



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 4 April 2014  
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#### **INFORMATION NOTE**

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From: General Secretariat of the Council

To: Permanent Representatives Committee/Council

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Subject: Proposal for a Regulation of the European Parliament and of the Council on the reduction or elimination of customs duties on goods originating in Ukraine  
- Outcome of the European Parliament's first reading  
(Brussels, 2 to 3 April 2014)

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#### **I. INTRODUCTION**

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure <sup>1</sup>, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

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<sup>1</sup> OJ C 145, 30.6.2007, p.5

In this context, the rapporteur, Mr Paweł ZALEWSKI (EPP, PL), presented a report on behalf of the Committee on International Trade, proposing to take over the proposal of the Commission. That proposal corresponds to the agreement found in the informal contacts referred to above.

Four amendments were tabled by political groups (amendments 1 and 2 by the S&D group and amendments 3 and 4 by the EUL/NGL group).

## **II. VOTE**

When it voted on 3 April 2014, the plenary adopted the Parliament's first reading position, taking over the Commission's proposal. No amendments were adopted.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

The text adopted and the European Parliament's legislative resolution are set out in the Annex hereto.

**Reduction or elimination of customs duties on goods originating in Ukraine \*\*\*I**

**European Parliament legislative resolution of 3 April 2014 on the proposal for a regulation of the European Parliament and of the Council on the reduction or elimination of customs duties on goods originating in Ukraine (COM(2014)0166 – C7-0103/2014 – 2014/0090(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2014)0166),
  - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0103/2014),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the undertaking given by the Council representative by letter of 27 March 2014 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade (A7-0238/2014),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

**P7\_TC1-COD(2014)0090**

**Position of the European Parliament adopted at first reading on 3 April 2014 with a view to the adoption of Regulation (EU) No .../2014 of the European Parliament and of the Council on the reduction or elimination of customs duties on goods originating in Ukraine**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure<sup>1</sup>,

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<sup>1</sup> Position of the European Parliament of 3 April 2014.

Whereas:

- (1) Ukraine is a priority partner country within the European Neighbourhood Policy and the Eastern Partnership. The Union has been seeking an increasingly close relationship with Ukraine going beyond mere bilateral cooperation, encompassing gradual progress towards political association and economic integration. In this respect, an Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part ('the Association Agreement') was negotiated in 2007-2011, including a Deep and Comprehensive Free Trade Area (DCFTA), and was initialed by both parties on 30 March 2012. Pursuant to the provisions of the DCFTA, the Union and Ukraine are to establish a free trade area over a transitional period of a maximum of 10 years, starting from the entry into force of the Association Agreement, in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994.

- (2) In view of the unprecedented security, political and economic challenges faced by Ukraine, and in order to support its economy, it is appropriate not to await the entry into force of the Association Agreement's provisions on DCFTA, but to anticipate its implementation by means of autonomous trade preferences and to start unilaterally the reduction or elimination of Union customs duties on goods originating in Ukraine, in accordance with the Schedule of concessions set out in Annex IA to the Association Agreement.
- (3) In order to prevent any risk of fraud, the entitlement to benefit from autonomous trade preferences should be conditional on compliance by Ukraine with the relevant rules of origin of products and the procedures related thereto, as well as on its involvement in effective administrative cooperation with the Union. Moreover, Ukraine should abstain from introducing new duties or charges having equivalent effect or 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.

- (4) It is necessary to provide for the reintroduction of normal Common Customs Tariff duties for any products which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products, subject to an investigation by the Commission.
- (5) In the event of failure to comply with any of the conditions laid down in this Regulation, implementing powers should be conferred on the Commission to suspend temporarily in whole or in part the preferential arrangements. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>1</sup>.
- (6) This Regulation is to be applied until Title IV (trade and trade-related matters) of the Association Agreement enters into force or, where appropriate, is applied provisionally, and until 1 November 2014 at the latest.
- (7) In view of the urgency of the matter, it is important to apply an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union,

HAVE ADOPTED THIS REGULATION:

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<sup>1</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

Article 1  
Preferential arrangements

Customs duties on goods originating in Ukraine shall be reduced or eliminated in accordance with Annex I.

Article 2  
Conditions for entitlement to the preferential arrangements

Entitlement to benefit from the preferential arrangements introduced by Article 1 shall be subject to:

- (a) compliance with the rules of origin of products and the procedures related thereto as provided for in Title IV, Chapter 2, section 2 of Commission Regulation (EEC) No 2454/93<sup>1</sup>;
- (b) compliance with the methods of administrative cooperation provided for in Articles 121 and 122 of Regulation (EEC) No 2454/93;
- (c) participation by Ukraine in effective administrative cooperation with the Union in order to prevent any risk of fraud;

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<sup>1</sup> Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (OJ L 253, 11.10.1993, p. 1).



- (d) 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 ...<sup>+</sup>.

### Article 3

#### Access to tariff quotas

1. The products listed in Annexes II and III shall be admitted for import into the Union within the limits of Union tariff quotas as set out in those Annexes.
2. The tariff quotas referred to in paragraph 1 of this Article shall be administered by the Commission in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93, with the exception of the tariff quotas for specific agricultural products referred to in Annex III to this Regulation.
3. Tariff quotas for specific agricultural products referred to in Annex III to this Regulation shall be administered by the Commission pursuant to the rules laid down in accordance with Article 184 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council<sup>1</sup>.

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<sup>+</sup> OJ: please insert the date of entry into force of this Regulation  
<sup>1</sup> Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

Article 4  
Temporary suspension

Where it finds that there is sufficient evidence of failure to comply with the conditions set out in Article 2, the Commission may adopt implementing acts in order to suspend temporarily in whole or in part the preferential arrangements provided for in this Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 6(2).

Article 5  
Safeguard clause

Where imports of a product originating in Ukraine and included in Annex I to this Regulation cause or threaten to cause serious difficulties to Union producers of like or directly competing products, the Commission may reintroduce the normal Common Customs Tariff duties with regard to such imports subject to the conditions and in accordance with the procedures laid down in Articles 11 and 11a of Council Regulation (EC) No 55/2008<sup>1</sup> which shall apply *mutatis mutandis*.

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<sup>1</sup> Council Regulation (EC) No 55/2008 of 21 January 2008 introducing autonomous trade preferences for the Republic of Moldova and amending Regulation (EC) No 980/2005 and Commission Decision 2005/924/EC (OJ L 20, 24.1.2008, p. 1).

Article 6  
Committee procedure

1. For the implementation of Article 3(2) and Article 4 of this Regulation, the Commission shall be assisted by the Customs Code Committee established by Article 248a of Council Regulation (EEC) No 2913/92<sup>1</sup>. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

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<sup>1</sup> Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ L 302, 19.10.1992, p. 1).

Article 7

Entry into force and application

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

It shall apply until Title IV of the Association Agreement enters into force or, where appropriate, is applied provisionally, and until 1 November 2014 at the latest. The Commission shall publish in the *Official Journal of the European Union* a notice in the event that this Regulation ceases to apply before that date.

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

Done at ....,

*For the European Parliament*

*For the Council*

*The President*

*The President*

## ANNEX I

### Tariff schedules of EU

*(The text of the Annex is not reproduced here due to its length. For that text, please refer to the Commission proposal COM(2014)0166).*

## ANNEX II

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording of the description of the products is to be considered as having no more than an indicative value, the scope of the preferential scheme being determined, within the context of this Annex, by CN codes as they exist on ...\*.

Order No	CN code	Description of goods	Quota period  From entry into force of this Regulation until 1.11.2014	Annual quota volume  (in tonnes net weight unless otherwise specified)
09.3050	0204 22 50 0204 22 90  0204 23  0204 42 30 0204 42 50 0204 42 90  0204 43 10 0204 43 90	Sheep legs, other cuts with bone in (excluding carcasses and half carcasses, short forequarters and chines and/or best ends), fresh or chilled  Boneless meat of sheep, fresh or chilled  Frozen cuts of sheep, with bone in (excluding carcasses and half-carcasses, and short forequarters)  Frozen meat of lamb, boneless frozen meat of sheep, boneless		1 500

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\* OJ: please insert the date of entry into force of this Regulation.

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3051	0409	Natural honey		5 000
09.3052	1701 12 1701 91 1701 99  1702 20 10  1702 90 30  1702 90 50  1702 90 71 1702 90 75 1702 90 79  1702 90 80  1702 90 95	Raw beet sugar not containing added flavouring or colouring matter  Other sugar than raw sugar  Maple sugar in solid form, containing added flavouring or colouring matter  Isoglucose in solid form, containing in the dry state 50 % by weight of fructose  Maltodextrine in solid form and maltodextrine syrup, containing in the dry state 50 % by weight of fructose  Caramel  Inulin syrup  Other sugars, including invert sugar and other sugar and sugar syrup blends		20 070

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
		containing in the dry state 50 % by weight of fructose		



Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3053	1702 30 1702 40  1702 60	Glucose and glucose syrup, not containing fructose or containing in the dry state less than 50 % by weight of fructose, excluding invert sugar  Other fructose and fructose syrup, containing in the dry state more than 50 % by weight of fructose, excluding invert sugar		10 000
09.3054	2106 90 30  2106 90 55  2106 90 59	Flavoured or coloured isoglucose syrups  Flavoured or coloured glucose syrup and maltodextrine syrup  Flavoured or coloured sugar syrups (excl. isoglucose, lactose, glucose and maltodextrine syrups)		2 000

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3055	Ex 1103 19 20  1103 19 90  1103 20 90  1104 19 10 1104 19 50 1104 19 61 1104 19 69  1104 29  1104 30	Barley groats  Groats and meals of cereals (excl. wheat, rye, oats, maize, rice and barley)  Cereal pellets (excl. wheat, rye, oats, maize, rice and barley)  Rolled or flaked wheat grains Rolled or flaked maize grains Rolled barley grains Flaked barley grains  Worked grains (for example, hulled, pearled, sliced or kibbled), other than of oats, of rye or of maize  Germ of cereals, whole, rolled, flaked or ground		6 300
09.3056	1107  1109	Malt, whether or not roasted  Wheat gluten, whether or not dried		7 000

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3057	1108 11	Wheat starch		10 000
	1108 12	Maize starch		
	1108 13	Potato starch		
09.3058	3505 10 10	Dextrins and other modified starches (excl. starches, esterified or etherified)		1 000
	3505 10 90			
	3505 20 30	Glues containing, by weight, 25 % or more of starches or dextrins or other modified starches		
	3505 20 50			
	3505 20 90			

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3059	2302 10 2302 30 2302 40 10 2302 40 90  2303 10 11	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals (excl. those of rice)  Residues from the manufacture of starch from maize (excluding concentrated steeping liquors), of a protein content, calculated on the dry product exceeding 40 % by weight		16 000
09.3060	0711 51       2003 10	Mushrooms of the genus <i>Agaricus</i> provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption  Mushrooms of the genus <i>Agaricus</i> , prepared or preserved otherwise than by vinegar or acetic acid		500

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3061	0711 51	Mushrooms of the genus <i>Agaricus</i> provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption		500
09.3062	2002	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid		10 000

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3063	209 61 90  209 69 11  209 69 71 209 69 79 209 69 90  209 71 209 79	<p>Grape juice (including grape must), of a Brix value not exceeding 30, of a value exceeding 18 EUR per 100 kg net weight</p> <p>Grape juice (including grape must), of a Brix value exceeding 67, of a value not exceeding 22 EUR per 100 kg net weight</p> <p>Grape juice (including grape must), of a Brix value exceeding 30 but not exceeding 67, of a value not exceeding 18 EUR per 100 kg net weight</p> <p>Apple juice</p>		10 000

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3064	0403 10 510403 10 530403 10 590403 10 910403 10 930403 10 990403 90 710403 90 730403 90 790403 90 910403 90 930403 90 99	Butter milk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, concentrated or not, flavoured or containing added fruit, nuts or cocoa		2 000
09.3065	0405 20 10 0405 20 30	Dairy spreads of a fat content, by weight, of 39 % or more but not exceeding 75 %		250
09.3066	0710 40 0711 90 30 2001 90 30 2004 90 10 2005 80	Sweetcorn		1 500

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3067	1702 50	Chemically pure fructose		2 000
	1702 90 10	Chemically pure maltose		
	Ex 1704 90 99	Other sugar confectionery, not containing cocoa, containing 70 % or more by weight of sucrose		
	1806 10 30	Cocoa powder, containing 65 % or more by weight of		
	1806 10 90	sucrose or isoglucose expressed as sucrose		
	Ex 1806 20 95	Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk in containers or immediate packings, of a content exceeding 2 kg, containing less than 18 % by weight of cocoa butter and 70 % or more by weight of sucrose		





Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3069	1806 20 70 2106 10 80 2202 90 99	Chocolate milk crumb  Other protein concentrates and textured protein substances  Non-alcoholic beverages other than waters, containing 2 % or more by weight of fat obtained from the products of headings 0401 to 0404		300
09.3070	2106 90 98	Other food preparations not elsewhere specified or included		2 000
09.3071	2207 10 2208 90 91 2208 90 99 2207 20	Undenatured ethyl alcohol   Ethyl alcohol and other spirits, denatured, of any strength		27 000
09.3072	2402 10 2402 20 90	Cigars, cheroots and cigarillos, containing tobacco  Cigarettes containing tobacco, not containing cloves		2 500

Order No	CN code	Description of goods	Quota period From entry into force of this Regulation until 1.11.2014	Annual quota volume (in tonnes net weight unless otherwise specified)
09.3073	2905 43 2905 44 3824 60	Mannitol D-glucitol (sorbitol) Sorbitol other than that of subheading 2905 44		100
09.3074	3809 10 10 3809 10 30 3809 10 50 3809 10 90	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included, with a basis of amylaceous substances		2 000
09.3075	0703 20	Garlic, fresh or chilled		500
09.3076	1004	Oats		4 000

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### ANNEX III

#### Tariff rate quotas for specific agricultural products referred to in Article 3(3)

Product	Tariff classification	Quantity
Beef meat	0201.10.(00) 0201.20.(20-30-50-90) 0201.30.(00) 0202.10.(00) 0202.20.(10-30-50-90) 0202.30.(10-50-90)	12 000 tons/year expressed in net weight
Pork meat	0203.11.(10) 0203.12.(11-19) 0203.19.(11-13-15-55-59) 0203.21.(10) 0203.22.(11-19) 0203.29.(11-13-15-55-59)	20 000 tons/year expressed in net weight  + 20 000 tons/year expressed in net weight  (for the CN codes  0203.11.(10) 0203.12.(19) 0203.19.(11-15-59) 0203.21.(10) 0203.22.(19) 0203.29.(11-15-59))
Poultry meat and poultry meat preparations	0207.11.(30-90) 0207.12.(10-90) 0207.13.(10-20-30-50-60-99) 0207.14.(10-20-30-50-60-99)	16 000 tons/year expressed in net weight  + 20 000 tons/year expressed in net weight  (for the CN code 0207.12.(10-90))

Product	Tariff classification	Quantity
	0207.24.(10-90)	
	0207.25.(10-90)	
	0207.26.(10-20-30-50-60-70-80-99)	
	0207.27.(10-20-30-50-60-70-80-99)	
	0207.32.(15-19-51-59-90)	
	0207.33.(11-19-59-90)	
	0207.35.(11-15-21-23-25-31-41-51-53-61-63-71-79-99)	
	0207.36.(11-15-21-23-31-41-51-53-61-63-79-90)	
	0210.99.(39)	
	1602.31.(11-19-30-90)	
	1602.32.(11-19-30-90)	
	1602.39.(21)	

Product	Tariff classification	Quantity
Milk, cream, condensed milk and yogurts	0401.10.(10-90) 0401.20.(11-19-91-99) 0401.30.(11-19-31-39-91-99) 0402.91.(10-30-51-59-91-99) 0402.99.(10-31-39-91-99) 0403.10.(11-13-19-31-33-39) 0403.90.(51-53-59-61-63-69)	8 000 tons/year expressed in net weight
Milk powder	0402.10.(11-19-91-99) 0402.21.(11-17-19-91-99) 0402.29.(11-15-19-91-99) 0403.90.(11-13-19-31-33-39) 0404.90.(21-23-29-81-83-89)	1 500 tons/year expressed in net weight
Butter and dairy spreads	0405.10.(11-19-30-50-90) 0405.20.(90) 0405.90.(10-90)	1 500 tons/year expressed in net weight
Eggs and albumins	0407.00.(30) 0408.11.(80) 0408.19.(81-89) 0408.91.(80) 0408.99.(80) 3502.11.(90) 3502.19.(90) 3502.20.(91-99)	1 500 tons/year expressed in shell-egg equivalent  + 3 000 tons/year expressed in net weight  (for the CN code 0407.00.(30))

Product	Tariff classification	Quantity
Common wheat, flours, and pellets	1001.90.(99)	950 000 tons/year
	1101.00.(15-90)	
	1102.90.(90)	
	1103.11.(90)	
	1103.20.(60)	
Barley, flour and pellets	1003.00.(90)	250 000 tons/year
	1102.90.(10)	
	1103.20.(20)	
Maize, flour and pellets	1005.90.(00)	400 000 tons/year
	1102.20.(10-90)	
	1103.13.(10-90)	
	1103.20.(40)	
	1104.23.(10-30-90-99)	