



Council of the
European Union

Brussels, 20 November 2014
(OR. en)

15797/14

Interinstitutional File:
2014/0333 (NLE)

UD 253

PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	19 November 2014
To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2014) 705 final
Subject:	Proposal for a COUNCIL REGULATION amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products

Delegations will find attached document COM(2014) 705 final.

Encl.: COM(2014) 705 final



EUROPEAN
COMMISSION

Brussels, 19.11.2014
COM(2014) 705 final

2014/0333 (NLE)

Proposal for a

COUNCIL REGULATION

**amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs
Tariff duties on certain agricultural and industrial products**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Commission, assisted by the Economic Tariff Questions Group (ETQG), has reviewed all requests for temporary suspension of autonomous Common Customs Tariff duties forwarded by the Member States. ETQG consists of delegations from all Member States plus Turkey. It met three times before the changes laid down in this proposal have been agreed.

Each request (new, amended or rolled-over requests) has been assessed carefully by the group. In particular, preventing any harm for EU producers, the strengthening and consolidation of the competitiveness of EU production and the creation or maintenance of employment are part of the examination of each case. This assessment has been carried out by discussions within the group and consultation by Member States of the concerned industries, associations, chambres of commerce and other stakeholders involved.

This proposal concerns a number of agricultural and industrial products. The suspension requests were examined in the light of the criteria set out in the Communication from the Commission concerning autonomous tariff suspensions and quotas (OJ C 363, 13.12.2011, p. 6). Following this review, the Commission considers that the suspension of duties is justified for the products listed in Annex I of this proposal. Also, Annex I lists i) products for which the wording of their description had to be changed, ii) products for which a new CN or TARIC code became necessary or iii) products which were reviewed and for which a new date for mandatory review was set.

Products for which tariff suspension is no longer in the Union's economic interests have to be withdrawn. Accordingly, Annex II lists the products removed from the Annex I to Regulation (EU) No 1387/2013 and products for which the wording of their description had to be changed, products for which a new CN or TARIC code became necessary or products for which a new date for mandatory review was set, which are replaced by new description, codes and/or date in Annex I.

The list of relevant supplementary units in the Annex II to Regulation (EU) No 1387/2013 should be updated. Thus, Annex III contains the list of codes of the supplementary units of the products listed in Annex I of this proposal and Annex IV of the attached proposal lists codes of the supplementary units of the products removed from the Annex I of the above mentioned Regulation.

The proposal is in line with the trade, enterprise, development and external relations policies.

Particularly, this proposal is not at the expense of countries enjoying a preferential trading agreement with the EU (e.g. GSP, ACP regime, candidate countries and potential candidates).

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The ETQG, in which the competent authorities of all Member State are represented, was consulted. All listed suspensions correspond to agreements or compromises reached in the discussions of the group.

There was no mention of potentially serious risks with irreversible consequences.

3. LEGAL ELEMENTS OF THE PROPOSAL

The legal basis of this regulation proposal is Article 31 of the Treaty on the Functioning of the European Union (TFEU).

By virtue of Article 31 of the TFEU autonomous tariff suspensions and quotas are fixed by the Council acting on qualified majority on the basis of a Commission proposal, therefore a regulation is the appropriate instrument.

The proposal falls under the exclusive competence of the Union. The subsidiary principle therefore does not apply.

The proposal complies with the principle of proportionality as this set of measures is in line with the principles set out to simplify the procedures for the operators engaged in foreign trade and in accordance with the Commission communication concerning autonomous tariff suspensions and quotas (C 363, 13.12.2011 p.6).

4. BUDGETARY IMPLICATION

Uncollected customs duties of a total amount of approximately 84,8 Mio €/year. The effect on the traditional own resources of the budget is -63,6 Mio €/year (75% x 84,8 Mio €/year).

Proposal for a

COUNCIL REGULATION

amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) It is in the interest of the Union to suspend totally the autonomous Common Customs Tariff duties on 135 new products which are currently not listed in Annex I to Council Regulation (EU) No 1387/2013¹. Those new products should therefore be inserted into that Annex.
- (2) It is no longer in the interest of the Union to maintain the suspension of autonomous Common Customs Tariff duties on 52 of the products that are currently listed in Annex I to Regulation (EU) No 1387/2013. Those products should, therefore, be deleted from that Annex.
- (3) It is necessary to modify the product descriptions of 29 suspensions included in Annex I to Regulation (EU) No 1387/2013 in order to take account of technical product developments, economic trends on the market or to carry out linguistic adaptations. Moreover, following upcoming changes in the Combined Nomenclature as of 1 January 2015, TARIC codes for 95 additional products should be amended. In addition, for one product, multiple classification is considered no longer necessary. The suspensions in respect of which modifications are necessary should be deleted from the list of suspensions in Annex I to Regulation (EU) No 1387/2013, and the modified suspensions should be reinserted into that list.
- (4) Tariff suspensions should be reviewed regularly with the possibility of deletion on request of a party concerned. Where it is justified by the Union's interest tariff suspension is prolonged and new review date is set.
- (5) For 184 products it is necessary, in the interest of the Union, to amend the date for their mandatory review in order to allow duty free imports beyond that date. Those products have been reviewed and have been given revised dates for their next

¹ Council Regulation (EU) No 1387/2013 of 17 December 2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products and repealing Regulation (EU) No 1344/2011 (OJ L 354, 28.12.2013, p. 201).

mandatory review. Therefore, they should be deleted from the list of suspensions in Annex I to Regulation (EU) No 1387/2013, and the modified suspensions should be reinserted into that list.

- (6) It is necessary, in the interest of the Union, to shorten the period of mandatory review for four products. The suspensions relating to those products should therefore be deleted from the list of suspensions in Annex I to Regulation (EU) No 1387/2013 and the modified suspensions should be reinserted into that list.
- (7) In the interest of clarity, the modified entries should be marked with an asterisk.
- (8) In order to allow an appropriate statistical monitoring, Annex II to Regulation (EU) No 1387/2013 should be completed with supplementary units for some of the new products for which suspensions are granted. For reasons of consistency, the supplementary units assigned to the products deleted from Annex I to Regulation (EU) No 1387/2013 should also be deleted from Annex II to that Regulation. Regulation (EU) No 1387/2013 should therefore be amended accordingly.
- (9) Since the amendments pursuant to this Regulation should take effect from 1 January 2015, this Regulation should apply from that date,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 1387/2013 is amended as follows:

- (1) The table in Annex I is amended as follows:

(a) between the title and the table, the following note is inserted:

‘(*) Suspension relating to a product in this Annex with regard to which the CN or TARIC code or the product description or the mandatory review date were amended by Council Regulation (EU) No 722/2014 of 24 June 2014 amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products (OJ L 192, 1.7.2014, p. 9)’ and by Council Regulation (EU) No .../... of ... amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products (OJ ...)’;

(b) between the title and the table, the following note is deleted:

‘(*) Suspension relating to a product in this Annex with regard to which the CN or TARIC code or the product description or the mandatory review date has been amended by Council Regulation (EU) No 722/2014 of 24 June 2014 amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products (OJ L 192, 1.7.2014, p. 9)’;

(c) the rows for the products listed in Annex I to this Regulation are inserted following the order of the CN codes indicated in the first column of the table in Annex I to Regulation (EU) No 1387/2013;

(d) the rows for the products for which the CN and TARIC codes are set out in Annex II to this Regulation are deleted.

(2) Annex II is amended as follows:

(a) the rows for the supplementary units for which the CN and TARIC codes are set out in Annex III to this Regulation are added;

(b) the rows for the supplementary units for which the CN and TARIC codes are set out in Annex IV to this Regulation are deleted.

Article 2

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

It shall apply from 1 January 2015.

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

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Council Regulation amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products

2. BUDGET LINES:

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year 2015: €16 701 200 000 €(B 2015)

3. FINANCIAL IMPACT

Proposal has no financial implications

Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(EUR million to one decimal place)

Budget line	Revenue ²	12 month period, starting dd/mm/yyyy	[Year: 2015]
Article 120	<i>Impact on own resources</i>	01/01/2015	-63,6

Situation following action	
	[2015 – 2019]
Article 120	- 63,6/ year

4. ANTI-FRAUD MEASURES

Checks on the end-use of some of the products covered by this Council Regulation will be carried out in accordance with Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 laying down provisions for the implementation of the Community Customs Code.

² In the case of traditional own resources (agricultural duties, sugar levies, customs duties), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.

5. OTHER REMARKS

This proposal contains the amendments which must be made to the Annex to the existing Regulation in order to take account of the following:

1. new requests for suspension which have been presented and accepted;
2. technical product developments and economic trends on the market resulting in the lifting of certain existing suspensions.

Addition

This Annex, in addition to the amendments resulting from description or code changes, contains 135 new products. The uncollected duties corresponding to these suspensions, calculated on the basis of requesting Member State projections for the period 2015 to 2019, amount to 48,7 Mio €/year.

On the basis of the existing statistics for preceding years, it would appear, however, necessary to increase this amount by an average factor, estimated at 1,8 to take account of imports into other Member States using the same suspensions. This means uncollected duties loss of revenue of some 87,7 Mio €/year.

Withdrawal:

52 products have been withdrawn from this Annex reflecting the reintroduction of customs duties. This represents an increase of 2,9 Mio € in resources, as estimated on the basis of 2013 statistics.

Estimated cost of this operation

On the basis of the above, the impact on the loss of revenue resulting from this Regulation may be estimated at $87,7 - 2,9 = 84,8$ Mio € (gross amount, including collection costs) $\times 0,75 = 63,6$ Mio €/year for the period 01.01.2015 - 31.12.2019.