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**Decision of the Ministry of Agriculture and Forestry  
on Recognising and Supporting the Producers' Organizations  
of the Fisheries Industry  
(727/1997)**

Section 1

*Scope of application*

- (1) This decision is applied to the recognition and support of producers' organizations referred to in Council Regulation (EEC) No 3759/92 on the common organization of the market in fishery and aquaculture products, hereafter referred to as the basic Regulation.
- (2) The provisions of this decision shall be complied with in addition to what is enacted in:
  1. the basic Regulation referred to in subsection 1;
  2. Council Regulation (EEC) No 105/76 on the recognition of producers' organizations in the fishing industry, hereafter referred to as the recognition Regulation;
  3. Council Regulation (EEC) No 2939/94 laying down detailed rules for the application of Council Regulation (EEC) No 105/76 on the recognition of producers' organizations in the fishing industry, hereafter referred to as the implementing Regulation;
  4. Council Regulation (EEC) 3140/82 on granting and financing aid granted by Member States to producers' organizations in the fishery products sector;
  5. Council Regulation 2406/96 laying down common marketing standards for certain fishery products; as well as
  6. the Act on Implementing the Common Fisheries Policy of the European Union (1139/94).

Section 2

*Definition*

- (1) In this decision a producer organization shall refer to producers' organizations of the fishing industry or to an association of such organizations.

Section 3

*Recognition*

- (1) The Ministry of Agriculture and Forestry shall recognise the producers' organization if the following requirements are met:
  1. the producers' organization fulfils the requirements laid down in the implementing Regulation;
  2. the producers' organization is a limited company or a co-operative; as well as
  3. in order to fulfil the requirements laid down in Article 2 of the implementing Regulation the producers' organization sells at least 15 per cent and in aquaculture at least 25 per cent of the Finnish total production of that species for which the recognition is sought.

Section 4  
*Seeking for recognition*

- (1) The application submitted to the Ministry of Agriculture and Forestry concerning recognition shall be annexed with the following information:
1. data referred to in Article 4 of the implementing Regulation;
  2. an account that the producers' organization meets the qualities of a recognised producers' organization in accordance with the regulations of the European Union, especially what is laid down in the regulations referred to in section 1(2);
  3. an extract from the trade register;
  4. an extract from the minutes of a meeting where the competent body of the producers' organization has decided to seek for recognition;
  5. an extract from the shareholder register or the membership register;
  6. estimations of the amount of administrative costs entitled to aid as well as of the value of the marketed production during the first year and during the following three years; as well as
  7. other information considered necessary by the Ministry of Agriculture and Forestry.

Section 5  
*Withdrawing the recognition*

- (1) The Ministry of Agriculture and Forestry shall decide on the withdrawal of recognition of a producers' organization in accordance with the recognition Regulation and the implementation Regulation.

Section 6  
*Applying for start-up aid*

- (1) Aid referred to in section 7 of the basic Regulation for the founding of producers' organizations and for promoting their activities (*start-up aid*) shall be applied for from the Ministry of Agriculture and Forestry.

Section 7  
*Granting and paying start-up aid*

- (1) The Ministry of Agriculture and Forestry may grant start-up aid to a producers' organization, which has been recognised in accordance with this decision.
- (2) Start-up aid shall be granted afterwards from each financial year separately. The amount of the start-up aid shall be based on the producers' organization's clarifications of its actual administrative expenses concerning the previous financial year and of the value of production marketed during each calendar year. When calculating the value of production the value-added tax shall not be taken into account.
- (3) Start-up aid may be paid in advance on the basis of the administrative expenses referred to in subsection 2 and on the basis of an estimate, accepted by the Ministry, presented on the value of production.

- (4) Start-up aid may be granted each calendar year at the most in the framework of the funds reserved for this purpose in the State budget. If there are not enough funds to pay the start-up aid in full, the Ministry may lower the annual amount of aid.

#### Section 8

##### *Accepted expenditures*

- (1) As administrative expenses, on the basis of which start-up aid shall be granted, may be accepted expenditures referred to in Article 1 paragraph 1(c) of Commission Regulation (EEC) No 1452/83 defining the administrative expenses of producers' organizations in the fishery products sector.

#### Section 9

##### *Bookkeeping*

- (1) The producers' organization shall maintain separate book-keeping of its administrative expenses. The bookkeeping and the material related thereto shall be retained in accordance with the provisions of section 25 of the Book-keeping Act (655/1973).

#### Section 10

##### *Terminating and recovering start-up aid*

- (1) The Ministry of Agriculture and Forestry may terminate the payment of start-up aid or recover aid partly or in full, if the producers' organization has following the three years after the payment without a compelling reason ceased its activities which have been the basis of granting aid or substantially reduced or changed them.
- (2) As regards the recovery of start-up aid also the provisions of section 9 of the Act on Implementing the Common Fisheries Policy of the European Union as well as the Regulations of the European Communities shall be applied.

#### Section 11

##### *Interest paid on the recovered amount*

- (1) An annual interest shall be paid for the recovered amount from the date of payment of aid in accordance with the interest rate referred to in section 3(2) of the Interest Act (633/82) plus three percentage units.
- (2) If aid ordered to be repaid or a part of it is not paid on the due date at the latest, for the delayed amount shall be paid an annual interest on arrears from each due instalment in accordance with section 4(3) of the Interest Act.

#### Section 12

##### *Monitoring*

- (1) The Ministry of Agriculture and Forestry and the rural business districts shall monitor that the activities of the producers' organization shall fulfil the requirements laid down in the Regulations of the European Communities and in this decision.

- (2) The producers' organization shall be obliged to provide when requested the persons referred to in subsection 1 and to persons authorized by them those account books and other documents and clarifications which are necessary in order to monitor the producers' organizations activities or the application, payment and use of aid as well as to assist in every other way during the inspection.

Section 13  
*Entry into force*

- (1) This decision enters into force on 4 August 1997.