



Brussels, 17.5.2016  
COM(2016) 262 final

2016/0136 (NLE)

Proposal for a

**COUNCIL DECISION**

**on the position to be adopted on behalf of the European Union within the EU-Central America Association Council regarding Explanatory Notes to Article 15 of Annex II to the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other, was signed in Tegucigalpa, Honduras on 29 June 2012 and has been provisionally applied from 2013.

Annex II to the Association Agreement sets out the definition of the concept of "originating products" and methods of administrative cooperation. Article 37 of Annex II states that the Parties shall agree "Explanatory Notes" regarding the interpretation, application and administration of Annex II within the Sub-Committee on Customs, Trade Facilitation and Rules of Origin in order to recommend its approval by the Association Council.

The Sub-Committee on Customs, Trade Facilitation and Rules of Origin met on 1-2 June 2015 in Brussels and agreed Explanatory Notes. They cover guidance for Article 15 of Annex II to the Agreement for the issue and completion of movement certificates EUR.1 which can be used as proof of origin.

A specimen of the EUR.1 movement certificate is contained in Appendix 3 to Annex II to the Association Agreement. However, in practice there are small differences between Appendix 3 and the wording used on the certificates printed by the Member States. The Explanatory Notes allow flexibility over the wording without invalidating the certificates so long as all Parties have a copy of the certificate used and the wording does not change the information required to be completed by the exporter.

The information required to be completed by the exporter on the movement certificate EUR.1 for presentation to the customs authority needs to be clear and should avoid any possible misuse. For this reason the Explanatory Notes provide guidance on the completion of all the boxes on the movement certificate EUR.1.

- **Consistency with existing policy provisions in the policy area**

The proposal is consistent with other Explanatory Notes agreed in the Free Trade Agreements between the European Union and Chile, and Mexico.

- **Consistency with other Union policies**

The use of Explanatory Notes supports better regulation.

### 2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

As the proposal relates to the commercial policy of the European Union the appropriate legal basis is Article 207(4) first subparagraph in conjunction with Article 218(9) of the Treaty on the Functioning of the European Union.

- **Subsidiarity (for non-exclusive competence)**

The proposal falls under the exclusive competence of the European Union.

- **Proportionality**

The proposal does not go beyond what is necessary or appropriate to achieve the expected objectives.

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Stakeholder consultations**

Not relevant as the proposal only provides guidance to an existing agreement.

- **Collection and use of expertise**

Not relevant as the proposal only provides guidance to an existing agreement.

- **Impact assessment**

This proposal introduces guidance to an existing bilateral trade agreement. There are no other options to be considered.

### **4. BUDGETARY IMPLICATIONS**

The proposal has no implication for the Union budget.

### **5. OTHER ELEMENTS**

None

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**on the position to be adopted on behalf of the European Union within the EU-Central America Association Council regarding Explanatory Notes to Article 15 of Annex II to the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other**

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) The Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other<sup>1</sup> (the "Agreement"), was initialled on 22 March 2011 and signed on 29 June 2012. Pursuant to Article 353(4) of the Agreement, Part IV thereof has been applied provisionally since 1 August 2013 between the Union, Nicaragua, Honduras and Panama, since 1 October 2013 between those parties and El Salvador and Costa Rica, and since 1 December 2013 between the Union, Nicaragua, Honduras, Panama, El Salvador and Costa Rica on the one side and Guatemala on the other.
- (2) Article 37 of Annex II to the Agreement, provides that the parties to the Agreement shall agree within the Sub-Committee on Customs, Trade Facilitation and Rules of Origin, established in accordance with Article 123 of the Agreement (the "Sub-Committee"), on "Explanatory Notes" regarding the interpretation, application and administration of Annex II and recommend their approval by the Association Council.
- (3) The Sub-Committee met on 1 and 2 June 2015 and agreement was reached on Explanatory Notes to Article 15 of Annex II to the Agreement on the filling-in and printing of a movement certificate EUR.1 (the "Explanatory Notes").
- (4) As the movement certificate EUR.1. set out in Appendix 3 to Annex 3 to the Agreement is only a specimen, minor differences might occur in the forms printed by the different authorities. In order to ensure that such differences do not cause difficulties in relation to the acceptance of movement certificates EUR.1. and in order to ensure a harmonised interpretation by the competent public authorities of the Parties, guidance should be provided on the required content and printing of the movement certificate EUR.1. The position to be adopted on the Union's behalf within the Association Council should be based on the attached draft decision,

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<sup>1</sup> OJ L 346, 15.12.2012, p. 3.

HAS ADOPTED THIS DECISION:

*Article 1*

1. The position to be adopted on the Union's behalf within the Association Council regarding Explanatory Notes to Article 15 to Annex II to the Agreement, on EUR.1 movement certificates, shall be based on the draft Decision of the Association Council attached to this Decision.

2. Minor changes to the draft Decision of the Association Council may be agreed to by the representatives of the Union in the Association Council without further decision of the Council.

*Article 2*

After its adoption, the Decision of the Association Council shall be published in the Official Journal of the European Union.

*Article 3*

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

Done at Brussels,

*For the Council  
The President*



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ANNEX 1

**ANNEX**

**Attachment**

**to the**

**Proposal for a Council Decision**

**on the position to be adopted on behalf of the European Union within the EU-Central America Association Council regarding Explanatory Notes to Article 15 of Annex II to the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other**

**DECISION No XX/2016**  
**OF THE EU-CENTRAL AMERICA ASSOCIATION COUNCIL**

**introducing Explanatory Notes to Article 15 of Annex II (Concerning Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation) to the Agreement regarding the Movement Certificate EUR.1**

THE EU-CENTRAL AMERICA ASSOCIATION COUNCIL,

Having regard to the Agreement establishing an association between Central America, on the one hand, and the European Union and its Member States, on the other (“the Agreement”), and in particular Article 37 of Annex II thereof;

Whereas:

- (1) Annex II to the Agreement concerns the definition of the concept of “originating products” and methods of administrative co-operation.
- (2) According to Article 37 of Annex II to the Agreement, the Parties shall agree Explanatory Notes regarding the interpretation, application and administration of Annex II within the Sub-Committee on Customs, Trade Facilitation and Rules of Origin and recommend their approval by the Association Council.
- (3) As the movement certificate EUR.1. set out in Appendix 3 to Annex II to the Agreement is only a specimen, minor differences might occur in the forms printed by the different authorities. It should be clarified that such differences should not have as a consequence that certificates are rejected.
- (4) Furthermore, in order to ensure that such minor differences do not cause difficulties in relation to the acceptance of movement certificates EUR.1. and in order to ensure a harmonised interpretation by the competent public authorities of the Parties, guidance should be provided on the required content of the movement certificate EUR.1.

HAS ADOPTED THIS DECISION:

*Sole Article*

The Explanatory Notes regarding the Movement Certificate EUR.1 to Annex II (Concerning the Definition of the Concept of “Originating Products” and Methods of Administrative Co-operation) to the Agreement contained in the Annex to this Decision are approved.

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

Done at ...,

*For the Association Council,*

*For the CA Party,*

*For the EU Party,*

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## ANNEX

### Explanatory Notes

#### Article 15 - Movement certificate EUR.1: forms and filling-in instructions

##### EUR.1 serial number

The movement certificate EUR.1 must bear a serial number to facilitate identification. The serial number is usually composed by letter(s) and numbers.

##### Movement certificate EUR.1 forms

Movement certificate EUR.1 which vary in wording, depending on the issuing competent public authority, with respect to the specimen contained in Appendix 3 (Specimens of movement certificate EUR.1 and application for a movement certificate EUR.1) to Annex II (Concerning definition of the concept of "originating products" and methods of administrative cooperation) to the Agreement, may be accepted as proof of origin, if:

(a) the variations do not modify the information required in each box; and

(b) the competent public authorities of the Parties have provided each other the varied specimen of the certificate, through the European Commission and notified to the Coordinators of Part IV of this Agreement.

##### Box 1: Exporter

The full details of the exporter of the goods (name, full current address and country in which the export originates) shall be provided.

##### Box 2: Certificate used in preferential trade between

To this end, specify:

Central America; European Union or EU<sup>1</sup>; Ceuta; Melilla; Andorra or AD; San Marino or SM.

##### Box 3: Consignee

Filling in this box is optional. If this box is filled in, the details of the consignee must be provided: name, full current address and country of destination of the goods.

##### Box 4: Country, group of countries or territory in which the products are considered as originating

Specify the country, group of countries or territory of origin of the goods:

Central America; European Union or EU<sup>2</sup>; Ceuta; Melilla; Andorra or AD; San Marino or SM.

##### Box 5: Country, group of countries or territory of destination

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<sup>1</sup> See "Annex to the Movement Certificate EUR.1 - Filling in Instructions".

<sup>2</sup> See "Annex to the Movement Certificate EUR.1 - Filling in Instructions".

Specify the country, group of countries or territory of the importing Party to which the products are to be delivered:

Central America; European Union or EU<sup>1</sup>; Ceuta; Melilla; Andorra or AD; San Marino or SM.

### **Box 6: Transport details**

Filling in this box is optional. If this box is filled in, the means of transport and airway bill or bill of lading numbers, with the names of the respective transport companies are to be indicated.

### **Box 7: Remarks**

This box should be filled in:

1. In the case of a certificate issued after export of the goods pursuant to Article 16 of Annex II to the Agreement, the following is indicated, in one of the languages established in the Agreement, in this box: "ISSUED RETROSPECTIVELY". Additionally, in the case established under Article 16.1 (b) of Annex II the number of movement certificate EURI that was not accepted at importation for technical reasons, is indicated in this box: "EUR.1 N°.....".

2. In the case of a duplicate certificate issued pursuant to Article 17 of Annex II, the following must be indicated, in one of the languages established in the Agreement, in this box: "DUPLICATE" and the date of issue of the original movement certificate EUR.1.

3. In the case of cumulation of origin with Bolivia, Colombia, Ecuador, Peru or Venezuela, the following must be indicated in this box: "cumulation with (name of the country)" in accordance with Article 3 of Annex II.

4. In the case a product is covered by a rule of origin that is subject to quotas, the following must be indicated in this box: "Product originating in accordance with Appendix 2A of Annex II (Concerning definition of the concept of "originating products and methods of administrative cooperation)".

5. In other cases that may be considered useful to clarify information of the movement certificate EUR.1.

### **Box 8: Item number; marks and numbers; number and kind of packages; description of the goods**

Provide a description of the goods, in accordance with the description provided in the invoice (order or item number; marks and numbering; number and kind of packages - pallets, boxes, bags, rolls, barrels, sacks, etc.) A general description of the goods may be provided as long as it is related to the specific description found in the invoice and there is an unambiguous link between the import document and the movement certificate EUR.1. In this case, the number of the invoice shall be indicated in this box. In any case, the tariff classification should be indicated at least at a heading level (four digit code) under the Harmonized System.

If the goods are not packaged, indicate the number of articles or state "in bulk" as appropriate.

The description of the goods must be preceded by an order or item number, without leaving any blank lines or spaces and there should be no blank spaces between the products specified in the certificate. If the box is not completely filled in, a horizontal line must be drawn below the last line of the description and the empty space must be crossed through in such a way that any later additions are impossible.

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<sup>1</sup> See "Annex to the Movement Certificate EUR.1 - Filling in Instructions".

**Box 9: Gross mass (kg) or other measure (litres, m3, etc.)**

Specify the gross mass (kg) or other measure (litres, m3, etc.) of all the goods listed in box 8 or separately for each item (HS heading).

**Box 10: Invoices**

Filling in this box is optional. If this box is filled in, indicate the date and invoice number(s).

**Box 11: Customs or competent public authority endorsement**

This box is for the exclusive use of the competent public or customs authority, as appropriate in each country, which issues the certificate.

**Box 12: Declaration by the exporter**

This box is for the exclusive use of the exporter or his authorised representative. It must record the place and date when the certificate was drawn up and it must be signed by the exporter or his authorised representative.

The exporter or his authorised representative can sign physically or a Party may allow them to sign digitally the EURI certificate.

**Box 13: Request for verification and Box 14: Result of verification:**

These boxes are for the exclusive use of the customs authority or competent public authority in each country, as appropriate, for the purposes of verification.

**Annex to the Movement Certificate EUR.1 - Filling in Instructions****Terms referring unequivocally to the Union**

<b>Language</b>	<b>EU</b>	<b>European Union (EU)</b>
BG	EC	Европейски съюз (EC)
CS	EU	Evropská unie
DA	EU	Den Europæiske Union
DE	EU	Europäische Union
EL	EE	Ευρωπαϊκή Ένωση
EN	EU	European Union
ES	UE	Unión Europea
ET	EL	Euroopa Liit
FI	EU	Euroopan unioni
FR	UE	Union européenne
HR	EU	Europska unija
HU	EU	Európai Unió
IT	UE	Unione europea
LT	ES	Europos Sąjunga
LV	ES	Eiropas Savienība
MT	UE	Unjoni Ewropea
NL	EU	Europese Unie
PL	UE	Unia Europejska
PT	UE	União Europeia
RO	UE	Uniunea Europeană
SK	EÚ	Európska únia
SL	EU	Evropska unija
SV	EU	Europeiska unionen