

Brussels, 12.5.2003 COM(2003) 243 final

2003/0096 (CNS)

Proposal for a

## **COUNCIL REGULATION**

## on the common organisation of the market in raw tobacco

(Codified version)

(presented by the Commission)

## EXPLANATORY MEMORANDUM

1. In the context of a people's Europe, the Commission attaches great importance to simplifying and clarifying Community law so as to make it clearer and more accessible to the ordinary citizen, thus giving him new opportunities and the chance to make use of the specific rights it gives him.

This aim cannot be achieved so long as numerous provisions that have been amended several times, often quite substantially, remain scattered, so that they must be sought partly in the original instrument and partly in later amending ones. Considerable research work, comparing many different instruments, is thus needed to identify the current rules.

For this reason a codification of rules that have frequently been amended is also essential if Community law is to be clear and transparent.

- 2. On 1 April 1987 the Commission therefore decided<sup>1</sup> to instruct its staff that all legislative measures should be <u>codified</u> after <u>no more</u> than ten amendments, stressing that this is a minimum requirement and that departments should endeavour to codify at even shorter intervals the texts for which they are responsible, to ensure that the Community rules are clear and readily understandable.
- 3. The Conclusions of the Presidency of the Edinburgh European Council (December 1992) confirmed this<sup>2</sup>, stressing the importance of <u>codification</u> as it offers certainty as to the law applicable to a given matter at a given time.

Codification must be undertaken in full compliance with the normal Community legislative procedure.

Given that no changes of substance may be made to the instruments affected by <u>codification</u>, the European Parliament, the Council and the Commission have agreed, by an interinstitutional agreement dated 20 December 1994, that an accelerated procedure may be used for the fast-track adoption of codification instruments.

4. The purpose of this proposal is to undertake the codification of Council Regulation (EEC) No 2075/92 of 30 June 1992 on the common organization of the market in raw tobacco<sup>3</sup>. The new Regulation will supersede the various actsincorporated in it<sup>4</sup>; their content is fully preserved, and they are brought together with <u>only such formal amendments</u> as are required by the codification exercise itself.

<sup>&</sup>lt;sup>1</sup> COM(1987) 868 PV.

<sup>&</sup>lt;sup>2</sup> See Annex 3 to Part A of the Conclusions.

<sup>&</sup>lt;sup>3</sup> Carried out pursuant to the Communication from the Commission to the European Parliament and the Council – Codification of the Acquis communautaire, COM(2001) 645 final.

<sup>&</sup>lt;sup>4</sup> See Annex II to this proposal.

5. The <u>codification</u> proposal was drawn up on the basis of a <u>preliminary consolidation</u>, in all official languages, of Regulation (EEC) No 2075/92 and the instruments amending it, carried out by the Office of Official Publications of the European Communities, by means of <u>a data-processing system</u>. Insofar as the Articles have been given new numbers, the correlation between the old and the new numbers is shown in a table contained in Annex III to the codified Regulation.

**↓** 2075/92 (adapted)

Proposal for a

#### **COUNCIL REGULATION**

#### on the common organisation of the market in raw tobacco

#### THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles  $\boxtimes$  36  $\ll$  and  $\boxtimes$  37  $\ll$  thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>5</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>6</sup>,

Whereas:

(1) Council Regulation (EEC) No 2075/92 of 30 June 1992 on the common organization of the market in raw tobacco<sup>7</sup> has been substantially amended several times<sup>8</sup>. In the interests of clarity and rationality the said Regulation should be codified.

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**↓** 2075/92 Recital (1)

(2) The operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy to include in particular a common organisation of markets which may take various forms depending on the product.

<sup>&</sup>lt;sup>5</sup> OJ C [...].

<sup>&</sup>lt;sup>6</sup> OJ C [...].

<sup>&</sup>lt;sup>7</sup> OJ L 215, 30.7.1992, p. 70. Regulation as last amended by Regulation (EC) No 546/2002 (OJ L 84, 28.3.2002, p. 4).

<sup>&</sup>lt;sup>8</sup> See Annex II.

↓ 2075/92 Recital (2) (adapted)

(3) It is the purpose of the common agricultural policy to achieve the objectives of Article  $\boxtimes$  33  $\bigotimes$  of the Treaty, and, in particular in the raw tobacco sector, the stabilisation of markets and a fair standard of living for the agricultural population concerned. These objectives may be achieved by adapting resources to requirements, in particular by means of a quality policy.

# **↓** 2075/92 Recital (3) (adapted)

(4) The present situation on the tobacco market, on which supply does not correspond to demand, calls for a limitation of production in line with the requirements of the market and the demands of the budget, and stronger means of control to ensure that the management mechanisms fully achieve the objectives of the common market organisation.

## **↓** 2075/92 Recital (4)

(5) Tobacco varieties can be classified in groups according to cultivation technique and production costs, taking account of the descriptions used in international trade.

### ◆ 2075/92 Recital (5)

(6) Competition on the tobacco market calls for some support of traditional tobacco producers. Such support should be based on a premium system allowing the disposal of tobacco in the Community.

#### **↓** 1636/98 Recital (4) (adapted)

(7) In order to encourage improvement of the quality and value of Community production, and at the same time to provide income support to producers, the payment of part of the premium should be linked to the value of the tobacco produced. The extent of this differentiation may vary by variety and tobacco-growing Member State. If it is to be effective, differentiation should operate within a certain range. This system should be established within the producer groups, while permitting a comparison to be made of the market prices obtained by individual producers.

#### **↓** 2075/92 Recital (6) (adapted)

(8) The premium system can be managed efficiently by means of cultivation contracts between growers and first processors which guarantee stable outlets to the growers and regular supplies to the processor.

#### **↓** 1636/98 Recital (5)

- (9) It is essential to reinforce control procedures in the tobacco sector. The definitions of 'producer', 'first processor' and 'first processing' should be made more precise and control agencies should be allowed access to all information relevant to their task.
- An auction system for cultivation contracts should be established so that contract (10)prices for tobacco truly reflect market conditions. This system should be optional for the Member States, to take account of their different structures.

#### ◆ 2075/92 Recital (7)

In order to limit Community tobacco production and to discourage the production of (11)varieties which are not readily disposed of, a maximum global guarantee threshold should be laid down for the Community and divided annually into specific guarantee thresholds for the respective groups of varieties.

# **↓** 2075/92 Recital (8)

(12)To ensure that the guarantee thresholds are observed, a processing quota system must be instituted for a limited period. For a transitional period the Member States must allocate, within the guarantee thresholds, processing quotas to the firms concerned, the Community rules laid down for the purpose being applied to ensure fair allocation on the basis of quantities processed in the past, but disregarding any abnormal production levels. The necessary measures will be taken to permit the quotas to be allocated to the producers subsequently, under satisfactory conditions. Member States possessing the necessary data to allocate quotas to producers on the basis of past performance, should be authorised to do so.

**↓** 2075/92 Recital (9)

First processors must not conclude cultivation contracts for quantities exceeding the (13)quotas allocated. Reimbursement of the premium must be limited to an amount corresponding to the quota.

#### $\checkmark$ 2075/92 Recital (11) (adapted)

Measures to orientate production can help to stabilise the tobacco market and improve (14)the quality of production. In particular, specific aid will enable producer groups to contribute towards the improvement of the organisation and orientation of production.

**↓** 546/2002 Recital (5) (adapted)

(15) The Treaty requires that a high level of human health protection be ensured in the definition and implementation of all Community policies and activities. In the framework of the strategy for sustainable development in the  $\boxtimes$  Community  $\bigotimes$ , the economic, social and environmental consequences of every policy must be taken into account. In the raw tobacco producing regions, it is consequently advisable to implement actions aimed at developing new sources of income and economic activity for the growers. In order to achieve this goal a measure to support specific initiatives allowing tobacco growers to switch from tobacco into other crops and economic activities creating employment  $\boxtimes$  should be instituted  $\bigotimes$ .

## **↓** 546/2002 Recital (6)

(16) It is also advisable to increase the deduction used to finance the Fund to 3% in 2003 in order to strengthen the budgetary means available for financing information measures on the harmful effects of tobacco consumption and initiatives to convert production. This latter measure, which is a new priority, could be implemented nationally as part of specific conversion measures and would accompany and develop synergies with the quota buy-back programme. For the 2004 harvest, if necessary, the deduction could be increased up to 5% according to the use of the Fund's appropriations, on the basis of a report drawn up by the Commission.

↓ 1636/98 Recital (9)

(17) Quotas buy-back arrangements should be introduced to help producers who wish to leave the sector but find no purchasers for their quotas.

◆ 2075/92 Recital (12)

(18) The establishment of a single market requires a single system of trade at the external frontiers.

**↓** 2075/92 Recital (13)

(19) Quantitative restrictions at the Community's external frontiers can be dispensed with. However, should exceptional circumstances arise, in order not to leave the Community market without protection against any disturbance, the Community should be able to take all the necessary measures without delay.

**↓** 3290/94 Recital (2) (adapted)

(20) Under the Uruguay Round of multilateral trade negotiations, the Community has negotiated various agreements. Several of those agreements concern agriculture, in particular the Agreement on Agriculture (hereinafter referred to as 'the Agreement')<sup>9</sup>. The concessions relating to domestic support can be complied with by setting prices and aid at a suitable level and specific provisions need not be laid down on this subject. The Agreement lays down a six-year timetable for the extension of access to the Community market for agricultural products from third countries on the one hand and the gradual reduction in support granted by the Community on exports of agricultural products on the other hand.

## **↓** 3290/94 Recital (3)

(21) By converting all the measures restricting imports of agricultural products into customs duties (tarification) and by prohibiting the application of such measures in the future, the Agreement requires the abolition of variable import levies and of the other measures and import charges currently provided for under the market organisations. The rates of customs duty applicable to agricultural products in accordance with the Agreement are to be fixed in the Common Customs Tariff.

↓ 2075/92 Recital (14) (adapted)

(22) Unforeseen market circumstances may necessitate the adoption by the Commission of exceptional market support measures.

**↓** 2075/92 Recital (15)

(23) The achievement of a single market would be jeopardised by the grant of certain aids. The Treaty provisions governing the appraisal of aids granted by Member States and the prohibition of aids incompatible with the common market should be applied to the tobacco sector.

**↓** 2075/92 Recital (17)

(24) Experience shows that more stringent controls in the tobacco sector are essential. In appropriate cases certain powers of control could be assigned to an independent supervisory agency to deal with the specific requirements of the tobacco market.

OJ L 336, 23.12.1994, p. 22.

◆ 2075/92 Recital (16) (adapted)

◆ 2075/92 Recital (18) (adapted)

- (25) In accordance with Council Regulation (EC) No ≥ 1258/1999 ≤ of ≥ 17 May 1999 ≤ on the financing of the common agricultural policy<sup>10</sup>, the Community should bear financial responsibility for expenditure incurred by Member States pursuant to this Regulation.
- (26) The common organisation of the tobacco market must take account, simultaneously and appropriately, of the objectives laid down in Article  $\boxtimes$  33  $\bigotimes$  and  $\boxtimes$  131  $\bigotimes$  of the Treaty.
- (27) The measures necessary to implement this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>11</sup>,

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HAS ADOPTED THIS REGULATION:

**↓** 2075/92 (adapted)

# Scope ≪

#### Article 1

The common organisation of the market in raw tobacco shall comprise rules on:

- $\boxtimes$  a)  $\boxtimes$  a premium system;
- $\boxtimes$  b)  $\boxtimes$  measures to orientate and limit production;
- $\boxtimes$  c)  $\boxtimes$  arrangements for trade with third countries.

The common organisation shall cover raw or unmanufactured tobacco and tobacco refuse falling within CN heading 2401.

<sup>&</sup>lt;sup>10</sup> OJ L 160, 26.6.1999, p. 103.

<sup>&</sup>lt;sup>11</sup> OJ L 184, 17.7.1999, p. 23.

♦ 2075/92

#### Article 2

Raw tobacco varieties shall be classified in the following groups:

- a) flue-cured: tobacco dried in ovens with controlled air circulation, temperature and humidity; b) light air-cured: tobacco dried in the air under cover, not left to ferment; c) dark air-cured: tobacco dried in the air under cover, left to ferment naturally before being marketed; sun-cured: d) tobacco dried in the sun; e) fire-cured: tobacco dried by fire; f) Basma (sun-cured);
- g) Katerini (sun-cured);
- h) Kaba-Koulak (classic) and similar (sun-cured).

**↓** 2075/92 (adapted)

The  $\boxtimes$  classification of  $\bigotimes$  varieties  $\boxtimes$  by  $\bigotimes$  group are listed in Annex I.

# CHAPTER 🐼 II Premium system

#### Article 3

 $\checkmark$  1636/98 Article 1 point 1 (adapted)

1. A premium scheme shall apply to tobacco, its amount being set for all the tobacco varieties shown in each of the different groups.

#### **↓** 660/1999 Article 1 (adapted)

A supplementary amount shall, however, be granted on flue-cured, light air-cured and dark air-cured tobaccos grown in Belgium, Germany, France and Austria. That amount shall be equal to 65% of the difference between the premium applicable to the 1998 harvest and the premium applicable to the 1992 harvest for those tobaccos.

**↓** 2075/92 (adapted)

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**↓** 2075/92 (adapted)

#### Article 4

- 1. In accordance with the procedure laid down in Article  $\boxtimes 37 \otimes (2)$  of the Treaty, the Council shall fix the amount of the premium and the supplementary amounts for each tobacco harvest, taking particular account of past and foreseeable possibilities for the disposal of the various types of tobacco, under normal conditions of competition, on the Community and world markets.
- 2. The amount of the premium shall be fixed:
  - a) per kilogram of leaf tobacco not having undergone first processing and market preparation;
  - b) for each group of raw tobacco.

#### Article 5

- 1. The premium shall comprise a fixed part, a variable part and a specific aid.
- 2. The variable part of the premium shall account for 30% to 45% of the total premium. It shall be introduced in stages up to the 2001 harvest. It may be adjusted within that specified range, according to variety group and Member State.
- 3. The fixed part of the premium shall be paid either to producer groups for distribution to the members of the group or to individual producers who are not members of a group.
- 4. The variable part shall be paid to producer groups for distribution to each member in proportion to the purchase price paid by the first processor for his crop.
- 5. Specific aid, not exceeding 2% of the total premium, shall be paid to producer groups.

**↓** 2075/92 Article 5

#### Article 6

Granting of the premium shall be subject in particular to the following conditions:

- a) the tobacco must come from a production area specified for the variety concerned;
- b) quality requirements must be fulfilled;
- c) the leaf tobacco must be delivered by the producer to the premises of the first processor under a cultivation contract.

 $\checkmark$  1636/98 Article 1 point 3 (adapted)

#### Article 7

- 1. Cultivation contracts shall be concluded between first processors of tobacco and producer groups or individual producers who are not members of a group.
- 2. For the purposes of this Regulation:
  - I ⇒ a) ≤ the term 'producer' shall mean individual producers who are not members of a group, individual producers who are members of a group, or producer groups, all of whom deliver their crop of raw tobacco to a first processor under a cultivation contract;

- ▷ b) (조) a 'first processor' shall mean any approved natural or legal person who carries out first processing of raw tobacco by operation, in his own name and on his own account, of one or more first tobacco-processing establishments suitably equipped for that purpose;
- ▷ c) <> 'first processing' shall mean the processing of raw tobacco delivered by a producer into a stable, storable product put up in uniform bales of a quality meeting final user (manufacturer) requirements.
- 3. The cultivation contract shall include:
  - $(\boxtimes a)$  ( $\boxtimes$  a commitment by the first processor to pay the producer the purchase price according to quality grade;
  - $(\boxtimes b)$   $(\boxtimes a)$  a commitment by the producer to deliver to the first processor the raw tobacco meeting the quality requirements specified in the contract.
- 4. The Member State's competent body shall, on submission of proof of delivery of the tobacco and of payment of the price as referred to in paragraph 3(a), pay:
  - $(\boxtimes a)$   $(\boxtimes a)$  the fixed part of the premium to the producer group or to the individual producer not a member of a group;
  - $(\boxtimes b)$   $(\boxtimes)$  the variable part of the premium and the specific aid to the producer group.

However, on a transitional basis and for a period not exceeding two harvests, the premium may be paid through the intermediary of the first processor.

 $\checkmark$  546/2002 Article 3 point 1 (adapted)

5.  $\boxtimes$  For each of the groups of varieties  $\bigotimes$  the Member State may, if its structures makes it appropriate, apply to the producer groups which wish to participate in it a cultivation contract auction scheme as referred to in paragraph 1 where it is concluded before the date on which delivery of the tobacco commences.

↓ 1636/98 Article 1 point 3 (adapted)

#### Article 8

Rules for the application of this Chapter shall be adopted in accordance with the procedure  $\boxtimes$  referred to  $\bigotimes$  in Article  $\boxtimes$  25(2)  $\bigotimes$ .

Their scope shall include:

- $\boxtimes$  a)  $\boxtimes$  delimitation of production zones for each variety;
- $\boxtimes$  b)  $\boxtimes$  quality requirements for tobacco delivered;

- $\boxtimes$  c)  $\boxtimes$  other details of the cultivation contract and the closing date for its conclusion;
- $(\boxtimes)$  d)  $(\boxtimes)$  any requirement of a security to be lodged by producers applying for an advance, and the terms of its provision and release;
- $\boxtimes$  e)  $\boxtimes$  determination of the variable part of the premium;
- (x) f) (x) specific premium terms for cultivation contracts concluded with producer groups;
- $(\boxtimes g)$  ( $\boxtimes$  action to be taken if the producer or first processor fails to meet his obligations;
- $(\boxtimes h)$  ( $\boxtimes$  the implementation of the cultivation-contract auction scheme, including the option for the first purchaser to match any offers.

↓ 2075/92 (adapted)

# System of production limitation

 $\bullet$  1636/98 Article 1 point 4 (adapted)

#### Article 9

A maximum overall guarantee threshold of 350 600 tonnes of raw leaf tobacco per harvest shall be set for the Community.

Within that quantity the Council shall set individual guarantee thresholds for each variety group for three consecutive harvests, in accordance with the procedure laid down in Article  $\boxtimes$  37  $\bigotimes$  (2) of the Treaty.

#### Article 10

- 1. To ensure observance of the guarantee thresholds, production quotas shall be imposed.
- 2. The Council, acting in accordance with the procedure laid down in Article  $\boxtimes$  37  $\bigotimes$  (2) of the Treaty, shall allocate the quantity available for each variety group between producer Member States for three consecutive harvests.
- 3. On the basis of the quantities set pursuant to paragraph 2 and without prejudice to paragraphs 4 and 5, Member States shall assign production quotas to individual producers who are not members of a producer group and to producer groups, in proportion to the average quantity of tobacco of the particular variety group

delivered for processing by each individual producer over the three years preceding that of the most recent harvest.

**↓** 1336/2000 Article 1

4. Before the final date for the conclusion of cultivation contracts, Member States may be authorised to transfer parts of their guarantee threshold allocations to other variety groups.

 $\checkmark$  1636/98 Article 1 point 4 (adapted)

Subject to the third subparagraph, a one-tonne reduction in the allocation for one variety group shall give rise to an increase of at most one tonne in the allocation for the other variety group.

No transfer of parts of guarantee threshold allocations from one variety group to another may give rise to additional costs to the European Agricultural Guidance and Guarantee Fund (EAGGF).

The quantities authorised for transfer shall be determined in accordance with the procedure  $\boxtimes$  referred to  $\bigotimes$  in Article  $\boxtimes 25(2) \bigotimes$ .

 ↓ 546/2002 Article 3 point 2 (adapted)

5. Producer Member States shall be entitled to create a national quota reserve, the rules of operation of which shall be adopted in accordance with the procedure  $\boxtimes$  referred to  $\bigotimes$  in Article  $\boxtimes$  25(2).  $\bigotimes$ 

▶ 1636/98 Article 1 point 4

Article 11

- 1. No premium may be granted on any quantity in excess of a producer's quota.
- 2. Notwithstanding paragraph 1, a producer may deliver excess production of up to 10% of his quota for each variety group, this surplus being eligible for the premium granted on the following harvest, provided that he reduces his production for that harvest accordingly so that the combined quota for the two harvests is observed.
- 3. Member States shall keep accurate data on the production of all individual producers so that, where appropriate, production quotas can be assigned to them.
- 4. Production quotas may be transferred between individual producers in the same Member State.

 $\checkmark$  1636/98 Art. 1 point 4 (adapted)

#### Article 12

Rules for the application of this  $\boxtimes$  Chapter  $\bigotimes$  shall be adopted in accordance with the procedure  $\boxtimes$  referred to  $\bigotimes$  in Article  $\boxtimes 25(2)$ .  $\bigotimes$ 

# S CHAPTER S IV Measures to convert production

#### Article 13

The specific aid referred to in Article  $\boxtimes 5 \otimes$  shall be paid to producer groups for the purposes of improving respect for the environment, boosting production quality, strengthening management and ensuring compliance with Community rules within the group.

 ↓ 546/2002 Article 3 point 3 (adapted)

#### Article 14

- 1. A Community Tobacco Fund (hereinafter 'Fund') shall be set up, financed by a deduction of:
  - $\boxtimes$  a)  $\boxtimes$  2% of the premium for the 2002 harvest;

b b) a 3% of the premium for the 2003 harvest.

The Commission shall submit before 31 December 2003 a report on the use of the appropriations from the Fund, which could be accompanied, if necessary, by a proposal for the percentage of the deduction for the Fund to be increased by up to 5% for the 2004 harvest.

- 2. The Fund shall finance action in the following areas:
  - a) improving public awareness of the harmful effects of all forms of tobacco consumption, in particular through information and education, support for the collection of data to establish tobacco consumption patterns and to conduct epidemiological studies on nicotinism in the Community, and a study on preventing nicotinism;
  - b) as part of the programme referred to in Article  $\boxtimes$  15  $\bigotimes$  (1), specific measures to help tobacco growers to switch to other crops or other economic activities that create employment and studies of the possibilities for tobacco growers to do so.

 $\checkmark$  1636/98 Article 1 point 4 (adapted)

#### Article 15

- 1. In order to facilitate the voluntary departure from the sector by individual producers, a quota buy-back programme with corresponding reduction of the guarantee thresholds referred to in Article  $\boxtimes 9 \otimes \boxtimes$  shall be set up.
- 2. Rural development programmes for the conversion of tobacco-growing regions in difficulty to other activities may be implemented under Community structural policies.

 $\bullet$  1636/98 Article 1 point 5 (adapted)

#### Article 16

Rules for the application of this Chapter shall be adopted in accordance with the procedure referred to in Article  $\boxtimes 25(2)$ .  $\bigotimes$  Those rules shall cover:

- $\boxtimes$  a)  $\boxtimes$  fixing of the specific aid amount;
- $\boxtimes$  b)  $\boxtimes$  the definition of producer groups eligible for specific aid;
- $\boxtimes$  c)  $\boxtimes$  terms for the recognition of groups;
- $(\boxtimes)$  d)  $(\boxtimes)$  use of the specific aid, and in particular its allocation between the purposes specified in Article  $(\boxtimes)$  13  $(\boxtimes)$ ;
- $(\boxtimes)$  e)  $(\boxtimes)$  setting the level of the quota buy-back price, which shall not be such as to encourage any excessive exodus of producers from the sector;
- $\boxtimes$  f)  $\bigotimes$  the definition, on the basis of a proposal from the Member State, of sensitive production areas and/or groups of high-quality varieties to be exempted from the quota buy-back system, which may not affect more than 25% of each Member State's guarantee threshold;
- $\boxtimes$  g)  $\bigotimes$  the definition of a period of not more than four months between the individual producer's intention to sell his quota and the actual buy-back; during that period the Member State shall make public the intention to sell so that other producers may buy the quota before it is actually bought back.

◆ 3290/94 Article 2 and Annex XVII (adapted)

# S CHAPTER ≪ V Trade with third countries

#### Article 17

Unless this Regulation provides otherwise, the rates of duty in the Common Customs Tariff shall apply to the products referred to in  $\boxtimes$  the second subparagraph  $\bigotimes$  of Article 1.

#### Article 18

- 1. The general rules for the interpretation of the combined nomenclature and the special rules for its application shall apply to the classification of products  $\boxtimes$  referred to in the second subparagraph of Article 1  $\bigotimes$ .
- 2. Save as otherwise provided for in this Regulation or in provisions adopted pursuant thereto, the following shall be prohibited in trade with third countries:
  - a) the levying of any charge having equivalent effect to a customs duty;
  - b) the application of any quantitative restriction or measure having equivalent effect.

#### Article 19

1. If, by reason of imports or exports, the Community market in one or more of the products referred to in  $\boxtimes$  the second subparagraph  $\bigotimes$  of Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardise the achievement of the objective set out in Article  $\boxtimes$  33  $\bigotimes$  of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article  $\boxtimes$  37  $\bigotimes$  (2) of the Treaty, shall adopt the general rules for the application of this paragraph and shall define in what cases and within what limits Member States may take protective measures.

- 2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the Member States shall be notified of such measures, which shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.
- 3. Measures decided upon by the Commission may be referred to the Council by any Member State within three working days of the day on which they were notified. The

Council shall meet without delay. It may, acting by a qualified majority, amend or annul the measure in question.

4. This Article shall be applied having regard to the obligations arising from agreements concluded in accordance with Article  $\boxtimes$  300  $\bigotimes$  (2) of the Treaty.

 $\checkmark$  1636/98 Article 1 point 6 (adapted)

# CHAPTER CHAPTER VI Control measures

 $\checkmark$  1636/98 Article 1 point 7 (adapted)

#### Article 20

- 1. Member States shall take all necessary action to ensure and verify compliance with Community provisions concerning raw tobacco.
- 2. Member States shall make arrangements for granting entitlement to first processors to sign cultivation contracts.
- 3. Entitlement shall be withdrawn by the Member State if the processor deliberately or through serious negligence fails to comply with the Community provisions concerning raw tobacco.
- 4. Member States shall take the action necessary for their control bodies to be able to verify compliance with Community provisions, and in particular:
  - $\boxtimes$  a)  $\boxtimes$  to have access to production and processing facilities;
  - $(\boxtimes$  b)  $(\boxtimes)$  to be able to acquaint themselves with first processors' accounting and stock records and with other relevant documents and take copies or extracts;
  - $(\boxtimes)$  c)  $(\boxtimes)$  to be able to obtain all relevant information, particularly in order to check that tobacco delivered has actually been processed;
  - $(\boxtimes)$  d)  $(\boxtimes)$  to obtain exact figures for the volume and purchase price of the production of all individual producers;
  - $\bowtie$  e)  $\bigotimes$  to check the quality of the tobacco and payment by the processor of a purchase price to the individual producer;
  - $\boxtimes$  f)  $\boxtimes$  to check each year the areas planted by individual producers.
- 5. Rules for the application of this Chapter shall be adopted in accordance with the procedure referred to in Article  $\boxtimes 25(2)$ .  $\bigotimes$

 $\checkmark$  1636/98 Article 1 point 8 (adapted)

# S CHAPTER S VII General and transitional provisions

◆ 2075/92 Article 18 (adapted)

#### Article 21

Except where this Regulation provides otherwise, Articles  $\boxtimes$  87, 88 and 89  $\bigotimes$  of the Treaty shall apply to production of and trade in the products referred to in  $\boxtimes$  the second subparagraph of  $\bigotimes$  Article 1.

◆ 2075/92 Article 19 (adapted)

#### Article 22

Expenditure incurred pursuant to  $\boxtimes$  Chapters II and IV  $\bigotimes$  shall be regarded as expenditure within the meaning of  $\boxtimes$  point (b)  $\bigotimes$  of Article 1(2) of Regulation (EC) No  $\boxtimes$  1258/1999.  $\bigotimes$ 

↓ 1636/98 Art. 1 point 9
(adapted)

#### Article 23

To deal with unforeseen circumstances, exceptional market support measures may be taken in accordance with the procedure  $\boxtimes$  referred to  $\bigotimes$  in  $\boxtimes$  Article 25(2).  $\bigotimes$  Their scope and duration shall be strictly limited to what is necessary to support the market.

◆ 2075/92 Article 21 (adapted)

#### Article 24

Member States and the Commission shall send each other any information necessary for the application of this Regulation. Detailed rules for the sending and dissemination of such information shall be adopted in accordance with the procedure  $\boxtimes$  referred to  $\bigotimes$  in Article  $\boxtimes 25(2)$ .  $\bigotimes$ 

**↓** 

## Article 25

- 1. The Commission shall be assisted by a Management Committee for Tobacco, hereinafter referred to as 'Committee', composed of representatives of the Member States and chaired by the representative of the Commission.
- 2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be one month.

3. The Committee shall adopt its rules of procedure.

◆ 2075/92 Article 25 (adapted)

## Article 26

This Regulation must be applied in such a way that account is taken, simultaneously and appropriately, of the objectives laid down in Articles  $\boxtimes$  33  $\bigotimes$  and  $\boxtimes$  131  $\bigotimes$  of the Treaty.

Article 27

 $\mathbf{1}$ 

Regulation (EEC) No 2075/92 is repealed.

References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex III.

◆ 2075/92 Article 29 (adapted)

Article 28

 $\boxtimes$  This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the EuropeanUnion*.  $\boxtimes$ 

This Regulation shall be binding in its entirety and directly applicable in all Member States. Done at Brussels, [...]

> For the Council The President [...]

**↓** 2075/92 Annex

# ANNEX I

### CLASSIFICATION OF TOBACCO VARIETIES BY GROUP

I. FLUE-CURED

Virginia

Virginia D and hybrids thereof

Bright

#### II. LIGHT AIR-CURED

Burley

Badischer Burley and hybrids thereof

Maryland

#### III. DARK AIR-CURED

Badischer Geudertheimer, Pereg, Korso

Paraguay and hybrids thereof

Dragon Vert and hybrids thereof

Philippin

Petit Grammont (Flobecq)

Semois

Appelterre

Nijkerk

Misionero and hybrids thereof

Rio Grande and hybrids thereof

Forchheimer Havanna IIc

Nostrano del Brenta

Resistente 142

Goyano

Hybrids of Geudertheimer

Beneventano

Brasile Selvaggio and similar varieties

Fermented Burley

Havanna

#### IV. FIRE-CURED

Kentucky and hybrids

Moro di Cori

Salento

#### V. SUN-CURED

Xanthi-Yaka

Perustitza

Samsun

Erzegovina and similar varieties

Myrodata Smyrnis, Trapezous and Phi I

Kaba Koulak (non-classic)

Tsebelia

Mavra

#### VI. Basmas

- VII. Katerini and similar varieties
- VIII. Kaba Koulak (classic)

Elassona

Myrodata Agrinion

Zichnomyrodata

# ANNEX II

#### Repealed Regulation with its successive amendments

Council Regulation (EEC) No 2075/92 Council Regulation (EC) No 3290/94 Annex XVII only Council Regulation (EC) No 711/95 Council Regulation (EC) No 415/96 Council Regulation (EC) No 2444/96 Council Regulation (EC) No 2595/97 Council Regulation (EC) No 1636/98 Council Regulation (EC) No 1636/98 Council Regulation (EC) No 1636/2000 Council Regulation (EC) No 1336/2000 Council Regulation (EC) No 546/2002 Article 3 only (OJ L 215, 30. 7. 1992, p. 70)

 $\mathbf{\Lambda}$ 

- (OJ L 349, 31. 12. 1994, p. 105)
- (OJ L 73, 1. 4. 1995, p. 13)
- (OJ L 59, 8. 3. 1996, p. 3)
- (OJ L 333, 21. 12. 1996, p. 4)
- (OJ L 351, 23. 12. 1997, p.11)
- (OJ L 210, 28. 7. 1998, p. 23)
- (OJ L 83, 27. 3. 1999, p. 10)
- (OJ L 154, 27. 6. 2000, p. 2)
- (OJ L 84, 28. 3. 2002, p. 4)

# ANNEX III

#### **CORRELATION TABLE**

Regulation (EEC) No 2075/92	This Regulation
-	Chapter I
Articles 1, 2	Articles 1, 2
Title I	Chapter II
Article 3(1)	Article 3(1), first subparagraph
Article 3(2)	Article 3(1), second subparagraph
Article 3(3)	Article 3(2)
Article 4	Article 4
Article 4a	Article 5
Article 5	Article 6
Article 6(1)	Article 7(1)
Article 6(2), first indent	Article 7(2)(a)
Article 6(2), second indent	Article 7(2)(b)
Article 6(2), third indent	Article 7(2)(c)
Article 6(3), first indent	Article 7(3)(a)
Article 6(3), second indent	Article 7(3)(b)
Article 6(4), first indent	Article 7(4)(a)
Article 6(4), second indent	Article 7(4)(b)
Article 6(5)	Article 7(5)
Article 7, first subparagraph	Article 8, first subparagraph
Article 7, second subparagraph, first indent	Article 8, second subparagraph, (a)
Article 7, second subparagraph, second indent	Article 8, second subparagraph, (b)
Article 7, second subparagraph, third indent	Article 8, second subparagraph, (c)
Article 7, second subparagraph, fourth indent	Article 8, second subparagraph, (d)
Article 7, second subparagraph, fifth indent	Article 8, second subparagraph, (e)

Article 7, second subparagraph, sixth indent	Article 8, second subparagraph, (f)
Article 7, second subparagraph, seventh indent	Article 8, second subparagraph, (g)
Article 7, second subparagraph, eighth indent	Article 8, second subparagraph, (h)
Article 8	Article 9
Title II	Chapter III
Article 9	Article 10
Article 10	Article 11
Article 11	Article 12
Title III	Chapter IV
Article 12	Article 13
Article 13(1), first subparagraph, first indent	Article 14(1), first subparagraph, (a)
Article 13(1), first subparagraph, second indent	Article 14(1), first subparagraph, (b)
Article 13(1), second subparagraph	Article 14(1), second subparagraph
Article 13(2)	Article 14(2)
Article 14	Article 15
Article 14a, first indent	Article 16(a)
Article 14a, second indent	Article 16(b)
Article 14a, third indent	Article 16(c)
Article 14a, fourth indent	Article 16(d)
Article 14a, fifth indent	Article 16(e)
Article 14a, sixth indent	Article 16(f)
Article 14a, seventh indent	Article 16(g)
Title IV	Chapter V
Article 15	Article 17
Article 16	Article 18
Article 16a	Article 19

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Title V	Chapter VI
Article 17(1), (2) and (3)	Article 20(1), (2) and (3)
Article 17(4), first indent	Article 20(4)(a)
Article 17(4), second indent	Article 20(4)(b)
Article 17(4), third indent	Article 20(4)(c)
Article 17(4), fourth indent	Article 20(4)(d)
Article 17(4), fifth indent	Article 20(4)(e)
Article 17(4), sixth indent	Article 20(4)(f)
Article 17(5)	Article 20(5)
Title VI	Chapter VII
Article 18	Article 21
Article 19	Article 22
Article 20	Article 23
Article 21	Article 24
Articles 22, 23 and 24	-
-	Article 25
Article 25	Article 26
Articles 26, 27 and 28	-
-	Article 27
Article 29	Article 28
Annex	Annex I
-	Annex II
-	Annex III