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# **PROPOSAL**

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director		
date of receipt:	8 February 2017		
To:	Ir Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of ne European Union		
No. Cion doc.:	COM(2017) 64 final - ANNEX 1		
Subject:	ANNEX to the Proposal for a Council Decision on the position to be adopted on behalf of the European Union within the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000, concerning the definition of the concept of originating products and methods of administrative cooperation		

Delegations will find attached document COM(2017) 64 final - ANNEX 1.

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Encl.: COM(2017) 64 final - ANNEX 1

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Brussels, 8.2.2017 COM(2017) 64 final

ANNEX 1

#### **ANNEX**

#### to the

# **Proposal for a Council Decision**

on the position to be adopted on behalf of the European Union within the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000, concerning the definition of the concept of originating products and methods of administrative cooperation

# DECISION No X/XXXX OF THE EUROPEAN UNION-MEXICO JOINT COMMITTEE

#### of XX XXXXXX XXXX

relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000, concerning the definition of the concept of originating products and methods of administrative cooperation

## THE JOINT COMMITTEE,

Having regard to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 (hereinafter 'Decision No 2/2000'), and its Annex III, and in particular Article 38 thereof,

#### Whereas:

- (1) Annex III to Decision No 2/2000 sets out the rules of origin for the products originating in the territory of the Parties to the Agreement.
- (2) The European Union has in place customs unions with the Principality of Andorra and the Republic of San Marino, respectively, and, as a result, goods originating in Mexico benefit from preferential treatment when exported to those two countries.
- (3) It has been agreed that Mexico will accept products falling within Chapters 25 to 97 of the Harmonized System originating in the Principality of Andorra and products falling within Chapters 1 to 97 of the Harmonised System originating in the Republic of San Marino as products originating in the EU within the meaning of Annex III to Decision No 2/2000.
- (4) A new Appendix VI to Annex III to Decision No 2/2000 should be added to allow those products to be treated, when imported to Mexico, in a similar way to products originating in the European Union, and to establish provisions regarding the application of Annex III to those products.
- (5) On XX/XX/2017 the Joint Committee adopted Decision No 1/2017 which extends the application of the product specific rules of origin for chemical products in Harmonized System headings 2914 and 2915 for the fourth time. The extension provided for in Decision No 1/2017 applies until 31 December 2019.
- (6) It is considered appropriate to extend on a permanent basis the application of the product specific rules of origin which was extended by Annex I to Decision No 1/2017, because they are in line with the principles of the modernisation of the agreement between Mexico and the European Union.
- (7) Annex III to Decision No 2/2000 of the EC-Mexico Joint Council should therefore be amended accordingly,

## HAS DECIDED AS FOLLOWS:

#### Article 1

- 1. Appendix II to Annex III to Decision No 2/2000 is amended as set out in Annex I to this Decision.
- 2. A new Appendix VI is added to Annex III to Decision No 2/2000 as set out in Annex II to this Decision.

## Article 2

This Decision shall enter into force on the first day of the second month following the date on which the Parties have notified each other of the completion of the procedures necessary for this purpose.

Done at XXXX, XX XXXX 2017

For the Joint Committee

#### **ANNEX I**

In Appendix II to Annex III to Decision No 2/2000, the entries for HS headings 2914 and 2915 shall be replaced by the following:

"HS heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3) or	. (4)
ex 2914	Diacetone alcohol	Manufacture from acetone	Manufacture in which a chemical reaction is made*
	Methyl isobutyl ketone		
	Mesityl oxide		
2915	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives, except for:	Manufacture from materials of any heading. However, the value of all the materials of headings 2915 and 2916 used may not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	Acetic anhydride, ethyl and n-butyl acetate, vinyl acetate, isopropyl and methylamyl acetate, mono-, di- or trichloroacetic acids, their salts and esters	Manufacture from materials of any heading. However, the value of all the materials of heading 2916 used may not exceed 20% of the ex-works price of the product	Manufacture in which a chemical reaction is made**

\* A "chemical reaction" is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following processes should not be considered for purposes of origin:

- (a) dissolving in water or other solvents;
- (b) the elimination of solvents including solvent water; or
- (c) the addition or elimination of water of crystallization.
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- (a) dissolving in water or other solvents;
- (b) the elimination of solvents including solvent water; or
- (c) the addition or elimination of water of crystallization. "

#### ANNEX II

The following Appendix VI is added to Annex III to Decision No 2/2000:

"Appendix VI

#### THE PRINCIPALITY OF ANDORRA AND THE REPUBLIC OF SAN MARINO

- 1. Products originating in the Principality of Andorra falling within Chapters 25 to 97 of the Harmonized System shall be accepted by Mexico under the same customs regime as that which is granted to products imported from and originating in the European Union, as long as the customs union established by Council Decision 90/680/EEC of 26 November 1990<sup>1</sup> remains in force.
- 2. Products originating in Mexico falling within Chapters 25 to 97 of the Harmonized System benefit from the same preferential tariff treatment when imported into Andorra as they do in the European Union, as long as the customs union established by Decision 90/680/EEC of 26 November 1990<sup>1</sup> remains in force.
- 3. Products originating in the Republic of San Marino falling within Chapters 1 to 97 of the Harmonized System shall be accepted by Mexico under the same customs regime as that which is granted to products imported from and originating in the European Union, as long as the Agreement on Cooperation and Customs Union between the European Economic Community and the Republic of San Marino, done at Brussels on 16 December 1991 remains in force.
- 4. Products originating in Mexico falling within Chapters 1 to 97 of the Harmonized System benefit from the same preferential tariff treatment when imported into San Marino as they do in the European Union, as long as the Agreement on Cooperation and Customs Union between the European Economic Community and the Republic of San Marino, done at Brussels on 16 December 1991 remains in force.
- 5. Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 on the definition of the concept of originating products and methods of administrative cooperation shall apply mutatis mutandis to the trade of the products referred to in points 1 to 4.
- 6. The exporter or his authorised representative shall enter "Mexico" as well as either "the Principality of Andorra" or "the Republic of San Marino" in Box 2 of the EUR.1 movement certificate or on the invoice declaration. In addition, that information shall be entered in Box 4 of the EUR.1 movement certificate or on the invoice declaration, in the case of products originating in the Principality of Andorra or the Republic of San Marino.
- 7. The European Union shall send samples of the movement certificates EUR.1, the stamps to be used by the Principality of Andorra and the Republic of San Marino,

Council Decision 90/680/EEC of 26 November 1990 on the conclusion of an agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra (OJ L 374, 31.12.1990, p. 13).

- and the addresses of authorities responsible for the verifications process in the Principality of Andorra and the Republic of San Marino, to Mexico.
- 8. If the competent governmental authority of the Principality of Andorra or the Republic of San Marino does not comply with the provisions of Annex III, Mexico may take the case to the Special Committee on Customs Cooperation and Rules of Origin established by Article 17 of Decision No 2/2000, in order for appropriate measures to be determined to resolve the issue."