

Securities Regarding the Intervention Sales of Cereals

1 Legislation in force

- **Commission Regulation (EEC) No 2131/1993** of 28 July 1993 laying down the procedure and conditions for the sale of cereals held by intervention agencies;
- **Commission Regulation (EC) No 615/2005** of 21 April 2005 opening a standing invitation to tender for the export of common wheat held by the Slovak intervention agency
- **Commission Regulation (EEC) No 3002/1992** of 16 October 1992 laying down common detailed rules for verifying the use and/or destination of products from intervention
- **Commission Regulation (EC) No 1291/2000** 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 as amended by certain acts
- **Commission Regulation (EC) No 800/1999** of 15 April laying down common detailed rules for the application of the system of export refunds on agricultural products as amended by certain laws

Intervention sales of cereals for the export to third countries

2 Security lodging

Securities have to be lodged in connection with the sales for export:

1) In accordance with the provisions of Article 13(4) of Commission Regulation (EEC) No 2131/1993 the tenders shall be valid if the tenderer has lodged a **security of 5 EUR per tonne** in the case of sale for export.

2) **Security of 5 EUR/t for licence** shall be lodged within the submission of the application on export licence at the same time by the successful tenderers.

3) In contrast to provisions of Article 17(1) of Commission Regulation (EEC) No 2131/1993 the commitment of export is covered by security of the amount which must be equal to the difference between the intervention price valid on the day of tender and the tender price and can never be less than 25 EUR per tonne. **The whole amount can be lodged at the same time or the half of this sum is lodged within the licence issuing and the second half prior the taking over the cereals.**

Security shall be adopted in Slovak crowns (SKK) after re-calculation on the basis of the actual reference rate to be laid down by the European Central Bank (ECB), on the day of the operative event.

The Agricultural Paying Agency recommends the re-calculation of the security on the basis of the reference rate of 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 modifications 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 the APA on the date of crucial issue.

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.

Securities lodged providing by bank transfer of cash

If the security is carried out by cash (deposited by transfer) it shall be regarded as establishing when 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 at the latest:

- In case of tender security - on the day of receipt of tender
- In case of export security – first half on the day of receipt the application on export licence and the second half at the day of first cereals taking over
- In case of security on export licence - on 13.00 (1 p.m.) on day of application on licence acceptance

It is available to lodge the security by bank transfer of cash deposit to the special APA' s account:

The account No: **7000071150/8180**

From the reason of identification of the tenderer APA asks to indicate the payment by using both variable and specific codes.

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:

- Bid to tender **711**
- Export security..... **712**
- Export licence..... **206**

Security by providing of bank guarantee

It is possible to lodge the security by providing of bank guarantee, single or block. The security is to be assigned as soon as applicant delivers the origin of the guarantee letter to the APA - Trade Mechanisms Division.

3 Registration of entities

If the successful tenderer has not yet required the Agency on import nor export licences, the registration of that successful tenderer at the Trade Mechanisms Division/Department of Licences and Guarantees Administration is the condition of the application acceptance on the export licence and on issuing the export licence for cereals.

Information and the application on registration of the importer/exporter is published at the following address: www.apa.sk –obchodné mechanizmy/Registrácia dovozcu-vývozcu.

(http://www.mpsr.sk/apa/index.php?=OM_registracia)

The same binding procedure is applied for the system of issuing export licence in compliance with the regulations (EC) being in force, published at the following address:

(http://www.mpsr.sk/apa/index.php?=OM_licencie)

4 Release of Security

The security provided for shall be released

- **In case of tender security**

- if the offer to tender has been rejected
- no contract has been awarded (in dependence on quantities)
- if the buyer - tenderer has discharged of all obligations relating to the lot in question in accordance with the Article 7(2)(b) of the Commission Regulation (EC) No 615/2005 and no refund was assigned him within 1 month following the application submission on the refund for a lot
- as soon as the export licence is issued;

- **In case of export security**

- if the proof is furnished that the products became unsuitable for both human and animal consumption;
- if the proof is furnished that the adequate custom formalities have been completed both on export to in or import from the third countries or territories of destination within the framework of the tender. These proofs have to be submitted within the 12 months time limit after the Statement of export acceptance, the statements referred to in Article 7 and 16(1), (2) and (3) of the Commission Regulation (EC) No 800/1999. The following documents are as follows:

- a) the T5 control copy,
- b) all transport documents accompanying the products from the intervention warehouse to the territory of destination of the third country,
- c) certificate of unloading (e.g. non-manipulation certificate – proof on the transshipment of the goods at the same quantities and quality,

- d) certificate on endorsement of import, or export of goods to the third countries;

- **In case of security on export licence**

Particular provisions of the Commission Regulation (EC) No 1291/2000 are applied on these conditions (more specific information is available at the following website: www.apa.sk - Obchodnemechanizmy/zabezpeky/zabezpekyvlicenčnomrežime-obilie) http://www.mpsr.sk/apa/index.php?=OM_zabezpeky)

5 Forfeite of securities

- *In case of tender security, in respect of the provisions laid down by the other regulations in force regarding to tender:*

In respect to the quantities for which no payment was paid within a 1 month time limit following the date of the “Statement of award” issuing and the contract has been terminated (except the cases of *force majeure*);

- *In case of export security, in respect of the provisions laid down by the other regulations in force regarding to tender:*

In respect to the quantities for which the proofs on export to the third countries were not submitted in compliance with the provisions referred to in the Articles 7 and 16 (1),(2) and (3)) of the Commission Regulation (EC) No 800/1999 as amended, (except of cases of *force majeure*).

Contacts:

Trade Mechanisms Division				
Responsibility:		Tel. No	E-mail	Fax
Ing. Henrieta Kozárová Head of the Division		02/58 243 318	hkozarova@apa.sk	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	jvozar@apa.sk gstoffyova@apa.sk mbruchterova@apa.sk	02/534 12 180