



Council of the European Union
General Secretariat

**Interinstitutional files:
2018/0217(COD)**

Brussels, 29 September 2020

WK 10189/2020 INIT

LIMITE

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WORKING PAPER

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WORKING DOCUMENT

From:	Presidency
To:	Working Party on Horizontal Agricultural Questions (CAP Reform)
N° Cion doc.:	9634/18 + COR 1 + ADD 1
Subject:	Proposal for a Regulation on Financing, management and monitoring of the CAP (Articles 84-87) - Control system and penalties in relation to conditionality - Presidency explanatory note

With a view to the videoconference meeting of the Working Party on Horizontal Agricultural Questions (CAP Reform) on 30 September, delegations will find attached a Presidency explanatory note on its drafting suggestions set out in WK 9975/2020 concerning the control system and penalties in relation to conditionality (Articles 63 to 73 and 84 to 87 of the Horizontal Regulation), including a steering question.

Working Party on Horizontal Agricultural Questions (CAP Reform)

Bonn, 29 September 2020

30 September 2020

10:00 – 13:00

VIDEOCONFERENCE

Horizontal Regulation: Articles 63 to 73 (IACS) and Articles 84 – 87 (Control system and penalties in relation to conditionality)

I. State of play and suggestions

In the meeting of the Working Party on Horizontal Agricultural Questions on 3 September 2020, Member States shared their views on some questions relating to small holdings in the system for controls and penalties in relation to conditionality. In addition, Member States were invited to provide written comments on Articles 63 to 73 and Articles 84 to 87.

Based on these discussions and the received written comments, the German Presidency submitted drafting suggestions in WK 9975/2020 with the following main suggestions:

- (1) To delete the curly brackets in point (c) of Article 64(1), i.e. the integrated system shall comprise an area monitoring system from 1 January 2024 at the latest;

- (2) To delete the second sentence in Article 65(5), as it could cause ambiguity in combination with the first sentence;
- (3) To streamline empowerments for delegated acts in accordance with Article 290 of the Treaty (Article 72);
- (4) To specify that Member States may set up a simplified control system for farmers with a maximum size of holding not exceeding 5 hectares (Article 84(1) subparagraph 2);
- (5) To define a basic principle for simplified control systems in point (f) of Article 84(3);
- (6) To provide Member States with the option to take intentionality into account for the calculation of reductions (Article 86(1) subparagraph 2).

Depending on the decision of the European Court of Justice in the case C-361/19, clarifications in Article 86(1) regarding the year on which the calculation of a penalty should be based will follow on a later stage, as well as a possible redrafting of point (c) of Article 63(4) due to Regulation 2016/429.

II. Question

Delegations are invited to share their views on the following question:

Do you consider Articles 63 to 73 and Articles 84 to 87 to be stable now or do you think that further changes are essential?