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European Union

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: 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 Georgia, of the other part, as regards the replacement of Protocol I to that Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, by a new protocol which refers to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin

COUNCIL DECISION (EU) 2017/...

of ...

**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 Georgia, of the other part,
as regards the replacement of Protocol I to that Agreement,
concerning the definition of the concept of ‘originating products’
and methods of administrative cooperation,
by a new protocol which refers to the Regional Convention
on pan-Euro-Mediterranean preferential rules of origin**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

Whereas:

- (1) 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 concluded by the Union by Council Decision (EU) 2016/838² and entered into force on 1 July 2016.
- (2) Pursuant to Article 38 of Protocol I to the Agreement ('Protocol I'), the EU-Georgia Customs Sub-Committee established by Article 74(1) of the Agreement ('Customs Sub-Committee') may adopt amendments to the provisions of that Protocol.
- (3) The Customs Sub-Committee is to adopt a decision on the replacement of Protocol I, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, by a new protocol which refers to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin³ ('the Convention').
- (4) The Convention lays down provisions on the origin of goods traded under relevant agreements concluded between the Contracting Parties. The Convention entered into force in relation to the Union and to Georgia on 1 May 2012 and on 1 July 2017 respectively.

¹ OJ L 261, 30.8.2014, p. 4.

² Council Decision (EU) 2016/838 of 23 May 2016 on the conclusion, on behalf of the European Union, 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 141, 28.5.2016, p. 26).

³ OJ L 54, 26.2.2013, p. 4.

- (5) 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, Protocol I should be replaced by a new protocol which, with regard to the rules of origin, refers to the Convention.
- (6) It is appropriate to establish the position to be adopted on the Union's behalf in the Customs Sub-Committee, as the decision will be binding upon the Union,

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted on the Union's behalf within the Customs Sub-Committee established by Article 74(1) 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, shall be based on the draft Decision of the Customs Sub-Committee attached to this Decision.

Minor technical corrections 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

This Decision is addressed to the Commission.

Done at Brussels,

For the Council

The President

DRAFT

**DECISION No .../2017
OF THE EU-GEORGIA CUSTOMS SUB-COMMITTEE**

of ...

**replacing Protocol I to 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,
concerning the definition of the concept of ‘originating products’
and methods of administrative cooperation**

THE EU-GEORGIA CUSTOMS SUB-COMMITTEE,

Having regard to 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, and in particular Article 23(2) thereof,

Having regard to Protocol I to 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, concerning the definition of the concept of ‘originating products’ and methods of administrative cooperation,

¹ OJ L 261, 30.8.2014, p. 4.

Whereas:

- (1) Article 23(2) 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 ('the Agreement'), refers to Protocol I to the Agreement ('Protocol I') for the rules of origin.
- (2) The Agreement entered into force on 1 July 2016.
- (3) Article 38 of Protocol I provides that the Customs Sub-Committee provided for in Article 74(1) of the Agreement may decide to amend the provisions of Protocol I.
- (4) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin¹ ('the Convention') aims to replace the protocols on rules of origin currently in force among the countries of the pan-Euro-Mediterranean area with a single legal act.
- (5) The Union signed the Convention on 15 June 2011. By its Decision No 1/2016², the Joint Committee established by Article 3(1) of the Convention decided that Georgia should be invited to accede to the Convention.

¹ OJ L 54, 26.2.2013, p. 4.

² Decision No 1/2016 of the Joint Committee of the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin of 28 September 2016 as regards the request of Georgia to become a Contracting Party to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin [2016/2126] (OJ L 329, 3.12.2016, p. 118).

- (6) The Union and Georgia deposited their instruments of acceptance with the depositary of the Convention on 26 March 2012 and 17 May 2017 respectively. Consequently, in application of Article 10(3) of the Convention, the Convention entered into force in relation to the Union and to Georgia on 1 May 2012 and on 1 July 2017 respectively.
- (7) Protocol I should therefore be replaced by a new protocol making reference to the Convention,

HAS ADOPTED THIS DECISION:

Article 1

Protocol I to 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, concerning the definition of the concept of ‘originating products’ and methods of administrative cooperation shall be replaced by the text set out in the Annex to this Decision.

Article 2

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

It shall apply from ...

Done at ...,

For the Customs Sub-Committee
The Chairman

ANNEX

“Protocol I

concerning the definition of the concept of ‘originating products’
and methods of administrative cooperation

Article 1

Applicable rules of origin

1. For the purpose of implementing this Agreement, Appendix I and the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin¹ (‘the Convention’) shall apply.
2. All references to the ‘relevant agreement’ in Appendix I and in the relevant provisions of Appendix II to the Convention shall be construed so as to mean this Agreement.

¹ OJ L 54, 26.2.2013, p. 4.

Article 2
Dispute settlement

1. Where disputes arise in relation to the verification procedures of Article 32 of Appendix I to the Convention that cannot be settled between the customs authorities requesting the verification and the customs authorities responsible for carrying out that verification, they shall be submitted to the Customs Sub-Committee. The provisions on the dispute settlement mechanism in Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement shall not apply.
2. In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall take place under the legislation of that country.

Article 3
Amendments to the Protocol

The Customs Sub-Committee may decide to amend the provisions of this Protocol.

Article 4
Withdrawal from the Convention

1. Should either the European Union or Georgia give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to Article 9 thereof, the Union and Georgia shall immediately enter into negotiations on rules of origin for the purpose of implementing this Agreement.
2. Until the entry into force of such newly negotiated rules of origin, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention, applicable at the moment of withdrawal, shall continue to apply to this Agreement. However, as of the moment of withdrawal, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to allow bilateral cumulation between the Union and Georgia only.

Article 5
Transitional provisions – cumulation

Notwithstanding Articles 16(5) and 21(3) of Appendix I to the Convention, where cumulation involves only EFTA States, the Faroe Islands, the Union, Turkey, the participants in the Stabilisation and Association Process, the Republic of Moldova and Georgia, the proof of origin may be a movement certificate EUR.1 or an origin declaration.”
