Ministry of Agriculture and Forestry, Finland 26.2.2015

Simplification of the CAP - Comments of the Finnish delegation

DIRECT PAYMENTS REGULATION (EU) No 1307/2013 and (EU) No 639/2014

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Article 4(1)(h) Permanent grassland	(h) "permanent grassland and permanent pasture" (together referred to as "permanent grassland") means land used to grow grasses or other herbaceous forage naturally (self- seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding for five years or more; it may include other species such as shrubs and/or trees which can be grazed provided that the grasses and other herbaceous forage remain predominant as well as, where Member States so decide, land which can be grazed and which forms part of established local practices where grasses and other herbaceous forage are traditionally not predominant in grazing areas;	(h) "permanent grassland and permanent pasture" (together referred to as "permanent grassland") means land used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown) and that has not been ~~included in the crop rotation of the holding~~ **tilled** for five years or more; it may include other species such as shrubs and/or trees which can be grazed provided that the grasses and other herbaceous forage remain predominant as well as, where Member States so decide, land which can be grazed and which forms part of established local practices where grasses and other herbaceous forage are traditionally not predominant in grazing areas;	The conditions of permanent grassland have led to the risk that farmers are going to plough grassland areas which until now have been seen as temporary grassland. This is not a desirable situation with regard to the environmental objectives. The threat of reconversion obligation constrains the farmers' right to decide on their own actions. Farmers perceive this as a violation of their legally protected rights. Because of this, in the future it may be difficult for livestock farms to find arable lands they could lease as the lessors may fear that the status of the arable area they have leased may change into permanent grassland. All farmers are afraid that the value of their grassland area may decrease. In Finland it is a normal practice that grassland areas under grass silage, dry hay and seed are tilled every 4th or 5th year on average and new grass is sown after that. This kind of grassland should not be seen as permanent grassland. Therefore Finland proposes that the words "included in the crop rotation of the holding" should be deleted and the word "tilled" should be inserted.	Short term.

Article 4(2)	2. Member States shall: (a) establish criteria to be met by farmers in order to fulfil the obligation to maintain an agricultural area in a state suitable for grazing or cultivation, as referred to in point (c)(ii) of paragraph 1; (b) where applicable in a Member State, define the minimum activity to be carried out on agricultural areas naturally kept in a state suitable for grazing or cultivation, as referred to in point (c)(iii) of paragraph 1; (c) define the tree species qualifying for short rotation coppice and determine the maximum harvest cycle in respect of those tree species, as referred to in point (k) of paragraph 1.		It should be considered if the rules of Article 2(a) and 2(b) could be a part of good agricultural and environmental standards of cross compliance (in Annex II of Regulation 1306/2013). For farmers it would be easier to understand if these rules were part of cross compliance. These rules concern standards of land and are therefore suitable for good agricultural and environmental standards of cross compliance.	Medium term.
Article 9(2) Active farmer	2. No direct payments shall be granted to natural or legal persons, or to groups of natural or legal persons, who operate airports, railway services, waterworks, real estate services, permanent sport and recreational grounds. Where appropriate, Member States may, on the basis of objective and non-discriminatory criteria, decide to add to the list in the first subparagraph any other similar non-agricultural businesses or activities, and may subsequently decide to withdraw any such additions.	~~2. No direct payments shall be granted to natural or legal persons, or to groups of natural or legal persons, who operate airports, railway services, waterworks, real estate services, permanent sport and recreational grounds.~~ ~~Where appropriate, Member States may, on the basis of objective and non-discriminatory criteria, decide to add to the list in the first subparagraph any other similar non-agricultural businesses or activities, and may subsequently decide to withdraw any such additions.~~ ~~A person or group of persons falling within the scope of the first or second subparagraph shall, however, be regarded as an active~~	Although Finland understands the aim of the rules concerning active farmers, this aim should be reached in a different way than regulated at the moment. The so-called negative list (Article 9(2) of Regulation 1307/2913) causes lot of bureaucracy for the farmers and the administration. It is estimated that only a minor share of the farmers will not receive direct payments based on this rule, but it causes confusion for all farmers. Its impact is also quite contrary to that of the rural development measures. This also makes it difficult for farmers to plan their activities over a longer term. For example, a farmer who engages in activities listed in paragraph 2 should demonstrate on an annual	Short term.

	A person or group of persons falling within the scope of the first or second subparagraph shall, however, be regarded as an active farmer if it provides verifiable evidence, in the form that is required by Member States, which demonstrates any of the following: (a) that the annual amount of direct payments is at least 5 % of the total receipts that it obtained from non-agricultural activities in the most recent fiscal year for which such evidence is available; (b) that its agricultural activities are not insignificant; (c) that its principal business or company objects consist of exercising an agricultural activity.	~~farmer if it provides verifiable evidence, in the form that is required by Member States, which demonstrates any of the following:~~ ~~(a) that the annual amount of direct payments is at least 5 % of the total receipts that it obtained from non-agricultural activities in the most recent fiscal year for which such evidence is available;~~ ~~(b) that its agricultural activities are not insignificant;~~ ~~(c) that its principal business or company objects consist of exercising an agricultural activity.~~	basis that the agricultural activities are not insignificant. This means that, depending on the growing conditions for agriculture in a certain year, the farm may reach the required income level in some years while in some years this may not be the case. Instead of excluding certain beneficiaries from the direct payment scheme we should exclude the areas of airports and the like. Instead of the negative list, administrative and on-the-spot controls are sufficiently effective to ensure that aid is not paid for the areas of airports, permanents sports grounds and so on. The same aim can be reached via controls as via the negative list but much more cost-effectively. Therefore, Finland proposes that Article 9(2) should be deleted. With regard to the definition of an active farmer the other paragraphs in Article 9 are enough. If some Member States would still like to have the rule of Article 9(2), this could be voluntary for the Member State.	
Article 21 and several other Articles Payment entitlements	1. Member States applying in 2014 the single area payment scheme laid down in Chapter 2 of Title V of Regulation (EC) No 73/2009 may, under the conditions set out in this Regulation, decide to continue to apply that scheme until 31 December 2020 at the latest. They shall notify the Commission of their decision and of the end date of the application of that scheme by 1 August 2014.	1. Member States applying in 2014 the single area payment scheme laid down in Chapter 2 of Title V of Regulation (EC) No 73/2009 **or regional or national single area payment scheme** may, under the conditions set out in this Regulation decide ~~to continue~~ to apply ~~that~~ the single area payment scheme ~~until 31 December 2020 at the latest. They shall notify the Commission of their decision and of the end date of the application of that scheme by 1 August 2014~~.	The allocation and administration of payment entitlements is very burdensome for the administration. Payment entitlements are very complicated also for the farmers, because they have to follow certain procedures when transferring PEs etc. The eligible area and PEs doesn't often meet each other because farmer doesn't have enough PEs, or has lost PEs because of expiration of PEs or because PEs has taken to the national reserve. Removing the need for PEs would cause much simplification, because several Articles could be deleted at the same time. For example Article 71 of Regulation (EU) No 1306/2013, Article 7 of Regulation (EU) No 640/2014 and Article 33 of Regulation (EU) No 639/2014. SAPS is a useful alternative to payment	Long term.

			entitlements in Member States with regional or national single area payment. SAPS-countries have also possibility to pay coupled supports, thus removing them doesn't jeopardize coupled supports which are important also in the future.	
Article 22(2) and 22(3) Increase of BSP envelope by saved amounts	2. For each Member State, the amount calculated in accordance with the paragraph 1 of this Article may be increased by a maximum of 3 % of the relevant annual national ceiling set out in Annex II after deduction of the amount resulting from the application of Article 47(1) for the relevant year. When a Member State applies such an increase, that increase shall be taken into account by the Commission when setting the annual national ceiling for the basic payment scheme pursuant to paragraph 1 of this Article. For that purpose, Member States shall notify the Commission by 1 August 2014 of the annual percentages by which the amount calculated pursuant to paragraph 1 of this Article is to be increased. 3. Member States may review their decision referred to in paragraph 2 on an annual basis and shall notify the Commission of any decision based on such review by 1 August of the year preceding its application.	Proposal to modify Article 22(2) and 22(3): 2. For each Member State, the amount calculated in accordance with the paragraph 1 of this Article may be increased by a maximum of 3 % of the relevant annual national ceiling set out in Annex II after deduction of the amount resulting from the application of Article 47(1) for the relevant year. When a Member State applies such an increase, that increase shall be taken into account by the Commission when setting the annual national ceiling for the basic payment scheme pursuant to paragraph 1 of this Article. For that purpose, Member States shall notify the Commission by ~~1 August 2014~~ **1 November of the current year** of the annual percentages by which the amount calculated pursuant to paragraph 1 of this Article is to be increased. 3. Member States may review their decision referred to in paragraph 2 on an annual basis and shall notify the Commission of any decision based on such review by 1 August of the year preceding its application.	The amount of savings is not countable beforehand. That is why the timetable should be changed. The expiration of PEs exceeding the number of eligible hectares in year 2015 causes also difficulties, because the savings are probably lower during that year than later.	Short term.
Article 30(8) The value of PEs from national reserve	8. When applying paragraph 6 and points (a), (b) and (d) of paragraph 7, Member States shall fix the value of payment entitlements allocated to farmers at the national or regional average value of	Proposal to modify Article 30(8): 8. When applying paragraph 6 and points (a), (b) and (d) of paragraph 7, Member States shall fix the value of payment entitlements allocated to farmers at the national or	The calculation of values concerning PEs from reserve should be simplified. The total value of PEs is based on two elements, i.e. the basic value (uniform unit value) and top-ups based on historical production. When the aim is to uniform unit value, there is no need to allocate	Short term.

	payment entitlements in the year of allocation. The national or regional average value shall be calculated by dividing the national or regional ceiling for the basic payment scheme set in accordance with, respectively, Article 22(1) or Article 23(2) for the year of allocation, excluding the amount of the national reserve or regional reserves and, in the case of Croatia, the special de-mining reserve, by the number of allocated payment entitlements. Member States shall fix the steps for annual progressive modifications of the value of payment entitlements allocated from the national reserve or regional reserves, taking account of the modifications of the national or regional ceiling for the basic payment scheme set in accordance with, respectively, Article 22(1) and Article 23(2) that result from the variations in the level of the national ceilings set out in Annex II.	regional ~~average~~ **unit** value of payment entitlements in the year of allocation. ~~The national or regional average value shall be calculated by dividing the national or regional ceiling for the basic payment scheme set in accordance with, respectively, Article 22(1) or Article 23(2) for the year of allocation, excluding the amount of the national reserve or regional reserves and, in the case of Croatia, the special de-mining reserve, by the number of allocated payment entitlements.~~ ~~Member States shall fix the steps for annual progressive modifications of the value of payment entitlements allocated from the national reserve or regional reserves, taking account of the modifications of the national or regional ceiling for the basic payment scheme set in accordance with, respectively, Article 22(1) and Article 23(2) that result from the variations in the level of the national ceilings set out in Annex II.~~	PEs with average values and fix those values step by step, when the farmer has no right to the top-up and the lower uniform unit value can be allocated from the very beginning.	
Article 31(1) a) iii) The loss of all PEs	1. The national reserve or regional reserves shall be replenished by amounts resulting from: (a) payment entitlements not giving right to payments during two consecutive years due to the application of: (i) Article 9, (ii) Article 10(1), or (iii) Article 11(4) of this	Proposal to modify Article 31(1) a) iii): 1. The national reserve or regional reserves shall be replenished by amounts resulting from: (a) payment entitlements not giving right to payments during two consecutive years due to the application of: (i) Article 9, **or** (ii) Article 10(1). **Concerning Article 11(4) of this**	The rule is too strict. If a situation arises where it is established that the farmer has, for example, artificially split his/her farm to avoid reduction of payments based on Article 11 of Regulation (EU) No 1307/2013, it is too strict that the total amount of payment entitlements have to be taken to the national reserve. Just the amount of payment entitlements that gave him/her the possibility to avoid reduction of payments based on Article 11 of Regulation (EU) No 1307/2013 should be taken to the reserve.	Medium term.

	Regulation;	**Regulation the amount of payment entitlements taken to the reserve is the amount that gave the farmer the possibility to avoid reduction of payments based on Article 11 of Regulation (EU) No 1307/2013.**		
Article 44(1) and 44(3) Crop Diversification threshold and derogation	1. Where the arable land of the farmer covers between 10 and 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or for a significant part of the crop cycle, there shall be at least two different crops on that arable land. The main crop shall not cover more than 75 % of that arable land. Where the arable land of the farmer covers more than 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or for a significant part of the crop cycle, there shall be at least three different crops on that arable land. The main crop shall not cover more than 75 % of that arable land and the two main crops together shall not cover more than 95 % of that arable land. […] 3. Paragraphs 1 and 2 shall not apply to holdings: (a) where more than 75 % of the arable land is used for the production of grasses or other herbaceous forage, is land lying fallow, or is subject to a combination of these uses,	1. Where the arable land of the farmer covers between ~~10~~ **15** and 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or for a significant part of the crop cycle, there shall be at least two different crops on that arable land. The main crop shall not cover more than 75 % of that arable land. Where the arable land of the farmer covers more than 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or for a significant part of the crop cycle, there shall be at least three different crops on that arable land. The main crop shall not cover more than 75 % of that arable land and the two main crops together shall not cover more than 95 % of that arable land. […] 3. Paragraphs 1 and 2 shall not apply to holdings: (a) where more than 75 % of the arable land is used for the production of grasses or other herbaceous forage, is land lying fallow, or is subject to a combination of these uses~~, provided that the arable area not covered by these uses does not exceed 30 hectares~~; (b) where more than 75 % of the eligible agricultural area is permanent grassland, is used for the production of grasses or other herbaceous forage or for the cultivation of	1. The lower limit in the requirement concerning the ecological focus area is 15 hectares. The varying limits (10 ha in crop diversification and 15 in the ecological focus area) complicate the scheme and the farmers may easily get mixed up with these. Raising the lower limit for crop diversification from 10 to 15 hectares would not significantly weaken the state of the environment. 3. It would be easier for farmers to calculate whether they fulfil the criteria for derogation concerning grassland and land lying fallow if only the rule of 75% would as such be sufficient for being released from the requirement. Abolishing the limit of 30 hectares would not significantly weaken the state of the environment.	Medium term. Medium term.

	provided that the arable area not covered by these uses does not exceed 30 hectares; (b) where more than 75 % of the eligible agricultural area is permanent grassland, is used for the production of grasses or other herbaceous forage or for the cultivation of crops under water for a significant part of the year or for a significant part of the crop cycle, or is subject to a combination of these uses, provided that the arable area not covered by these uses does not exceed 30 hectares; […]	crops under water for a significant part of the year or for a significant part of the crop cycle, or is subject to a combination of these uses~~, provided that the arable area not covered by these uses does not exceed 30 hectares~~; […]		
Article 46(3) EFA weighting factors	3. In order to simplify administration and to take account of the characteristics of the types of ecological focus area listed in the first subparagraph of paragraph 2, as well as to facilitate their measurement, Member States may, when calculating the total hectares represented by the ecological focus area of the holding, make use of the conversion and/or weighting factors set out in Annex X. If a Member State decides to consider to be ecological focus area the area under point (i) of the first subparagraph of paragraph 2 or any other area that is subject to a weighting of less than 1, the use of the weighting factors set out in Annex X shall be mandatory.	3. In order to simplify administration and to take account of the characteristics of the types of ecological focus area listed in the first subparagraph of paragraph 2, as well as to facilitate their measurement, Member States may, when calculating the total hectares represented by the ecological focus area of the holding, make use of the conversion and/or weighting factors set out in Annex X~~. If a Member State decides to consider to be ecological focus area the area under point (i) of the first subparagraph of paragraph 2 or any other area that is subject to a weighting of less than 1, the use of the weighting factors set out in Annex X shall be mandatory.~~	Weighting factors of nitrogen fixing crops, short rotation coppice and catch crops and green cover should be 1. Factors under 1 cause confusions for farmers.	Medium term.
Article 46(4) EFA	4. Paragraph 1 shall not apply to holdings:	4. Paragraph 1 shall not apply to holdings: (a) where more than 75 % of the arable land	4. It would be easier for farmers to calculate whether they fulfil the criteria for derogation	Medium term.

derogation	(a) where more than 75 % of the arable land is used for the production of grasses or other herbaceous forage, is land lying fallow, is used for cultivation of leguminous crops, or is subject to a combination of those uses, provided that the arable area not covered by those uses does not exceed 30 hectares; (b) where more than 75 % of the eligible agricultural area is permanent grassland, is used for the production of grasses or other herbaceous forage or for the cultivation of crops under water either for a significant part of the year or for a significant part of the crop cycle, or is subject to a combination of those uses, provided that the arable area not covered by these uses does not exceed 30 hectares.	is used for the production of grasses or other herbaceous forage, is land lying fallow, is used for cultivation of leguminous crops, or is subject to a combination of those uses, ~~provided that the arable area not covered by those uses does not exceed 30 hectares;~~ (b) where more than 75 % of the eligible agricultural area is permanent grassland, is used for the production of grasses or other herbaceous forage or for the cultivation of crops under water either for a significant part of the year or for a significant part of the crop cycle, or is subject to a combination of those uses, ~~provided that the arable area not covered by these uses does not exceed 30 hectares.~~	concerning grassland, land lying fallow and areas of leguminous crops if only the rule of 75 % would as such be sufficient for being released from the requirement. Abolishing the limit of 30 hectares would not significantly weaken the state of the environment.	
Article 50 Young Farmers Scheme calculation	6. Each year, Member States not applying Article 36 shall calculate the amount of the payment for young farmers by multiplying the number of entitlements the farmer has activated in accordance with Article 32(1) by a figure corresponding to: (a) 25 % of the average value of the owned or leased-in payment entitlements held by the farmer; or (b) 25 % of an amount calculated by dividing a fixed percentage of the national ceiling for the	6. Each year, Member States not applying Article 36 shall calculate the amount of the payment for young farmers by multiplying the number of entitlements the farmer has activated in accordance with Article 32(1) by a figure corresponding to: (a) 25 % of the average value of the owned or leased-in payment entitlements held by the farmer; or (b) 25 % of an amount calculated by dividing a fixed percentage of the national ceiling for the calendar year 2019 set out in Annex II by the number of all eligible hectares declared in 2015 in accordance with Article 33(1).	9. The proposed new paragraph 9 and its way of calculation would give the Member States a simpler method of calculating the payment of the young farmer scheme.	Medium term.

	calendar year 2019 set out in Annex II by the number of all eligible hectares declared in 2015 in accordance with Article 33(1). That fixed percentage shall be equal to the share of the national ceiling remaining for the basic payment scheme in accordance with Article 22(1) for 2015. 7. Member States applying Article 36 shall each year calculate the amount of the payment for young farmers by multiplying a figure corresponding to 25 % of the single area payment calculated in accordance with Article 36 by the number of eligible hectares that the farmer has declared in accordance with Article 36(2). 8. By way of derogation from the paragraphs 6 and 7, Member States may calculate each year the amount of the payment for young farmers by multiplying a figure corresponding to 25 % of the national average payment per hectare by the number of entitlements that the farmer has activated in accordance with Article 32(1), or by the number of eligible hectares that the farmer has declared in accordance with Article 36(2). The national average payment per hectare shall be calculated by dividing the national ceiling for the calendar year 2019 set out in Annex II by the number of eligible hectares declared in 2015 in accordance with Article 33(1) or	That fixed percentage shall be equal to the share of the national ceiling remaining for the basic payment scheme in accordance with Article 22(1) for 2015. 7. Member States applying Article 36 shall each year calculate the amount of the payment for young farmers by multiplying a figure corresponding to 25 % of the single area payment calculated in accordance with Article 36 by the number of eligible hectares that the farmer has declared in accordance with Article 36(2). 8. By way of derogation from the paragraphs 6 and 7, Member States may calculate each year the amount of the payment for young farmers by multiplying a figure corresponding to 25 % of the national average payment per hectare by the number of entitlements that the farmer has activated in accordance with Article 32(1), or by the number of eligible hectares that the farmer has declared in accordance with Article 36(2). The national average payment per hectare shall be calculated by dividing the national ceiling for the calendar year 2019 set out in Annex II by the number of eligible hectares declared in 2015 in accordance with Article 33(1) or Article 36(2). **9. By way of derogation from the paragraphs 6,7 and 8, Member States may calculate each year the amount of the payment for young farmers by diving the amount established according to Article 51(1) by entitlements that the farmer has activated in accordance with Article 32(1), or by the number of eligible hectares that the farmer has declared in accordance**		

	Article 36(2). […]	**with Article 36(2).** […]		
Article 51 Young Farmers Scheme calculation	1. In order to finance the payment for young farmers, Member States shall use a percentage, which shall not be higher than 2 %, of the annual national ceiling set out in Annex II. The Member States shall notify the Commission, by 1 August 2014, of the estimated percentage necessary to finance that payment. Member States may, by 1 August of each year, revise their estimated percentage with effect from the subsequent year. They shall notify the Commission of the revised percentage by 1 August of the year preceding its application. 2. Without prejudice to the maximum of 2 % laid down in paragraph 1 of this Article, where the total amount of the payment for young farmers applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4 of this Article, and where that ceiling is lower than that maximum, that Member State shall finance the difference by applying point (f) of the first subparagraph of Article 30(7) in the relevant year, by applying a linear reduction to all payments to be granted to all farmers in accordance with Article 32 or Article 36(2), or by both means. 3. Where the total amount of the payment for young farmers applied	1. In order to finance the payment for young farmers, Member States shall use a percentage, which shall not be higher than 2 %, of the annual national ceiling set out in Annex II. The Member States shall notify the Commission, by 1 August 2014, of the estimated percentage necessary to finance that payment. Member States may, by 1 August of each year, revise their estimated percentage with effect from the subsequent year. They shall notify the Commission of the revised percentage by 1 August of the year preceding its application. 2. Without prejudice to the maximum of 2 % laid down in paragraph 1 of this Article, where the total amount of the payment for young farmers applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4 of this Article, and where that ceiling is lower than that maximum, that Member State ~~shall~~ **may** finance the difference by applying point (f) of the first subparagraph of Article 30(7) in the relevant year, by applying a linear reduction to all payments to be granted to all farmers in accordance with Article 32 or Article 36(2), or by both means. 3. Where the total amount of the payment for young farmers applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4 of this Article, and where that ceiling amount to 2 % of the annual national ceiling set out in Annex II, Member States ~~shall~~ **may** apply a linear reduction to the amounts to be paid pursuant to Article 50 in order to comply with that	If our proposal in Article 50 (new paragraph 9) could be accepted, the proposed amendments to Articles 51(2) and 51(3) should also be accepted.	Medium term.

	for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4 of this Article, and where that ceiling amount to 2 % of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to the amounts to be paid pursuant to Article 50 in order to comply with that ceiling. 4. On the basis of the percentage notified by Member States pursuant to paragraph 1 of this Article, the Commission shall adopt implementing acts fixing the corresponding ceilings for the payment for young farmers on a yearly basis. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 71(2).	ceiling. 4. On the basis of the percentage notified by Member States pursuant to paragraph 1 of this Article, the Commission shall adopt implementing acts fixing the corresponding ceilings for the payment for young farmers on a yearly basis. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 71(2).		
Annex X Conversion and weighting factors of greening			Weighting factors of nitrogen fixing crops, short rotation coppice and catch crops and green cover should be 1. Factors under 1 cause confusions for farmers.	Medium term.

Commission Delegated Regulation (EU) No 639/2014

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Article 40 Time period of crop diversification	1. For the purpose of the calculation of the shares of different crops as provided for in Article 44(1) of Regulation (EU) No 1307/2013, the period to be	~~1. For the purpose of the calculation of the shares of different crops as provided for in Article 44(1) of Regulation (EU) No 1307/2013, the period to be taken into account shall be the most relevant part of the~~	The rule on cultivation period for crop diversification is burdensome for both the farmers and the administration and it should be deleted. Instead of the time period mentioned at the moment in Article 40 the numbers of crops would	Medium term.

	taken into account shall be the most relevant part of the cultivation period taking account of the traditional cultivation practices in the national context. Member States shall inform farmers of that period in due time. Within the total arable land of the holding, each hectare shall be taken into account only once in one claim year for the purpose of the calculation of the shares of different crops.	~~cultivation period taking account of the traditional cultivation practices in the national context.~~ ~~Member States shall inform farmers of that period in due time.~~ Within the total arable land of the holding, each hectare shall be taken into account only once in one claim year for the purpose of the calculation of the shares of different crops.	be considered on the basis of the crops declared in the aid application. Crop diversification could be controlled based on 100 % cross-checks. Those areas would be verified with on-the-spot checks which are done at the time when most of the eligibility criteria and commitments can be checked.	
Article 44(2) Reconversion of permanent grassland	2. Where it is established that the ratio referred to in the first subparagraph of Article 45(2) of Regulation (EU) No 1307/2013 has decreased beyond 5 % compared to the reference ratio referred to in that Article, the Member State concerned shall provide for the obligation to reconvert areas into areas of permanent grassland and for rules to avoid new conversion of areas of permanent grassland. Member States shall determine the range of farmers subject to the reconversion obligation from farmers who: (a)are subject to the obligations under Chapter 3 of Title III of Regulation (EU) No 1307/2013 with respect to areas of permanent grassland that are not subject to Article 45(1) of that Regulation; and	2. Where it is established that the ratio referred to in the first subparagraph of Article 45(2) of Regulation (EU) No 1307/2013 has decreased beyond 5 % compared to the reference ratio referred to in that Article, the Member State concerned shall provide for the obligation to reconvert areas into areas of permanent grassland and for rules to avoid new conversion of areas of permanent grassland. Member States shall determine the range of farmers subject to the reconversion obligation from farmers who: (a)are subject to the obligations under Chapter 3 of Title III of Regulation (EU) No 1307/2013 with respect to areas of permanent grassland that are not subject to Article 45(1) of that Regulation; and (b)based on the applications submitted in accordance with Article 72 of Regulation (EU) No 1306/2013 or Article 19 of Regulation (EC) No 73/2009 during the preceding two calendar years, or in 2015 during the preceding three calendar years,	Reconversion obligation should not apply to farms which convert production mainly based on grass production to another type of production and on a long-term basis. Reconversion obligation should neither apply to agricultural areas which have been sold or leased on a long-term basis to the farmer who does not have production based on grass. Such an amendment would be very important because otherwise we could have a situation where e.g. a milk farmer finished milk production and he converts his grass areas to cereals. He might sell his machines for grass production and buy machines for cereal production. Thus, if the provisions of reconversion were applied, the farmer should start again grass production and try to buy or rent machines for grass production. It might be that in the region there is no need for additional grass. So what should the farmer do with his grass? Farmers are afraid of this situation and feel that the threat of reconversion obligation constrains the farmers' right to decide on their own actions. Farmers perceive this as a violation of their legally protected rights.	Short term. Urgent.

	(b)based on the applications submitted in accordance with Article 72 of Regulation (EU) No 1306/2013 or Article 19 of Regulation (EC) No 73/2009 during the preceding two calendar years, or in 2015 during the preceding three calendar years, have agricultural areas at their disposal which were converted from areas of permanent grassland or land under permanent pasture into areas for other uses. Where the periods referred to in point (b) of the second subparagraph include calendar years before 2015, the reconversion obligation shall also apply to areas that were converted into areas for other uses from land under permanent pasture that were subject to the obligation referred to in Article 6(2) of Regulation (EC) No 73/2009 or Article 93(3) of Regulation (EU) No 1306/2013. When determining which farmers shall reconvert areas into areas of permanent grassland, Member States shall impose the obligation first on farmers who have at their disposal an area that was converted from an area of permanent grassland or land under permanent pasture into an area for other uses in breach of the authorisation requirement, if	have agricultural areas at their disposal which were converted from areas of permanent grassland or land under permanent pasture into areas for other uses. Where the periods referred to in point (b) of the second subparagraph include calendar years before 2015, the reconversion obligation shall also apply to areas that were converted into areas for other uses from land under permanent pasture that were subject to the obligation referred to in Article 6(2) of Regulation (EC) No 73/2009 or Article 93(3) of Regulation (EU) No 1306/2013. **By way of derogation from the first and second subparagraph reconversion obligation does not apply to farmers who within the preceding two years have converted production mainly based on grass production to another type of production on a long-term basis. Reconversion obligation does neither apply for agricultural areas which have been sold or leased on a long-term basis to a farmer who does not have production based on grass.** When determining which farmers shall reconvert areas into areas of permanent grassland, Member States shall impose the obligation first on farmers who have at their disposal an area that was converted from an area of permanent grassland or land under permanent pasture into an area for other uses in breach of the authorisation requirement, if applicable, referred to in paragraph 1 of this Article or Article 4(1) of Regulation (EC) No 1122/2009. Such farmers shall reconvert the whole converted area.		

	applicable, referred to in paragraph 1 of this Article or Article 4(1) of Regulation (EC) No 1122/2009. Such farmers shall reconvert the whole converted area.			
Article 44(3) Reconversion of permanent grassland	3. If the application of the fourth subparagraph of paragraph 2 does not lead to an increase of the ratio referred to in the first subparagraph of Article 45(2) of Regulation (EU) No 1307/2013 above the threshold of 5 %, Member States shall provide that farmers who have at their disposal an area that was converted from an area of permanent grassland or land under permanent pasture into an area for other uses during the periods referred to in point (b) of the second subparagraph of paragraph 2 of this Article, are also to reconvert a percentage of that converted area into areas of permanent grassland or to establish another area corresponding to that percentage as area of permanent grassland. That percentage shall be calculated on the basis of the area converted by the farmer during the periods referred to in point (b) of the second subparagraph of paragraph 2 of this Article and the area needed to increase the ratio referred to in Article 45(2) of Regulation (EU) No 1307/2013 above the threshold of 5 %.	3. If the application of the fourth subparagraph of paragraph 2 does not lead to an increase of the ratio referred to in the first subparagraph of Article 45(2) of Regulation (EU) No 1307/2013 above the threshold of 5 %, Member States shall provide that farmers who have at their disposal an area that was converted from an area of permanent grassland or land under permanent pasture into an area for other uses during the periods referred to in point (b) of the second subparagraph of paragraph 2 of this Article, are also to reconvert a percentage of that converted area into areas of permanent grassland or to establish another area corresponding to that percentage as area of permanent grassland. That percentage shall be calculated on the basis of the area converted by the farmer during the periods referred to in point (b) of the second subparagraph of paragraph 2 of this Article and the area needed to increase the ratio referred to in Article 45(2) of Regulation (EU) No 1307/2013 above the threshold of 5 %. **Areas of permanent grassland which have been converted from an area of permanent grassland into land laying fallow including land lying fallow in accordance with Article 45(2) of Regulation (EU) No 639/2014 or into grassland created in the framework of commitments in accordance with Article 39(2) of Regulation (EC) No 1698/2005 (24) or Article 28(2) of Regulation (EU) No 1305/2013 during the periods referred to in**	It should be possible that fallow land and grassland that is created in the framework of agri-environmental commitments should not be taken into account in the reconversion obligation of the farmer.	Short term.

	Member States may for the calculation of the percentage referred to in the first subparagraph, exclude from the area converted by the farmer those areas which became permanent grassland after 31 December 2015, provided that they carry out administrative cross-checks of the permanent grassland annually declared in the geo-spatial aid application by means of a spatial intersection with the area declared as permanent pasture in 2015 registered in the identification system for agricultural parcels and that those areas of permanent grassland were not established as a result of an obligation to reconvert or to establish an area of permanent grassland pursuant to paragraph 2 or this paragraph. However, where such exclusion does not allow to increase the ratio referred to in the first subparagraph of Article 45(2) of Regulation (EU) No 1307/2013 above the threshold of 5 %, Member States shall not exclude those areas. Areas of permanent grassland or land under permanent pasture that farmers created in the framework of commitments in accordance with Council Regulation (EC) No 1698/2005 (24) and Regulation	**point (b) of the second subparagraph of paragraph 2 of this Article shall not be taken into account in the area mentioned in the previous sentence.** Member States may for the calculation of the percentage referred to in the first subparagraph, exclude from the area converted by the farmer those areas which became permanent grassland after 31 December 2015, provided that they carry out administrative cross-checks of the permanent grassland annually declared in the geo-spatial aid application by means of a spatial intersection with the area declared as permanent pasture in 2015 registered in the identification system for agricultural parcels and that those areas of permanent grassland were not established as a result of an obligation to reconvert or to establish an area of permanent grassland pursuant to paragraph 2 or this paragraph. However, where such exclusion does not allow to increase the ratio referred to in the first subparagraph of Article 45(2) of Regulation (EU) No 1307/2013 above the threshold of 5 %, Member States shall not exclude those areas. Areas of permanent grassland or land under permanent pasture that farmers created in the framework of commitments in accordance with Council Regulation (EC) No 1698/2005 (24) and Regulation (EU) No 1305/2013 shall not be taken into account in the area converted by the farmer for the calculation of the percentage referred to in the first subparagraph. The farmers shall be informed of the individual reconversion obligation and of the rules to avoid new conversion of permanent		

	(EU) No 1305/2013 shall not be taken into account in the area converted by the farmer for the calculation of the percentage referred to in the first subparagraph. The farmers shall be informed of the individual reconversion obligation and of the rules to avoid new conversion of permanent grassland, without delay and in any case before 31 December of the year in which the decrease beyond 5 % is established. The obligation to reconvert shall be complied with before the date for the submission of the single application for the following year, or in the case of Sweden and Finland, 30 June of the following year. By way of derogation from Article 4(1)(h) of Regulation (EU) No 1307/2013, areas reconverted into or established as areas of permanent grassland shall be considered as permanent grassland as of the first day of the reconversion or establishment. Those areas shall be used to grow grasses or other herbaceous forage at least for the five consecutive years following the date of their conversion, or, if the Member State so decides, where farmers convert areas which were already used to grow grasses and other herbaceous	grassland, without delay and in any case before 31 December of the year in which the decrease beyond 5 % is established. The obligation to reconvert shall be complied with before the date for the submission of the single application for the following year, or in the case of Sweden and Finland, 30 June of the following year. By way of derogation from Article 4(1)(h) of Regulation (EU) No 1307/2013, areas reconverted into or established as areas of permanent grassland shall be considered as permanent grassland as of the first day **of the beginning of the calendar year** of the reconversion or establishment. Those areas shall be used to grow grasses or other herbaceous forage at least for the five consecutive **calendar** years following the ~~date~~ **beginning of the calendar year** of conversion, or, if the Member State so decides, where farmers convert areas which were already used to grow grasses and other herbaceous forage into areas of permanent grassland, the remaining number of years needed in order to reach the five consecutive years.	It is very difficult and burdensome to follow the conversion from the first day of it, which differs from farmer to farmer. Thus it should be the same for every farmer, i.e. the beginning of the calendar year of conversion.	Medium term.

	forage into areas of permanent grassland, the remaining number of years needed in order to reach the five consecutive years.			
Article 45 Criteria of EFA	1. For the qualification of the types of areas listed in the first subparagraph of Article 46(2) of Regulation (EU) No 1307/2013 as ecological focus areas, paragraphs 2 to 11 of this Article shall apply. 2. On land lying fallow there shall be no agricultural production. By way of derogation from Article 4(1)(h) of Regulation (EU) No 1307/2013, land lying fallow for the purpose of fulfilling the ecological focus area for more than five years shall remain arable land. 3. Terraces shall be terraces that are protected under GAEC 7 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as other terraces. Member States may decide to consider as ecological focus area only terraces protected under GAEC 7. Member States deciding to consider also other terraces shall establish criteria for those other terraces, including the minimum height based on national or regional specificities. 4. Landscape features shall be at the disposal of the farmer and shall be those that are protected under GAEC 7, SMR 2 or SMR	~~1. For the qualification of the types of areas listed in the first subparagraph of Article 46(2) of Regulation (EU) No 1307/2013 as ecological focus areas, paragraphs 2 to 11 of this Article shall apply.~~ ~~2. On land lying fallow there shall be no agricultural production. By way of derogation from Article 4(1)(h) of Regulation (EU) No 1307/2013, land lying fallow for the purpose of fulfilling the ecological focus area for more than five years shall remain arable land.~~ ~~3. Terraces shall be terraces that are protected under GAEC 7 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as other terraces. Member States may decide to consider as ecological focus area only terraces protected under GAEC 7. Member States deciding to consider also other terraces shall establish criteria for those other terraces, including the minimum height based on national or regional specificities.~~ ~~4. Landscape features shall be at the disposal of the farmer and shall be those that are protected under GAEC 7, SMR 2 or SMR 3 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as the following features:~~ ~~(a)hedges or wooded strips with a width of up to 10 meters;~~ ~~(b)isolated trees with a crown diameter of minimum 4 meters;~~ ~~(c)trees in line with a crown diameter of minimum 4 meters. The space between the crowns shall not exceed 5 meters;~~	In line with the subsidiarity principle the Member States should be allowed to decide on the criteria for different types of ecological focus areas, within the limits established by Article 46 of Regulation of the European Parliament and of the Council 1307/2013. Highly detailed provisions on these laid down by Commission Delegated Regulation complicates their implementation in a significant way and causes additional bureaucracy that is difficult to understand for the farmers. Thus, the paragraphs 1-10 of this Article should be deleted.	Medium term.

	3 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as the following features: (a)hedges or wooded strips with a width of up to 10 meters; (b)isolated trees with a crown diameter of minimum 4 meters; (c)trees in line with a crown diameter of minimum 4 meters. The space between the crowns shall not exceed 5 meters; (d)trees in group, where trees are connected by overlapping crown cover, and field copses of maximum 0,3 ha in both cases; (e)field margins with a width between 1 and 20 meters, on which there shall be no agricultural production; (f)ponds of up to a maximum of 0,1 ha. Reservoirs made of concrete or plastic shall not be considered ecological focus area; (g)ditches with a maximum width of 6 meters, including open watercourses for the purpose of irrigation or drainage. Channels with walls of concrete shall not be considered ecological focus area.	~~(d)trees in group, where trees are connected by overlapping crown cover, and field copses of maximum 0,3 ha in both cases;~~ ~~(e)field margins with a width between 1 and 20 meters, on which there shall be no agricultural production;~~ ~~(f)ponds of up to a maximum of 0,1 ha. Reservoirs made of concrete or plastic shall not be considered ecological focus area;~~ ~~(g)ditches with a maximum width of 6 meters, including open watercourses for the purpose of irrigation or drainage. Channels with walls of concrete shall not be considered ecological focus area.~~ ~~(h) traditional stone walls.~~ ~~Member States may decide to limit the selection of landscape features to those under GAEC 7, SMR 2 or SMR 3 as referred to in Annex II to Regulation (EU) No 1306/2013 and/or to one or more of those listed in point (a) to (h) of the first subparagraph, where duly justified.~~ ~~For the purposes of points (b) and (c) of the first subparagraph, Member States may include trees recognised by them as valuable landscape features with a crown diameter below 4 meters.~~ ~~For the purposes of point (e) of the first subparagraph, Member States may establish a lower maximum width.~~ ~~For the purposes of point (f) of the first subparagraph, Member States may set a minimum size for ponds and they may decide that a strip with riparian vegetation along the water with a width of up to 10 meters is included in the size of the pond. They may establish criteria to ensure that ponds are of~~		

	(h) traditional stone walls. Member States may decide to limit the selection of landscape features to those under GAEC 7, SMR 2 or SMR 3 as referred to in Annex II to Regulation (EU) No 1306/2013 and/or to one or more of those listed in point (a) to (h) of the first subparagraph, where duly justified. For the purposes of points (b) and (c) of the first subparagraph, Member States may include trees recognised by them as valuable landscape features with a crown diameter below 4 meters. For the purposes of point (e) of the first subparagraph, Member States may establish a lower maximum width. For the purposes of point (f) of the first subparagraph, Member States may set a minimum size for ponds and they may decide that a strip with riparian vegetation along the water with a width of up to 10 meters is included in the size of the pond. They may establish criteria to ensure that ponds are of natural value, taking into account the role that natural ponds play for the conservation of habitats and species. For the purposes of point (h) of the first subparagraph, Member States shall establish minimum criteria based on national or regional specificities, including limits to the dimensions of	~~natural value, taking into account the role that natural ponds play for the conservation of habitats and species.~~ ~~For the purposes of point (h) of the first subparagraph, Member States shall establish minimum criteria based on national or regional specificities, including limits to the dimensions of height and width.~~ ~~5. Buffer strips shall include the buffer strips along water courses required under GAEC 1, SMR 1 or SMR 10 as referred to in Annex II to Regulation (EU) No 1306/2013, as well as other buffer strips. The minimum width of those other buffer strips shall be established by the Member States, but it shall not be below 1 meter. They shall be located on or adjacent to an arable field in such a way that their long edges are parallel to the edge of a water course or water body. Along water courses, they may include strips with riparian vegetation with a width of up to 10 meters.~~ ~~There shall be no agricultural production on buffer strips. By way of derogation from the no production requirement, Member States may allow grazing or cutting, provided that the buffer strip remains distinguishable from adjacent agricultural land.~~ ~~6. Hectares of agro-forestry shall be arable land eligible for the basic payment scheme or the single area payment scheme referred to in Chapter 1 of Title III of Regulation (EU) No 1307/2013 and fulfilling the conditions for which support under Article 44 of Regulation (EC) No 1698/2005 or Article 23 of Regulation (EU) No 1305/2013 was or is granted.~~ ~~7. As regards strips of eligible hectares along forest edges Member States may decide either to allow agricultural production or to establish a requirement of no agricultural production, or to provide the two options for farmers. Where~~		

	height and width. 5. Buffer strips shall include the buffer strips along water courses required under GAEC 1, SMR 1 or SMR 10 as referred to in Annex II to Regulation (EU) No 1306/2013, as well as other buffer strips. The minimum width of those other buffer strips shall be established by the Member States, but it shall not be below 1 meter. They shall be located on or adjacent to an arable field in such a way that their long edges are parallel to the edge of a water course or water body. Along water courses, they may include strips with riparian vegetation with a width of up to 10 meters. There shall be no agricultural production on buffer strips. By way of derogation from the no production requirement, Member States may allow grazing or cutting, provided that the buffer strip remains distinguishable from adjacent agricultural land. 6. Hectares of agro-forestry shall be arable land eligible for the basic payment scheme or the single area payment scheme referred to in Chapter 1 of Title III of Regulation (EU) No 1307/2013 and fulfilling the conditions for which support under Article 44 of Regulation (EC) No 1698/2005 or Article 23 of Regulation (EU) No 1305/2013 was or is granted. 7. As regards strips of eligible	~~Member States decide not to allow agricultural production, by way of derogation from the no production requirement, they may allow grazing or cutting, provided the strip remains distinguishable from adjacent agricultural land. The minimum width of those strips shall be established by the Member States, but it shall not be below 1 meter. The maximum width shall be 10 meters.~~ ~~8. For areas with short rotation coppice with no use of mineral fertilizer and/or plant protection products, Member States shall establish a list of species that can be used for this purpose, by selecting from the list established pursuant to Article 4(2)(c) of Regulation (EU) No 1307/2013 the species that are most suitable from an ecological perspective, thereby excluding species that are clearly not indigenous. Member States shall also establish the requirements as regards the use of mineral fertilisers and plant protection products, keeping in mind the objective of ecological focus areas in particular to safeguard and improve biodiversity.~~ ~~9. Areas under catch crops or green cover shall include such areas established pursuant to the requirements under SMR 1 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as other areas under catch crops or green cover, on the condition that they were established by sowing a mixture of crop species or by under-sowing grass in the main crop. Member States shall set up the list of mixtures of crop species to be used and the period for the sowing of catch crops or green cover, and may establish additional conditions notably with regard to production methods. The period to be set by Member States shall not extend after 1 October.~~ ~~Areas under catch crops or green cover shall~~		

	hectares along forest edges Member States may decide either to allow agricultural production or to establish a requirement of no agricultural production, or to provide the two options for farmers. Where Member States decide not to allow agricultural production, by way of derogation from the no production requirement, they may allow grazing or cutting, provided the strip remains distinguishable from adjacent agricultural land. The minimum width of those strips shall be established by the Member States, but it shall not be below 1 meter. The maximum width shall be 10 meters. 8. For areas with short rotation coppice with no use of mineral fertilizer and/or plant protection products, Member States shall establish a list of species that can be used for this purpose, by selecting from the list established pursuant to Article 4(2)(c) of Regulation (EU) No 1307/2013 the species that are most suitable from an ecological perspective, thereby excluding species that are clearly not indigenous. Member States shall also establish the requirements as regards the use of mineral fertilisers and plant protection products, keeping in mind the objective of ecological focus areas in particular to safeguard and improve biodiversity.	~~not include areas under winter crops which are sown in autumn normally for harvesting or for grazing. They shall also not include the areas covered with equivalent practices mentioned in points I.3 and 4 of Annex IX to Regulation (EU) No 1307/2013 and implemented via commitments referred to in Article 43(3)(a) of that Regulation.~~ ~~10. On areas with nitrogen fixing crop, farmers shall grow those nitrogen fixing crops which are included in a list established by the Member State. That list shall contain the nitrogen fixing crops that the Member State considers as contributing to the objective of improving biodiversity. Those crops shall be present during the growing season. Member States shall establish rules on where nitrogen-fixing crops qualifying as ecological focus area may be grown. These rules shall take into account the need to meet the objectives of Directive 91/676/EEC and Directive 2000/60/EC, given the potential of nitrogen-fixing crops to increase the risk of nitrogen leaching in the autumn. Member States may establish additional conditions notably with regard to production methods.~~ ~~Areas with nitrogen fixing crop shall not include the areas covered with equivalent practices mentioned in points I.3 and 4 of Annex IX to Regulation (EU) No 1307/2013 and implemented via commitments referred to in Article 43(3)(a) of that Regulation.~~ 11. A farmer can declare the same area or landscape feature only once in one claim year for the purpose of complying with the ecological focus area requirement.		

	9. Areas under catch crops or green cover shall include such areas established pursuant to the requirements under SMR 1 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as other areas under catch crops or green cover, on the condition that they were established by sowing a mixture of crop species or by under-sowing grass in the main crop. Member States shall set up the list of mixtures of crop species to be used and the period for the sowing of catch crops or green cover, and may establish additional conditions notably with regard to production methods. The period to be set by Member States shall not extend after 1 October. Areas under catch crops or green cover shall not include areas under winter crops which are sown in autumn normally for harvesting or for grazing. They shall also not include the areas covered with equivalent practices mentioned in points I.3 and 4 of Annex IX to Regulation (EU) No 1307/2013 and implemented via commitments referred to in Article 43(3)(a) of that Regulation. 10. On areas with nitrogen-fixing crop, farmers shall grow those nitrogen-fixing crops which are included in a list established by the Member State. That list shall contain the			

	nitrogen-fixing crops that the Member State considers as contributing to the objective of improving biodiversity. Those crops shall be present during the growing season. Member States shall establish rules on where nitrogen-fixing crops qualifying as ecological focus area may be grown. These rules shall take into account the need to meet the objectives of Directive 91/676/EEC and Directive 2000/60/EC, given the potential of nitrogen-fixing crops to increase the risk of nitrogen leaching in the autumn. Member States may establish additional conditions notably with regard to production methods. Areas with nitrogen-fixing crop shall not include the areas covered with equivalent practices mentioned in points I.3 and 4 of Annex IX to Regulation (EU) No 1307/2013 and implemented via commitments referred to in Article 43(3)(a) of that Regulation. 11. A farmer can declare the same area or landscape feature only once in one claim year for the purpose of complying with the ecological focus area requirement.			
Article 45 (10) Criteria of nitrogen fixing crops	10. On areas with nitrogen-fixing crop, farmers shall grow those nitrogen-fixing crops which are included in a list established by the Member State. That list shall contain the	10. On areas with nitrogen-fixing crop, farmers shall grow those nitrogen-fixing crops **or mixtures where over 50 % of the weight of seed mixture is nitrogen-fixing crops** which are included in a list established by the Member State. That list shall contain the	If our above mentioned proposal to delete the paragraphs 1-10 of Article 45 could not be accepted at least a small change to Article 45(10) should be made. It should be possible for the Member States also include mixtures of nitrogen fixing crops and some other crop in the list of	Medium term.

of EFA	nitrogen-fixing crops that the Member State considers as contributing to the objective of improving biodiversity. Those crops shall be present during the growing season. Member States shall establish rules on where nitrogen-fixing crops qualifying as ecological focus area may be grown. These rules shall take into account the need to meet the objectives of Directive 91/676/EEC and Directive 2000/60/EC, given the potential of nitrogen-fixing crops to increase the risk of nitrogen leaching in the autumn. Member States may establish additional conditions notably with regard to production methods. Areas with nitrogen-fixing crop shall not include the areas covered with equivalent practices mentioned in points I.3 and 4 of Annex IX to Regulation (EU) No 1307/2013 and implemented via commitments referred to in Article 43(3)(a) of that Regulation.	nitrogen-fixing crops that the Member State considers as contributing to the objective of improving biodiversity. Those crops shall be present during the growing season. Member States shall establish rules on where nitrogen-fixing crops qualifying as ecological focus area may be grown. These rules shall take into account the need to meet the objectives of Directive 91/676/EEC and Directive 2000/60/EC, given the potential of nitrogen-fixing crops to increase the risk of nitrogen leaching in the autumn. Member States may establish additional conditions notably with regard to production methods. Areas with nitrogen-fixing crop shall not include the areas covered with equivalent practices mentioned in points I.3 and 4 of Annex IX to Regulation (EU) No 1307/2013 and implemented via commitments referred to in Article 43(3)(a) of that Regulation.	nitrogen fixing crops. E.g. a mixture where more than 50% of the weight of seed mixture is NFC (e.g. clover) should be acceptable. The rest of the seed could be e.g. grass. These mixtures are useful for the environment and fulfill the aim of nitrogen fixing crop.	
Article 53(4) Animal supports (Voluntary Coupled Support)	4. Where the coupled support measure concerns bovine animals and/or sheep and goats, Member States shall define as an eligibility condition for the support, the requirements to identify and register animals provided for in Regulation (EC) No 1760/2000 of the European Parliament and of the Council or Council Regulation (EC) No 21/2004 respectively.	Proposal to modify Article 53(4): 4. Where the coupled support measure concerns bovine animals and/or sheep and goats, Member States shall define as an eligibility condition for the support, the requirements to identify and register animals provided for in Regulation (EC) No 1760/2000 of the European Parliament and of the Council or Council Regulation (EC) No 21/2004 respectively. **However, non-compliances related to the**	The **first and primary** simplification alternative: Animals subject to penalties in cross compliance regarding the system for the identification and registration are also subject to penalties in the administrative and on-the-spot checks of the payment scheme (voluntary coupled support, for example). This kind of double sanctioning due to one and the same animal and the same error should be avoided. The administrative penalties should be applied either because of non-compliance with eligibility rules or because of	Short term.

		requirements to identify and register animals provided in Regulation (EC) No 1760/2000 of the European Parliament and of the Council or Council Regulation (EC) No 21/2004 shall be sanctioned only as non-compliances related to cross-compliance. --- 4. Where the coupled support measure concerns bovine animals and/or sheep and goats, Member States shall define as an eligibility condition for the support, the requirements to identify and register animals provided for in Regulation (EC) No 1760/2000 of the European Parliament and of the Council (1) or Council Regulation (EC) No 21/2004 (2) respectively **and may define that this is fulfilled if the information has been reported to the competent authority on the first day of the retention period or similar of the animal**.	non-compliance with cross-compliance rules. At the moment the same mistake causes administrative penalties because of both non-compliance with eligibility rules and because of non-compliance with cross-compliance rules. The calculation order provided in Article 5 of Regulation (EU) N:o 809/2014 does not change that fact and thus administrative penalties should be applied only because of non-compliance with cross-compliance rules. --- As a second alternative: At least it should be made clear that the problems concerning eligibility of animals raised in the Courts ruling of the case Schonewille-Prins (C-45/05) are not actual anymore and the animal does not loose premium right totally, but there is some flexibility.	Urgent.

HORIZONTAL REGULATION (EU) No 1306/2013 and Regulations (EU) No 640/2014, (EU) No 809/2014 and (EU) No 907/2014

Regulation (EU) No 1306/2013

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Article 26(5) – 26(7) Financial discipline	5. By way of derogation from the fourth subparagraph of Article 169(3) of Regulation (EU, Euratom) No 966/2012, Member States shall reimburse the appropriations carried over in accordance with Article 169(3) of Regulation (EU, Euratom) No 966/2012 to the final recipients who are subject, in the financial year to which the appropriations are carried over, to the adjustment rate. The reimbursement referred to in the first subparagraph shall only apply to final beneficiaries in those Member States where financial discipline applied in the preceding financial year. 6. The Commission may adopt implementing acts, laying down the terms and conditions applicable to appropriations carried over in accordance with Article 169(3) of Regulation (EU, Euratom) No 966/2012 in order to finance the expenditure referred to in Article 4(1)(b) of this Regulation. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 116(2). 7. When applying this Article, the amount of the reserve for crises in	Proposal to modify Article 26(5) – 26(7) ~~5. By way of derogation from the fourth subparagraph of Article 169(3) of Regulation (EU, Euratom) No 966/2012, Member States shall reimburse the appropriations carried over in accordance with Article 169(3) of Regulation (EU, Euratom) No 966/2012 to the final recipients who are subject, in the financial year to which the appropriations are carried over, to the adjustment rate.~~ ~~The reimbursement referred to in the first subparagraph shall only apply to final beneficiaries in those Member States where financial discipline applied in the preceding financial year.~~ ~~6. The Commission may adopt implementing acts, laying down the terms and conditions applicable to appropriations carried over in accordance with Article 169(3) of Regulation (EU, Euratom) No 966/2012 in order to finance the expenditure referred to in Article 4(1)(b) of this Regulation. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 116(2).~~ 7. When applying this Article, the amount of the reserve for crises in the agricultural sector referred to in Article 25 shall be included in the determination of the adjustment rate. Any amount not made available for crisis measures by the end of the financial year shall be ~~disbursed in accordance with paragraph 5 of~~	This kind of reduction and reimbursement of the same amounts is very burdensome and should be avoided. The amounts not made available for crisis measures by the end of the financial year could be carried over to the next financial year and reduce the need for the reduction concerning the next financial year.	Short term.

	the agricultural sector referred to in Article 25 shall be included in the determination of the adjustment rate. Any amount not made available for crisis measures by the end of the financial year shall be disbursed in accordance with paragraph 5 of this Article.	~~this Article~~ **used for the next financial year as an amount that decreases the need for adjustment**.		
Article 52(4) Financial corrections	4. Financing may not be refused for: (a) expenditure as indicated in Article 4(1) which is effected more than 24 months before the Commission notifies the Member State in writing of its inspection findings; (b) expenditure on multiannual measures falling within the scope of Article 4(1) or within the scope of the programmes as indicated in Article 5, where the final obligation on the recipient occurs more than 24 months before the Commission notifies the Member State in writing of its inspection findings; (c) expenditure on measures in programmes, as indicated in Article 5, other than those referred to in point (b) of this paragraph, for which the payment or, as the case may be, the final payment, by the paying agency, is made more than 24 months before the Commission notifies the Member State in writing of its inspection findings.	Proposal to insert a new point to Article 52(4): **(d) on basis of non-legislative instruments such as the Commission guidelines**	The financial corrections to Member States should not be based on non-legislative instruments such as the Commission guidelines but, rather, on the legally binding regulations.	Short term.
Article 64(2) Administ-rative	2. No administrative penalties shall be imposed: (a) where the non-compliance is due to force majeure;	Proposal to modify Article 64(2): 2. No administrative penalty**, reduction, withdrawal or recovery of payment** shall be	It is necessary to simplify and streamline the approach so that there is no need to make reductions or recovery either. It is not tolerable that harder administrative penalties can be avoided but not milder reductions.	Short term.

penalties	(b) where the non-compliance is due to obvious errors as referred to in Article 59(6); (c) where the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty; (d) where the person concerned can demonstrate to the satisfaction of the competent authority that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the competent authority is otherwise satisfied that the person concerned is not at fault; (e) where the non-compliance is of a minor nature, including where expressed in the form of a threshold, to be set by the Commission in accordance with point (b) of paragraph 7; (f) other cases in which the imposition of a penalty is not appropriate, to be defined by the Commission in accordance with point (b) of paragraph 6.	imposed:		
Article 75 Advance payment of direct payments	1. The payments under the support schemes and the measures referred to in Article 67(2) shall be made within the period from 1 December to 30 June of the following calendar year. Payments shall be made in a maximum of two instalments within that period.		Due to the climatic conditions farmers in the northern countries commonly sow spring crops and they also often have to make late changes to their sowing plans. Changes in the sowing plans are relevant, even if most of the support payments have now been decoupled from the production, as the greening measures also include checking of crops. Consequently the controls get started quite late, and they cannot be finalised until quite late,	Short term.

	Notwithstanding the first and second subparagraphs, Member States may, prior to 1 December but not before 16 October, pay advances of up to 50 % for direct payments and of up to 75 % for the support granted under rural development as referred to in Article 67(2). With regard to support granted under rural development, as referred to in Article 67(2), this paragraph shall apply in respect of the aid applications or payment claims submitted from claim year 2018, except as regards the payment of advances of up to 75 % provided for in the third subparagraph of this paragraph. 2. Payments referred to in the paragraph 1 shall not be made before the verification of eligibility conditions, to be carried out by the Member States pursuant to Article 74, has been finalised. By way of derogation from the first subparagraph, advances for support granted under rural development as referred to in Article 67(2) may be paid after the administrative checks pursuant to Article 59(1) have been finalised.	Proposal to modify and insert a new subparagraph to Article 7(2): 2. Payments referred to in the paragraph 1 shall not be made before the verification of eligibility conditions, to be carried out by the Member States pursuant to Article 74, has been finalised. By way of derogation from the first subparagraph, advances ~~for support granted under rural development~~ as referred to in ~~Article 67(2)~~ **third subparagraph of Article 75(1)** may be paid after the administrative checks pursuant to Article 59(1) have been finalised. **By way of derogation from state aid rules and the third subparagraph of Article 75(1) Member State may pay advances from the national funds after the administrative checks have been made and before 16 October. The reimbursement of these payments shall be made by using the European Union budget funds of the financial year starting on 16 October as from that date regardless of the time of transmission of the declaration of expenditure by the Member State.**	which means that in practice payments can be made only as the final payments. The payments for area-related basic payments under the I pillar can only be started in the beginning of December if there is no possibility to pay advances after administrative controls. Especially in the northern conditions we need possibility to pay advances concerning also direct payments after the administrative checks. Moreover, the scattered location of parcels and the long distances in the northern conditions make control work quite time-consuming and make it impossible to pay advances when both administrative and the OTSCs have to be done before payment. Furthermore, among others control of greening measures has shown to be very complex and time-consuming and there is a real need to have possibility to pay advances concerning direct payments after the administrative checks and to ease farmers' economic situation. This delay on payments will lead first of all to liquidity problems amongst farmers; the advance payments for area based rural development payments, which form the major share of support in Finland, should be paid in the beginning of September. If the payments are made using that timetable the farmers don't have to sell they harvest to the first buyer, usually with the lowest price offer. This should be cured the following way: As the EU contribution on advances is first paid by national financing, the subsequent reimbursement from the EU budget could be made only after the change of the financial year, i.e. beginning on 16 October. This way all the payments from the EU	

			budget would be done during the same budget year. If necessary this possibility could be limited to apply to only those Member States which had an acceptable error rate (to be defined) in the previous control.	
Article 77(2) and 77(6) Administ-rative penalties	2. No administrative penalty shall be imposed: (a) where the non-compliance is due to force majeure; (b) where the non-compliance is due to obvious errors as referred to in Article 59(6); (c) where the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty; (d) where the person concerned can demonstrate to the satisfaction of the competent authority that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the competent authority is otherwise satisfied that the person concerned is not at fault; (e) where the non-compliance is of a minor nature, including where expressed in the form of a threshold, to be set by the Commission in accordance with point (b) of paragraph 7; (f) other cases in which the imposition of a penalty is not appropriate, to be defined by the Commission in accordance with point (b) of paragraph 7.	Proposal to modify and insert a new points to Article 77(2): 2. No administrative penalty**, <u>reduction, withdrawal or recovery of payment</u>** shall be imposed: (e) where the non-compliance is of a minor nature **<u>as defined by Member State based on the minor severity, extent and duration of non-compliance and where the competent authority shall send an early warning to the beneficiary, notifying the beneficiary of the finding and the obligation to take remedial action and where in case a subsequent check establishes that the non-compliance has not been remedied, the reduction pursuant to the second non-compliance shall be multiplied by two.</u>** including where expressed in the form of a threshold, to be set by the Commission in accordance with point	It is necessary to simplify and streamline the approach so that there is no need to make reductions or recovery either. It is not tolerable that harder administrative penalties can be avoided but not milder reductions. e) At the moment there is no possibility, despite the 0,10 ha rule provided in Article 18(6) of Regulation (EU) No 640/2014, concerning eligibility criteria to avoid a reduction even if the non-compliance is only minor. An early warning system applied *mutatis mutandis* as provided in Article 99(2) of Regulation (EU) No 1306/2013 should be widely taken into use. In case a subsequent check establishes that the non-compliance has not been remedied, the reduction based on the second non-compliance shall be multiplied by two. g) It is very important to reduce the bureaucratic burden for both the farmers and the administration caused by remeasurement of areas that have been measured earlier which may give different results depending on the devices and procedures used or because of changes caused by	Short term Urgent.

	[…]	(b) of paragraph 7; g) **where the farmer has used in the aid application the surface area communicated by the administration, i.e. the digitized surface area.**	angle of view of orthophotos. The digitized surface areas should have the status of surface areas approved by the administration so that the farmers are able to trust these areas without any fear of penalties when they are using these areas in their applications. The new area would, of course, be used for the following years (if it is above the new 2 % tolerance).	
	4. The administrative penalties may take the following forms: (a) a reduction in the amount of aid or support paid or to be paid in relation to the aid applications or payment claims affected by the non-compliance and/or in relation to aid applications or payment claims for previous or subsequent years; […]	[…] 4. The administrative penalties may take the following forms: (a) a reduction in the amount of aid or support paid or to be paid in relation to the aid applications or payment claims affected by the non-compliance and/or in relation to aid applications or payment claims for previous ~~or subsequent~~ years **up to 4 years from the year of finding the non-compliance in cases where on-the-spot control reveals significant irregularities that can be proven by the competent control authority to have existed during the earlier years as well**;	---- 4. It is very burdensome to retroactively make reductions and administrative penalties 4 years back. This should concern only bigger non-compliances and cases where it is clear that the non-compliance has existed earlier so that the competent control authority can prove that the non-compliance have existed during the earlier years as well. There is no need to make decisions concerning subsequent years. Rules concerning exclusions from the support system cover this need.	
	6. Notwithstanding paragraphs 4 and 5, as regards the payment referred to in Chapter 3 of Title III of Regulation (EU) No 1307/2013, administrative penalties shall take the form of a reduction in the amount of payments made or to be made under that Regulation. The administrative penalties referred to in this paragraph shall be proportionate and graduated according to the severity, extent, duration and reoccurrence of the non-compliance concerned. The amount of such administrative penalties for a given year shall not	[…] 6. Notwithstanding paragraphs 4 and 5, as regards the payment referred to in Chapter 3 of Title III of Regulation (EU) No 1307/2013, administrative penalties shall take the form of a reduction in the amount of payments made or to be made under that Regulation. The administrative penalties referred to in this paragraph shall be proportionate and graduated according to the severity, extent, duration and reoccurrence of the non-compliance concerned. The amount of such administrative penalties	--- 6. The withdrawals concerning greening payment are high without administrative penalty (10 times the missing EFA-area ect.), thus the penalty should not be applied before the system is completely familiar to all farmers and administration. In general the reductions concerning greening are at the moment disproportionate.	

	exceed 0 % for the first two years of application of Chapter 3 of Title III of Regulation (EU) No 1307/2013 (claim years 2015 and 2016), 20 % for the third year of application (claim year 2017) and 25 % starting with the fourth year of application (claim year 2018), of the amount of the payment referred to in Chapter 3 of Title III of Regulation (EU) No 1307/2013 to which the farmer concerned would be entitled if the farmer met the conditions for that payment.	for a given year shall not exceed 0 % for the first ~~two~~ **six** years of application of Chapter 3 of Title III of Regulation (EU) No 1307/2013 ~~(claim years 2015 and 2016), 20 % for the third year of application (claim year 2017) and 25 % starting with the fourth year of application (claim year 2018),~~ of the amount of the payment referred to in Chapter 3 of Title III of Regulation (EU) No 1307/2013 to which the farmer concerned would be entitled if the farmer met the conditions for that payment.		
Article 97(1) Application of cc penalties	1. The administrative penalty provided for in Article 91 shall be imposed where the rules on cross-compliance are not complied with at any time in a given calendar year ('the calendar year concerned'), and where the non-compliance in question is directly attributable to the beneficiary who submitted the aid application or the payment claim in the calendar year concerned. The first subparagraph shall apply mutatis mutandis to beneficiaries who are found not to have complied with the rules on cross-compliance, at any time during three years from 1 January of the year following the calendar year in which the first payment was granted under the support programmes for restructuring and conversion or at any time during one year from 1 January of the year following the calendar year in which the payment was granted under the support	1.The administrative penalty provided for in Article 91 shall be imposed where the rules on cross-compliance are not complied with at any time in a given calendar year ('the calendar year concerned'), and where the non-compliance in question is directly attributable to the beneficiary who submitted the aid application or the payment claim in the calendar year concerned. **In those Member States where animal-related voluntary coupled support and animal-related rural development support are applied, an administrative penalty based on non-compliance of animal-related statutory management requirements should apply only to animal-related voluntary coupled support and animal-related rural development support of the beneficiary. Likewise, an administrative penalty based on non-compliance of area-related statutory management requirements and/or good agricultural and environmental standards should apply only to area-related direct payments and area-related rural**	It seems that at the moment the penalties relating to cross compliance are not equitable and proportionate, especially for farmers in different production sectors (animal husbandry/crop production). When for example, farms only with a few animals but hundreds of hectares have a non-compliance in animal-related cross compliance requirements and the penalty is applied to all area-based direct payments and rural development payments, the penalty seems to be too big in relation to the animal number. And, vice versa, when there are just a few hectares and lot of animals and an error concerning the area-related cross compliance rules leads to a cutting of the animal related payments. Thus Finland proposes a change to Article 97(1) for Member States where animal-related voluntary coupled support and animal-related rural development support are applied.	Medium term.

	programmes for green harvesting referred to in Regulation (EU) No 1308/ 2013('the years concerned').	**development support of the beneficiary.** The first subparagraph shall apply mutatis mutandis to beneficiaries who are found not to have complied with the rules on cross-compliance, at any time during three years from 1 January of the year following the calendar year in which the first payment was granted under the support programmes for restructuring and conversion or at any time during one year from 1 January of the year following the calendar year in which the payment was granted under the support programmes for green harvesting referred to in Regulation (EU) No 1308/ 2013('the years concerned').		
Article 99(2) Early warning system of cc	2. In the case of non compliance due to negligence, the percentage of reduction shall not exceed 5 % and, in the case of reoccurrence, shall not exceed 15 %. Member States may set up an early warning system that applies to cases of non-compliance which, given their minor severity, extent and duration, shall not, in duly justified cases, lead to a reduction or exclusion. Where a Member State decides to make use of this option, the competent authority shall send an early warning to the beneficiary, notifying the beneficiary of the finding and the obligation to take remedial action. In case a subsequent check establishes that the non-compliance has not been remedied, the reduction pursuant to the first subparagraph shall be applied retroactively.	2. In the case of non compliance due to negligence, the percentage of reduction shall not exceed 5 % and, in the case of reoccurrence, shall not exceed 15 %. Member States may set up an early warning system that applies to cases of non-compliance which, given their minor severity, extent and duration, shall not, in duly justified cases, lead to a reduction or exclusion. Where a Member State decides to make use of this option, the competent authority shall send an early warning to the beneficiary, notifying the beneficiary of the finding and the obligation to take remedial action. In case a subsequent check establishes that the non-compliance has not been remedied, the reduction pursuant to the first subparagraph shall be applied ~~retroactively.~~ However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion. Member States may give priority access to the	Administrative penalties should not be applied retroactively, because the retroactive penalties are complicated both for the farmers and for the administration. Thus, it should be enough to apply a penalty only for the year when the non-compliance was found not to have been remedied.	Short term.

	However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion. Member States may give priority access to the farm advisory system to the beneficiaries who have received for the first time an early warning.	farm advisory system to the beneficiaries who have received for the first time an early warning.		

Commission Delegated Regulation (EU) No 640/2014

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Article 2(1) point 11 Animal register	11) 'register' in relation to animals means the register kept by the animal keeper referred to in Article 3(d) and Article 7 of Regulation (EC) No 1760/2000 and/or the register referred to in Article 3(1)(b) and Article 5 of Regulation (EC) No 21/2004 respectively;	Proposal to modify Article 2(1) point 11: 11) 'register' in relation to animals means the register kept by the animal keeper referred to in Article 3(d) and Article 7 of Regulation (EC) No 1760/2000 and/or the register referred to in Article 3(1)(b) and Article 5 of Regulation (EC) No 21/2004 respectively. **However, in case the computerised database for animals is used as an aid-application as provided in Article 11(1)(c) and 21(3) of Regulation (EU) No 809/2014 this kind of register is not needed for eligibility reasons for animal based support schemes as the computerised database for animals includes this information;**	This kind of paper register is a relic of old times when registers where kept in paper format. This kind on paper format is not anymore needed. If Member State has chosen the application process where information already communicated to the competent authority via computerised database for animals is used for payment, paper register is not needed. This would ease both farmers and administration, which wouldn't need to control this document in paper form as part of eligibility control for VCS or rural development measures. And as our main concern concerning this kind of rules is that there is double penalty based on both cross compliance rules and eligibility rules, the penalty should be based only on cross compliance rules.	Medium term.
Article 4 (1) Force majeure	As regards direct payments, if a beneficiary has been unable to comply with the eligibility criteria or other obligations as a result of *force majeure* or exceptional circumstances	Proposal to modify Article 1(1): As regards direct payments **and rural development support measures**, if a beneficiary has been unable to comply with the eligibility criteria or other obligations as a	The current different approach for area and animal-related rural development measures compared to for the I pillar payments in cases of force majeure and exceptional circumstances should be abolished. The approach should be the	Short term.

	he shall retain his right to aid in respect of the area or animals eligible at the time when the case of *force majeure* or the exceptional circumstance occurred. As regards rural development support measures under Articles 28, 29, 33 and 34 of Regulation (EU) No 1305/2013, if a beneficiary has been unable to fulfil the commitment as a result of *force majeure* or exceptional circumstances, the respective payment shall be proportionally withdrawn for the years during which the case of *force majeure* or exceptional circumstances occurred. The withdrawal shall concern only those parts of the commitment for which additional costs or income foregone did not take place before the force majeure or exceptional circumstances occurred. No withdrawal shall apply in relation to the eligibility criteria and other obligations and no administrative penalty shall apply. As regards other rural development support measures, Member States shall not require the partial or full reimbursement of the support in case of *force majeure* or exceptional circumstances. In case of multiannual commitments or payments, reimbursement of the support received in previous years shall not be required and the commitment or payment shall be continued in the subsequent years in accordance with its original duration.	result of *force majeure* or exceptional circumstances he shall retain his right to aid in respect of the area or animals eligible at the time when the case of *force majeure* or the exceptional circumstance occurred. ~~As regards rural development support measures under Articles 28, 29, 33 and 34 of Regulation (EU) No 1305/2013, if a beneficiary has been unable to fulfil the commitment as a result of *force majeure* or exceptional circumstances, the respective payment shall be proportionally withdrawn for the years during which the case of *force majeure* or exceptional circumstances occurred. The withdrawal shall concern only those parts of the commitment for which additional costs or income foregone did not take place before the force majeure or exceptional circumstances occurred. No withdrawal shall apply in relation to the eligibility criteria and other obligations and no administrative penalty shall apply.~~ ~~As regards other rural development support measures, Member States shall not require the partial or full reimbursement of the support in case of *force majeure* or exceptional circumstances. In case of multiannual commitments or payments, reimbursement of the support received in previous years shall not be required and the commitment or payment shall be continued in the subsequent years in accordance with its original duration.~~	same for all measures and payments. In case of force majeure or exceptional circumstances there is no need to require the partial or full withdrawal of support received by the beneficiary under the II pillar, because there is no reduction under the I pillar either. The cases of force majeure or exceptional circumstances are very hard ones for the farmer and/or farm concerned, for example the death of the beneficiary. The northern conditions, often with exceptional weather, will probably cause extremely many partial or full withdrawals and will cause also burden for the administration.	

Article 5(2) (c) EFA-layer	2.Member States shall also ensure that agricultural parcels that are declared are reliably identified. They shall in particular require the aid applications and payment claims to be furnished with particular information or accompanied by documents specified by the competent authority that enable each agricultural parcel to be located and measured. For each reference parcel, Member States shall: a) determine a maximum eligible area for the purpose of the support schemes listed in Annex I to Regulation (EU) No 1307/2013; b) determine a maximum eligible area for the purpose of the area-related measures referred to in Articles 28 to 31 of Regulation (EU) No 1305/2013; c) locate and determine the size of those ecological focus areas listed in Article 46(1) of Regulation (EU) No 1307/2013 for which the Member State has decided that they shall be considered as ecological focus area. For that purpose, Member States shall apply the conversion and/or weighting factors set out in Annex X to Regulation (EU) No 1307/2013, where appropriate; [...]	2.Member States shall also ensure that agricultural parcels that are declared are reliably identified. They shall in particular require the aid applications and payment claims to be furnished with particular information or accompanied by documents specified by the competent authority that enable each agricultural parcel to be located and measured. For each reference parcel, Member States shall: a) determine a maximum eligible area for the purpose of the support schemes listed in Annex I to Regulation (EU) No 1307/2013; b) determine a maximum eligible area for the purpose of the area-related measures referred to in Articles 28 to 31 of Regulation (EU) No 1305/2013; c) locate and determine the size of those ecological focus areas listed in Article 46(1) of Regulation (EU) No 1307/2013 for which the Member State has decided that they shall be considered as ecological focus area **and which are unchanged from year to year** For that purpose, Member States shall apply the conversion and/or weighting factors set out in Annex X to Regulation (EU) No 1307/2013, where appropriate; [...]	If ecological focus areas are based on agricultural parcels (e.g. fallow, nitrogen fixing crops), they are not stable and thus there is no need to include them in to the EFA-layer. The wording proposed would thus considerably ease the additional administrative burden created by the new EFA rules.	Medium term.
Article 5(3) 2 % margin and	Member States shall ensure that the maximum eligible area per reference parcel as referred to in paragraph 2(a) is correctly quantified within a margin of maximum 2 %, thereby	Proposal to modify Article 5(3) and to insert new points 3a and 3 b to Article 5: Member States shall ensure that the maximum eligible area per reference parcel as referred to	The new 2 % tolerance rule is important because it recognizes the need to keep the maximum eligible area of reference parcels in the land parcel identification system (LPIS) as stable as possible and to specify when an LPIS update is	Short term.

update	taking into account the outline and condition of the reference parcel.	in paragraph 2(a) is correctly quantified within a margin of maximum ~~2 %~~ **3 %** ~~thereby taking into account the outline and condition of the reference parcel~~ **if it is not question about buildings and similar man-made changes.** **This margin concerns also update of land parcel identification system based on the results of the on-the-spot checks in spite of the tolerance relating to the measurement equipment.** **3 a. Update interval shall take into account the amount of changes.**	really needed; the need to address changes caused by angle of view of orthophotos the need to address the difficulties of photo-interpretation such as for parcels with fuzzy boundaries; and the need to avoid farmers being confronted with frequent and small changes in the LPIS and the possible consequences in terms of the calculation of aid and administrative penalties. In Member States where the average size of reference parcels is small the 2 % is far too low. The approach is not coherent and may even constitute a trap to a farmer, because the new 2 % tolerance can only be used in relation to an update of the LPIS. On-the-spot checks have to be made using the tolerance relating to the measurement equipment used also in the future. This may confuse the farmers even more. They will not know which area to use to avoid administrative penalties. This is why there should be a comprehensive approach to allow the use of the new 2 % tolerance in all cases. We are also worried about the information the Commission has already given about the possibilities to use the new 2 % tolerance. According to that information, clear differences in the areas have to be corrected in all cases. With this interpretation, the new 2 % tolerance will probably give no relief to the frequently changing areas, and we have new problems in the clearance of accounts procedure when discussing whether the difference was clear or not. 3 a) The updating of orthophotos or land parcel identification registers should not be automatic after a certain number of years, but it should take into account the numbers of changes which take place in the arable areas in the region from one year to another (e.g. community building, etc.).	

Article 14 Late submission of an application related to PEs	Except in cases of *force majeure* and exceptional circumstances referred to in Article 4, the submission of an application for allocation or, when applicable, increase of the value of payment entitlements after the final date fixed for this purpose by the Commission on the basis of Article 78(b) of Regulation (EU) No 1306/2013, shall lead in that year to a 3 % reduction per working day of the amounts to be paid in respect of the payment entitlements or, when applicable, in respect of the increase of the value of payment entitlements to be allocated to the beneficiary. If such delay amounts to more than 25 calendar days, the application shall be considered inadmissible and no payment entitlements or, when applicable, no increase of the value of payment entitlements shall be allocated to the beneficiary.	~~Except in cases of *force majeure* and exceptional circumstances referred to in Article 4, the submission of an application for allocation or, when applicable, increase of the value of payment entitlements after the final date fixed for this purpose by the Commission on the basis of Article 78(b) of Regulation (EU) No 1306/2013, shall lead in that year to a 3 % reduction per working day of the amounts to be paid in respect of the payment entitlements or, when applicable, in respect of the increase of the value of payment entitlements to be allocated to the beneficiary. If such delay amounts to more than 25 calendar days, the application shall be considered inadmissible and no payment entitlements or, when applicable, no increase of the value of payment entitlements shall be allocated to the beneficiary.~~	Article 14 should be deleted completely. There is no need for separate rules concerning late submission of an application related to payment entitlements but the general rules provided in Article 13 of the same Regulation should be used.	Medium term.
Article 18(6) and 18(7) Basis of calculation	6.Without prejudice to administrative penalties in accordance with Article 19, in the case of aid applications and/or payment claims under area-related aid schemes or support measures, if the area declared exceeds the area determined for a crop group as referred to in Article 17(1), the aid shall be calculated on the basis of the area determined for that crop group. However, without prejudice to Article 60 of Regulation (EU) No 1306/2013, if the difference between the total area determined and the total area declared for payment under the direct aid schemes established in	Proposal to modify Article 18(6) and 18(7): 6.Without prejudice to administrative penalties in accordance with Article 19, in the case of aid applications and/or payment claims under area-related aid schemes or support measures, if the area declared exceeds the area determined for a crop group as referred to in Article 17(1), the aid shall be calculated on the basis of the area determined for that crop group. However, without prejudice to Article 60 of Regulation (EU) No 1306/2013, if the difference between the total area determined and the total area declared for payment under the direct aid schemes established in Titles III, IV and V of Regulation (EU) No 1307/2013	6. If our primary simplification proposal (Article 77(2) of Regulation (EU) No 1306/2013) concerning the need to consider the digitized surface area as the area approved by the administration cannot be put to practice, this amendment should be made. More proportionality is needed to the penalty system. Small over-declaration of area is usually caused by mistake, not because of fraud. The benefit for farmer for such over-declaration is minor, however the penalty and administrative work is huge. To make the penalty system more proportionate the area in Article 18(6) should be at least 0,50 ha. Farm sizes are growing all the time and the old limit is far behind the current farm size.	Short term.

	Titles III, IV and V of Regulation (EU) No 1307/2013 or the total area declared for payment under an area-related support measure is less than or equal to 0,1 hectare, the area determined shall be set equal to the area declared. For this calculation only over-declarations of areas at the level of a crop group as referred to in Article 17(1) shall be taken into account. The second subparagraph shall not apply where that difference represents more than 20 % of the total area declared for payments. 7. For the purpose of calculating the aid under the basic payment scheme, the average of the values of different payment entitlements in relation to the respective area declared shall be taken into account.	or the total area declared for payment under an area-related support measure is less than or equal to ~~0,1~~ **0,5** hectare, the area determined shall be set equal to the area declared. For this calculation only over-declarations of areas at the level of a crop group as referred to in Article 17(1) shall be taken into account. The second subparagraph shall not apply where that difference represents more than 20 % of the total area declared for payments. 7. For the purpose of calculating the aid under the basic payment scheme, ~~the average of~~ the values of different payment entitlements in relation to the respective area declared shall be taken into account.	7. There is no need to use the average of the values of different PEs when calculating the aid. This will only cause more administrative burden and difficulties for the farmers to understand how the calculation is done.	
Article 19 Penalties and over-declaration of area	If, in respect of a crop group as referred to in Article 17(1), the area declared for the purposes of any area-related aid schemes or support measures exceeds the area determined in accordance with Article 18, the aid shall be calculated on the basis of the area determined reduced by twice the difference found if that difference is more than either 3 % or two hectares, but no more than 20 % of the area determined. If the difference is more than 20 % of	Proposal to modify Article 19: If, in respect of a crop group as referred to in Article 17(1), the area declared for the purposes of any area-related aid schemes or support measures exceeds the area determined in accordance with Article 18, the aid shall be calculated on the basis of the area determined reduced by twice the difference found if that difference is more than either ~~3 %~~ **5 %** or two hectares, but no more than 20 % of the area determined. If the difference is more than 20 % of the area	Administrative penalties for farmers should be tailored more closely according to the nature of the infringement. There should be a general limit (at least 5 %/ 5 animals) where no administrative penalty applies, but the payment is made up to the eligible amount only. The IACS system has proven very effective and the Court of Auditors has also noticed this, which is why the general limit should be 5 % before any administrative penalty applies. Severe penalties should be maintained for repeated breaches once the recipient has been made aware of the issue, but otherwise more	Short term.

	the area determined, no area-related aid or support shall be granted for the crop group concerned.	determined, no area-related aid or support shall be granted for the crop group concerned.	proportionality is needed.	
Article 30 (5) Caprine animals and eartags	5. An ovine or caprine animal present on the holding which has lost one ear tag shall be considered as determined provided that the animal can still be identified by a first means of identification in accordance with Article 4(2)(a) of Regulation (EC) No 21/2004 and provided that all other requirements of the system for the identification and registration of ovine and caprine animals are fulfilled.	Proposal to modify Article 30(5): **Where cases of non-compliances with regard to the system for the identification and registration for ovine or caprine animals are found, the same as provided in Article 30(4) concerning bovine animals is applied.**	If our primary simplification proposal (Article 53(4) of Regulation (EU) No 639/2014) concerning the need to avoid double penalties relating to cross compliance and eligibility criteria concerning the system of identification and registration of bovine and ovine and caprine animals cannot be put to practice, this amendment should be made. There should be a coherent approach concerning both bovine animals and ovine / caprine animals.	Short term.
Article 31 Penalties and animal supports	1. Where, in respect of an aid application under an animal aid scheme or in respect of a payment claim under an animal-related support measure, a difference is found between the number of animals declared and that determined in accordance with Article 30(3), the total amount of aid or support to which the beneficiary is entitled under that aid scheme or support measure for the claim year concerned shall be reduced by the percentage to be established in accordance with paragraph 3 of this Article, if no more than three animals are found with non-compliances. 2. If more than three animals are found with non-compliances the total amount of aid or support to which the beneficiary is entitled under the aid scheme or support measure referred to in paragraph 1 for the claim year	Proposal to modify Article 31(1): 1. Where, in respect of an aid application under an animal aid scheme or in respect of a payment claim under an animal-related support measure, a difference is found between the number of animals **or other calculation unit determined by Member State** declared and that determined in accordance with Article 30(3), the total amount of aid or support to which the beneficiary is entitled under that aid scheme or support measure for the claim year concerned shall be reduced by the percentage to be established in accordance with paragraph 3 of this Article, if no-more than ~~three~~ **five** animals **or equivalent level based on other calculation unit determined by Member State** are found with non-compliances. **If non-compliances concern no more than five animals or equivalent level based on**	If our primary simplification proposal (Article 53(4) of Regulation (EU) No 639/2014) concerning the need to avoid double penalties relating to cross compliance and eligibility criteria concerning the system of identification and registration of bovine and ovine and caprine animals cannot be put to practice, this amendment should be made. Administrative penalties for farmers should be tailored more closely according to the nature of the infringement. There should be a general limit (at least 5 %/ 5 animals) where no administrative penalty applies, but the payment is made up to the eligible amount only. The IACS system has proven very effective and the Court of Auditors has also noticed this, which is why the general limit should be 5 % before any administrative penalty applies. Nowadays the livestock herds are large and some limits should also apply to animal-related support schemes before administrative penalties are applied.	Short term.

	concerned shall be reduced by: a) the percentage to be established in accordance with paragraph 3, if it is not more than 10 %; b) twice the percentage to be established in accordance with paragraph 3, if it is more than 10 % but not more than 20 %.	**other calculation unit determined by Member State, the aid shall be calculated on the basis of the animals determined.** 2. If more than ~~three~~ **five** animals **or equivalent level based on other calculation unit determined by Member State** are found with non-compliances the total amount of aid or support to which the beneficiary is entitled under the aid scheme or support measure referred to in paragraph 1 for the claim year concerned shall be reduced by: a) the percentage to be established in accordance with paragraph 3, if it is not more than 10 %; b) twice the percentage to be established in accordance with paragraph 3, if it is more than 10 % but not more than 20 %.	Severe penalties should be maintained for repeated breaches once the recipient has been made aware of the issue, but otherwise more proportionality is needed. The current penalty system is unfair and causes severe penalties in support systems where the payment is not based on whole animals, but is based, for example, on feeding days the animal is at the farm. According the current system animals rejected are treated as whole animals (e.g. four animals, each of which always takes up 365 feeding days, regardless of how long the animal has been on the farm, accumulating feeding days) and the average number of animals, calculated on the basis of feeding days, is used as the number of accepted animals in the sanction model. Thus there should be possibility to count the penalties also based on feeding days or units. Example: four bulls that have accumulated a total of 400 feeding days are rejected during control procedures. Feeding days accumulated by these bulls are not taken into consideration when calculating the number of accepted animals on the basis of feeding days. There are 12,775 feeding days of accepted animals, which amounts to 35 accepted animals (12,775/365). The difference between animals accepted and rejected in connection with sanction calculation is 11 per cent (4/35 x 100 %). The subsidy paid on the basis of the number of animals accepted is reduced by 22 %. If the penalty is calculated based on feeding days, the aid is reduced by 3%. If the penalty is calculated based on units, the aid is reduced by 2,7%. These models give more proportionate	

			result than the 22 % reduction based on whole animals.	
Article 35(4) Control and penalties of measure-specific minimum require-ments	4. In case of multiannual commitments or payments, withdrawals based on the criteria referred to in paragraph 3 shall also apply to the amounts already paid in the previous years for the same operation.	Proposal to modify Article 35(4): ~~4. In case of multiannual commitments or payments, withdrawals based on the criteria referred to in paragraph 3 shall also apply to the amounts already paid in the previous years for the same operation.~~ […] Proposal to insert a new paragraph 8 to Article 35: **8. The measure-specific minimum requirements for fertilizer and plant protection shall only concern the agri-environment-climate payment (Article 28) and payment to organic farming (Article 29).**	4. Paragraph 4 should be deleted. Withdrawals should concern as a main principle only the payments related to the control year, not the whole commitment period. It is not tolerable that any violations of the measure-specific minimum requirements (which can be different concerning different measures) for fertilizer and plant protection product use will have impacts on all support payments under the programme. This is an unsustainable approach which calls for simplification. - This interpretation would go beyond the Regulation of the European Parliament and of the Council (EU) No 1305/2013, where the measure-specific minimum requirements for fertilizer and plant protection only concern the agri-environment-climate payment (Article 28) and payment to organic farming (Article 29). These minimum requirements may differ in these measures and they may go beyond the SMR and GAEC requirements under cross-compliance. - Instead, in the payments for areas facing natural and other specific constraints (Articles 31– 32) and animal welfare payments (Article 33) there are no specific minimum requirements for fertilizer and plant protection product use. Concerning these measures only compliance with SMR and GAEC requirements under cross-compliance is required.	Short term.

			- Based on this, it would seem contrary to the Basic Regulation if the control and sanctions relating to the measure-specific minimum requirements for fertilizer and plant protection product use would also be targeted to types of payment (ANC and animal welfare payment) where they according to the Basic Regulation are not applicable to the extent that these minimum requirements go beyond the SMR and GAEC requirements under cross-compliance. - With regard to the upcoming Rural Development Programme for Mainland Finland the difference between the requirements concerning cross-compliance and minimum requirements for fertilizer and plant protection product use concerning the measure under Article 28 is going to be substantial, because the detailed tables regulating use of fertilizers designed for the measure have been transferred, as required by the Commission, from the conditions of the agri-environment-climate payment to the minimum requirements of the agri-environment-climate payment. According to the Rural Development Programme, compliance with the values in the tables concerns only farmers who have committed to the measure under Article 28.	
Article 36 Suspending the support	The paying agency may suspend the support relating to certain expenditure where a non-compliance resulting in an administrative penalty is detected. The suspension shall be lifted by the paying agency as soon as the beneficiary proves to the satisfaction of the competent authority that the situation has been remedied. The maximum period of suspension shall not exceed three months. The Member States may also set shorter maximum periods	The paying agency may suspend the support relating to certain expenditure where a non-compliance resulting in an administrative penalty **of any kind including withdrawals and reductions** is detected. The suspension shall be lifted by the paying agency as soon as the beneficiary proves to the satisfaction of the competent authority that the situation has been remedied. The maximum period of suspension shall not exceed three months. The Member States may also set shorter maximum periods depending on the type of operations and the effects of the non-compliance in	This kind of provision is very welcomed because it brings a little proportionality to the penalty system. According to the Commission this concerns only strict administrative penalties provided in Article 35(5) and 35(6) of Regulation (EU) No 640/2014, not reductions. This is not tolerable. The scope has to concern all kind of administrative penalties, also reductions.	Medium term.

	depending on the type of operations and the effects of the non-compliance in question. The paying agency may only suspend support where the non-compliance does not prejudice the achievement of the overall purpose of the operation concerned, and if it is expected that the beneficiary is able to remedy the situation during the maximum period defined.	question. The paying agency may only suspend support where the non-compliance does not prejudice the achievement of the overall purpose of the operation concerned, and if it is expected that the beneficiary is able to remedy the situation during the maximum period defined.		
Article 39(3) Penalties concerning cc	3.Where a Member State makes use of the option provided for in the second subparagraph of Article 99(2) of Regulation (EU) No 1306/2013 and the beneficiary has not remedied the situation within a deadline set by the competent authority, a reduction of at least 1 % as provided for in paragraph 1 of this Article shall be applied retroactively in relation to the year of the initial finding when the early warning system was applied, if the non-compliance is found not to have been remedied during a maximum period of three consecutive calendar years calculated from and including that year. The deadline set by the competent authority shall not be later than the end of the year following the one in which the finding was made. A non-compliance which has been remedied by the beneficiary within the deadline set shall not be considered as a non-compliance for the purpose of establishing reoccurrence in accordance with paragraph 4.	3.Where a Member State makes use of the option provided for in the second subparagraph of Article 99(2) of Regulation (EU) No 1306/2013 and the beneficiary has not remedied the situation within a deadline set by the competent authority, a reduction of at least 1 % as provided for in paragraph 1 of this Article **multiplied by three** shall be applied ~~retroactively in relation to the year of the initial finding when the early warning system was applied~~, if the non-compliance is found not to have been remedied during a maximum period of three consecutive calendar years calculated from and including that year. The deadline set by the competent authority shall not be later than the end of the year following the one in which the finding was made. A non-compliance which has been remedied by the beneficiary within the deadline set shall not be considered as a non-compliance for the purpose of establishing reoccurrence in accordance with paragraph 4.	Administrative penalties should not be applied retroactively because the retroactive penalties are complicated both for the farmers and for the administration. Thus, it should be enough to apply a penalty only for the year when the non-compliance was found not to have been remedied. This penalty should be multiplied by three. **A working document is needed** on the early warning system**:** Article 39(3) means that administrative penalties should be applied if the non-compliance is found not to have been remedied during a maximum period of three consecutive calendar years. The Commission should give a working document on the early warning system. It should be stated in this document that cases of minor non-compliances which, as such, cannot in fact be remedied after the non-compliance has happened should be seen as involving remedial action if a farmer can remedy his action so that a similar non-compliance is not found in the next on-the-spot control. In some cases the only thing a farmer can do in practice is to remedy his action in the future. In our view the fact that a farmer remedies his action in the future should also be seen as remedial action.	Medium term. . Short term.

Article 40 Intentional non-compliance concerning cc	Where the non-compliance determined has been committed intentionally by the beneficiary, the reduction to be applied to the total amount referred to in Article 39(1) shall, as a general rule, be 20 % of that total amount. However, the paying agency may, on the basis of the assessment of the importance of the non-compliance provided by the competent control authority in the evaluation part of the control report taking into account the criteria referred to in Article 38(1) to (4), decide to reduce that percentage to no less than 15 % or to increase that percentage to up to 100 % of that total amount.	**If, based on the last sentence of Article 39(4),** ~~Where~~ the non-compliance determined has been committed intentionally by the beneficiary, the reduction to be applied to the total amount referred to in Article 39(1) shall, as a general rule, be 20 % of that total amount. However, the paying agency may, on the basis of the assessment of the importance of the non-compliance provided by the competent control authority in the evaluation part of the control report taking into account the criteria referred to in Article 38(1) to (4), decide to reduce that percentage to no less than 15 % or to increase that percentage to up to 100 % of that total amount.	It is very difficult for the administration to establish if the non-compliance has been committed intentionally or not. This might lead to different interpretations in different cases, which means that farmers are not treated equally. Thus, Article 40 should only be applied concerning the cases meant in the last sentence of Article 39(4). This amendment could be made also because the rules of intentionality in the part of IACS were deleted in the CAP reform (previous Articles 60 and 65(4) of Regulation 1122/2009).	Medium term.

Commission Implementing Regulation (EU) No 809/2014

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Article 11 Simplified procedures	1. Save as otherwise provided in Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013, Delegated Regulation (EU) No 640/2014 or this Regulation, Member States may permit or require that any kind of communications under this Regulation both from the beneficiary to the authorities and *vice versa* be made by electronic means, provided that this does not cause any discrimination between beneficiaries and that		Electronic systems are the main elements of today's effective and simple support management systems. There should be no limitation to the application of claimless system in case animals that are included in some database even if it is not based on individual animals, but it is possible, for example to pick up animal census, that is needed for payment calculation, from the database. There should be no need to demand the farmer to give the very same information to the administration that is already available to the administration and thus no need to communicate	Short term.

	appropriate measures are taken to ensure in particular that: (a) the beneficiary is unambiguously identified; (b) the beneficiary complies with all requirements under the direct payment scheme or rural development measure concerned; (c) the transmitted data is reliable in view of the proper management of the direct payment scheme or rural development measure concerned; where use is made of the data contained in the computerised database for animals as defined in point (9) of the second subparagraph of Article 2(1) of Delegated Regulation (EU) No 640/2014, that database shall offer the level of assurance and implementation necessary for the proper management of the direct payment scheme or rural development measure involved; (d) where accompanying documents cannot be transmitted electronically, such documents are received by the competent authorities within the same time limits as for transmission by non-electronic means.	Proposal to modify Article 11(1) (c) and to insert a new point c2 to Article 11(1): c) the transmitted data is reliable in view of the proper management of the direct payment scheme or rural development measure concerned; where use is made of the data contained in the computerised database for **individual** animals as defined in point (9) of the second subparagraph of Article 2(1) of Delegated Regulation (EU) No 640/2014, that database shall offer the level of assurance and implementation necessary for the proper management of the direct payment scheme or rural development measure involved; (c2) **other databases for animals can also be used even if they are not based on individual animals to avoid communication of the same information twice;**	the same information twice.	
Article 17 GSAA and small parcels	5. The beneficiary shall unambiguously identify and declare the area of each agricultural parcel and, where applicable, the type, size and	Proposal to insert a new subparagraph to Article 15(5): 5. The beneficiary shall unambiguously identify and declare the area of each	Concerning the geo-spatial aid application, there should be possibility to allow some flexibility to, for example, horticultural farms, which often have numerous very small agricultural parcels (for example 0,01 ha dill (Anethum graveolens), 0,01 ha parsley (Petroselinum crispum) and small	Short term.

	location of the ecological focus areas. With regard to the greening payment, the beneficiary shall also specify the use of the agricultural parcels declared. For this purpose, the beneficiary may confirm the information already provided in the pre-established form. However, where the information on the area, location or boundary of the agricultural parcel or, where applicable, the size and location of the ecological focus areas is not correct or is incomplete, the beneficiary shall correct or make changes to the pre-established form.	agricultural parcel and, where applicable, the type, size and location of the ecological focus areas. With regard to the greening payment, the beneficiary shall also specify the use of the agricultural parcels declared. For this purpose, the beneficiary may confirm the information already provided in the pre-established form. However, where the information on the area, location or boundary of the agricultural parcel or, where applicable, the size and location of the ecological focus areas is not correct or is incomplete, the beneficiary shall correct or make changes to the pre-established form. **By way of derogation from the second subparagraph Member States may allow alternative solution from the geo-spatial aid application form in cases where this is necessary in order to avoid complexity based on certain form of production.** **By the way of derogation of the geo-spatial aid application Members States with LPIS based on the physical plot system may decide not to apply geo-spatial aid application system.**	areas under other herbs). It is very difficult to draw boundaries concerning all these small agricultural parcels. If ilots or farmers' blocks are used, these are stable and the administration is fully aware of where the agricultural parcel is located, which means that there should be no need to draw agricultural parcels.	
Article 21(1) (d) Location of animals	1. A livestock aid application as defined in point (15) of the second subparagraph of Article 2(1) of Delegated Regulation (EU) No 640/2014 or payment claim under animal-related support measures as defined in point (14) of the second subparagraph of Article 2(1) of that Regulation shall contain all information necessary to establish eligibility for the aid and/or support, and in particular: (a) the identity of the		Article 20(1)(d) refers to information on the location or locations where the animals will be held including the period concerned. To avoid the risk of disproportionate reductions of the payment, the rule on animals determined as eligible for payment should be established for the cases where the information on movements of animals is lacking but where the relevant animals can be immediately identified within the holding of the farmer concerned during the on-the-spot check.	Short term.

	beneficiary; (b) a reference to the single application if it has already been submitted; (c) the number of animals of each type in respect of which a livestock aid application or a payment claim is being submitted and, for bovines, the identification code of the animals; (d) where applicable, an undertaking by the beneficiary to keep the animals referred to in point (c) on his holding during a period, determined by the Member State, and information on the location or locations where the animals will be held including the period concerned;	Proposal to be included in Article 21 (1)(d): **Where a farmer has failed to inform the competent authorities that animals have been moved to another location during the retention period, as required by Article 20(1)(d), the animals concerned shall be regarded as determined if the location of the animals within the holding was immediately established in the on-the- spot check.**		
Article 24(1) OTSC	1. Administrative checks and on-the-spot checks provided for in this Regulation shall be made in such a way as to ensure effective verification of: (a) the correctness and completeness of the information provided in the aid application, application for support, payment claim or other declaration; (b) compliance with all eligibility criteria, commitments and other obligations for the aid scheme and/or support measure concerned, the terms under which aid and/or support or exemption from obligations are granted; (c) the requirements and	1. Administrative checks and on-the-spot checks provided for in this Regulation shall be made in such a way as to ensure effective verification of: (a) the correctness and completeness of the information provided in the aid application, application for support, payment claim or other declaration; (b) compliance with ~~all~~ **the** eligibility criteria, commitments and other obligations **possible to control at the time of the on-the-spot checks provided in point 3a of Article 26** for the aid scheme and/or support measure concerned, the terms under which aid and/or support or exemption from obligations are granted; (c) the requirements and standards relevant for cross-compliance.	The same farm is controlled only once during the growing season and at the time when most of the eligibility criteria and commitments can be checked (in the same way as in the case of cross-compliance). It cannot be considered appropriate that the control procedures applied to the area-based and animal-based payments are so strict, overwhelming and pedantic when we already have other limits such as payment entitlements and financial ceilings per Member State in use which make it impossible to pay over these limits. Therefore, there are already limits to the financial risk to the funds.	Short term. Urgent.

	standards relevant for cross-compliance.			
Article 26 Timing of OTCS	1. Where appropriate, on-the-spot checks provided for in this Regulation shall be carried out at the same time as any other checks provided for in Union law. 2. For the purpose of rural development measures in the scope of the integrated system, the on-the-spot checks shall be spread over the year on the basis of an analysis of the risks presented by the different commitments under each measure. 3. On-the-spot checks shall verify compliance with all eligibility criteria, commitments and other obligations of those aid schemes or support measures for which a beneficiary has been selected in accordance with Article 34. The duration of on-the-spot checks shall be strictly limited to the minimum time period necessary. 4. Where certain eligibility criteria, commitments and other obligations can only be checked during a specific time period, the on-the-spot checks may require additional visits at a later date. In such a case, the on-the-spot checks shall be coordinated in such a way to limit the number and the duration of such visits to	Proposal to insert new point to Article 26 and delete fist subparagraph of Article 26(4): 3a. **On-the-spot check shall be done at the time when most of the eligibility criteria and commitments can be checked.** **The period provided in Article 40(1) of Regulation (EU) No 639/2014 does not restrict the timing of the control if crop diversification requirements can be verified, for example based on crop residues**. ~~4. Where certain eligibility criteria, commitments and other obligations can only be checked during a specific time period, the on-the-spot checks may require additional visits at a later date. In such a case, the on-the-spot checks shall be coordinated in such a way to limit the number and the duration of such visits to one beneficiary to the minimum required. Where appropriate, such visits may also be carried out by way of remote sensing in accordance with Article 40.~~	The same farm is controlled only once during the growing season and at the time when most of the eligibility criteria and commitments can be checked (in the same way as in the case of cross-compliance). It cannot be considered appropriate that the control procedures applied to the area-based and animal-based payments are so strict, overwhelming and pedantic when we already have other limits such as payment entitlements and financial ceilings per Member State in use which make it impossible to pay over these limits. Therefore, there are already limits to the financial risk to the funds. It has to be possible to perform the on-the-spot checks after the cultivation period for crop diversification on the condition that all the requirements can still be unambiguously verified, for example based on crop residues. The cultivation period for crop diversification is very burdensome for both the farmers and the administration and it should be completely deleted. Crop diversification can be controlled based on 100 % cross-checks and those verified with on-the-spot checks which are done at the time when most of the eligibility criteria and commitments can be checked. This kind of approach is applied concerning cross compliance and should be followed concerning eligibility criteria and commitments as well. There is no difference with regard to the verification during that period and a little bit later. Especially in the Northern conditions with short cultivation period this kind of flexibility is needed. Moreover, the scattered location of parcels and the long distances make several visits to individual farms quite costly and burdensome	Short term. Urgent.

	one beneficiary to the minimum required. Where appropriate, such visits may also be carried out by way of remote sensing in accordance with Article 40. Where additional visits relating to land laying fallow, field margins, buffer strips, strips of eligible hectares along forest edges, catch crops and/or green cover declared as ecological focus area are required, the number of those additional visits shall for 50 % of the cases concern the same beneficiary, selected on a risk based basis, and for the remaining 50 % of the cases different additionally selected beneficiaries. The different additional beneficiaries shall be selected randomly from all beneficiaries having land laying fallow, field margins, buffer strips, strips of eligible hectares along forest edges, catch crops and/or green cover declared as ecological focus area and such visits may be limited to the areas declared as land laying fallow, field margins, buffer strips, strips of eligible hectares along forest edges, catch crops and/or green cover. Where additional visits are required, Article 25 shall apply to each additional visit.		for the administration. The natural conditions and farm structure restricts possibilities to carry out several visits on the same farms cost-effectively.	
Article 34 Sampling	1. Applications or applicants found not to be admissible or not eligible for payment at the time of submission or after	Proposal to insert new subparagraph to Article 34(1): 1. Applications or applicants found not to be	It should be possible to exclude the farm from the control sample if the earlier control result is in order/only minor irregularities have been determined in order to reduce the control burden	Short term.

	administrative checks shall not form part of the control population. 2. For the purposes of Articles 30 and 31, the sample selection shall be carried out as follows: (a) between 1 and 1,25 % of the beneficiaries applying for the basic payment scheme or the single area payment scheme in accordance with Chapter 1 of Title III of Regulation (EU) No 1307/2013 shall be selected randomly from all beneficiaries applying for those schemes; (b) between 1 and 1,25 % of the control population for greening shall be selected randomly from all beneficiaries selected in accordance with point (a). Where necessary to reach that percentage, additional beneficiaries shall be selected randomly among the control population for greening; (c) the remaining number of beneficiaries in the control sample referred to in Article 31(1)(a) shall be selected on the basis of a risk analysis; (d) all beneficiaries selected in accordance with points (a) to (c) of this subparagraph may be considered as part of the control samples provided for in Article 30(b) to (e), (g) and (h). Where	admissible or not eligible for payment at the time of submission or after administrative checks shall not form part of the control population. **Member State may exclude the farm from the control sample if the same farm has been controlled earlier during the last years and no irregularities or only minor irregularities have been determined.** (a) between 1 and 1,25 % of the beneficiaries applying for the basic payment scheme or the single area payment scheme in accordance with Chapter 1 of Title III of Regulation (EU) No 1307/2013 shall be selected randomly from all beneficiaries applying for those schemes; (b) between 1 and 1,25 % of the control population for greening shall be selected randomly from all beneficiaries selected in accordance with point (a). Where necessary to reach that percentage, additional beneficiaries shall be selected randomly among the control population for greening; (c) the remaining number of beneficiaries in the control sample referred to in Article 31(1)(a) shall be selected on the basis of a risk analysis; (d) all beneficiaries selected in accordance with points (a) to (c) of this subparagraph may be considered as part of the control samples provided for in Article 30(b) to (e), (g) and (h). Where necessary to respect the minimum control rates, additional beneficiaries shall be selected randomly from their respective control populations; (e) all beneficiaries selected in accordance with points (a) to (d) **and (g)** of this subparagraph may be considered as part of	for the same farms. There is a need to have a possibility to include beneficiaries referred to in Article 31(1)(b) i.e. farmers who are exempted from both the crop diversification and the ecological focus area obligations by not meeting the thresholds referred to in Articles 44 and 46 of Regulation (EU) No 1307/2013 and who are not concerned by the obligations referred to in Article 45 of that Regulation to the sample of basic payment (beneficiaries referred to in Article 30(a)) to ease the administrative burden and control cost. If this is not possible this may cause hundreds of additional controls and that is not cost-effective. Risk-based approach can be used also by using this simplified approach.	

	necessary to respect the minimum control rates, additional beneficiaries shall be selected randomly from their respective control populations; (e) all beneficiaries selected in accordance with points (a) to (d) of this subparagraph may be considered as part of the control sample provided for in Article 30(a). Where necessary to respect the minimum control rate, additional beneficiaries shall be selected randomly from all beneficiaries applying for the basic payment scheme or the single area payment scheme in accordance with Chapter 1 of Title III of Regulation (EU) No 1307/2013; (f) the minimum number of beneficiaries referred to in Article 30(f) shall be selected randomly from all beneficiaries applying for the payment under the small farmers scheme in accordance with Title V of Regulation (EU) No 1307/2013; (g) the minimum number of beneficiaries referred to in Article 31(1)(b) shall be selected on the basis of a risk analysis from all beneficiaries qualifying for the greening payment who are exempted from both the crop diversification and the ecological focus area obligations by not meeting the thresholds referred to in Articles 44 and 46 of Regulation (EU) No 1307/2013	the control sample provided for in Article 30(a). Where necessary to respect the minimum control rate, additional beneficiaries shall be selected randomly from all beneficiaries applying for the basic payment scheme or the single area payment scheme in accordance with Chapter 1 of Title III of Regulation (EU) No 1307/2013; (f) the minimum number of beneficiaries referred to in Article 30(f) shall be selected randomly from all beneficiaries applying for the payment under the small farmers scheme in accordance with Title V of Regulation (EU) No 1307/2013; (g) the minimum number of beneficiaries referred to in Article 31(1)(b) shall be selected on the basis of a risk analysis from all beneficiaries qualifying for the greening payment who are exempted from both the crop diversification and the ecological focus area obligations by not meeting the thresholds referred to in Articles 44 and 46 of Regulation (EU) No 1307/2013 and who are not concerned by the obligations referred to in Article 45 of that Regulation;		

	and who are not concerned by the obligations referred to in Article 45 of that Regulation;			
Article 35 Increase of the control rate	Where on-the-spot checks reveal any significant non-compliance in the context of a given aid scheme or support measure or in a region or part of a region, the competent authority shall appropriately increase the percentage of beneficiaries to be checked on-the-spot in the following year.	Proposal to modify Article 35: Where on-the-spot checks **based on the random sample** reveal any significant non-compliance in the context of a given aid scheme or support measure or in a region or part of a region, the competent authority shall appropriately increase the percentage of beneficiaries to be checked on-the-spot in the following year.	The number of inspections should only be increased if significant irregularities are confirmed on farms which were randomly selected for inspection. It would greatly discourage MS from establishing an effective risk analysis mechanism if the number would be increased also because of a significant degree of irregularities on farms selected based on a risk analysis. Quite the opposite, the risk analysis is expected to find the non-compliances better than the random selection and MS should be encouraged to introduce and apply an effective risk analysis.	Short term.
Article 36 Reduction of the control rate	1. The control rates laid down in this Chapter may only be reduced in respect of aid schemes or support measures set out in this Article. 2. By way of derogation from Article 30(a), (b) and (f), Member States may, as regards the basic payment scheme, the single area payment scheme, the re-distributive payment and the small farmers scheme, decide to reduce the minimum level of on-the-spot checks carried out each year per scheme to 3 %.	Proposal to modify Article 36(1) and 36(2): 1. The control rates laid down in this Chapter may ~~only~~ be reduced in respect of **all** aid schemes or support measures set out in this Article. 2. By way of derogation from Article 30(a), (b) and (f), Member States may, as regards the basic payment scheme, the single area payment scheme, the re-distributive payment, **the greening payment, the voluntary coupled payments** and the small farmers scheme, decide to reduce the minimum level of on-the-spot checks carried out each year per scheme to 3 %.	A risk-based approach should be applied to Member States. We must encourage good performance from administrations and farmers through lighter touch controls and enforcement. This means applying a risk-based approach to selection for audits, inspections, etc. (but using random samples to identify the level of risk). We are disappointed that the reduction of the control rate does not concern the greening payment and voluntary coupled payments. Especially the greening payment has a clear link with the basic payment scheme. There is no realistic possibility to reduce the control rate concerning the basic payment scheme if it is not possible to reduce the control rate concerning the greening payment. The possibility to reduce the control rate should be in line with the spirit of the Horizontal Regulation (EU No 1306/2013), i.e. reduction is always possible when the error rate is at an acceptable level and the control and administration systems function properly. The control rate is the main element in the effort to make the control system more sensible and less	Short term.

			costly in the future.	
Article 37(2) Control of other obligations	2. On-the-spot checks shall cover the area measurement and verification of the eligibility criteria, commitments and other obligations of the area declared by the beneficiary under the aid schemes and/or support measures referred to in paragraph 1.	2. On-the-spot checks shall cover the area measurement and verification of the eligibility criteria, commitments and other obligations of the area declared by the beneficiary under the aid schemes and/or support measures referred to in paragraph 1. **If it is question about requirements and standards relevant for cross compliance, the amount of controls is limited to the amount provided in Article 68 (1).**	It should be made clear that requirements and standards relevant for cross compliance are controlled based on rules concerning cross compliance and there is no need to increase that percentage to 5 % by this subparagraph.	Short term.
Article 38(1) Area measurement	1. While all agricultural parcels shall be subject to eligibility checks, the actual area measurement of the agricultural parcel as part of an on-the-spot check may be limited to a randomly selected sample of at least 50 % of the agricultural parcels for which an aid application and/or payment claim has been submitted under the area-related aid schemes and/or rural development measures. When this sample check reveals any non-compliance, all agricultural parcels shall be measured, or conclusions from the measured sample shall be extrapolated. The first subparagraph shall not apply to agricultural parcels to be checked for the purpose of ecological focus area in accordance with Article 46 of Regulation (EU) No 1307/2013. […]	Proposal to modify Article 38(1) and insert new point 9: **By way of derogation from first and second subparagraph,** all agricultural parcels **assumed to be risky and at least 50 % of them** shall be subject to eligibility checks. **If** the actual area measurement, **concerning also ecological focus area,** of the agricultural parcel as part of an on-the-spot check **is** ~~be limited to a randomly selected~~ **risk-based** of at least 50 % of the agricultural parcels for which an aid application and/or payment claim has been submitted under the area-related aid schemes and/or rural development measures**, there is no need for measurement of all parcels or to extrapolate the result.** ~~When this sample check reveals any non-compliance, all agricultural parcels shall be measured, or conclusions from the measured sample shall be extrapolated.~~ ~~The first subparagraph shall not apply to agricultural parcels to be checked for the purpose of ecological focus area in accordance with Article 46 of Regulation (EU) No 1307/2013.~~ […]	A risk-based approach should be applied to all controls of farmers and also within the farm. This means that controls are reduced where the farmer has a good track record or the already controlled agricultural parcels have revealed no risk or only minor irregularities. In these cases there is no need to extend the sample or extrapolate the result if the sample is based on risk analysis. Similarly, controls should be increased - as is already the case - where systemic problems have occurred. If ecological focus area is based on agricultural parcels, there is no need to measure these parcels 100 %. Also EFA-layer is demanded and this kind of 100 % check is very burdensome for the administration. It should be possible to accept the eligible area outside the digitized boundaries. When the determined area must be capped to the digitized	Short term.

		9**. The eligible area outside the digitized boundaries can be accepted.**	boundaries, it is not possible to off-set the over-declaration of one parcel against under-declaration of another parcel of the same crop-group. This is very difficult for the farmer to understand, i.e. that he/she has the eligible area necessary, but there will be reductions in the payments.	
Article 68 Minimum control rate of cc	2. By way of derogation from paragraph 1, in order to reach the minimum control rate referred to in that paragraph at the level of each act or standard or group of acts or standards, the Member State may: (a) use the results of on-the-spot checks carried out pursuant to the legislation applicable to those acts and standards for the selected beneficiaries; or (b) replace selected beneficiaries by beneficiaries subject to an on-the-spot check carried out pursuant to the legislation applicable to those acts and standards, provided that those beneficiaries are beneficiaries as referred to in Article 92 of Regulation (EU) No 1306/2013. In such cases the on-the-spot checks shall cover all aspects of the relevant acts or standards as defined under cross-compliance. Furthermore the Member State shall ensure that the effectiveness of those on-the-spot checks is at least equal to that achieved when the on-the-spot checks are carried out by	2. By way of derogation from paragraph 1, in order to reach the minimum control rate referred to in that paragraph at the level of each act or standard or group of acts or standards, the Member State may: (a) use the results of on-the-spot checks carried out pursuant to the legislation applicable to those acts and standards for the selected beneficiaries; or (b) replace selected beneficiaries by beneficiaries subject to an on-the-spot check carried out pursuant to the legislation applicable to those acts and standards, provided that those beneficiaries are beneficiaries as referred to in Article 92 of Regulation (EU) No 1306/2013. In such cases the on-the-spot checks shall cover all aspects of the relevant acts or standards as defined under cross-compliance. Furthermore the Member State shall ensure that the effectiveness of those on-the-spot checks is at least equal to that achieved when the on-the-spot checks are carried out by competent control authorities. **3. By way of derogation from paragraph 1, Member States may decide to reduce the minimum control rate to 0,5 % at the level of each act or standard or group of acts or standards, if the rate of non-compliances found in the random sample checked on**	It should be possible also in the system of cross-compliance to reduce minimum control rate of 1% if small amount of non-compliances has been found in the previous years. Thus, the new subparagraph should be inserted between the subparagraphs 2 and 3. The proposal is in in line with Article 36 (2).	Medium term.

	competent control authorities. 3. When establishing the minimum control rate referred to in paragraph 1 of this Article, the required actions as referred to in Article 97(3) of Regulation (EU) No 1306/2013, shall not be taken into account.	**the spot shall not exceed 2 % in the preceding two claim years. That rate of errors shall be certified by the Member State in accordance with the methodology drawn up at Union level.** ~~3.~~ **4.** When establishing the minimum control rate referred to in paragraph 1 of this Article, the required actions as referred to in Article 97(3) of Regulation (EU) No 1306/2013, shall not be taken into account. [...]		
Article 68(4) Increase of cc control rate	4. Should on-the-spot checks reveal a significant degree of non-compliance with a given act or standard, the number of on-the-spot checks to be carried out for that act or standard in the following control period shall be increased. Within a specific act the competent control authority may decide to limit the scope of those further on-the- spot checks to the most frequently infringed requirements.	4. Should on-the-spot checks **based on the random sample** reveal a significant degree of non-compliance with a given act or standard, the number of on-the-spot checks to be carried out for that act or standard in the following control period shall be increased. Within a specific act the competent control authority may decide to limit the scope of those further on-the- spot checks to the most frequently infringed requirements.	The number of inspections should only be increased if significant irregularities are confirmed on farms which were randomly selected for inspection. It would greatly discourage MS from establishing an effective risk analysis mechanism if the number would be increased also because of a significant degree of irregularities on farms selected based on a risk analysis. Quite the opposite, the risk analysis is expected to find the non-compliances better than the random selection and MS should be encouraged to introduce and apply an effective risk analysis.	Medium term.
Article 71(2) Elements of the on-the-spot checks of cc	2. On-the-spot checks shall, where applicable, cover all the agricultural land of the holding. Nevertheless, the actual inspection in the field as part of an on-the-spot check may be limited to a sample of at least half of the agricultural parcels concerned by the requirement or standard on the holding, provided that such sample guarantees a reliable and representative level of control in	2. On-the-spot checks shall, where applicable, cover all the agricultural land of the holding. Nevertheless, the actual inspection in the field as part of an on-the-spot check may be limited to a sample of at least half of the agricultural parcels **assumed to be risky** concerned by the requirement or standard on the holding, provided that such sample guarantees a reliable and representative level of control in respect of requirements and standards. […]	A risk-based approach should be applied to all controls of farmers and also within the farm. This means that controls are reduced where the farmer has a good track record or the already controlled agricultural parcels have revealed no risk or only minor irregularities. In these cases there is no need to extend the sample or extrapolate the result if the sample is based on risk analysis. Similarly, controls should be increased - as is already the case - where systemic problems have occurred.	Medium term.

	respect of requirements and standards. […]			
Article 73(4) General principles of administrative penalties of cc	4. The administrative penalty shall be applied to the total amount of the payments referred to in Article 92 of Regulation (EU) No 1306/2013 granted or to be granted to that beneficiary: (a) following aid applications or payments claims he has submitted or will submit in the course of the year of the finding; and/or (b) in respect of applications for support schemes in the wine sector under Articles 46 and 47 of Regulation (EU) No 1308/2013. As regards point (b) of the first subparagraph, the relevant amount shall be divided by 3 for restructuring and conversion.	4. The administrative penalty shall be applied to the total amount of the payments referred to in Article 92 of Regulation (EU) No 1306/2013 granted or to be granted to that beneficiary: (a) following aid applications or payments claims he has submitted or will submit in the course of the year ~~of the finding~~ **when aid application has been submitted and the beneficiary has been a part of the control sample of cross compliance**; and/or (b) in respect of applications for support schemes in the wine sector under Articles 46 and 47 of Regulation (EU) No 1308/2013. As regards point (b) of the first subparagraph, the relevant amount shall be divided by 3 for restructuring and conversion.	It would be more understandable for the farmers and easier to implement for the administration if the administrative penalty could be applied for the year when aid application has been submitted and the beneficiary has been selected to the control sample of cross compliance.	Medium term.

LPIS working document (DSCG/2014/33 FINAL)

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Last subparagraph of point 2.1.2.	In continuation of the current legislation and in particular the definition of permanent pasture (Article 2(c) of Regulation (EC) N)1120/2009), parcels of arable land with set aside/land laying fallow for 5 years or longer may have to be reclassified as	~~In continuation of the current legislation and in particular the definition of permanent pasture (Article 2(c) of Regulation (EC) N)1120/2009), parcels of arable land with set aside/land laying fallow for 5 years or longer may have to be reclassified as permanent grassland if their land cover fulfils the conditions of Art. 4(1)(h) of Regulation (EU)~~	These sentences should be deleted because these are against of the definition of "arable land" (Article 4(l)(f) of Regulation 1307/2013). Based also on the answer of the Commission (ARES(2015) 154712) to us concerning areas set aside in accordance of agri-environmental commitments we have an opinion that not only areas set aside in accordance of agri-	Short term/Urgent

	permanent grassland if their land cover fulfils the conditions of Art. 4(1)(h) of Regulation (EU) No 1307/2013 and if they do not fall under the derogation provided for in Article 45(2) of Regulation (EU) No 639/2014. This provision foresees that those areas remain arable land beyond the limit of 5 years as long as they are declared (without interruption) as EFA. Areas with grasses and other herbaceous forage should be declared permanent grassland after 5 years of declaration as such (e.g. an arable land declared for the first time as "temporary" grassland in the 2010 single application and continuously declared as such in 2011, 2012, 2013 and 2014 should become and be declared as permanent grassland in the single application of 2015 and be registered as such in the LPIS).	~~No 1307/2013 and if they do not fall under the derogation provided for in Article 45(2) of Regulation (EU) No 639/2014. This provision foresees that those areas remain arable land beyond the limit of 5 years as long as they are declared (without interruption) as EFA. Areas with grasses and other herbaceous forage should be declared permanent grassland after 5 years of declaration as such (e.g. an arable land declared for the first time as "temporary" grassland in the 2010 single application and continuously declared as such in 2011, 2012, 2013 and 2014 should become and be declared as permanent grassland in the single application of 2015 and be registered as such in the LPIS).~~	environmental commitments but also all the other areas set aside should always be as arable land based on the definition of arable land (Article 4(1)(f).	
Point 2.5. Parcels with trees	An agricultural parcel that contains scattered trees shall be considered as eligible area provided that the following conditions are fulfilled: a) agricultural activities can be carried out in a similar way as on parcels without trees in the same area; and b)the number of trees per hectare does not exceed a maximum density.		Especially the LPIS-working document concerning trees (DSCG/2014/33- final) includes several rules about the trees and shrubs. Member States should have more flexibility from their own circumstances even if the maximum 100 tree –rule is maintained. It should be possible for the MS to define that there can be only 33 % of shrubs on the eligible area of permanent grassland to be accepted (i.e. less than the rule that "grasses or other herbaceous forage" covers more than 50 % would mean) if the less than 50 %-rule is considered to be too broad for the local circumstances.	Medium term.

	The maximum density referred to in point (b) of the first subparagraph shall be defined by Member States and notified on the basis of traditional cropping practices, natural conditions and environmental reasons. It shall not exceed 100 trees per hectare. However, that limit shall not apply in relation to the measures referred to in Articles 28 and 30 of Regulation (EU) No 1305/2013. This paragraph shall not apply to scattered fruit trees which yield repeated harvests, to scattered trees which can be grazed in permanent grassland and to permanent grassland with scattered landscape features and trees where the Member State concerned has decided to apply a pro-rata system in accordance with Article 10.			

Commission Delegated Regulation (EU) No 907/2014

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Article 12 (2) and (8) Financial corrections	2. The Commission shall base the exclusion on the identification of the amounts unduly spent only if those amounts may be identified with proportionate effort. Where the Commission cannot identify the amounts unduly spent with proportionate effort, Member States may, within the time-periods set by	Proposal to modify Article 12(2): 2. The Commission shall base the exclusion on the identification of the amounts unduly spent only if those amounts may be identified with proportionate effort. Where the Commission cannot identify the amounts unduly spent with proportionate effort, Member States may, within the time-periods	As regards methods for calculations concerning financial corrections, more flexibility should be given to Member States. There seems to be no room for manoeuvre in the Commission guidelines. Member States do not always have an opportunity to present an exact calculation and in these cases an option close to the calculation presented by the Member State should be made possible – provided that the Member State's	Short term.

	the Commission during the conformity clearance procedure, submit data concerning the verification of those amounts on the basis of an examination of all individual cases potentially affected by the non-conformity. The verification shall cover the entire expenditure incurred in breach of applicable law and charged to the Union budget. The data submitted shall include all individual amounts which are ineligible due to that non-conformity. […] 8. Where a Member State submits certain objective elements, which do not fulfil the requirements laid down in paragraphs 2 and 3 of this Article, but which demonstrate that the maximum loss for the funds is limited to a sum lower than what would derive from the application of the flat-rate proposed, the Commission shall use the lower flat-rate to decide on the amounts to be excluded from Union financing pursuant to Article 52 of Regulation (EU) No 1306/2013.	set by the Commission during the conformity clearance procedure, submit data concerning the verification of those amounts on the basis of an examination of all individual cases potentially affected by the non-conformity. The verification shall cover the entire expenditure incurred in breach of applicable law and charged to the Union budget. The data submitted shall include all individual amounts which are ineligible due to that non-conformity. **Commission shall otherwise determine the amounts to be excluded by using Members States calculation as a basis to determine the magnitude of the risk.** […] 8. Where a Member State submits certain objective elements, which do not fulfil the requirements laid down in paragraphs 2 and 3 of this Article, but which demonstrate that the maximum loss for the funds is limited to a sum lower than what would derive from the application of the flat-rate proposed, the Commission shall **determine the amounts to be excluded by using Members States calculation referred in paragraph 2 as a basis to determine the magnitude of the risk** ~~use the lower flat-rate to decide on the amounts to be excluded from Union financing pursuant to Article 52 of Regulation (EU) No 1306/2013.~~	calculation can be considered credible. The calculation presented by the Member States can show, however, the magnitude of the risk. Fixed flat-rate corrections and extrapolated corrections should only be used in cases where the Member State cannot present any calculations on the risk to the fund. In cases where there is inaccuracy in the calculation, the Commission should use the calculation as the basis and determine the financial correction by adding an amount that should cover the inaccuracy (e.g. if a calculation of 100 000 euros involving inaccuracy has been presented the Commission could consider that an increase by, for example, 20% should cover this, which means that the financial correction would be 120 000 euros).	
Annex I point 2(B) Procedu-res for payment	The paying agency shall adopt the necessary procedures to ensure that payments are made only to bank accounts belonging either to beneficiaries or to their assignees. The payment shall be made by the paying agency's bank, or, as appropriate, a governmental payments office, within five working days of	Proposal to modify Annex I point 2(B): The paying agency shall adopt the necessary procedures to ensure that payments are made only to bank accounts belonging either to beneficiaries or to their assignees. **The Member State may also make the payment or part of it from their own resources to separate bank account, from which payment is made to the**	If our primary simplification proposal (Article 75 of Regulation (EU) No 1306/2013) concerning need to speed up the payment timetable cannot be put into practice, this amendment should be made. The economic situation of farmers is getting worse	Short term.

	the date of charge to the EAGF or to the EAFRD. Procedures shall be adopted to ensure that all payments for which transfers are not executed are not declared to the Funds for reimbursement. If such payments have already been declared to the Funds these should be re-credited to the Funds via the next monthly/quarterly declarations or in the annual accounts at the latest. No payments shall be made in cash. The approval of the authorising official and/or his/her supervisor may be made by electronic means, provided an appropriate level of security over those means is ensured, and the identity of the signatory is entered into the electronic records.	**beneficiary or to his/her assignee in order to ease the economic situation of beneficiary by payments before the deadlines provided in Article 75 of Regulation (EU) No 1306/2013. State aid provisions shall not apply to this kind of payment to the separate bank account**. The payment shall be made by the paying agency's bank, or, as appropriate, a governmental payments office, within five working days of the date of charge to the EAGF or to the EAFRD. Procedures shall be adopted to ensure that all payments for which transfers are not executed are not declared to the Funds for reimbursement. If such payments have already been declared to the Funds these should be re-credited to the Funds via the next monthly/quarterly declarations or in the annual accounts at the latest. No payments shall be made in cash. The approval of the authorising official and/or his/her supervisor may be made by electronic means, provided an appropriate level of security over those means is ensured, and the identity of the signatory is entered into the electronic records.	and worse. The Member States should have possibility to make payments from their own financial resources before payments can be made according to Article 75 of Regulation (EU) No 1306/2013 without counting these payments to state aid.	

RURAL DEVELOPMENT REGULATION (EU) No 1305/2013

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Regulation (EU) No 1305/2013 art. 28 and other articles related to Measure 10.		Commission interpretation of issues related to measure 10 should always be profoundly based on the articles and these should be agreed on beforehand and be written in fiches or guidelines.	Interpretations made by the Commission during the program negotiations or after the acceptance of the program, which narrow or change the possibilities to use and implement the measure lead to much additional work for the Member States and makes it difficult to give coherent and reliable information to the beneficiaries.	Short term
Article 47 Rules for area related payments	2. Where all or part of the land under commitment or the entire holding is transferred to another person during the period of that commitment, the commitment, or part thereof corresponding to the land transferred, may be taken over for the remainder of the period by that other person or may expire and reimbursement shall not be required in respect of the period during which the commitment was effective. 3. Where a beneficiary is unable to continue to comply with commitments given because the holding or part of the holding is re-parcelled or is the subject of public land consolidation measures or land consolidation measures approved by the competent public authorities, Member States shall take the measures necessary to allow the commitments to be adapted to the new situation of the holding. If such adaptation proves	Proposal to modify Article 47(4):	There should be more flexibility concerning area-related rural development measures so that small changes caused by, for example, the update of LPIS, non -productive investments linked to the achievement of agri- environment -climate objectives or building of a cowshed does not cause need for recovery (at the same way as reasons provided in Articles 47(2) and 47(4) Of Regulation (EU) No 1305/2013). Recovery for the whole commitment time because of these kinds of changes is very burdensome for both farmers and administration. Moreover, the farmer has followed the commitment concerning the whole area before the change.	Short term

	impossible, the commitment shall expire and reimbursement shall not be required in respect of the period during which the commitment was effective. 4. Reimbursement of the aid received shall not be required in cases of force majeure and exceptional circumstances as referred to in Article 2 of Regulation (EU) No 1306/2013.	4. Reimbursement of the aid received shall not be required in cases of force majeure and exceptional circumstances as referred to in Article 2 of Regulation (EU) No 1306/2013 **either in cases where the land under commitment has decreased maximum 10 %.**		
Guidance document for Regulation (EU) No 1305/2013 art. 28 (Measure 10)	4.7.2 It is not possible to fix maximum global payment amount per beneficiary (per holding) for a given operation. This would be against the logic of the measures concerned. These measures compensate additional costs and income losses resulting from the commitments made, which are in principle proportional to the number of ha under commitments. 4.7.3 In principle, an AEC premium for a given beneficiary as set in his contract should not change during the contract period.	4.7.2 It is ~~not~~ possible to fix maximum global payment amount per beneficiary (per holding) for a given operation. It is possible to adjust the payment for budgetary reasons if the target area of the measure is exceeded. ~~This would be against the logic of the measures concerned. These measures compensate additional costs and income losses resulting from the commitments made, which are in principle proportional to the number of ha under commitments.~~ 4.7.3 In principle, an AEC premium for a given beneficiary as set in his contract should not change during the contract period. It is however possible to adjust the payment per hectare for budgetary reasons if the target area of the measure is exceeded.	The member state should be given adequate tools to adjust and limit the total expenditure in measures where no selection criteria are applied. This could be done by using a coeffient to reduce the premia per hectare of the total target area of the measure or some other way that is transparent and ensures an equal treatment of the beneficiaries. Member States are allowed to compensate the beneficiaries with a lower premia than the costs of the operation if a Member State can ensure the measure still will achieve its objectives. Because it is difficult to predict the uptake of the operations, it should be possible to adjust the premia when the uptake is known. If no adjustment is possible the Member States will lower the premia possibly too much just to be on the safe side with the budget discipline or there will be no application period when there might be a possibility to go over the budget.	Short term
Regulation (EU) No 1305/2013 of the European	Art 60 (4) Payments by beneficiaries shall be supported by invoices and documents proving payment. Where this cannot be done,	The principle, that the bookkeeping document, according the national bookkeeping rules, is of equivalent probative value as the invoices and receipts should be clearly stated in the	According the written answer given 26.9.2014 concerning Art 48 (3) the Commission has defined, that "National bookkeeping rules are applicable. However, in the context of on-the-spot	Short term

Parliament and of the Council Commission implementing regulation (EU) No 809/2014	payments shall be supported by documents of equivalent probative value. Art 48 (3) Administrative checks on payment claims shall include in particular, and where appropriate for the claim in question, verification of: (a) the completed operation compared with the operation for which the application for support was submitted and granted; (b) the costs incurred and the payments made.	implementing regulation.	controls details of the invoices may be checked." Sending and copying all individual receipts is an unnecessary administrative burden in case the bookkeeping would serve the purpose as well and in many cases the bookkeeping is in electronic format.	
Commission delegated Regulation (EU) No 807/2014 art 14 (1) and (2)	1. Member States may authorize one commitment under Articles 28, 29, 33 or 34 of Regulation (EU) No 1305/2013 to be converted into another commitment during the period of its operation, provided that all the following conditions are fulfilled: (a) the conversion is of significant benefit to the environment or to animal welfare; (b) the existing commitment is substantially reinforced; (c) the approved rural development programme includes the commitments concerned. A new commitment shall be undertaken for the full period specified in the relevant measure irrespective of the period for which the original commitment has already been implemented. 2. Member States may allow commitments under Articles 28,	There is no need to change the article but broaden the interpretation of when a conversion or an adjustment is beneficial for the environment.	The main goal should be that the commitment delivers the best possible environmental benefits on a farm in a current production environment. If the production on the farm changes the commitment should also change to meet the new environmental situation on the farm without claim of recovery of the original commitment. A commitment should not limit the possibility to change the production type on a farm.	Mid term

	29, 33 and 34 of Regulation (EU) No 1305/2013 to be adjusted during the period for which they apply, provided that the approved rural development programme provides the possibility for such adjustment and that the adjustment is duly justified having regard to the achievement of the objectives of the original commitment. The beneficiary shall fulfill the adjusted commitment for the remainder of the duration of the original commitment. Adjustments may also take the form of an extension of the duration of the commitment.			
SFC 2014 system for the electronic submission	The SFC-system defines the structure of the rural development program and the number of letters under each title.	In the next programming preparation the structure should be revised to better give a general picture of the program. The number of letters should not be limited especially in such parts where an extensive description is needed to give all relevant information the Commission asks for in the negotiation process. The amount of obligatory titles should be reduced. The intervention logic and the number of measures is split in the SFC framework into too small and too many pieces to give a full view of program.	The SFC system is a difficult tool for both the writers and the readers of the program. The Commission has asked for additional summary texts from the Member States during the program negotiation process even if those issues were written in the program text in the format that the SFC framework. The SFC format of the program is too difficult to use for any other information purposes than communication with the Commission. This increases the possibilities of misinterpretation of the program in the implementation process.	Long term
The RDP negotiation process and additional evaluation requirements	Regulation (EU) No 1305/2013, Chapter 3, Evaluation defines all the evaluations that a member state is required to do for the program period.	It should made clear that during the program negotiation process the Commission may not require additional evaluations or follow-up report obligations to be added in the program than those mentioned in the RPD regulation.	The evaluation process and its delivery have been agreed on in the RDP regulation. There should be no need to require additional evaluations of the program.	Long term
Regulation	Guidance document, footnote 9:	Sanctions should apply as a percentage	Proposed controls unreasonable.	Short term

(EU) No 1305/2013 art. 28.3 and 29.2. Regulation (EU) N:o 640/2014 art. 35 Guidance document on control and penalty issue and Q&A document	For example, for the agro-environment-climate measure, cross-compliance requirements and relevant requirements for plant protection products and fertilizers are the baseline, so in case of breaches in the baseline as 'eligibility criteria', full reduction/withdrawal applies.	reduction only to the measure and payment for it concerned by the baseline requirement, not the whole compensation payable for the measure. In case of breaches in the baseline as "other obligation", partial reduction/withdrawal applies ie. art. 35(2).		

OTHER REGULATIONS IN RELATION TO RURAL DEVELOPMENT RULES

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
EU-legislation in general		The same issue should not be regulated through several directives.	For example regulating the use of fertilizers should not be included in the integrated pest management when the nitrate directive and water framework directives already deal with this issue.	Mid term

SINGLE CMO REGULATION (1308/2013) AND OTHER PROVISIONS REGARDING MARKETING STANDARDS

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Marketing Standards	Single CMO Regulation: Articles 73-91	To some extent the marketing standards are necessary. They are a common agreement between different operators (producers, suppliers, traders, buyers etc.) to define the quality or authenticity of the product. In case of disagreement it is important to have objective standards and definitions. Marketing standards also have a close connection preventing fraudulent trading and from that aspect it is essential to have official definitions. The fundamental question is: are all marketing standards needed at the EU level?	Would the international (UNECE or Codex) standards be enough and meet the needs? Almost all products that have EU marketing standards are also foodstuffs (except hatching eggs). So they are covered by EU food law (178/2002) and regulation of food information to consumers (1169/2011). In these regulations it is clear that the food business operators are responsible for food safety and authenticity, as well as correct information given. The Commission should compare these regulations (marketing standards and food regulations) and clarify if there really is need for separate regulations.	Mid term

COUNCIL REGULATION (EC) No 700/2007

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Marketing of the meat of bovine animals aged 12 months or less	Article 3 Classification of bovine animals at the slaughterhouse On slaughter, all bovine animals aged 12 months or less shall be classified by the operators, under the supervision of the competent authority referred to in Article 8(1), in one of the categories listed in Annex I.	There should not be an obligatory special carcass classification and labeling requirement if the veal is not marketed as veal meat.	In practice these requirements mean that all bovine animals aged 12 months or less have to be classified on slaughter, and veal meat, even in small pieces in a mixture of meat, has to be labeled in the package.	Mid term

	Article 5: Compulsory information on the label 1. Without prejudice to Article 3(1) of Directive 2000/13/EC and Articles 13, 14 and 15 of Regulation (EC) No 1760/2000, at each stage of production and marketing, operators shall label the meat of bovine animals aged 12 months or less with the following information: (a) the age of the animals on slaughter, indicated, as the case may be, on the form 'age on slaughter: up to 8 months' in the case of animals aged 8 months or less, or 'age on slaughter: from 8 to 12 months' in the case of animals aged more than 8 months but not more than 12 months;			

COMMISSION IMPLEMENTING REGULATION (EU) NO 543/2011, articles 55, 56 and 97 (Operational programmes in the fruit and vegetables sector)

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
(EU) No 543/2011 Articles 55 and 56 National Strategy &	*Article 55* (1). The overall structure and content of the national strategy referred to in Article 103f(2) of Regulation (EC) No 1234/2007 shall be established in accordance with the guidelines set out in Annex VII. It may be comprised of regional elements.	Proposal to merge Articles 55 and 56.	It would be simpler to establish only one national document in Member State instead of two documents.	Mid term

National framework for environmental actions	The national strategy shall integrate all the decisions taken and provisions adopted by the Member State in application of Sections I and Ia of Chapter II of Title II of Part II of Regulation (EC) No 1234/2007 and this Title. etc. *Article 56* (1). In addition to the submission of the proposed framework referred to in the second subparagraph of Article 103f(1) of Regulation (EC) No 1234/2007, Member States shall also notify the Commission of any amendments to the national framework which shall be subject to the procedure set out in that subparagraph. The Commission shall make a national framework available to other Member States by the means it considers appropriate. etc.			
Member States' notifications concerning producer organisations, associations of producer organisations and producer groups	Article 97 Member States shall notify the Commission of the following information and documents: (b) by 15 November in any given year, an annual report on producer organisations, associations of producer organisations and producer groups and operational funds, operational programmes and recognition plans running in the previous year. The annual report shall contain in particular the information set out in Annex XIV and its notification shall be made in accordance with Commission Regulation (EC) No 792/2009 (1)	Proposal to remove Article 97(1b) and Annex XIV	Monitoring and evaluation in the producer organisation scheme is too extensive. Yearly reports are too complex. The indicators are not straightforward and difficult to interpret and to work with. Only ex ante and ex post evaluation at the beginning and at the end of the operational programme should be required.	Mid term

TRADE MECHANISMS (COMMISSION REGULATION (EC) NO 1301/2006)
Issues currently under discussion in the expert group

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
TRQs: proof of trade	Art. 5 provides a horizontal rule requiring operators to demonstrate a "track record" in order to have access to a quota. Art 5 also provides for proof of trade to be demonstrated by customs documents of release for free circulation, duly endorsed by the customs authorities.	The current provision which requires proof of import or export in the previous 12 month period, plus the 12 months before that is too rigid and denies newcomers access to the quota. The p0eriod of proof of import should be shortened for example to 12 months. It is becoming increasingly difficult to provide such proofs and that an alternative system should be provided for. Fixed proofs are sufficient.	In our point of view it is justified to maintain the rule in Article 5 but it should be shortened for example to 12 months. The system is more reliable and easier to control when only fixed proofs are accepted.	Mid term

PUBLIC INTERVENTION (COMMISSION REGULATION (EC) NO 1272/2009)
Issues currently under discussion in the expert group

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Rules on storage places	Articles 2 and 3 The harmonisation of requirements for storage places for cereals and rice on the one hand, and dairy products on the other	Rules on storage and places (articles 2 and 3) concerning dairy products and cereals/rice should not be harmonised taking into account the individual character for those products. If the rules are harmonised, MS should have the possibility to determine the qualitative requirements.	Taking into account the individual character for different products, rules should not be harmonised.	During the ongoing simplification work
Minimum storage capacities for cereals and rice and dairy	According to the Commission with the role of public intervention as a safety net measure, it can be argued that the thresholds should be increased in order to reduce the	Minimum thresholds should not be increased by Commission. MS should have the possibility to set higher thresholds if needed, same way as in art. 8.	If the minimum threshold is increased, this causes problems for smaller member states. For example Finland has limited amount operators and the storage places are small.	

products (5,000 t and 400 t respectively).	administrative burden on MS and to ensure the efficient operation of the system, in particular with a view to their future resale.			
Submission of offers and tenders	Articles 29 and 30 The calculation of transport costs for cereals and rice are subject to a complex series of adjustments aimed at ensuring a degree of equity for producers, both in determining their likely costs and in terms of maintaining a balance between in-situ and take over involving delivery. According to article 29 the offerer or tenderer should inform on storage place which has the lowest cost.	Rules should be simplified. Art. 38 (3) should be omitted in case of in-situ take overs in intervention storages. If in-situ take over takes place in storage place other than intervention storage then a reduction should be made to buying-price There is no need for such information.	In Finland close to 100 % of the in-situ take overs is done in intervention storages. Therefore art. 38 (3) should be omitted in case of in-situ take overs in intervention storages. Otherwise there is a dilemma in intervention, how the reduction can be made to the buying-in when cereal has not been transported from the intervention storage to another intervention storage? When in-situ take over takes place in intervention storage there will not be any increase in costs for the EU budget because cereals are already in intervention storage. The nearest storage place in usually the cheapest. There is no need to inform about it because the intervention agency already has the information.	During the ongoing simplification work
Obligations of the offerer or tenderer	Article 35(2) 2. In cases where the analyses and controls do not allow the cereals or rice offered to be accepted for intervention, the offerer or tenderer may replace the quantity that does not meet the requirements. In that case, the intervention agency may change the date for delivery, without prejudice to the final date for delivery laid down in Article 26(2).	Article 35(2) provides for the operator to replace a batch of cereals or rice where the analyses or controls do not allow the batch to be accepted. The Commission asks if the possibility to provide replacement batches of cereals or rice can be justified?	Deletion could be considered if there is also some flexibility for MS to set lower amount to be delivered. Otherwise there will be much of administrative burden when all the securities cannot be released.	During the ongoing simplification work
Intervention prices and buying-in price for cereals and	Article 38 3. For cereals and rice, if the intervention agency, in accordance with Article 31(2), takes over and stores the products at the storage place	A storage where the products are located at the time of offer may already be approved intervention storage place. In that case there	The rules should take into account that a storage where the products (cereals) are located at the time of offer may already be approved	During the ongoing simplification work

rice	at which they are located at the time the offer or tender is submitted, a reduction shall be made to the buying-in price to be paid. This reduction shall consist of: (a) the transport costs between the actual place of takeover designated by the intervention agency and the storage place	should not be reductions to buying-in price for cereals on the basis of transportation costs.	intervention storage place. In that case there are no transportation costs.	
Submission of tenders for sales from intervention	Article 42(2) The Regulation concerning sales of cereals and rice for export (Article 42(2)) provides for a specific tendering procedure for cereals for export.		A similar provision does not apply in respect of the other products and it should be considered to treat all products de facto in the same way.	During the ongoing simplification work
Removal from storage	Article 51	It should not be necessary for the intervention agency to be involved in the storage of products after the period of 30 days	After the period of 30 days the storage costs are a contractual matter between operator and storekeeper.	During the ongoing simplification work
Notifications	Articles 55 to 57 The articles lay down a series of information that MS are required to notify to the Commission.	Notifications should not be necessary when intervention is not taking place.	NIL notifications are administrative burden when intervention is not taking place.	During the ongoing simplification work
Verification of offers or tenders by the intervention agency	Article 11(2) 2. The documents referred to in Article 10(1)(b)(ii), (iii) and (iv) can be checked for compliance after the intervention agency has verified that the offers or tenders are admissible, if necessary with the assistance of the intervention agency competent for the storage place indicated by the offerer or tenderer, in accordance with Article 32(3).	Concerning the control on the presence of cereals and rice at the time of the offer or tender Finland supports the clarification of the requirement in Article 11(2) that the checks can be desk based.	Clarification is needed because of the uniform interpretation in all MS's.	During the ongoing simplification work
Sampling of dairy products	Annex IV, Part V Part V of Annex IV requires that 2 samples per year per producer offering butter for intervention must	Sampling for analyses should be limited only to the periods when the intervention is active	Administrative burden when intervention is not active.	During the ongoing simplification work

	be analysed for non-milk fat.			

QUALITY POLICY
Issues currently under discussion in the expert group

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Regulation (EU) 1151/2012 (agricultural products and foodstuffs) Regulation (EU) No 1308/2013 (wine) Regulation (EC) No 110/2008 (spirit drinks) Regulation (EU) No 251/2014 (aromatized wine products)	The rules regarding Quality Policy are at the moment in four different Regulations. The procedures in e.g. application, scrutiny, opposition and cancellation are different in the four Regulations.	The procedures should be made uniform while the product specifications could be similar to the current Regulations (or simplified if needed).	The streamlining of the procedures would make it simpler for the applicants to use the GI registration.	Mid term

PROMOTION POLICY
Issues currently under discussion in the expert group

COMMISSION DRAFT (06.01.2015) ON DELEGATED ACT

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Conditions under which a proposing organisation may submit a simple or multi programme	Article 1 1. The proposing organisations defined under Article 7(1) of Regulation (EU) No XXX/2014 [Basic Act] may submit a proposal for an information or promotion programme provided that they are representative of the sector concerned as follows: (a) The trade or inter-trade organisation, established in a Member State or at EU level, as referred to in Article 7(1)(a) and (b) of Regulation (EU) No XXX/2014 [Basic Act] shall be deemed to be representative of the sector concerned by the programme where its membership accounts for at least 50% as a proportion of the number of producers, or 50 % the volume of production of, or of value of trade in, or the volume of processing of the product(s) or the value of the sector concerned, in the Member State concerned or at EU level; (b) a group as defined in point 2 of Article 3 of Regulation (EU) No 1151/2012 of the European Parliament and of the Council11 and referred to in Article 7(1)(a) of	Article 1 1. The proposing organisations defined under Article 7(1) of Regulation (EU) No XXX/2014 [Basic Act] may submit a proposal for an information or promotion programme provided that they are representative of the sector concerned as follows: (a) The trade or inter-trade organisation, established in a Member State or at EU level, as referred to in Article 7(1)(a) and (b) of Regulation (EU) No XXX/2014 [Basic Act] shall be deemed to be representative of the sector concerned by the programme ~~where its membership accounts for at least 50% as a proportion of the number of producers, or 50 % the volume of production of, or of value of trade in, or the volume of processing of the product(s) or the value of the sector concerned, in the Member State concerned or at EU level.~~ (b) a group as defined in point 2 of Article 3 of Regulation (EU) No 1151/2012 of the European Parliament and of the Council11 and referred to in Article 7(1)(a) of Regulation (EU) No 1144/2014, shall be deemed to be representative of the name protected under Regulation (EU) No 1151/2012 and covered by the programme, where it accounts ~~for at least 50% of the volume or value of marketable production of the product(s) whose name is protected;~~	When measuring the representativeness of proposing organisations, no quantitative criteria should be established for them. In Finland, organisations generally operate in the third sector and constitute non-profit operators. Generally speaking, the establishment of criteria could be helpful, but this might lead to an unequal status for small and large member states. If quantitative criteria are set for organisations, this may result in a situation where no proposals are submitted from small countries. For this reason, different proposing organisations should at least be set different criteria when measuring representativeness.	short term

	Regulation (EU) No 1144/2014, shall be deemed to be representative of the name protected under Regulation (EU) No 1151/2012 and covered by the programme, where it accounts for at least 50% of the volume or value of marketable production of the product(s) whose name is protected; 4. A proposing organisation shall not receive more than two consecutive times support for an information or promotion programme on the same product or scheme, carried out in the same market.	4. A proposing organisation shall not receive more than two consecutive times support for an information or promotion programme on the same product or scheme, carried out in the same market **and same target group**.	It is important to still have the possibility to have a programme with the same product or the same scheme in the same market more than two consecutive times if the target group changes. With different target groups different targets can be attained.	
Eligibility of simple programmes	Article 3 (1) (d) if it concerns the internal market, be implemented in at least two Member States with a coherent share of the allocated budget, or be implemented in one Member State if that Member State is different from the Member State of origin of the proposing organisation(s). This requirement does not apply to programmes relaying a message which concerns the Union quality schemes referred to in Article 5(4)(a), (b) and (c) of Regulation (EU) No 1144/2014 and to programmes relaying a message which concerns proper dietary practices;	(d) if it concerns the internal market, be implemented in at least two Member States with a coherent share of the allocated budget, or be implemented in one Member State if that Member State is different from the Member State of origin of the proposing organisation(s). This requirement does not apply to programmes relaying a message which concerns the Union quality schemes referred to in Article 5(4)(a), (b) and (c) of Regulation (EU) No 1144/2014 and **quality schemes referred to in Article 5(4) (d) of Regulation (EU) No 1144/2014** and to programmes relaying a message which concerns proper dietary practices;	It is important to have the possibility to implement the programme in the member state orgin of the organisations that covers also the quality schemes referred to in points (b) and (c) of Article 16(1) of Regulation (EU) No 1305/2013 of the European Parliament and of the Council. This means also quality schemes (including farm certification schemes, for agricultural products, cotton or foodstuffs) recognised by the Member States and voluntary agricultural product certification schemes recognised by the Member States.	short term

Costs of simple programmes eligible for Union funding, Overheads and funding costs	Indirect eligible costs shall be determined by applying a flat rate of 4 % of the total direct eligible personnel costs of the proposing organisation.	Indirect eligible costs shall be determined by applying a flat rate of ~~4~~ 7 % of the total direct eligible costs of the proposing organisation.	The share of overheads, which amounts to 3% of the direct total costs of the programme (1 MS and internal market) still remains too low in relation to the actual amount of work to be performed by the proposing organisation. We would like to point out that in small member states the proposing organisations are smaller, with the consequence that also the budgets of the programmes are smaller. Particularly in case of small programmes, performing the work required with the 3% share reserved for overheads is very challenging, and in practice the organisations are always required to provide additional funding to cover the overheads. We propose thus that in the future the share of overheads should be 7% of programme costs.	short term

COMMISSION DRAFT (14.01.2015) ON IMPLEMENTING ACT

Issue	Current provision	Proposed amendment	Justification/Reasoning	Timing of the solution
Visibility of brands	Art. 3 1. Brands as referred to in Article 4 of Regulation (EU) No 1144/2014 are understood as trademarks as defined in Article 4 and 66 of Regulation (EC) No 207/2009 or in Article 2 of Directive 2008/95/EC1. 2. Brands of promoted products of the proposing organisation(s) may be visible only for certain types of sales actions, namely fairs, demonstrations or tastings. The corresponding information and promotional material, aiming at increasing sales such as leaflets, posters, websites, and displayed in	1. Brands as referred to in Article 4 of Regulation (EU) No 1144/2014 are understood as trademarks as defined in Article 4 and 66 of Regulation (EC) No 207/2009 or in Article 2 of Directive 2008/95/EC1. ~~2. Brands of promoted products of the proposing organisation(s) may be visible only for certain types of sales actions, namely fairs, demonstrations or tastings. The corresponding information and promotional material, aiming at increasing sales such as leaflets, posters, websites, and displayed in fairs, demonstrations or tastings may~~	From the perspective of the overall efficiency and effectiveness of information provision and promotion measures, the equal visibility of commercial brands would be a very positive thing. The use of commercial brands supports the main messages of the actions and takes them closer both to their objectives and their target groups in a concrete manner. Requirements stating specific area or size of the banner (%, cm or equivalent) in the visibility of brands appear unnecessary. The guideline "largely smaller message of brands" is sufficient due to the diversity of the materials. Yet, the instructions provided must be as clear and unequivocal as possible, and the different product groups must be treated equally in them. The	short term

	fairs, demonstrations or tastings may also mention brands. 3. In order to be able to display brands in the actions referred to in paragraph 2, the proposing organisation(s) shall: (a) justify in the application why the mention of brands is necessary to meet the objectives of the campaign; (b) keep evidence that all members of the organisation(s) have been given the right to display their brands, in order to ensure equal access; (c) ensure that : i. brands shall be equally visible; ii. brands are contained in a banner, in a largely smaller and distinct area compared to the main Union message of the campaign; iii. the banner of brands shall not exceed 5% of the total surface area of the communication; iv. the display of brands shall not weaken the main Union message; v. the main Union message should not be misled by characteristics of the trade marks such as pictures, colours, symbols, etc; vi. the mention of brands should be limited to the visual supports	~~also mention brands.~~ 3. In order to be able to display brands in the actions referred to in paragraph 2, the proposing organisation(s) shall: (a) justify in the application why the mention of brands is necessary to meet the objectives of the campaign; (b) keep evidence that all members of the organisation(s) have been given the right to display their brands, in order to ensure equal access; (c) ensure that : i. brands shall be equally visible; ii. brands are contained in a banner, in a largely smaller and distinct area compared to the main Union message of the campaign; ~~iii. the banner of brands shall not exceed 5% of the total surface~~ ~~area of the communication;~~ iv. the display of brands shall not weaken the main Union message; ~~v. the main Union message should not be misled by characteristics~~ ~~of the trade marks such as pictures, colours, symbols, etc;~~ ~~vi. the mention of brands should be limited to the visual supports~~	instructions must be clear enough to allow the operators to complete the work correctly at first try. Making corrections in the materials is costly and should be kept to a minimum. If the use of commercial brands is allowed, their use should be acceptable in all materials produced in the programme. The Commission should also specify, which commercial brands can/should be visible in material for a programme. In case of a simple programme implemented within a single member state, should the material display all commercial brands of the parties financing the proposing organisation or just the brands sold in the member state in question?	
Payment of the balance, Monitoring and evaluation of programmes	art 10(1)(b)(ii) and10(1)(c) ii) final technical report that includes: - a description of the activities carried out that includes output and results indicators of the programme, and - explanations justifying the differences between the activities	ii) final technical report that includes: - a description of the activities carried out that includes output and results indicators of the programme, and - explanations justifying the differences between the activities planned in the programme and the activities that were actually carried out;	The evaluation of a programme should depend on the nature and target group of the programme. Because the programmes and measures implemented in them may differ in various aspects, it would be necessary that the implementer of the programme would be able select the evaluation criteria that best suit the programme in question. General indicators common to everyone are not necessarily	short term

	planned in the programme and the activities that were actually carried out; c) a study to evaluate the results of the promotional and information measures undertaken by an independent external body and using the impact indicators as referred to in Article 16 paragraph 2.	c) a study to evaluate the results of the promotional and information measures undertaken by an independent external body and using the impact indicators as referred to in Article 16 paragraph 2. **<u>Proposing organization selects the indicators from annex xx and other indicators which are relevant/ appropriate for the programme. The indicators must be set out in the programme proposal.</u>**	functional in all cases. Out of the output indicators, e.g. the number of organised events is easy to measure. In programmes implemented outside of the EU, the value and quantity of products exported and the trend for the unit costs of exported products are good examples of evaluation criteria. When examining the images of European high-quality products and development trends in the reputation of these products outside of the EU, it is necessary to account for the reliability of research results.	
Funding and the scheduling of payments	Article 8 Arrangements for the payment of advances 1. Within 30 days after the contract referred to in Article 6 has been signed, the coordinator or the proposing organisation may submit an application for an advance payment to the Member State concerned, together with the security provided for in paragraph 4 of this Article. 2. An advance payment shall amount to no more than 20 % of the maximum EU contribution, as referred to in Article 15 of Regulation (EU) No 1144/2014. 3. The Member State shall pay an advance within 30 days from the receipt of the security provided for in paragraph 4 of this Article. The payment shall in any case not be made earlier than 10 days before the starting date of the implementation of the programme.	Article 8 Arrangements for the payment of advances 1. Within 30 days after the contract referred to in Article 6 has been signed, the coordinator or the proposing organisation may submit an application for an advance payment to the Member State concerned, together with the security provided for in paragraph 4 of this Article. 2. An advance payment shall amount to no more than 20 % of the maximum EU contribution as referred to in Article 15 of Regulation (EU) No 1144/2014. 3. The Member State shall pay an advance within 30 days from the receipt of the security provided for in paragraph 4 of this Article. The payment shall in any case not be made earlier than 10 days before the starting date of the implementation of the programme.	The lodging of securities is challenging and ties up large sums of money, which is difficult particularly for small organisations and parties with no capital or other assets. The businesses and parties on the background of the proposing organisation must tie up large amounts of capital for long periods of time without interest, which is not sensible from a business point of view, even though it is possible to release some of the securities in the course of the programme. In addition, the requirement for the validity of a security for 6 months after the termination date of a programme is too long for the above-stated reason. As the option for the recovery of payments exists, it can perhaps be considered whether the requirement for a security is necessary at all. It would also be possible to consider other sanction practices alongside the recovery of payments, which would enable the removal of the requirement for the lodging of a security. If the programme were to be discontinued, all aid paid out to the programme would be recovered in full. Why would it be necessary to insist on a separate security in	short term

	4. The advance shall be paid on condition that the contracting organisation lodges a security equal to the amount of that advance in favour of the Member State in accordance with Chapter IV of Regulation (EU) No 907/2014. Article 9 Interim payments 1. Except for the last year of implementation of the programme, applications for interim payments for the Union's financial contributions shall be submitted by the coordinator or the proposing organisation to the Member States within 60 days following the end of each calendar year of implementation of the programme.	4. The advance shall be paid on condition that the contracting organisation lodges a security equal to the amount of that advance in favour of the Member State in accordance with Chapter IV of Regulation (EU) No 907/2014. Article 9 Interim payments 1. ~~Except for the last year of implementation of the programme,~~ applications for interim payments for the Union's financial contributions shall be submitted by the coordinator or the proposing organisation to the Member States within 60 days following the end of each ~~calendar year~~ **three month period** of implementation of the programme.	addition to this? For the proposing organisations, the ex-post payment of the aid causes cash crises and almost insurmountable liquidity problems and even temporary lay-offs of personnel. Moreover, not all implementers of the programmes are willing to agree to invoicing arrangements, and the invoices are sent to the proposing organisations as soon as they are generated. The money for invoices paid can, in worst cases, be received several months after the generation of the cost. In Finland, organisations generally represent third sector non-profit operators, their financial opportunities for implementing the programmes are narrow. In Finland, few sectors have the opportunity to establish a fund or to set up an equivalent arrangement for the running of the programme. Without such arrangements, organising the funding of large programmes and programmes spanning several years is beginning to be impossible. Although in theory the pre-payment option is a good idea, it is not functional in practice, as it increases the size of the security. In the future, a national contribution to the funding will no longer be required. Due to the large amount of securities required, organisations in Finland have not been able to benefit from the prepayment opportunity. If the share of prepayments could be covered from national funds until the termination of the programme, it would be possible to abolish the requirement for a security. This would mean that the risk would not be borne by the EU but by the Member State. We continue to find the requirement for securities from the programmes unnecessary if other sanction practices, such as the recovery of payments, are in use.	
Use of material	This is not mentioned in the		Would it be possible to include a provision on the	short term

after the termination of the programme	delegated act nor in the implementing act.		use of the material in the relevant regulation, in order to avoid the need for a separate advance permission? We would like the Commission to issue guidelines on whether copyright is generated by the material produced by the organisation.	
Discontinuation of the programme by the proposing organisation	This is not mentioned in the delegated act nor in the implementing act.		In addition, it would be necessary to include in the regulation provisions on how to act in case the proposing organisation, for one reason or another, wishes to discontinue the programme before the end of the programme term and what sanctions result from this for the implementing organisation.	short term