for in point (a) of Article 63(5) of the Financial Regulation, accompanied by the requisite information for their clearance in accordance with Article 51;

(b) *the annual performance report referred to in Article 52(1) showing that the expenditure was made in accordance with Article 35;*

(c) a management declaration as provided for in Article 63(6) of the Financial Regulation, as to:

(i) the fact that the information is properly presented, complete and accurate, as provided for in point (a) of Article 63(6) of the Financial Regulation,

(ii) the proper functioning of the ***governance*** systems put in place, which give ***the necessary guarantees concerning the outputs reported in the annual performance report***, as provided for in points (b) and (c) of Article 63(6) of the Financial Regulation,

(iii) an analysis of the nature and extent of errors and weaknesses identified in systems by audit and controls, as well as corrective action taken or planned, as provided for in point (b) of Article 63(5) of the Financial Regulation.

The deadline of 15 February referred to in the first subparagraph may be exceptionally extended by the Commission to 1 March, upon request by the Member State concerned, as provided for in the second subparagraph Article 63(7) of the Financial Regulation.

following:

(a) the annual accounts for the expenditure incurred in carrying out the tasks entrusted to their accredited paying agency, as provided for in point (a) of Article 63(5) of the Financial Regulation, accompanied by the requisite information for their clearance in accordance with Article 51;

(b) *an annual summary of the final audit reports and of controls carried out, including their outcome and an analysis of the nature and extent of errors and weaknesses identified in systems by audit and controls, as well as corrective action taken or planned, as provided for in point (b) of Article 63(5) of the Financial Regulation;*

(c) a management declaration as provided for in Article 63(6) of the Financial Regulation, as to:

(i) the fact that the information is properly presented, complete and accurate, as provided for in point (a) of Article 63(6) of the Financial Regulation,

(ii) the proper functioning of the ***internal control*** systems put in place ***in line with the basic Union requirements***, which give, as provided for in points (b) and (c) of Article 63(6) of the Financial Regulation, ***the necessary guarantees that the expenditure was made in accordance with Article 35 of this Regulation.***

The deadline of 15 February referred to in the first subparagraph may be exceptionally extended by the Commission to 1 March, upon request by the Member State concerned, as provided for in the second subparagraph Article 63(7) of the Financial Regulation.

3a. For the purpose of the annual performance monitoring referred to in Article 38a and the multiannual performance review referred to in Article 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation], the person in charge of the accredited paying agency shall, by 15 February of the year following the financial year concerned, draw up and provide the Commission with the performance report.

The report shall reflect the operations carried out and the progress made towards the achievement of the objectives as set out in the CAP National Strategic Plan and contain information about realised outputs and realised expenditure every year, information on realised results and distance to respective targets every two years, and, where feasible, reporting on impacts using the data referred to in Article 129 of Regulation (EU) .../... [CAP Strategic Plan Regulation].

The performance report shall be submitted to the Commission for the first time by ... [two years after the date of application of this Regulation] and then each subsequent year until and including 2030. The first performance report shall cover the first two financial years after ... [year of the date of application of this Regulation]. Of those direct payments referred to in Chapter II of Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation], the performance report shall cover only the financial year ... [year following that of the date of application of this Regulation].

4. Where more than one paying agency is accredited, Member States shall appoint a public coordinating body, to which it shall assign the following tasks:

- (a) to collect the information to be provided to the Commission and to send that information to the Commission;*
- (b) to furnish the annual performance report referred to in Article 52(1);*

(c) to take or coordinate actions with a view to resolving any deficiencies of a common nature and to keep the Commission informed of any follow-up;

(d) to promote and ensure harmonised application of Union rules. As regards the processing of the financial information referred to in point (a) of the first subparagraph, the coordinating body shall be subject to specific accreditation by the Member States.

The annual performance report provided by the coordinating body shall be covered by the scope of the opinion referred to in Article 11(1) and its transmission shall be accompanied by a management declaration covering the entirety of that report.

5. Where an accredited paying agency does not meet or no longer meets one or more of the accreditation criteria referred to in paragraph 2, the Member State, acting on its own initiative or at the request of the Commission, shall withdraw that accreditation unless the paying agency makes the necessary changes within a period to be determined by the competent authority depending on the severity of the problem.

6. The paying agencies shall manage and ensure the control of the operations linked to public intervention for which they are responsible and they shall retain overall responsibility in that field.

Where support is provided through a financial instrument which is implemented by the EIB or another international financial institution in which a Member State is a shareholder, the paying agency shall rely on the control report supporting the payment applications submitted by the EIB or another international institution.

5. Where an accredited paying agency does not meet or no longer meets one or more of the accreditation criteria referred to in paragraph 2, the Member State, acting on its own initiative or at the request of the Commission, shall withdraw that accreditation unless the paying agency makes the necessary changes within a period to be determined by the competent authority depending on the severity of the problem.

6. The paying agencies shall manage and ensure the control of the operations linked to public intervention for which they are responsible and they shall retain overall responsibility in that field.

Where support is provided through a financial instrument which is implemented by the EIB or another international financial institution in which a Member State is a shareholder, the paying agency shall rely on the control report supporting the payment applications submitted by the EIB or another international institution.

Amendment 63

Proposal for a regulation Article 9

Article 9

deleted

Competent authority

1. Member States shall designate an authority at ministerial level responsible for:

- (a) the issuing, reviewing and withdrawing of accreditation of paying agencies referred to in Article 8(2);**
- (b) the accreditation of the coordinating body referred to in Article 8(4);**
- (c) the appointing of the certification body referred to in Article 11;**
- (d) carrying out the tasks assigned to the competent authority under this Chapter.**

2. The competent authority shall, by way of a formal act, decide on the issuing or, following a review, the withdrawal of the accreditation of the paying agency and the coordinating body on the basis of an examination of the accreditation criteria to be adopted by the Commission in accordance with point (a) of Article 10(1). The competent authority shall inform the Commission of accreditations and withdrawals of accreditations without delay.

Amendment 222

**Proposal for a regulation
Article 10 a (new)**

Article 10a

Coordinating bodies

1. Where more than one paying agency is accredited in a Member State, that Member State shall appoint a public coordinating body, to which it shall assign the following tasks:

- (a) to collate the documents, data and information to be provided to the Commission and to send that information**

to the Commission;

(b) to take or coordinate actions with a view to resolving any deficiencies of a common nature and to keep the Commission informed thereof as well as of any follow-up;

(c) to ensure the harmonised application of Union rules.

As regards the processing of the information of a financial character referred to in point (a) of the first subparagraph, the coordinating body shall be subject to specific accreditation by the Member State.

The documents, data and information referred to in Article 8(3) and (3a) submitted by the paying agencies and to be provided by the coordinating body shall be covered by the scope of the certification body's opinion referred to in Article 11(1) and transmitted together with a management declaration covering the entirety of those documents.

Amendment 274

Proposal for a regulation Article 11

Text proposed by the Commission

1. The certification body shall be a public or private audit body designated by the Member State for a minimum three year period, without prejudice to national law. Where it is a private audit body, and where the applicable Union or national law so requires, it shall be selected by the Member State by means of a public tendering procedure.

For the purposes of the first subparagraph of Article 63(7) of the Financial Regulation, the certification body shall

Amendment

1. The certification body shall be a public or private audit body designated by the Member State for a minimum three year period, without prejudice to national law. Where it is a private audit body, and where the applicable Union or national law so requires, it shall be selected by the Member State by means of a public tendering procedure.

However, a Member State that designates more than one certification body shall also appoint a public certification body at the national level to be responsible for coordination.

For the purposes of the first subparagraph of Article 63(7) of the Financial Regulation, the certification body shall

provide an opinion, drawn up in accordance with internationally accepted audit standards, which shall establish whether:

- (a) the accounts give a true and fair view;
- (b) the Member States' governance systems put in place function properly;
- (c) the performance reporting ***on output indicators*** for the ***purposes*** of the annual ***performance clearance referred to in Article 52 and the performance reporting on result indicators for the multiannual*** performance monitoring referred to in Article ***115*** of Regulation (EU) .../... [CAP Strategic Plan Regulation], ***demonstrating that Article 35 of this Regulation is complied with***, is correct;
- (d) the expenditure for the measures laid down in Regulation (EU) No 1308/2013 for which reimbursement has been requested from the Commission is legal and regular.

That opinion shall also state whether the examination calls into question the assertions made in the management declaration referred to in point(c) of Article 8(3).

Where support is provided through a financial instrument which is implemented by the EIB or another international financial institution in which a Member State is a shareholder, the certification body shall rely on the annual audit report drawn up by the external auditors of those institutions.

2. The certification body shall have the necessary technical expertise. It shall be operationally independent from the paying agency and the coordinating body concerned as well as from the authority which has accredited that agency and the bodies responsible for the implementation and the monitoring of the CAP.

provide an opinion, drawn up in accordance with internationally accepted audit standards, which shall establish whether:

- (a) the accounts give a true and fair view;
- (b) the Member States' governance systems put in place function properly;
- (c) the performance reporting for the ***purpose*** of the annual performance monitoring referred to in Article ***38a and the multiannual performance review referred to in Article 121*** of Regulation (EU) .../...[CAP Strategic Plan Regulation], ***reflecting the operations carried out and the progress made towards the achievement of the objectives, as set out in the CAP National Strategic Plan***, is correct;
- (d) the expenditure for the measures laid down in ***Regulations (EU) .../... [CAP Strategic Plan Regulation]***, (EU) No 1308/2013, ***(EU) No 228/2013, (EU) No 229/2013 and (EU) No 1144/2014*** for which reimbursement has been requested from the Commission is legal and regular ***and demonstrates that Article 35 of this Regulation is complied with***.

That opinion shall also state whether the examination calls into question the assertions made in the management declaration referred to in point(c) of Article 8(3).

Where support is provided through a financial instrument which is implemented by the EIB or another international financial institution in which a Member State is a shareholder, the certification body shall rely on the annual audit report drawn up by the external auditors of those institutions.

2. The certification body shall have the necessary technical expertise, ***in terms of both financial management and also related to assessing the achievement of the intended aims of the interventions. All data and information used to enable certifying bodies to provide assurance that targets are being met, as well as those underlying the assumptions made, shall***

be made available transparently. It shall be operationally independent from the paying agency and the coordinating body concerned as well as from the authority which has accredited that agency and the bodies responsible for the implementation and the monitoring of the CAP.

3. The Commission shall adopt implementing acts laying down rules on the tasks of the certification bodies, including the checks to be carried out and the bodies subject to those checks, and on the certificates and the reports, together with the documents accompanying them, to be drawn up by those bodies.

The implementing acts shall also set out:

(a) the audit principles on which the opinions of the certification bodies are based, including an assessment of the risks, internal controls and the level of audit evidence required;

(b) the audit methods to be used, by the certification bodies, having regard to international standards on auditing, to deliver their opinions.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

3a. Once Member States' competent authorities have appointed the certification bodies referred to in this Article and have informed the Commission thereof, the Commission shall present a comprehensive list of all such bodies to the European Parliament, no later than one year after ... [the date of application of this Regulation] and a second time no later than four years thereafter.

Amendment 74

Proposal for a regulation Article 12 – paragraph 1

Text proposed by the Commission

1. The annual ceiling for EAGF expenditure shall be constituted by the maximum amounts set for it under

Amendment

1. The annual ceiling for EAGF expenditure shall be constituted by the maximum amounts set for it under

Amendment 75

Proposal for a regulation Article 12 a (new)

Text proposed by the Commission

Amendment

Article 12a

Commission powers

1. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on:

(a) the minimum conditions for the accreditation of the paying agencies referred to in Article 9(2) and of the coordinating bodies referred to in Article 10(4);

(b) the obligations of the paying agencies as regards public intervention and the rules concerning the content of their management and control responsibilities;

(c) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies and coordinating bodies and for the appointment, and revocation thereof, of certification bodies, as well as the procedures for the supervision of the accreditation of paying agencies, taking into account the principle of proportionality;

(d) the work and checks underlying the management declaration of the paying agencies, referred to in point (c) of Article 9(3);

(e) the functioning of the coordinating body and the notification of information to the Commission under Article 10(4).

2. The Commission shall adopt delegated acts in accordance with Article 100 supplementing this Regulation by laying down rules on the tasks of the certification bodies, including the checks to be carried out and the bodies subject to those checks, and on the certificates and

the reports, together with the documents accompanying them, to be drawn up by those bodies.

Those delegated acts shall also set out:

- (a) the audit principles on which the opinions of the certification bodies are based, including an assessment of the risks, internal controls and the level of audit evidence required; and*
- (b) the audit methods to be used, by the certification bodies, having regard to international standards on auditing, to deliver their opinions, which may include the possibility of monitoring paying agencies' on-the-spot checks.*

Amendment 76

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 1

Text proposed by the Commission

A reserve *intended* to provide additional support for the agricultural sector for the purpose of market management or stabilisation *or* in the case of crises affecting the agricultural production or distribution (*“the agricultural reserve”*) *shall be established at the beginning of each year in the EAGF.*

Amendment

An EU agricultural crisis reserve (‘the reserve’) shall be established in the budget of the CAP to provide additional support for the agricultural sector for the purpose of market management or stabilisation *and to respond promptly* in the case of crises affecting the agricultural production or distribution.

Amendment 77

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Appropriations for the *agricultural* reserve shall be entered directly in the Union's budget.

Amendment

The appropriations for the reserve shall be entered directly in the Union's budget *and deployed, in the financial year or years for which additional support is required, in order to fund the following measures:*

- (a) measures to stabilise agricultural markets under Articles 8 to 21 of Regulation (EU) No 1308/2013;*
- (b) exceptional measures under Chapter I, Part V of Regulation (EU) No*

1308/2013;

(c) measures to complement the income stabilisation tools referred to in Article 70 of Regulation (EU) .../... [CAP Strategic Plans Regulation] in the event of market crises occurring with a frequency higher than a predefined sector-specific threshold.

Amendment 78

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 100 in order to supplement this Article by defining the sector-specific thresholds required to trigger the measures to complement the income stabilisation tools as referred to in point (c) of the second subparagraph of this paragraph.

Amendments 79 and 242

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

Funds from the agricultural reserve shall be made available for measures under Articles 8 to 21 and 219, 220, and 221 of Regulation (EU) No 1308/2013 for the year or years for which the additional support is required.

deleted

Amendment 80

Proposal for a regulation

Article 14 – paragraph 2 – subparagraph -1 (new)

Text proposed by the Commission

Amendment

An initial amount of EUR 400 000 000 in current prices shall be set up in 2021 in addition to the EAGF and EAFRD

budgets.

Amendment 81

Proposal for a regulation

Article 14 – paragraph 2 – subparagraph 1

Text proposed by the Commission

The amount of the agricultural reserve shall be at least EUR 400 million in current prices at the beginning of each year of the period 2021-2027. ***The Commission may adjust*** the amount of the agricultural reserve during the year when appropriate in view of ***market*** developments or perspectives ***in*** the current or following ***year*** and taking into account available ***appropriations*** under the EAGF.

Amendment

At the beginning of each year of the period 2021-2027, the amount of the ***EU*** agricultural ***crisis*** reserve ***shall be at least equal to the initial amount allocated in 2021, with the potential for increases over that period up to a ceiling of EUR 1 500 000 000 in current prices, without prejudice to the relevant decisions taken by the budgetary authority.***

The amount of the EU agricultural crisis reserve shall be adjusted through the annual budgetary procedure or during the year when appropriate in view of ***crisis*** developments or perspectives ***concerning*** the current or following ***years*** and taking into account available ***revenues assigned to the EAGF or margins available*** under the EAGF ***sub-ceiling***.

Amendments 82 and 244

Proposal for a regulation

Article 14 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

In the event that such available appropriations are not sufficient, financial discipline may be used to fund the reserve up to the initial amount referred to in the first subparagraph.

Amendment 83

Proposal for a regulation

Article 14 – paragraph 2 – subparagraph 2

Text proposed by the Commission

By way of derogation from point (d) of Article 12(2) of the Financial Regulation, non-committed appropriations of the **agricultural** reserve shall be carried over without time limitation to finance the **agricultural** reserve in the following financial years.

Amendment

By way of derogation from point (d) of Article 12(2) of the Financial Regulation, non-committed appropriations of the reserve shall be carried over without time limitation to finance the reserve in the following financial years.

Amendments 84 and 247

Proposal for a regulation

Article 14 – paragraph 2 – subparagraph 3

Text proposed by the Commission

Moreover, by derogation from point (d) of Article 12(2) of the Financial Regulation, the total unused amount of the crisis reserve available at the end of year 2020 shall be carried over to the year 2021 without being returned to the budgetary lines which cover the actions referred to in point (c) of Article 5(2) and made available for the financing of the agricultural reserve.

Amendment

deleted

Amendment 85

Proposal for a regulation

Article 15 – paragraph 1 – subparagraph 1

Text proposed by the Commission

An adjustment rate for direct payments interventions referred to in point (c) of Article 5(2) of this Regulation ***and Union financial contribution to the specific measures referred to in point (f) of Article 5(2) of this Regulation and granted under Chapter IV of Regulation (EU) No 228/2013 and Chapter IV of Regulation (EU) No 229/2013, ("the adjustment rate")*** shall be determined by the Commission when the forecasts for the financing of the interventions and measures financed under that sub-ceiling for a given financial year

Amendment

An adjustment rate for direct payments interventions referred to in point (c) of Article 5(2) of this Regulation ("the adjustment rate") shall be determined by the Commission when the forecasts for the financing of the interventions and measures financed under that sub-ceiling for a given financial year indicate that the applicable annual ceilings will be exceeded.

indicate that the applicable annual ceilings will be exceeded.

Amendment 86

Proposal for a regulation

Article 15 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The adjustment rate determined in accordance with this Article shall only apply to direct payments in excess of EUR 2 000 to be granted to beneficiaries in the corresponding calendar year.

Amendment 87

Proposal for a regulation

Article 19 – paragraph 6

Text proposed by the Commission

Amendment

6. The Commission may adopt implementing acts determining supplementary payments or deductions adjusting the payments made in accordance with paragraph 3, ***without*** applying the procedure referred to in Article 101.

6. The Commission may adopt implementing acts determining supplementary payments or deductions adjusting the payments made in accordance with paragraph 3, applying the procedure referred to in Article 101.

Amendment 88

Proposal for a regulation

Article 22 – paragraph 2

Text proposed by the Commission

Amendment

In accordance with point (b) of Article 7, the Commission shall supply that satellite data free of charge to the authorities competent for the area monitoring system or to suppliers of services authorised by those bodies to represent them.

In accordance with point (b) of Article 7, the Commission shall supply that satellite data free of charge to the authorities competent for the area monitoring ***and control*** system or to suppliers of services authorised by those bodies to represent them.

Amendment 89

Proposal for a regulation

Article 22 – paragraph 4

Text proposed by the Commission

The Commission may entrust specialised entities to carry out tasks relating to techniques or working methods in connection with the area monitoring system referred to in point (c) of Article 64(1).

Amendment

The Commission may entrust specialised entities to carry out tasks relating to techniques or working methods in connection with the area monitoring **and control** system referred to in point (c) of Article 64(1).

Amendment 90

Proposal for a regulation

Article 23 – paragraph 1 – point b

Text proposed by the Commission

(b) ensure agri-economic and agri-environmental-climate monitoring of agricultural land use and agricultural land use change, including agro-forestry, and monitoring of the condition of crops so as to enable estimates to be made, in particular as regards yields and agricultural production and agricultural impacts associated with exceptional circumstances;

Amendment

(b) ensure agri-economic and agri-environmental-climate monitoring of agricultural land use and agricultural land use change, including agro-forestry, and monitoring of the condition of **soil, water, crops and other vegetation** so as to enable estimates to be made, in particular as regards yields and agricultural production and agricultural impacts associated with exceptional circumstances, **and assessment of the resilience of agricultural systems against climate change and progress towards the relevant Sustainable Development Goals**;

Amendment 91

Proposal for a regulation

Article 23 – paragraph 1 – point d

Text proposed by the Commission

(d) contribute to transparency of world markets;

Amendment

(d) contribute to **specific measures increasing the** transparency of world markets **including market monitoring, taking account of Union objectives and commitments including that to Policy Coherence for Development**.

Amendment 92

Proposal for a regulation Article 23 – paragraph 2

Text proposed by the Commission

Pursuant to **point (c) of** Article 7 the Commission shall finance the actions concerning the collection or purchase of data needed to implement and monitor the CAP, including satellite data, geo-spatial data and meteorological data, the creation of a spatial data infrastructure and a website, the carrying out of specific studies on climatic conditions, remote sensing used to assist in the monitoring of agricultural land use change and soil health and the updating of agri-meteorological and econometric models. Where necessary, those actions shall be carried out in collaboration with EEA, JRC, national laboratories and bodies or with the involvement of the private sector.

Amendment

Pursuant to Article 7 the Commission shall finance the actions concerning the collection or purchase of data needed to implement and monitor the CAP **and its effects**, including satellite data, geo-spatial data and meteorological data, the creation of a spatial data infrastructure and a website, the carrying out of specific studies on climatic conditions, remote sensing used to assist in the monitoring of agricultural land use change and soil health and the updating of agri-meteorological and econometric models. Where necessary, those actions shall be carried out in collaboration with EEA, JRC, **Eurostat**, national laboratories and bodies or with the involvement of the private sector, **while ensuring impartiality, transparency and the free availability of information to the greatest possible extent.**

Amendment 93

Proposal for a regulation Article 29 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

(a) in 2021: **1** % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment

(a) in 2021: **1,5** % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment 94

Proposal for a regulation Article 29 – paragraph 1 – subparagraph 1 – point b

Text proposed by the Commission

(b) in 2022: **1** % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment

(b) in 2022: **1,5** % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment 95

Proposal for a regulation Article 29 – paragraph 3

Text proposed by the Commission

3. **No** additional prefinancing **shall** be paid or recovered where a transfer to or from the EAFRD has taken place in accordance with Article 90 of Regulation (EU) .../... [CAP Strategic Plan Regulation].

Amendment

3. Additional prefinancing **may** be paid or recovered where a transfer to or from the EAFRD has taken place in accordance with Article 90 of Regulation (EU) .../... [CAP Strategic Plan Regulation].

Amendment 96

Proposal for a regulation Article 29 – paragraph 4

Text proposed by the Commission

4. Interest generated on the prefinancing shall be used for the CAP Strategic Plan concerned and deducted from the amount of public expenditure indicated on the final declaration of expenditure.

Amendment

4. Interest generated on the prefinancing shall be used for the CAP Strategic Plan **or the Regional Intervention Programme** concerned and deducted from the amount of public expenditure indicated on the final declaration of expenditure.

Amendment 97

Proposal for a regulation Article 30 – paragraph 1

Text proposed by the Commission

1. Interim payments shall be made for each CAP Strategic Plan. They shall be calculated by applying the **contribution** rate for each type of intervention to the public expenditure effected pertaining to it as referred to in Article 85 of Regulation (EU) .../...[CAP Strategic Plan Regulation].

Amendment

1. Interim payments shall be made for each CAP Strategic Plan **or, where appropriate, for each Regional Intervention Programme**. They shall be calculated by applying the **co-financing** rate for each type of intervention to the public expenditure effected pertaining to it as referred to in Article 85 of Regulation (EU) .../...[CAP Strategic Plan Regulation].

Amendment 98

Proposal for a regulation

Article 30 – paragraph 4 – point a

Text proposed by the Commission

(a) the amount included in the first declaration of expenditure shall need to have been previously paid to the financial instrument and may be up to 25% of the total amount of the CAP Strategic Plan **contribution** committed to the financial instruments under the relevant funding agreement;

Amendment

(a) the amount included in the first declaration of expenditure shall need to have been previously paid to the financial instrument and may be up to 25% of the total amount of the CAP Strategic Plan **co-financing** committed to the financial instruments under the relevant funding agreement;

Amendment 99

Proposal for a regulation

Article 31 – paragraph 1

Text proposed by the Commission

1. After receiving the last annual **performance** report on the implementation of a CAP Strategic Plan, the Commission shall pay the balance, **subject to the availability of resources**, on the basis of the financial plan in force at the level of the types of EAFRD interventions, the annual accounts for the last execution year for the relevant CAP Strategic Plan and of the corresponding clearance decisions. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure provided for in Article 80(3) of Regulation (EU) No.../...[CAP Strategic Plan Regulation] and shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.

Amendment

1. After receiving the last annual **clearance** report on the implementation of a CAP Strategic Plan, the Commission shall pay the balance, on the basis of the financial plan in force at the level of the types of EAFRD interventions, the annual accounts for the last execution year for the relevant CAP Strategic Plan and of the corresponding clearance decisions. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure provided for in Article 80(3) of Regulation (EU) No.../...[CAP Strategic Plan Regulation] and shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.

Amendment 100

Proposal for a regulation

Article 31 – paragraph 3

Text proposed by the Commission

3. If, by the time limit set out in paragraph 1, the Commission has not received the last annual **performance** report and the documents needed for clearance of the accounts of the last execution year of the Plan, the balance shall be automatically decommitted in accordance with Article 32.

Amendment

3. If, by the time limit set out in paragraph 1, the Commission has not received the last annual **clearance** report and the documents needed for clearance of the accounts of the last execution year of the Plan, the balance shall be automatically decommitted in accordance with Article 32.

Amendment 101

Proposal for a regulation
Article 32 – paragraph 1

Text proposed by the Commission

1. The Commission shall automatically decommit any portion of a budget commitment for rural development interventions in a CAP Strategic Plan that has not been used for the purposes of prefinancing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 30(3) has been presented to it in relation to expenditure effected by 31 December of the **second** year following that of the budget commitment.

Amendment

1. The Commission shall automatically decommit any portion of a budget commitment for rural development interventions in a CAP Strategic Plan that has not been used for the purposes of prefinancing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 30(3) has been presented to it in relation to expenditure effected by 31 December of the **third** year following that of the budget commitment.

Amendment 102

Proposal for a regulation
Article 32 – paragraph 3

Text proposed by the Commission

3. In the event of legal proceedings or of an administrative appeal having suspensory effect, the period for automatic decommitment referred to in paragraph 1 or 2 shall, in respect of the amount relating to the operations concerned, be interrupted for the duration of those proceedings or that administrative appeal, provided that the Commission receives a substantiated notification from the Member State by 31

Amendment

3. In the event of legal proceedings or of an administrative appeal having suspensory effect, the period for automatic decommitment referred to in paragraph 1 or 2 shall, in respect of the amount relating to the operations concerned, be interrupted for the duration of those proceedings or that administrative appeal, provided that the Commission receives a substantiated notification from the Member State by 31

January of year N + 3.

January of year N + 4.

Amendment 103

Proposal for a regulation

Article 32 – paragraph 4 – subparagraph 1 – point a

Text proposed by the Commission

(a) that part of the budget commitments for which a declaration of expenditure has been made but for which reimbursement has been reduced or suspended by the Commission at 31 December of year N + 2;

Amendment

(a) that part of the budget commitments for which a declaration of expenditure has been made but for which reimbursement has been reduced or suspended by the Commission at 31 December of year N + 3;

Amendment 104

Proposal for a regulation

Article 34 – paragraph 2 – introductory part

Text proposed by the Commission

Under EAFRD, an operation may receive different forms of support from the CAP Strategic Plan and from other European Structural and Investments Funds (ESI) Funds or Union instruments only if the total cumulated aid amount granted under the different forms of support does not exceed the highest aid intensity or aid amount applicable to that type of intervention as referred to in Title III of Regulation (EU) No.../... (CAP Strategic Plan Regulation). In such cases ***Member States shall not declare*** expenditure ***to the Commission for***.

Amendment

Under EAFRD, an operation may receive different forms of support from the CAP Strategic Plan and from other European Structural and Investments Funds (ESI) Funds or Union instruments only if the total cumulated aid amount granted under the different forms of support does not exceed the highest aid intensity or aid amount applicable to that type of intervention as referred to in Title III of Regulation (EU) No.../... (CAP Strategic Plan Regulation). In such cases expenditure ***shall not be declared for either of the following***:

Amendment 275

Proposal for a regulation

Article 35

Text proposed by the Commission

The expenditure ***referred to in Article 5(2) and Article 6*** may be financed by the Union only if:

Amendment

The expenditure ***for the measures laid down in Regulations (EU) No 1308/2013, (EU) No 228/2013, (EU) No 229/2013 and (EU) No 1144/2014*** may be financed by

- (a) it has been effected by accredited paying agencies,
 - (b) it has been effected in accordance with the applicable Union rules, *or*
 - (c) *as regards types of interventions referred to in Regulation (EU) .../... [CAP Strategic Plan Regulation],*
 - (i) *it is matched by a corresponding reported output, and*
 - (ii) *it has been effected in accordance with the applicable governance systems, not extending to the eligibility conditions for individual beneficiaries laid down in the national CAP Strategic Plans.*
- Point (c)(i) of the first paragraph shall not apply to advances paid to beneficiaries under types of interventions referred to in Regulation (EU) No.../...[CAP Strategic Plan Regulation].*

the Union only if:

- (a) it has been effected by accredited paying agencies; **and**
- (b) it has been effected in accordance with the applicable Union rules.

The expenditure for the measures laid down in Regulation (EU) .../... [CAP Strategic Plan Regulation] may be financed by the Union only if:

- (a) *it has been effected by accredited paying agencies;*
- (b) *it has been effected in accordance with the applicable Union requirements; and*
- (c) *it has been effected in accordance with the applicable governance systems, including Member States' obligations with regard to the effective protection of the financial interests of the Union referred to in Article 57 of this Regulation and the reporting system put in place for the purposes of the performance report referred to in Article 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation].*

Amendment 109

Proposal for a regulation Article 37 – paragraph 2

Text proposed by the Commission

2. Where the Commission establishes from declarations of expenditure or the information referred to in Article 88 that the payment deadlines referred to in Article 36 have not been complied with, the Member State shall be afforded the opportunity to submit its comments within

Amendment

2. Where the Commission establishes from declarations of expenditure or the information referred to in Article 88 that the payment deadlines referred to in Article 36 have not been complied with, the Member State shall be afforded the opportunity to submit its comments within

a period which shall not be less than 30 days. Where the Member State fails to submit its comments within the said period or where the Commission *considers the response to be unsatisfactory*, the Commission may reduce the monthly or interim payments to the Member State concerned in the framework of the implementing acts concerning the monthly payments referred to in Article 19(3) or in the framework of the interim payments referred to in Article 30.

a period which shall not be less than 30 days. Where the Member State fails to submit its comments within the said period or where the Commission *has concluded that the comments provided are manifestly insufficient*, the Commission may reduce the monthly or interim payments to the Member State concerned in the framework of the implementing acts concerning the monthly payments referred to in Article 19(3) or in the framework of the interim payments referred to in Article 30. *The Commission shall ensure that any reductions do not result in additional delays or difficulties for final beneficiaries in the Member State concerned.*

Amendment 110

Proposal for a regulation Article 37 – paragraph 3

Text proposed by the Commission

3. Reductions under this Article shall be without prejudice to Article 51.

Amendment

3. Reductions under this Article shall be *applied in accordance with the principle of proportionality and* without prejudice to Article 51.

Amendment 276

Proposal for a regulation Article 38

Text proposed by the Commission

1. Where Member States do not submit the documents referred to in Articles 8(3) and 11(1) *by* the deadlines, as provided for in Article 8(3), the Commission *may* adopt implementing acts suspending the total amount of the monthly payments referred to in Article 19(3). The Commission shall reimburse the suspended amounts when it receives the missing documents from the Member State concerned, provided that the date of receipt is not later than six months after the deadline.

Amendment

1. Where Member States do not submit the documents *and data* referred to in Articles 8 and 11(1) *within* the deadlines, as provided for in Article 8, *and, where applicable, in Article 129(1) of Regulation (EU) .../... [CAP Strategic Plan Regulation]*, the Commission *shall* adopt implementing acts suspending the total amount of the monthly payments referred to in Article 19(3). The Commission shall reimburse the suspended amounts when it receives the missing documents from the

As regards the interim payments referred to in Article 30, declarations of expenditure shall be deemed inadmissible in accordance with paragraph 6 of that Article.

2. Where, in the framework of the annual performance clearance referred to in Article 52, the Commission establishes that the difference between the expenditure declared and the amount corresponding to the relevant reported output is more than 50% and the Member State cannot provide duly justified reasons, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

The suspension shall be applied to the relevant expenditure in respect of the interventions which have been subject to the reduction referred to in Article 52(2) and the amount to be suspended shall not exceed the percentage corresponding to the reduction applied in accordance with Article 52(2). The amounts suspended shall be reimbursed by the Commission to the Member States or permanently reduced by means of the implementing act referred to in Article 52.

The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the rate of suspension of payments.

3. The implementing acts provided for in this Article shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

Before adopting those implementing acts, the Commission shall inform the Member State concerned of its intention and shall give the Member State the opportunity to submit its comments within a period which shall not be less than 30 days.

The implementing acts determining the monthly payments referred to in Article

Member State concerned, provided that the date of receipt is not later than six months after the deadline.

As regards the interim payments referred to in Article 30, declarations of expenditure shall be deemed inadmissible in accordance with paragraph 6 of that Article.

3. The implementing acts provided for in this Article shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

Before adopting those implementing acts, the Commission shall inform the Member State concerned of its intention and shall give the Member State the opportunity to submit its comments within a period which shall not be less than 30 days.

The implementing acts determining the monthly payments referred to in Article

19(3) or the interim payments referred to in Article 30 shall take account of the implementing acts adopted under this paragraph.

19(3) or the interim payments referred to in Article 30 shall take account of the implementing acts adopted under this paragraph.

Amendment 277

Proposal for a regulation

Article 38 a (new)

Text proposed by the Commission

Amendment

Article 38a

Annual performance monitoring

- 1. The Commission shall monitor the operations carried out under the interventions referred to in Regulation (EU) .../... [CAP Strategic Plan Regulation] and assess the correspondence between the realised output and the realised expenditure reported in the performance report from ... [two years after the date of application of this Regulation] and then every year thereafter.***
- 2. Where, in the framework of the annual performance monitoring referred to in paragraph 1, the Commission establishes that the difference between the expenditure declared and the amount corresponding to the relevant reported output is more than 35 %, the Member State shall submit justifications before the review meeting referred to in Article 122 of that Regulation to the Commission. Where the Member State concerned cannot provide duly justified reasons for the difference, the Commission shall request from the Member State concerned an assessment of the issues affecting the implementation of the CAP Strategic Plan, in particular as regards potential future deviations from the relevant milestones in the future and foreseeable difficulties in meeting the relevant targets for result indicators in the framework of the multiannual performance review referred to in Article 121 of Regulation (EU) .../...[CAP Strategic Plan Regulation], and, where relevant, to***

describe the measures already taken and to be taken.

The Commission may, where necessary, issue an early warning during the review meeting and ask the Member State to devise and implement the additional remedial actions for the following financial year.

3. No later than 15 March ... [two years after the date of application of this Regulation] and each subsequent year, the Commission shall transmit to the European Parliament a summary report on the annual performance monitoring carried out the previous calendar year, including early warnings issued.

Amendment 278

Proposal for a regulation Article 39

Text proposed by the Commission

Suspension of payments in relation to the multi-annual performance **monitoring**

1. In case of delayed or insufficient progress towards **targets**, as set out in the national CAP Strategic Plan and monitored in accordance with Articles 115 and 116 of Regulation (EU) .../...[CAP Strategic Plan Regulation], the Commission may **ask** the Member State concerned to **implement the necessary remedial actions in accordance with an action plan with clear progress indicators, to be established** in consultation with the Commission.

Amendment

Suspension **and reductions** of payments in relation to the multi-annual performance **review**

1. **The Commission shall carry out a multiannual performance review as referred in Article 121 of Regulation (EU) .../...[CAP Strategic Plan Regulation] based on the information provided in the performance reports from ... [two years after the date of application of this Regulation] and every two years thereafter.**

In **the** case of delayed or insufficient progress towards **milestones for result indicators, and where the reported value of one or more result indicators**, as set out in the national CAP Strategic Plan and monitored in accordance with Articles 115 and 116 of Regulation (EU) .../...[CAP Strategic Plan Regulation], **reveals a shortfall of more than 25 % for the reporting year concerned, the Member State concerned shall submit justification for that shortfall before the review**

meeting referred to in Article 122 of that Regulation.

Where the Member State concerned cannot provide justification for the shortfall, the Commission may request during the review meeting the Member State concerned to devise and establish in consultation with the Commission an action plan and to implement such action plan.

The Member State concerned shall submit to the Commission, within three months following the Commission's request, the action plan referred to in the second subparagraph, including the necessary remedial actions and the expected timeframe for its execution. That action plan shall clearly identify the interventions related to the result indicators for which the shortfall has been identified.

Within a period of 30 days, the Commission shall either notify the Member State concerned in writing that it accepts the action plan or it shall send a request to the Member State concerned for its modifications. The Member State concerned shall comply with the action plan and respect the expected timeframe for its execution as accepted by the Commission.

For the purpose of establishing the actions plans referred to in this paragraph, the Commission shall adopt delegated acts in accordance with Article 100, supplementing this Regulation by laying down further rules on the elements of those action plans, including, in particular, a definition of progress indicators and the procedure for establishing those action plans.

2. Where the Member State concerned fails to submit or implement the action plan referred to in paragraph 1 or if the action plan submitted by that Member State is manifestly insufficient to remedy the situation, the Commission may, after consulting the Member State concerned and granting it an opportunity to respond within a period of 30 days, adopt

The Commission *may* adopt *implementing acts* laying down further rules on the elements of action plans and the procedure for *setting up the* action plans. *Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).*

2. Where the Member *States* fails to submit or *to* implement the action plan referred to in paragraph 1 or if *that action plan* is manifestly insufficient to remedy the situation, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure related to the interventions which were to be covered by that action plan. The Commission shall reimburse the suspended amounts when, on the basis of the performance review referred to in Article 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation] satisfactory progress **towards targets** is achieved. If the situation is not remedied by **the closure** of the **national CAP Strategic Plan**, the Commission may adopt an implementing act definitively reducing the amount suspended for the Member State concerned.

implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

Where the Member State concerned responded and presented its observations and the Commission considered those observations insufficient, the Commission shall, where necessary and at the latest when the implementing act is adopted, provide justification as to why the observations presented were not sufficient. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

The Commission shall take into account the timeframe indicated for the execution of the action plan before any suspension procedure is initiated under this Article. The Commission shall also take into account cases of force majeure and serious crisis, which could have prevented the Member State from proper implementation of its action plan including the achievement of milestones concerned.

The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure related to the interventions which were to be covered by that action plan. The Commission shall reimburse the suspended amounts when, on the basis of the performance review referred to in Article 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation], satisfactory progress towards **milestones for result indicators and the reported value of result indicators** is achieved.

For the purposes of this Article, “satisfactory progress” means that the Member State concerned has implemented the action plan, and the reached milestones and the reported value of result indicators concerned constitutes a shortfall of less than 25 % for the

The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the rate and duration of suspension of payments and the condition for reimbursing or reducing those amounts with regard to the multi-annual performance **monitoring**.

3. The implementing acts provided for in paragraphs 1 and 2 shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

Before adopting those implementing acts, the Commission shall inform the Member State concerned of its intention and shall ask it to respond within a period which shall not be less than 30 days.

reporting years concerned.

The Member State concerned may voluntarily notify the Commission of the advancement of the action plan during the budget year in order to allow the Commission to assess the progress made in reaching the milestones. If a Member State can demonstrate that the shortfall, which led to the suspension, is reduced to less than 25 % during the budget year, the amounts suspended shall be reimbursed. If the situation is not remedied by end of the sixth month following the suspension, the Commission may adopt an implementing act definitively reducing the amount suspended for the Member State concerned. The amounts definitively reduced shall be reallocated to Member States to reward satisfactory performance as referred to in Article 39a.

The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the rate and duration of suspension of payments and the condition for reimbursing or reducing those amounts with regard to the multi-annual performance **review**.

3. The implementing acts provided for in paragraphs 1 and 2 shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

Before adopting those implementing acts, the Commission shall inform the Member State concerned of its intention and shall ask it to respond within a period which shall not be less than 30 days.

Amendment 279

Proposal for a regulation Article 39 a (new)

Text proposed by the Commission

Amendment

Article 39a

Redistribution of funds resulting from payment reductions in relation to the multi-annual performance review
1. Funds resulting from reductions

according to Article 39(3) of this Regulation shall be placed in a performance reserve and used to reward Member States where performance has been satisfactory in relation to the specific objectives referred to in Article 6(1) of Regulation (EU) .../... [CAP Strategic Plan Regulation] and further specified in their CAP Strategic Plan.

2. Such funds may be attributed to Member States at the end of the CAP Strategic Plans to reward satisfactory performance provided that the Member State concerned has met the condition set out in paragraph 3 of this Article.

3. Based on the last multi-annual performance review, funds shall be attributed only to the Member States, which have achieved at least 90 % of their target value in relation to the result indicators applied to the specific objectives set out in Article 6(1) of Regulation (EU) .../... [CAP Strategic Plan Regulation] and set out in their CAP Strategic Plan.

The Commission shall within two months after the receipt of the last performance report of all Member State referred to in Article 121(2) of Regulation (EU) .../... [CAP Strategic Plan Regulation] adopt an implementing act without applying the committee procedure referred to in Article 101 to decide for each Member State whether the respective CAP Strategic Plans have achieved the target values referred to in paragraph 3 of this Article.

4. Where the target values referred to in paragraph 3 are achieved, an amount shall be calculated and granted by the Commission to the Member State(s) concerned and considered to be definitely allocated to financial year after the closure of the CAP Strategic Plans on the basis of the decision referred to in the same paragraph. When attributing the funds, the Commission may take into consideration the cases of force majeure and serious socio-economic crises impeding the achievement of the relevant milestones.

Amendment 224

Proposal for a regulation Article 40

Text proposed by the Commission

1. ***In case of*** serious deficiencies in the functioning of the governance systems, the Commission ***may ask*** the Member State concerned to implement the necessary remedial actions in accordance with an action plan with clear progress indicators, ***to*** be established in consultation with the Commission.

The Commission may adopt ***implementing acts*** laying down further rules on the elements of the action plans and the procedure for ***setting up the action plans***. ***Those implementing acts shall be adopted in accordance with the examination***

Amendment

1. ***Where*** serious deficiencies in the functioning of the governance systems ***are detected and indicated in the management declaration of a paying agency, in the opinion of the certification body or during Commission's checks under Article 47,*** the Commission ***shall ask the Member State concerned to respond and provide comments on the findings within a period of two months after the request in order to assess the need for remedial actions and, where necessary, an action plan. After expiry of that period, the Commission shall, where necessary, request*** the Member State concerned to implement the necessary remedial actions in accordance with an action plan with clear progress indicators ***which shall*** be established in consultation with the Commission.

The Member State concerned shall, within three months following the Commission's request, submit to the Commission the action plan referred to in the first subparagraph, including the necessary remedial actions and the expected time frame for its execution. The Commission shall either notify the Member State concerned in writing that it accepts the action plan or it shall send to the Member State concerned a request for modifications. The Member State concerned shall comply with the action plan and respect the expected time frame for its execution as accepted by the Commission.

The Commission may adopt ***delegated acts in accordance with Article 100, supplementing this Regulation by*** laying down further rules on the elements of the action plans ***referred to in this paragraph***

procedure referred to in Article 101(3).

2. Where the Member State fails to submit or to implement the action plan referred to in paragraph 1 or if that action plan is manifestly insufficient to remedy the situation, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure effected by the Member State where the deficiencies exist, for a period to be determined in the implementing acts referred to in the first subparagraph, which shall not exceed 12 months. If the conditions for the suspension continue to be met, the Commission may adopt implementing acts prolonging that period for further periods not exceeding 12 months in total. The amounts suspended shall be taken into account when adopting the implementing acts referred to in Article 53.

3. *The implementing acts provided for in this Article shall be adopted in accordance with the advisory procedure referred to in Article 101(2).*

Before adopting the implementing acts referred to in paragraph 2, the Commission shall inform the Member State concerned of its intention and shall ask it to respond within a period which shall not be less than 30 days.

and the procedure for *establishing them*.

2. Where the Member State fails to submit or to implement the action plan referred to in paragraph 1 *of this Article* or if that action plan is manifestly insufficient to remedy the situation *or if it has not been applied in accordance with the written request of the Commission as referred to in that paragraph*, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30. *Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).*

The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure effected by the Member State where the deficiencies exist, for a period to be determined in the implementing acts referred to in the first subparagraph, which shall not exceed 12 months. If the conditions for the suspension continue to be met, the Commission may adopt implementing acts prolonging that period for further periods not exceeding 12 months in total. The amounts suspended shall be taken into account when adopting the implementing acts referred to in Article 53.

3. Before adopting the implementing acts referred to in paragraph 2, the Commission shall inform the Member State concerned of its intention and shall ask it to respond within a period which shall not be less than 30 days. *Where the Member State concerned responded and presented its observations, and the Commission considered those observations insufficient, the Commission shall, where necessary and at the latest when the implementing act is adopted, provide justification as to why the*

observations presented were not sufficient.

The implementing acts determining the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30 shall take account of the **implementing** acts adopted under the **first** subparagraph of **this** paragraph.

The implementing acts determining the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30 shall take account of the **delegated** acts adopted under the **third** subparagraph of paragraph **1**.

Amendment 121

Proposal for a regulation

Article 42 – paragraph 2 – subparagraph 2 – point a

Text proposed by the Commission

(a) prior to 1 December but not before 16 October, pay advances of up to 50 % for direct payments interventions;

Amendment

(a) prior to 1 December but not before 16 October, pay advances of up to 50 % for direct payments interventions **and for the measures referred to in Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013 respectively**;

Amendment 122

Proposal for a regulation

Article 42 – paragraph 3

Text proposed by the Commission

3. Member States may decide to pay advances of up to 50% under the interventions referred to in Articles 68 and 71 of Regulation (EU) **No.../...[CAP Strategic Plan Regulation]**.

Amendment

3. Member States may decide to pay advances of up to 50% under the interventions referred to in Articles 68 and 71 **and Chapter III of Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation] as well as Section I of Chapter II of Regulation (EU) No 1308/2013**.

Amendment 123

Proposal for a regulation

Article 43 – paragraph 2

Text proposed by the Commission

2. The sums referred to in paragraph 1

Amendment

2. The sums referred to in paragraph 1

shall be paid to the Union's budget and, in the event of reuse, shall be used exclusively to finance EAGF or EAFRD expenditure.

shall be paid to the Union's budget and, in the event of reuse, shall be used exclusively to finance EAGF or EAFRD expenditure, ***respectively, and shall predominantly fund the agricultural reserve established under the EAGF, within the limits laid down in Article 14.***

Amendment 124

Proposal for a regulation

Article 44 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The provision of information financed pursuant to point (e) of Article 7 shall aim, in particular, to help explain, implement and develop the CAP and to raise public awareness of its content and objectives ***to reinstate*** consumer confidence following crises through information campaigns, to inform farmers and other parties active in rural areas and to promote ***the European*** model of agriculture, as well as to help citizens understand it.

Amendment

The provision of information financed pursuant to point (e) of Article 7 shall aim, in particular, to help explain, implement and develop the CAP and to raise public awareness of its content and objectives ***including its interaction with the climate, environment, animal welfare and development. This is to inform citizens about the challenges faced in agriculture and food, to inform farmers and consumers, to restore*** consumer confidence following crises through information campaigns, to inform farmers and other parties active in rural areas and to promote ***a more sustainable Union*** model of agriculture, as well as to help citizens understand it.

Amendment 125

Proposal for a regulation

Article 44 – paragraph 1 – subparagraph 2

Text proposed by the Commission

It shall supply coherent, objective and comprehensive information, both inside and outside the Union.

Amendment

It shall supply coherent, ***impartial, evidence-based,*** objective and comprehensive information, both inside and outside the Union ***by means of a communication plan.***

Amendment 126

Proposal for a regulation

Article 45 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The Commission is empowered to adopt delegated acts in accordance with Article 100 in order to supplement this Regulation concerning the conditions under which certain types of expenditure and revenue under the Funds are to be compensated.

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 100 in order to supplement this Regulation concerning the conditions ***relating to the details of expenditure declarations*** under which certain types of expenditure and revenue under the Funds are to be compensated.

Amendment 127

Proposal for a regulation

Article 46 – paragraph 1

Text proposed by the Commission

For the purposes of Article 127 of the Financial Regulation, the Commission shall take assurance from the work of the certification bodies referred to in Article 11 of this Regulation, ***unless it has informed the Member State that it cannot rely on the work of the certification body for a given financial year***, and it shall take it into account in its risk assessment of the need for Commission audits in the Member State concerned.

Amendment

For the purposes of Article 127 of the Financial Regulation, the Commission shall take assurance from the work of the certification bodies referred to in Article 11 of this Regulation, and shall take it into account in its risk assessment of the need for Commission audits in the Member State concerned, ***unless it has informed that Member State that it is unable to rely on that work***.

Amendment 282

Proposal for a regulation

Article 47

Text proposed by the Commission

1. Without prejudice to the checks carried out by Member States under national law, regulations and administrative provisions or Article 287 of the Treaty or to any check organised under Article 322 of the Treaty or based on Council Regulation (Euratom, EC) No 2185/96, the Commission may organise checks in Member States with a

Amendment

1. Without prejudice to the checks carried out by Member States under national law, regulations and administrative provisions or Article 287 of the Treaty or to any check organised under Article 322 of the Treaty or based on Council Regulation (Euratom, EC) No 2185/96 ***or to Article 127 of the Financial Regulation***, the Commission may organise checks in Member States

view to verifying *in particular*:

- (a) compliance of administrative practices with Union rules;
- (b) whether the *expenditure* falling within the scope of Articles 5(2) and 6 and corresponding to the interventions referred to in Regulation (EU) .../...[CAP Strategic Plan Regulation] have *a corresponding output as reported in the annual performance report*;
- (c) whether the work of the certification body is carried out in accordance with Article 11 and for the purposes of Section 2 of this Chapter;
- (d) whether a paying agency complies with the accreditation criteria laid down in Article 8(2) and whether the Member State correctly applies Article 8(5).

Persons authorised by the Commission to carry out checks on its behalf, or Commission agents acting within the scope of the powers conferred on them, shall have access to the books and all other documents, including documents and metadata drawn up or received and recorded on an electronic medium, relating

with a view to verifying :

- (a) compliance of administrative practices with Union rules;
- (b) whether the *operations* falling within the scope of Articles 5(2) and 6 and corresponding to the interventions referred to in Regulation (EU) .../...[CAP Strategic Plan Regulation] have *been effected in accordance with Union requirements and checked in order to ensure compliance with those requirements*;
- (ba) whether the other operations falling within the scope of Articles 5(2) and 6 have been effected and checked in accordance with Union law;*
- (c) whether the work of the certification body is carried out in accordance with Article 11 and for the purposes of Section 2 of this Chapter;
- (d) whether a paying agency complies with the accreditation criteria laid down in Article 8(2) and whether the Member State correctly applies Article 8(5);
- (da) whether the action plans referred to in Articles 39 and 40 are correctly implemented.*

If the Commission cannot rely on the work of the certification body as referred to in Article 46, in the case of serious deficiencies detected in the Member State's governance, management and control system or to ensure that the financial interests of the Union are protected in accordance with Article 57 of this Regulation, the Commission may carry out extended monitoring, including on-the-spot checks as long as the serious deficiencies in the governance system persist.

Persons authorised by the Commission to carry out checks on its behalf, or Commission agents acting within the scope of the powers conferred on them, shall have access to the books and all other documents, including documents and metadata drawn up or received and recorded on an electronic medium, relating

to expenditure financed by the EAGF or the EAFRD.

The powers to carry out checks shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national law. Without prejudice to the specific provisions of Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, persons authorised by the Commission to act on its behalf shall not take part, inter alia, in home visits or the formal questioning of persons on the basis of law of the Member State concerned. However, they shall have access to information thus obtained.

2. The Commission shall give sufficient prior notice of a check to the Member State concerned or to the Member State within whose territory the check is to take place, taking into account the administrative impact on paying agencies when organising checks. Agents from the Member State concerned may take part in such checks.

At the request of the Commission and with the agreement of the Member State, additional checks or inquiries into the operations covered by this Regulation shall be undertaken by the competent bodies of that Member State. Commission agents or persons authorised by the Commission to act on its behalf may take part in such checks.

In order to improve checks, the Commission may, with the agreement of the Member States concerned, request the assistance of the authorities of those Member States for certain checks or inquiries.

to expenditure financed by the EAGF or the EAFRD.

The powers to carry out checks shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national law. Without prejudice to the specific provisions of Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, persons authorised by the Commission to act on its behalf shall not take part, inter alia, in home visits or the formal questioning of persons on the basis of law of the Member State concerned. However, they shall have access to information thus obtained.

2. The Commission shall give sufficient prior notice of a check to the Member State concerned or to the Member State within whose territory the check is to take place, taking into account the administrative impact on paying agencies when organising checks. Agents from the Member State concerned may take part in such checks.

At the request of the Commission and with the agreement of the Member State, additional checks or inquiries into the operations covered by this Regulation shall be undertaken by the competent bodies of that Member State. Commission agents or persons authorised by the Commission to act on its behalf may take part in such checks.

In order to improve checks, the Commission may, with the agreement of the Member States concerned, request the assistance of the authorities of those Member States for certain checks or inquiries.

Amendment 132

Proposal for a regulation Article 48 – paragraph 3

Text proposed by the Commission

Amendment

3. Member States shall make available to the Commission information about irregularities within the meaning of Regulation (*EU*, Euratom) No 2988/95 and other cases of non-compliance with the conditions established by Member States in the CAP Strategic Plan, suspected fraud cases detected, and information about the steps taken pursuant to Section 3 of this Chapter to recover undue payments in connection with those irregularities and frauds.

3. Member States shall make available to the Commission information about irregularities within the meaning of Regulation (*EC*, Euratom) No 2988/95 and other cases of non-compliance with the conditions established by Member States in the CAP Strategic Plan, suspected fraud cases detected, and information about the steps taken pursuant to Section 3 of this Chapter to recover undue payments in connection with those irregularities and frauds. ***The Commission shall summarise that information and publish multiannual reports, communicating them to the European Parliament.***

Amendment 280

Proposal for a regulation Article 51

Text proposed by the Commission

1. Prior to 31 May of the year following the budget year in question and on the basis of the information referred to in points (a) and (c) of Article 8(3), the Commission shall adopt implementing acts, containing its decision on the clearance of the accounts of the accredited paying agencies, for the expenditure referred to in Article 5(2) and Article 6. Those implementing acts shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to **Articles 52 and 53**. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

2. The Commission shall adopt implementing acts laying down rules on the clearance of accounts provided for in paragraph 1 with regard to the measures to be taken in connection with the adoption of the implementing acts referred to in the second subparagraph of paragraph 1 and their implementation, including the information exchange between the

Amendment

1. Prior to 31 May of the year following the budget year in question and on the basis of the information referred to in points (a), **(b)** and (c) of Article 8(3), the Commission shall adopt implementing acts, containing its decision on the clearance of the accounts of the accredited paying agencies, for the expenditure referred to in Article 5(2) and Article 6. Those implementing acts shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to **Article 53**. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

2. The Commission shall adopt implementing acts laying down rules on the clearance of accounts provided for in paragraph 1 with regard to the measures to be taken in connection with the adoption of the implementing acts referred to in the second subparagraph of paragraph 1 and their implementation, including the information exchange between the

Commission and the Member States and the deadlines to be respected.
Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

Commission and the Member States and the deadlines to be respected.
Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

Amendment 141

Proposal for a regulation Article 52

Text proposed by the Commission

Amendment

Article 52

deleted

Annual performance clearance

- 1. Where the expenditure referred to in Articles 5(2) and 6 and corresponding to the interventions referred to in Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation] does not have a corresponding output as reported in the annual performance report, the Commission shall adopt implementing acts prior to 15 October of the year following the budget year in question determining the amounts to be reduced from Union financing. Those implementing acts shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to Article 53 of this Regulation. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).***
- 2. The Commission shall assess the amounts to be reduced on the basis of the difference between the annual expenditure declared for an intervention and the amount corresponding to the relevant reported output in accordance with the national CAP Strategic Plan and taking account of justifications provided by the Member State.***
- 3. Before the adoption of the implementing act referred to in paragraph 1, the Commission shall give the Member State an opportunity to submit its comments and justify any differences.***
- 4. The Commission is empowered to adopt delegated acts in accordance with***

Article 100 supplementing this Regulation with rules on the criteria for justifications from the concerned Member State and the methodology and criteria for applying reductions.

*5. The Commission shall adopt implementing acts laying down rules on the measures to be taken in connection with the adoption of the implementing act referred to in paragraph 1 and its implementation, including the information exchange between the Commission and the Member States, the procedure and the deadlines to be respected.
Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).*

Amendment 281

Proposal for a regulation Article 53

Text proposed by the Commission

1. Where the Commission finds that the expenditure referred to in Article 5(2) and Article 6 has not been effected in conformity with Union law, the Commission shall adopt implementing acts determining the amounts to be excluded from Union financing.

However, as regards the types of interventions referred to in Regulation (EU) .../... [CAP Strategic Plan Regulation] the exclusions from Union financing as referred to in the first subparagraph shall only apply in the case of serious deficiencies in the functioning of the Member States' governance systems.

The first subparagraph shall not apply to cases of non-compliance with the eligibility conditions for individual beneficiaries laid down in the national CAP Strategic Plans and national rules.

The implementing acts referred to in the first subparagraph shall be adopted in

Amendment

1. Where the Commission finds that the expenditure referred to in Article 5(2) and Article 6 has not been effected in conformity with Union law, the Commission shall adopt implementing acts determining the amounts to be excluded from Union financing.

The implementing acts referred to in the first subparagraph shall be adopted in

accordance with the advisory procedure referred to in Article 101(2).

2. The Commission shall assess the amounts to be excluded on the basis of the gravity of *the deficiencies found*.

3. Before the adoption of the implementing act referred to in paragraph 1, the Commission findings and the Member State's replies shall be notified in writing following which the two parties shall attempt to reach agreement on the action to be taken. Following this, the Member States shall be given the opportunity to demonstrate that the actual extent of the non-compliance is lower than the Commission's assessment.

If agreement is not reached, the Member State may request the opening of a procedure aimed at reconciling, within a period of four months, each party's position. A report on the outcome of the procedure shall be submitted to the Commission. The Commission shall take into account the recommendations in the report before making a decision to refuse financing and shall provide justification where it decides not to follow those recommendations.

4. Financing shall not be refused for:

- (a) expenditure as indicated in Article 5(2) which is effected more than 24 months before the Commission notifies the Member State in writing of its findings;
- (b) expenditure on multiannual interventions falling within the scope of Article 5(2) or within the scope of the rural development interventions as referred to in Article 6, where the final obligation on the beneficiary occurs more than 24 months before the Commission notifies the Member State in writing of its findings;
- (c) expenditure on rural development

accordance with the advisory procedure referred to in Article 101(2).

2. The Commission shall assess the amounts to be excluded on the basis of the gravity of *non-conformity recorded. It shall take due account of the nature of the infringement and of the financial damage incurred by the Union. It shall base the exclusion on the amounts identified as unduly spent. Where it is not reasonably possible to calculate the exact amount, flat-rate corrections shall be used in a proportionate way.*

3. Before the adoption of the implementing act referred to in paragraph 1, the Commission findings and the Member State's replies shall be notified in writing following which the two parties shall attempt to reach agreement on the action to be taken. Following this, the Member States shall be given the opportunity to demonstrate that the actual extent of the non-compliance is lower than the Commission's assessment.

If agreement is not reached, the Member State may request the opening of a procedure aimed at reconciling, within a period of four months, each party's position. A report on the outcome of the procedure shall be submitted to the Commission. The Commission shall take into account the recommendations in the report before making a decision to refuse financing and shall provide justification where it decides not to follow those recommendations.

4. Financing shall not be refused for:

- (a) expenditure as indicated in Article 5(2) which is effected more than 24 months before the Commission notifies the Member State in writing of its findings;
- (b) expenditure on multiannual interventions falling within the scope of Article 5(2) or within the scope of the rural development interventions as referred to in Article 6, where the final obligation on the beneficiary occurs more than 24 months before the Commission notifies the Member State in writing of its findings;
- (c) expenditure on rural development

interventions, as referred to in Article 6, other than those referred to in point (b) of this paragraph, for which the payment or, as the case may be, the final payment, by the paying agency, is made more than 24 months before the Commission notifies the Member State in writing of its findings.

5. Paragraph 4 shall not apply in the case of:

- (a) aids granted by a Member State for which the Commission has initiated the procedure laid down in Article 108(2) of the Treaty or infringements which the Commission has notified to the Member State concerned by a reasoned opinion in accordance with Article 258 of the Treaty;
- (b) infringements by Member States of their obligations under Chapter III of Title IV of this Regulation, provided that the Commission notifies the Member State in writing of its findings within 12 months following receipt of the Member State's report on the results of its checks on the expenditure concerned.

6. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the criteria and methodology for applying financial corrections.

7. The Commission shall adopt **implementing acts** laying down rules on the measures to be taken in connection with the adoption of the implementing act referred to in paragraph 1 and its implementation, including the information exchange between the Commission and the Member States, the deadlines to be respected and the conciliation procedure provided for in paragraph 3, including the establishment, tasks, composition and working arrangements of the conciliation body.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

interventions, as referred to in Article 6, other than those referred to in point (b) of this paragraph, for which the payment or, as the case may be, the final payment, by the paying agency, is made more than 24 months before the Commission notifies the Member State in writing of its findings.

5. Paragraph 4 shall not apply in the case of:

- (a) aids granted by a Member State for which the Commission has initiated the procedure laid down in Article 108(2) of the Treaty or infringements which the Commission has notified to the Member State concerned by a reasoned opinion in accordance with Article 258 of the Treaty;
- (b) infringements by Member States of their obligations under Chapter III of Title IV of this Regulation, provided that the Commission notifies the Member State in writing of its findings within 12 months following receipt of the Member State's report on the results of its checks on the expenditure concerned.

6. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the criteria and methodology for applying financial corrections

including flat-rate corrections referred to in paragraph 2 of this Article.

7. The Commission shall adopt **delegated acts in accordance with Article 100, supplementing this Regulation by** laying down rules on the measures to be taken in connection with the adoption of the implementing act referred to in paragraph 1 and its implementation, including the information exchange between the Commission and the Member States, the deadlines to be respected and the conciliation procedure provided for in paragraph 3, including the establishment, tasks, composition and working arrangements of the conciliation body.

Amendment 146

Proposal for a regulation Article 53 a (new)

Text proposed by the Commission

Amendment

Article 53a

Recoveries for non-compliance

- 1. Member States shall request recovery from the beneficiary for any undue payment following the occurrence of irregularities and other cases of non-compliance by beneficiaries with the conditions of the interventions referred in the CAP Strategic Plan and bring legal proceedings to that effect where necessary.*
- 2. If the sum has not been recovered within four years of the date of the recovery request, or within eight years if the recovery is being dealt with by the national courts, 50 % of the financial cost of the non-recovery shall be borne by the Member State concerned and 50 % shall be borne by the Union, without prejudice to the requirement that the Member State concerned is to continue the recovery procedures in accordance with Article 57.*
- 3. On duly justified grounds, Member States may decide not to pursue recovery. A decision to that effect may be taken only in the following cases:*
 - (a) where the costs of recovery already incurred and the costs likely to be incurred total more than the amount to be recovered, which condition shall be considered to have been met if:*
 - (i) the amount to be recovered from the beneficiary in the context of an individual payment for an intervention, not including interest, does not exceed EUR 100; or*
 - (ii) the amount to be recovered from the beneficiary in the context of an individual payment for an intervention, not including interest, falls between EUR 100 and EUR 250 and the Member State concerned applies a threshold equal to or higher than the amount to be recovered under its national law for not pursuing*

national debts;
(b) where recovery proves impossible owing to the insolvency, recorded and recognised under national law, of the debtor or the persons legally responsible for the irregularity.

Amendment 147

Proposal for a regulation Article 54 – paragraph 1

Text proposed by the Commission

Sums recovered by the Member States following the occurrence of irregularities and other cases of non-compliance by beneficiaries with the conditions of the interventions referred to in the CAP Strategic Plan and the interest thereon shall be made over to the paying agency and booked by it as revenue assigned to the EAGF in the month in which the sums are actually received.

Amendment

Sums recovered by the Member States following the occurrence of irregularities and other cases of non-compliance by beneficiaries with the conditions of the interventions referred to in the CAP Strategic Plan and the interest thereon ***which shall be calculated from the day following the date on which the payment was due***, shall be made over to the paying agency and booked by it as revenue assigned to the EAGF in the month in which the sums are actually received.

Amendment 148

Proposal for a regulation Article 54 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Member States may, without prejudice to the first paragraph, instruct the paying agency, as the body responsible for the recovery of debt, to deduct any outstanding debts owed by a beneficiary from future payments to that beneficiary.

Amendment 149

Proposal for a regulation Article 55 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Where irregularities and other cases of

Amendment

Where irregularities and other cases of

non-compliance by beneficiaries with the conditions of the rural development interventions referred to in the CAP Strategic Plan are detected, Member States shall make financial adjustments by ***totally or*** partially cancelling the Union financing concerned. Member States shall take into consideration the nature and gravity of the non-compliance detected and the level of the financial loss to the EAFRD.

non-compliance by beneficiaries with the conditions of the rural development interventions referred to in the CAP Strategic Plan are detected, Member States shall make financial adjustments by ***cancelling*** partially ***or, under exceptional circumstances,*** cancelling ***entirely*** the Union financing concerned. Member States shall take into consideration the nature and gravity of the non-compliance detected and the level of the financial loss to the EAFRD.

Amendment 150

Proposal for a regulation

Article 55 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amounts of the Union financing under the EAFRD which are cancelled and amounts recovered, and the interest thereon, shall be reallocated to other rural development interventions in the CAP Strategic Plan.
However, the cancelled or recovered Union Funds may be reused by Member States only for a rural development operation under the national CAP Strategic Plan and provided the funds are not reallocated to rural development operations which have been the subject of a financial adjustment.

Amendment

Amounts of the Union financing under the EAFRD which are cancelled and amounts recovered, and the interest thereon, ***which shall be calculated from the day following the date on which the payment was due,*** shall be reallocated to other rural development interventions in the ***same*** CAP Strategic Plan.

Amendment 151

Proposal for a regulation

Article 55 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Member States shall deduct any sums unduly paid as a result of an outstanding irregularity by a beneficiary, under the terms set out in this Article, from any future payments to the beneficiary by the paying agency.

Amendment 152

Proposal for a regulation

Article 55 – paragraph 1 – subparagraph 2 b (new)

Text proposed by the Commission

Amendment

However, the cancelled or recovered Union funds may be reused in their entirety by Member States only for a rural development operation under the national CAP Strategic Plan and provided the funds are not reallocated to rural development operations which have been the subject of a financial adjustment.

Amendment 226

Proposal for a regulation

Article 57

Text proposed by the Commission

Amendment

1. Member States shall, within the framework of the CAP, adopt all legislative, regulatory and administrative provisions and take any other measures necessary to ensure effective protection of the financial interests of the Union. Those provisions and measures shall relate in particular to:

- (a) checking the legality and regularity of operations financed by the Funds;
- (b) ensuring effective prevention against fraud, especially in areas with a higher level of risk, and which will act as a deterrent, having regard to the costs and benefits and the proportionality of the measures;
- (c) preventing, detecting and correcting irregularities and fraud;
- (d) imposing penalties which are effective, dissuasive and proportionate in accordance with Union law, or failing this, national law, and bring legal proceedings

1. Member States shall, within the framework of the CAP, ***while respecting the applicable governance systems***, adopt all legislative, regulatory and administrative provisions and take any other measures necessary to ensure effective protection of the financial interests of the Union ***including application of the eligibility of expenditure criteria laid down in Article 35***. Those provisions and measures shall relate in particular to:

- (a) checking the legality and regularity of operations financed by the Funds, ***including at the level of beneficiaries***;
- (b) ensuring effective prevention against fraud, especially in areas with a higher level of risk, and which will act as a deterrent, having regard to the costs and benefits and the proportionality of the measures;
- (c) preventing, detecting and correcting irregularities and fraud;
- (d) imposing penalties which are effective, dissuasive and proportionate in accordance with Union law, or failing this, national law, and bring legal proceedings

to that effect, as necessary;

(e) recovering undue payments plus interest, and bring legal proceedings to that effect as necessary.

2. Member States shall set up efficient management and control systems in order to ensure compliance with the Union legislation governing Union interventions.

3. Member States shall take appropriate precautions ensuring the the penalties applied as referred to in point (d) of paragraph 1 are proportionate and graduated according to the severity, extent, duration and reoccurrence of the non-compliance found.

The arrangements set out by Member States shall ensure, in particular, that no penalties shall be imposed:

(a) where the non-compliance is due to force majeure;

(b) where the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty;

(c) where the person concerned can demonstrate to the satisfaction of the competent authority that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the competent authority is otherwise satisfied that the person concerned is not at fault.

Where the non-compliance with the conditions for the granting of the aid is due to force majeure, the beneficiary shall retain the right to receive aid.

4. Member States shall introduce arrangements for ensuring the effective examination of complaints concerning the Funds and shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their CAP Strategic Plan. Member States shall inform the Commission of the results of those examinations.

to that effect, as necessary;

(e) recovering undue payments plus interest, and bring legal proceedings to that effect as necessary.

2. Member States shall set up efficient management and control systems in order to ensure compliance with the Union legislation governing Union interventions.

3. Member States shall take appropriate precautions ensuring the the penalties applied as referred to in point (d) of paragraph 1 are proportionate and graduated according to the severity, extent, duration and reoccurrence of the non-compliance found.

The arrangements set out by Member States shall ensure, in particular, that no penalties shall be imposed:

(a) where the non-compliance is due to force majeure;

(b) where the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty;

(c) where the person concerned can demonstrate to the satisfaction of the competent authority that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the competent authority is otherwise satisfied that the person concerned is not at fault.

Where the non-compliance with the conditions for the granting of the aid is due to force majeure, the beneficiary shall retain the right to receive aid.

4. Member States shall introduce arrangements for ensuring the effective examination of complaints concerning the Funds and shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their CAP Strategic Plan. Member States shall inform the Commission of the results of those examinations.

Where deficiencies regarding the examination and treatment of complaints

5. Member States shall inform the Commission of the provisions adopted and measures taken under paragraphs 1 and 2.

6. The Commission may adopt implementing acts, laying down rules necessary for the uniform application of this Article relating to the following:

(a) the procedures, deadlines, exchange of information in relation to the obligations as set out in paragraphs 1 and 2;

(b) the notification and communication to be made by the Member States to the Commission in relation to the obligations set out in paragraphs 3 and 4.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

have been detected in a Member State, the Commission shall set up a complaints mechanism to which beneficiaries confronted with unfair treatment, or treatment which puts them at a disadvantage, concerning the commitment or disbursement of public funds under direct or shared management including public tender decisions can lodge direct complaints to the Commission. The Commission shall ensure that adequate protection for natural or legal persons following the lodging of a complaint is guaranteed.

5. Member States shall inform the Commission of the provisions adopted and measures taken under paragraphs 1 and 2.

6. The Commission may adopt implementing acts, laying down rules necessary for the uniform application of this Article relating to the following:

(a) the procedures, deadlines, exchange of information in relation to the obligations as set out in paragraphs 1 and 2;

(b) the notification and communication to be made by the Member States to the Commission in relation to the obligations set out in paragraphs 3 and 4.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

Amendment 159

Proposal for a regulation

Article 57 a (new)

Text proposed by the Commission

Amendment

Article 57a

Correction of errors

1. Member States may opt to include in their CAP Strategic Plans provisions providing beneficiaries with the right to modify or otherwise restore to compliance an administrative declaration or a request for aid or support they had previously made, with no reduction or penalty imposed, if:

(a) the beneficiary has committed a

clerical error when reporting their situation;

(b) the beneficiary has misunderstood the eligibility criteria, the commitments or other obligations concerning the allocation of aid or support with regard to their situation.

This right to modify or restore to compliance shall apply whenever the mistake or omission is committed in good faith and is not deemed to constitute attempted fraud.

The relevant national authorities shall be responsible for determining a beneficiary's 'good faith'.

Amendment 160

Proposal for a regulation

Article 58 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States shall ensure a level of checks needed for an effective management of the risks.

Amendment

Member States shall ensure a level of checks needed for an effective management of the risks *which may be lower than the initial level once the management and monitoring systems are functioning properly and the error rates have settled at an acceptable level. The relevant authority shall draw its check sample from the entire population of applicants comprising, where appropriate, a random part in order to obtain a representative error rate and a risk-based part, which shall target the areas where the risk to the financial interest of the Union is the highest.*

Amendment 161

Proposal for a regulation

Article 58 – paragraph 4 – subparagraph 1 – point e

Text proposed by the Commission

(e) other rules on the checks to be conducted by the Member States, as regards the measures laid down in

Amendment

deleted

Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013 respectively.

Amendment 162

Proposal for a regulation

Article 62 – paragraph 3 – point a

Text proposed by the Commission

(a) ***which ensure*** a non-discriminatory treatment, equity and the respect of proportionality when lodging a security;

Amendment

(a) ***ensuring*** non-discriminatory treatment, equity and the respect of proportionality when lodging a security;

Amendment 163

Proposal for a regulation

Article 63 – paragraph 4 – point c

Text proposed by the Commission

(c) "system for the identification and registration of animals" means the system for the identification and registration of bovine animals laid down by Regulation (EC) No 1760/2000 of the European Parliament and of the Council³³ or the system for the identification and registration of ovine and caprine animals laid down by Council Regulation (EC) No 21/2004³⁴ ;

Amendment

(c) "system for the identification and registration of animals" means the system for the identification and registration of bovine animals laid down by Regulation (EC) No 1760/2000 of the European Parliament and of the Council³³ or the system for the identification and registration of ovine and caprine animals laid down by Council Regulation (EC) No 21/2004³⁴ ***or, where applicable, the system for the identification or registration of pigs laid down by Council Directive 2008/71/EC^{34a} and other databases established by the Member States for animals;***

³³ Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97 (OJ L 204, 11.8.2000, p. 1).

³⁴ Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of

³³ Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97 (OJ L 204, 11.8.2000, p. 1).

³⁴ Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of

ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8).

ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8).

^{34a} ***Council Directive 2008/71/EC of 15 July 2008 on the identification and registration of pigs (OJ L 213, 8.8.2008, p. 31).***

Amendment 164

Proposal for a regulation

Article 63 – paragraph 4 – point f

Text proposed by the Commission

(f) "claimless system" means ***an*** application system for area- or animal-based interventions in which necessary data required by the administration on at least individual areas or animals claimed for aid is available in official computerised databases managed by the Member State.

Amendment

(f) "claimless system" means ***a prefilled or other type of*** application system for area- or animal-based interventions in which necessary data required by the administration on at least individual areas or animals claimed for aid is available in official computerised databases managed by the Member State.

Amendment 165

Proposal for a regulation

Article 64 – paragraph 1 – point c

Text proposed by the Commission

(c) an area monitoring system;

Amendment

(c) an area monitoring ***and control*** system;

Amendment 166

Proposal for a regulation

Article 64 – paragraph 2

Text proposed by the Commission

2. The integrated system shall operate on the basis of electronic databases and geographic information systems and shall enable the exchange and integration of data between the electronic databases and the geographic information systems.

Amendment

2. The integrated system shall operate on the basis of electronic databases and geographic information systems and shall enable the exchange and integration of data between the electronic databases and the geographic information systems (***GIS***). ***To that end, GIS shall allow for the layering***

of geo-spatial data on farm, cadastral or reference parcels onto any delimiting protected zones and designated areas that have been established in accordance with Union legislation listed in Annex XI to Regulation (EU) .../... [CAP Strategic Plan Regulation], such as Natura 2000 areas or Nitrate Vulnerable Zones, as well as the landscape features and ecological infrastructures (trees, hedges, ponds, buffer strips, riparian margins, etc.).

Amendment 167

Proposal for a regulation Article 64 – paragraph 3

Text proposed by the Commission

3. Without prejudice to the responsibilities of the Member States for the implementation and application of the integrated system, the Commission *may* seek the assistance of specialised bodies or persons in order to facilitate the establishment, monitoring and operation of the integrated system, in particular, with a view to providing the competent authorities of the Member States with technical advice.

Amendment

3. Without prejudice to the responsibilities of the Member States for the implementation and application of the integrated system, the Commission *shall* seek the assistance of specialised bodies or persons in order to facilitate the establishment, monitoring and operation of the integrated system, in particular, with a view to providing the competent authorities of the Member States with technical advice.

Amendment 168

Proposal for a regulation Article 65 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The data and documentation referred to in the first subparagraph relating to the current calendar year or marketing year and to the previous ten calendar years or marketing years shall be accessible for consultation through the digital databases of the competent authority of the Member State.

Amendment

The data and documentation referred to in the first subparagraph relating to the current calendar year or marketing year and to the previous ten calendar years or marketing years shall be accessible for consultation through the digital databases of the competent authority of the Member State. *The relevant information from the databases may also be provided in the form of summaries.*

Amendment 169

Proposal for a regulation

Article 65 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Member States shall ensure that beneficiaries and potential beneficiaries have access to all the reference data and attribute data regarding the land they use or intend to use, in order to enable them to submit accurate applications.

Amendment 170

Proposal for a regulation

Article 67 – paragraph 1

Text proposed by the Commission

Amendment

1. As regards the aid for the area-based interventions referred to in Article 63(2) and implemented under the national CAP Strategic Plans, Member States shall require the submission of an application by means of using the **geo-spatial application** provided by the competent authority **to submit an** application.

1. As regards the aid for the area-based interventions referred to in Article 63(2) and implemented under the national CAP Strategic Plans, Member States shall require the submission of an application by means of using the **form**, provided by the competent authority **in their geo-spatial** application.

Amendment 171

Proposal for a regulation

Article 67 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

If a Member State decides to use a claimless system, it shall enable the administration to make the eligible payments to the beneficiaries based on the existing details in the official computerised databases, where there has been no change, supplemented with additional information, where necessary to cover a change. Those details and any such additional information shall be confirmed by the beneficiary.

Amendment 172

Proposal for a regulation Article 68 – paragraph 1

Text proposed by the Commission

1. Member States shall set up and operate an area monitoring system.

Amendment

1. Member States shall set up and operate an area monitoring **and control** system. ***On duly justified grounds, the Commission may grant a transitional period for setting up the area monitoring and control system to Member States that have not recently used such an area monitoring and control system.***

Amendment 173

Proposal for a regulation Article 68 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Member States shall annually assess the quality of the area monitoring system in accordance with the methodology set up at Union level.

Amendment

Member States shall annually assess the quality of the area monitoring **and control** system in accordance with the methodology set up at Union level.

Amendment 227

Proposal for a regulation Article 69 – paragraph 1

Text proposed by the Commission

The system for recording the identity of each beneficiary of the interventions and measures as referred to in Article 63(2) shall guarantee that all applications submitted by the same beneficiary can be identified as such.

Amendment

The system for recording the identity of each beneficiary of the interventions and measures as referred to in Article 63(2) shall guarantee that all applications submitted by the same beneficiary can be identified as such. ***It shall also ensure that, where beneficiaries are part of a group within the meaning of point 11 of Article 2(1) of Directive 2013/34/EU, that group can be identified.***

Amendment 174

Proposal for a regulation

Article 70 – paragraph 1

Text proposed by the Commission

Member States shall set up a control and penalties system for the aid as referred to in Article 63.

Amendment

Member States shall set up a control and penalties system for the aid referred to in Article 63. ***Member States, through the paying agencies or the bodies delegated by them, shall carry out administrative checks on the aid application to verify the eligibility conditions for the aid. Those checks shall be supplemented by on-the-spot checks.***

Amendment 175

Proposal for a regulation

Article 70 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

For each of the interventions referred to in Article 63(2), Member States shall ensure that the control sample for on-the-spot checks carried out each year covers at least 5 % of all beneficiaries. That percentage shall be increased appropriately where any significant non-compliance in the context of a given intervention or measure is detected. However, Member States may reduce that percentage where the error rates remain at an acceptable level.

Amendment 176

Proposal for a regulation

Article 70 – paragraph 2

Text proposed by the Commission

Amendment

Paragraphs 1 to 5 of Article 57 shall apply mutatis mutandis.

deleted

Amendment 177

Proposal for a regulation

Article 73 – paragraph 1 – point a – introductory part

Text proposed by the Commission

- (a) the form, **content** and arrangements for transmitting or making available to the Commission of:

Amendment

- (a) the form and arrangements for transmitting or making available to the Commission of:

Amendment 178

Proposal for a regulation

Article 73 – paragraph 1 – point b

Text proposed by the Commission

- (b) ***basic features and*** rules on the ***geo-spatial application system and the area monitoring system referred to in Articles 67 and 68.***

Amendment

- (b) ***the Commission is empowered to adopt delegated acts in accordance with Article 100, supplementing this Regulation by laying down the rules on the content for transmitting and making available to the Commission of:***
(i) the assessment reports on the quality of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring and control system;
(ii) the remedial actions to be implemented by the Member States as referred to in Articles 66, 67 and 68;
(iii) basic features and rules on the geo-spatial application system and the area monitoring and control system referred to in Articles 67 and 68.

Amendment 179

Proposal for a regulation

Article 73 – paragraph 2

Text proposed by the Commission

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

Amendment

deleted

Amendment 180

Proposal for a regulation Article 78 – paragraph 2

Text proposed by the Commission

2. Member States shall send the Commission a list of undertakings established in a third country for which payment of the amount in question has or should have been made or received in that Member State.

Amendment

2. Member States shall send the Commission a list of undertakings established in a third country for which payment of the amount in question has or should have been made or received in that Member State. ***Where necessary, the Commission shall invite experts from third countries, including developing countries, in order to obtain an assessment of the external impact of CAP implementation at Member State level.***

Amendment 181

Proposal for a regulation Article 79

Text proposed by the Commission

Amendment

Article 79

deleted

Programming

1. Member States shall draw up programmes for scrutiny to be carried out pursuant to Article 75 during the subsequent scrutiny period.

2. Each year, before 15 April, Member States shall send the Commission their programme as referred to in paragraph 1 and shall specify:

(a) the number of undertakings to be scrutinised and their breakdown by sector on the basis of the amounts relating to them;

(b) the criteria adopted for drawing up the programme.

3. The programmes established by the Member States and forwarded to the Commission shall be implemented by the Member States, if, within eight weeks, the Commission has not made known its comments.

4. Paragraph 3 shall apply mutatis mutandis to the amendments to the

programme made by the Member States.

5. At any stage, the Commission may request the inclusion of a particular category of undertaking in the programme of a Member States.

6. Undertakings for which the sum of the receipts or payments amounted to less than EUR 40 000 shall be scrutinised in accordance with this Chapter only for specific reasons to be indicated by the Member States in their annual programme referred to in paragraph 1 or by the Commission in any proposed amendment to that programme. The Commission is empowered to adopt delegated acts in accordance with Article 101 amending the threshold set out in the first subparagraph.

Amendment 182

Proposal for a regulation

Title 4 – chapter 4 – title

Text proposed by the Commission

Control system and penalties in relation to conditionality

Amendment

Control system and penalties in relation to conditionality ***for sustainable development***

Amendments 183, 211cp1 and 283cp1

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Member States shall ***set up*** a control system to ensure that beneficiaries ***of the aid referred to in Article 11 of Regulation (EU) .../... [CAP Strategic Plan Regulation] and in Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013 respectively,*** comply with the obligations referred to in Section 2 of Chapter 1 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation].

Amendment

Member States shall ***have*** a control system ***in order*** to ensure that ***the following*** beneficiaries comply with the obligations referred to in Section 2 of Chapter 1 of Title III of Regulation (EU).../...[CAP Strategic Plan Regulation]:

(a) beneficiaries receiving direct payments under Chapter II of Title III of

Regulation (EU).../...[CAP Strategic Plan Regulation];
(b) beneficiaries receiving annual payments in accordance with Articles 65, 66 and 67 of Regulation (EU).../...[CAP Strategic Plan Regulation];
(c) beneficiaries receiving support in accordance with Chapter IV of Regulation (EU) No 228/2013 and Chapter IV of Regulation (EU) No 229/2013.

Amendment 211cp2

Proposal for a regulation

Article 84 - paragraph 1 - subparagraph 3 a (new)

Text proposed by the Commission

Amendment

In order to ensure compliance with the applicable working and employment conditions resulting from relevant collective labour agreements and social and labour law at national, Union and international levels, Member States shall ensure cooperation between competent national authorities responsible for labour inspections and the control system referred to in the first subparagraph. In cross-border situations, coordination and cooperation shall also be ensured with the European Labour Authority (ELA) the functioning of which is regulated by Regulation (EU) 2019/1149 of the European Parliament and of the Council.

Amendments 184, 211cp3 and 283cp3

Proposal for a regulation

Article 84 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) ‘reoccurrence of a non-compliance’ means the non-compliance with the same requirement or standard determined more

than once, provided that the beneficiary has been informed of a previous non-compliance and, as the case may be, has had the possibility to take the necessary measures to remedy that previous non-compliance.

Amendments 185, 211cp3 and 283cp3

Proposal for a regulation

Article 84 – paragraph 3 – introductory part

Text proposed by the Commission

3. In their control *system referred to* in paragraph 1 Member States:

Amendment

3. In *order to comply with* their control *obligations laid down* in paragraph 1, Member States:

Amendments 186, 211cp3 and 283cp3

Proposal for a regulation

Article 84 – paragraph 3 – point c

Text proposed by the Commission

(c) may, where appropriate, make use of remote sensing or the area monitoring system to carry out the on-the-spot checks referred to in point (a);

Amendment

(c) may, where appropriate *and feasible*, make use of remote sensing or the area monitoring *and control* system to carry out the on-the-spot checks referred to in point (a); *and*

Amendments 187, 211cp3 and 283cp3

Proposal for a regulation

Article 84 – paragraph 3 – point c a (new)

Text proposed by the Commission

Amendment

(ca) shall establish an early warning system;

Amendments 188, 211cp3 and 283cp3

Proposal for a regulation

Article 84 – paragraph 3 – point d

Text proposed by the Commission

Amendment

(d) establish the control sample for the checks referred to in point (a) to be carried out each year on the basis of a risk analysis and shall include a random component and shall provide the control sample to cover at least 1% of beneficiaries receiving the aid provided for in Section 2 of Chapter 1 of Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation].

deleted

Amendment 291

Proposal for a regulation

Article 84 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Member States shall establish the control sample for the checks referred to in point (a) of paragraph 3 of this Article to be carried out each year on the basis of a risk analysis, for which they may apply weighting factors, and a random component, and shall ensure that the control sample covers at least 5 % of the beneficiaries receiving aid under Section 2 of Chapter 1 of Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation].

Amendments 190 and 211cp6

Proposal for a regulation

Article 84 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on simplified checks for farmers participating in the schemes referred to in Article 25 of Regulation (EU) .../... [CAP Strategic Plans Regulation].

Amendments 191 and 211cp6

Proposal for a regulation

Article 84 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

3c. The Commission shall adopt, by means of implementing acts, rules on the carrying out of checks referred to in this Article, including rules ensuring that risk analysis takes account of the following factors:
(a) the participation of farmers in the farm advisory services system provided for in Article 13 of Regulation (EU) .../... [CAP Strategic Plan Regulation];
(b) the participation of farmers in a certification system as provided for in Article 12(3a) of Regulation (EU) .../... [CAP Strategic Plan Regulation] once the Regulation covers the requirements and standards concerned.
Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

Amendments 212cp1 and 293

Proposal for a regulation

Article 85 – paragraph 1 – subparagraph 2 – introductory part

Text proposed by the Commission

Amendment

Under that system, the administrative penalties referred to in the first subparagraph shall only apply where the non-compliance is the result of an act or omission directly attributable to the beneficiary concerned; and where one **or both** of the following conditions are met:

Under that system, the administrative penalties referred to in the first subparagraph shall only apply where the non-compliance is the result of an act or omission directly attributable to the beneficiary concerned; and where one, **two or all** of the following conditions are met:

Amendments 212cp2 and 294

Proposal for a regulation

Article 85 – paragraph 1 – subparagraph 2 – point b a (new)

(ba) the non-compliance affects the working and employment conditions of the workers employed by the beneficiary.

Amendment 228

Proposal for a regulation Article 85 - paragraph 2

Text proposed by the Commission

2. In their penalty systems referred to in paragraph 1, Member States:

(a) shall include rules on the application of administrative penalties in cases where the **land** is transferred during the calendar year concerned or the years concerned. These rules shall be based on a fair and equitable attribution of the liability for non-compliances among transferors and transferees;

For the purpose of this point, 'transfer' means any type of transaction whereby the agricultural land ceases to be at the disposal of the transferor.

(b) may decide, notwithstanding paragraph 1, not to apply a penalty per beneficiary and per calendar year when the amount of the penalty is EUR 100 or less. The finding and the obligation to take remedial action shall be notified to the beneficiary;

(c) shall provide that no administrative penalty be imposed ***where the non-compliance is due to force majeure.***

Amendment

2. In their penalty systems referred to in paragraph 1, Member States:

(a) shall include rules on the application of administrative penalties in cases where the ***agricultural land, or an agricultural holding or part thereof*** is transferred during the calendar year concerned or the years concerned. These rules shall be based on a fair and equitable attribution of the liability for non-compliances among transferors and transferees.

For the purpose of this point, 'transfer' means any type of transaction whereby the agricultural land ceases to be at the disposal of the transferor;

(b) may decide, notwithstanding paragraph 1, not to apply a penalty per beneficiary and per calendar year when the amount of the penalty is EUR 100 or less. The finding and the obligation to take remedial action shall be notified to the beneficiary;

(c) shall provide that no administrative penalty be imposed ***if:***

(i) the non-compliance is due to force majeure;

(ii) the non-compliance is due to an order from a public authority; or

(iii) the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the beneficiary subject to the administrative penalty.

Amendment 229

Proposal for a regulation Article 86

Text proposed by the Commission

1. The administrative penalties ***provided for in Section 2 of Chapter 1 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation]*** shall be applied by means of reduction ***from*** or exclusion of the total amount of the payments listed in ***that Section of that Regulation*** granted or to be granted to the beneficiary concerned in respect of aid applications ***he*** has submitted or will submit in the course of the calendar year of the finding.

For the calculation of those reductions and exclusions, account shall be taken of the severity, extent, permanence, reoccurrence or intentionality of the non-compliance determined. The penalties imposed shall be dissuasive and proportionate, and compliant with the criteria set out in paragraphs 2 and 3 of this Article.

2. In the case of non-compliance due to negligence, the percentage of reduction shall be as a general rule 3% of the total amount of the payments referred to in paragraph 1 of this Article.

Member States ***may*** set up ***an*** early warning system that applies to individual cases of non-compliance occurring for the first time and which, given their minor severity, extent and permanence, shall not lead to a reduction or exclusion. Where a subsequent check within three consecutive calendar years establishes that the non-compliance has not been remedied, the reduction pursuant to the first subparagraph shall be applied retroactively.

Amendment

1. The administrative penalties shall be applied by means of reduction or exclusion of the total amount of the payments listed in ***Article 84(1)*** granted or to be granted to the beneficiary concerned in respect of aid applications ***that beneficiary*** has submitted or will submit in the course of the calendar year of the finding.

For the calculation of those reductions and exclusions, account shall be taken of the severity, extent, permanence, reoccurrence or intentionality of the non-compliance determined. The penalties imposed shall be dissuasive and proportionate, and compliant with the criteria set out in paragraphs 2 and 3 of this Article.

2. In the case of non-compliance due to negligence, the percentage of reduction shall be as a general rule 3 % of the total amount of the payments referred to in paragraph 1 of this Article. ***That reduction shall be determined on the basis of the assessment of the severity of the non-compliance, based on the criteria set out in paragraph 1 of this Article.***

Member States ***shall*** set up ***and use the*** early warning system ***referred to in Article 84(3)*** that applies to individual cases of non-compliance occurring for the first time and which, given their minor severity, extent and permanence, shall not lead to a reduction or exclusion. ***The relevant authority shall notify the beneficiary of the obligation to take remedial action and propose corrective measures that have to be taken to remedy the non-compliance.*** Where a subsequent check within three consecutive calendar years establishes that the non-compliance has not been remedied, the reduction pursuant to the first

However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion.

Member States *may* provide *mandatory* training under the farm advisory system provided for in Section 3 of Chapter 1 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation] to the beneficiaries who have received an early warning.

3. In case of reoccurrence, the percentage reduction shall be *higher than the one to be applied in case of non-compliance due to negligence and sanctioned for the first time*.

4. In case of intentional non-compliance, the percentage shall be *higher than the one applied in case of reoccurrence pursuant to paragraph 3* and may *go as far as* total exclusion from payments and may apply for one or more calendar years.

5. In order to ensure a level-playing field between Member States and the effectiveness and dissuasive effect of the penalty system, the Commission shall be empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with further rules on the application and calculation of penalties.

subparagraph shall be applied retroactively. However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion.

Member States *shall* provide *for specific training on conditionality* under the farm advisory system provided for in Section 3 of Chapter 1 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation] to the beneficiaries who have received an early warning, *attendance of which may be made mandatory*.

3. In *the* case of reoccurrence *of a non-compliance*, the percentage reduction shall be, *as a general rule, 10 % of the total amount of the payments referred to in paragraph 1*.

In the case of subsequent reoccurrences of non-compliance, and if no justified reason is provided by the beneficiary concerned, that beneficiary shall be considered to have acted intentionally within the meaning of paragraph 4.

4. In *the* case of intentional non-compliance, the percentage *reduction* shall be *at least 15 % of the total amount of the payments referred to in paragraph 1* and may *amount to the* total exclusion from payments and may apply for one or more calendar years.

5. In order to ensure a level-playing field between Member States and the effectiveness and dissuasive effect of the penalty system, the Commission shall be empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with further rules on the application and calculation of penalties.

Amendment 202

Proposal for a regulation Article 87 – paragraph 1

Text proposed by the Commission

Member States may retain **20 %** of the amounts resulting from the application of the reductions and exclusions referred to in

Amendment

Member States may retain **25 %** of the amounts resulting from the application of the reductions and exclusions referred to in

Amendment 230

Proposal for a regulation Article 96 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure annual ex-post publication of the beneficiaries of the Funds ***in accordance*** with [Article 44(3)-(5) of Regulation (EU) .../... CPR Regulation] and paragraphs 2, 3 and 4 of this Article.

Amendment

1. Member States shall ensure annual ex-post publication of the beneficiaries of the Funds ***in accordance*** with [Article 44(3) ***to*** (5) of Regulation (EU) .../... CPR Regulation] and paragraphs 2, 3 and 4 of this Article. ***Where beneficiaries are part of a group within the meaning of point 11 of Article 2(1) of Directive 2013/34/EU, the published information shall allow for the identification of that group.***

Amendment 203

Proposal for a regulation Article 100 a (new)

Text proposed by the Commission

Amendment

Article 100a

Urgency procedure

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2.
2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.
2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 100(6). In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.

Amendment 204

Proposal for a regulation

Article 102 – paragraph 1 – subparagraph 2 – point a

Text proposed by the Commission

(a) Article 5, Article 7(3), **Articles** 9, 34, Article 35(4), Articles 36, 37, 38, 43, 51, 52, 54, 110 and 111 of Regulation (EU) No 1306/2013 and the relevant implementing and delegated rules shall continue to apply in relation to expenditure incurred and payments made for the agricultural financial year 2020 and before as regards the EAGF, and as regards the EAFRD in relation to expenditure incurred and payments made for rural development programmes approved by the Commission under Regulation (EU) No 1305/2013,

Amendment

(a) Article 5, Article 7(3), **Article** 9, **Article 26(5)**, **Article** 34, Article 35(4), Articles 36, 37, 38, 43, 51, 52, 54, 110 and 111 of Regulation (EU) No 1306/2013 and the relevant implementing and delegated rules shall continue to apply in relation to expenditure incurred and payments made for the agricultural financial year 2020 and before as regards the EAGF, and as regards the EAFRD in relation to expenditure incurred and payments made for rural development programmes approved by the Commission under Regulation (EU) No 1305/2013,

Amendment 205

Proposal for a regulation

Article 103

Text proposed by the Commission

Amendment

Article 103

deleted

Transitional measures

The Commission is empowered to adopt delegated acts in accordance with Article 101 supplementing this Regulation with derogations from, and additions to, the rules provided for in this Regulation, where necessary.