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COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	14 December 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2017) 8351 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... of 14.12.2017 amending Annexes V and IX to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

Delegations will find attached document C(2017) 8351 final.

Encl.: C(2017) 8351 final



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COMMISSION DELEGATED REGULATION (EU) .../...

of 14.12.2017

amending Annexes V and IX to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

The EU Generalised Scheme of Preferences has assisted, since 1971, developing countries in their efforts to reduce poverty, promote good governance and sustainable development by providing preferential access to the Union market and, consequently, helping them to generate additional revenues through international trade. Regulation (EU) No 978/2012 of the European Parliament and the Council¹ ('the GSP Regulation') provides the legal framework for the implementation of the Generalised Scheme of Preferences ('GSP'). It was designed to concentrate GSP on the developing countries most in need: the least developed countries and other low and lower-middle income countries, as a reflection of the current global economic and trade landscape.

The list of products on which tariff preferences shall be applied for the general arrangement of GSP is established by Annex V to the GSP Regulation. This list is based on the Combined Nomenclature ('CN'). Article 6(2) of the GSP Regulation provides that the Commission shall be empowered to adopt delegated acts to amend Annex V in order to incorporate changes made necessary by amendments to the CN.

The list of products on which tariff preferences shall be applied for under the special incentive arrangement for sustainable development and good governance is established by Annex IX to the GSP Regulation. This list is based on the CN. Article 11(2) of the GSP Regulation provides that the Commission shall be empowered to adopt delegated acts to amend Annex IX to take into account amendments to the CN affecting the products listed in that Annex.

The CN as established by Council Regulation (EEC) No 2658/87 has been amended by Commission Implementing Regulation (EU) 2016/1821, which entered into force on 1 January 2017. Annex V and Annex IX to the GSP Regulation should therefore be amended in order to ensure consistency with the CN product list.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

In line with paragraph 4 of the Common Understanding on delegated acts between the European Parliament, the Council and the European Commission, appropriate and transparent consultations, including at expert level, have been carried out on this delegated act. The Commission Expert Group on the Generalised Scheme of Preferences was consulted in writing on 1 September 2017.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

Article 6(1) of Regulation (EU) No 978/2012 (the GSP Regulation) refers to the list of products in Annex V on which tariff preferences shall be applied for the general arrangement of GSP referred to in Article 1(2)(a) of the GSP Regulation.

Article 6(2) of the GSP Regulation provides that the Commission shall be empowered to adopt delegated acts to amend Annex V in order to incorporate changes made necessary by amendments to the Combined Nomenclature.

Article 11(1) of the GSP Regulation provides that the products to which tariff preferences shall be applied under the special incentive arrangement for sustainable development and good governance referred to in Article 1(2)(b) of the GSP Regulation are listed in Annex IX.

¹ OJ L 303 of 31.10.2012, p.1.

Article 11(2) of the GSP Regulation provides that the Commission shall be empowered to adopt delegated acts to amend Annex IX to take into account amendments to the CN affecting the products listed in that Annex.

The CN as established by Council Regulation (EEC) No 2658/87 has been amended by Commission Implementing Regulation (EU) 2016/1821, which entered into force on 1 January 2017.

Annex V and Annex IX to the GSP Regulation should therefore be amended in order to ensure consistency with the CN product list.

COMMISSION DELEGATED REGULATION (EU) .../...

of 14.12.2017

amending Annexes V and IX to Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008², and in particular Article 6(2) and Article 11(2) thereof,

Whereas:

- (1) Article 6(1) of Regulation (EU) No 978/2012, provides that the products to which tariff preferences are to be applied under the general arrangement of the Generalised Scheme of Preferences referred to in Article 1(2)(a) of Regulation (EU) No 978/2012 are listed in Annex V.
- (2) Article 11(1) of Regulation (EU) No 978/2012 provides that the products to which tariff preferences are to be applied under the special incentive arrangement for sustainable development and good governance referred to in Article 1(2)(b) of Regulation (EU) No 978/2012 are listed in Annex IX.
- (3) The Combined Nomenclature ('CN') established by Council Regulation (EEC) No 2658/87³ has been amended by Commission Implementing Regulation (EU) 2016/1821⁴, which entered into force on 1 January 2017.
- (4) In order to incorporate changes made necessary by those amendments to the CN and ensure consistency with the CN product list, Annexes V and IX to Regulation (EU) No 978/2012 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) No 978/2012

Regulation (EU) No 978/2012 is amended as follows:

- (1) Annex V is replaced by the text in Annex I to this Regulation.
- (2) Annex IX is replaced by the text in Annex II to this Regulation.

² OJ L 303, 31.10.2012, p. 1.

³ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256 7.9.1987, p. 1).

⁴ Commission Implementing Regulation (EU) 2016/1821 of 6 October 2016 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 294, 28.10.2016, p. 1).

Article 2

Entry into force

This Regulation shall enter into force on the twentieth 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 Brussels, 14.12.2017

For the Commission
The President
Jean-Claude JUNCKER