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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	16 February 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2016) 68 final
Subject:	Proposal for a COUNCIL DECISION on the position to be adopted on behalf of the European Union within the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, as regards the replacement of Protocol II 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(2016) 68 final.

Encl.: COM(2016) 68 final



EUROPEAN
COMMISSION

Brussels, 16.2.2016
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Proposal for a

COUNCIL DECISION

on the position to be adopted on behalf of the European Union within the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, as regards the replacement of Protocol II 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

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The Regional Convention on pan-Euro-Mediterranean preferential rules of origin¹ ('the Convention') lays down provisions on the origin of goods traded under relevant Agreements concluded between the Contracting Parties. The EU signed the Convention on 15 June 2011. The Republic of Moldova requested to accede to the Convention on 17 July 2013 and with its Decision No 2 of 21 May 2014², the Joint Committee of the Convention decided that the Republic of Moldova should be invited to accede to the Convention.

The EU and the Republic of Moldova deposited their instrument of acceptance with the depositary of the Convention on 26 March 2012 and 31 July 2015 respectively. As a consequence, in application of its Article 10(3), the Convention entered into force in relation to the EU and the Republic of Moldova on 1 May 2012 and on 1 September 2015 respectively.

Article 6 of the Convention provides that each Contracting Party shall take appropriate measures to ensure that the Convention is effectively applied. To that effect, the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part³, should adopt a Decision replacing Protocol II concerning the definition of the concept of 'originating products' and methods of administrative cooperation by a new Protocol which, with regard to the rules of origin, refers to the Convention. The position to be taken by the EU within the Customs Sub-Committee should be established by the Council.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the Council Decision is the first subparagraph of Article 207(4) in conjunction with Article 218(9) of the Treaty on the Functioning of the European Union.

- **Subsidiarity (for non-exclusive competence)**

The proposal falls under the exclusive competence of the Union.

- **Choice of the instrument**

Proposed instrument: Council Decision.

¹ OJ L 54, 26.2.2013, p. 4.

² OJ L 217, 23.7.2014, p. 88.

³ OJ L 260, 30.8.2014, p. 4.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Stakeholder consultations**

The EU Member States were informed on the draft Council Decision in the Customs Code Committee's Origin Section of 30 September 2015.

- **Collection and use of expertise**

No recourse to external expertise has been necessary.

- **Impact assessment**

Furthermore, it has not been necessary to conduct an impact assessment, since the proposed amendments are technical in nature and do not affect the substance of the protocol on rules of origin currently in effect.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Protocol II to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part¹ ('the Agreement'), concerns the definition of the concept of 'originating products' and methods of administrative cooperation ('Protocol II').
- (2) Most of the Trade and Trade-related matters of the Association Agreement, including Protocol II, are applied provisionally since 1 September 2014.
- (3) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin² ('the Convention') lays down provisions on the origin of goods traded under relevant agreements concluded between the Contracting Parties.
- (4) The Union signed the Convention on 15 June 2011. With its Decision No 2 of 21 May 2014³, the Joint Committee of the Convention decided that the Republic of Moldova should be invited to accede to the Convention.
- (5) The Union and the Republic of Moldova deposited their instruments of acceptance with the depositary of the Convention on 26 March 2012 and 31 July 2015 respectively. Consequently, in application of Article 10(3) of the Convention, the

¹ OJ L 260, 30.8.2014, p. 4.

² OJ L 54, 26.2.2013, p. 4.

³ OJ L 217, 23.7.2014, p. 88.

Convention entered into force in relation to the Union and the Republic of Moldova on 1 May 2012 and on 1 September 2015 respectively.

- (6) Article 6 of the Convention provides that each Contracting Party is to take appropriate measures to ensure that the Convention is effectively applied. To that effect, the Customs Sub-Committee established by the Agreement should adopt a decision replacing Protocol II by a new protocol which, with regard to the rules of origin, refers to the Convention.
- (7) The position of the Union within the Customs Sub-Committee should therefore be based on the attached draft decision,

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted on behalf of the European Union within the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, as regards the replacement of Protocol II 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, shall be based on the draft decision of the Customs Sub-Committee attached to this Decision.

Minor changes to the draft decision of the Customs Sub-Committee may be agreed to by the representatives of the Union in the Customs Sub-Committee without further decision of the Council.

Article 2

The decision of the Customs Sub-Committee shall be published in the *Official Journal of the European Union*.

Article 3

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

Done at Brussels,

For the Council
The President