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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2024) 51 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on temporary trade-liberalisation measures supplementing trade concessions applicable to products from the Republic of Moldova under 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

Delegations will find attached document COM(2024) 51 final.

Encl.: COM(2024) 51 final



EUROPEAN
COMMISSION

Brussels, 31.1.2024
COM(2024) 51 final

2024/0029 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on temporary trade-liberalisation measures supplementing trade concessions applicable to products from the Republic of Moldova under 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

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Russia's unprovoked and unjustified war of aggression against Ukraine under way since 24 February 2022 continues to have a profound negative impact on the Republic of Moldova's ('Moldova') ability to trade with the rest of the world. Moldova has been able to re-orient some of its external trade towards or via the EU, in part as a result of the temporary trade liberalisation measures that have been put in place by the EU since July 2022. In addition, Moldova plays an important role in the functioning of the EU-Ukraine Solidarity Lanes, by facilitating the transit of Ukrainian imports and exports through its territory, including, for instance through the implementation of the Agreement between the EU and Moldova on the carriage of freight by road¹.

Regulation (EU) 2023/1524 of the European Parliament and of the Council of 20 July 2023² on temporary trade-liberalisation measures supplementing trade concessions applicable to products from Moldova under the Association Agreement between the EU and the Republic of Moldova ('the Association Agreement') - establishing a deep and comprehensive free trade area (DCFTA) - entered into force on 25 July 2023 and will remain in force until 24 July 2024. These measures have provided flexibility and certainty for Moldovan producers and have further deepened Moldova's trade relations with the EU and supported its economy.

However, the situation remains extremely challenging and therefore Moldova has asked the EU to retain the current conditions to enable the country to continue its trade with the EU and with the rest of the world via the EU.

Given Russia's continued war of aggression against Ukraine and the ongoing impact on Moldova, and considering that Moldova was granted EU candidate status in June 2022 and Accession Negotiations were opened in December 2023, the Commission proposes a Regulation of the European Parliament and of the Council that will renew these trade-liberalisation measures for a period of one year as of the date the current measures expire (i.e. as of 25 July 2024). The measures should take the form of a temporary suspension of all outstanding tariffs under Title V of the Association Agreement. This concerns fruits and vegetables subject to the entry-price system and seven agricultural products subject to tariff-rate quotas (tomatoes, garlic, table grapes, apples, cherries, plums and grape juice).

¹ See Council Decision (EU) 2022/1165 of 27 June 2022 on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and the Republic of Moldova on the carriage of freight by road (OJ L 181, 7.7.2022, p. 1–3) and Council Decision (EU) 2022/2417 of 5 December 2022 on the conclusion, on behalf of the European Union, of the Agreement between the European Union and the Republic of Moldova on the carriage of freight by road (OJ L 318, 12.12.2022, p. 1–3), as well as Decision No 2/2022 of the Joint Committee established by the Agreement between the European Union and the Republic of Moldova on the carriage of freight by road of 15 December 2022 regarding the continuation of the Agreement (OJ L 79, 17.3.2023).

² Regulation (EU) 2023/1524 of the European Parliament and of the Council of 20 July 2023 on temporary trade liberalisation measures supplementing trade concessions applicable to products from the Republic of Moldova under 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 (OJ L 185, 24.7.2023, p. 1).

These temporary and exceptional measures will ensure that the existing trade flows from Moldova to the EU can continue, which will support Moldova's economy. This is in line with a key objective of the Association Agreement, namely to establish conditions for enhanced economic and trade relations leading towards Moldova's gradual integration in the EU internal market, and contribute to the strengthening of democracy and to political, economic and institutional stability in Moldova.

The trade-liberalisation measures set out in this proposal for a Regulation are in line with Article 2 of the Association Agreement which commits to respecting democratic principles, human rights and fundamental freedoms as well as to countering the proliferation of weapons of mass destruction, related materials and their means of delivery. In addition, under the same Article, the Parties commit in particular to respecting the rule of law and good governance, the fight against corruption, criminal activities, organised or otherwise, including those of transnational character, and terrorism, as well as the principles of sustainable development and effective multilateralism. The trade-liberalisation measures themselves would need, as a prerequisite, to respect these essential elements and general principles.

Furthermore, the trade-liberalisation measures outlined in this proposal aim to ensure, in accordance with Article 207(1) of the Treaty on the Functioning of the European Union (TFEU), that the EU's common commercial policy is conducted in line with the principles and objectives of the EU's external action set out in Article 21 of the Treaty on European Union (TEU).

According to the proposal, a safeguard mechanism will apply on the basis of regular monitoring, allowing for any measure which is necessary to be imposed.

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

These trade-liberalisation measures are consistent with the Agreement and in particular with Title V establishing a DCFTA, which provides that Parties will progressively establish a free trade area over a transitional period of a maximum of 10 years starting from the entry into force of that Agreement (Article 143 of the Agreement).

In addition, Regulation (EU) 2023/1524 has demonstrated the EU's strong commitment to economically support Moldova by means of international trade in the context of Russia's war of aggression against Ukraine. The renewal of the trade-liberalisation measures would be a logical development of this policy.

- **Consistency with other Union policies**

The EU has strongly condemned the Russian aggression against Ukraine and has taken significant steps to support Moldova in this exceptional situation, including providing additional humanitarian and border support, macro-financial assistance and measures to facilitate trade during this challenging time. In addition, Moldova was granted EU candidate status in June 2022 and Accession Negotiations were opened in December 2023. The proposed Regulation would therefore comply with the EU's obligation under Article 21(3) TEU to ensure consistency between the different areas of its external action, as well as with Article 207(1) TFEU which provides that the common commercial policy is to be conducted in line with the principles and objectives of the EU's external actions.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the proposal is Article 207(2) TFEU.

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

The common commercial policy, in accordance with Article 3(1)(e) TFEU, is defined as an exclusive EU competence. Therefore, the subsidiarity principle does not apply.

- **Proportionality**

This proposal is necessary to implement the common commercial policy and to support Moldova economically in its current difficulties, also in the area of trade with the EU.

- **Choice of the instrument**

This proposal is based on Article 207(2) TFEU and falls within the EU's common commercial policy.

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

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

Not applicable.

- **Stakeholder consultations**

Not applicable.

- **Collection and use of expertise**

Not applicable.

- **Impact assessment**

To ensure that the trade-liberalisation measures for Moldova continue after the expiry of Regulation (EU) 2023/1524 on 24 July 2024, it is important that the Regulation enters into force on 25 July 2024. Given this necessity and the resulting urgency of this proposal, no impact assessment was carried out for the measure at hand. However, the trade and trade-related provisions of the Association Agreement have been subject to a sustainability impact assessment commissioned by DG Trade and issued in 2012 which fed into the DCFTA negotiation process. That study confirmed that implementation of trade and trade-related provisions would have a positive economic impact for the EU as well as for Moldova.

In addition, import flows under the Regulation (EU) 2023/1524 are regularly being monitored and reported, in line with Article 4 of the Regulation. The monitoring has not shown prima facie evidence of adverse effects on the Union Market.

- **Regulatory fitness and simplification**

The measure does not increase regulatory burden for companies.

- **Fundamental rights**

These measures would respect the basic principles enshrined in the Association Agreement. In particular, respect for democratic principles, human rights and fundamental freedoms (Article 2 of the Association Agreement).

The measures would also be in accordance with the European Charter on Fundamental Rights.

4. BUDGETARY IMPLICATIONS

According to an estimate based on Moldova's imports of the products concerned in 2021, which was the last year before autonomous trade measures were introduced, the EU will see a loss of customs revenue corresponding to around EUR 0.3 million per year. Therefore, the impact on the EU's own resources will be very limited.

5. OTHER ELEMENTS

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

Online reporting on the evolution of bilateral EU-Moldova trade is available on dedicated web pages of the European Commission (europa.com). Regular monitoring of the impact of the Regulation, taking into account the information on exports, imports, prices on the Union market and Union production of the products subject to the trade-liberalisation measures shall be made on a bimonthly basis.

- **Explanatory documents (for directives)**

Not applicable.

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

In view of the crisis situation in Moldova as a result of Russia's war of aggression against Ukraine, the Regulation aims to increase the trade flows for all imports from Moldova by suspending all outstanding tariffs and import duties applied to Moldovan products. The trade-liberalising measures would be granted in the form of full suspension of import duties on all products.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on temporary trade-liberalisation measures supplementing trade concessions applicable to products from the Republic of Moldova under 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

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,

Whereas:

- (1) 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 part² (the ‘Association Agreement’) constitutes the basis of the relationship between the Union and the Republic of Moldova. In accordance with Council Decision 2014/492/EU³, Title V of the Association Agreement, which relates to trade and trade-related matters, has been applied provisionally since 1 September 2014, and entered into force on 1 July 2016 following ratification by all Member States.
- (2) The Association Agreement expresses the desire of the Parties to the Association Agreement (the ‘Parties’) to strengthen and widen relations in an ambitious and innovative way, to facilitate and achieve gradual economic integration, and to do so in compliance with the rights and obligations arising out of the World Trade Organisation membership of the Parties.
- (3) Article 143 of the Association Agreement provides for the progressive establishment of a free trade area between the Parties in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (‘GATT 1994’). To that end, Article 147 of the Association Agreement provides for the progressive elimination of customs duties in accordance with the Schedules included in Annex XV to the Association

¹ Position of the European Parliament of ... (not yet published in the Official Journal) and decision of the Council of ...

² OJ L 260 of 30.8.2014, p. 4.

³ Council Decision 2014/492/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 the Republic of Moldova, of the other part (OJ L 260, 30.8.2014, p. 1).

Agreement and for the possibility of accelerating and broadening the scope of such elimination.

- (4) Russia's unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profoundly negative impact on the ability of the Republic of Moldova to trade with the rest of the world, in particular because exports from the Republic of Moldova relied on transit via Ukrainian territory and on Ukrainian infrastructure, which are currently largely unavailable. Under such critical circumstances, and to mitigate the negative effects on the Republic of Moldova's economy of Russia's war of aggression against Ukraine, it is necessary to accelerate the development of closer economic relations between the Union and the Republic of Moldova and to provide continued support to the Republic of Moldova's economy. It is therefore necessary and appropriate to continue to stimulate trade flows and grant concessions in the form of trade-liberalisation measures for all products, in line with the acceleration of the elimination of customs duties on trade between the Union and the Republic of Moldova.
- (5) In accordance with Article 21(3) of the Treaty on European Union (TEU), the Union is to ensure consistency between the different areas of its external action. Pursuant to Article 207(1) of the Treaty on the Functioning of the European Union (TFEU), the common commercial policy is to be conducted in the context of the principles and objectives of the Union's external action.
- (6) Regulation (EU) 2023/1524 of the European Parliament and of the Council⁴ will expire on 24 July 2024.
- (7) The trade-liberalisation measures established by the current Regulation should take the following form: (i) the suspension of the application of the entry price system to fruit and vegetables; and (ii) the suspension of all tariff-rate quotas and import duties. Through these measures the Union will deepen economic integration between the Republic of Moldova and the Union and temporarily provide appropriate economic support to the benefit of the Republic of Moldova and the economic operators that are affected by Russia's war of aggression against Ukraine.
- (8) In order to prevent fraud, the entitlement to the trade measures established by this Regulation should be conditional upon the Republic of Moldova having complied with all the relevant conditions for obtaining benefits under the Association Agreement, including the rules of origin of the products concerned and the procedures related thereto, as well as the Republic of Moldova's involvement in close administrative cooperation with the Union, as provided for by the Association Agreement.
- (9) The Republic of Moldova should abstain from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union, from increasing existing levels of duties or charges, or from introducing any other restrictions, unless clearly justified in the context of Russia's war of aggression against Ukraine. In the event that the Republic of Moldova fails to comply with any of those conditions, the Commission

⁴ Regulation (EU) 2023/1524 of the European Parliament and of the Council of 20 July 2023 on temporary trade liberalisation measures supplementing trade concessions applicable to products from the Republic of Moldova under 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 (OJ L 185, 24.7.2023, p. 1).

should be empowered to suspend temporarily all or part of the trade measures established by this Regulation.

- (10) Article 2 of the Association Agreement provides that, among other things, respect for democratic principles, human rights and fundamental freedoms as well as the countering of the proliferation of weapons of mass destruction, related materials and their means of delivery constitute essential elements of the Association Agreement. Under the same Article, the Parties commit in particular to the following general principles: respect for the principles of the rule of law and good governance, the fight against corruption, criminal activities, organised or otherwise, including those of transnational character, and terrorism, and the respect for the principles of sustainable development and effective multilateralism. It is appropriate to introduce the possibility of temporarily suspending the trade-liberalisation measures provided for in this Regulation if the Republic of Moldova fails to respect either those essential elements or those general principles.
- (11) Subject to an assessment by the Commission carried out in the context of the regular monitoring of the impact of this Regulation and launched either following a duly substantiated request from a Member State or on the Commission's own initiative, it is necessary to provide for the possibility to take any necessary measures for imports of any products falling under the scope of this Regulation which are adversely affecting the Union market or the market of one or several Member States for like or directly competing products.
- (12) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to temporarily suspend the trade-liberalisation measures provided for in this Regulation if the conditions for entitlement to those preferential arrangements are no longer complied with and to introduce safeguards in cases where the Union market or the market of one or several Member States of like or directly competing products are adversely affected by imports under this Regulation. Those powers should be exercised in accordance with Regulation (EU) No 182/2011⁵ of the European Parliament and of the Council⁵. Advisory procedure should be used for the adoption of provisional safeguard measures, given the effects and nature of those measures and their sequential logic in relation to the adoption of definitive safeguard measures.
- (13) The Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Area, which is an integral part of the Association Agreement, should include a detailed assessment of the implementation of the trade liberalisation measures established by this Regulation.
- (14) In view of the urgency of the matter related to the situation caused by Russia's war of aggression against Ukraine, it is considered appropriate to invoke the exception to the eight-week period provided for in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the TFEU and to the Treaty establishing the European Atomic Energy Community.

⁵ 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).

- (15) In light of the economic situation in the Republic of Moldova and of the expiry of Regulation (EU) 2023/1524 on 24 July 2024, this Regulation should enter into force on 25 July 2024,

HAVE ADOPTED THIS REGULATION:

Article 1

Trade-liberalisation measures

The following trade-liberalisation measures are introduced:

- (a) all the tariff-rate quotas established under Annex XV-A to the Association Agreement shall be suspended and the products covered by those quotas shall be admitted for importation into the Union from the Republic of Moldova without any customs duties;
- (b) the application of the entry price system shall be suspended for those products to which it applies as specified in Annex XV-B to the Association Agreement; no customs duties shall apply to imports of those products.

Article 2

Conditions for entitlement to the trade-liberalisation measures

The trade-liberalisation measures provided for in Article 1 shall be subject to the following conditions:

- (a) compliance by the Republic of Moldova with the rules of origin of products and the procedures related thereto, as provided for in the Association Agreement;
- (b) the Republic of Moldova abstaining from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union, from increasing existing levels of duties or charges or from introducing any other restrictions, including discriminatory internal administrative measures, unless clearly justified in the context of Russia's war of aggression against Ukraine; and
- (c) the Republic of Moldova respecting democratic principles, human rights and fundamental freedoms as well as the countering of the proliferation of weapons of mass destruction, related materials and their means of delivery, respect for the principles of the rule of law and good governance, the fight against corruption, criminal activities, organised or otherwise, including those of transnational character, and terrorism, and respecting the principles of sustainable development and effective multilateralism provided for in Articles 2, 9 and 16 of the Association Agreement.

Article 3

Temporary suspension of measures

1. Where the Commission finds that there is sufficient evidence of a failure by the Republic of Moldova to comply with the conditions set out in Article 2, it may, by means of an implementing act, suspend in whole or in part the trade-liberalisation measures provided for in this Regulation. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 5(3).

2. Where a Member State requests that the Commission suspend any of the trade-liberalisation measures provided for in this Regulation on the basis of a failure by the Republic of Moldova to comply with the conditions set out in Article 2, point (b), the Commission shall provide a reasoned opinion within four months of the request on whether the claim of the Republic of Moldova's failure to comply is substantiated. If the Commission concludes that the claim is substantiated, it shall initiate the procedure referred to in paragraph 1 of this Article.

Article 4

Safeguard measures

1. If a product covered by Article 1 originating in the Republic of Moldova is imported under conditions which adversely affect the Union market or the market of one or several Member States for like or directly competing products, the Commission may impose any measure which is necessary by means of an implementing act. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 5(3).

These measures may be imposed for as long as necessary to counteract the adverse effects on the Union market or the market of one or several Member States for like or directly competing products.

2. The Commission shall regularly monitor the impact of this Regulation, taking into account the information on exports, imports, prices on the Union market or the market of one or several Member States and Union production of the products subject to the trade-liberalisation measures under Article 1, point (a).

The Commission shall inform the Member States of the results of the regular monitoring every two months, starting from the entry into force of this Regulation.

3. The Commission shall carry out an assessment of the situation of the Union market or the market of one or several Member States for like or directly competing products to impose measures in accordance with paragraph 1. That assessment shall be launched:

- (a) following a duly substantiated request from a Member State including sufficient *prima facie* evidence reasonably available to that Member State pursuant to paragraph 4 of imports adversely affecting the market referred to in paragraph 1, or
- (b) on its own initiative, after it has become apparent to the Commission that there is sufficient *prima facie* evidence of imports adversely affecting the market that is referred to in paragraph 1.

The assessment referred to in the first subparagraph shall be concluded within four months of its launch.

4. In carrying out the assessment pursuant to paragraph 3, the Commission shall take into consideration all relevant market developments, including the impact of the imports concerned on the situation of the Union market or the market of one or several Member States for like or directly competing products. That assessment shall include factors such as:

- (a) the rate and amount of the increase in imports from the Republic of Moldova of the product concerned in absolute and relative terms,

- (b) the effect of the imports concerned on production and prices in the Union or one or several Member States, whilst taking into consideration the development of imports from other sources.

This list is not exhaustive and other relevant factors may also be taken into consideration.

5. In critical circumstances where delay would cause damage that would be difficult to repair, the Commission may provisionally impose any measure which is necessary by means of an implementing act. Such measures may only be imposed upon a duly substantiated request from a Member State pursuant to paragraph 3(a) of this Article and shall be adopted within 21 days after the request has been received. The implementing act shall be adopted in accordance with the advisory procedure referred to in Article 5(4). The duration of a provisional safeguard measure shall not exceed 120 days.
6. Where, as a result of the assessment referred to in paragraph 3, the Commission considers that the Union market or the market of one or several Member States for like or directly competing products has been adversely affected and intends to impose a definitive measure pursuant to paragraph 1, it shall publish a notice in the Official Journal of the European Union announcing the introduction of such measures. The notice shall provide a summary of the main results of the assessment and specify the period within which interested parties may submit their views in writing. Such period shall not exceed 10 days from the date of publication of the notice.
7. If the Commission imposes a measure pursuant to paragraph 1 or 5 which reintroduces a tariff rate quota suspended by Article 1, point (a), the quantity imported during the calendar year the Commission imposes that measure shall be taken into account in the management of that tariff rate quota.

Article 5

Committee procedure

1. The Commission shall be assisted by the Customs Code Committee established by Article 285(1) of Regulation (EU) No 952/2013 of the European Parliament and of the Council⁶ with regard to Article 3(1) of this Regulation. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. The Commission shall be assisted by the Committee on Safeguards established by Article 3(1) of Regulation (EU) 2015/478 of the European Parliament and of the Council with regard to Article 4(1) of this Regulation. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

⁶ 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).

Article 6

Assessment of the implementation of the trade-liberalisation measures

The Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Area shall include a detailed assessment of the implementation of the trade-liberalisation measures provided for in this Regulation and shall include, insofar as appropriate, an assessment of the social impact of those measures in the Republic of Moldova and in the Union. Information on the imports of products under Article 1, point (a), shall be made available via the website of the Commission and shall be updated on a monthly basis.

Article 7

Entry into force and application

This Regulation shall enter into force on 25 July 2024.

It shall apply until 24 July 2025.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Proposal for a Regulation of the European Parliament and of the Council on temporary trade-liberalisation measures supplementing trade concessions applicable to Moldovan products under 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.

2. BUDGET LINES:

Chapter 12, Article 120

Amount budgeted for the year 2024: **24 620 400 000 €**

3. FINANCIAL IMPACT

☐ Proposal has no financial implications

☒ Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

Budget line	Revenue	Period: part of 2024 - part of 2025* (EUR million to one decimal place)
Article 120 Chapter 12 ¹	<i>Impact on own resources</i>	0.3
Total		

* One-year period since entry into force of the regulation

The calculations are based on 2021 import volumes of the products covered by the proposed Regulation in excess of the annual duty-free quota. 2021 was the last year before autonomous trade measures were introduced.

Based on the above calculations the loss of traditional own resources revenue from the proposed Regulation is estimated at EUR 0.366 million (gross amount, including collection costs) x 0,75 = EUR 0.274 million for the period in question.

4. ANTI-FRAUD MEASURES

In order to prevent fraud, the entitlement to the trade measures established by the proposed Regulation should be conditional upon Moldova having complied with all the relevant

¹ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs.

conditions for obtaining benefits under the Association Agreement, including the rules of origin of products concerned and the procedures related thereto, as well as Moldova's involvement in close administrative cooperation with the Union, as provided for by the Association Agreement.