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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Special Committee on Agriculture/Council
Subject:	Proposal for a Regulation of the European Parliament and of the Council on imports of rice originating in Bangladesh - Outcome of the European Parliament's first reading (Brussels, 2 to 3 April 2014)

I. INTRODUCTION

On 10 December 2013, the Parliament voted to adopt a number of amendments to the abovementioned proposal, but did not at that sitting adopt its legislative resolution, thereby not closing the first reading and leaving open the possibility of reaching an agreement in first reading¹. The matter was then referred back to the Committee pursuant to Rule 57(2) of the European Parliament's Rules of Procedure.

¹ See doc. 17504/13.

Subsequently, in accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts took 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.

These informal contacts resulted in an agreement. In this context, the Rapporteur, Mr Paul MURPHY (EUL/NGL, IE), presented one compromise amendment (amendment 14) to the proposal for a Regulation on behalf of the Committee on International Trade. This amendment had been agreed during the informal contacts referred to above and was consequently intended to replace the amendments previously adopted by the plenary.

In addition, the Committee tabled amendment 15 (concerning a statement by the Commission) to the legislative resolution.

II. VOTE

When it voted on 2 April 2014, the plenary adopted the compromise amendment (amendment 14) to the proposal for a Regulation. It also adopted amendment 15 to the legislative resolution.

The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto².

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.

¹ OJ C 145, 30.6.2007, p.5.

² The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

(2.4.2014)**Imports of rice originating in Bangladesh ***I**

European Parliament legislative resolution of 2 April 2014 on the proposal for a regulation of the European Parliament and of the Council on imports of rice originating in Bangladesh (COM(2012)0172 – C7-0102/2012 – 2012/0085(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2012)0172),
 - having regard to Article 294(2) and Article 207 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0102/2012),
 - 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 17 February 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 (A7-0304/2013),
1. Adopts its position at first reading hereinafter set out¹;
 2. Takes note of the Commission statement annexed to this resolution;
 3. 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;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ This position replaces the amendments adopted on 10 December 2013 (Texts adopted P7_TA(2013)0542).

Position of the European Parliament adopted at first reading on 2 April 2014 with a view to the adoption of Regulation (EU) No .../2014 of the European Parliament and of the Council on imports of rice originating in Bangladesh *and repealing Council Regulation (EEC) No 3491/90*

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 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 procedure¹,

Whereas:

- (1) In the context of the Uruguay Round, the Union undertook to offer preferential import arrangements for rice originating in the least-developed countries. One of the countries to which that offer was addressed, Bangladesh, indicated its interest in the development of trade in rice. To that end, Council Regulation (EEC) No 3491/90² was adopted.
- (2) Regulation (EEC) No 3491/90 confers powers on the Commission in order to implement some of its provisions. As a consequence of the entry into force of the Treaty *of Lisbon*, those powers *should* be aligned to Articles 290 and 291 of the Treaty on the Functioning of the European Union (*TFEU*). For the sake of clarity, it is appropriate to repeal Regulation (EEC) No 3491/90 and to replace it with *this* Regulation.

¹ Position of the European Parliament of 2 April 2014.

² *Council Regulation (EEC) No 3491/90 of 26 November 1990 on imports of rice originating in Bangladesh* (OJ L 337, 4.12.1990, p. 1).

- (3) The preferential import arrangement involves a reduction in the import duty within the limit of a certain quantity of husked rice. The equivalent quantities at stages of milling other than the husked-rice stage should be calculated in accordance with Commission Regulation (EC) No 1312/2008¹.

¹ *Commission Regulation (EC) No 1312/2008 of 19 December 2008 fixing the conversion rates, the processing costs and the value of the by-products for the various stages of rice processing* (OJ L 344, 20.12.2008, p. 56).

- (4) In order to fix the import duties applicable to rice originating in Bangladesh imported under this Regulation, account should be taken of the relevant provisions of Regulation *(EU) No 1308/2013 of the European Parliament and of the Council*¹.
- (5) To ensure that the advantages of the preferential import arrangement are limited to rice originating in Bangladesh, a certificate of origin should be issued ■ .
- (6) In order to *supplement or amend certain non-essential elements of this Regulation*, the power to adopt acts in accordance with Article 290 *TFEU* should be delegated to the Commission in respect of the establishment of rules making participation in the arrangement conditional upon the lodging of a security, *in accordance with Article 66 of Regulation (EU) No 1306/2013 of the European Parliament and of the Council*². It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

¹ *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).*

² *Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).*

- (7) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers, save where explicitly provided otherwise, should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹. However, where the suspension of the preferential import arrangement becomes necessary, the Commission should be allowed to adopt implementing acts without applying *that* Regulation ■ .

¹ *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).

- (8) *This Regulation is part of the Union's common commercial policy, which must be consistent with the objectives of the Union policy in the field of development cooperation as set out in Article 208 TFEU, in particular the eradication of poverty and the promotion of sustainable development and good governance in developing countries. Therefore, this Regulation should also comply with World Trade Organization (WTO) requirements, in particular with the Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (the 'Enabling Clause'), adopted under the General Agreement on Tariffs and Trade in 1979, under which WTO Members may accord differential and more favourable treatment to developing countries.*

- (9) *This Regulation is also based on the recognition of the right of small farmers and rural workers to a decent income and to a safe and healthy working environment as a fundamental objective of trade preferences that are granted to developing countries and the least-developed countries in particular. The Union aims to define and pursue common policies and actions in order to foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty. In this context, the ratification and effective implementation of core international conventions on human rights and labour rights, environmental protection and good governance, notably those laid down in Annex VIII to Regulation (EU) No 978/2012 of the European Parliament and of the Council,¹ are essential to support progress towards sustainable development, as reflected by the special incentive arrangement providing for additional tariff preferences under that Regulation,*

HAVE ADOPTED THIS REGULATION:

¹ *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 732/2008 (OJ L 303, 31.10.2012, p. 1).*

Article 1

Scope

1. This Regulation establishes a preferential import arrangement for imports of rice originating in Bangladesh falling within CN codes 1006 10 (excluding CN code 1006 10 10), 1006 20 and 1006 30.
2. The preferential import arrangement shall be limited to a quantity equivalent to 4 000 tonnes of husked rice per calendar year.

The quantities at stages of milling other than the husked-rice stage shall be converted using the conversion rates fixed in Article 1 of Regulation (EC) No 1312/2008.

3. ***The Commission shall adopt an implementing act suspending*** the application of the preferential import arrangement provided for in paragraph 1 of this Article once it ascertains that, during the year in progress, imports qualifying under the said arrangement have reached the quantity indicated in paragraph 2 ***of this Article. That implementing act shall be adopted without applying the procedure referred to in Article 6(2).***

Article 2
Import duty

1. Within the limit of the quantity laid down in Article 1(2), the import duty on rice shall be equal to the following:
 - (a) for paddy rice falling within CN codes 1006 10, with the exception of CN code 1006 10 10, the customs duties fixed in the Common Customs Tariff less 50 % and less a further EUR 4,34;
 - (b) for husked rice falling within CN code 1006 20, the duty fixed in accordance with Article **183** of Regulation (EU) No **1308/2013** less 50 % and less a further EUR 4,34;
 - (c) for semi-milled and milled rice falling within CN code 1006 30, the duty fixed in accordance with Article **183** of Regulation (EU) No **1308/2013** less EUR 16,78, less a further 50 % and less an additional EUR 6,52.
2. Paragraph 1 shall apply subject to the **condition** that the competent authority of Bangladesh has issued a certificate of origin.

Article 3

Delegated powers

In order to ensure the reliability and the efficiency of the preferential import arrangement, the Commission shall be empowered to adopt delegated acts in accordance with Article 4 laying down rules making the participation in the preferential import arrangement established in Article 1 conditional upon the lodging of a security.

Article 4

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of *five years* from ...*. ***The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.***

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

3. The delegation of power referred to in Article 3 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 5
Implementing powers

The Commission shall adopt implementing acts determining the necessary measures in respect of:

- (a) the administrative method to be used for the management of the preferential import arrangement;
- (b) the means for determining the origin of the product covered by the preferential import arrangement;
- (c) the form and period of validity of the certificate of origin referred to in Article 2(2);

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- (d) the period of validity of the import licences, where appropriate;
- (e) the amount of the security required to be lodged in accordance with Article 3;
- (f) the notifications to be made to the Commission by Member States.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 6(2).

Article 6
Committee procedure

1. *The Commission shall be assisted by the Committee for the Common Organisation of the Agricultural Markets established by Article 229(1) of Regulation (EU) No 1308/2013. 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.*
3. *Where the opinion of the committee referred to in paragraph 1 is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or at least a quarter of committee members so request.*

Article 7

Repeal

Regulation (EEC) No 3491/90 is repealed.

References to Regulation (EEC) No 3491/90 shall be construed as references to this Regulation and shall be read in accordance with the correlation table in the Annex to this Regulation.

Article 8

Entry into force

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 ...

For the European Parliament
The President

For the Council
The President

ANNEX

CORRELATION TABLE

Regulation (EEC) No 3491/90	This Regulation
Article 1	Article 2
Article 2(1)	Article 1(2)
Article 2(2)	Article 1(3)
Article 3	Articles 3 to 6

COMMISSION STATEMENT ON DELEGATED ACTS

In the context of Regulation (EU) No .../2014 of the European Parliament and of the Council of ... on imports of rice originating in Bangladesh and repealing Council Regulation (EEC) No 3491/90*, the Commission recalls the commitment it has taken in paragraph 15 of the Framework Agreement on relations between the European Parliament and the European Commission to provide to the Parliament full information and documentation on its meetings with national experts within the framework of its work on the preparation of delegated acts.

* OJ: please insert the number, date and OJ reference of the Regulation in the document COD 2012/0085.