

Agrimonetary arrangements for the euro

1998/0214(CNS) - 15/12/1998 - Final act

OBJECTIVE: to establish new, simplified agrimonetary arrangements upon the introduction of the euro.
COMMUNITY MEASURE: Regulation (EC) no. 2799/98 establishing agrimonetary arrangements for the euro.
CONTENTS: the Council adopted by qualified majority two Regulations establishing the agrimonetary arrangements for the euro and transitional measures for the introduction of the euro in the common agricultural policy which will enter into force on 1 January 1999. From that date, the green rate will disappear and CAP amounts will be fixed and paid in euros within the euro zone. Only the countries initially outside the euro zone (United Kingdom, Greece, Sweden and Denmark) will continue to keep agrimonetary arrangements allowing sums fixed in euros to be converted to their national currency. Under the new agrimonetary arrangements for the pre-ins, the rate of conversion will no longer be the specific green rate but the market exchange rate. The reference date for selecting the rate will be the date on which the financial purpose of the transaction is deemed to have been achieved (generating incident). Where currency revaluations in countries outside the euro zone result in loss of income, farmers will be entitled to aid applied on a degressive basis up to the year 2002 (when it will be zero). Temporary aid is also provided for countries in the euro zone because the abolition of the green rate may have a similar effect to revaluation.
ENTRY INTO FORCE: the Regulation will enter into force on 1 January 1999.