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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a Regulation of the European Parliament and of the Council implementing the anti-circumvention mechanism providing for the temporary suspension of tariff preferences of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part – Outcome of the European Parliament's first reading (Strasbourg, 1 to 4 February 2016)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, 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.

¹ OJ C 145, 30.6.2007, p.5

In this context, the rapporteur, Mr Gabrielius LANDSBERGIS (EPP, LT) presented one amendment (amendment 1) 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.

No other amendments were tabled.

II. VOTE

When it voted on 3 February 2016, the plenary adopted the one amendment (amendment 1) to the proposal for a Regulation. 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 hereto¹.

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 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.

EU-Georgia Association Agreement: anti-circumvention mechanism *I**

European Parliament legislative resolution of 3 February 2016 on the proposal for a regulation of the European Parliament and of the Council implementing the anti-circumvention mechanism providing for the temporary suspension of tariff preferences of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part (COM(2015)0155 – C8-0091/2015 – 2015/0080(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2015)0155),
 - 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 (C8-0091/2015),
 - 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 16 December 2015 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 59 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinion of the Committee on Agriculture and Rural Development (A8-0365/2015),
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.

Position of the European Parliament adopted at first reading on 3 February 2016 with a view to the adoption of Regulation (EU) 2016/... of the European Parliament and of the Council implementing the anti-circumvention mechanism provided for in the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part

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 procedure¹,

¹ Position of the European Parliament of 3 February 2016.

Whereas:

- (1) On 10 May 2010, the Council authorised the Commission to open negotiations with Georgia for the conclusion of an agreement establishing an association between the Union and Georgia.
- (2) Those negotiations have been concluded and the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part¹ ('the Agreement') was signed on 27 June 2014 and has been provisionally applied since 1 September 2014.
- (3) It is necessary to lay down the procedures to guarantee the effective application of the anti-circumvention mechanism for the temporary suspension of preferential duties on specific products, contained in the Agreement.
- (4) This Regulation should provide for the possibility to suspend the preferential duties for a maximum period of six months when the imports of certain agricultural products and processed agricultural products reach the annual import volumes defined in Annex II-C to the Agreement.

¹ Council Decision 2014/494/EU of 16 June 2014 on the signing, on behalf of the European Union, and provisional application of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part (OJ L 261, 30.8.2014, p. 4).

- (5) For reasons of transparency, the Commission should submit an annual report to the European Parliament and to the Council on the implementation of the Agreement and the application of the anti-circumvention mechanism.
- (6) In order to ensure uniform conditions for the implementation of the anti-circumvention mechanism provided for in the Agreement, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.

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).

- (7) The advisory procedure should be used for the adoption of implementing acts for the decision on the suspension of the preferential duties under the anti-circumvention mechanism, given that those acts have to be implemented quickly once the relevant threshold for the categories of products listed in Annex II-C to the Agreement has been reached as they have only a very limited period of application. In order to prevent a negative impact on the Union market as a result of an increase in imports, the Commission should adopt immediately applicable implementing acts where, in duly justified cases imperative grounds of urgency so require,

HAVE ADOPTED THIS REGULATION:

Article 1
Subject matter and scope

1. This Regulation lays down provisions for the implementation of the anti-circumvention mechanism provided for in the Agreement.
2. This Regulation applies to products originating in Georgia.

Article 2

Anti-circumvention mechanism for certain agricultural products and processed agricultural products

1. An average annual import volume is set for imports of the products listed in Annex II-C to the Agreement, which are subject to the anti-circumvention mechanism set out in Article 27 thereof. On duly justified imperative grounds of urgency relating to the import volume of one or more categories of products that reach the volume indicated in Annex II-C to the Agreement in any given year starting on 1 January, and unless it has received a sound justification from Georgia, the Commission shall adopt an immediately applicable implementing act in accordance with the procedure referred to in Article 3(2) of this Regulation. By such act, the Commission may decide either to temporarily suspend the preferential duty applied to the product or products concerned or that such suspension is not appropriate.

2. The temporary suspension of the preferential duty shall be applicable for a maximum period of six months from the date of publication of the decision to suspend the preferential duty. Before the expiry of that six-month period and on duly justified imperative grounds of urgency relating to the suspension of the preferential duties, the Commission may adopt an immediately applicable implementing act in accordance with the procedure referred to in Article 3(2) of this Regulation in order to lift the temporary suspension of the preferential duty if it is satisfied that the volume of the relevant category of products imported in excess of the volume referred to in Annex II-C to the Agreement results from a change in the level of production and export capacity of Georgia for the product or products concerned.

Article 3
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 of the European Parliament and of the Council¹ and, as regards processed agricultural products, the Commission shall be assisted by the Committee on horizontal questions concerning trade in processed agricultural products not listed in Annex I established by Article 44(1) of Regulation (EU) No 510/2014 of the European Parliament and of the Council². Those Committees shall be committees within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 4 thereof, shall apply.

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 510/2014 of the European Parliament and of the Council of 16 April 2014 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products and repealing Council Regulations (EC) No 1216/2009 and (EC) No 614/2009 (OJ L 150, 20.5.2014, p. 1).

Article 4

Report

1. The Commission shall submit an annual report to the European Parliament and to the Council on the application and implementation of this Regulation and Title IV of the Agreement and on compliance with the obligations laid down therein.
2. ***The report shall, inter alia, include information about the application of the anti-circumvention mechanism.***
3. The report shall set out a summary of the statistics and the evolution of trade with Georgia.
4. The European Parliament may, within one month of submission of the Commission's report, invite the Commission to an ad hoc meeting of its responsible committee to present and explain any issues related to the implementation of this Regulation.
5. No later than three months after submitting its report to the European Parliament and to the Council, the Commission shall make it public.

Article 5
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

For the Council

The President

The President