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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	11 March 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2016) 133 final
Subject:	Proposal for a COUNCIL DECISION on the position to be taken on behalf of the European Union within the Joint Committee set up by the Convention on a common transit procedure as regards amendments to that Convention

Delegations will find attached document COM(2016) 133 final.

Encl.: COM(2016) 133 final



Brussels, 10.3.2016
COM(2016) 133 final

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Proposal for a

COUNCIL DECISION

on the position to be taken on behalf of the European Union within the Joint Committee set up by the Convention on a common transit procedure as regards amendments to that Convention

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

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

As of 1 May 2016 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code and its Implementing and Delegated acts will apply (UCC legal package). The UCC legal package will replace the current Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code and Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of the above Council Regulation.

The common transit procedure is an extension of the Union transit procedure to the common transit countries. Therefore the Convention on a common transit procedure has to be amended in order to be aligned with the UCC legal package concerning the Union transit arrangements.

That amendment will allow for a uniform and harmonised application of the transit rules in the European Union and in the common transit countries, as far as possible.

The process to establish an EU common position on draft Decision concerning the amendment to the Convention on a common transit procedure should be relatively smooth as the content is based on EU rules that have been subject to agreement recently.

Therefore, in order to be able to provide the legal basis for the use of the amended common transit procedure as soon as the new EU customs legislation is applicable, the draft Council Decision is proposed to provide the basis for the amendment to the Convention.

The Commission is invited to adopt the draft Decision and to transmit the Decision to the Council.

- **Consistency with existing policy provisions in the policy area**

The amendment to the Convention is aimed at its alignment with the UCC legal package concerning the Union transit arrangements which will be applicable as of 1 May 2016.

That alignment is to improve the functioning of the common transit procedure among the Contracting Parties by enhancing the uniform application of the rules by the respective national customs services. The improvements should result in substantial and tangible benefits for traders and for customs administrations.

- **Consistency with other Union policies**

Not applicable.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 15 of the Convention of 20 May 1987 on a common transit procedure

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

The proposal falls under the exclusive competence of the European Union (common commercial policy)

- **Proportionality**

The proposal complies with the proportionality principle for the following reasons:

The form of proposed action is the only one possible.

The form of proposed action does not involve any financing cost.

- **Choice of the instrument**

Proposed instrument: Decision of the EU-EFTA Joint Committee.

There is no other adequate instrument.

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

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

Consultation with approval on the draft Decision No X/2016 of the EU-EFTA Joint Committee on common transit amending the Convention were carried out with the Member States within the Customs Code Committee – Customs Status and Transit Section and with Contracting Parties to the Convention within the EU-EFTA working group on "Common transit".

Summary of responses and how they have been taken into account:

Favourable opinion

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

The alignment of the Convention with the UCC legal package in the area of Union transit arrangements, which will be applicable as of 1 May 2016 is made due to the amendments to that Union legislation. A separate impact assessment concerning the alignment of the Convention is therefore redundant.

The alignment will nonetheless lead to further facilitation in transit, to the simplification of administrative procedures for public authorities and for economic operators, a possible reduction of cost and an increase in trade.

- **Regulatory fitness and simplification**

As the UCC legal package, this proposal provides for better adequacy of legislation with business practices, supported by an optimal architecture and planning for IT developments, while encompassing the simplification of administrative procedures for public authorities and private parties.

- **Fundamental rights**

The proposal has no implications for fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal has no implication for the EU budget.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

The proposal includes amendments to the provisions of the Convention, its Appendices and the Annexes to those Appendices. The amendments are focused on the alignment of those provisions to the UCC legal package.

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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 Article 207(4), in conjunction with Article 218(9), thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Article 15 of the Convention between the European Economic Community, the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Kingdom of Sweden and the Swiss Confederation on a common transit procedure¹ ("the Convention") empowers the Joint Committee set up by that Convention ("the Joint Committee") to recommend and adopt, by decisions, amendments to the Convention and the Appendices thereto.
- (2) Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code² and its delegated and implementing acts apply from 1 May 2016, introducing a modernised framework for customs procedures, including transit procedures.
- (3) To ensure the smooth functioning of trade between the Union and the Contracting Parties to the Convention in order to have it more efficient and faster, the common transit procedure should be aligned with the Union transit procedure laid down in Regulation (EU) No 952/2013 and its delegated and implementing acts to the widest possible extent. For that purpose, amendments to the Convention and its Appendices both with respect to the substance and with respect to the terminology are indispensable.
- (4) In order to provide sufficient clarity, a terminological alignment with Regulation (EU) No 952/2013 and its delegated and implementing acts is necessary. The proposed amendments were presented to and discussed within the EU-EFTA Working Group on

¹ OJ L 226, 13.8.1987, p. 2.

² Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

"common transit" and "simplification of formalities in trade in goods" and the text received a preliminary approval by that Working Group.

- (5) The position of the Union concerning the proposed amendment should therefore be based on the attached draft Decision,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on behalf of the Union within the Joint Committee set up by the Convention on a common transit procedure ("the Joint Committee") as regards amendments to that Convention shall be based on the draft Decision attached to this Decision.

Minor changes to the draft Decision may be agreed to by the representatives of the Union in the Joint Committee.

Article 2

After its adoption, the Decision of the Joint Committee shall be published in the *Official Journal of the European Union*.

Article 3

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

Done at Brussels,

*For the Council
The President*