

## REGULATION (EEC) No 1052/68 OF THE COUNCIL

of 23 July 1968

on the import and export system for products processed from cereals and from rice

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 120/67/EEC<sup>1</sup> of 13 June 1967 on the common organisation of the market in cereals, and in particular Articles 14 (3), 16 (5), 17 and 23 (4) thereof;

Having regard to Council Regulation No 359/67/EEC<sup>2</sup> of 25 July 1967 on the common organisation of the market in rice, and in particular Articles 12 (3), 17 (5) and 18 thereof;

Having regard to the proposal from the Commission;

Whereas Council Regulation No 360/67/EEC<sup>3</sup> of 25 July 1967 on the import and export system for products processed from cereals and from rice adopted rules for the application of the system of levies and refunds in trade with third countries in the processed products listed in Article 1 (d) of Regulation No 120/67/EEC — excluding compound feeding-stuffs — and in the processed products listed in Article 1 (1) (c) of Regulation No 359/67/EEC;

Whereas, in the light of experience gained during the first marketing year in which common prices for cereals were applied, the provisions of Regulation No 360/67/EEC should be reviewed so as to bring them more into line with the actual situation and with the requirements of the trade in products processed from cereals and from rice;

Whereas the variable component of the levy must correspond to the incidence on the prime costs of processed products of the levies on basic products; whereas that incidence may be calculated on the basis of the average of the levies applicable during a representative period to the quantity of the basic product deemed necessary for the manufacture of

one unit of the processed product; whereas this method of calculation is simpler to operate than that adopted in Regulation No 360/67/EEC and enables Community producers to plan ahead;

Whereas in respect of products subject to the common organisation of the market in cereals, but containing no cereals, the variable component should be calculated with reference to market conditions for products which are in competition with them;

Whereas the fixed component of the levy must be designed to protect the processing industry; whereas that component should be determined on the basis of the most representative processing costs;

Whereas, for some residues of processing, protection for the industry is already assured through the protection enjoyed by the main processed product; whereas in that case the fixed component can be equal to zero;

Whereas the object of the refund should be to cover the difference between the prices of products within the Community and on the world market; whereas, for that purpose, criteria should be established for determining the refund essentially on the basis of prices of the basic products within and outside the Community and the outlets and conditions for the sale of processed products on the world market;

Whereas provision should be made for granting, at the beginning of the marketing year, a refund which takes into account the actual cost of the supply of basic products in so far as they were purchased at the end of the previous marketing year at a higher price than that ruling for the product at the beginning of the new marketing year;

Whereas, in addition to the system described above, the use of inward processing arrangements should be regulated in order to ensure a balance between the use of Community basic products in the manufacture of processed goods for export to third countries and the use of third country products brought in under inward processing arrangements;

<sup>1</sup> OJ No 117, 19.6.1967, p. 2269/67.

<sup>2</sup> OJ No 174, 31.6.1967, p. 1.

<sup>3</sup> OJ No 174, 31.7.1967, p. 13.

Whereas Article 23 (4) of Regulation No 120/67/EEC provides, in trade in processed products the levy on which is calculated on the basis of barley, maize, oats, sorghum and millet, for a system which would result in lowering the price of products imported into Italy, on condition that such products may not then enter other Member States without first being subject to a charge to offset the reduction in their price; whereas, in order to avoid disturbances on the market in the above-mentioned processed products, that system must in fact be applied to them if Italy has recourse to it in respect of basic products;

Whereas import levies and export refunds on processed products are as a general rule valid for one month; whereas the criteria by which they are determined are intended to ensure, as an aid to commercial transactions, that they vary as little as possible; whereas, therefore, the levies and refunds fixed at the beginning of the month should not be altered for the last three days of July 1968 to take account of the tariff nomenclature amended with effect from 29 July 1968;

Whereas, for certain products such as roasted malt or roasted gluten, the levy has to be determined without it being possible to ascertain the raw material from which they were obtained; whereas, in order to avoid any possible deflections of trade because of the different systems at present existing for glucose falling within heading No 17.02 and glucose falling within heading No 17.05, the latter products should be subject to the same rules as the former;

HAS ADOPTED THIS REGULATION:

#### Article 1

1. For the purposes of this Regulation, 'processed products' means the products or groups of products listed:

(a) in Annex A to Regulation No 120/67/EEC, excluding the products falling within heading No 23.07 of the Common Customs Tariff;

(b) in Article 1 (1) (c) of Regulation No 359/67/EEC.

2. For the purposes of this Regulation 'basic products' means the cereals listed in Article 1 (a) and (b) of Regulation No 120/67/EEC and broken rice.

3. Import levies and export refunds shall be fixed per 100 kilogrammes of processed product in accordance with the provisions of the following articles.

#### TITLE I

#### Levies

#### Article 2

1. The variable component of the levy shall, during the course of a given month, be equal to the average of the levies applicable for the first twenty-five days of the month preceding that of importation per 100 kilogrammes of the basic product or products listed in column 3 of the Annex, multiplied by the coefficient which appears against the product in question in column 4 of the Annex. However, for products falling within tariff heading No 23.02, the variable component of the levy shall be obtained by adding together the averages of the levies applicable to 100 kilogrammes of common wheat, 100 kilogrammes of barley and 100 kilogrammes of maize and multiplying that total by the coefficient which appears against each of these basic products in column 4.

In order to adjust the above-mentioned averages to the threshold price valid for the basic product in question during the month of importation, they shall be increased or reduced by the difference between that threshold price and the threshold price valid during the preceding month.

2. Revision of the variable component during the course of the month, to take account of a variation in the levy applicable to basic products, shall be effected by the Commission at a flat rate. The margin of variation beyond which that revision is effected shall be determined for each of the basic products in question in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC and Article 26 of Regulation No 359/67/EEC.

3. The variable component applicable to a processed product manufactured from durum wheat shall be equal to that applicable to a similar product manufactured from common wheat.

#### Article 3

The fixed component of the levy shall be equal to the amount which appears against the product in question in column 5 of the Annex.

#### Article 4

1. In order to prevent disturbances on the market in products listed in the Annex, in processed products obtained from those products and in products in competition with either the former or the latter, amendments may be made, in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC, with regard to:

- (a) the coefficients shown in column 4 of the Annex;
- (b) the rates shown in column 2 of the Annex expressing the starch content of the products falling within tariff sub-heading 23.02 A;

(c) the percentages shown in footnote 1 of the Annex relating to the starch content and the ash content of products falling within tariff headings Nos 11.01 and 11.02.

2. The levy applicable to products falling within tariff sub-heading No 07.06 B listed in the Annex shall be limited to the amount resulting from the application of the rate of duty bound within GATT.

#### Article 5

1. When calculating the variable component of the levy applicable to the products listed in the Annex under tariff headings and sub-headings Nos 11.02 A V (a), 11.06 B, 11.08, 11.09, 17.02 B II and 17.05 B, intended at the time of importation for the same uses as those laid down for the granting of production refunds on:

- potato starch;
- common wheat, maize and broken rice used in the Community for the manufacture of starch;
- maize used by the maize industry for the manufacture of maize groats and meal (gritz) used in the Community by the brewing industry;
- broken rice used by the brewing industry;

the production refunds granted shall be taken into account.

2. For the purpose of applying paragraph 1, the increase in the production refund granted in Italy in pursuance of Article 1 of Council Regulation No 371/67/EEC<sup>1</sup> of 25 July 1967 fixing production refunds on starches and quellmehl shall not be taken into account.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC and in Article 26 of Regulation No 359/67/EEC,

## TITLE II

### Refunds

#### Article 6

1. The refund which may be granted on processed products shall be determined with particular reference to:

(a) the prices of basic products used in calculating the variable component of the levy;

(b) the quantities of basis products used in calculating the variable component of the levy;

(c) the possible duplication of refunds applicable to various products obtained from one and the same process and one and the same product;

(d) outlets and conditions of sale for processed products on the world market.

2. If, in the case of an export to be effected between the start of the marketing year and dates to be determined, the processed product was manufactured from a basic product harvested in the Community, in stock at the end of the preceding marketing year and not qualifying for a carry-over-payment, the threshold price valid during the last month of the preceding marketing year for the basic products used in calculating the variable component of the levy may be taken into account when applying paragraph 1 (a).

3. Where the world market situation or the specific requirements of certain markets so require, the refund may be varied according to destination.

4. Where paragraph 3 applies, the refund shall be paid provided it is proved that the product has been exported from the Community, as laid down in the first indent of Article 7 (1) of Regulation No 139/67/EEC<sup>2</sup>, and has reached the destination for which the refund was fixed. However, exceptions may be made to this rule in accordance with the procedure referred to in paragraph 5, provided conditions are laid down which offer equivalent guarantees.

5. Additional provisions may be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC and Article 26 of Regulation No 359/67/EEC.

6. The refunds shall be fixed once a month.

#### Article 7

The refund shall be fixed in advance for a transaction to be effected during the period of validity of an export licence, if the applicant so requests when applying for the licence.

The amount thereof shall be that applicable on the day the licence was applied for, adjusted on the basis of the threshold price valid for the basic product or products in question during the month of exportation. The adjustment shall be effected by increasing or reducing the refund by the difference between the threshold prices valid for 100 kilogrammes of the basic product during, respectively,

<sup>1</sup> OJ No 174, 31.7.1967, p. 40

<sup>2</sup> OJ No 125, 26.6.1967, p. 2453/67.

the month in which the licence was applied for and the month of exportation, multiplied by the coefficients which appear against the processed product in question in column 4 of the Annex.

However, for exports taking place under the conditions provided for in Article 6 (2) the adjustment may be effected on the basis of the threshold price valid during the last month of the preceding marketing year.

#### Article 8

1. When calculating the amount of the export refund applicable to the products listed in the Annex under tariff headings or sub-headings Nos 11.06 B, 11.08, 11.09, 17.02 B II and 17.05 B, account shall be taken of the production refund granted in respect of:

- potato starch;
- common wheat, maize and broken rice used in the Community for the manufacture of starch.

2. In applying paragraph 1 no account shall be taken of the increase in the production refund granted in Italy in pursuance of Article 1 of Regulation No 371/67/EEC.

#### TITLE III

##### Processing trade

#### Article 9

1. The quantity of basic products of assimilated products within the meaning of Regulation No 81/67/EEC<sup>1</sup> or of products processed from them on which Member States do not impose levies in view of or in consequence of the exportation of the products listed in the Annex under tariff headings or sub-headings Nos 07.06 B, 11.01 C to L, 11.02 A II to E, 11.06 A, 11.07, 11.08, 17.02 B II and 17.05 B, manufactured from these basic products, from these assimilated products or from products processed from them, may not exceed the quantity taken into account for determining the variable component of the levy.

2. The above-mentioned quantity may be reduced, in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC and in Article 26 of Regulation No 359/67/EEC, in order

to take account of the need to establish a balance between the conditions for exporting processed products qualifying for an export refund and for inward processing arrangements.

3. Use of inward processing arrangements shall be prohibited in respect of products listed in the Annex under headings or sub-headings Nos 11.02 F, 11.06 B, 11.09 and 23.02 A if they are to be used in the manufacture of processed products:

#### TITLE IV

##### General provisions

#### Article 10

1. If Italy has recourse to Article 23 (2) of Regulation No 120/67/EEC it shall:

- impose a charge on consignments to other Member States of processed products the levy on which is calculated on the basis of barley, maize, oats, sorghum and millet, and which are listed in the Annex under tariff headings and sub-headings Nos 07.06 B, 11.01 C to L, 11.02 A II to F—with the exception of products listed under tariff subheadings Nos 11.02 A V (a) if a production refund is granted on maize used in the manufacture of these products—11.06 A and 11.07;

- grant a subsidy on deliveries of these products from other Member States.

2. The above-mentioned charge and subsidy shall be equal, per 100 kilogrammes of the processed products specified in paragraph 1, to the amount of the charge applicable, in pursuance of Article 23 (3) of Regulation No 120/67/EEC, to the quantity of basic products used for calculating the variable component of the levy.

#### Article 11

The methods used for assessing the ash content, the fat content, the starch content, the denaturing process and any other method of analysis necessary for the application of this Regulation shall be determined in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC and Article 26 of Regulation No 359/67/EEC.

<sup>1</sup> OJ No 81, 26.4.1967, p. 1594/67.

*Article 12*

The import levies and the export refunds fixed for the month of July 1968 on the basis of the tariff nomenclature in force on 1 July 1968 shall remain in force until 31 July.  
The levies and refunds on products falling within

tariff sub-heading No 17.05 B for the month of August 1968 shall be applied from 29 July.

*Article 13*

Regulation No 360/67/EEC is hereby repealed.  
This Regulation shall enter into force on 29 July 1968:

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 23 July 1968.

*For the Council*

*The President*

G. SEDATI

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## ANNEX

CCT heading No	Description of goods	Basic product	Coefficient	Fixed component u.a./100 kg
1	2	3	4	5
07.06	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes, and other similar roots and tubers with high starch or inulin content, fresh or dried, whole or sliced; sago pith:			
	B. Manioc, arrowroot, salep and other similar roots and tubers with high starch content, excluding sweet potatoes	Barley	0.18	—
11.01	Cereal flours <sup>1</sup> :			
	C. Barley flour	Barley	1.80	0.50
	D. Oat flour	Oats	1.80	0.50
	E. Maize flour:			
	I. Of a fat content not exceeding 1.5% by weight	Maize	1.80	0.25
	II. Other	Maize	1.02	0.25
	F. Rice flour	Broken rice	1.06	0.25
	G. Buckwheat flour	Buckwheat	1.80	0.50
	H. Millet flour	Millet	1.02	0.25
	IJ. Canary seed flour	Canary seed	1.02	0.25
	K. Grain Sorghum flour	Sorghum	1.02	0.25
	L. Other	Canary seed	1.02	0.25
11.02	Cereal groats and cereal meal; except husked glazed polished or broken rice; germ of cereal, whole or ground <sup>1</sup> :			
	A. Cereal groats and cereal meal:			
	II. Of rye	Rye	1.80	0.50
	III. Of barley	Barley	1.80	0.50
	IV. Of oats	Oats	1.80	0.50
	V. Of maize, of a fat content:			
	(a) not exceeding 1.5% by weight	Maize	1.80	0.50
	(b) Other	Maize	1.02	0.25
	VI. Of rice	Broken wheat	1.06	0.25
	VII. Of buckwheat	Buckwheat	1.80	0.50
	VIII. Of millet	Millet	1.02	0.25

<sup>1</sup> Inclusion under this heading is subject to the condition that the product in question has a starch content exceeding 45% and an ash content not exceeding 2.5% for products based on wheat or rye, 5% for products based on oats, 2% for products based on maize or grain sorghum, 3% for products based on barley, 4% for products based on buckwheat, 1% for products based on rice, 2% for products based on millet, 2% for products based on canary seed or other cereals.  
If either of the two conditions mentioned above is not fulfilled, the product in question shall be classified under tariff sub-heading No 23.02 A on the basis of its starch content.

CCT heading No	Description of goods	Basic product	Coefficient	Fixed component u.a./100 kg
1	2	3	4	5
11.02	IX. Of grain sorghum	Sorghum	1.02	0.25
<i>(Cont'd)</i>	X. Other	Canary seed	1.02	0.25
	B. Hulled grains (shelled or husked):			
	I. Wheat	Common wheat	1.33	0.25
	II. Rye	Rye	1.33	0.25
	III. Barley	Barley	1.60	
	IV. Oats:			
	(a) Clipped oats	Oats	1.02	0.25
	(b) Other	Oats	1.60	0.25
	V. Maize	Maize	1.60	0.25
	VI. Buckwheat	Buckwheat	1.60	0.25
	VII. Millet	Millet	1.60	0.25
	VIII. Grain sorghum	Sorghum	1.60	0.25
	IX. Other	Canary seed	1.60	0.25
	C. Pearled grains:			
	I. Wheat	Common wheat	1.60	0.25
	II. Rye	Rye	1.60	0.25
	III. Barley	Barley	2.50	0.50
	IV. Oats	Oats	1.60	0.25
	V. Maize	Maize	1.60	0.25
	VI. Buckwheat	Buckwheat	1.60	0.25
	VII. Millet	Millet	1.60	0.25
	VIII. Grain sorghum	Sorghum	1.60	0.25
	IX. Other	Canary seed	1.60	0.25
	D. Kibbled grains:			
	I. Wheat	Common wheat	1.02	0.25
	II. Rye	Rye	1.02	0.25
	III. Barley	Barley	1.02	0.25
	IV. Oats	Oats	1.02	0.25
	V. Maize	Maize	1.02	0.25
	VI. Buckwheat	Buckwheat	1.02	0.25
	VII. Millet	Millet	1.02	0.25
	VIII. Grain sorghum	Sorghum	1.02	0.25
	IX. Other	Canary seed	1.02	0.25
	E. Rolled or flaked grains:			
	I. Wheat	Common wheat	1.80	0.50
	II. Rye	Rye	1.80	0.50

CCT heading No	Description of goods	Basic product	Coefficient	Fixed component u.a./100 kg
1	2	3	4	5
	E. Rolled or flaked grains:			
11.02	III. Barley	Barley	2.00	0.50
(Cont'd)	IV. Oats	Oats	2.00	0.50
	V. Maize	Maize	1.80	0.50
	VI. Rice	Broken rice	1.80	0.50
	VII. Buckwheat	Buckwheat	1.80	0.50
	VIII. Millet	Millet	1.80	0.50
	IX. Grain sorghum	Sorghum	1.80	0.50
	X. Other	Canary seed	1.80	0.50
	F. Germ of cereals, whole, rolled, flaked or ground:			
	I. Of wheat	Common wheat	0.75	0.50
	II. Other	Maize	0.75	0.50
11.06	Flour and meal of sago and of manioc, arrowroot, salep and other roots and tubers falling within heading No 07.06:			
	A. Denatured	Barley	0.18	0.25
	B. Other	Maize	1.61	1.70
11.07	Malt, roasted or not:			
	A. Unroasted:			
	I. Obtained from wheat:			
	(a) In the form of flour	Common wheat	1.78	0.90
	(b) Other	Common wheat	1.33	0.90
	II. Other:			
	(a) In the form of flour	Barley	1.78	0.90
	(b) Other	Barley	1.33	0.90
	B. Roasted	Barley	1.55	0.90
11.08	Starches; inulin:			
	A. Starches:			
	I. Maize starch	Maize	1.61	1.70
	II. Rice starch	Broken rice	1.52	2.55
	III. Wheat starch	Common wheat	2.20	1.70
	IV. Potato starch	Maize	1.61	1.70
	V. Other	Wheat	1.61	1.70
11.09	Gluten and gluten flour, roasted or not:			
	A. Unroasted:			
	I. Obtained from wheat	Common wheat	4.00	15.00
	II. Other	Maize	2.00	15.00
	B. Roasted	Common wheat	4.00	15.00



CCT heading No	Description of goods	Basic product	Coefficient	Fixed component u.a./100 kg
1	2	3	4	5
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel:			
	B. Glucose and glucose syrup:			
	II. Other			
	(a) Glucose in the form of white crystalline powder, whether or not agglomerated	Maize	2.10	8.00
	(b) Other	Maize	1.61	5.50
17.05	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion:			
	B. Glucose and glucose syrup:			
	I. Glucose in the form of white crystalline powder, whether or not agglomerated	Maize	2.10	8.00
	II. Other	Maize	1.61	5.50
23.02	Bran, sharps and other residues derived from the sifting, milling or working of cereals or of leguminous vegetables:			
	A. Of cereals:			
	I. Of maize or rice:			
	(a) With a starch content not exceeding 35% by weight	Common wheat	0.10	} 0
		Barley	0.10	
		Maize	0.10	
	(b) Other:			
	1. With a starch content exceeding 35% but not exceeding 45% by weight and having undergone a denaturing process	Common wheat	0.16	} 0
		Barley	0.16	
		Maize	0.16	
	2. Other	Common wheat	0.32	} 0
		Barley	0.32	
		Maize	0.32	
	II. Of other cereals:			
	(a) Of which the starch content does not exceed 28% by weight, and of which the percentage which passes through a sieve with a nominal width of aperture of 0.2 mm does not exceed 10% by weight or of which the sieved product has an ash content, calculated on the dry product, of 1.5% or more by weight	Common wheat	0.08	} 0
		Barley	0.08	
		Maize	0.08	
	(b) Other	Common wheat	0.32	} 0
		Barley	0.32	
		Maize	0.32	