



**COUNCIL OF
THE EUROPEAN UNION**

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STATEMENT OF THE COUNCIL'S REASONS

Subject: Position of the Council at first reading with a view to the adoption of a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL concerning certain procedures for applying the Stabilisation and
Association Agreement between the European Communities and their Member
States, of the one part, and the Republic of Serbia, of the other part
- Statement of the Council's reasons
Adopted by the Council on 28 January 2014

I. INTRODUCTION

The Commission transmitted its proposal on 10 January 2012.

The European Parliament adopted its position at first reading at its plenary session on 25 October 2012, including nine amendments presented on behalf of the Committee on International Trade. The amendments mirrored amendments proposed in the context of the Trade Omnibus I- package¹ with respect to equivalent procedures for applying the Stabilisation and Association Agreements of four other Western Balkan countries.

The Working Party on the Western Balkans region examined the text in March 2012. In order to ensure consistency among changes brought about by the Trade Omnibus I-package and the present regulation, it was agreed to await the outcome of the Trade Omnibus I-package.

In June 2013, a compromise was found concerning the Trade Omnibus I-package. Subsequently, a revised text was presented by the Chair to the Working Party on the Western Balkans region on 7 October 2013. The Working Party agreed on 14 October 2013.

At an informal trilogue on 26 November 2013, a provisional agreement with a view to an early second-reading agreement was reached between the co-legislators. On 17 December 2013, the Committee on International Trade of the European Parliament approved the outcome of the trilogue negotiations. On 18 December 2013, the Chair of that Committee addressed a letter to the Presidency indicating that, should the Council transmit formally to the Parliament its position in the form that it was presented in the Annex to that letter, the Chair would recommend to the Plenary to accept the Council's position without amendment.

On 20 January 2014 the Council reached a political agreement on the revised text.

¹ Proposal for a Regulation of the European Parliament and of the Council amending certain regulations relating to the common commercial policy as regards the procedures for the adoption of certain measures (2011/0039 (COD))

Taking into account the above agreement and after legal and linguistic revision, the Council adopted its position at first reading on 28 January 2014, in accordance with the ordinary legislative procedure laid down in Article 294(5) of the Treaty on the Functioning of the European Union (TFEU).

II. OBJECTIVE

A Stabilisation and Association Agreement (SAA) between the European Communities and their Member States, of the one part, and the Republic of Serbia, of the other part, was signed in Luxembourg on 29 April 2008. An Interim Agreement comprising the trade and trade-related provisions of the SAA entered into force on 1 February 2010 and the SAA itself entered into force on 1 September 2013, thereby replacing the Interim Agreement.

With the aim of a correct and smooth application, the Commission proposed the present Regulation concerning certain procedures for applying these Agreements.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

General

The amendments of the Council mainly reflect the need to ensure consistency with the equivalent Western Balkan regulations as amended by the Trade Omnibus I-package. Moreover, references to the Interim Agreement were removed where appropriate. The European Parliament could accept these changes.

Key issues

1) Comitology

- the examination procedure was provided for throughout, to be consistent with the equivalent Western Balkan regulations.
- the European Parliament's amendment, according to which a written procedure could be terminated without result upon decision by the Chair of the relevant Committee or a majority of Committee members, was not retained as it was not consistent with the equivalent Western Balkan regulations.

2) Interim Agreement

It is provided that Articles 2, 3 and 4 of the Regulation apply from the date of entry into force of the Interim Agreement in order to ensure the effective application and management of tariff quotas granted under the Interim Agreement and the SAA, as well as to ensure legal certainty and equal treatment with regard to the levying of duties.

IV. CONCLUSION

The Council's Position at first reading reflects the compromise reached in negotiations between the Council and the European Parliament.

This compromise was endorsed through the adoption of a political agreement by Coreper on 15 January 2014 and by the Council on 20 January 2014. On 18 December 2013, the Chair of that Committee addressed a letter to the Presidency indicating that, should the Council transmit formally to the Parliament its position in the form that it was presented in the Annex to that letter, the Chair would recommend to the Plenary to accept the Council's position without amendment.