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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement. - Outcome of the European Parliament's proceedings (Brussels, 31 May to 1 June 2017)

I. INTRODUCTION

The Rapporteur, Mr Jarosław WALESZA (EPP - PL), presented a report consisting of twenty-one amendments (amendments 1-21) to the proposal for a Regulation, on behalf of the Committee on International Trade.

II. VOTE

When it voted on 1 June 2017, the plenary adopted all twenty-one amendments, the text of which is annexed to this note (amendments 1-21).

Pursuant to Rule 59(4) of the EP Rules of Procedure, the proposal was referred back to the Committee on International Trade in order to allow interinstitutional negotiations to start on the basis of the amendments adopted.

P8_TA-PROV(2017)0236

Introduction of temporary autonomous trade measures for Ukraine *I**

Amendments adopted by the European Parliament on 1 June 2017 on the proposal for a regulation of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement (COM(2016)0631 – C8-0392/2016 – 2016/0308(COD))¹

(Ordinary legislative procedure: first reading)

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) *In view of* the economic reform efforts undertaken by Ukraine, and in order to support the development of closer economic relations with the *European* Union, it is appropriate to increase the trade flows concerning the import of certain agricultural products and to grant concessions in the form of autonomous trade measures in selected industrial products in line with the acceleration of the elimination of customs duties on trade between the *European* Union and Ukraine.

Amendment

(2) *With a view to enhancing* the economic *and political* reform efforts undertaken by Ukraine, and in order to support *and accelerate* the development of closer economic relations with the Union, it is appropriate *and necessary* to increase the trade flows concerning the import of certain agricultural products and to grant concessions in the form of autonomous trade measures in selected industrial products in line with the acceleration of the elimination of customs duties on trade between the Union and Ukraine.

Amendment 2

Proposal for a regulation

Recital 3

¹ The matter was referred back for interinstitutional negotiations to the committee responsible, pursuant to Rule 59(4), fourth subparagraph (A8-0193/2017).

Text proposed by the Commission

(3) **The** autonomous trade measures **would** be granted **in** the form of zero-tariff quotas for products listed in Annexes I and II in addition to the preferential tariff-rate quotas set out in the Agreement, and the partial or full removal of import duties on industrial products listed in Annex III;

Amendment

(3) **After the publication by the Commission of its analysis on the potential impact of this Regulation, which should consider the potential final beneficiaries of the autonomous trade measures contained in this Regulation and focus particularly on small and medium-sized producers in Ukraine,** the autonomous trade measures **should** be granted **for products that are assessed to be beneficial in light of that analysis. Those autonomous trade measures should take** the form of zero-tariff quotas for products listed in Annexes I and II in addition to the preferential tariff-rate quotas set out in the **Association** Agreement, and the partial or full removal of import duties on industrial products listed in Annex III.

Amendment 3

Proposal for a regulation Recital 4

Text proposed by the Commission

(4) In order to prevent any risk of fraud, the entitlement to benefit from the additional zero-tariff quotas should be conditional on the compliance by Ukraine with the relevant rules of origin of products concerned and the procedures related thereto as well as involvement in close administrative cooperation with the **European** Union as provided for by **the** Agreement;

Amendment

(4) In order to prevent any risk of fraud, the entitlement to benefit from the additional zero-tariff quotas **for products listed in Annexes I and II and the partial or full removal of import duties on industrial products listed in Annex III** should be conditional on the compliance by Ukraine with **all** the relevant **conditions for obtaining benefits under the Association Agreement, including the** rules of origin of products concerned and the procedures related thereto as well as involvement in close administrative cooperation with the Union as provided for by **that** Agreement.

Amendment 4

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) Article 2 of the Association Agreement provides that the respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law, constitute essential elements of that Agreement. It is appropriate to introduce the possibility to temporarily suspend the preferences in case of failure to respect the ***fundamental principles of human rights, democracy and the rule of law by Ukraine.***

Amendment

(9) ***Articles 2 and 3*** of the Association Agreement ***provide that*** respect for democratic principles, human rights, and fundamental freedoms and the principle of the rule of law, ***as well as efforts to combat corruption and organised crime, and measures to promote sustainable development and effective multilateralism,*** constitute essential elements of ***relations with Ukraine, which are governed by that*** Agreement. It is appropriate to introduce the possibility to temporarily suspend the preferences in ***the*** case of failure ***by Ukraine*** to respect the ***general*** principles of ***the Association Agreement, as has been done in other association agreements signed by the Union.***

Amendment 5

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) The Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Agreement should include a detailed assessment of the implementation of the temporary autonomous trade measures provided for in this Regulation.

Amendment 6

Proposal for a regulation

Article 2 – paragraph 1 – introductory part

Text proposed by the Commission

Entitlement to benefit from the tariff-rate quotas introduced by Article 1 shall be subject to:

Amendment

Entitlement to benefit from the tariff-rate quotas ***and preferential customs duties on importation*** introduced by Article 1 shall be subject to:

Amendment 7

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) compliance with the rules of origin of products and the procedures related thereto as provided for in the Association Agreement, and notably in Protocol I concerning the definition of the concept of "originating products" and methods of administrative co-operation, and in Protocol II on mutual administrative assistance in customs matters;

Amendment

(a) compliance with the rules of origin of products and the procedures related thereto as provided for in the Association Agreement, and notably in Protocol I concerning the definition of the concept of "originating products" and methods of administrative co-operation, and in Protocol II on mutual administrative assistance in customs matters; ***as regards products manufactured in, or shipped from, territory not under the effective control of the Government of Ukraine, the submission of a movement certificate EUR.1, as referred to in Article 16(1)(a) of Protocol I to the Association Agreement, which shall be issued by the customs authorities of the Government of Ukraine, after having carried out an inspection of the exporter's accounts at the exporter's premises and any other checks considered appropriate, in accordance with Article 17(5) and Article 33 of that Protocol, including assessing whether there are reasonable grounds to suspect that economic operators benefiting from the temporary autonomous trade measures are undermining the fight against corruption***

or are engaged in illegal economic activities;

Amendment 8

Proposal for a regulation

Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) abstention by Ukraine from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union or from increasing existing levels of duties or charges or from introducing any other restrictions from the day of the entry into force of this Regulation;

Amendment

(b) abstention by Ukraine from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union or from increasing existing levels of duties or charges or from introducing any other restrictions, ***including discriminatory internal administrative measures***, from the day of the entry into force of this Regulation;

Amendment 9

Proposal for a regulation

Article 2 – paragraph 1 – point c

Text proposed by the Commission

(c) respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law provided for in Article 2 of the Association Agreement.

Amendment

(c) respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law ***as well as continued and sustained efforts with regard to the fight against corruption and illegal activities*** provided for in ***Articles 2, 3 and 22*** of the Association Agreement.

Amendment 10

Proposal for a regulation

Article 2 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) continued respect for obligations to

cooperate on matters related to employment, social policy and equal opportunities in accordance with Chapter 13 of Title IV (Trade and Sustainable Development) and Chapter 21 of Title V (Cooperation on employment, social policy and equal opportunities) of the Association Agreement, and the goals set out in Article 420 thereof.

Amendment 11
Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

Where the Commission finds that there is sufficient evidence of failure to comply with the conditions set out in Article 2 it may suspend in whole or in part the preferential arrangements provided for in this Regulation, in accordance with the examination procedure referred to in Article 5(2).

Amendment

Where the Commission finds that there is sufficient evidence of failure to comply with the conditions set out in Article 2 **of this Regulation**, it may suspend in whole or in part the preferential arrangements provided for in this Regulation, in accordance with the examination procedure referred to in Article 5(2).

Amendment 12
Proposal for a regulation
Article 3 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Where a Member State requests that the Commission suspend any of the preferential arrangements on the basis of failure to comply with the conditions set out in Article 2(b), the Commission shall provide a reasoned opinion within two months of such request on whether the claim of failure to comply is substantiated. If the Commission concludes that the claim is substantiated, it shall initiate the procedure referred to in the first paragraph of this Article.

Amendment 13

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

1. Where a product originating in Ukraine is imported on terms which cause, or threaten to cause, serious difficulties to a **Community** producer of like or directly competing products, Common Customs Tariff duties on such product may be reintroduced at any time **by the Council acting by qualified majority on a proposal from the Commission**.

Amendment

1. Where a product originating in Ukraine is imported on terms which cause, or threaten to cause, serious difficulties to a **Union** producer of like or directly competing products, Common Customs Tariff duties on such product may be reintroduced at any time.

Amendment 14

Proposal for a regulation

Article 4 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Commission shall closely monitor the impact of this Regulation on Union producers with regard to the products listed in Annex I and II, including with regard to prices on the Union market and taking into account relevant available information on Union producers, such as market share, production, stocks, production capacities and capacity utilisation rates.

Amendment 15

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

2. At the request of a Member State or on the Commission's initiative, the Commission shall take a formal decision to initiate an investigation within a reasonable period of time. Where the Commission decides to initiate an investigation, it shall publish a notice in the Official Journal of the European Union announcing the investigation. The notice shall provide a summary of the information received and state that any relevant information should be sent to the Commission. It shall specify the period, which shall not exceed four months from the date of publication of the notice, within which interested parties may make their views known in writing

Amendment

2. At the request of a Member State, ***any legal person or any association not having legal personality, acting on behalf of Union industry, meaning all or a major proportion of Union producers of like or directly competing products***, or on the Commission's ***own*** initiative, ***if it is apparent to the Commission that there is sufficient prima facie evidence***, the Commission shall take a formal decision to initiate an investigation within a reasonable period of time. ***For the purposes of this Article, 'major proportion' means Union producers whose collective output constitutes more than 50 % of the total Union production of the like or directly competing products produced by that portion of the Union industry expressing either support for or opposition to the request and no less than 25 % of total production of the like or directly competing products produced by the Union industry.*** Where the Commission decides to initiate an investigation, it shall publish a notice in the Official Journal of the European Union announcing the investigation. The notice shall provide a summary of the information received and state that any relevant information should be sent to the Commission. It shall specify the period, which shall not exceed four months from the date of publication of the notice, within which interested parties may make their views known in writing.

Amendment 16

Proposal for a regulation Article 4 – paragraph 6

Text proposed by the Commission

6. The Commission shall take a decision within three months, in accordance with the procedure referred to in Article 5. Such decision shall enter into force within one month as from its publication.

Amendment

6. The Commission shall take a decision within three months, in accordance with the procedure referred to in Article 5. Such decision shall enter into force within one month as from its publication. ***The Common Customs Tariff duties shall be reintroduced for as long as necessary to counteract the deterioration in the economic and/or financial situation of Union producers, or for as long as the threat of such deterioration persists. The period of reintroduction shall not exceed one year, unless it is extended in duly justified circumstances. Where the facts as finally established show that the conditions set out in Article 4(1) are not met, the Commission shall adopt an implementing act terminating the investigation and proceedings in accordance with the examination procedure referred to in Article 5(2).***

Amendment 17

Proposal for a regulation Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5a

Assessment of the implementation of the autonomous trade measures

The Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Agreement shall include a detailed assessment of the implementation of the temporary autonomous trade measures provided for

in this Regulation and shall include, insofar as appropriate, an assessment of the social impact of those measures in Ukraine and in the Union. Information on the utilisation of agriculture-related tariff-rate quotas shall be made available via websites of the Commission.

Amendment 18
Proposal for a regulation
Annex I – table – row 4

Text proposed by the Commission

09.6752	2002	<i>Tomatoes prepared or preserved otherwise than by vinegar or acetic acid</i>		5 000
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Amendment

deleted

Amendment 19
Proposal for a regulation
Annex II – table – row 2

Text proposed by the Commission

<i>Common wheat, spelt and meslin, flour, groats, meal and pellets</i>	<i>1001 99 00, 1101 00 15, 1101 00 90, 1102 90 90, 1103 11 90, 1103 20 60</i>	<i>100 000 tons/year</i>
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Amendment

deleted

Amendment 20

Proposal for a regulation Annex II – table – row 3

Text proposed by the Commission

Maize, other than seed, flour, groats, meal, pellets and grains	1005 90 00, 1102 20, 1103 13, 1103 20 40, 1104 23	650 000 tons/year
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Amendment

Maize, other than seed, flour, groats, meal, pellets and grains	1005 90 00, 1102 20, 1103 13, 1103 20 40, 1104 23	650 000 050 kilograms/year
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Amendment 21

Proposal for a regulation Annex III – table – row 3

Text proposed by the Commission

3102 10 10	<i>Urea, whether or not in aqueous solution, containing more than 45% by weight of nitrogen on the dry anhydrous product (excl. that in pellet or similar forms, or in packages with a gross weight not exceeding 10 kg).</i>	3%
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Amendment

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