



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 28 October 2013

15417/13

**Interinstitutional File:
2013/0345 (NLE)**

**RHJ 4
MED 39
UD 276
WTO 270**

COVER NOTE

from:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	24 October 2013
to:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union

No Cion doc.:	COM(2013) 723 final
Subject:	Proposal for a Council decision on the position to be taken by the European Union within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, as regards the amendment of Article 15(7) of Protocol No 3 to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation

Delegations will find attached Commission document COM(2013) 723 final.

Encl.: COM(2013) 723 final



Brussels, 24.10.2013
COM(2013) 723 final

2013/0345 (NLE)

Proposal for a

COUNCIL DECISION

on the position to be taken by the European Union within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, as regards the amendment of Article 15(7) of Protocol No 3 to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The prohibition on drawback of customs duties is set out in Article 15 of Protocol No 3 annexed to the EC-Jordan Association Agreement as amended by Decision No 1/2010 of the EU-Jordan Association Council of 16 September 2010¹. Paragraph 7 of that Article provides for a transitional period prior to the full application of the prohibition of drawback of duties by Jordan and allows the country to grant drawback of duties to its exporters or economic operators during this period.

The transitional period expired on 31 December 2012. However, Article 15(7) provides for the possibility of reviewing this provision by mutual agreement.

On 22 July 2012 Jordan sent a written request asking for an extension of the period of application of this provision.

In accordance with Article 39 of Protocol No 3, the provisions of the Protocol may be amended by decision of the Association Council.

The text of the decision will amend the existing provision laid down in Article 15(7).

The parties have agreed to extend by three years the application period of Article 15(7), with effect from 1 January 2013, in order to provide clarity, long-term economic predictability and legal certainty for economic operators.

Pending formal adoption of the present decision, it was agreed, in the context of the Pan-Euro-Med working group, that this decision will apply from 1 January 2013.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The parties concerned have been consulted in the Pan-Euro-Med working group and the Customs Code Committee's Origin Section.

No recourse to external expertise has been necessary.

It has not been necessary to conduct an impact assessment, since the proposed amendments are technical in nature and do not affect the substance of the protocol on rules of origin currently in effect.

3. LEGAL ELEMENTS OF THE PROPOSAL

The amended provision on drawback of duties should apply retroactively from 1 January 2013.

The legal basis for the amendment of this provision is the first subparagraph of Article 207(4) in conjunction with Article 218(9) of the Treaty on the Functioning of the European Union.

The proposal falls under the exclusive competence of the Union. The principle of subsidiarity does not therefore apply.

Proposed instrument: Council decision

¹ OJ L 253, 28.9.2010, p. 60.

Proposal for a

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on the position to be taken by the European Union within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, as regards the amendment of Article 15(7) of Protocol No 3 to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Protocol No 3 to the Euro-Mediterranean Agreement between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part¹, hereafter 'the Agreement', as amended by Decision No 1/2010 of the EU-Jordan Association Council of 16 September 2010², concerns the definition of the concept of 'originating products' and methods of administrative cooperation.
- (2) Article 15 of Protocol No 3 contains a general prohibition of drawback of, or exemption from, customs duties for non-originating materials used in the manufacture of originating products. However, Paragraph 7 of that Article stipulates that a drawback or partial exemption can be applied until 31 December 2012 subject to certain conditions.
- (3) In order to provide clarity, long-term economic predictability and legal certainty for economic operators, the parties have agreed to extend by three years the application period of Article 15(7), with effect from 1 January 2013.
- (4) In accordance with Article 39 of Protocol No 3, the Association Council established by the Agreement should decide to amend the Protocol accordingly.
- (5) The European Union should therefore adopt the position set out in the attached draft decision within the Association Council,

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted by the European Union within the Association Council established by the Euro-Mediterranean Agreement establishing an association between

¹ OJ L 129, 15.5.2002, p. 3.

² OJ L 253, 28.9.2010, p. 60.

the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, as regards the amendment of Article 15(7) of Protocol No 3 to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, with a view to extending the application period of that provision, is set out in the attached draft decision of the Association Council.

Article 2

The decision of the Association Council shall be published in the *Official Journal of the European Union*.

Done at Brussels,

*For the Council
The President*

ANNEX

Draft

DECISION No [...] OF THE EU-JORDAN ASSOCIATION COUNCIL

of [...]

amending Article 15(7) of Protocol No 3 of the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, regarding the definition of the concept of 'originating products' and methods of administrative cooperation

THE ASSOCIATION COUNCIL,

Having regard to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, and in particular Article 39 of Protocol No 3 thereto,

Whereas:

- (1) Article 15(7) of Protocol No 3 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part¹, hereafter "the Agreement", as amended by Decision No 1/2010 of the EU-Jordan Association Council of 16 September 2010² allows drawback of, or partial exemption from, customs duties or charges with equivalent effect, subject to certain conditions, until 31 December 2012.
- (2) To provide clarity, long-term economic predictability and legal certainty for economic operators, the Parties to the Agreement have agreed to extend the application period of Article 15(7) of Protocol 3 to the Agreement by three years, with effect from 1 January 2013.
- (3) Protocol No 3 to the Agreement should therefore be amended accordingly.
- (4) Since Article 15(7) of Protocol No 3 to the Agreement no longer applies as of 31 December 2012, this Decision should apply from 1 January 2013,

HAS ADOPTED THE FOLLOWING DECISION:

Article 1

Article 15(7) of Protocol No 3 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, regarding the definition of the concept of 'originating products' and methods of administrative cooperation, is replaced by the following text:

¹ OJ L 129, 15.5.2002, p. 3.

² OJ L 253, 28.9.2010, p. 60.

'The provisions of this paragraph shall apply until 31 December 2015 and may be reviewed by common accord.'

Article 2

This Decision shall enter into force on the day of its adoption.

It shall apply from 1 January 2013

Done at Brussels,

For the Association Council

The President

[...]