

# MANAGEMENT OF THE SYSTEM OF SECURITIES AFTER THE ACCESSION OF THE SLOVAK REPUBLIC INTO EUROPEAN UNION

After the accession of the Slovak Republic into the EU the administration of trade under the condition of the Slovak Republic is managed in accordance with the EU legislation in force.

The Commission Regulations (EC) are laying down the obligations to lodge the securities within certain trade transactions.

A security is an assurance payment that will be paid or forfeited to a competent authority by the party responsible for paying if a particular obligation is not met.

Agricultural Paying Agency is a competent authority for administration of the system of securities for agricultural products and for certain food commodities in the Slovak Republic. (hereinafter referred as „APA“).

## The Basic Legal Provisions in Force

<b>General</b>	<b><u>Commission Regulation (EEC) No. 2220/1985</u></b> of 22 July 1985 laying down common detailed rules for the application of the system of securities for agricultural products, as amended by the following acts, in particular: <ul style="list-style-type: none"><li>- Commission Regulation (EEC) No 1181/1987</li><li>- Commission Regulation (EEC) No 3745/1989</li><li>- Commission Regulation (EC) No 3403/1993</li><li>- Commission Regulation (EC) No 1932/1999</li></ul>
	<b><u>Commission Regulation (EC) No 1291/2000</u></b> of 9 June laying down detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products
	<b><u>Commission Regulation (EC) No 800/1999</u></b> of 15 April 1999 laying down common detailed rules for the application of the system of export refunds on agricultural products
	<b><u>Act of Ministry of Agriculture of the Slovak Republic</u></b> in the sector of state administration of the system of licences and on export and import both of agricultural products and products of food industry. (you can find the document at the following website: <a href="http://www.mpsr.sk">www.mpsr.sk</a> )
<b>In particular</b>	Rules for the commodities

# **1 Securities are required and established in accordance with the EU Regulations subject to:**

<b>Licences</b>
<ul style="list-style-type: none"><li>- Import licences</li><li>- Export licences with advance fixing of refund</li><li>- Export licences without fixing of refund</li><li>- Export certificates (relating to products of NON ANNEX 1 of TREATY )</li></ul>
<b>Export Refunds</b>
<ul style="list-style-type: none"><li>- Refunds in advance payments</li><li>- Prefinancing of the refunds</li></ul>
<b>Intervention</b>
<ul style="list-style-type: none"><li>- Intervention purchase and sale of beef and veal</li><li>- Intervention purchase and sale of butter and cream</li><li>- Intervention purchase and sale of skimmed powder milk</li><li>- Intervention sale of cereals</li></ul>
<b>Private warehousing</b>
<ul style="list-style-type: none"><li>- Private warehousing of beef and veal</li><li>- Private warehousing of sheepmeat and goat meat</li><li>- Private warehousing of pork meat</li><li>- Private warehousing of butter and cream</li><li>- Private warehousing of vine</li></ul>
<b>Supports on production</b>
<ul style="list-style-type: none"><li>- Granting supports on tender for butter intended for direct consumption in the Community</li><li>- Request of security lodging within the sale of butter at reduced and granting of aid for cream, butter and concentrated butter for use in the manufacture of pastry products, ice-cream and other foodstuffs</li><li>- Granting supports for skimmed milk and skimmed powder milk used as foodstuffs and sale of this skimmed powder milk</li><li>- Granting supports on productions in sector of cereals and rice</li><li>- Granting EU supports for delivery of milk and certain milk products for pupils in education institutions</li><li>- Granting of temporal financial supports for fruit and vegetable growers</li><li>- Granting supports for processed products from fruit and vegetable</li><li>- Granting of production refunds for certain products in sugar sector used in chemical industry</li></ul>

## **2 Forms of securities and terms referred to security lodging**

Agricultural Paying Agency shall require a security given by:

- a) bank transfer to the special account
- b) providing a guarantor (by special guarantee); the guarantor must have his normal resident or an establishment in the Community and is approved by the APA.

The security shall be accepted in SKK, calculated on the basis of the reference rate to be laid down by the ECB and the time limit on the day, preceding the day of the operative event (e.g. the date of submission of application).

The recommendation of APA: calculation a sum secured expressed in EURO into national currency on the basis of actual reference rate EUR/SKK, that you can find at the following website:

**<http://www.ecb.int/stats/eurofxref>**.

APA recommends to lodge the higher disposable value of security in compare with the sum that the applicant shall calculate by multiplying of the sum in question with the value of the security and a reference rate EUR/SKK, in respect to their frequent rate changes and in respect of the fact that either the delay may occurred between the providing the security and its acceptance by the APA on the date of crucial issue; or between the lodging of the security in cash to the APA's account and its verification pursuant to the statetment of account and its acceptance by APA on the date of crucial issue.

The competent authority shall refuse to accept the application, which it considers inadequate or unsatisfactory in respect of the value of security lodged.

The part of the security exceeding 100% shall be automatically released when the sum secured and laid down in application is compared with the value of security accepted according to the corresponding rate.

**Transfer of cash deposit to the APA's account.:**

**The account No: 7000071150/8180**

In order to identify the applicants more easily we require specifying the payments by using of the variable code and the specific code.

### **Variable code:**

- In case of legal entity to specify the company registration number (IČO)
- In case of physical entity specify the company registration number or the personal identification number without slash)

### **Specific Code:**

- It serves to identify the operations the certain securities referred to (each. export Licences without fixing refunds for cereals).

If the security is carried out by cash (deposited by transfer or by postal order) it shall not be regarded as establishing a security until the APA is satisfied that the amount of money corresponding with the value of security has been paid at the special APA's account. The cash deposit of security has to be available on the basis of Statement of account on 13.00 (1.p.m.) on day of application acceptance.

The administrative procedure within the justification of Application on the licences and on exports certificates: column No 11: (the total value of security):

### **The security lodged by cash transfer to the APA's account**

The sum of security referred to shall be specified in SKK, and in EUR, too, as follows:

EUR - specify the right sum of security in accordance with the regulations in force

SKK – specify the sum of security paid to the APA's account

### **Derogation:**

In terms of Commission Regulation (EC) No 1291/2000, as amended by Commission Regulation (EC) No 322/2004 in cases, where the total value of securities in compliance with the EU Regulations in force for particular commodities is less than 100 EUR the competent authority may waive the requirement of a security lodging.

In this case the value of the security pursuant to the EU regulations is noticed only in EUR within the filing of the application on licences and export certificates: column No 11

### Security by providing of bank guarantee.

Each applicant who provides a security by bank guarantee, single or block has prior to conclude an agreement on guarantee with the bank. The security is considered to be provided as soon as the origin of the guarantee letter is delivered by applicant to the APA; no later than 13.00 on day of the application acceptance.

The origin of the guarantee letter is delivered to the APA to the Department of Licence and Guarantee where the particular officer shall control the validity of the bank guarantee and shall issue the Statement on bank guarantee acceptance

Single security ensures the obligations resulting from single business transaction; the block security is assigned on more business transactions.

The administrative procedure within the justification of Application on licences and export certificates: column No 11 (the total value of security):

### **The security provided by form of single bank guarantee**

- It is necessary to specify the value of sum in EUR, as follows:
- EUR – specify the right value of security in accordance with the EU Regulations in force,

## **The security in the case of a block security**

- It is necessary to specify the value of security in EUR – express the value in accordance with the EU Regulations in force

### **Derogation:**

In terms of Commission Regulation (EC) No 1291/2000, as amended by Commission Regulation (EC) No 322/2004 in cases, where the total value of securities in compliance with the EU Regulations in force for particular commodities is less than 100 EUR the competent authority may waive the requirement of a security lodging.

In this case the value of the security pursuant to the EU regulations is noticed only in EUR within the filing of the application on licences and export certificates: column No 11

## **3 Release of securities**

The securities lodged pursuant to the Commission Regulation (EEC) No 2220/1985 as amended by following acts, a partial or full release shall be made or partial or full shall be forfeited.

Partial or total release of securities shall be made if the requirements laid down in particular EU Regulations for certain commodities or operations have been met.

The security in whole or its part is automatically released under the conditions as follows:

The security in whole is automatically released, if:

- The application within the given business transaction was refused (rejected);
- A deduction is applied by the EC under such circumstances where the applicant withdraws his application (it is not applied in all cases, it depends on the commodity and the particular EU Regulations);
- An agreement is not concluded;
- All provisions on the conclusion of the particular business transaction are met.

The security is automatically partial released, if:

- A deduction of the amount requested is applied by the European Commission;
- The security is released in part corresponding to the amount, which shall be: the security covering the relevant part of the sum secured deducted by the particular index.;
- The value of security was higher (cash deposit) after the recalculation on the basis of reference rate laid down by the European Central bank – (of the nature of needs). The part of security exceeding 100% shall be released automatically.

During the particular business transaction the security can be released partly to the applicant pursuant to the requirements have been met.

Application on partial release of security shall be submitted to the APA at the relevant form „Application on partial release of security“ and the evidence laid down by the specific Regulation to meet the requirements on partial release of security.

## **4 Forfeiture of securities**

Securities lodged referred to in accordance with the Commission Regulation (EEC) No 2220/1985 as amended by certain acts, are partial released, resp. partial or full forfeited.

If the requirements referred to in the document „Commodities - Securities“ ([http:// www.mpsr.sk/apa/index.php?=OM](http://www.mpsr.sk/apa/index.php?=OM) zabezpeky) have been not met a security shall be forfeited in full or partially on the behalf of the SR or EU. In case of forfeiture, APA shall prepare the Statement on forfeiture in full/part value of security with the instruction on appeal. The Statement shall be announced to the applicant by registered letter. It is available to appeal at the Ministry of Agriculture of SR through the APA within the time limit of 15 days following the day of its announcement to applicant.

**In case of security given by making a cash deposit** the forfeited amount of the security shall be paid by applicant on behalf of the SR or EU following the „Statement“'s entering into force.

**In case of security of the business transaction by bank guarantee** the applicant is obliged to pay the amount of security forfeited requested within the time limit of 30 days following the day of the receipt of the „Statement“. In the absence of the answer we shall contact the guarantor (bank) that shall pay the value of the debt within the time limit of 30 days following the day of delivery of call on fulfilment the obligation under the bank guarantee.

Trade Mechanism Division				
Responsible person:		Tel. č.	E-mail	Fax
Ing. Henrieta Kožárová Head of the Division		02/58 243 318	<a href="mailto:hkozarova@apa.sk">hkozarova@apa.sk</a>	02/534 12 180
Department of Licences and Guarantees Administration				
Securities	Responsible person	Tel No	E-mail	Fax
	Ing. Ján Vozár Ing. Gabriela Krištoffyová Ing. Martina Bruchterová	02/58 243 245 0918 612 187 0918 612 435 0918 612 430	<a href="mailto:jvozar@apa.sk">jvozar@apa.sk</a> <a href="mailto:gakristoffyova@apa.sk">gakristoffyova@apa.sk</a> <a href="mailto:mbruchterova@apa.sk">mbruchterova@apa.sk</a>	02/534 12 180