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**COMMISSION STAFF WORKING DOCUMENT**

**REPORT ON THE RECOVERY OF EXPORT REFUNDS FOR LIVE ANIMALS  
IN 2006**

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### REPORT ON THE RECOVERY OF EXPORT REFUNDS FOR LIVE ANIMALS IN 2006

#### 1. INTRODUCTION

In their joint declaration of 22 November 2001 on the recovery of export refunds for beef and veal, the Parliament and the Council requested the Commission to submit an annual report to the budgetary authority by 31 May. This report highlighted the implementation of and compliance with Community legislation, on the recovery of refunds in the event of a failure to comply with Commission Regulation (EC) No 615/98 of 18 March 1998 laying down specific detailed rules of application for the export refund arrangements as regards the welfare of live bovine animals during transport<sup>1</sup>. Parliament and the Council issued another joint declaration along the same lines on 25 November 2002.

Since then the Commission submitted summary annual reports to the Council and the European Parliament which are based on the annual reports submitted by the Member States.

This report reflects the new situation that from 1 January 2006 export refunds are no longer paid for slaughter animals but only for breeding animals exported from the EU (see modification introduced by Regulation (EC) No 2147/2005 as detailed below).

#### REINFORCEMENT OF LEGISLATION

##### COMMISSION REGULATION (EC) No 639/2003

The Commission strengthened existing legislation by the adoption of Commission Regulation (EC) No 639/2003 of 9 April 2003 laying down detailed rules pursuant to Council Regulation (EC) No 1254/1999 as regards requirements for the granting of export refunds related to the welfare of live bovine animals during transport<sup>2</sup>. This regulation provides for mandatory veterinary checks on transport and animals in third countries and introduces norms for penalties and communication of information by the Member States. It applies to export declarations accepted from 1 October 2003.

##### COMMISSION REGULATION (EC) No 354/2006

Following complaints by the Non Governmental Organisations GAIA (Global Action in the Interest of Animals), ECL (European Coalition for Livestock) and CIWF (Compassion in World Farming), the Commission presented in May 2005 a draft to reinforce legislation in the light of the allegations made, which led to the adoption of Regulation (EC) No 354/2006 of 28 February 2006. The strengthening of the provisions of Regulation (EC) No 639/2003 is twofold and focuses on:

- the improvement of the verification of the qualification of the veterinary in charge for checking in the third country of final destination and
- strengthening the reporting obligation of Member States.

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<sup>1</sup> OJ L 82, 19.3.1998, p. 19–22.

<sup>2</sup> OJ L 93, 10.4.2002, p. 10–17.

To facilitate an in-depth evaluation on the application of Commission Regulation (EC) No 639/2003, Member States are required to provide detailed statistical information on cases of non-payment of export refunds. To this end, information is concentrated at the level of the paying agencies, which also contributes to gain additional transparency.

Article 8(d) of Regulation (EC) No 639/2003 requires as from 1 January 2006:

- "(d) the reasons for the non-payment and the recovery of the refund for the animals referred to in points (b) and (c), as well as the number of those animals recorded under category B (animals that gave birth or aborted during transport), C (other animals not in conformity – number of animals for which the requirements of Directive 91/628/EEC have not been complied with) and D (dead) respectively as referred to in Annexes I, II and III;
- (da) the numbers of penalties for each category defined in Article 6(1) and (2) with the corresponding numbers of animals and amounts of refund not paid".

These new reporting obligations are taken into consideration in this report.

## **REDUCTION AND ABOLITION OF EXPORT REFUNDS**

### COMMISSION REGULATION (EC) No 2147/2005

By entry into force of Commission Regulation (EC) No 2147/2005 of 23 December 2005 no export refunds were paid anymore for slaughter animals. This decision reflects the improved situation on the EU beef market and follows growing public concern focusing mainly on the treatment of animals when they are shipped abroad for slaughter.

Refunds are still granted for the export of pure-bred animals, which are only young female animals not older than 30 months from dairy herds used for breeding purposes.

The repercussion of the decision to limit export refunds to breeding animals led to a considerable reduction of the refunds paid for live animals in comparison with 2005. For more details please see point 3 of this report.

### **Structure of the report**

The annual reports are based on the number of export declarations of live bovine animals for which the refunds have been paid (Article 8(a)) during the previous calendar year. It may take 6 months or more to complete the process from lodging the export declaration, transporting the animals to the third country, collecting the returned relevant customs and veterinary documents and deciding on the definitive payment of the refunds. Moreover, another aspect of the time gap is that information on refusal or recovery of refunds may be based on export transports having taken place in preceding years.

It has to be taken in consideration that the data concerns export refund expenditure relative to the financial year 2006 [from 16 October 2005 to 15 October 2006 (see table 1)].

Member States structured their reports based on the requirements of Regulation (EC) No 639/2003 (Article 8); the same structure will be followed in this consolidated report.

The tables have been established in using the data communicated by the Member States.

**2. COMMISSION REGULATION (EC) NO 639/2003 OF 9 APRIL 2003 LAYING DOWN DETAILED RULES PURSUANT TO COUNCIL REGULATION (EC) NO 1254/1999 AS REGARDS REQUIREMENTS FOR THE GRANTING OF EXPORT REFUNDS RELATED TO THE WELFARE OF LIVE BOVINE ANIMALS DURING TRANSPORT**

Article 33(9) of Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal<sup>3</sup> subjects the payment of refunds for exports of live animals to compliance with Community legislation concerning animal welfare and, in particular, the protection of animals during transport. Regulation (EC) No 615/98 has laid down specific detailed rules of application for the export refund arrangements in this sector in order to ensure compliance with legislation concerning animal welfare in the framework of export refunds arrangements. Regulation (EC) No 639/2003, replacing Regulation (EC) No 615/98 strengthened the specific detailed rules. Refunds are paid providing the provisions have been met of Regulation (EC) No 639/2003 and those of Council Directive 91/628/EEC of 19 November 1991 on the protection of animals<sup>4</sup>. The Regulation establishes a system of checks and provides for financial consequences for exporters who fail to comply with the provisions on the transport of animals. The checks and the financial consequences relate to the payment of the refund. They apply without prejudice to the checks provided for by Directive 91/628/EEC.

Checks are carried out at three points:

At the point of exit from the Community (Article 2): before the animals leave Community territory, the official veterinarian must check whether the conditions set in Directive 91/628/EEC have been fulfilled from the point of departure to the point of exit and whether the means of transport and the animals are fit for continuing the journey. The veterinarian must also check that provisions have been made for the care of the animals during the succeeding journey in accordance with the Directive.

On the spot where the means of transport are changed (Article 3): where the means of transport are changed in a third country the exporter must ensure that checks are carried out on the change.

In the third country of final destination (Article 3): the purpose of these checks is to determine, on the basis of the general condition of the animals unloaded at the place of the first unloading in the third country of final destination, whether they have been transported in accordance with Directive 91/628/EEC.

The competent official veterinarian is responsible for checks at the exit point and enters his or her comments on the document that proves the animals have left the Community customs territory, which may be either the T5 control document or the appropriate national document. Checks in third countries are carried out by veterinarians either employed by international control and supervisory agencies approved for this purpose by a Member State either by veterinarians charged for the function by an official agency of a Member State. The veterinarians must draw up an inspection report. The T5 control document, or the national document, and the inspection reports are sent to the paying agencies who take them into account when deciding whether to pay refunds, reject applications or, where appropriate, apply penalties.

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<sup>3</sup> OJ L 160, 26.6.1999, p. 21–47.

<sup>4</sup> OJ L 340, 11.12.1991, p. 17–27.

The financial consequences for exporters who fail to comply with the provisions on the transport of animals are as follows:

#### Non-payment of the refund (Article 5(1))

The refund is not paid for animals that die during transport, that have given birth or aborted before their first unloading in the third country, or for which the competent authority considers that Directive 91/628/EEC was not complied with. To that end, the competent authority must take account of the documents concerning checks or of any other element concerning compliance with the provisions of the Regulation and the Directive. Death during transport by proved *force majeure* after leaving the customs territory may give right to partially payment of the total of the export refund.

#### Reduction of the refund (Article 6(1))

Where the number of animals for which no refund is paid amounts to more than 1% of the total number indicated in the accepted export declaration, provided it is at least two animals, or where it is more than five animals, the refund for those animals is further reduced by an amount equal to the amount of refund not paid. Animals for which the exporter proves that death, birthing or abortion was not the result of non-compliance with the provisions on the protection of animals are not taken into account.

#### Refusing refunds (Article 6(2))

If no refund is paid for individual animals and their number is more than 5% of the number endorsed in the export declaration with a minimum of 3 animals, or 10 animals, but at least 2%, no refund will be paid for the whole lot declared in the export declaration. Again, animals for which the exporter proves that death, birthing or abortion was not the result of non-compliance with the provisions on the protection of animals are not taken into account.

The general refunds penalty system pursuant to Article 51 of Regulation (EC) No 800/1999 does not apply in the system of non-payment, reduction or refusal.

#### Recovery of refunds (Article 7)

If it is established after payment of the refund that the provisions on the protection of animals during transport have not been complied with the refund or the relevant part of the refund shall be recovered including where appropriate the penalty.

These financial consequences for the exporter fall within the area of responsibility of the competent authorities of the Member State where the export declaration was accepted. Where Member States do not correctly apply the provisions on the payment of refunds, financial corrections may be adopted under the clearance of accounts procedure.

### **3. APPLICATION OF REGULATION (EC) No 639/2003 IN 2006**

#### **3.1 AMOUNTS OF EXPORT REFUNDS PAID**

The payment of the refund for exports of live animals pursuant to Article 33 of Regulation (EC) No 1254/1999 paid in the years 2002 to 2006 is shown in the following figure:

No exports of live animals in 2006 in the framework of Regulation (EC) No 639/2005 were confirmed by BE, EE, EL, IE, LU, LV, MT, PL, PT, SK, FIN, UK.

Table 1

<b>AMOUNTS OF EXPORT REFUNDS ON LIVE BOVINE ANIMALS PAID IN 2002*, 2003*, 2004* 2005* and 2006*</b>					
<b>Member State</b>	<b>2002 (EUR)</b>	<b>2003 (EUR)</b>	<b>2004** (EUR)</b>	<b>2005 (EUR)</b>	<b>2006 (EUR)</b>
AT	1 998 597,72	1 766 008,24	2 579 477	2 718 100	2 536 243
CY					161 749
CZ				512 523	250 560
DE	18 248 364,96	27 247 746,81	28 886 136	24 833 826	11 643 823
DK	539 768,76	377 956,29	237 768	1 068 213	761 109
ES	6 353 867,38	988 541,21	917 008	1 698 962	531 058
FR	21 455 871,25	17 459 011,08	13 039 370	13 398 795	4 523 274
HU			60 172	792 419	971 709
IE	4 681 772,65	8 187 379,17	2 031 764	2 812 259	436 125
IT	532 343,17	168 952,33	14 632	10 755	875
LT				103 814	
LU			5 066		
NL	1 796 709,18	2 509 281,31	3 899 434	4 610 814	4 301 892
SE	123 123,67	188 157,05	223 018	231 704	220 605
SI			17 725	93 380	59 640
<b>Total</b>	<b>55 730 418,74</b>	<b>58 893 033,49</b>	<b>51 911 570</b>	<b>52 885 564</b>	<b>26 398 662</b>

\* EAGGF financial year starts on 16 October of one year and ends on 15 October of the following year.

\*\* 2004: NMS export operations started with accession on 1 May 2004.

### **3.2. INFORMATION TRANSMITTED BY MEMBER STATES RELATED TO EXPORT REFUNDS FOR LIVE ANIMALS**

Since 2000, the Commission has asked Member States to send annual data on the amounts of refund refused or recovered. Table 7 in Annex 1 gives an overview of the figures sent by the Member States for the year 2006. This chapter compares the information of the years 2002 until 2006.

#### **3.2.1. The number of export declarations of live animals exported with refunds (information provided under Article 8(a) of Regulation (EC) No 639/2003)**

The number of export declarations decreased by 39% from 5 367 in 2005 to 3 257 in 2006 (figures of the EU-25).

Table 2: Number of export declarations

Member State	Declarations 2002	Declarations 2003	Declarations 2004	Declarations 2005	Declarations 2006
AT	196	182	356	559	418
CY				1	1
CZ			7	52	33
DE	3 486	3 681	4 223	2 549	994
DK	64	46	57	155	139
ES	242	103	22	31	3
FR	2 313	1 631	1 409	1 141	674
HU			16	101	155
IE	27	27	11	13	
IT	67	7	1		1
LT				4	
LU			1		
NL	217	385	531	731	823
PT		1	3		
SE	23	15	6	21	7
SI			8	9	9
<b>Total</b>	<b>6 635</b>	<b>6 078</b>	<b>6 651</b>	<b>5 367</b>	<b>3 257</b>

### 3.2.2 The number of live animals exported with refunds

The total number of exported live bovine animals, based on the number of export declarations for which refunds were paid, decreased by 100 283 animals (53,14%) from 188 727 animals in 2005 to 88 444 animals in 2006 (figures for the market of EU of 25). Decrease of exports took place in particular in Germany, France, Ireland, Spain and Sweden whereas in Austria, Denmark, the Czech Republic and Slovenia the decrease was minor. The number of exported live bovine animals in the Netherlands and Hungary increased.

Table 3: Number of live animals exported with refunds

MS	2002	%	2003	%	2004*	%	2005	%	2006	%
	animals		animals		animals		animals		animals	
AT	5 083	2,10%	4 937	2,20%	8 764	3,71%	10 628	5,63%	10 183	11,51%
CY							524	0,28%	526	0,59%
CZ					234	0,10%	1 652	0,88%	1 092	1,23%
DE	116 562	47,40%	123 431	53,80%	145 627	61,59%	88 843	47,07%	32 610	36,87%
DK	1 787	0,70%	1 416	0,60%	1 638	0,69%	4 074	2,16%	3 482	3,94%
ES	7 872	3,20%	5 206	2,30%	5 955	2,52%	8 498	4,50%	199	0,23%
FR	72 145	29,40%	42 815	18,70%	44 108	18,66%	30 429	16,12%	7 629	8,63%
HU					512	0,22%	3 832	2,03%	4 840	5,47%
IE	31 678	12,90%	37 776	16,50%	10 572	4,47%	13 812	7,32%		
IT	3 064	1,20%	145	0,10%	2	0,00%	0	0,00%	4	0,01%
LT							299	0,16%		
LU					17	0,01%				
NL	7 169	2,90%	12 723	5,50%	18 022	7,62%	24 743	13,11%	27 389	30,97%
PT	0	0,00%	11	0,00%	55	0,02%				
SE	403	0,20%	818	0,40%	729	0,31%	1 113	0,59%	233	0,26%
SI					192	0,08%	280	0,15%	257	0,29%
<b>Total</b>	<b>245 763</b>	<b>100%</b>	<b>229 278</b>	<b>100%</b>	<b>236 427</b>	<b>100%</b>	<b>188 727</b>	<b>100%</b>	<b>88 444</b>	<b>100%</b>

\* NMS report from 1.5.2004.

### 3.2.3 The number of export declarations and animals for which payment of the refund was partly or totally refused or recovered

According to the requirements of Article 8(b) and (c) of Regulation (EC) No 639/2003 the Member States communicated the following information:

The Member States refused to pay the refund in full or in part for 189 (2005: 521) export declarations, concerning 1 478 (2005: 9 758) animals. For another 74 (2005: 64) export declarations, concerning 1 148 (2005: 1 119) animals, the export refunds had to be recovered. In total for 2,91% (2005: 5,73%) of the exported animals irregularities occurred in either the refund provisions (like refund code) or in the welfare conditions as mentioned in Directive 91/628/EEC or in Articles 5, 6 and 7 of Regulation (EC) No 639/2003. The reasons for such partly or total refusals or partly and total recoveries reported by the Member States are mentioned under point 3.2.5 of this report. Further details are given in Annex 2.

### 3.2.4 Amounts of refunds not paid or recovered and recovery still running

According to the information provided under Article 8(e) and (f) of Regulation (EC) No 639/2003 the major amounts of refunds not paid or recovered were dealt with by Germany, which is also the major exporter (see point 3.2.2). In total Germany was involved in €513 021 not paid or recovered refunds, which is 80,01% of the total EU amount of €641 213 composed of €365 063 not paid and €276 150 recovered, and excluding recovery still running.



Table 4: Overview on refunds not paid, recovered or still running\*

Member State	Refunds not paid (EUR) [1]	Refunds recovered (EUR) [2]	Recovery of refunds still running (EUR) [3]	Total refunds not to be paid (EUR) [1] + [2] + [3]	Refunds paid (EUR)	Total refunds requested [paid + not paid (EUR)]	Refunds not to be paid as % of total refunds requested
AT	17 016		22 792	39 808	2 536 243	2 576 051	1,55%
CY					161 749	161 749	0,00%
CZ					250 560	250 560	0,00%
DE	283 820	229 201		513 021	11 643 823	12 156 844	4,22%
DK		1 666		1 666	761 109	762 775	0,22%
ES		192		192	531 058	531 250	0,04%
FR	26 800			26 800	4 523 274	4 550 074	0,59%
HU	23 708	460		24 168	971 709	995 877	2,43%
IE					436 125	436 125	0,00%
IT					875	875	0,00%
LT			103 814	103 814		103 814	
NL	13 329	44 631	19 563	77 523	4 301 892	4 379 415	1,77%
SE	390			390	220 605	220 995	0,18%
SI					59 640	59 640	0,00%
<b>Total</b>	<b>365 063</b>	<b>276 150</b>	<b>146 169</b>	<b>787 382</b>	<b>26 398 662</b>	<b>27 186 045</b>	<b>2,90%</b>

\* EAGGF financial year starts on 16 October of one year and ends on 15 October of the following year.

The Regulation provides in either partly or total non-payment of the refunds (Articles 5 and 6) or recovery of payment if it is established after payment that Directive 92/628/EEC has not been complied with (Article 7).

A comparison from 2002 to 2006 as regards the amount involved shows the following result:

The amount of unpaid or recovered refunds went up and down in the past. The increase of 2005 is now followed by a decrease from €2 980 893 unpaid and recovered refunds in 2005 to €641 213 in 2006 (excluding recovery still running). In 2005 the amount of refused and recovered (including recovery still running) represented 5.79% of the refunds requested; in 2006 this was 2.90% of the total amount of refunds requested.

Table 5: Comparison of unpaid or recovered declarations, animals and refunds (2002–2006)\*

	Partly or completely non payment	Payment definitively recovered	Total
<b>Declarations 2006</b>	189	74	263
<b>Animals 2006</b>	1 478	1 148	2 626
<b>EUR 2006</b>	<b>€ 365 063</b>	<b>€ 276 150</b>	<b>€ 641 213</b>
<b>Declarations 2005</b>	521	64	585
<b>Animals 2005</b>	9 758	1 119	10 887
<b>EUR 2005</b>	<b>€ 2 684 996</b>	<b>€ 295 897</b>	<b>€ 2 980 893</b>
<b>Declarations 2004</b>	408	83	491
<b>Animals 2004</b>	2 160	1 183	3 343
<b>EUR 2004</b>	<b>€ 548 616</b>	<b>€ 324 514</b>	<b>€ 873 130</b>
<b>Declarations 2003</b>	474	115	589
<b>Animals 2003</b>	3 804	2 643	6 447
<b>EUR 2003</b>	<b>€ 978 270</b>	<b>€ 691 868</b>	<b>€ 1 670 139</b>
<b>Declarations 2002</b>	294	79	315
<b>Animals 2002</b>	2 047	1 869	3 916
<b>EUR 2002</b>	<b>€ 332 636</b>	<b>€ 514 037</b>	<b>€ 846 673</b>

\* does not include recovery still running.

### 3.2.5 The reasons for refusal and recovery of refunds for live animals in 2006

According to the requirements of Article 8(d) of Regulation (EC) No 639/2003 the Member States communicated the following information to the Commission on the reasons for the non-payment and the recovery of the refund for the animals referred to in Articles 8(b) and 8(c) of the same Regulation. Following the amendment introduced in the reporting obligations by Regulation (EC) No 354/2006 according to Article 8(c) of Regulation (EC) No 639/2003 Member States have to report the number of those animals recorded under category B (animals that gave birth or aborted during transport), C (other animals not in conformity) or D (dead animals). Detailed information can be found in the following table and the summary per Member State.

Table 6

Member State	Live animals exported with refunds	B (animals that gave birth or aborted during transport)		C (other animals not in conformity)		D (dead)		Total (B + C + D)	
		animals	% of live animals exported with refunds	animals	% of live animals exported with refunds	animals	% of live animals exported with refunds	animals	% of live animals exported with refunds
AT	10 183	1	0,010%	32	0,314%	3	0,030%	36	0,354%
DE	32 610	32	0,098%			54	0,166%	86	0,264%
DK	3 482			2	0,057%	7	0,201%	9	0,259%
ES	199					1		1	0,50%
FR	7 629	35	0,459%			8	0,105%	43	0,564%
HU	4 840			96	1,984%	4	0,083%	100	2,066%
NL	27 389	8	0,029%	38	0,139%	7	0,026%	53	0,194%
SE	233			2	0,858%			2	0,858%
Total EU	88 444	76	0,086%	170	0,193%	84	0,095%	330*	0,374%

\* the total number of 330 animals cover only the specific welfare aspects under B, C and D of annex I, II and III of Regulation (EC) No 639/2003. The total of 2 626 animals in table 5 cover all irregularities including administrative aspects.

### Austria

- For 1 declaration concerning 31 animals it was found out that there was no valid check of the veterinarian on the border and for 7 animals refunds were refused for administrative reasons;
- for 1 declaration with 30 animals an excess of the transport period was established;
- for 36 animals the Control and surveillance society found out that the animals did not fulfil conditions for export refunds.

### Germany

- Incomplete/diverging transport plan(s);
- non respect of transport and rest periods;
- death/calving during transport of animals;
- reports of the veterinarian in the control report according to annexes I to III.

### Denmark

- Dead animals or casualties due to traffic accident.

## **Spain**

- Death of an animal during transport.

## **France**

- During checks at point of exit it was found that there were: dead animals, animals were not loaded or the transport plan was not in conformity;
- during checks at the destination of the animals it was found that animals had died during transport, animals had aborted during transport, animals were not fit for unloading or died during unloading;
- other reason: in total 82 heifers died or aborted during quarantine at destination.

## **Hungary**

- 4 animals arrived dead at the final destination;
- for 96 animals the watering and feeding conditions and resting periods in the route plans were not in compliance with Directive 91/628/EEC.

## **The Netherlands**

- For 1 declaration concerning 36 animals it was found the transport period was exceeding according to Directive 91/628/EEC;
- for 1 declaration concerning 1 animal it was found out that the animal aborted before entry into free circulation in the third country of destination;
- for 6 declarations it was found out that 6 animals aborted during transport;
- for 20 declarations concerning 22 animals the refund code was incorrect;
- in 2 declarations 2 animals were not declared correctly;
- for 1 declaration 1 animal with injuries had to be slaughtered in emergency in the customs territory of the EU;
- for 2 declarations the animals were declared on basis of an estimated weight and it was found out later that for 1 declaration the real weight was 110% of the estimated weight and for 1 declaration the real weight was 90 % of the estimated weight;
- for 1 declaration it was found out that 1 animal arrived in a bad estate in the final country of destination and did not fulfil Directive 91/628/EEC;
- for 1 declarations with 32 animals it was found that the declaration of the Veterinarian in the T5 document was not satisfactory according to Directive 91/628/EEC at the point of exit;
- for 2 declarations concerning 70 animals it was found out that the control reports (model II and III) according to Article 3 of Regulation (EC) No 639/2003 were not presented);
- for 1 declaration concerning 35 animals the proof according to Article 16 of Regulation (EC) No 800/1999 was not presented;
- for 7 declarations it appeared that 7 animals were not brought into free circulation in the third country of destination.

## **Sweden**

- Animals were older than 30 months and therefore not entitled to export refunds.

### **3.2.6 PENALTIES (Article 8(da) of Regulation (EC) No 639/2003)**

Only Germany and Hungary communicated that they applied penalties.

#### **Germany:**

4 sanctions according to Article 6(1) of Regulation (EC) No 639/2003 for 8 animals and € 2 057.89 refunds not paid,

4 sanctions according to Article 6(2) of Regulation (EC) No 639/2003 for 135 animals and € 31 712.87 refunds not paid;

#### **Hungary:**

1 sanction for 2 animals and € 519 refunds not paid.

### **3.3. CLEARANCE OF ACCOUNTS BY THE COMMISSION**

The system of checks on live cattle exports under Regulation (EC) No 639/2003 has not been the subject of any specific audits carried out in 2006. The audits of export refunds expenditure in general have not brought to light any particular problems concerning live cattle exports. Audits of the application of Regulation (EC) No 639/2003 are planned for the autumn of 2007 in two Member States. Inspectors from the Food and Veterinary Office of DG SANCO will participate in these audits.

### **3.4. COMMUNICATION OF IRREGULARITIES BY MEMBER STATES**

The Commission reminds Member States that irregularities with a financial impact greater than €10 000 (recovered or not yet recovered amounts) have to be communicated to the Commission (OLAF), pursuant to Regulation (EEC) No 1848/2006.

**ANNEX 1**

Table 7

Annual report 2006, Regulation (EC) No 639/2003 - overview in terms of refunds in EUR												
Member State	Article 8(a) total number		Article 8(b) refund not paid		Article 8(b) refund partially not paid		Article 8(c) refund recovered		Article 8(e) refund not paid		Article 8(f) recovery still running	
	declarations	animals	declarations	animals	declarations	animals	declarations	animals	€ not paid	€ recovered	declarations	amounts €
AT	418	10 183	20	74					17 016		3	22 792
CY	1	526										
CZ	33	1 092										
DE	994	32 610	40	1 076	53	55	40	971	283 820	229 201		
DK	139	3 482					1	9		1 666		
ES	3	199					1	1		192		
FR	674	7 629	57	125					26 800			
HU	155	4 840	5	98			2	2	23 708	460		
IE												
IT	1	4										
LT											5	103 814
LU												
NL	823	27 389	13	48			30	165	13 329	44 631	14	19 563
PT												
SE	7	233	1	2					390			
SI	9	257										
<b>Total</b>	<b>3 257</b>	<b>88 444</b>	<b>136</b>	<b>1 423</b>	<b>53</b>	<b>55</b>	<b>74</b>	<b>1 148</b>	<b>365 063</b>	<b>276 150</b>	<b>22</b>	<b>146 169</b>

**ANNEX 2**

Table 8

Annual report 2006, Regulation (EC) No 639/2003 – overview in terms of animals										
Member State	Article 8(b) refund not paid		Article 8(b) refund partially not paid		Article 8 (c) refund recovered		Total animals 8(b)+ 8(c)	Total animals exported (see table 3)	Total animals paid, recovered + not paid	% animals, refund not paid or recovered
	declarations	animals	declarations	animals	declarations	animals				
AT	20	74					74	10 183	10 257	0,72%
CY								526	526	0,00%
CZ								1 092	1 092	0,00%
DE	40	1 076	53	55	40	971	2 102	32 610	34 712	6,06%
DK					1	9	9	3 482	3 491	0,26%
ES					1	1	1	199	200	0,50%
FR	57	125					125	7 629	7 754	1,61%
HU	5	98			2	2	100	4 840	4 940	2,02%
IE										
IT								4	4	0,00%
LT										
LU										
NL	13	48			30	165	213	27 389	27 602	0,77%
PT										
SE	1	2					2	233	235	0,85%
SI								257	257	0,00%
<b>Total</b>	<b>136</b>	<b>1 423</b>	<b>53</b>	<b>55</b>	<b>74</b>	<b>1 148</b>	<b>2 626</b>	<b>88 444</b>	<b>91 070</b>	<b>2,88%</b>