



Criteria for establishing the level of financial corrections and applying flat rate financial corrections (Implementing act)

Fiche 1

Rationale

- The COM is empowered to adopt an implementing act on the **criteria for establishing the level of financial correction and for applying flat rates financial corrections.**
- Flat rates of correction are applied **where it is not possible to quantify precisely the amount of expenditure** linked to non-compliance with the CFP rules by Member States.

When and how can this happen? (same rules as in the EMFF)

- We are in a case of **serious** non-compliance;
- Payments were already suspended;
- The Member State failed to demonstrate that it had taken necessary remedial actions during the suspension period;
- Member States are always consulted before any financial correction;
- Financial corrections take place by cancelling all or part of the Union contribution to the operational programme. Flat rates of financial corrections range from 2 to 100%;
- The flat rates will be applied only to the EMFAF contribution allocated to the specific objectives linked to the case of non-compliance;
- These specific objectives are set out in Annex II to the EMFAF

Criteria

- We will use the **same 4 criteria as in the EMFF**:
 - (a) the significance of the potential prejudice to the marine biological resources resulting from the non-compliance;
 - (b) the frequency of the non-compliance;
 - (c) the duration of the non-compliance;
 - (d) the remedial actions taken by the Member States.

- As in the EMFF, a flat rate of 100% of the Union contribution allocated to the relevant specific objectives may be applied **under two cases**:
 1. when the non-compliance is so fundamental, frequent and widespread that it puts at risk the legality of actions of the Member State or the regularity of the financing of the CFP;
 2. when there is deliberate negligence by the Member States with regard to remedial actions

- To note is that financial corrections have never happened up to now under EMFF operational programmes;
- Should such a financial correction be applied, where a Member State agrees on the financial correction before the Commission adopts its decision, that Member State may reuse the amounts concerned

QUESTIONS

- Do you have questions regarding the suggested approach to the new implementing act on financial corrections?
- Do you have questions on the flat rate ranges applied to new cases of non-compliance?
- Do you see room for improvement?

Thank you



© European Union 2020

