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COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	11 January 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2016) 8996 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... of 11.1.2017 amending Annex III to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

Delegations will find attached document C(2016) 8996 final.

Encl.: C(2016) 8996 final



Brussels, 11.1.2017
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COMMISSION DELEGATED REGULATION (EU) .../...

of 11.1.2017

amending Annex III to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

The European Union ('EU') has granted trade preferences to developing countries through the Generalised Scheme of Tariff Preferences (GSP) since 1971. It is part of its common commercial policy in accordance with the general provisions governing the EU's external action. The special incentive arrangement for sustainable development and good governance ('GSP+') provides additional tariff preferences to developing countries which are vulnerable due to a lack of diversification and insufficient integration within the international trading system, when exporting to the EU. The GSP+ arrangement supports these countries to assume the special burdens and responsibilities resulting from the ratification of 27 core international conventions on human and labour rights, environmental protection and good governance as well as from their effective implementation.

Article 9(1) of Regulation (EU) No 978/2012 of the European Parliament and of the Council¹ ('GSP Regulation') establishes the conditions for benefiting from GSP+. A list of GSP+ beneficiary countries is included in Annex III of the GSP Regulation.

Sri Lanka has made a request for GSP+ treatment. The Commission has examined the request and has established that Sri Lanka meets the eligibility criteria for GSP+².

Further to the decision to grant GSP+ preferences to Sri Lanka, the Commission will keep under review the status of ratification of the relevant conventions and their effective implementation by Sri Lanka, as well as its cooperation with the relevant monitoring bodies, in accordance with Article 13 of the GSP Regulation.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

In line with paragraph 4 of the Common Understanding on delegated acts between the European Parliament, the Council and the European Commission, appropriate and transparent consultations, including at expert level, have been carried out on this delegated act. The Commission Expert Group on the Generalised Scheme of Preferences was consulted on 27 September 2016.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

Article 10(4) of the GSP Regulation empowers the Commission to adopt delegated acts to establish and amend its Annex III. The proposed delegated act will amend the list of GSP+ beneficiary countries and add Sri Lanka to that list. The proposal should be adopted as soon as possible to allow Sri Lanka to benefit from GSP+ at the earliest possible time.

¹ OJ L 303, 31.10.2012, p. 1.

² See accompanying Commission Staff Working Document.

COMMISSION DELEGATED REGULATION (EU) .../...

of 11.1.2017

amending Annex III to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, in particular Article 207,

Having regard to Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008³, and in particular Article 10(4) thereof,

Whereas:

- (1) A beneficiary country under the Generalised Scheme of Tariff Preferences ('GSP') may request to benefit from additional tariff preferences under the special incentive arrangement for sustainable development and good governance (GSP+). For that purpose, Article 9(1) of Regulation (EU) No 978/2012 establishes specific eligibility criteria for the granting of the tariff preferences provided under the GSP+. The country should be considered vulnerable due to a lack of sufficient diversification and insufficient integration with the international trading system. It should have ratified all the conventions listed in Annex VIII to Regulation (EU) No 978/2012 and the most recent available conclusions of the relevant monitoring bodies should not identify a serious failure to effectively implement any of those conventions. In relation to any of the relevant conventions, the country should not have formulated a reservation which is prohibited by the convention or which, for the exclusive purposes of Article 9 of Regulation (EU) No 978/2012, is considered to be incompatible with the object and purpose of that convention. It should accept without reservation the reporting requirements imposed by each convention and give the binding undertakings referred to in points (d), (e) and (f) of Article 9(1) of Regulation (EU) No 978/2012.
- (2) A GSP beneficiary country wishing to benefit from GSP+ has to submit a request accompanied by comprehensive information concerning ratification of the relevant conventions, its reservations and the objections to those reservations made by other parties to the convention, and its binding undertakings.
- (3) The Commission has been empowered to adopt delegated acts to amend Annex III to Regulation (EU) No 978/2012 in order to grant GSP+ to a requesting country by adding it to the list of GSP+ beneficiary countries.

³ OJ L 303, 31.10.2012, p. 1.

- (4) On 12 July 2016, the Commission received a GSP+ request from the Democratic Socialist Republic of Sri Lanka ("Sri Lanka").
- (5) The Commission has examined the GSP+ request from Sri Lanka in accordance with the provisions of Article 10(1) of Regulation (EU) No 978/2012, and the Commission has established that Sri Lanka meets the conditions. Sri Lanka should therefore be granted GSP+ from the date of entry into force of this Regulation. Annex III to Regulation (EU) No 978/2012 should be amended accordingly.
- (6) Pursuant to Article 13 of Regulation (EU) No 978/2012, the Commission should keep under review the status of ratification of the relevant conventions, the effective implementation of those conventions, as well as the cooperation with the relevant monitoring bodies by the government of Sri Lanka,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 978/2012 is amended as follows:

In Annex III, the following country and the corresponding alphabetical code is inserted under columns B and A, respectively:

Sri Lanka	LK
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Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11.1.2017

For the Commission
The President
Jean-Claude JUNCKER