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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	15 May 2014
To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union

No. Cion doc.:	COM(2014) 275 final - Annex
Subject:	ANNEX to the Proposal for a Council Decision on the position to be taken by the European Union within the Joint Committee established by the Agreement between the European Economic Community and the Republic of Iceland of 22 July 1972, as regards the replacement of Protocol 3 to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, by a new Protocol which, as regards the rules of origin, refers to the Regional Convention on pan-Euro- Mediterranean preferential rules of origin

Delegations will find attached document COM(2014) 275 final - Annex.

Encl.: COM(2014) 275 final - Annex



EUROPEAN
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ANNEX 1

ANNEX

to the

Proposal for a Council Decision

on the position to be taken by the European Union within the Joint Committee established by the Agreement between the European Economic Community and the Republic of Iceland of 22 July 1972, as regards the replacement of Protocol 3 to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, by a new Protocol which, as regards the rules of origin, refers to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin

ANNEX

Draft

DECISION OF THE EU-ICELAND JOINT COMMITTEE No [...]

of [...]

amending Protocol 3 to the Agreement between the European Economic Community and the Republic of Iceland concerning the definition of the concept of 'originating products' and methods of administrative cooperation

The Joint Committee,

Having regard to the Agreement between the European Economic Community and the Republic of Iceland, signed in Brussels on 22 July 1972¹, hereinafter referred to as 'the Agreement', and in particular its Article 11,

Having regard to Protocol 3 to the Agreement concerning the definition of the concept of 'originating products' and methods of administrative cooperation, hereinafter referred to as Protocol 3',

Whereas:

- (1) Article 11 of the Agreement refers to Protocol 3 which lays down the rules of origin and provides for cumulation of origin between the EU, Iceland, Switzerland (including Liechtenstein), Norway, Turkey, the Faroe Islands and the participants in the Barcelona Process².
- (2) Article 39 of Protocol 3 provides that the Joint Committee provided for in Article 30 of the Agreement may decide to amend the provisions of this protocol.
- (3) The regional Convention on pan-Euro-Mediterranean preferential rules of origin³, hereafter 'the Convention', aims at replacing the protocols on rules of origin currently in force among the countries of the pan-Euro-Mediterranean area with a single legal act.
- (4) The EU and Iceland signed the Convention on 15 June 2011 and 30 June 2011, respectively.
- (5) The EU and Iceland deposited their instruments of acceptance with the depositary of the Convention on 26 March 2012 and 12 March 2012, respectively. As a consequence, in application of its Article 10(3), the Convention entered into force in relation to both the EU and Iceland on 1 May 2012.
- (6) The participants in the Stabilisation and Association Process have been included in the pan-Euro-Mediterranean zone of cumulation of origin through the Convention.

¹ OJ L 301, 31.12.1972, p. 2.

² Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Syria and Tunisia.

³ OJ L 54, 26.2.2013, p. 4.

- (7) Even though the transition towards the Convention is not simultaneous for all Contracting Parties within the cumulation area, it should not lead to any less favourable situation than previously under the Protocol.
- (8) Protocol 3 to the Agreement should therefore be amended so as to make reference to the Convention.

HAS DECIDED AS FOLLOWS:

Article 1

Protocol 3 to the Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation shall be replaced by the text set out in the Annex to this Decision.

Article 2

This Decision shall enter into force on the day of its adoption.

It shall apply from [1 September 2014].

Done at

*For the Joint Committee
The President*

ANNEX

Protocol 3

concerning the definition of the concept of 'originating products' and methods of administrative cooperation

Article 1

Applicable rules of origin

For the purpose of implementing this Agreement, Appendix I and the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin¹, hereafter 'the Convention' shall apply.

All references to the 'relevant agreement' in Appendix I and in the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin shall be construed so as to mean this Agreement.

Article 2

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 32 of Appendix I to the Convention which cannot be settled between the customs authorities requesting the verification and the custom authorities responsible for carrying out this verification, they shall be submitted to the Joint Committee.

In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall take place under the legislation of that country.

Article 3

Amendments to the Protocol

The Joint Committee may decide to amend the provisions of this Protocol.

Article 4

Withdrawal from the Convention

1. Should either the EU or Iceland give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to its Article 9, the EU and Iceland shall immediately enter into negotiations on rules of origin for the purpose of implementing this Agreement.

¹ OJ L 54, 26.2.2013, p. 4.

2. Until the entry into force of such newly negotiated rules of origin, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention, applicable at the moment of withdrawal, shall continue to apply to this Agreement. However, as of the moment of withdrawal, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to allow bilateral cumulation between the EU and Iceland only.

Article 5

Transitional provisions – cumulation

1. Notwithstanding Article 3 of Appendix I to the Convention, the rules on cumulation provided for in Articles 3 and 4 of Protocol 3 to this Agreement, as amended by Decision Nr 2/2005 of the EU-Iceland Joint Committee of 22 December 2005², shall continue to apply between the EU and Iceland until the Convention has entered into application with relation to all Contracting Parties listed in these Articles 3 and 4.

2. Notwithstanding Articles 16(5) and 21(3) of Appendix I of the Convention, where cumulation involves only EFTA States, the Faroe Islands, the EU, Turkey and the participants in the Stabilisation and Association Process, the proof of origin may be a movement certificate EUR.1 or an origin declaration.

²

OJ L 131, 18.5.2006, p. 2.