



**COUNCIL OF
THE EUROPEAN UNION**

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL DECISION amending Decision 2002/546/EC as regards its period of application

COUNCIL DECISION

of

amending Decision 2002/546/EC as regards its period of application

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 349 thereof,

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Parliament¹,

Acting in accordance with a special legislative procedure,

¹ Opinion of 11 December 2013 (not yet published in the Official Journal).

Whereas:

- (1) Council Decision 2002/546/EC¹ authorises Spain to apply exemptions from, or reductions in, the tax known as 'Arbitrio sobre Importaciones y Entregas de Mercancías en las Islas Canarias' (hereinafter 'AIEM') to certain products produced in the Canary Islands. The Annex to that Decision contains a list of products to which tax exemptions and reductions may be applied. The difference between the tax on products produced in the Canary Islands and that on other products is not to exceed 5, 15 or 25 percentage points, depending on the product.
- (2) The exemptions from, and reductions in, the AIEM establish differentiated taxation, benefiting the local production of some products. This constitutes state aid that requires the approval of the Commission.
- (3) Council Decision 2002/546/EC was originally applicable until 31 December 2011. At the end of 2011, Council Decision 895/2011/EU² amended Decision 2002/546/EC, extending its period of application until 31 December 2013, based on the Commission confirmation that the specific structural, social and economic situation of the Canary Islands, which is compounded by the special constraints referred to in Article 349 TFEU which justified the authorisation of total exemptions and partial reductions of the AIEM tax to a list of products produced in this outermost region, still persists.
- (4) Since the structural, social and economic situation in the Canary Islands is still in place, it is necessary to further extend the period of application of Decision 2002/546/EC.

¹ Council Decision 2002/546/EC of 20 June 2002 on the AIEM tax applicable in the Canary Islands (OJ L 179, 9.7.2002, p. 22).

² Council Decision No 895/2011/EU of 19 December 2011 amending Decision 2002/546/EC as regards its period of application (OJ L 345, 29.12.2011, p. 17).

- (5) On 28 June 2013, the Commission adopted its Guidelines on regional state aid for 2014-2020, setting out how Member States can grant aid to companies in order to support the development of disadvantaged regions in the Union between 2014 and 2020. These Guidelines, which will enter into force on 1 July 2014, form part of a broader strategy to modernise state aid control, which aims to foster growth in the single market by encouraging more effective aid measures and focusing the Commission's enforcement on cases with the biggest impact on competition.
- (6) It is therefore appropriate to extend the period of application of Decision 2002/546/EC by six months, so that its expiry date coincides with the date of entry into force of the Guidelines on regional state aid for 2014–2020.
- (7) Decision 2002/546/EC should be amended accordingly.
- (8) Given the urgent need to extend the validity of Decision 2002/546/EC before the end of 2013, 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, should apply,

HAS ADOPTED THIS DECISION:

Article 1

In the first sentence of Article 1(1) of Decision 2002/546/EC, the date "31 December 2013" is replaced by "30 June 2014".

Article 2

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

Article 3

This Decision is addressed to the Kingdom of Spain.

Done at ...,

For the Council

The President
