AMENDMENTS 001-206
by the Committee on Agriculture and Rural Development

Report
Ulrike Müller
Common agricultural policy: financing, management and monitoring

Amendment 1

Proposal for a regulation
Recital 1

Text proposed by the Commission

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

Amendment

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'The Future of Food and Farming' of 29 November 2017 concludes that the Common Agricultural Policy (hereinafter ‘CAP’) should continue to step up its response to future challenges and opportunities, by boosting employment, growth and investment, fighting and adapting to climate change, adapting them and transferring research and innovation from the laboratories to fields and markets. The CAP should furthermore address citizens' concerns regarding sustainable agriculture production and rural development.
Amendment 2
Proposal for a regulation
Recital I a (new)

*Text proposed by the Commission*

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

Amendment 3
Proposal for a regulation
Recital I b (new)

*Text proposed by the Commission*

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

Amendment 4

Proposal for a regulation
Recital 1 c (new)

Text proposed by the Commission

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

Amendment 5

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) The CAP's compliance-driven delivery model should be adjusted to ensure a greater focus on results and performance. Accordingly the Union should set the basic policy objectives, types of intervention and basic Union requirements while greater responsibility and accountability for meeting those objectives should be borne by the Member States. As a consequence, there is a need to

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

ensure greater subsidiarity and flexibility in order to take better account of the local conditions and needs. Accordingly, under the new delivery model, Member States should be responsible for tailoring their CAP interventions in line with their specific needs and basic Union requirements in order to maximize their contribution to Union CAP objectives. Member States should also establish and design the control framework for beneficiaries to continue to ensure compliance of the CAP strategic plans interventions with applicable Union law. Basic Union requirements, including good agricultural and environmental conditions (GAEC) and statutory management requirements (SMRs), ensure a common approach and a level playing field between Member States.

Amendment 6

Proposal for a regulation
Recital 5

Text proposed by the Commission

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

Amendment

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

Amendment 7

Proposal for a regulation
Recital 5 a (new)

Text proposed by the Commission

(5a) Part of the provisions of Regulation (EU) …/[CPR Regulation] should apply to this Regulation.

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1a [CPR Regulation]

Amendment 8

Proposal for a regulation
Recital 5 b (new)

Text proposed by the Commission

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

Amendment 9

Proposal for a regulation
Recital 9

Text proposed by the Commission

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

Amendment 10

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Where a Member State accredits more than one paying agency, it should designate a single public coordinating body in order to ensure consistency in the management of Funds, to provide for a liaison between the Commission and the various accredited paying agencies, and to ensure that the information requested by the Commission concerning the operations of several paying agencies is provided promptly. The coordinating body should

Amendment

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

**Amendment 11**

**Proposal for a regulation**

**Recital 11**

*Text proposed by the Commission*

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

*Amendment*

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

**Amendment 12**

**Proposal for a regulation**

**Recital 14**

*Text proposed by the Commission*

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

*Amendment*

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

Amendment 13
Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

Amendment

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

Amendment 14
Proposal for a regulation
Recital 14 b (new)

Text proposed by the Commission

(14b) The EU agricultural crisis reserve should be established in the budget of the CAP and its initial amount should be set up in 2021 as an addition to the EAGF and EAFRD budgets. Point (d) of Article 12(2) of Regulation (EU, Euratom) 2018/1046 provides that non-committed appropriations may be carried over to the following financial year only. For that purpose a derogation from point (d) of Article 12(2) thereof is necessary,
allowing for non-committed appropriations of the agricultural reserve to be carried over without time limitation to finance the agricultural reserve in the following financial year(s), allowing the accumulation of appropriations for the EU agricultural crisis reserve from one year to the next, throughout the programming period.

**Amendment 15**

Proposal for a regulation
Recital 15

*Text proposed by the Commission*

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

*Amendment*

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

**Amendment 16**

Proposal for a regulation
Recital 16 a (new)

*Text proposed by the Commission*

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

Amendment 17

Proposal for a regulation
Recital 21

Text proposed by the Commission

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

Amendment

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

Amendment 18

Proposal for a regulation
Recital 21 a (new)

Text proposed by the Commission

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

Amendment

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

Amendment 19

Proposal for a regulation
Recital 25

Text proposed by the Commission

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

Amendment

(25) In accordance with the architecture and the key characteristics of the new CAP delivery model the eligibility of payments made by Member States for Union financing should no longer depend on the legality and regularity of payments to individual beneficiaries. Instead, as regards types of interventions referred to in Regulation (EU)…/[CAP Strategic Plan Regulation], Member States’ payments should be eligible if they are matched by corresponding output and in compliance with the applicable basic Union requirements. The new CAP delivery model should not remove the obligations of the Member States to check the legality and regularity of expenditure in order to ensure the protection of the financial interests of the Union.

Amendment 20

Proposal for a regulation

Recital 28

Text proposed by the Commission

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

Amendment

(28) Member States should send the annual accounts and the annual clearance report by 15 February N+1 and a performance report on the implementation of the CAP Strategic Plan to the Commission by 15 April of the second calendar year after the date of application of this Regulation and every two years thereafter. Where these documents are not sent, thus preventing the Commission from clearing the accounts for the concerned paying agency or checking the eligibility of the expenditure against reported outputs, the Commission should be empowered to
suspend the monthly payments and to interrupt the quarterly reimbursement until the outstanding documents are received.

Amendment 21

Proposal for a regulation
Recital 29

*Text proposed by the Commission*

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

*Amendment*

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

Amendment 22

Proposal for a regulation
Recital 30

*Text proposed by the Commission*

(30) As regards the multi-annual performance monitoring the Commission should also have the power to suspend payments. Accordingly in cases of delayed or insufficient progress towards targets, set out in the national CAP Strategic Plan, the Commission should be empowered to request the Member State concerned to take the necessary remedial actions in

*Amendment*

(30) As regards the multi-annual performance monitoring, given the more complex nature of the result indicators and the necessary adaptation to the new delivery model, the performance reporting on the realised results and the distance to respective targets should be submitted for the first time by 15 April of the second calendar year after the date of application.
accordance with an action plan to be established in consultation with the Commission and containing clear progress indicators, by means of an implementing act. Where the Member State fails to submit or to implement the action plan or where the action plan is manifestly insufficient to remedy the situation, the Commission should have the power to suspend the monthly or interim payments, by means of an implementing act.

of this Regulation and every two years thereafter. Accordingly in the cases of delayed or insufficient progress towards targets, set out in the national CAP Strategic Plan, and where the Member State cannot provide duly justified reasons, the Commission should be empowered to request the Member State concerned to present an action plan to be established in consultation with the Commission. The action plan should describe the necessary remedial actions and the expected timeframe for its execution. Where the Member State fails to submit or to implement the action plan or where it becomes evident that the action plan is manifestly insufficient to remedy the situation, the Commission should have the power to suspend the monthly or interim payments, by means of an implementing act.

Amendment 23

Proposal for a regulation
Recital 39

Text proposed by the Commission

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

Amendment

(39) In order to establish the financial relationship between the accredited paying agencies and the Union's budget, the Commission should clear the accounts of the paying agencies annually, in the framework of the annual clearance. The decision relating to the clearance of accounts should be limited to the completeness, accuracy and veracity of the accounts and should not cover the conformity of the expenditure with Union law.
Amendment 24

Proposal for a regulation
Recital 40

Text proposed by the Commission

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

Amendment

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

Amendment 25

Proposal for a regulation
Recital 42

Text proposed by the Commission

(42) In order to safeguard the financial interests of the Union's budget, systems should be put in place by Member States in order to satisfy themselves that interventions financed by the Funds are actually carried out and are executed correctly, while maintaining the current robust framework for sound financial management. In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013\(^{15}\) of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2988/95\(^{16}\), Council Regulation (Euratom, EC) No 2185/96\(^{17}\) and Council Regulation (EU) 2017/1939\(^{18}\), the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and

Amendment

(42) In order to safeguard the financial interests of the Union's budget, systems should be put in place by Member States in order to satisfy themselves that interventions financed by the Funds are actually carried out and are executed correctly, while maintaining the current robust framework for sound financial management. In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013\(^{15}\) of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2988/95\(^{16}\) *and* Council Regulation (Euratom, EC) No 2185/96\(^{17}\), and Council Regulation (EU) 2017/1939\(^{18}\), the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and
investigation of irregularities including fraud, the recovery of Funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. Moreover, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor’s Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union Funds is to fully cooperate in the protection of the Union’s financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union Funds grant equivalent rights. Member States should have the systems in place allowing them to report to the Commission, for the purpose of enabling OLAF to exercise its powers and ensure an efficient analysis of cases of irregularity, on detected irregularities and other cases of non-compliance with the conditions established by Member States in the CAP Strategic Plan, including fraud and on their follow-up as well as on the follow-up of OLAF investigations. To ensure the effective examination of complaints concerning the Funds, Member States should have in place the necessary arrangements.


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


Amendment 26
Proposal for a regulation
Recital 46 a (new)

Text proposed by the Commission

(46a) To ensure a level playing field between beneficiaries in different Member States, certain general rules should be
Amendment 27
Proposal for a regulation
Recital 47

Text proposed by the Commission

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

Amendment

(47) The existing main elements of the integrated system including the early warning system and, in particular, the provisions concerning a system for identifying agricultural parcels, a geospatial and an animal-based application system, a system for identifying and registering payment entitlements, a system for recording the identity of beneficiaries and a control and penalties system should be maintained, at an appropriate level, while taking due account of proportionality and the need not to impose undue administrative burdens on farmers and administrative bodies. Member States should continue to use data or information products provided by the Copernicus programme, in addition to information technologies such as GALILEO and EGNOS in order to ensure that comprehensive and comparable data is available throughout the Union for the purposes of monitoring agri-environment-climate policy and for the purposes of boosting the use of full, free and open data and information captured by Copernicus Sentinels satellites and services. To this end, the integrated system should include also an area monitoring system, which may limit the instances where on farm inspections are required and reduce the administrative burden on farmers.
Amendment 28
Proposal for a regulation
Recital 48

Text proposed by the Commission

(48) The integrated system, as part of the governance systems which should be in place in order to implement the CAP, should ensure that the aggregate data provided in the annual performance reporting is reliable and verifiable. Given the importance of a properly functioning integrated system, it is necessary to set quality requirements. Member States should carry out an annual quality assessment of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system. Member States should also address any deficiencies and, if so requested by the Commission, set up an action plan.

Amendment

(48) The integrated system, as part of the governance systems which should be in place in order to implement the CAP, should ensure that the aggregate data provided in the reporting is reliable and verifiable. Given the importance of a properly functioning integrated system, it is necessary to set quality requirements. Member States should carry out an annual quality assessment of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system. Member States should also address any deficiencies and, if so requested by the Commission, set up an action plan.

Amendment 29
Proposal for a regulation
Recital 53

Text proposed by the Commission

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

Amendment

(53) Having regard to the international structure of agricultural trade and in the interest of the proper functioning of the internal market and respect for the Union’s Policy Coherence for Development obligations, it is necessary to organise cooperation among the Member States and between Member States and third countries. It is also necessary to set up a centralised documentation system at Union level concerning undertakings established in third countries and which receive or make payments. Such a system
should also contribute to the identification of incoherencies between the implementation of the CAP and the objectives of the external policies of the Union. It would contribute to monitoring the achievement of the CAP objectives as outlined in Regulation (EU) No…/[CAP Strategic Plan Regulation], by allowing for the evaluation of the impact of undertakings established in third countries on the 2030 Agenda for Sustainable Development, and the Union’s development objectives, as provided for in Article 208 TFEU.

Justification

In a spirit of sound and efficient cooperation with third countries, the Commission shall enhance its dialogue with partner countries on any aspect that has an impact on their development process, whether directly entering within the framework of the Union’s policy or not. The inputs from the Union’s partners shall aim at identifying and remediate to the incoherencies of EU policies and the gathering and sharing of data shall facilitate this process.

Amendment 30

Proposal for a regulation

Recital 55

Text proposed by the Commission

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

Amendment

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

Amendment 31

Proposal for a regulation

Recital 57

(57) While Member States should be allowed to set out the details on penalties, those penalties should be proportionate, effective and dissuasive and should be without prejudice to other penalties laid down under Union or national law. To ensure an effective and coherent approach by Member States, it is necessary to provide for a minimum penalty rate at Union level for non-compliance occurring for the first time due to negligence, while reoccurrence should lead to a higher percentage and intentionality may result in the total exclusion from the payment. To ensure proportionality of the penalties, where the non-compliance is of a minor nature and occurs for the first time, Member States should be allowed to introduce an early warning system.

(57) While Member States should be allowed to set out the details on penalties, those penalties should be proportionate, effective and dissuasive and should be without prejudice to other penalties laid down under Union or national law. To ensure an effective and coherent approach by Member States, it is necessary to provide for minimum penalty rates at Union level. Such rates should apply to cases of non-compliance occurring for the first time due to negligence, while reoccurrence should lead to a higher percentage and intentionality should potentially result in total exclusion from the payment. To ensure the proportionality of the penalties, where the non-compliance is of a minor nature and occurs for the first time, Member States should introduce an early warning system, notifying the beneficiary of the obligation to take corrective measures and allowing them to remedy the non-compliance. No administrative penalties should be imposed in the cases of non-compliance due to force majeure, simple negligence or due to obvious errors recognised by the competent authority or another authority.

Amendment 32

Proposal for a regulation
Recital 71

Text proposed by the Commission

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

Amendment

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

Amendment 33

Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

(b) "governance systems" means the governance bodies referred to in Chapter II of Title II of this Regulation and the basic Union requirements laid down in this Regulation and Regulation (EU) …/… [CAP Strategic Plan Regulation], including Member States’ obligations with regard to the effective protection of the financial interests of the Union referred to in Article 57 of this Regulation, the reporting system put in place for the purposes of the annual clearance report referred to in Article 8(3) of this Regulation and the performance report referred to in Article 121 of Regulation (EU) …/… [CAP Strategic Plan Regulation] (‘the performance report’);
Amendment 34
Proposal for a regulation
Article 2 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) "output indicator" means output indicator as defined in point 12 of Article 2 of Regulation (EU) …/[CPR Regulation];

Amendment 35
Proposal for a regulation
Article 2 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(cb) "result indicator" means result indicator as defined in point 13 of Article 2 of Regulation (EU) …/[CPR Regulation];

Amendment 36
Proposal for a regulation
Article 2 – paragraph 1 – point c c (new)

Text proposed by the Commission

Amendment

(cc) "serious deficiency" means serious deficiency as defined in point 30 of Article 2 of Regulation (EU) …/[CPR Regulation];

Amendment 37
Proposal for a regulation
Article 2 – paragraph 1 – point c d (new)
(c d) "intermediate body" means intermediate body as defined in point 7 of Article 2 of Regulation (EU) …/[CPR Regulation];

Amendment 38
Proposal for a regulation
Article 2 – paragraph 1 – point c e (new)

(ce) "action plan" means action plan in accordance with Article 39(1) and Article 40(1) of this Regulation.

Amendment 39
Proposal for a regulation
Article 3 – paragraph 1 – point -a (new)

(-a) the death of the beneficiary;

Amendment 40
Proposal for a regulation
Article 3 – paragraph 1 – point a

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

Amendment 41
Proposal for a regulation
Article 3 – paragraph 1 – point a a (new)

(a) a natural disaster or meteorological event gravely affecting the holding;
Text proposed by the Commission

Amendment

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

Amendment 42

Proposal for a regulation
Article 3 – paragraph 1 – point a b (new)

Text proposed by the Commission

Amendment

(ab) market circumstances gravely affecting the holding;

Amendment 43

Proposal for a regulation
Article 3 – paragraph 1 – point b

Text proposed by the Commission

Amendment

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

Amendment 44

Proposal for a regulation
Article 3 – paragraph 1 – point c

Text proposed by the Commission

Amendment

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

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

Amendment 45

Proposal for a regulation
Article 3 – paragraph 1 a (new)
Amendment 46

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Justification

The EAFRD shall also finance actions relating to technical assistance at the initiative of the Member States.

Amendment 47

Proposal for a regulation
Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

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

Amendment

The Funds may, either on the initiative of the Commission or on its behalf, each directly finance the increased preparatory, monitoring, administrative and technical support activities, and the evaluation, audit and inspection required to implement the CAP. The EAFRD contribution referred
Amendment 48

Proposal for a regulation
Article 7 – paragraph 1 – point f

Text proposed by the Commission

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

Amendment

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

Amendment 49

Proposal for a regulation
Article 7 – paragraph 1 – point h

Text proposed by the Commission

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

Amendment

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

Amendment 50

Proposal for a regulation
Article 7a (new)

Text proposed by the Commission

Amendment

Article 7a

Competent authority

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

(a) the issuing, reviewing and withdrawing of accreditation of paying agencies referred to in Article 9(2);

(b) the issuing, reviewing and withdrawing of the accreditation of the coordinating body referred to in Article 10;

(c) the appointment, and revocation thereof, of the certification body referred to in Article 11;

(d) carrying out the tasks assigned to the competent authority under this Chapter taking into account the principle of proportionality.

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

(a) on the issuing or, following a review, the withdrawal of the accreditation of the paying agency and the coordinating body;

(b) on the appointment, and revocation thereof, of the certification body.

The competent authority shall inform the Commission without delay of accreditation or appointment of the paying agencies, coordinating body and certification body, and of the withdrawal or revocation thereof.

The Commission shall promote the
exchange of best practices for the operation of governance systems between Member States.

(See wording of ex Article 9)

Amendment 51

Proposal for a regulation
Article 8 – title

Text proposed by the Commission

Paying agencies and coordinating bodies

Amendment

Paying agencies

Amendment 52

Proposal for a regulation
Article 8 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 53

Proposal for a regulation
Article 8 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Member States shall accredit, as paying agencies, departments or bodies which have an administrative organisation and a system of internal control which provide sufficient guarantees that payments are legal, regular and properly accounted for. To this end, paying agencies shall comply with minimum conditions for the

Amendment

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

**Amendment 54**

Proposal for a regulation
Article 8 – paragraph 2 – subparagraph 3 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The accreditation of paying agencies for the period 2014-2020 shall be carried over to the programming period 2021-2027, provided that they have informed the competent authority that they are in compliance with the accreditation criteria, and unless a review carried out pursuant to point (a) of the first subparagraph of Article 12(2) shows that this is not the case.</td>
<td></td>
</tr>
</tbody>
</table>

**Amendment 55**

Proposal for a regulation
Article 8 – paragraph 2 – subparagraph 5

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member States shall not appoint any new additional paying agency after the date of entry into force of this Regulation.</td>
<td>Member States may appoint new paying agencies after … /the date of entry into force of this Regulation/, provided that: (a) the number of accredited paying agencies does not increase in relation to the situation on 31 December 2019; or (b) the new paying agencies are appointed pursuant to an administrative reorganisation in the Member State concerned.</td>
</tr>
</tbody>
</table>
Amendment 56

Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

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

Amendment

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

Amendment 57

Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 1 – point a

Text proposed by the Commission

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

Amendment

(a) the annual accounts for the expenditure incurred in carrying out the tasks entrusted to their accredited paying agency, as provided for in point (a) of Article 63(5) of the Financial Regulation, accompanied by the requisite information for their clearance in accordance with Article 51(1);

Amendment 58

Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission

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

Amendment

(b) the annual clearance report referred to in Article 51(2) containing the information on realised outputs and expenditure, and showing that the
expenditure was made in accordance with Article 35;

Amendment 59
Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 1 – point c – point ii

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

Amendment
(ii) the proper functioning of the internal control systems put in place and compliance with the basic Union requirements which give, as provided for in points (b) and (c) of Article 63(6) of the Financial Regulation, the necessary guarantees, concerning the outputs reported in the annual clearance report and the compliance of the types of interventions referred to in Regulation (EU) .../... [CAP Strategic Plan Regulation] with applicable Union law,

Amendment 60
Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 2 a (new)

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

Amendment 61

Proposal for a regulation
Article 8 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The person in charge of the accredited paying agency shall draw up and provide the Commission with the performance report, using the data referred to in Article 129, reflecting the progress made towards the achievement of the objectives set out in the CAP National Strategic Plan, and including, where feasible, reporting on impacts, by 15 April of the second calendar year after … [the date of entry into force of this Regulation] and every two years thereafter.

Amendment 62

Proposal for a regulation
Article 8 – paragraph 4

Text proposed by the Commission

Amendment

deleted

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

(a) to collect the information to be provided to the Commission and to send that information to the Commission;

(b) to furnish the annual performance report referred to in Article 52(1);

(c) to take or coordinate actions with a view to resolving any deficiencies of a common nature and to keep the Commission informed of any follow-up;
(d) to promote and ensure harmonised application of Union rules.

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

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

(Moved to Article 10 a new "Coordinating bodies")

Amendment 63

Proposal for a regulation
Article 9

Text proposed by the Commission

Amendment

Article 9 deleted

Competent authority

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

(a) the issuing, reviewing and withdrawing of accreditation of paying agencies referred to in Article 8(2);

(b) the accreditation of the coordinating body referred to in Article 8(4);

(c) the appointing of the certification body referred to in Article 11;

(d) carrying out the tasks assigned to the competent authority under this Chapter.

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

(Moved to new Article 7 a)

Amendment 64

Proposal for a regulation
Article 10 a (new)

Text proposed by the Commission

Amendment

Article 10a

Coordinating bodies

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

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

(b) to furnish the annual accounts, the annual clearance report referred to in Article 51(2) and the performance report, by condensing and collating the data and documents submitted by paying agencies;

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

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

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

The annual accounts, the annual clearance report and the performance report provided by the coordinating body shall be covered by the scope of the opinion referred to in Article 11(1) and transmitted together with a management declaration covering the entirety of that report.

(See wording of Article 8.4)

Amendment 65

Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

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

Amendment 66

Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 2 – point c

Text proposed by the Commission

Amendment

(c) the performance reporting on output indicators for the purposes of the annual performance clearance referred to in Article 52 and the performance reporting on result indicators for the multiannual performance monitoring referred to in Article 115 of Regulation (EU) …/… [CAP Strategic Plan Regulation], demonstrating that Article 35 of this Regulation is complied with, is correct;

(c) the reporting on the outputs for the purposes of the annual clearance referred to in Article 51(2), demonstrating that Article 35 of this Regulation is complied with, is correct;
Regulation is complied with, is correct

Amendment 67
Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 2 – point d

Text proposed by the Commission

(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.

Amendment

(d) the reporting for the purpose of the multiannual performance monitoring referred to in Articles 115 and 121 of Regulation (EU) .../... [CAP Strategic Plan Regulation], reflecting the operations carried out and the progress made towards the achievement of the objectives, as set out in the CAP National Strategic Plan, is correct;

Amendment 68
Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 2 – point d a (new)

Text proposed by the Commission

(da) the expenditure for the types of interventions referred to in Regulation (EU) .../... [CAP Strategic Plan Regulation] is compliant with applicable Union law;

Amendment

Amendment 69
Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 2 – point d b (new)

Text proposed by the Commission

(db) the expenditure for the measures laid down in Regulation (EU) No 1308/2013, Regulation (EU) No 228/2013, Regulation (EU) No 229/2013 and
Regulation (EU) 1144/2014 for which reimbursement has been requested from the Commission is legal and regular.

Amendment 70

Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 3

Text proposed by the Commission

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).

Amendment

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 9(3).

Amendment 71

Proposal for a regulation
Article 11 – paragraph 2

Text proposed by the Commission

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

Amendment

2. The certification body shall have the necessary technical expertise, in terms of both financial management and also related to assessing the achievement of the intended aims of the interventions. All data and information used to enable certifying bodies to provide assurance that targets are being met, as well as those underlying the assumptions made, shall be made available transparently. It shall be operationally independent from the paying agency and the coordinating body concerned as well as from the authority which has accredited that agency and the bodies responsible for the implementation and the monitoring of the CAP.
Amendment 72

Proposal for a regulation
Article 11 – paragraph 3

Text proposed by the Commission

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

The implementing acts shall also set out:

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

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

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

{text is moved to new Article 12a, Commission powers, ex Article 10}

Amendment 73

Proposal for a regulation
Article 11 – paragraph 3 a (new)

Text proposed by the Commission

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

Amendment 74

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

1. The annual ceiling for EAGF expenditure shall be constituted by the maximum amounts set for it under Regulation (EU, Euratom)[COM(2018)322 final].

Amendment

1. The annual ceiling for EAGF expenditure shall be constituted by the maximum amounts set for it under Regulation (EU, Euratom)[COM(2018)322 final] that set individual limits for the Member States.

Justification

It is very important that the Member States have the limits concerning payments so that there is no possibility for those MS who uses first to have the most.

Amendment 75

Proposal for a regulation
Article 12 a (new)

Text proposed by the Commission

Amendment

Article 12a

Commission powers

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

(a) the minimum conditions for the accreditation of the paying agencies referred to in Article 9(2) and of the coordinating bodies referred to in Article 10(4);
(b) the obligations of the paying agencies as regards public intervention and the rules concerning the content of their management and control responsibilities;

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

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

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

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

Those delegated acts shall also set out:

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

(b) the audit methods to be used, by the certification bodies, having regard to international standards on auditing, to deliver their opinions, which may include the possibility of monitoring paying
Amendment 76

Proposal for a regulation
Article 14 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 77

Proposal for a regulation
Article 14 – paragraph 1 – subparagraph 2

Text proposed by the Commission

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

Amendment

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

(a) measures to stabilise agricultural markets under Articles 8 to 21 of Regulation (EU) No 1308/2013;

(b) exceptional measures under Chapter I, Part V of Regulation (EU) No 1308/2013;

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

Amendment 78
Proposal for a regulation
Article 14 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 100 in order to supplement this Article by defining the sector-specific thresholds required to trigger the measures to complement the income stabilisation tools as referred to in point (c) of paragraph 1 of this Article.

Amendment 79
Proposal for a regulation
Article 14 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

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

deleted

Amendment 80
Proposal for a regulation
Article 14 – paragraph 2 – subparagraph -1 (new)

Text proposed by the Commission

Amendment

An initial amount of EUR 400 000 000 in current prices shall be set up in 2021 in addition to the EAGF and EAFRD
The amount of the agricultural reserve shall be at least EUR 400 million in current prices at the beginning of each year of the period 2021-2027. The Commission may adjust the amount of the agricultural reserve during the year when appropriate in view of market developments or perspectives in the current or following year and taking into account available appropriations under the EAGF.

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

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

In the event that such available appropriations are not sufficient, financial discipline may be used to fund the reserve up to the initial amount referred to in the first subparagraph.
Amendment 83

Proposal for a regulation
Article 14 – paragraph 2 – subparagraph 2

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

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

Amendment 84

Proposal for a regulation
Article 14 – paragraph 2 – subparagraph 3

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

Amendment
deleted

Amendment 85

Proposal for a regulation
Article 15 – paragraph 1 – subparagraph 1

Text proposed by the Commission
An adjustment rate for direct payments interventions referred to in point (c) of Article 5(2) of this Regulation and Union financial contribution to the specific

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

Amendment 86
Proposal for a regulation
Article 15 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

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

Amendment 87
Proposal for a regulation
Article 19 – paragraph 6

Text proposed by the Commission

Amendment

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

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

Justification

For the sake of clarity and transparency, the Commission must continue to be responsible for the monthly payment procedure.
Amendment 88

Proposal for a regulation
Article 22 – paragraph 2

Text proposed by the Commission

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

Amendment

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

Amendment 89

Proposal for a regulation
Article 22 – paragraph 4

Text proposed by the Commission

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

Amendment

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

Amendment 90

Proposal for a regulation
Article 23 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

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

Amendment 91

Proposal for a regulation
Article 23 – paragraph 1 – point d

Text proposed by the Commission
(d) contribute to transparency of world markets;

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

Amendment 92

Proposal for a regulation
Article 23 – paragraph 2

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

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

**Amendment 93**

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

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) in 2021: 1 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;</td>
<td>(a) in 2021: 1,5 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;</td>
</tr>
</tbody>
</table>

**Justification**

*Prefinancing should be over two years, to avoid delays in setting second pillar measures in motion.*

**Amendment 94**

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

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) in 2022: 1 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;</td>
<td>(b) in 2022: 1,5 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;</td>
</tr>
</tbody>
</table>

**Amendment 95**

**Proposal for a regulation**  
**Article 29 – paragraph 3**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. No additional prefinancing <strong>shall</strong> be paid or recovered where a transfer to or from the EAFRD has taken place in accordance with Article 90 of Regulation</td>
<td>3. Additional prefinancing <strong>may</strong> be paid or recovered where a transfer to or from the EAFRD has taken place in accordance with Article 90 of Regulation (EU) …/…</td>
</tr>
</tbody>
</table>
Amendment 96

Proposal for a regulation
Article 29 – paragraph 4

**Text proposed by the Commission**

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

**Amendment**

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

**Justification**

*In case of regional plans and to maintain the coherence of this article, the interest produced by prefinancing amounts should be used for the same plan that generated it.*

Amendment 97

Proposal for a regulation
Article 30 – paragraph 1

**Text proposed by the Commission**

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

**Amendment**

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

**Justification**

*Clarification concerning interim payments in case of regional intervention programs.*
Amendment 98

Proposal for a regulation
Article 30 – paragraph 4 – point a

Text proposed by the Commission

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

Amendment

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

Amendment 99

Proposal for a regulation
Article 31 – paragraph 1

Text proposed by the Commission

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

Amendment

1. After receiving the last annual clearance report on the implementation of a CAP Strategic Plan, the Commission shall pay the balance, on the basis of the financial plan in force at the level of the types of EAFRD interventions, the annual accounts for the last execution year for the relevant CAP Strategic Plan and of the corresponding clearance decisions. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure provided for in Article 80(3) of Regulation (EU) No…/[CAP Strategic Plan Regulation] and shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.
Amendment 100
Proposal for a regulation
Article 31 – paragraph 3

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

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

Amendment 101
Proposal for a regulation
Article 32 – paragraph 1

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

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

Amendment 102
Proposal for a regulation
Article 32 – paragraph 3

Text proposed by the Commission
3. In the event of legal proceedings or

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

Amendment 103

Proposal for a regulation
Article 32 – paragraph 4 – subparagraph 1 – point a

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

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

Amendment 104

Proposal for a regulation
Article 34 – paragraph 2 – introductory part

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

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

expenditure shall not be declared for either of the following:

Amendment 105
Proposal for a regulation
Article 35 – paragraph 1 – introductory part

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

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

Amendment 106
Proposal for a regulation
Article 35 – paragraph 1 – point b

Text proposed by the Commission
(b) it has been effected in accordance with the applicable Union rules, or

Amendment
(b) it has been effected in accordance with the applicable Union rules.

Amendment 107
Proposal for a regulation
Article 35 – paragraph 1 – point c

Text proposed by the Commission
(c) as regards types of interventions referred to in Regulation (EU) …/… [CAP Strategic Plan Regulation],
(i) it is matched by a corresponding reported output, and
(ii) it has been effected in accordance with the applicable governance systems, not extending to the eligibility conditions for individual beneficiaries laid down in

Amendment
deleted
the national CAP Strategic Plans.

Amendment 108
Proposal for a regulation
Article 35 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

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

(a) it has been effected by accredited paying agencies;
(b) it is matched by a corresponding reported output;
(c) it has been effected in accordance with the applicable governance systems, respecting the basic Union requirements, not extending to the eligibility conditions for individual beneficiaries.

Amendment 109
Proposal for a regulation
Article 37 – paragraph 2

Text proposed by the Commission

Amendment

2. Where the Commission establishes from declarations of expenditure or the information referred to in Article 88 that the payment deadlines referred to in Article 36 have not been complied with, the Member State shall be afforded the opportunity to submit its comments within a period which shall not be less than 30 days. Where the Member State fails to submit its comments within the said period or where the Commission considers the response to be unsatisfactory, the Commission may reduce the monthly or
interim payments to the Member State concerned in the framework of the implementing acts concerning the monthly payments referred to in Article 19(3) or in the framework of the interim payments referred to in Article 30.

The monthly or interim payments to the Member State concerned in the framework of the implementing acts concerning the monthly payments referred to in Article 19(3) or in the framework of the interim payments referred to in Article 30. The Commission shall ensure that any reductions do not result in additional delays or difficulties for final beneficiaries in the Member State concerned.

Amendment 110

Proposal for a regulation
Article 37 – paragraph 3

Text proposed by the Commission

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

Amendment

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

Amendment 111

Proposal for a regulation
Article 38 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 112
Proposal for a regulation
Article 38 – paragraph 2 – subparagraph 1

Text proposed by the Commission

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

Amendment

Where, in the framework of the annual clearance referred to in Article 51(2), the Commission establishes that the difference between the expenditure declared and the amount corresponding to the relevant reported output, is more than 50% and the Member State cannot provide duly justified reasons, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

Amendment 113
Proposal for a regulation
Article 39 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

In the case of delayed or insufficient progress towards milestones and where the reported value of one or more result indicators as set out in the national CAP Strategic Plan and monitored in accordance with Articles 115 and 116 of Regulation (EU) …/[CAP Strategic Plan Regulation] reveals a shortfall of more than 25% for the reporting year concerned, Member States shall submit justification for that shortfall.
Amendment 114

Proposal for a regulation
Article 39 – paragraph 1 – subparagraph 2

Text proposed by the Commission

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

Amendment

Where the Member State cannot provide duly justified reasons, the Commission may ask the Member State concerned to present and implement an action plan, to be established in consultation with the Commission. The action plan shall set out the necessary remedial actions and the expected timeframe for its execution.

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

Amendment 115

Proposal for a regulation
Article 39 – paragraph 2 – subparagraph 1

Text proposed by the Commission

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

Amendment

Where the Member State fails to submit or to implement the action plan referred to in paragraph 1 or if the action plan presented by the Member State is manifestly insufficient to remedy the situation, the Commission may, after consulting the Member State concerned and granting it an opportunity to respond, adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30. The Commission shall take into account the timeframe indicated for the execution of the action plan before any suspension
procedure is initiated.

Amendment 116

Proposal for a regulation
Article 39 – paragraph 3 – subparagraph 2 a (new)

Text proposed by the Commission
Amendment

Paragraph 1 of this Article shall apply from ... [two years after the date of application of this Regulation].

Amendment 117

Proposal for a regulation
Article 40 – paragraph 1 – subparagraph 1

Text proposed by the Commission
Amendment

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

Amendment 118

Proposal for a regulation
Article 40 – paragraph 1 – subparagraph 2

Text proposed by the Commission
Amendment

The Commission may adopt implementing acts laying down further rules on the elements of the action plans and the procedure for setting up the action plans. Those implementing acts shall be adopted in accordance with the examination. The Commission may adopt delegated acts in accordance with Article 100, supplementing this Regulation by laying down further rules on the elements of the action plans and the procedure for setting up the action plans.
procedure referred to in Article 101(3).

Amendment 119

Proposal for a regulation
Article 40 – paragraph 2 – subparagraph 2

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

Amendment
The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure effected by the Member State where the deficiencies exist, taking into account the findings of checks carried out by the Commission pursuant to Article 47, for a period to be determined in the implementing acts referred to in the first subparagraph, which shall not exceed 12 months. If the conditions for the suspension continue to be met, the Commission may adopt implementing acts prolonging that period for further periods not exceeding 12 months in total. The amounts suspended shall be taken into account when adopting the implementing acts referred to in Article 53.

Amendment 120

Proposal for a regulation
Article 40 – paragraph 3 – subparagraph 3

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

Amendment
The implementing acts determining the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30 shall take account of the delegated acts adopted under the second subparagraph of paragraph 1.
Amendment 121
Proposal for a regulation
Article 42 – paragraph 2 – subparagraph 2 – point a

Text proposed by the Commission

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

Amendment

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

Amendment 122
Proposal for a regulation
Article 42 – paragraph 3

Text proposed by the Commission

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

Amendment

3. Member States may decide to pay advances of up to 50% under the interventions referred to in Articles 68 and 71 and Chapter III of Title III of Regulation (EU) …/[CAP Strategic Plan Regulation] as well as Section 1 of Chapter II of Regulation (EU) No 1308/2013.

Amendment 123
Proposal for a regulation
Article 43 – paragraph 2

Text proposed by the Commission

2. The sums referred to in paragraph 1 shall be paid to the Union's budget and, in the event of reuse, shall be used exclusively to finance EAGF or EAFRD expenditure.

Amendment

2. The sums referred to in paragraph 1 shall be paid to the Union's budget and, in the event of reuse, shall be used exclusively to finance EAGF or EAFRD expenditure, respectively, and shall predominantly fund the agricultural
reserve established under the EAGF, within the limits laid down in Article 14.

Amendment 124
Proposal for a regulation
Article 44 – paragraph 1 – subparagraph 1

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

Amendment 125
Proposal for a regulation
Article 44 – paragraph 1 – subparagraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>It shall supply coherent, objective and comprehensive information, both inside and outside the Union.</td>
<td>It shall supply coherent, impartial, evidence-based, objective and comprehensive information, both inside and outside the Union by means of a communication plan.</td>
</tr>
</tbody>
</table>

Amendment 126
Proposal for a regulation
Article 45 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

Justification

The proposed empowerment is too broad. It should be limited, for example, to expenditure declarations, otherwise it could prevent all expenditure for support measures in an approved CAP Strategic Plan.

Amendment 127

Proposal for a regulation
Article 46 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 128

Proposal for a regulation
Article 47 – paragraph 1 – subparagraph 1 – point b
Text proposed by the Commission

(b) whether the expenditure falling within the scope of Articles 5(2) and 6 and corresponding to the interventions referred to in Regulation (EU) …/… [CAP Strategic Plan Regulation] have a corresponding output as reported in the annual performance report;

Amendment

(b) whether the expenditure falling within the scope of Articles 5(2) and 6 and corresponding to the interventions referred to in Regulation (EU) …/… [CAP Strategic Plan Regulation] have a corresponding output as reported in the annual clearance report;

Amendment 129

Proposal for a regulation
Article 47 – paragraph 1 – subparagraph 1 – point d a (new)

Text proposed by the Commission
(da) whether the action plans referred to in Articles 39 and 40 are correctly implemented.

Amendment

In the case of serious deficiencies detected in the Member State’s management and control systems, and in order to ensure the protection of the financial interests of the Union in accordance with Article 57 of this Regulation, the Commission may extend its checks to confirm the terms on which the operations financed by the funds were undertaken and checked to ensure compliance with applicable Union law for all the interventions laid down in Regulation (EU) …/… [CAP Strategic Plans].
Amendment 131

Proposal for a regulation
Article 47 – paragraph 1 – subparagraph 3 b (new)

Text proposed by the Commission  
Amendment

The Commission may continue to carry out the extended monitoring as long as the serious deficiencies in the governance system persist.

Amendment 132

Proposal for a regulation
Article 48 – paragraph 3

Text proposed by the Commission  
Amendment

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

Justification

This is in line with the principle of transparency and also continues the scrutiny role of the European Parliament, as exercised by the Committee on Budgetary Control CONT.

Amendment 133

Proposal for a regulation
Article 51 – title
Amendment 134

Proposal for a regulation
Article 51 – paragraph 1 – subparagraph 2

Those implementing acts shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to Articles 52 and 53.

Amendment 135

Proposal for a regulation
Article 51 – paragraph 2 – subparagraph 1

The Commission shall adopt implementing acts prior to 15 October of the year following the budget year in question determining the amounts to be reduced from Union financing for the expenditure referred to in Article 5(2) and Article 6 and corresponding to the interventions referred to in Title III of Regulation (EU) …/… [CAP Strategic Plan Regulation] where:

(a) the output reported in the annual clearance report does not correspond to the expenditure referred to in Articles 5(2) and 6; or
(b) the amount of support per unit
deviates by more than the percentage of variation set in the Member State’s CAP Strategic plan for the types of interventions subject to Article 89 of Regulation (EU) …/… [CAP Strategic Plan Regulation].

Amendment 136
Proposal for a regulation
Article 51 – paragraph 2 – subparagraph 2

Text proposed by the Commission

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

Amendment
deleted

Amendment 137
Proposal for a regulation
Article 51 – paragraph 2 – subparagraph 2 a (new)

Text proposed by the Commission

Those implementing acts shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to Article 53 of this Regulation.

(See wording of Article 52(1))

Amendment

Amendment 138
Proposal for a regulation
Article 51 – paragraph 2 – subparagraph 2 b (new)

Text proposed by the Commission

The Commission shall assess the amounts to be reduced on the basis of the difference between the annual expenditure declared for an intervention
and the amount corresponding to the relevant reported output in accordance with the national CAP Strategic Plan and taking account of justifications provided by the Member State concerned. Those reductions shall only apply to the expenditure declared for the relevant intervention that does not have a corresponding output.

(See wording of Article 52(2))

Amendment 139
Proposal for a regulation
Article 51 – paragraph 2 – subparagraph 2 c (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2). The Commission shall inform the Member State concerned of its intention, and shall give that Member State the opportunity to submit its comments within a period of at least 30 days, before it submits the draft implementing act in accordance with Article 3(3) of Regulation (EU) No 182/2011.</td>
<td></td>
</tr>
</tbody>
</table>

Amendment 140
Proposal for a regulation
Article 51 – paragraph 2 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2a. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on:</td>
<td></td>
</tr>
<tr>
<td>(a) the clearance provided for in paragraphs 1 and 2 with regard to the</td>
<td></td>
</tr>
</tbody>
</table>
measures to be taken in connection with the adoption of the implementing acts referred to in the second subparagraph of paragraph 1 and in paragraph 2 and their implementation, including the information exchange between the Commission and the Member States and the deadlines to be respected;

(b) the criteria for justifications from the Member State concerned and the methodology and criteria for applying reductions referred to in paragraph 2.

(See wording of Articles 51(2) & 52(4))

Amendment 141

Proposal for a regulation
Article 52

Text proposed by the Commission

Amendment

Article 52 deleted

Annual performance clearance

1. Where the expenditure referred to in Articles 5(2) and 6 and corresponding to the interventions referred to in Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation] does not have a corresponding output as reported in the annual performance report, the Commission shall adopt implementing acts prior to 15 October of the year following the budget year in question determining the amounts to be reduced from Union financing. Those implementing acts shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to Article 53 of this Regulation.

Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).
2. The Commission shall assess the amounts to be reduced on the basis of the difference between the annual expenditure declared for an intervention and the amount corresponding to the relevant reported output in accordance with the national CAP Strategic Plan and taking account of justifications provided by the Member State.

3. Before the adoption of the implementing act referred to in paragraph 1, the Commission shall give the Member State an opportunity to submit its comments and justify any differences.

4. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the criteria for justifications from the concerned Member State and the methodology and criteria for applying reductions.

5. The Commission shall adopt implementing acts laying down rules on the measures to be taken in connection with the adoption of the implementing act referred to in paragraph 1 and its implementation, including the information exchange between the Commission and the Member States, the procedure and the deadlines to be respected.

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

(Some wording of Article 52 is moved to Article 51)

Amendment 206
Proposal for a regulation
Article 53 – paragraph 1 – subparagraph 3
The first subparagraph shall not apply to cases of non-compliance with the eligibility conditions for individual beneficiaries laid down in the national CAP Strategic Plans and national rules.

Amendment 142

Proposal for a regulation
Article 53 – paragraph 2

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

Amendment

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

Amendment 143

Proposal for a regulation
Article 53 – paragraph 6

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

Amendment

6. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the criteria and methodology for applying financial corrections including flat rate corrections referred to in paragraph 2.
Amendment 144

Proposal for a regulation
Article 53 – paragraph 7 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 145

Proposal for a regulation
Article 53 – paragraph 7 – subparagraph 2

Text proposed by the Commission

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

Amendment

deleted

Amendment 146

Proposal for a regulation
Article 53 a (new)

Text proposed by the Commission

Article 53a

Recoveries for non-compliance

1. Member States shall request
recovery from the beneficiary for any undue payment following the occurrence of irregularities and other cases of non-compliance by beneficiaries with the conditions of the interventions referred in the CAP Strategic Plan and bring legal proceedings to that effect where necessary.

2. If the sum has not been recovered within four years of the date of the recovery request, or within eight years if the recovery is being dealt with by the national courts, 50 % of the financial cost of the non-recovery shall be borne by the Member State concerned and 50 % shall be borne by the Union, without prejudice to the requirement that the Member State concerned is to continue the recovery procedures in accordance with Article 57.

3. On duly justified grounds, Member States may decide not to pursue recovery. A decision to that effect may be taken only in the following cases:

(a) where the costs of recovery already incurred and the costs likely to be incurred total more than the amount to be recovered, which condition shall be considered to have been met if:

(i) the amount to be recovered from the beneficiary in the context of an individual payment for an intervention, not including interest, does not exceed EUR 100; or

(ii) the amount to be recovered from the beneficiary in the context of an individual payment for an intervention, not including interest, falls between EUR 100 and EUR 250 and the Member State concerned applies a threshold equal to or higher than the amount to be recovered under its national law for not pursuing national debts;

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

Amendment 147
Proposal for a regulation
Article 54 – paragraph 1

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

Amendment 148
Proposal for a regulation
Article 54 – paragraph 1 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member States may, without prejudice to the first paragraph, instruct the paying agency, as the body responsible for the recovery of debt, to deduct any outstanding debts owed by a beneficiary from future payments to that beneficiary.</td>
<td></td>
</tr>
</tbody>
</table>

Amendment 149
Proposal for a regulation
Article 55 – paragraph 1 – subparagraph 1
Where irregularities and other cases of non-compliance by beneficiaries with the conditions of the rural development interventions referred to in the CAP Strategic Plan are detected, Member States shall make financial adjustments by totally or partially cancelling the Union financing concerned. Member States shall take into consideration the nature and gravity of the non-compliance detected and the level of the financial loss to the EAFRD.

**Amendment 150**

**Proposal for a regulation**

**Article 55 – paragraph 1 – subparagraph 2**

**Text proposed by the Commission**

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

**Amendment**

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

*(Last part of paragraph 1 moved to new paragraph 2a)*

**Amendment 151**

**Proposal for a regulation**

**Article 55 – paragraph 1 – subparagraph 2 a (new)**
Amendment 152

Proposal for a regulation
Article 55 – paragraph 1 – subparagraph 2 b (new)

Text proposed by the Commission

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

Amendment

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

(See wording of the second part of paragraph 1, Article 55)

Amendment 153

Proposal for a regulation
Article 57 – paragraph 2

Text proposed by the Commission

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

Amendment

2. Member States shall set up efficient management and control systems in order to ensure compliance with the Union legislation governing Union interventions. The control systems shall be described in the national CAP Strategic Plan pursuant to Article 101 of Regulation (EU) .../... [CAP Strategic Plan Regulation]. Such management and control systems may
include early warning mechanisms.

Amendment 154
Proposal for a regulation
Article 57 – paragraph 3 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

In the case of penalties established in the form of a reduction in the amount of aid or support paid, the amount of the penalty shall not exceed 100 % of the amount of the aid application, payment claim or of the eligible amount to which the penalty is applied.

Amendment 155
Proposal for a regulation
Article 57 – paragraph 3 – subparagraph 1 b (new)

Text proposed by the Commission

Amendment

In the case of penalties in the form of an amount calculated on the basis of the quantity the period concerned by the non-compliance, that amount shall not exceed an amount equivalent to the percentage referred to in the second subparagraph.

Amendment 156
Proposal for a regulation
Article 57 – paragraph 3 – subparagraph 1 c (new)

Text proposed by the Commission

Amendment

In the case of a penalty in the form of a suspension, withdrawal of an approval, recognition or authorisation, or in the case of the exclusion from the right to participate in or benefit from an
intervention, the maximum corresponding period shall last three consecutive years and, may be renewed in the case of any new non-compliance.

Amendment 157

Proposal for a regulation
Article 57 – paragraph 3 – subparagraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) where the non-compliance is due to obvious errors by the beneficiary concerning the aid application or payment claim, which are recognised by the paying agency and subject to correction and adjustment before being communicated to the beneficiary;

Amendment 158

Proposal for a regulation
Article 57 – paragraph 3 – subparagraph 2 – point c b (new)

Text proposed by the Commission

Amendment

(cb) where the non-compliance is of minor severity, extent or duration.

Amendment 159

Proposal for a regulation
Article 57 a (new)

Text proposed by the Commission

Amendment

Article 57 a
Correction of errors

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

(a) the beneficiary has committed a clerical error when reporting their situation;

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

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

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

Justification

Amendment to establish a right to regularisation in the event of a material error or one resulting from a failure to comprehend the rules.

Amendment 160

Proposal for a regulation
Article 58 – paragraph 1 – subparagraph 2

Text proposed by the Commission

 Amendment

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

Amendment 161
Proposal for a regulation
Article 58 – paragraph 4 – subparagraph 1 – point e

Text proposed by the Commission
Amendment

(e) other rules on the checks to be conducted by the Member States, as regards the measures laid down in Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013 respectively.

deleted

Amendment 162
Proposal for a regulation
Article 62 – paragraph 3 – point a

Text proposed by the Commission
Amendment

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

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

Amendment 163
Proposal for a regulation
Article 63 – paragraph 4 – point c

Text proposed by the Commission
Amendment

(c) "system for the identification and registration of animals" means the system for the identification and registration of bovine animals laid down by Regulation

(c) "system for the identification and registration of animals" means the system for the identification and registration of bovine animals laid down by Regulation
(EC) No 1760/2000 of the European Parliament and of the Council\(^{33}\) or the system for the identification and registration of ovine and caprine animals laid down by Council Regulation (EC) No 21/2004\(^{34}\);


Amendment 164

Proposal for a regulation

Article 63 – paragraph 4 – point f

Text proposed by the Commission

(f) "claimless system" means an application system for area- or animal-based interventions in which necessary data required by the administration on at

Amendment

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

Amendment 165

Proposal for a regulation
Article 64 – paragraph 1 – point c

Text proposed by the Commission
(c) an area monitoring system;

Amendment
(c) an area monitoring and control system;

Amendment 166

Proposal for a regulation
Article 64 – paragraph 2

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

Amendment
2. The integrated system shall operate on the basis of electronic databases and geographic information systems and shall enable the exchange and integration of data between the electronic databases and the geographic information systems (GIS). To that end, GIS shall allow for the layering of geo-spatial data on farm, cadastral or reference parcels onto any delimiting protected zones and designated areas that have been established in accordance with Union legislation listed in Annex XI to Regulation (EU) .../... [CAP Strategic Plan Regulation], such as Natura 2000 areas or Nitrate Vulnerable Zones, as well as the landscape features and ecological infrastructures (trees, hedges, ponds, buffer strips, riparian margins, etc.).
Amendment 167

Proposal for a regulation
Article 64 – paragraph 3

Text proposed by the Commission

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

Amendment

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

Amendment 168

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

Text proposed by the Commission

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

Amendment

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

Justification

There is concerns relating to the costs of all data keeping required. The accessibility provided for time frame of ten years, may occur very expensive to implement. Similar and relevant information can be provided in a form of summaries much cheaper way.

Amendment 169
Proposal for a regulation
Article 65 – paragraph 5 a (new)

Text proposed by the Commission

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

Amendment 170
Proposal for a regulation
Article 67 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 171
Proposal for a regulation
Article 67 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

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

Amendment 172
Proposal for a regulation
Article 68 – paragraph 1

Text proposed by the Commission
1. Member States shall set up and operate an area monitoring system.

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

Amendment 173
Proposal for a regulation
Article 68 – paragraph 2 – subparagraph 1

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

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

Amendment 174
Proposal for a regulation
Article 70 – paragraph 1

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

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

Amendment 175

Proposal for a regulation
Article 70 – paragraph 1 a (new)

_text proposed by the Commission_  

**Amendment**

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

Amendment 176

Proposal for a regulation
Article 70 – paragraph 2

_text proposed by the Commission_  

**Amendment**

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

deleted

Amendment 177

Proposal for a regulation
Article 73 – paragraph 1 – point a – introductory part

_text proposed by the Commission_  

**Amendment**

(a) the form, content and arrangements (a) the form and arrangements for
Amendment 178

Proposal for a regulation
Article 73 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

(b) the Commission is empowered to adopt delegated acts in accordance with Article 100, supplementing this Regulation by laying down the rules on the content for transmitting and making available to the Commission of:

(i) the assessment reports on the quality of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring and control system;

(ii) the remedial actions to be implemented by the Member States as referred to in Articles 66, 67 and 68;

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

Amendment 179

Proposal for a regulation
Article 73 – paragraph 2

Text proposed by the Commission

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

Amendment

deleted
Amendment 180
Proposal for a regulation
Article 78 – paragraph 2

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

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

Justification
In a spirit of sound and efficient cooperation with third countries, the Commission should enhance its dialogue with partner countries on any aspect that has an impact on their development process. The inputs from the Union’s partners shall aim at identifying and remedying the incoherencies of EU policies, especially between the external aspects of internal policies and external policies per se.

Amendment 181
Proposal for a regulation
Article 79

Text proposed by the Commission
Article 79 deleted

Amendment

Programming

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

2. Each year, before 15 April, Member States shall send the Commission their programme as referred to in paragraph 1 and shall specify:
(a) the number of undertakings to be scrutinised and their breakdown by sector on the basis of the amounts relating to them;

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

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

4. Paragraph 3 shall apply mutatis mutandis to the amendments to the programme made by the Member States.

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

6. Undertakings for which the sum of the receipts or payments amounted to less than EUR 40 000 shall be scrutinised in accordance with this Chapter only for specific reasons to be indicated by the Member States in their annual programme referred to in paragraph 1 or by the Commission in any proposed amendment to that programme.

The Commission is empowered to adopt delegated acts in accordance with Article 101 amending the threshold set out in the first subparagraph.

Amendment 182

Proposal for a regulation
Title 4 – chapter 4 – title

Text proposed by the Commission
Control system and penalties in relation to conditionality

Amendment
Control system and penalties in relation to conditionality for sustainable development
Justification

Purely linguistic amendment to rename 'conditionality' as 'conditionality for sustainable development' in view of the integration of green measures under the CAP (formerly greening) in the compulsory elements linked to conditionality.

Amendment 183

Proposal for a regulation
Article 84 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

(a) beneficiaries receiving direct payments under Chapter II of Title III of Regulation (EU)…/…[CAP Strategic Plan Regulation];

(b) beneficiaries receiving annual payments in accordance with Articles 65, 66 and 67 of Regulation (EU)…/…[CAP Strategic Plan Regulation];

(c) beneficiaries receiving support in accordance with Chapter IV of Regulation (EU) No 228/2013 and Chapter IV of Regulation (EU) No 229/2013.

Amendment 184

Proposal for a regulation
Article 84 – paragraph 2 – point b a (new)
(ba) ‘reoccurrence of a non-compliance’ means the non-compliance with the same requirement or standard determined more than once, provided that the beneficiary has been informed of a previous non-compliance and, as the case may be, has had the possibility to take the necessary measures to remedy that previous non-compliance.

Amendment 185
Proposal for a regulation
Article 84 – paragraph 3 – introductory part

Text proposed by the Commission
Amendment

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

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

Amendment 186
Proposal for a regulation
Article 84 – paragraph 3 – point c

Text proposed by the Commission
Amendment

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

Amendment 187
Proposal for a regulation
Article 84 – paragraph 3 – point c a (new)
(ca) shall establish an early warning system;

Amendment 188

Proposal for a regulation
Article 84 – paragraph 3 – point d

Text proposed by the Commission

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

deleted

Amendment 189

Proposal for a regulation
Article 84 – paragraph 3 a (new)

Text proposed by the Commission

3a. Member States shall establish the control sample for the checks referred to in point (a) of paragraph 3 of this Article to be carried out each year on the basis of a risk analysis, for which they may apply weighting factors, and a random component, and shall ensure that the control sample covers at least 1% of the beneficiaries receiving aid under Section 2 of Chapter 1 of Title III of Regulation (EU) .../[CAP Strategic Plan Regulation].
Amendment 190

Proposal for a regulation
Article 84 – paragraph 3 b (new)

Text proposed by the Commission

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

Amendment

Amendment 191

Proposal for a regulation
Article 84 – paragraph 3 c (new)

Text proposed by the Commission

3c. The Commission shall adopt, by means of implementing acts, rules on the carrying out of checks referred to in this Article, including rules ensuring that risk analysis takes account of the following factors:

(a) the participation of farmers in the farm advisory services system provided for in Article 13 of Regulation (EU) .../... [CAP Strategic Plan Regulation];

(b) the participation of farmers in a certification system as provided for in Article 12(3a) of Regulation (EU).../... [CAP Strategic Plan Regulation] once the Regulation covers the requirements and standards concerned.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).
Amendment 192
Proposal for a regulation
Article 85 – paragraph 2 – point a – subparagraph 1

*Text proposed by the Commission*

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

*Amendment*

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

Amendment 193
Proposal for a regulation
Article 85 – paragraph 2 – point c

*Text proposed by the Commission*

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

*Amendment*

(c) shall provide that no administrative penalty be imposed in the following cases:

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

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

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

(iv) where the non-compliance is due to simple negligence.
Amendment 194

Proposal for a regulation
Article 86 – paragraph 1 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 195

Proposal for a regulation
Article 86 – paragraph 1 – subparagraph 2

Text proposed by the Commission

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

Amendment

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

Amendment 196

Proposal for a regulation
Article 86 – paragraph 2 – subparagraph 1

Text proposed by the Commission

In the case of non-compliance due to

Amendment

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

**Amendment 197**

**Proposal for a regulation**

**Article 86 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

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

*Amendment*

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

**Amendment 198**

**Proposal for a regulation**

**Article 86 – paragraph 2 – subparagraph 4**

*Text proposed by the Commission*

Member States *may* provide mandatory training under the farm advisory system provided for in Section 3 of Chapter 1 of Title III of Regulation (EU) …/[CAP

*Amendment*

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

…/[CAP Strategic Plan Regulation] to the beneficiaries who have received an early warning, attendance of which may be made mandatory.

Amendment 199

Proposal for a regulation
Article 86 – paragraph 3

Text proposed by the Commission

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

Amendment

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

Amendment 200

Proposal for a regulation
Article 86 – paragraph 3 – subparagraph 1 a (new)

Text proposed by the Commission

In the case of subsequent reoccurrences, if no justified reason is provided, the beneficiary shall be considered to have acted intentionally within the meaning of paragraph 4.

Amendment

In the case of intentional non-compliance, the percentage reduction shall be at least 15% of the total amount of the payments referred to in paragraph 1 and may as amount to the total exclusion from

Amendment 201

Proposal for a regulation
Article 86 – paragraph 4

Text proposed by the Commission

4. In case of intentional non-compliance, the percentage reduction shall be greater than the one applied in case of reoccurrence pursuant to paragraph 3 and may go as far as total exclusion from

Amendment

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

Amendment 202
Proposal for a regulation
Article 87 – paragraph 1

Text proposed by the Commission
Member States may retain 20 % of the amounts resulting from the application of the reductions and exclusions referred to in Article 86.

Amendment
Member States may retain 25 % of the amounts resulting from the application of the reductions and exclusions referred to in Article 86.

Justification
There is no reason why the percentage should be lowered from the present. The percentage should be 25 %, because the Member States implement the system and bear the burden of deductions.

Amendment 203
Proposal for a regulation
Article 100 a (new)

Text proposed by the Commission

Amendment

Article 100a
Urgency procedure
1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 100(6). In such a case, the Commission shall repeal the act
Amendment 204

Proposal for a regulation
Article 102 – paragraph 1 – subparagraph 2 – point a

_text proposed by the Commission_ 

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

- _Amendment_

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

Amendment 205

Proposal for a regulation
Article 103

_text proposed by the Commission_ 

Amendment

Article 103

- _deleted_

Transitional measures

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