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Subject: 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 (Andorra and San Marino, and certain product specific rules of origin for chemicals)

COUNCIL DECISION (EU) 2017/...

of ...

**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
(Andorra and San Marino,
and certain product-specific rules of origin for chemicals)**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

Whereas:

- (1) Annex III to Decision No 2/2000 of the EC-Mexico Joint Council¹ established by the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, signed in Brussels on 8 December 1997² ('the Agreement'), sets out the rules of origin for the products originating in the territory of the Parties to the Agreement. Article 38 of Annex III to Decision No 2/2000 allows the EU-Mexico Joint Committee to amend that Annex.
- (2) The European Union has in place a customs union with the Principality of Andorra for products falling within Chapters 25 to 97 of the Harmonized System and with the Republic of San Marino for products falling within Chapters 1 to 97 of the Harmonized System. This customs union allows goods originating in Mexico to benefit from preferential treatment under Decision No 2/2000 also when exported to Andorra and San Marino.
- (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) An Appendix VI should therefore be added to Annex III to Decision No 2/2000 to allow those products to be treated, when imported into Mexico, in a similar way to products originating in the Union, and to lay down provisions regarding the application of Annex III to those products.

¹ Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 (OJ L 157, 30.6.2000, p. 10).

² OJ L 276, 28.10.2000, p. 45.

- (5) Joint Declaration V¹ to Decision No 2/2000 provides that the EC-Mexico Joint Committee established by the Agreement is to review the necessity to extend beyond 30 June 2003 the application of the rules of origin set out in Notes 2 and 3 of Appendix II(a) to Annex III to Decision No 2/2000 ('Notes 2 and 3'). That review concerns the product-specific rules in Appendix II to Annex III to Decision No 2/2000 for certain chemical products under the Harmonised System headings 2914 and 2915.
- (6) On ... the EU-Mexico Joint Committee adopted Decision No 1/2017²⁺, extending the application of the rules of origin established in Notes 2 and 3 for the fourth time. Decision No 1/2017 applies until 31 December 2019.

¹ OJ L 245, 29.9.2000, p.1167.

² Decision No 1/2017 of the EU-Mexico Joint Committee of ... 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 (certain product-specific rules of origin for chemicals) (OJ L ...).

⁺ OJ: Please insert in the text the date of Decision No 1/2017 of the EU-Mexico Joint Committee and complete the corresponding footnote.

- (7) It is appropriate to extend the application of the rules of origin established in Notes 2 and 3 on a permanent basis, because they are in line with the principles of the modernisation of the Agreement.
- (8) Appendix II to Annex III to Decision No 2/2000 should therefore be amended to extend the application of the rules of origin established in Notes 2 and 3 on a permanent basis.
- (9) The position of the Union within the EU-Mexico Joint Committee should therefore be based on the attached draft Decision,

HAS ADOPTED THIS DECISION:

Article 1

1. The position to be adopted on behalf of the Union within the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council shall be based on the draft Decision of the EU-Mexico Joint Committee attached to this Decision.
2. The representatives of the Union in the EU-Mexico Joint Committee may agree to minor changes to the draft Decision of the EU-Mexico Joint Committee referred to in paragraph 1 without further decision of the Council.

Article 2

The Decision of the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council

The President

DRAFT

**DECISION No 2/2017
OF THE EU-MEXICO JOINT COMMITTEE**

of ...

**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
(Andorra and San Marino,
and certain product-specific rules of origin for chemicals)**

THE JOINT COMMITTEE,

Having regard to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000¹ and its Annex III, and in particular Article 38 of Annex III,

¹ OJ EU L 157, 30.6.2000, p.10.

Whereas:

- (1) Annex III to Decision No 2/2000 ('Annex III') sets out the rules of origin for the products originating in the territory of the Parties to the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, signed in Brussels on 8 December 1997¹ ('the Agreement').
- (2) The European Union has in place customs unions with the Principality of Andorra and with 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 European Union within the meaning of Annex III.

¹ OJ EU L 276, 28.10.2000, p. 45.

- (4) An Appendix VI should therefore be added to Annex III to allow those products to be treated, when imported into 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 ... the Joint Committee adopted Decision No 1/2017¹⁺, which extends the application of the rules of origin established in Notes 2 and 3 of Appendix II(a) to Annex III ('Notes 2 and 3') for the fourth time. The extension provided for in Decision No 1/2017 applies until 31 December 2019.
- (6) It is appropriate to extend the application of the rules of origin established in Notes 2 and 3 on a permanent basis, because they are in line with the principles of the modernisation of the Agreement.
- (7) Annex III should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

¹ Decision No 1/2017 of the EU-Mexico Joint Committee of ... 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 (certain product-specific rules of origin for chemicals) (OJ L ...).

⁺ OJ: Please insert in the text the date of Decision No 1/2017 of the EU-Mexico Joint Committee and complete the corresponding footnote.

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. An 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 ...,

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 are 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	<ul style="list-style-type: none"> - Diacetone alcohol - Methyl isobutyl ketone - Mesityl oxide 	Manufacture from acetone	Manufacture in which a chemical reaction is made*
2915	<p>Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives, except for:</p> <ul style="list-style-type: none"> - Acetic anhydride, ethyl and n-butyl acetate, vinyl acetate, isopropyl and methylamyl acetate, mono-, di- or trichloroacetic acids, their salts and esters 	<p>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</p> <p>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</p>	<p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p> <p>Manufacture in which a chemical reaction is made*</p>

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- * 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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ANNEX II

The following Appendix 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 applies 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 1990¹ 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 receive when imported into the European Union, as long as the customs union established by Decision 90/680/EEC remains in force.

¹ 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 EU L 374, 31.12.1990, p. 13).

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 applies 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 1991¹, 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 receive when imported into 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 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.

¹ OJ EU L 84, 28.3.2002, p. 43.

7. The European Union shall send to Mexico samples of the EUR.1 movement certificates, the stamps to be used by the Principality of Andorra and the Republic of San Marino, and the addresses of the authorities responsible for the verification process in the Principality of Andorra and the Republic of San Marino.

 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.’.
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