JUDGMENT OF THE COURT (Third Chamber)

21 July 2011 *

In Case C-21/10,

REFERENCE for a preliminary ruling under Article 267 TFEU from the Fővárosi Bíróság (Hungary), made by decision of 28 September 2009, received at the Court on 13 January 2010, in the proceedings

Károly Nagy

v

Mezőgazdasági és Vidékfejlesztési Hivatal,

THE COURT (Third Chamber),

composed of K. Lenaerts, President of the Chamber, D. Šváby, R. Silva de Lapuerta, G. Arestis (Rapporteur) and J. Malenovský, Judges,

* Language of the case: Hungarian.

Advocate General: J. Mazák,
Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— Mr Nagy, by himself;

— the Hungarian Government, by Z. Fehér, Z. Tóth and K. Szíjjártó, acting as Agents,

— the European Commission, by G. von Rintelen and A. Sipos, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 24 March 2011,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 22 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

and amending and repealing certain Regulations (OJ 1999 L 160, p. 80), as amended by Council Regulation (EC) No 1783/2003 of 29 September 2003 (OJ 2003 L 270, p. 70) ('Regulation No 1257/1999'), and of Article 68 of Commission Regulation (EC) No 817/2004 of 29 April 2004 laying down detailed rules for the application of Regulation (EC) No 1257/1999 (OJ 2004 L 153, p. 30).

2 The reference has been made in the course of proceedings between Mr Nagy, a farmer, and the Mezőgazdasági és Vidékfejlesztési Hivatal (Office for Agriculture and Rural Development; 'the Hivatal') concerning a refusal to grant Mr Nagy agri-environmental aid following a check of the information given by him when filing his application for aid.

Legal context

European Union law

3 In Chapter VI of Regulation No 1257/1999, which is entitled 'Agri-environment and animal welfare', Article 22 provides:

'Support for agricultural methods designed to protect the environment, maintain the countryside (agri-environment) or improve animal welfare shall contribute to achieving the Community's policy objectives regarding agriculture, the environment and the welfare of farm animals.

Such support shall promote:

…

(b) an environmentally-favourable extensification of farming and management of low-intensity pasture systems,

(c) the conservation of high nature-value farmed environments which are under threat,

…'

4 Article 37(4) of Regulation No 1257/1999 is worded as follows:

'Member States may lay down further or more restrictive conditions for granting Community support for rural development provided that such conditions are consistent with the objectives and requirements laid down in this regulation.'

5 Article 58(4) of Commission Regulation (EC) No 445/2002 of 26 February 2002 laying down detailed rules for the application of Regulation No 1257/1999 (OJ 1999 L 74, p. 1) provides that plots of land and animals are to be identified in accordance with Articles 4 and 5 of Council Regulation (EEC) No 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes (OJ 1992 L 355, p. 1).

6 Article 5 of Regulation No 3508/92, as amended by Council Regulation (EC) No 820/97 of 21 April 1997 (OJ 1997 L 117, p. 1) ('Regulation No 3508/92'), provides:

'The system for the identification and registration of animals to be taken into account for the granting of aid governed by this Regulation shall be set up in accordance with Articles 4, 5, 6 and 8 of [Council] Directive 92/102/EEC [of 27 November 1992 on the identification and registration of animals (OJ 1992 L 355, p. 32)] and with Regulation (EC) No 820/97.'

7 Recital 38 in the preamble to Regulation No 817/2004 states:

'The administrative rules should permit better administration, monitoring and control of rural development support. In the interests of simplicity, the integrated administration and control system [provided for] in Title II, Chapter IV of Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers [and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) No 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001 (OJ 2003 L 270, p. 1] ["the integrated administration and control system")] for which the detailed implementing rules are laid down by Commission Regulation (EC) No 2419/2001 [of 11 December 2001 laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes established by Council Regulation (EEC) No 3508/92 (OJ 2001 L 327, p. 11)] should be applied wherever possible.'

8 Under Article 66(1) and (4) of Regulation No 817/2004:

‘1. Applications for rural development support for areas or animals which are lodged separately from aid applications under Article 6 of Regulation (EC) No 2419/2001 shall indicate all the areas and animals on the holding which are relevant for checking the applications under the measure in question, including those for which no support is requested.

…

4. Animals and plots of land shall be identified in accordance with Articles 18 and 20 of Regulation (EEC) No 1782/2003.’

9 Article 67 of Regulation No 817/2004 provides:

‘1. Initial applications to join a scheme and subsequent applications for payment shall be checked in a manner which ensures effective verification of compliance with the conditions for granting support.

The Member States shall define suitable methods and means for verifying each support measure as well as the persons who shall be subject to checks.

Wherever appropriate, Member States shall make use of the integrated administration and control system …

…'

10 Article 68 of Regulation No 817/2004 provides:

'Administrative checks shall be exhaustive and shall include cross-checks wherever appropriate, inter alia with data from the integrated administration and control system. They shall relate to parcels and livestock covered by a support measure in order to avoid all unjustified payments of aid. Compliance with long-term commitments shall also be checked.'

11 In accordance with Article 17 of Regulation No 1782/2003, each Member State is to set up an integrated administration and control system.

12 Article 18 of Regulation No 1782/2003 reads as follows:

'1. The integrated [administration and control] system shall comprise the following elements:

(a) a computerised data base,

(b) an identification system for agricultural parcels,

(c) a system for the identification and registration of payment entitlements as referred to in Article 21,

(d) aid applications,

(e) an integrated control system,

(f) a single system to record the identity of each farmer who submits an aid application.

2. In case of application of Articles 67, 68, 69, 70 and 71, the integrated system shall comprise a system of identification and registration of animals set up in accordance with Directive 92/102/EEC … and Regulation (EC) No 1760/2000 [of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 827/97 (OJ 2000 L 204, p. 1)].'

13 Article 20 of Regulation No 1782/2003 defines the identification system for agricultural parcels.

14 The second subparagraph of Article 16(3) of Commission Regulation (EC) No 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Regulation No 1782/2003 (OJ 2004 L 141, p. 18) provides:

'Member States may in particular introduce procedures by which data contained in the computerised database for bovine animals may be used for the purposes of the aid

application, provided that the computerised database for bovine animals offers the level of assurance and implementation necessary for the proper management of the aid schemes involved. Such procedures may consist of a system according to which a farmer may apply for aid in respect of all animals which, at a date to be determined by the Member State, qualify for aid on the basis of the data contained in the computerised database for bovine animals. In that case, Member States shall take the necessary measures to guarantee that:

(a) in accordance with the provisions applicable to the aid scheme in question, the starting and end dates of the relevant retention periods are clearly identified and known to the farmer;

(b) the farmer is aware that any animals found not to be correctly identified or registered in the system for the identification and registration [of] bovine animals shall count as animals found with irregularities as referred to in Article 59.

…'

15 Under Article 5 of Regulation No 1760/2000, the competent authorities of the Member States are to set up a computerised database in accordance with Articles 14 and 18 of Council Directive 64/432/EEC of 26 June 1964 on animal health problems affecting intra-Community trade in bovine animals and swine (OJ, English Special Edition 1963-1964, p. 164).

National legislation

16 Article 5 of Decree No 150/2004 of the Ministry of Agriculture and Rural Development laying down detailed rules regarding the grant of agri-environmental aid from the State budget, co-financed by the [EAGGF] Guarantee Section, and covered by the National Rural Development Plan (*Magyar Közlöny* 2004/116; 'Ministerial Decree No 150/2004') provides that aid may be granted under agri-environmental grassland management programmes.

17 Article 32(2) of Ministerial Decree No 150/2004 lays down the conditions governing eligibility for the aid concerned, in accordance with which the farmer must have at least one hectare of grassland in certain sensitive environments specified in that provision and that, for the use of that ground to be treated as the use of grassland, there must be a minimum of 0.2 units of heavy livestock per hectare.

18 Article 16 of Decree No 131/2004 of the Ministry of Agriculture and Rural Development laying down general provisions regarding the grant of aid from the State budget, co-financed by the [EAGGF] Guarantee Section and covered by the National Rural Development Plan (*Magyar Közlöny* 2004/127) reads as follows:

'Statements made in the application shall be checked in accordance with Articles 66 to 70 of [Regulation No 817/2004].'

19 The Hungarian system for the identification and registration of bovine animals (Egységes Nyilvántartási és Azonosítási Rendszer; 'the ENAR') is defined in Article 2 of Decree No 99/2002 of the Ministry of Agriculture and Rural Development on the

individual identification of cattle and the system for the identification and registration of bovine animals (*Magyar Közlöny* 2002/135) as the system for the identification and registration of bovine animals which concerns the registration of herds and ensures the monitoring of the animals, in addition to forming the basis of the registration system for the relevant specialist fields (veterinary health, rearing conditions, market regulation, and so on).

20 Article 3 of Decree No 99/2002 provides that bovine animals must be registered in the national database for the purposes of their individual identification and registration.

21 Article 19 of Decree No 99/2002 states that the keeper of animals is required to assist in the accurate and professional registration of the herd or of the animals kept.

The dispute in the main proceedings and the questions referred for a preliminary ruling

22 On 26 November 2004, Mr Nagy submitted an application to the Hivatal for agri-environmental aid over a five-year period.

23 The grant of that aid, which was introduced as part of an operational grasslands management programme, is conditional, pursuant to Article 32(2) of Ministerial Decree No 150/2004, upon at least 0.2 units of heavy livestock being kept per hectare of grassland in order for the use of that land to be regarded as the use of grassland.

24 In his application for aid, Mr Nagy stated that he kept 12 bovine animals and, on 10 August 2005 and 6 October 2006, he received payment of that aid for the 2004/2005 and 2005/2006 marketing years respectively.

25 Checks carried out on site on 18 October 2006 and cross-checks, made using the ENAR register, of the situation as it stood on the day when the application for aid was filed revealed that the 12 bovine animals referred to in that application were not registered at the time when that application was made.

26 By a decision of 15 December 2006, the Hivatal found that Mr Nagy did not meet the conditions under Article 32(2) of Ministerial Decree No 150/2004 governing eligibility for the aid at issue in so far as the checks made had not confirmed the accuracy of the number of animals declared at the time when the application was submitted. The Hivatal accordingly found that Mr Nagy was not entitled to the five-year agri-environmental aid and ordered him to reimburse the sums already paid, amounting to a total of EUR 5 230.

27 Mr Nagy appealed against that decision to the Ministry of Agriculture and Rural Development, which confirmed the decision on 10 August 2007 on the basis of Article 32(2) of Ministerial Decree No 150/2004.

28 Mr Nagy contested the Ministry's decision before the Fővárosi Bíróság (Budapest Municipal Court), arguing that, at the time of making the application, he did indeed have the number of animals required under Article 32(2) of Ministerial Decree No 150/2004, but that he had been unaware of the ENAR and did not know that the grant of the aid at issue was conditional upon the animals concerned being registered in that system, since he had been given no information in that regard.

29 On the view that an answer is necessary as to whether, in the case of area payments, only the ENAR data can be regarded as authentic or whether, in such cases, the competent authority can, or must, rely on other evidence, the Fővárosi Bíróság decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'1. May Articles 22 of Regulation [No 1257/1999] and 68 of Regulation [No 817/2004] be interpreted as meaning that, in the case of specific programmes for grassland by way of agri-environmental aid under the first article mentioned, the checks on the data contained in the ENAR …, pursuant to Article 68 of Regulation [No 817/2004], must also be extended to area aid specifying a certain density of livestock?

2. May the above provisions be interpreted as meaning that cross-checks under the integrated administration and control system must be carried out also in cases where the pre-condition for aid is the density of livestock, although the aid is not for animals?

3. May those provisions be interpreted as meaning that, in assessing area aid, the competent authority may or must check whether the conditions for aid are met, independently of the ENAR?

4. On the basis of the interpretation of the above provisions, what monitoring obligation arises for the competent authority from the requirement in the above

Community provisions for checks and cross-checks? May the monitoring be limited exclusively to review of the data contained in the ENAR?

5. Do those provisions impose an obligation on the national authority to provide information concerning the pre-conditions for aid (for example, registration in the ENAR)? If so, in what way and to what extent?'

Consideration of the questions referred

Questions 1 and 2

30 By Questions 1 and 2, which it is appropriate to consider together, the national court asks, in essence, whether, as regards aid under Article 22 of Regulation No 1257/1999, which is subject to a condition relating to the density of livestock, it is permissible under that provision and Article 68 of Regulation No 817/2004 for the competent authorities to carry out cross-checks with the data from the integrated administration and control system and, in particular, to rely on the data held in the database of a national system for the individual identification and registration of bovine animals, such as the ENAR.

31 First of all, it should be noted that Article 37(4) of Regulation No 1257/1999 permits Member States to lay down further or more restrictive conditions for the grant of Community support for rural development, provided that those conditions are consistent with the objectives and requirements laid down in that regulation. In that

regard, Article 22 of Regulation No 1257/1999 provides, inter alia, that support is to be given for agricultural methods which are designed to protect the environment, and that that support is to promote an environmentally-favourable extensification of farming and management of low-intensity pasture systems.

32 Accordingly, a condition relating to density of livestock, which is imposed by national legislation in relation to the use as grassland of land in sensitive environments, with the aim of conserving the pastures' abundance in flora and fauna, and which applies to the grant of aid on the basis of Article 22 of Regulation No 1257/1999, is consistent with the objectives and requirements laid down in that regulation. Such a condition constitutes, in conformity with Article 37(4) of that regulation, a condition governing eligibility for the aid.

33 Next, it should be noted that, under Article 68 of Regulation No 817/2004, administrative checks are to be exhaustive. In addition, that provision specifies that, wherever appropriate, administrative checks are to include cross-checks, inter alia with data from the integrated administration and control system and that, in order to avoid all unjustified payments of aid, they are to relate to the parcels of land and the livestock covered by a support measure. Furthermore, it emerges from recital 38 to that regulation that administrative rules should permit better administration, monitoring and control of rural development support and that, in the interests of simplicity, the integrated administration and control system should be applied wherever possible.

34 It follows that Member States can apply Article 68 of Regulation No 817/2004 to aid granted on the basis of Article 22 of Regulation No 1257/1999, which is subject to a condition relating to the density of livestock, since that condition constitutes a condition, in conformity with that regulation, governing eligibility for the aid. In consequence, cross-checks relating to animals covered by that aid are, wherever

appropriate, to be carried out inter alia with data from the integrated administration and control system, to which the Member States have access in accordance with the third subparagraph of Article 67(1) of Regulation No 817/2004.

35 In that connection, Article 66(4) of Regulation No 817/2004 specifies that animals and plots of land are to be identified in accordance with Articles 18 and 20 of Regulation No 1782/2003. In particular, Article 18(2) of Regulation No 1782/2003 provides that the integrated administration and control system is to include a system for the identification and registration of animals set up in accordance with Directive 92/102 and Regulation No 1760/2000.

36 Nevertheless, it should be noted that, pursuant to Article 156(2)(a) of Regulation No 1782/2003, Article 18(2) of that regulation applies to payment applications made in respect of the calendar year 2005 and onwards. Accordingly, applications made before then fall under Article 58(4) of Regulation No 445/2002 which, framed in terms similar to those of Article 66(4) of Regulation No 817/2004, refers to Article 5 of Regulation No 3508/92, which also refers to a system for the identification and registration of animals set up in accordance with Directive 92/102 and Regulation No 820/97.

37 In the light of all the above considerations, the answer to Questions 1 and 2 is that, as regards aid under Article 22 of Regulation No 1257/1999, which is subject to a condition relating to the density of livestock, it is permissible under that provision and Article 68 of Regulation No 817/2004 for the competent authorities to carry out cross-checks with the data from the integrated administration and control system and, in particular, to rely on the data held in the database of a national system for the individual identification and registration of bovine animals, such as the ENAR.

Questions 3 and 4

38 By Questions 3 and 4, which it is also appropriate to consider together, the national court asks, in essence, whether it is permissible under Article 22 of Regulation No 1257/1999 and Article 68 of Regulation No 817/2004 for the competent authorities, when verifying compliance with the conditions governing eligibility for the grant of agri-environmental aid under the former provision, to check only the data held in the database of a national system for the individual identification and registration of bovine animals, such as the ENAR, in order to refuse that aid or whether, on the contrary, those provisions require the competent authorities to carry out other checks; and asks the Court, if necessary, to determine the nature of such checks.

39 First of all, it should be noted, as regards the checking of compliance with the conditions governing eligibility for agri-environmental aid under Article 22 of Regulation No 1257/1999, that Article 68 of Regulation No 817/2004 provides that administrative checks are to be exhaustive and, wherever appropriate, to include cross-checks inter alia with data from the integrated administration and control system.

40 The importance of that integrated administration and control system is highlighted, furthermore, in recital 38 to Regulation No 817/2004, which states that the integrated system should be applied wherever possible. Similarly, Article 66(1) and (4) and the third subparagraph of Article 67(1) of that regulation refer to that integrated system, which is intended, inter alia, to identify the animals kept on the holding. As is apparent from paragraphs 35 and 36 above, the integrated system includes, inter alia, a system for the identification and registration of animals.

41 Next, it should be noted that the system for the identification and registration of the animals must be fully effective and reliable at all times so as, in particular, to enable the competent authorities, in the event of epizootic disease, to pinpoint as soon as possible the origin of an animal and immediately to take the necessary measures for avoiding any risk to public health (see Case C-45/05 *Maatschap Schonewille-Prins*

[2007] ECR I-3997, paragraph 41). In order to meet that need for constant effectiveness and reliability, it is for the keepers of animals to register their bovine animals in the computerised database of that system.

42 It follows, lastly, that the computerised database of the system for the identification and registration of animals is designed to ensure efficient tracing in real time of those animals, which is essential for public health reasons (*Maatschap Schonewille-Prins*, paragraph 50). Accordingly, the database is required to be fully reliable. As a consequence, that database alone is able to confirm the fact that the conditions governing eligibility for the aid in question are met, such as those relating to the density of livestock.

43 In the light of all the above considerations, the answer to Questions 3 and 4 is that it is permissible under Article 22 of Regulation No 1257/1999 and Article 68 of Regulation No 817/2004 for the competent authorities, when verifying compliance with the conditions governing eligibility for agri-environmental aid under the former provision, to check only the data held in the database of a national system for the individual identification and registration system of bovine animals, such as the ENAR, in order to refuse that aid, without necessarily having to carry out other checks.

Question 5

44 By Question 5, the national court asks whether Article 22 of Regulation No 1257/1999 and Article 68 of Regulation No 817/2004 place the national authorities under an obligation to provide information concerning the conditions governing eligibility for the agri-environmental aid under the former provision, which is subject to a condition

relating to density of livestock, and asks the Court, if necessary, to determine the nature and scope of such an obligation.

45 In that regard, it should be noted that no such obligation is placed on the national authorities, whether by Article 22 of Regulation No 1257/1999, or by Article 68 of Regulation No 817/2004, or by any other provision of those regulations.

46 However, it emerges from the second subparagraph of Article 16(3) of Regulation No 796/2004, that, as regards the conditions applicable to applications for 'livestock' aid, Member States may introduce a system enabling farmers to apply for aid in respect of all the animals which qualify for aid on the basis of the data contained in a computerised database for information relating to bovine animals, such as that of the ENAR. The above provision specifies that, in such cases, Member States are to take the necessary measures to ensure that the farmer is aware that any animals found not to be correctly identified or registered in the system for the identification and registration of bovine animals are to count as animals found with irregularities liable to have legal consequences, such as a reduction in or exclusion from the aid concerned.

47 The Court has consistently held that the principle of equal treatment, enshrined in Article 20 of the Charter of Fundamental Rights of the European Union, requires that comparable situations must not be treated differently, and different situations must not be treated in the same way, unless such treatment is objectively justified (see, inter alia, Case C-354/95 *National Farmers' Union and Others* [1997] ECR I-4559, paragraph 61; Case C-152/09 *Grootes* [2010] ECR I-11285, paragraph 66; and Case C-236/09 *Association belge des Consommateurs Test-Achats and Others* [2011] ECR I-773, paragraph 28).

48 Specifically, it is clear that farmers who have applied for aid under Article 22 of Regulation No 1257/1999, which is subject to a condition relating to density of livestock, and farmers who have applied for 'livestock' aid are in a comparable situation in terms of the legal effects likely to result from non-identification or incorrect registration in a system for the identification and registration of bovine animals, such as the ENAR.

49 Like the farmers who have applied for 'livestock' aid, farmers who have applied for aid under Article 22 of Regulation No 1257/1999, which is subject to a condition relating to density of livestock, and who fail to comply with the rules on the identification and registration of bovine animals run the risk of the same legal consequences since, as is apparent from paragraph 43 above, the national authorities may, when verifying compliance with the conditions governing eligibility for that aid and, in particular, the condition relating to density of livestock, rely solely on the data held in the database of a national system for the individual identification and registration of bovine animals, such as the ENAR, in order to refuse that aid.

50 In those circumstances, it would be inconsistent with the principle of equal treatment if the situation of farmers who applied for aid under Article 22 of Regulation No 1257/1999, which is subject to a condition relating to density of livestock, were treated differently from the situation of farmers who applied for 'livestock' aid, with only the latter having the right to be informed by the national authorities that any animals found not to be correctly identified or registered in the system for the identification and registration for bovine animals are to count as animals found with irregularities liable to have legal consequences, such as a reduction in or exclusion from the aid concerned. Furthermore, that difference in treatment could not be objectively justified.

51 In the light of all the above considerations, the answer to Question 5 is that Article 22 of Regulation No 1257/1999 and Article 68 of Regulation No 817/2004, interpreted in the light of Article 16 of Regulation No 796/2004, place the national authorities – to the extent that, for the purposes of verifying compliance with the conditions governing eligibility for agri-environmental aid under the former provision, which is subject to a condition relating to density of livestock, those authorities check only the data in a national system for the individual identification and registration of bovine animals, such as the ENAR – under an obligation to provide information concerning those eligibility conditions which consists in informing the farmer concerned that any animals found not to be correctly identified or registered in the system for the identification and registration of bovine animals are to count as animals found with irregularities liable to have legal consequences, such as a reduction in or exclusion from the aid concerned.

Costs

52 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Third Chamber) hereby rules:

1. **As regards the aid based on Article 22 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations, as amended by Council Regulation (EC) No 1783/2003 of 29 September 2003, which is subject to a condition relating to the density of livestock, it is permissible under that provision and Article 68 of Commission Regulation (EC) No 817/2004 of 29 April**

2004 laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 for the competent authorities to carry out cross-checks with the data from the integrated administration and control system and, in particular, to rely on the data held in the database of a national system for the individual identification and registration of bovine animals, such as the Hungarian system for the individual identification and registration of bovine animals (Egységes Nyilvántartási és Azonosítási Rendszer).

2. It is permissible under Article 22 of Regulation No 1257/1999, as amended, and Article 68 of Regulation No 817/2004 for the competent authorities, when verifying compliance with the conditions governing eligibility for agri-environmental aid under the former provision, to check only the data held in the database of a national system for the individual identification and registration of bovine animals, such as the Hungarian system for the individual identification and registration of bovine animals, in order to refuse that aid, without necessarily having to carry out other checks.

3. Article 22 of Regulation No 1257/1999, as amended, and Article 68 of Regulation No 817/2004, interpreted in the light of Article 16 of Commission Regulation (EC) No 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Regulation No 1782/2003, place the national authorities – to the extent that, for the purposes of verifying compliance with the conditions governing eligibility for agri-environmental aid under the former provision, which is subject to a condition relating to density of livestock, those authorities check only the data in a national system for the individual identification and registration of bovine animals, such as the Hungarian system for the individual identification and

registration of bovine animals – under an obligation to provide information concerning those eligibility conditions which consists in informing the farmer concerned that any animals found not to be correctly identified or registered in that national system are to count as animals found with irregularities liable to have legal consequences, such as a reduction in or exclusion from the aid concerned.

[Signatures]