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COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMISSION STAFF WORKING DOCUMENT**

**REPORT ON THE RECOVERY OF EXPORT REFUNDS FOR LIVE ANIMALS  
IN 2008**

## 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. 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.

It is recalled that from 1. 1. 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.

#### 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 was twofold and focused 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, 10.4.2003, 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.

## **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 have been 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.

### **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 2008 (from 16 October 2007 to 15 October 2008 (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> subjected 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 (as from 1 July 2008 replaced by Article 168 of Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural

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

products (Single CMO Regulation)<sup>4</sup>). Regulation (EC) No 615/98 had 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 Regulation (EC) No 1/2005<sup>5</sup> on the protection of animals during transport and related operations (this Council Regulation has been in application since 5 January 2007 and replaced Council Directive 91/628/EEC of 19 November 1991 on the protection of animals<sup>6</sup>). The Regulation (EC) No 639/2003 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 Regulation (EC) No 1/2005.

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 Regulation (EC) No 1/2005 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 Regulation (EC) No 1/2005.

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<sup>4</sup> OJ L 299, 16.11.2007, p. 1.

<sup>5</sup> OJ L 3, 5.1.2005, p. 1–44.

<sup>6</sup> OJ L 340, 11.12.1991, p. 17–27.

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 copy 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 or 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 copy, or the national document, and the inspection reports are sent to the paying agencies which take them into account when deciding whether to pay refunds, reject applications or, where appropriate, apply penalties.

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 Regulation (EC) No 1/2005 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.

#### 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, birth or abortion was not the result of non-compliance with the provisions on the protection of animals are not taken into account.

#### Refusal of the refund (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, birth 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 rules 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 2008

#### 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 2004 to 2008 is shown in the following figure:

No exports of live animals in 2008 in the framework of Regulation (EC) No 639/2003 were confirmed by Belgium, Bulgaria, Estonia, Ireland, Greece, Spain, Italy, Cyprus, Latvia, Lithuania, Luxemburg, Malta, Poland, Portugal, Romania, Slovakia, United Kingdom.

Table 1

<b>AMOUNTS OF EXPORT REFUNDS ON LIVE BOVINE ANIMALS PAID IN 2004* 2005*, 2006*, 2007* and 2008*, **</b>					
<b>Member State</b>	<b>2004*** (EUR)</b>	<b>2005 (EUR)</b>	<b>2006 (EUR)</b>	<b>2007 (EUR)</b>	<b>2008 (EUR)</b>
<b>AT</b>	2 579 477	2 718 100	2 536 243	2 026 468	1 863 287
<b>CY</b>			161 749		
<b>CZ</b>		512 523	250 560	168 170	185 946
<b>DE</b>	28 886 136	24 833 826	11 643 823	5 929 080	5 631 047
<b>DK</b>	237 768	1 068 213	761 109	391 357	55 815
<b>ES</b>	917 008	1 698 962	531 058		
<b>FI</b>					41 179
<b>FR</b>	13 039 370	13 398 795	4 523 274	1 194 608	436 568
<b>HU</b>	60 172	792 419	971 709	1 247 615	448 141
<b>IE</b>	2 031 764	2 812 259	436 125	-38 439	
<b>IT</b>	14 632	10 755	875	5 264	4 012
<b>LT</b>		103 814			
<b>LU</b>	5 066				
<b>NL</b>	3 899 434	4 610 814	4 301 892	3 573 617	1 273 624
<b>SE</b>	223 018	231 704	220 605	9 257	80 689
<b>SI</b>	17 725	93 380	59 640	24 703	25 882
<b>Total</b>	<b>51 911 570</b>	<b>52 885 564</b>	<b>26 398 662</b>	<b>14 531 700</b>	<b>10 046 190</b>

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

\*\* For the data available since 2002 see the previous reports;

\*\*\* 2004: NMS export operations started with accession on 1. 5. 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 2008. This chapter compares the information of the years 2004 until 2008.

#### 3.2.1. The number of export declarations of live animals exported with refunds (information provided under Article 8 (a) of Regulation (EC) 639/2003)

The number of export declarations decreased significantly by 29% from 3 238 in 2007 to 2 299 in 2008 (figures of the EU-27).

Table 2: Number of export declarations\*

Member State	Declarations 2004	Declarations 2005	Declarations 2006	Declarations 2007	Declarations 2008
AT	356	559	418	244	420
CY		1	1		
CZ	7	52	33	34	34
DE	4 223	2 549	994	992	1 398
DK	57	155	139	124	12
ES	22	31	3		
FI					9
FR	1 409	1 141	674	638	54**
HU	16	101	155	180	111
IE	11	13			
IT	1		1		
LT		4			
LU	1				
NL	531	731	823	1 017	228
PT	3				
SE	6	21	7	4	27
SI	8	9	9	5	6
Total	6 651	5 367	3 257	3 238	2 299

\* For the data available since 2002 see the previous reports;

\*\* According to France the definitive payment of export refunds has not yet been effected.

#### 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 11 029 animals (13,6%) from 81 072 animals in 2007 to 70 043 animals in 2008 (figures for the market of EU of 27). Decrease of exports took place in particular in the Netherlands, Hungary, Denmark. The number of exported live bovine animals increased especially in Germany, Austria and Sweden.



Table 3: Number of live animals exported with refunds\*

MS	2004**	%	2005	%	2006	%	2007	%	2008	%
	animals		animals		animals		animals		animals	
AT	8 764	3,71%	10 628	5,63%	10 183	11,51%	6 851	8,45%	13 058	18,64%
CY			524	0,28%	526	0,59%				
CZ	234	0,10%	1 652	0,88%	1 092	1,23%	1 061	1,31%	1 070	1,53%
DE	145 627	61,59%	88 843	47,07%	32 610	36,87%	30 296	37,37%	41 504	59,26%
DK	1 638	0,69%	4 074	2,16%	3 482	3,94%	2 307	2,85%	278	0,40%
ES	5 955	2,52%	8 498	4,50%	199	0,23%				
FI									366	0,52%
FR	44 108	18,66%	30 429	16,12%	7 629	8,63%	1 112	1,37%	1 704***	2,43%
HU	512	0,22%	3 832	2,03%	4 840	5,47%	6 194	7,64%	3 508	5,01%
IE	10 572	4,47%	13 812	7,32%						
IT	2	0,00%	0	0,00%	4	0,01%				
LT			299	0,16%						
LU	17	0,01%								
NL	18 022	7,62%	24 743	13,11%	27 389	30,97%	33 009	40,72%	7 462	10,65%
PT	55	0,02%								
SE	729	0,31%	1 113	0,59%	233	0,26%	106	0,13%	936	1,34%
SI	192	0,08%	280	0,15%	257	0,29%	136	0,17%	157	0,22%
Total	236 427	100%	188 727	100%	88 444	100%	81 072	100%	70 043	100%

\* For the data available since 2002 see the previous reports;

\*\* NMS report from 1. 5. 2004;

\*\*\* According to France the definitive payment of export refunds has not yet been effected.

### 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 91 (2007: 170) export declarations, concerning 1 344 (2007: 2 781) animals. For another 21 (2007: 69) export declarations, concerning 565 (2007: 1 138) animals, the export refunds had to be recovered. In total for 1,92% (2007: 4,61%) of the exported animals irregularities occurred in either the refund provisions (like refund code) or in the welfare conditions as mentioned in Regulation (EC) No 1/2005 or in Articles 5, 6 and 7 of Regulation (EC) No 639/2003. The reasons for such partly or total refusals, or partly or 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 the Netherlands, which was the third biggest exporter in 2008 (see point 3.2.2). In total the Netherlands was involved in 111 287 EUR not paid or recovered refunds, which is 51,94% of

the total EU amount of 214 278 EUR composed of 110 096 EUR not paid and 104 182 EUR recovered, and excluding recovery still running.

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

Mem ber State	Refunds not paid (EUR) [1]	Refunds recovered (EUR) [2]	Recovery of refunds still running (EUR) [3]	Total refunds not to be paid (sum [1] to [3] in EUR)	Refunds paid* (EUR)	Total refunds requested [paid* + not paid (EUR)]	refunds not to be paid as % of total refunds requested
AT	11 034			11 034	1 863 287	1 874 321	0,59%
CZ	1 766			1 766	185 946	187 712	0,94%
DE	35 614			35 614	5 631 047	5 666 661	0,63%
DK					55 815	55 815	0,00%
FI	582			582	41 179	41 761	1,39%
FR	22 589			22 589	436 568	459 157	4,92%
HU	27 383			27 383	448 141	475 524	5,76%
IT					4 012	4 012	0,00%
NL	7 105	104 182	19 563	130 850	1 273 624	1 404 474	9,32%
SE	4 023			4 023	80 689	84 712	4,75%
SI					25 882	25 882	0,00%
<b>Total</b>	<b>110 096</b>	<b>104 182</b>	<b>19 563</b>	<b>233 841</b>	<b>10 046 190</b>	<b>10 280 031</b>	<b>2,27%</b>

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

The Regulation provides for either partly or total non-payment of the refunds (Articles 5 and 6) or recovery of payment if it is established after payment that Regulation (EC) No 1/2005 has not been complied with (Article 7).

A comparison from 2004 to 2008 as regards the amount involved shows the following result:

The amount of unpaid or recovered refunds went up and down in the past. Nevertheless, 2008 is the third straight year with the decrease of the amount of unpaid or recovered refunds. The decrease of 2007 is now followed by a further decrease from 547 680 EUR unpaid and recovered refunds in 2007 to 214 278 in 2008 (excluding recovery still running). In 2007 the amount of refused and recovered (including recovery still running) represented 4,10% of the refunds requested; in 2008 this was 2,27% of the total amount of refunds requested.

Table 5: Comparison of unpaid or recovered declarations, animals and refunds (2004–2008)\*, \*\*

	Partly or completely non payment	Payment definitively recovered	Total
<b>Declarations 2008</b>	91	21	112
<b>Animals 2008</b>	1344	565	1 909
<b>EUR 2008</b>	<b>110 096</b>	<b>104 182</b>	<b>214 278</b>
<b>Declarations 2007</b>	170	69	239

Animals <b>2007</b>	2 781	1 138	3 919
<b>EUR 2007</b>	<b>432 484</b>	<b>115 196</b>	<b>547 680</b>

Declarations <b>2006</b>	189	74	263
Animals <b>2006</b>	1478	1 148	2 626
<b>EUR 2006</b>	<b>365 063</b>	<b>276 150</b>	<b>641 213</b>

Declarations <b>2005</b>	521	64	585
Animals <b>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>

Declarations <b>2004</b>	408	83	491
Animals <b>2004</b>	2 160	1 183	3 343
<b>EUR 2004</b>	<b>548 616</b>	<b>324 514</b>	<b>873 130</b>

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- \* Does not include recovery still running;  
\*\* For the data available since 2002 see the previous reports.

### 3.2.5 The reasons for non-payment and recovery of refunds for live animals in 2008

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(d) of Regulation (EC) 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	13 058			66	0,505%	8	0,061%	74	0,567%
CZ	1 070			13	1,22%			13	1,215%
DE	41 504	9	0,022%	207	0,499%	18	0,043%	234	0,564%
DK	278								
FR	1 704	2	0,117%	156	9,155%			158	9,272%
HU	3 508	1	0,029%	191	5,445%			192	5,473%
NL	7 462	8	0,107%	598	8,014%	12	0,161%	618	8,282%
Total EU	70 043	20	0,029%	1 231	1,758%	38	0,054%	1 289*	1,840%

\* The total number of 1 289 animals covers 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 1 909 animals in table 5 covers all irregularities including administrative aspects.

### Czech Republic

- For 1 entire export declaration (13 animals) the exporter has not presented to the Paying Agency the Certificate on the implementation of an unloading control according to Regulation (EC) No 639/2003;

### Germany

- Non respect of transport and rest periods;
- Death / abortion / calving during transport of animals;
- Remarks of the veterinarian in the control report according to Annexes I to III of Regulation (EC) No 639/2003;

### Finland

- One animal was not exported. No reason was given;
- The exporter had made a writing error in birth certificates of three animals;

## **France**

- For 156 animals the incomplete veterinary report from the exit point of the EU;
- 2 heifers aborted during the quarantine at the destination;
- 1 heifer aborted after the quarantine at the destination;

## **Hungary**

- For 191 animals watering and feeding intervals and resting periods shown in the route plans were not in compliance with the provisions laid down in Chapter V of Regulation (EC) No 1/2005;
- 1 animal calved during transport as shown in Section B of the check report drawn up in accordance with Annex III of Regulation (EC) No 639/2003;

## **Ireland**

- For 3 export declarations (538 animals) missing documentation (Annexes I and II of Regulation (EC) No 639/2003;

## **The Netherlands**

Non-payment of the refund:

- In the case of 4 declarations, 4 animals had aborted during transport;
- In the case of 2 declarations, 2 animals had given birth before unloading in the third country of final destination;
- In the case of 8 declarations, 8 animals had not been released for free circulation in the country of destination;
- In the case of 1 declaration, for 4 animals Regulation (EC) No 1/2005 had not been complied with due to injury, swellings on limbs, slight paralysis and scab suffered during transport;
- In the case of 1 declaration, for 1 animal Regulation (EC) 1/2005 had not been complied with due to injury to the hind limb during transport;
- In the case of 1 declaration, 1 animal had stayed behind in EU customs territory because the animal was not in a condition to be transported further;
- In the case of 1 declaration with 33 animals, the journey time as established in Regulation (EC) No 1/2005 had been exceeded, and 1 animal had died in EU customs territory during transport;

Recovery of the refund:

- In the case of 2 declarations, 2 animals had given birth before unloading in the third country of final destination, in the case of 1 declaration also 2 animals had not been released for free circulation in the country of destination;
- In the case of 1 declaration, 1 animal had not been released for free circulation in the country of destination;
- In the case of 1 declaration with 34 animals, the declaration as referred to in Article 2 of Regulation (EC) No 639/2003, stamp, signature and date had not been affixed to the back of the associated T5 control copy by the Slovenian veterinarian. The checks referred to in Article 2 of Regulation (EC) No 639/2003 could not be carried out because the veterinarian on duty had not been informed;
- In the case of 3 declarations with a total of 130 animals, the declaration as referred to in Article 2 of Regulation (EC) No 639/2003, stamp, signature and date had not been affixed to the back of the associated T5 control copies by the Dutch

veterinarian. The checks referred to in Article 2 of Regulation (EC) No 639/2003 could not be carried out because the veterinarian on duty had not been informed;

- In the case of 1 declaration with 33 animals, the declaration as referred to in Article 2 of Regulation (EC) No 639/2003 had been marked unsatisfactory by the Polish veterinarian on the associated T5 control copy due to an incomplete route plan;
- In the case of 3 declarations with a total of 99 animals, the declaration as referred to in Article 2 of Regulation (EC) No 639/2003 had been marked unsatisfactory by the Spanish veterinarian on the associated T5 control copies due to exceeding the journey time;
- In the case of 4 declarations with a total of 126 animals, the Food and Consumer Product Safety Authority (VWA) had found that the journey time had been exceeded as established in Regulation (EC) No 1/2005;
- In the case of 4 declarations, for 136 animals the animal welfare rules had not been complied with, the animals had been delayed a week at the border crossing and were exhausted on unloading in the third country of final destination;
- In the case of 1 declaration, for 1 animal Regulation (EC) No 1/2005 had not been complied with due to a broken limb;

#### **Sweden**

- In the case of 1 export declaration, for 32 animals no report regarding checks in third country has been received.

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

Austria, Germany and the Netherlands communicated that they applied penalties.

#### **Austria:**

1 sanction for 2 animals and 272,75 EUR not paid according to Article 6(1) of Regulation (EC) No 639/2003;

#### **Germany:**

1 sanction for 2 animals and 504,56 EUR refunds not paid according to Article 6(1) of Regulation (EC) No 639/2003;

#### **The Netherlands:**

2 sanctions for 59 animals and 7736,83 EUR refunds not paid according to Article 6(2) of Regulation (EC) No 639/2003.

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

The system of checks on live cattle exports under Regulations (EC) No 639/2003, 882/2004, 1/2005 and 3821/1985 has not been the subject of any specific audits in 2008. The discussions with the Member States' competent authorities of the findings of two audits carried out in 2007 have confirmed that not all provisions concerning welfare of live bovine animals were fully complied with.

The application of animal welfare regulations will be included in one audit planned for the autumn 2009.

### **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 2008, 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	420	13 058	9	72			1	1	11 034			
CZ	34	1 070	1	13					1 766			
DE	1 398	41 504	7	199	33	35			35 614			
DK	12	278	2	46								
FI	9	366			3	4	20	564	582			
FR	54	1 704	6	159					22 589			
HU	111	3 508	8	192					27 383			
NL	228	7 462	18	54					7 105	104 182	14	19 563
SE	27	936	1	32					4 023			
SI	6	157										
Total	2 299	70 043	52	767	36	39	21	565	110 096	104 182	14	19 563



**ANNEX 2**

Table 8

Annual report 2008, 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	9	72			1	1	73	13 058	13 131	0,56%
CZ	1	13					13	1 070	1 083	1,20%
DE	7	199	33	35			234	41 504	41 738	0,56%
DK	2	46					46	278	324	14,20%
FI			3	4	20	564	568	366	934	60,81%
FR	6	159					159	1 704	1 863	8,53%
HU	8	192					192	3 508	3 700	5,19%
NL	18	54					54	7 462	7 516	0,72%
SE	1	32					32	936	968	3,31%
SI							0	157	157	0,00%
Total	52	767	36	39	21	565	1 371	70 043	71 414	1,92%