



Council of the European Union
General Secretariat

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

Brussels, 22 October 2018

WK 12629/2018 INIT

LIMITE

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WORKING PAPER

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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Financial Agricultural Questions
N° Cion doc.:	9634/18 + COR 1 + ADD 1
Subject:	Proposal for a Regulation on Financing, management and monitoring of the CAP - Non-paper from the Commission services on Block 2

Delegations will find attached a non-paper from the Commission services in reply to inquiries from Member States on Articles 8-11 and 88-90 of the proposed Horizontal Regulation.

REGULATION ON FINANCING, MANAGEMENT AND MONITORING OF THE CAP – BLOCK 2

TITLE II: GENERAL PROVISIONS ON AGRICULTURAL FUNDS

Chapter II: Governance bodies

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
Article 8	DE	Germany welcomes and supports the approach of the European Commission to fully rely on the existing, tried and tested structures for the future governance system. This shall be valid also for the specific structures established in a federal republic like Germany. The regulation must ensure that the constitution and the specific share of tasks and responsibilities between the central government and the federal states are fully respected.		Yes, the proposal builds on the already existing structures and authorities established under the current legal framework and thus provides coherence between the past and future. As clearly set out in recital 9 the proposal is drafted whilst respecting the constitutional provision of each Member State.
	LV	We would like to thank the Commission for explanations given during the AGRIFIN meeting on 5th of September, however we would like to clarify wheather on-the-spot checks will apply to the 2021 Financial year. Considering that Managing authority is part of governance systems ,we believe it should be mentioned in this chapter or there should be reference to the CAP Strategic Plan Regulation.		The existing management, control and audit procedures will be applicable to all expenditure effected in accordance with the current legal framework. E.g. for IACS expenditure the current legal framework will apply to claim year 2020, for which payments will be made in financial year 2021. Hence, on-the-spot checks will apply for claim year 2020. The Managing Authority (MA) has the overall responsibility for the CAP strategic plan preparation and implementation, while the Paying Agency (PA) is responsible for the management and control of expenditure and accountability in the form of the management declaration. Therefore, the MA is mentioned in the CAP Strategic Plan

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				Regulation and the PA as part of the governance bodies in the Horizontal Regulation proposal. This is also in line with the current legislative framework and the intention was as far as possible to ensure a rollover. For further details of the roles of the MA and PA please see also the Non paper on the Role of the Managing Authority and the Paying Agency as regards the drawing and submission of the Annual Activity Report [Council ref WK 8875/2018/INIT].
	LU	Concerning the performance report and in relation to the explanations given through the non-paper and during AGRIFIN meeting on 5 September 2018, Luxembourg Authorities would like to reiterate its concerns about this new delivery model that we believe would certainly implicate additional work (and costs for PA). We would therefore support other delegations worries about the deadline of 15 February for delivering the performance report. Moreover, the concept and in particular the performance report itself seems still to be something quite abstract for us. So far nor the PA neither the Managing Authority really know what to do exactly and how much additional work this will generate. Until now, we do not have enough, or the right elements on the table to enable us to estimate what additional means MS need to raise for this new delivery model.		Under the current system, the Member States are requested to report on control systems and control results of the payments related to expenditure declared for the last financial year, also by 15 February, which is a date set out in article 63 of the Financial Regulation (Regulation (EU) No 2018/1046). There is no change in this regard. The performance report structure will be defined based on the CAP Strategic Plan. There is a shift from control result reporting to performance reporting, the adaptation of which may require additional work in the initial phase as regards design and launch, but the clear intention of the Commission is to replace the current system with a new one not to add an additional layer. The Commission will provide guidance on the Annual Performance Report (APR). One overall objective of the

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		Furthermore, LU Authorities are wondering why the performance report needs to be established and delivered by the PA. As far as we understood, the Managing Authority has all the requested information to establish the performance report. So why do we need to transmit all that information at first to the PA in order to compile the performance report instead of doing the work immediately at the Managing Authority level? This does not really make sense especially because the CB has to give an opinion of the performance report!		new legislative framework is simplification. The APR is to be submitted by the PA/Coordinating Body as it forms the basis for the Commission assurance in conjunction with the Management Declaration, which is another corner stone of the accountability chain. It is for the Member State to see how the APR is put together, but it must be submitted to the Commission by the PA with the management declaration in the assurance framework. The CB gives an opinion on the APR as it forms the basis of the assurance.
	DE	8.1 The Commission proposes to restrict further the number of paying agencies. Germany is of the opinion that these rules, especially the prohibition to accredit new paying agencies, interfere with the sovereignty of the Member States and could possibly force them to a burdensome reorganisation of the governance system. This is not in line with the objective of a simplified CAP with an increased level of subsidiarity.	The current rules of the EU regulation. 1306/2013 should be kept.	Regulation No 1306/2013 also restricts the number of PAs to the number of PAs, which have been accredited before 20 December 2013. In the current proposal the restriction will apply as from the date of entry into force of the proposal therefore this does not represent a change in approach. See also answer to first comment above – Recital 9 is clear about respecting the constitutional provisions of each Member State. The reasons for this restriction are also explained in the answers to the questions of IT below.
	DK	Although not mentioned directly in this article, Denmark would like to remind of our position that we do not see any reason why Member States have to designate a Managing Authority with a clear allocation and separation of functions from for instance the		The legal provision proposals does not render this impossible. It is confirmed that this option is possible as long as there are clear separation of tasks and conflicts of interests are avoided and that the functions of the different authorities and governance

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		paying agency as referred to in Article 110 of the Cap Plan regulation. In our opinion, it should be voluntary for the Member States to decide which authority should be responsible for managing and implementing the Cap Strategic Plan. We have noted that the Commission intends to leave this decision up to the member states. We would like the Commission to confirm its opinion.		bodies are clearly set out.
	BE	Too restrictive		See reply to DE above.
	BE	8.2 Reduction of PA can be seen as a simplification. The restriction is too big and not in line with the principle of subsidiarity. To add, similar as in consideration 9:... while respecting the constitutional provisions of each MS. What does it mean: the annual performance report to be furnished by the CB. Has it to be established by the CB? Not ok if it means a synthesis report by the CB. What's the process for the annual		It is not considered necessary to refer to constitutional provisions in the article itself as this is already set out in recital 9. Where more than one paying agency is accredited in a Member State, the aggregated annual performance report shall be furnished by the coordinating body. For this purpose, the coordinating body shall provide a management declaration covering the aggregated annual performance report. It is for the Member State to decide on the processes for putting together the report. The consolidated report at Member State level shall be covered by the opinion of a Certification Body. In accordance with Art.8 of HZR, the tasks of the Paying Agency (or Coordinating Body) are to draw up and submit the annual

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		performance report: first via monitoring committee (art 111 , 4 Strategic plan) and then CB? More information is needed.		performance report to the Commission. The tasks of the Managing Authority are to ensure that the PA is in a position to draw up the APR and that the other relevant parts of the report are included, consult the Monitoring Committee and thus, enabling its submission to the Commission by the Paying Agency (or if applicable Coordinating Body). The Managing Authority continues to play its current role in the implementation of the policy / CAP plan, as such (cf. point (b) and (i) in paragraph 2 Art.110 of SPR).
	HU			
	HU	The relations amongst the MS's Competent Authority, Managing Authority, CB and PA are not clear.		The Certification Body (CB) should audit the Annual performance Report that is linked to the annual performance clearance and the Management Declaration. This audit work of the CB can commence before the submission to monitoring committee and does not have to be after this submission or approval.
		PA has no control over the CAP Strategic Plan, yet the head of the PA is to declare their certainty in the Management Declaration and the CB is expected to provide an opinion on both the assertions made in the MD and on the validity of the reporting.		The relations amongst the MS's Managing Authority, CB and PA are further explained in the Non-paper on the Role of the Managing Authority and the Paying Agency as regards the drawing and submission of the Annual Activity Report [Council ref WK 8875/2018/INIT].
				The PA in accordance with the

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				accreditation criteria is responsible for the management and control of expenditure and the eligibility of the expenditure incurred hence the PA's Management Declaration should cover the 3 areas clearly specified in HZR Art 8(3)c as provided for in Article 63(6) of the Financial Regulation (2018/1046) in line with current provisions.
	RO	Changing the governance structure for the MS that have more than one paying agency will create difficulties in implementing the new CAP strategic plans, increasing the delay in implementation, due to the need of reorganise and re-accredit the agencies. We consider that the existence of one single agency for implementing the 2 funds (FEGA and FEADR) generates major risks, this being more than just a matter of change the title, organisational chart, etc. but also involves legislative details and special procedures that contradict the objective of simplification and even the principle of subsidiarity in the new CAP. We propose completing the provisions of art. 8., paragraph 2, of the EC regulation draft 393/2018 by including a last paragraph, similar with the existing derogation in art. 7 of the EC Regulation no. 1306/2013. Also, in case the proposal is not accepted, the	<i>“By way of derogation from the second subparagraph of paragraph 2, Member States may maintain payment agencies which were accredited prior to 20 December 2020.”</i>	The new delivery model brings in the EAFRD and EAGF under one CAP strategic plan and the existence of one national PA that manages EAGF and EAFRD is the reality in the majority of the MSs today. Constitutional provisions in some Member States have resulted in several Paying Agencies at regional level. The intention of the Commission proposal is to limit the number of Paying Agencies and wherever possible to manage EAGF and EAFRD in the same Paying Agency. In particular, taking into account the existence of one CAP Strategic Plan and IACS covering both funds, one single paying agency for both Funds would not result in the generation of risks! On the question of the re-accreditation of the existing PAs, the intention with the proposal is a rollover, so accreditation will

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		Regulation should stipulate if the MS will have to re-accredit the entire implementation system (without taking into consideration the current situation of the paying agencies) or if the accreditation process should involve only the new elements added to the existing systems? Regarding the correlation of the provision in paragraph 2, the second subparagraph with the final subparagraph stating that the MS will not designate new additional paying agencies after the date of entry into force of this Regulation. We do not understand if the final paragraph becomes unapplicable due to the restriction established in the second mention? On the other hand, if under the Horizontal Regulation there is the possibility of withdrawing the accreditation of the paying agency, there must also be a legal possibility of accrediting another entity as a paying agency. Is the possibility of transferring accreditation taken into consideration? A potential unification of the paying agencies would imply large costs which would put pressure on the MS budgets. Also, taking into account that the present structure exists for the past decade, the mechanisms are well put in place, a substantial modification would imply a serious administrative burden for both national administrations and the farmers.		be kept. As was the case with the entry into force of Reg Nos 1305/2013, 1036/2013, 1307/2013 and 1308/2013 the Competent Authority should ensure that the PA is in a position to make payments in the context of any new types of intervention and if necessary accreditation needs to be reviewed. Related to the questions on the number of the PAs please see also answers to IT and DE on these questions. The provision clearly states that there can be no new additional accreditation meaning that accreditation can be transferred to another/new PA.

	CZ	8.2 The Czech Republic would like to ask for amendments of the text of the Regulation so that it contains a detailed description of the procedure for the “roll-over” of the accreditation of paying agencies from the current programming period to the up coming one. Considering the Commission’s ambition in regard to the submission of the CAP Strategic plan, the Czech Republic is against any additional administrative burden for Member States regarding the accreditation of paying agencies.		The intention of the Commission is that there will be a rollover, accreditation will be kept in order to avoid administrative burden on Member States. As was the case with the entry into force of Reg No 1305/2013, 1036/2013, 1307/2013 and 1308/2013 the Competent Authority should ensure that the PA is in a position to make payments in the context of any new types of intervention and if necessary accreditation needs to be reviewed. Detailed description of the procedure was not provided for the current legislative framework but was implemented without any concerns raised by the Commission.
	HU	Article 8 (2) a) and b) Please specify the meaning of the word „and” in order to have a clear view whether you mean under point a) to have only one PA per MS or per region separately for EAGF and EAFRD, or you mean that is allowed to have only one PA per MS for both EAGF and EAFRD? Article 8 (2) What is exactly meant by that the “PA is responsible for „managing EAGF and EAFRD”? PA’s are usually responsible for the implementation and not for the management of CAP funds.		The intention of the proposal is that where there are national PAs there should not be separate PAs for EAGF and EAFRD. And if there are PAs at regional level there should not be two at each regional level for EAGF and EAFRD separately. Cf. Art. 8(1) of HZR - Paying Agencies are “responsible for the management and control of expenditure” as it is the case under the current period (Article 7(1) of Reg No 1306/2013). The same wording is used in Art. 8(2) of HZR.
	IT	Paragraph 2 The text concerning the criteria for reducing the number of accredited paying agencies is		PAs are not obliged to manage both EAFRD and EAGF expenditure. See also reply to HU above.

		unclear and can lead to misunderstanding. Is obliged each Paying Agency (single PA at national level and various PA at regional level) to manage both EAGF and EAFRD expenditure? After the date of entry into force of the regulation, the impossibility of appointing any new additional paying agency originates a difference in treatment between the regions, because it makes not possible for a region without its paying agency to have this structure. This is also conflicting with “the respect of the constitutional provisions of each Member State” mentioned in recital no. 9.		The objective is to restrict the number of PAs, withdraw accreditation from PA without any activity over 3 consecutive years and to restrict the creation of new additional PAs. This is not considered as conflicting with the constitutional provisions as the current number of PAs can be maintained subject to the provisions under this article. It is correct that no new additional PAs can be created which is in line with the current provisions in Art. 7(2) of 1306/2013.
	IT	8.2 After the date of entry into force of the regulation, the impossibility of appointing any new additional paying agency originates a difference in treatment between the regions, because it makes not possible for a region without its paying agency to have this structure. An amendment to the proposal would be desirable, to avoid this possible disparity between the regions.		Please see previous answers to IT and DE.
	BE	Content of annual performance report? Given our constitutional provisions, we would insist for one strategic plan for each region and consequently one annual performance report for each strategic plan .	To furnish the annual performance report for each strategic plan, as referred to in article 52(1)	The Belgian request is noted. The provision to have one CAP Strategic Plan is set out in the proposal for the CAP Strategic Plan regulation (SPR).
	CZ	8.3 The Czech Republic considers as problematic the date for submission of the performance report. The new model seems more complicated for us, however, the time		The outputs, which are reported in the annual performance report, are designed so that all of them should be readily available.

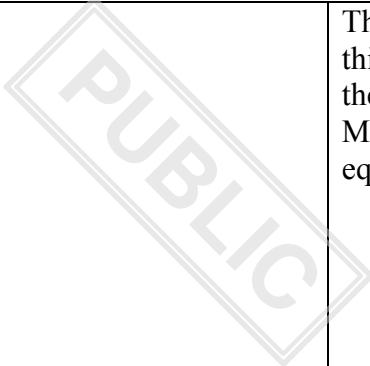
		limit is very short. We suggest to extend the time limit at least by two months to 15. 4.		Main part of the expenditure is IACS expenditure and for this output will be available since it will be paid by 30 June of year N and the reporting should be on the 15/2 of year N+1. The date of 15/2 with possible extension to 1/3 cannot be moved – it is set out in the Financial Regulation (2018/1046) Article 63, which is there since the EC has to deliver its accounts by April-June in year N+1. Therefore, it is not considered possible to change the dates in the context of the HZR.
	RO	8.3 The present annual report is elaborated per calendar year and is not verified and endorsed by the certification body, but in the proposed regulation the reporting is to be made on financial year and should be analyzed by the certification body. Regarding the deadline for submitting the Annual Performance Report by February 15, we believe that the term should be analyzed and, if possible even prolonged – since the persons responsible should gather the indicators for EAGF and for EAFRD, as well (thus making the process of elaboration much more complicated). Taking into account the introduction of indicators on the first pillar too, both the structure and the transmission of the annual performance report will become more complicated, which is why the reduction of		Please see the answers to the CZ delegation above. Also please note that for the vast majority of output indicators (as defined in Annex I of the CAP SP regulation), outputs are already available and used in the MS information systems. In addition the Commission will provide templates and examples of the CAP Strategic Plans which will be a basis for the reporting. In addition the Certification Bodies will also be given guidance as regards the audit to be performed. Audit can start during the year as is currently the case.

		the transmission deadline on February 15 becomes a major additional stress factor, being inconsistent with the objectives of simplification. Having regard that for the EAGF the annual performance report is a new requirement and there were no performance indicators used before and therefore the information system is developed consequently, we propose that the deadline for transmitting the APR should be 30th of June, as it is the case for the EAFRD related report.		
	PT	8.3 As proposed in this Article the Paying Agency must prepare and present to the COM, for the EAGF and the EAFRD, not only the annual accounts and the management declaration, but also the performance report. All this up to 15.2.N+1 (currently it is 30.06.N+1 for the EAFRD report) We consider that this deadline is too short, so we would like it to be extended.		Please see answers to the other MSs above. In addition, the financial, output and result reporting should be aligned and relate to the same period (e.g. the financial year), which is now supported by the proposal. This will facilitate simplification in the reporting and the related controls compared to the current system.
	DE	8.3 The reference to the financial regulation is misleading and should be deleted. A performance report is not required by the financial regulation. Pursuant to lit. b) the paying agency provides the annual performance report in accordance with Article 52 (1) to confirm the eligibility of payments in respect of Article 35. However, this confirmation is part of the management declaration (c). Therefore, the	the person in charge of the accredited paying agency shall by 15 April of the year	The reference to the Financial Regulation is in relation to the documents to be submitted within the annual clearance package as a basis for assurance. The reference to Article 35 is referred to in relation to the outputs and results to be reported in the Annual Performance Report (these are specific to the Funds), which is relevant for eligibility of the expenditure. While the management declaration will include a general

	reference to article 35 should be deleted. Moreover the reference to Article 52 (1) should be substituted by a reference to article 121 of the CAP strategy regulation ruling the annual performance report. Does the Commission intend to further specify the content and structure of the annual performance report? If so, how, where and when will this be done? The preparation of the annual performance report with many output and result indicators including explanations for deviations from targets is extensive and time-consuming. This is especially the case for federally organised member states with numerous paying agencies, where the coordinating body needs to compile and summarise the contributions of the paying agencies into one single annual performance report. In addition, the proposal requires an additional step, namely the provision of a management declaration certified by a certification body. Moreover, the consultation of the management committee is compulsory. It may also be required to consult partners on regional level. The prior consultation, the compilation of data by the coordinating body and the additional certification require much more time than today. This results in a very high risk of delays.		affirmation of the compliance with the provisions of the Financial Regulation (2018/1046) Art 63(6). The request to introduce a reference to Article 121 of the CAP Strategic Plan Regulation is noted. Yes, Annual Performance Report structure and standard, proposed format will be elaborated as soon as the legal framework is set out. The compilation of the aggregated annual performance report at federal level should not require more work than the preparation of the synthesis report in the past. The management declaration covering this aggregated annual performance report should be based on the compilation of that report. Regarding the consultation of other stakeholders – the Commission sees no obstacles in this consultation being done in parallel with the process of preparation of the annual performance report and before all of the results are available. It should also be noted that a number of other reporting requirement will no longer exist e.g. control statistics and detailed information at individual beneficiary level, irregularity cases.
FI	8.3 The timeframe of four months for the	The deadline of 15 February referred to in the first	The outputs, which are reported in the performance report, are designed so that all

		completion, certification and the Monitoring Committee procedure of the performance report might be challenging. It will be shorter than the current timeframe for reporting under Pillar II. The amount of information required for the performance report will be decisive in terms of being able to meet the timeframe. This is why the amount of information must be significantly reduced in the report compared to the current report under Pillar II. There is a possibility to extend the deadline to 1 March. This possibility for extension should not be restricted, and it should in fact be longer. To be able to conclude the performance report in such a short timeframe, it is important that the roles of the managing authority and paying agency are clear. The point concerning a synthesis of the state of implementation of the plan during the previous financial year, which is responsibility of the managing authority, should be made fully clear either in the Horizontal Regulation or in the CAP Strategic Plan Regulation.	subparagraph may be exceptionally extended by the Commission to 1 March May, upon request by the Member State concerned, as provided for in the second subparagraph Article 63(7) of the Financial Regulation. Include an Article on the role of the Managing Authority concerning a synthesis of the state of implementation of the plan in the previous financial year in the CAP Strategic Plan Regulation.	of them should be readily available. Main part of the expenditure is IACS expenditure and for this output will be available since it will be paid by 30 June of year N and the reporting should be on the 15/2 of year N+1. The date of 15/2 with possible extension to 1/3 cannot be moved – it comes from the Financial Regulation (2018/1046) Article 63, which is there since the EC has to deliver its accounts by April-June in year N+1 – making the 1/3 already a short period. Therefore it is not considered possible to change the dates in the context of the HZR. As regards the roles of the MA and PA please see the Non-paper on the Role of the Managing Authority and the Paying Agency as regards the drawing and submission of the Annual Activity Report [Council ref WK 8875/2018/INIT].
	IT	8.3 Point (b) - The deadline of 15 February of the year following the financial year concerned to draw up and provide the Commission with the annual performance report referred to in article 52(1) appears premature, considering the information necessary to prepare this		Please see the answer to other MSs above.

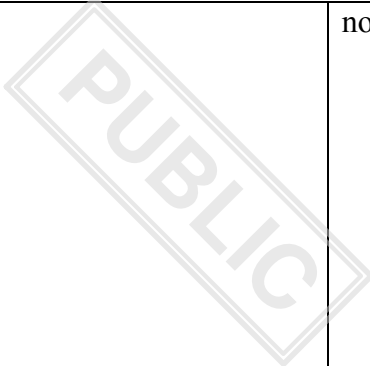
		report and also the further administrative steps necessary before submitting it to the Commission. The deadline to consider should be 15 March at least.		
	LV	8.3 Taking into account the fact that several governance structures (managing authority, paying agency, monitoring committee and certification body) are involved in the preparation of this report, we believe that the deadline for submission, which is 15th of February is not realistic. We consider that in order to prepare a quality report at least six months are required. We still are concerned about the content of this report and what information is expected from the Member States, as according to CAP Strategic Plan Regulation it requires not only quantitative, but also qualitative information from.		Please see the answer regarding the timing to other MSs above. The Commission will provide additional guidance on the Annual Performance Reports (APR) and the information that will need to be submitted, however, it can be noted already that the CAP SP will be used as a basis from which the APRs will be further developed.
	SI	(b) the annual performance report Date of February 15 (n+1) Based on the explanation of the Commission we understand that point (b) relates to the output indicators data for previous financial year (n). Other data (results indicators) for the year (n) are to be reported as available in n+1 and amended/upgraded/correct in the next year annual performance report (n+2). If this is our mutual understanding, Slovenia would propose the Commission to upgrade the Article 8(3)(b) to precisely reflect the delivery of individual data for APR.		Please see the answer regarding the timing to other MSs above. The Monitoring Committee opinion is considered an element of the Annual Performance Report and is as such part of the package It is not the intention of the Commission to define the relationships between national bodies and the role of the PA and its director among the national authorities.

		Presentation of both bodies and responsibilities was performed on HAQ working group (September 12) where we can read the statement: Annual Performance Report should be send by 15/2 following opinion of the Monitoring Committee. We understand that this opinion is attached to the multiannual performance monitoring and result indicators. Is MC opinion part of the assurance package that is send to the Commission till 15/2? New explanation document with the role(s) of the Paying Agency and Managing Authority related to annual and multiannual performance reporting is needed. (c) management declaration as to (ii) proper functioning of the governance system SI is of opinion that the responsibility of the director of the Paying agency goes beyond his/hers capacity/competence and official responsibilities within the government hierarchy. Referring to the definition of governance system that includes the reporting system (Art 2(b)) for the annual performance report, we feel uncertain to which extend this system is in question. More specifically, could we understand that other governmental institutions from which we collect for example the data related to the environment are also part of governance system? Additionally, is the director of the Paying		This is left to the MSs. The provisions of this article require the PA director to sign the management declaration. It is up to the MS authorities to ensure that he/she is equipped with the relevant inputs.
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		agency responsible for the governance system connected with reporting system?		
	ES	Spain requests to add the Article 121 of CAP Strategic Plan Regulation to clarify that the annual performance report is the same in the Horizontal Regulation. <i>3.b) the annual performance report referred to in Article 52(1) showing that the expenditure was made in accordance with Article 35;</i>	3.b) the annual performance report referred to in Article 121 of Regulation (EU) ... / ... [Regulation on the Strategic Plan of the CAP] and Article 52(1) showing that the expenditure was made in accordance with Article 35.	The Commission takes note of the ES requests for reference to Art 121 of SPR.
	HU	Article 8 (3) c) Please clarify who is the person in charge for issuing the management declaration for the annual performance clearance. Is it the same person who signs the MD in the annual accounts clearance exercise, namely the director of the PA?		In case of one PA at MS level, the head of the PA signs the MD and submits the annual performance report. In case of more than one PA at MS level, signature of the management declaration on the aggregated annual performance report will be done by the head of the Coordinating Body (Art 8(4)).
	CZ	Art. 8 para. 3 c) iii) – Does the text refer to an audit by certification body?		Article 8.3 c iii) refers to audits by Certification Body or Internal audit of the PA. This is in line with Art 63(5) b of Financial Regulation.
	LU	According to the new proposal, Paying Agencies do no longer have to transmit for example • (Article 7 paragraph 3 (c) of 1306/2013:) ...an annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of the errors and of weaknesses in systems		8(3) c iii) No annual summary of controls will be required but instead analysis of errors and weaknesses in line with Art 63(5) of the Financial Regulation.

	IT	identified, as well as corrective action to be taken or planned • (Article 104 (a) vi)) ...results of all available audits and controls carried out. If my reasoning is right, this means that the PA does no longer need to have an internal audit service and that there is no longer a need for a five-year plan to audit at least once during this 5 years period each measure!? What does that mean for the work of the internal audit service? Does the PA still need an internal audit service for the agreement? Does the PA still need to do internal audit work? If yes, what would its work consists of? In paragraph 3 (b) the task of drawing up and providing the Commission with the annual performance report is given to the Paying Agencies and in paragraph 4 (b), this task is given to the Coordinating body (for MS where it is accredited). It seems to understand that the Commission should receive the annual performance reports from both bodies. However, the document WK 8875/2018 INIT specifies that, for Member States where a Coordination body is accredited, the annual performance report shall be furnished to the Commission by this body. Furthermore, the Proposal does not clarify if the management declaration accompanying the annual performance report, sent by the Coordination body, shall be provided by the	The PA will still need an Internal Audit. This is part of sound financial management and COSO standards - accreditation criteria. The Coordinating Body is to submit the annual performance report in cases where there are several PAs in a Member State. In this case the annual performance report is accompanied by a management declaration, signed by the head of Coordinating Body, covering the full report.
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		person in charge of this body. Can the Commission clarify these aspects?		
	RO	8.4 In case there would be only one agency per MS, please explain what should be the tasks for the coordinating body. Also, it is not clear who will have to provide the accreditation of the coordination body when it comes to the informations mentioned in the first paragraph, letter “a”: “to collect the information to be provided to the Commission and to send that information to the Commission”		A coordinating body is only needed where there are more than one PA. Accreditation should be granted to Coordinating bodies by the Competent Authority in accordance with Art 9(1) b as regards all the tasks set out in Article 8(4).
	BE	Coordinating body: !! 4 b) to furnish the annual performance report, (see also non paper) What means the consolidation on the level of the coordinating body, and the accompanied management declaration? What will be the content? Will it be comparable to the synthesis report to be furnished by the Coord Body in line with Art 7, 5 of reg. 885/2006, based on the provisions in art 53ter,3 FINREG 1605/2002 and expalined in GL 8 for the annual accounts? The synthesis of the Coord Body was not longer foreseen in the current horizontal regulation (1306/2013), because it was no longer included in FINREG 966/2012 (art 59 shared management). It is also not foreseen in the new FINREG1048/2018 (art 63, sharedmanagement). So there seems no legal	4) last section: 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	The Coordination Body must provide an aggregated Annual Performance report. One Annual Performance Report is foreseen per Member State as there is one Cap Strategic Plan per Member State. One of the designated Certification Bodies can fulfil the role to express an overall opinion on the aggregated annual performance report and the related management declaration. This opinion will only relate to the compilation of these two latter elements of the clearance package. The management declaration on the aggregated APR can be based on the management declarations at PA level and as referred to in Article 8. The management declaration on the aggregated (in this case national level) annual performance report only has to relate to the compilation of the aggregated APR. The Belgian constitutioanl provisions are

		basis to impose it in the new horizontal regulation. In addition, 1) experience from the past, the synthesis did not give much added value, only a lot of extra administrative burden. 2) One coherent reporting package, inclusive the annual performance reporting, at the level of the PA, gives a higher reliability to this report. To situate the performance reporting at another level (national level ~ coordinating body) than the annual accounts of the PA's, the Commission is creating a barrier between the performance report and the project indicators (and annual clearance). If 4b will be deleted, the Coordinating Body can still collect the performance reports and submit them to the Commission, as foreseen in the tasks included in 4a). !! last section and non paper: the annual performance report accompanied by a 'single' management declaration covering the entirety of that report. Has the Coord Body to consolidate all the individual management declarations in one single? Article 63(6) of FINREG 1048/2018 about the requirement for a management declaration refers to 63 (5) a (paying agency). It can only be meant a MD from the paying agency and not from a coordination body. So there is no legal base in the FINREG 2018/1046 for summarizing all the MD to a single one done by the coordinating body..		noted.
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		!! BE-coordinating body Given the structure of the Coord Body in Belgium - two regional units acting as 'one' interlocutor to the European Commission, but hierarchical each depending from their own regional government - it will not be evident (hardly possible) to give a consolidated 'national' annual performance report, and a consolidated management declaration at national level. Each region is independently responsible for the accreditation of his unit of the coordinating body and his follow up. The consolidation of the performance reports, accompanied by one management declaration will cause a complex, institutional situation. Once more we want to insist that our constitutional provisions would be taken into account and that one strategic plan for each region (Flemish/Walloon) will be allowed. To add in general: 'without prejudice to the provision of...., each region of Belgium may submit a single CAP Strategic plan per region. Therefore, under the CAP-strategic plan regulation and the Horizontal regulation, the term 'Member State' is replaced by the term 'region' for Belgium.		
	IT	The need to postpone the deadline of 15 February is even more evident when the coordinating body has the task to furnish the report and the management declaration covering the entirety of this report, because it must receive and collect all the necessary information from each paying agency to draw		Please see the answer regarding the timing to other MSs above.

		up the report .		
	DE	4b) Germany appreciates the Commission's clear confirmation of the role of the coordinating body in relation to the annual performance report. Thus, the complete responsibility for the correctness of the data on payments and outputs in the performance report remains with the paying agencies. The coordinating body is solely responsible for compiling and summarizing the data provided by the single paying agencies. The reference to Article 52 (1) should be substituted by a reference to article 121 of the CAP strategy regulation ruling the performance reporting. 4d) Due to constitutional reasons the coordinating body in Germany has no legal power to impose actions on the paying agencies of the federal states. This may also apply to other federally organised member states. Therefore the current wording of article 7 (4) c) of EU regulation 1306/2013 should be retained taking into account the previous discussions on this article. 4 final subparagraph It needs to be clarified how the opinion of a certification body according to article 11 (1) can be provided in federal states like Germany. Setting up a separate certification body on central level just for this purpose is not acceptable.	4b) to furnish the annual performance report referred to in Article 121 of the CAP strategy regulation by summarising and compiling the data and documents provided by the paying agencies. 4d: Retain the wording of article 7 (4) c) of EU regulation 1306/2013: To promote and, where possible, ensure harmonised application of the Union rules. 4d) The annual performance report provided by the coordinating body shall be covered by the scope of opinion referred to in article 11 (1) and its transmission should be accompanied by a management declaration covering the entity of that report, without taking over the responsibility for the underlying data and declarations by the paying	The Commission takes note of the German request as related to 8.4(b). As regards 8.4 (d), the EU requirements would lead to a harmonisation of the Union rules across the PAs. There is no need to have a federal level Certification Body. One of the designated Certification Bodies can fulfil this role to express an overall opinion on the aggregated annual performance report and the related management declaration. This opinion will only relate to the compilation of these two latter elements of the clearance package. The management declaration on the aggregated APR can be based on the management declarations at the PA level and as referred to in Article 8. The management declaration on the aggregated (in this case federal level) annual performance report will only relate to the compilation of the aggregated APR.

		Moreover, we ask the Commission to explain the meaning of “management declaration” in this regard. A management declaration according to article 63 (6) of the financial regulation is prepared and signed by the head of the paying agency. Since the coordinating body does not take over tasks from the paying agency, the provision of a management declaration is not necessary.	agencies and the certifying bodies.	
	ES	<i>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:</i> <i>(b) to furnish the annual performance report referred to in Article 52(1);</i> Spain requests that the Commission create the necessary tools so that those Member States that have part of the Strategic Plan at the regional level can submit the different annuals performances reports through the coordination body.		It is up to the Member States to equip the Coordinating body with appropriate functionality to provide an aggregated Annual Performance Report based on information from individual PAs, as the existence of numerous PAs and thus the need for aggregation of the APR is dependent on the national specificities (constitutional set up).
	RO	8.5 If under the Horizontal Regulation there is the possibility of withdrawing the accreditation of the paying agency, there must also be the legal possibility of accrediting another entity as a paying agency.		The current proposal does not prevent from substituting the entities as long as the current number of PAs is maintained and no additional PAs are created.
	RO	8.6 In case of financial instruments, does it mean that the report issued by the international institutions will be the one included in the		No it does not have to be provided as part of the annual accounts but it has to be used by the PA for the preparation of the management declaration.

		annual documents for closure of accounts (art. 8 paragraph 3)?		
	BE	Content of annual performance report?		The content of the annual performance report is set out in Art 121 of CAP Strategic Plan Regulation and further guidance will be provided by the Commission.
	HU	The chapter does not contain the Managing Authority. What is the reason for this?		Since the MA is in charge of the CAP Strategic Plan it is defined in the CAP Strategic Plan Regulation. The intention has been to carry over existing set up.
	FR	The Commission's current proposal doesn't match with the French organization of the four paying agencies whose intervention perimeters pursue both a territorial scope and a type of intervention approach. A derogation, such as the one proposed for the regional approval of PAs, should be made possible for the approval of PAs on one of the two funds. Such a derogation is justified by the nature of certain aid schemes. The easiest solution would be to maintain the current derogation of the regulation 1306/2013 allowing to maintain the paying agencies approved at the end of the previous programming period.		The intention of the proposal is that where there are national PAs there should not be separate PAs for EAGF and EAFRD. And if there are PAs at regional level there should not be two at each regional level for EAGF and EAFRD separately. The Commission has taken note of the French delegations comments.
	SI	For the discussion at AGRIFIN on September 5 we are sending our general question regarding Title of Chapter II "Governance bodies". This title is not consistent with Title VI "Coordination and governance" and point (69) in CAP Strategic Plan Regulation as it states as governance bodies only Paying		Please refer to Non-paper on the Role of the Managing Authority and the Paying Agency as regards the drawing and submission of the Annual Activity Report [Council ref WK 8875/2018/INIT]. The Managing authority (MA) is responsible for managing and implementing the CAP Strategic Plan. The MA needs to ensure that

		agencies, Competent authority and Certification bodies. There is no clear role for the Managing authority and Monitoring Committee in the governance and coordination system. We would like an explanation of the role of the Managing authority and Monitoring Committee in governance system with relation on Article 101 of CAP Strategic Plan Regulation and Chapter II of HzR		the PA is in a position to submit the APR and that the Monitoring Committee is consulted on the APR. See reply above.
	HR	Competent authority should have possibility to withdraw the decision appointing the certification body.	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 and it's withdrawal referred to in Article 11; (d) carrying out the tasks assigned to the competent authority under this Chapter.	It is not considered necessary to include these provisions since it is understood that the body appointing can also terminate the appointment of the CB.
Article 9	BE	Before by a formal act at ministerial level? Why this change?		The draft text on the Competent authority has not changed; the article was moved from the Implementing act Art 4(5) of Reg 908/2014 to the HRZ. Concerning the Coordinating Body, there is no change concerning the accreditation (cf. R. 1306/2013-Article 7(4) last paragraph).

	SE	It is positive that the regulations become clearer with a separate title for competent authority, even if the meaning is the same as before.		Thank you. The SE comment is noted.
	HU	It is currently not clear that if planning and execution is the responsibility of Managing Authority then how will the report on it, and the CB examine it when Article 9 does not grant the Competent Authority any authority to supervise such a third party.		Article 11(2) of the draft HRZ provides that the CB should be independent from the PA, Coordinating Body and from the body responsible for the CAP implementation and monitoring (i.e. the MA). Thus, the CB may audit the tasks of the MA in the context of providing an opinion on the correctness of performance reporting (APR). This is also the case today if eg the MA is in charge of selection of projects then this function is also subject to CB audit.
	LV	1. ARTICLE 9 Accreditation of paying agencies. We have question , whether Paying agency that has been successfully performing it's duties for more than 10 years will need full accreditation or in this case any facilitate procedure will be possible?		The existing PAs do not need to be re-accredited. The intention is to roll over the existing accreditation. A review can be performed by the Competent authority to see if the PA is fit for the new tasks, in particular if there are big changes in types of interventions used. See also previous replies on the accreditation.
	ES	As the Competent Authority withdraws authorization to other elements of the governance system, it should be clear that Competent Authority also shall withdraw to the appointing of the certification body . <i>2 The competent authority shall, by way of a formal act, decide on the issuing or,</i>	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, certification body and the coordinating body on the	The Commission does not see the need to include the Certification Body in withdrawal of accreditation, as CB not accredited but appointed. The intention is to roll over the current system. See the reply to HR above.

		<i>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.</i>	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.	
	IT	Point (d) of paragraph 1 appears as pleonastic. We propose to erase it, replacing as follows the beginning of paragraph 1	1. Member States designate an authority at ministerial level responsible for carrying out the following tasks:	The Commission does not consider this point as redundant as when Member States are referred to, the first level of reference is the Competent Authority. The tasks assigned to the Competent Authority relate to all tasks under this Chapter (Articles 8-11).
	SI	9.1 "(d) carrying out the tasks assigned to the competent authority under this Chapter" SI considers that the whole Chapter II (Governance bodies) defines many important responsibilities and the tasks for the Member States. However, as regards the Competent authority, according to explanation given by the Commission at Agrifin meeting, we now understand its tasks are (only) those defined in the paragraphs (a) to (c). Since the principle of proportionality is one of the leading principles in financial regulation, SI is of opinion it needs to preserve this role in the HZR proposal as well.	(d) carrying out the tasks assigned to the competent authority under this Chapter <i>Article, taking into account the principle of proportionality.</i>	The Commission did not find it necessary to add these provisions since the principle of proportionality, as mentioned by the SI authorities is guaranteed by the Financial Regulation and and the intention was a roll over of the current system. Task of the Competent Authority remains the same as today.

		We believe / assume that - within general determination “the governance system put in place function properly” – additional new task(s) are to be assigned to the Competent authority. Accordingly, SI proposes the following wording of art 9(d):		
	SI	9.2 Since the principle of proportionality is one of the leading principles in financial regulation, SI is of opinion it needs to preserve this role in the HzR proposal as well. Accordingly, SI proposes the following wording of art 9(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), <i>taking into account the principle of proportionality.</i>	Please see answer above.
Article 10	CZ	Art. 10 para. 2 – will it be necessary to carry out annual check on management declaration?		The work to be carried out by the Competent Authority will not change as compared to today. The works and checks underlying the Management Declaration will not change from the current system: i.e. the Director of the PA will take into account all checks performed for the management and execution of payments etc. and will draw its conclusion based on the results. These checks could include the

				PA internal control and Internal Audit checks, and the CB audits etc.
	SE	SE can emphasize the importance of maintaining as much of the acquis as possible in the basic Regulation		The Commission takes note of this position.
	DK	The Commission is empowered to adopt delegated acts with rules on the minimum conditions for the accreditation of the paying agency. Denmark is of the opinion that these rules should be adopted by implementing acts. In the end Member States are the paying agencies, and DK considers it fair, if we have a real say in relation to the rules that we have to fulfil in order to be accredited.	1. The commission is empowered to adopt implementing acts in accordance with Article 100 supplementing this Regulation with rules on:	The current provisions provide for a delegated act. A roll over of the current system is foreseen and therefore it has not been considered necessary to change the current empowerment for a delegated act.
	RO	10.1 The proposal/adoption of delegated and implementing acts on the accreditation of agencies and the coordinating body should be made in a timely manner and in line with the HRZ requirements, which states that "Member States do not designate new paying agencies beyond the date of entry into force of this Regulation".		The Commission takes note of this position.
	LV	1. ARTICLE 10, POINT 1 Latvia doesn't support Commission's power under Article 10 point 1, in means of adopting delegated acts about rules on accreditation and duties of the Paying Agencies. Latvia states that development of such rules are important for the Member States. Adoption of such rules by a delegated act may impose an additional administrative burden to Member States.		A Delegated Act with accreditation criteria like today in Annex 1 of Reg 907/2014 is also foreseen. The Commission understands that LV agrees with this Annex.

		The provisions referred in Article 10 point 1 of the proposal for a regulation should be adopted with implementing act , in the same way as it is in second point (Article 10 point 2), so Member States will be involved in the drafting of such rules.		
	SI	10.2 Since the principle of proportionality is one of the leading principles in financial regulation, SI is of opinion it needs to preserve this role in the HZR proposal as well. Accordingly, SI proposes the following wording of art 10(2)(a). In this context SI suggests a further simplification of the supervision procedures for accreditation of paying agencies: in case where no major and intermediate deficiencies with regard to the accreditation criteria are identified in three consecutive years (of the reporting period), a 3-years report on results of CA supervision shall no longer be required.	Art.10(2)(a) The Commission shall adopt implementing acts laying down rules on: a) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies and coordinating bodies, as well as the procedures for the supervision of the accreditation of paying agencies, <i>taking into account the principle of proportionality.</i>	Please see answers on article 9 to SI.
	ES	In accordance with the proposal of article 9 paragraph 2. <i>2 The Commission shall adopt implementing acts laying down rules on:</i> <i>(a) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies and coordinating bodies, as well as the procedures for the supervision of the accreditation of paying agencies;</i>	The following wording is proposed: The Commission shall adopt implementing acts laying down rules on: (a) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies, certification bodies and coordinating bodies, as well as the procedures for the supervision of the accreditation	The accreditation of CBs is not foreseen as a roll over of the current set up is foreseen, so the CBs have not been included here. Procedures for appointing a CB will not be laid down in the regulation as it is not the case either under the current legal framework.

			of paying agencies. a) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies, coordinating bodies and the appointing of certification bodies as well as the procedures for the supervision of the accreditation of paying agencies	
Article 11	BE	In line with the new governance system, but a lot of uncertainties		The work of the Certification Bodies will overall remain the same, except for the L&R of expenditure which is replaced by the correctness of performance reporting as it is the basis for eligibility of expenditure in the new delivery model.
	SE	Certifying body independence is to be secured organizationally, but it must also be ensured by the attestation having its own contact routes to and from the Commission.	SE suggests that Article 11 be supplemented as follows: The Commission and the National Audit Bodies (Certifying Bodies) shall meet regularly on a bilateral basis at least once a year unless otherwise agreed. At these meetings, annual statements and reporting should be discussed, coordinated with their respective audit efforts and methods, as well as exchanging experience regarding improvements in the management and control	The term "Certification Body" has been maintained in order to ensure a rollover of the current system. Currently the Coordinating Body/PA is the principal interlocutor of the Commission. Methodologies for Commission and Certification Bodies cooperation and especially as regards the certification audit will be laid down in Implementing Acts and Guidelines as it is the case under the current legal framework.

			systems. It is important for the certifying bodies to work on audit under the single audit principle and that they should not review legality and correctness through, for example, verifications of the paying agency's checks. The certifying bodies should be defined as "audit authority" for consistency with other fund definitions of audit authorities.	
	NL	11.1 A small addition to letter b in order to clarify that the CB should judge on the establishment of the performance reporting only and not on the content of it. Moreover it should be made cristal clear that the reporting on result indicators concern a state of play.	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 provide an opinion, drawn up in accordance with internationally accepted audit standards, which shall	It is not considered necessary to add "State of play", as it is clear that the APR will reflect a state of play as regards result indicators, at the end of the financial year. As regards the APR the CB needs to verify the performance reporting. However, this also means that the CB can confirm that the report is correct so that the information contained therein is correct for performance clearance and multiannual performance monitoring purposes and thus the related expenditure is in compliance with Article 35. The methodology as regards these checks will be elaborated in Guidelines.

			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 the state of play of 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 established correctly; (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	
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			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.	
	SK	11.1 (b) the Member States' governance systems put in place function properly;	(b) the Paying agencies' management and control systems Member States' governance systems put in place function properly;	The purpose is to establish that the overall governance system operates at MS level as per Article 2 of the HZR. The management and control systems of the Paying Agencies are part of the governance systems e.g IACS.
	SI	11.1 The CB shall provide an opinion, ... , which shall establish whether: (b) the Member States' governance systems put in place function properly Part of governance system is also the reporting system (Art 2(b)). The owner of the data and reporting system, except output indicators, would normally be the Managing Authority (the ministry). It can therefore be expected that Managing Authority systems (and procedures) for reporting will need to be certified and (annually) audited by the		Yes, the reporting system will be subject to audit by the Certification Body. The design of an intervention process (e.g. to plan a measure or a scheme) belongs to the control environment and that is normally part of the review of the internal control system design during the audit. However, the intervention procedure (implementation of the intervention) should be the main element of annual certification audit as regards the "basic Union requirements". The opinion of the Management Committee on the APR is not subject to certification

		Certifying body? The item of the governance systems is also “the basic Union requirements”, which include respecting the WTO rules. As the design of the interventions would be normally the job of the policy maker (the ministry), should it expect that those particular parts of its processes will need to be certified and will be (annually) audited by the Certifying body and the COM? Presentation of both bodies and responsibilities was given to the HAQ working group (September 12) where we can read the statement: “Annual Performance Report should be send by 15/2 following opinion of the Monitoring Committee.” We understand that this opinion is attached to the multiannual performance monitoring and result indicators. Is MC oppinion necessary for the oppinion of the Certifying Body?		audit. It shall be provided for CAP Strategic Plan implementation. The CB's opinion needs to be obtained mainly for annual clearance purposes and multi-annual review and thus for providing assurance on indicators reported.
	RO	11.1 The first paragraph does not mention anything about the conformity issues. In this regard, it should be explained what will be the aspects to be audited in the context of annual accounts closure. Also, these informations should be linked to the provisions of Article 46 and 47 of the HRZ Regulation.		Indeed, there is a shift in the audit work expected in the future: from audit of compliance towards audit of performance reporting. Refer to previous and below answers. Single audit approach will continuously and increasingly be ensured dependent on the reliance on the CB's work.
	HR	11.1 Provision regarding point b) is unclear. In accordance with Article 2 point b) the certification body is also included in the	The certification body shall be a public or private audit body designated by the Member	The purpose is that the Certification Body provides an opinion on the governance systems including the PA's management

		governance system. Therefore it is our understanding that the certification body should provide an opinion in the Paying Agency's management system instead of the Member States' governance systems.	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 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 the Paying Agency's management 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	and control system, which will be designed by the CAP Strategic Plan and other basic Union requirements. The Certification Body should not provide an opinion on itself or on the Competent Authority appointing the Certification Body.
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			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.	
	CZ	11.1 The Czech Republic would like to ask the Commission to clearly specify what institutions in the certification audit are covered by the term “governance systems”.	(b) the Member States' governance systems put in place function properly;	Refer to Article 2 of the HZR, and Governance Bodies are specified in Chapter II of Title II of the HZR See above reply CB audit should not cover the CB itself.
	IT	11.1		As regards the governance system refer to

		Point (b) - The certification body shall provide an opinion will shall establish wherter the Member States' governance systems put in place function properly. In this case the definion "governance systems put in place" is too generic: the same certification body,as governance body, is a part of governance system. More details are needed to clarify on which aspects of the governance system put in place from member States the certification body has to express his opinion.		Article 2 of the HZR. The Certification Body should not provide an opinion on itself or on the Competent Authority appointing the Certification Body, but it shall give an opinion on the overall system and procedures in place including respect of the basic Union requirements. Audit methodology will be further detailed and specified in the Implementing Act and Guidelines.
	DK	11.1 litra b: says that the certification body shall establish whether the Member States'governance systemes put in place function properly. Could the Commission specify how it understands "governance systems"? Which elements does it contain? litra c: says that the certification body shall establish whether the performance reporting on output and result indicators is correct. We consider it a problem that the work of the certifying body is not clearly described before we come to the implementing acts – well maybe even not before in the guidelines. So we would most welcome to get some more descriptive information about the work of the certification body – for instance in a working paper.		Refer to the previous reply (IT). Audit methodology is subject to Implementing Act and Guidelines. As regards the governance system refer to Article 2 of the HZR.
	CZ	Art. 11 para. 1 b) – we suggest amending so that the certification subject could check only actions of the paying agency, not the governance systems on the state level.		MSs need to have functioning governance systems to provide assurance on the CAP expenditure. The CB is part of the governance bodies in an MS.

	SK ES	As referred to in point (b) of Article 11(1) of the proposal for a Horizontal regulation the certification body shall provide an opinion on whether the Member States' governance systems put in place function properly. The certification body is a part of governance systems, according to the definition. Under this proposed rule, the certification body which is a private audit body in Slovakia shall assess its own governance system and provide an opinion on it (which might be a conflict of interests). Such kind of self-assessment has impact on suspension of payments in relation to deficiencies in the governance systems (Article 40). <u>Is it appropriate that the certification body assesses its own governance system and provide an opinion on it?</u> In section: <i>(b) the Member States' governance systems put in place function properly;</i> Spain requests that this section be more specific and concrete because it is also related to the definition of art.2 on governance systems. If the certification bodies themselves are included in Chapter II of Title I and consider Governance Bodies also to the paying agencies, coordinating body, and competent authority. The wording of section b) "governance systems established by Member States work properly", therefore implies that	PUBLIC	It is true that the CB will need to issue an opinion on the functioning of the governance systems put in place by the MS, but this will exclude assessing its own functioning and set-up. Details as to the CB's work will be included in the Implementing act. CBs will carry out checks on governance systems as currently they do on internal control systems (management and control system) (see Financial Regulation Art 63(7)) – governance systems also if not just in PA e.g. in MA or like today where allocation of Payment Entitlements are being decided. The Competent Authority appoints CBs and Commission will assess CBs (in line with Art 46 on the Single Audit approach). Details as to the CB's work will be included in the Implementing act. There will be guidelines as today – also general rules on internal control systems as today.
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		the certification body in its opinion will determine that they would have to evaluate the operation of the certification body itself, the coordinating body and the competent authority. For this reason, a specification by the Commission is needed.		
	ES	11.1 For Spain, it is very important that the regulation includes the possibility of the certification body at the national level which carries out the functions entrusted in the new horizontal regulation and the coordination between 18 certification bodies which shall provide an opinion, drawn up in accordance with internationally accepted audit standards, which shall establish whether: 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 Spanish Constitution separates the competences between State and Autonomous communities so the ministries (State) do not have the authority and power above the Autonomous communities. If Spain does not have this certification body Spain only will send one annual performance report and 18 opinions	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, the Member States that authorize more than one certification body may also designate a public certification body at the national level, which will be entrusted with the coordination tasks. <i>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.</i>	MS are recommended to take the necessary steps to ensure the best implementation of the requirements, and if necessary designate a Certification Body acting as a coordinator at national level. The legality and regularity of expenditure related to market measures will need to be continuously reviewed and reported under the new system as well, as these measures will not be subject to performance reporting.

		We propose to eliminate section d, as a real simplification, because although the rest of the control of legality and regularity has been eliminated, the certification bodies have been replaced by the mission of checking all the functioning of the governance system. In addition, this represents a minimal risk for the Fund as long as the non-IACS EAGF measures that are not included in the Strategic Plan are basically school programs and food promotion		
	DE	1 b) The opinion of the certification body includes a declaration that the Member States' governance system is working properly. Since the certification body itself is part of the governance system according to Article 2 (b), a further specification is required. The opinion should refer to the internal control system of the paying agency (see Art. 9 (1) of EU regulation 1306/2013). 1c) Germany welcomes the confirmation by the Commission during its presentation on 5. Sept. 2018 that the certification body has to check solely the correct reporting by the paying agencies on output and result indicators (reporting audit instead of conformity audit). A check on correctness of the output indicators is not foreseen.		Please refer to previous replies. The CB needs to give an opinion on the overall governance system as regards Article 2 of HZR and thus audit the related governance bodies, excluding the certification body itself. Yes, the focus is on the correctly reported output indicators. However, the evaluation of the overall governance system (compliance with basic Union requirements) will be necessary to conclude that the overall control environment for correct reporting is in place and functions properly.
	CZ	Art. 11 para. 1 c) - In our view the content of the Annual Performance Reports shall capture the progress made by the MS towards the CAP Strategic Plan with the use of achievement/absorption coefficients. The		Yes, the Certification Bodies should give an opinion on the correctness and accuracy of the data provided in the Annual Performance Report and check that any discrepancies are justified or explained. The

		performance reporting shall provide aggregated values of indicators in the form of structured data tables. The guidance of how to assess the performance against the annual milestones and targets should be in place at the EU level. The related audits carried out by the Certified bodies shall be limited to the verification of the data reliability. It means that the auditors will conclude on the data correctness reported in the CAP Strategic plan, and describe any deviation or non-achievements of the performance reporting. Is this interpretation correct?		CB report should also detail any discrepancies detected during the audit.
	ES	<i>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.</i> In section: <i>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.</i> We propose to eliminate section d, as a real simplification, because although the rest of the control of legality and regularity has been eliminated, the certification bodies have been replaced by the mission of checking all the functioning of the governance system. In addition, this represents a minimal risk for the Fund as long as the non-IACS EAGF		For 11(1) d There is still a need to verify the legality and regularity for market expenditure – it also includes public storage, private storage, other exceptional market measures, POSEI. The audit of governance structure does not substitute the check on legality and regularity. It is about the review of the control environment, internal control system, CAP management and control system – as today.

		measures that are not included in the Strategic Plan are basically school programs and food promotion.		
	CZ	Art. 11 para. 1 d) – Does it mean that legality and regularity will be checked only in regard to the new Regulation (EU) 1308/2013?		Yes, it means that legality and regularity audits as today will only be for the amended Regulation (EU) 1308/2013.
	ES	For Spain, it is important that the community regulations include the possibility of the certification body at the national level which carries out the functions entrusted in the new horizontal regulation and the coordination between 18 certification bodies because we will have a problem of administrative competences.	Spain proposes to include the second paragraph: However, the Member States that authorize more than one certification body may also designate a public certification body at the national level, which will be entrusted with the coordination tasks.	MSs can create a coordinating body for CBs on a voluntary basis – it is not considered necessary to put this into the legislation as an option.
	DE	11.1 The level of functional independence of the certification bodies shall not be extended. The regulation must ensure that the existing structures can be maintained.		The intention is to have roll over of the current set up. There is no change, it is just confirmed that it should be independent from the PA, Competent Authority and the Managing Authority.
	HR	Clarification is needed in relation to the required technical expertise of the certification body.		Refer to current legislation in force, the CB needs to have adequate knowledge and qualification to perform the certification audit as today.
	LV	Please note that the responsibilities of the certification body listed in Article 11 (1) do not comply with the obligations of the independent certification body set out in Article 63 (7) of the Financial Regulation (2018/1046), they exceed the scope of the obligations imposed by the Financial Regulation, for example, the provision of an opinion on the performance report and		The audit of expenditure related to a specific policy area that is under re-design in the current legislative procedure will require that audit opinion is adapted to the need of the specific funding requirements. The policy is re-designed based on a new delivery model towards a better reported performance. Thus audit opinion will need to be directed to performance reporting.

		indicators.		Art 35 sets out what is considered eligible expenditure under the CAP Strategic Plan and Art 11 how the audit opinion must cover the eligibility of expenditure.
	CZ	Art. 11 para. 2 b) – We would like to ask the Commission for clarification of the term “necessary technical expertise”		The expertise necessary to perform the relevant tasks is also in current Regulation 1306/2013 (Art 9(1) 2nd paragraph).
	SE	In the proposal Article 11, paragraph 1, second paragraph, repeals the requirement that certifying bodies should comply with internationally accepted audit standards for their work. Furthermore, Article 11, paragraph 2, specifies knowledge requirements and requirements for independent certification bodies. The regulation in point 2 is redundant and SE i proposes to delete Article 11, paragraph 2.	The regulation in point 2 is redundant and SE i proposes to delete Article 11, paragraph 2.	These two points are not considered to be redundant. First the general requirements are set out and then it is confirmed that the CB auditors should have the necessary expertise to perform the specific audit designed for the Agricultural Funds. It is the same under the current legal framework.
	DE	11.2 Germany requests the Commission to use its authority in order to reduce the existing level of controls including heavy control burdens in line with the objective to simplify the control system. This would be also correspond with the focus on the result orientation of the CAP. In addition, it needs to be clarified in point b) that the certification bodies can also fulfil their tasks by accompanying on-spot-controls of the paying agencies instead of reproducing the controls.	Zu 3b) The audit methods to be used by the certification bodies having regard to international standards on auditing to deliver their opinion, including -if applicable- the possibility to accompany on-spot-controls by the paying agencies.	The New Delivery Model is foreseen to reduce the existing level of control/audit. Audit methodology is subject to Implementing Act and Guidelines. CB s should no longer perform Re-verification of on the spot checks at beneficiary level as it is eligibility of expenditure at Member State level which is subject to audit. Cf Art 35 of HZR.
	CZ	Art. 11 para. 3 – Does it mean that guidelines will not be used anymore and		There was no change relative to the current

		implemented regulations will be used instead?		Art 9(2). Guidelines will be provided.
	FI	11.3 To be able to better understand the new system, Member States should get some advance information or drafts concerning 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 concerning the audit methods to be used.		Audit methodology is subject to Implementing Act and Guidelines that are to be elaborated once the basic acts are finalised.
	NL	11.3 Further details on audit principles to be set-up by the Commission are not appropriate where they are set-up based on international standards	The audit principles used by the certification bodies shall be in accordance with international standards on auditing. 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	Audit methodology is subject to Implementing Act and Guidelines that are to be elaborated once the basic acts are finalised. Implementing Act and Guidelines have been seen as a vehicle for predictability for MS to know what the Commission will require and as a support to CBs.

			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).	
	IT	There is not any link with Article 46 (Single audit approach), in connection to the assessment of the work performed by a certification body when the Commission cannot rely on this work. The “Single audit approach” significantly changes the role of the certification body compared to the current one, but this aspect is not considered in the context of this article. More generally, in the Proposal new tasks and responsibility in addition to the current ones are established for the Certification body, and this significantly increases the burdens of Member States to ensure the certification service. The certification body is also called to carry out activities on the performance report of the coordinating body The Commission should carefully consider this second aspect when shall adopt the		The Single audit approach will continuously be applied and when the CB's work is assessed reliable assurance will be fully based on the CB's audit results. This will be applied under the new legal framework as well. As regards the workload of the CBs, it is noted that there will be a shift from auditing compliance to auditing performance reporting which will not require audit at final beneficiary level. Therefore, the workload should significantly reduce. The CB's opinion on the aggregated APR and the related management declaration on that report should only be limited to the compilation of those aggregated reports.

		implementing acts.		
	LU	Paragraph 3 (b): The part “...including, where appropriate, the use of a single integrated sample for each population and, where appropriate, the possibility to accompany paying agencies' on-the-spot checks.” has been removed in the new proposal. This means that the Certifying Body does no longer need to draw a sample for each population nor to do reverifications of on-the-spot controls or accompany OTSC. Could we have a confirmation that this assumption is correct?		11(3)b [question referred to b but should be c)] The CBs will not be doing reverifications in the future as they will be giving an opinion on the reported outputs. Some details on the CB's work will be laid down in an Implementing Act. As in the current period, the Commission may issue guidelines on the CB's work e.g. as regards testing if necessary.
	LU	Taking into account the fact that in the new period greater emphasis is placed on the assurance of performance, rather than on the legality and regularity of transactions, we have concerns about changes in responsibilities of certifying bodies. The question is from which accounting year new requirements should be applied? Is it foreseen any transitional period?		The need for a transitional period will depend on the expenditure - under old regime or new legislation.
	IT	Paragraph 1 In the Reg. (EU) no 1306/2013 the Certification body “shall provide an opinion ... on:” In the Proposal the Certification body “shall provide an opinion which shall establish whether:.....”. Why this difference? Point (b) The reference to “governance systems” is		It is differently phrased however no change in the substance. For point b) as with the current system, the CB will not have to give an opinion on its own work, but an opinion that the governance system works. See previous

		generic: the same certification body is a governance body and it is a part of governance system. Point (d) The reference to the expenditure for the measures laid down in Reg. (EU) No 1308/2013 seems generic. Does it concern measures laid down in this regulation implemented outside the CAP strategic plan? Article 40 of the CAP Strategic Plan Regulation considers types of mandatory or optional actions for the sectors of Regulation (EU) no. 1308 / 2013, so the generality of the wording of point (d) could cause confusion.		replies. Point d) establishes that for market measures legality and regularity of this expenditure will need to be audited as those measures will not be linked to specific performance indicators.
	IT	Paragraph 3 There is not any link with Article 46 (Single audit approach), in connection to the assessment of the work performed by a certification body when the Commission cannot rely on this work. Why? What criterion will the Commission use to evaluate the work of Certification Body? Where will define this criterion? More generally, in the Proposal new tasks and responsibility in addition to the current ones are established for the Certification body, which will also have to certify the performance report of the Coordinating Body. This significantly increases the burdens of Member States to ensure the certification service.		The link is provided by reference to the certification bodies' work in Article 46. The certification bodies' work will be assessed through the clearance process. Separate set of criteria will be established for financial and performance clearance. The criteria for these procedures will be set out in guidelines as it is the case in the current set-up. These tools will be updated/revised to cover performance clearance and used in the next framework. The certification of the annual performance report aggregated from the certified figures at PA level should be a task of giving an overall opinion relying on the CB work carried out at PAs level. An increase in the workload of the CBs is not expected but rather a shift from auditing compliance in the current system to auditing performance

				reporting in the future.
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TITLE V: COMMON PROVISIONS

Chapter I: Transmission of information

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
Article 88	BE	OK, if two strategic plans for BE The annual accounts of accredited paying agencies relating to EAFRD expenditure shall be submitted at the level of each CAP Strategic Plan. Ok for BE, if one strategic plan per region for BE.		The Commission proposes that there is one strategic plan for each MS. The accounts are to be submitted at a level of each paying agency, as provided for in Art 8. The comments of the Belgian delegation are noted.
	FI	88.1 Because the data systems and quality of data seem to have a very important role in future, the same kind of list as in point 1 on the information required is needed for every article concerning the communication obligations. For planning the data systems it is very important to know beforehand what kind of information and communication obligations Member States will have in future.		The comments of the Finnish delegation are noted.
	RO	88.1 We require that par. 1 a) should not apply to the MS that maintain the current structure, in relation to the provisions of art. 8 paragraph 2. As regards the provisions of paragraph 1 (c)		If accreditation is rolled over, the Commission already have these documents. Paragraph 1(c)(ii) refers to the forecast of expenditure submitted by Paying Agencies to the Commission. It is a current practice already for EAGF (in every monthly

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
		(ii), please clarify what expenditure declarations are concerned.		declaration) and for EAFRD (twice a year).
	RO	88.2 The actual wording is very general and ambiguous. Please explain what kind of information is required about the integrated system and the type of data that MS should send to the Commission.		The wording is exactly the same as in Regulation 1306/2013. The information is referred to in Article 73 of the proposal.
	FI	88.2 Article 88(2) should be deleted, because it is unclear what kind of information the Commission is expecting about the application of IACS and when. This should be more precise. This information is also included in Article 101, point c of the CAP Strategic Plan Regulation, which includes implementation information on the control systems and penalties which are part of the content of the CAP Strategic Plans. Article 73(a)(i) of HZR includes already power to adopt implementing acts about the form, content and arrangements for transmitting or making available to the Commission the assessment reports on the quality of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system.	Member States shall inform the Commission regularly of the application of the integrated system referred to in Chapter II of Title IV. The Commission shall organise exchanges of views on the integrated system referred to in Chapter II of Title IV this subject with the Member States.	The wording is exactly the same as in Regulation 1306/2013. It is considered necessary in order to define that the transmission of the information should be regular.
	NL	In view of the new delivery model IACS should be left to the MS. The Commission should thrust on the audit of the CB and	Member States shall inform the Commission regularly of the application of the	IACS remains the basic union requirement and a core element of the governance systems and the Commission ex-ante

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
		details on IACS are not necessary to send regularly to the Commission.	integrated system referred to in Chapter II of Title IV. The Commission shall organise exchanges of views on this subject with the Member States.	assurance. The Commission will be informed like today – the system will not be changed from what is described in the current Regulation 1306/2013 Art 102.
	CZ	Art. 88 para. 2 – The Czech Republic would like to ask for more clarification on how the Commission should be informed (the form, scope and frequency).		The Commission will be informed like today – the system will not be changed from what is described in the current Regulation 1306/2013 Art 102.
	ES	88.1 This paragraph shall be in accordance with article 8 in the information to be sent by the paying agencies or, where appropriate, the coordinating body, the annual performance report must be included.	(c) for measures relating to operations financed by the Funds: (i) declarations of expenditure, which also act as payment requests, signed by the accredited paying agency or the accredited coordinating body and accompanied by the requisite information, (ii) estimates of their financial requirements, with regard to the EAGF and, with regard to the EAFRD, an update of estimated declarations of expenditure which will be submitted during the year and estimated declarations of expenditure in respect of following financial year, (iii) the management	Provisions on the Annual Performance Report are included in Art 121 SPR. This article also included the empowerment for the Commission to adopt rules for the presentation of the content of the Annual Performance Report. The comments of the Spanish delegation are noted.

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
			declaration and the annual accounts of the accredited paying agencies and the annual performance report	
	ES	<i>In addition to the provisions laid down in Regulation (EU) .../... [CAP Strategic Plan Regulation], Member States shall send to the Commission the following information, declarations and documents c) for measures relating to operations financed by the Funds: (iii) the management declaration and the annual accounts of the accredited paying agencies.</i>	We propose to include in the text the annual performance report as reflected below: c) iii) the management declaration, the annual accounts of the accredited paying agencies declaration of reliability and the annuals performances reports.	See reply above.
	IT	Paragraph 1 The submission of the annual accounts of the paying agencies, relating the expenses of the EAFRD, is foreseen at level of each strategic plan. Will this lead to the simplification and reduction of EAFRD budget items?		Please see a reply to Belgian delegation as well. The number of budget items depend on the number of intervention that the MS would include in its CAP strategic plan.
	DE	Final sentence: The sentence could cause misunderstandings in federally organised states with several accredited paying agencies responsible for the EAFRD payments based on the CAP strategy plan. Moreover the language versions differ (English version: at the level of each program – German version: at the level of single CAP strategy plans). According to article 93 of the CAP strategy regulation only one strategy plan by Member State is foreseen. We would be grateful for	The paying agencies accredited for the payments of EAFRD funds submit the annual accounts.	The Commission intention is that there is one CAP strategic plan for each MS. The accounts are to be submitted at a level of each paying agency, as provided for in art 8. The comments of the German delegation are noted.

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
		clarification.		
Article 89	DK	89.2 Since we would like to see Article 74-83 (concerning scrutiny of transactions) deleted, we see no need for a reference to the scrutiny of transactions here.	We suppose to delete paragraph 2.	The proposal for the Horizontal Regulation maintains the provisions on the scrutiny of transactions. Consequently Article 89 has not been modified. The comments of the Danish delegation are noted.
	RO	89.2 We propose the following revision.	It shall not be communicated to any <i>natural or legal</i> person other than those who, by reason of their duties in the Member States or in the institutions of the Union, are required to have knowledge thereof for the purposes of performing those duties.”	Article 89 has not been changed in the proposal for the Horizontal Regulation. The word "person" covers both natural and legal persons.
Article 90	CZ	Art. 90 b) – Which information systems are meant by this text? The Czech Republic would like to ask for more clarification on which information systems are meant by the text in point b)?		Art. 90 b) has been taken over from the current rules so there is no change. Same information systems as today AGREX, SFC, etc.
	LU	Point (a) vi) : Regulation 1306/2013 article 104 point (a) vi) until now included the following sentence “... <i>and summary reports on the recovery procedures undertaken by the Member States in response to irregularities;</i> ”. In the new regulation proposal, this part disappeared. I suppose that		For Annex III: MSs should not be required to submit annexes on individual cases in the future. MSs will still have the responsibility to instigate recovery and to declare and then repay to the Fund any recovered amounts for EAGF (Art. 54).

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
		this part referred to the annexes II and III? If this assumption is correct, could you please confirm that the new proposal will abolish these annexes.		
	SE	As far as possible, the regulations should be kept within the basic Regulation. It is important that the basic principles, such as the principle of proportionality and subsidiarity, be taken into account in all future regulations.		Article 90 took over the Commission's implementing powers as laid down in Article 104 of Regulation (EU) No 1306/2013. The proposal for the Horizontal Regulation respects the principles of proportionality and subsidiarity.
	NL	The point (vii) is redundant as this should either be notified through the national or left up to the Member State	The Commission may adopt implementing acts laying down rules on: (a) the form, content, intervals, deadlines and arrangements for transmitting or making available to the Commission: (i) declarations of expenditure and estimates of expenditure and their updates, including assigned revenue, (ii) management declaration and annual accounts of the paying agencies, (iii) the account certification reports, (iv) the names and particulars of accredited paying agencies, accredited coordinating bodies and certification bodies,	Empowerment would be necessary for conformity issues related the to governance system, legality and regularity issues as regards market measures, information provided in the MD etc. Moreover the information needs to be transmitted to the Commission for OLAF related checks. This empowerment is necessary in the Horizontal and other sectorial regulation relating to shared management, as OLAF does not have 'its own' legal basis, so takes the empowerments from sectoral legislation. Point (vii) is not considered redundant.

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
			(v) arrangements for taking account of and paying expenditure financed by the Funds, (vi) notifications of financial adjustments made by Member States in connection with rural development interventions, (vii) information on the measures taken pursuant to Article 57; (b) the arrangements governing exchanges of information and documents between the Commission and the Member States, and the implementation of information systems, including the type, format and content of data to be processed by these systems and the corresponding data storage rules; (c) the notifications to the Commission by Member States of information, documents, statistics and reports, and the deadlines and methods for their notification. Those implementing acts shall be adopted in accordance with the examination procedure	

COMMISSION PROPOSAL	MS	MS COMMENTS	MS DRAFTING SUGGESTIONS	DG AGRI COMMENTS
			referred to in Article 101(3).	
	FI	Article 90 point a last point (vii) should be deleted, because it is unclear what kind of information the Commission is waiting about the application of protection of the financial interests of the Union. This should be more precise. This information is also included into Article 101 point c of CAP Strategic Plan Regulation, which includes implementation information on the control systems and penalties, which are part of the content for the CAP Strategic Plans. It is not appropriate that the Member States would receive knowledge of the information, documents, statistics and reports, and the deadlines and methods for their notification at the time when the implementing acts are drafted or even later, when these are asked via ISAMM system or by a letter to Member State. For planning the data systems it is very important to know beforehand what kind of information, documents, statistics and reports have to be communicated and the deadlines and methods for these notifications. This information is included in the CAP Strategic Plans and/or in the performance reports, and the point c) should be deleted.	The Commission may adopt implementing acts laying down rules on: ... (vii) information on the measures taken pursuant to Article 57; The Commission may adopt implementing acts laying down rules on: ... (c) the notifications to the Commission by Member States of information, documents, statistics and reports, and the deadlines and methods for their notification	Please refer to the reply to NL delegation above.