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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2018/196 of the European Parliament and of the Council of 7 February 2018 on additional customs duties on imports of certain products originating in the United States of America - Outcome of the European Parliament's first reading (Strasbourg, 31 March to 3 April 2025)

I. INTRODUCTION

A number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this proposal at first reading.

In this context, the Chair of the Committee on International Trade (INTA), Bernd LANGE (S&D, DE) presented on behalf of INTA a compromise amendment (amendment number 1) to the abovementioned proposal for a Regulation, for which he had prepared a draft report. This amendment had been agreed during the informal contacts referred to above. No other amendments were tabled.

II. VOTE

When it voted on 1 April 2025, the plenary adopted the compromise amendment (amendment number 1) to the abovementioned proposal for a Regulation. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto¹.

The Parliament's position reflects what had been previously agreed between the Institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

P10_TA(2025)0050

Customs duties on imports of certain products originating in the USA

European Parliament legislative resolution of 1 April 2025 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2018/196 of the European Parliament and of the Council of 7 February 2018 on additional customs duties on imports of certain products originating in the United States of America (COM(2025)0027 – C10-0007/2025 – 2025/0012(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2025)0027),
 - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C10-0007/2025),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the undertaking given by the Council representative by letter of 26 March 2025 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 60 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade (A10-0034/2025),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 1 April 2025 with a view to the adoption of Regulation (EU) 2025/... of the European Parliament and of the Council amending Regulation (EU) 2018/196 on additional customs duties on imports of certain products originating in the United States of America

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,

¹ Position of the European Parliament of 1 April 2025.

Whereas:

- (1) On 27 January 2003, the Dispute Settlement Body ('DSB') of the World Trade Organization ('WTO') adopted the Appellate Body report (United States — Offset Act (Byrd Amendment), Appellate Body report (WT/DS217/AB/R, WT/DS234/AB/R)) and the Panel report (United States — Offset Act (Byrd Amendment), Panel report (WT/DS217/R, WT/DS234/R)), as upheld by the Appellate Body report, finding that the United States' Continued Dumping and Subsidy Offset Act ('CDSOA') was incompatible with the United States' obligations under the WTO agreements.
- (2) Since the United States failed to bring its legislation into conformity with the WTO agreements, the European Community ('Community') requested authorisation from the DSB to suspend the application of its tariff concessions and related obligations under the General Agreement on Tariffs and Trade ('GATT') 1994 to the United States. The United States objected to the level of suspension of tariff concessions and related obligations, and the matter was referred to arbitration.

- (3) On 31 August 2004, the Arbitrator determined that the level of nullification or impairment caused every year to the Community was equal to 72 % of the amount of CDSOA disbursements relating to anti-dumping or countervailing duties paid on imports from the Community for the most recent year for which data were available at that time, as published by the United States' authorities. The Arbitrator concluded that the suspension by the Community of tariff concessions or other obligations, in the form of the imposition of an additional import duty above bound custom duties, on a list of products originating in the United States covering, on a yearly basis, a total value of trade not exceeding the amount of nullification or impairment would be consistent with WTO rules. On 26 November 2004, the DSB granted the Community the authorisation to suspend the application to the United States of tariff concessions and related obligations under GATT 1994 in accordance with the decision of the Arbitrator.

- (4) As a result of the United States' failure to bring the CDSOA into compliance with its obligations under the WTO agreements, by means of Regulation (EU) 2018/196 of the European Parliament and of the Council² the tariff concessions and related obligations under GATT 1994 of the Union were suspended in respect of certain products originating in the United States and an ad valorem additional customs duty ('additional import duty') of 4,3 % was imposed on imports of those products. In conformity with the WTO authorisation to suspend the application of tariff concessions to the United States, the Commission is to adjust the level of that suspension annually to the level of nullification or impairment caused by the CDSOA to the Union at that time.
- (5) According to data published by the United States' Customs and Border Protection, in recent years the level of nullification or impairment caused by the CDSOA to the Union has decreased. For example, in 2024 it was calculated at USD 34,98, corresponding to a rate of additional import duty of 0,00002 %. As collecting the additional import duty would have no trade effect but would result in a disproportionate administrative cost for the Union, the rate of additional import duty was set at 0 % by means of Commission Delegated Regulation (EU) 2024/1239³, which amended Regulation (EU) 2018/196 accordingly. Given that the CDSOA was effectively repealed on 1 October 2007, it is expected that the level of nullification or impairment and, consequently, of suspension will stay at that significantly decreased and economically negligible level.

² Regulation (EU) 2018/196 of the European Parliament and of the Council of 7 February 2018 on additional customs duties on imports of certain products originating in the United States of America (OJ L 44, 16.2.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/196/oj>).

³ Commission Delegated Regulation (EU) 2024/1239 of 22 February 2024 amending Regulation (EU) 2018/196 of the European Parliament and of the Council on additional customs duties on imports of certain products originating in the United States of America (OJ L, 2024/1239, 29.4.2024, ELI: http://data.europa.eu/eli/reg_del/2024/1239/oj).

- (6) In order to ensure efficient processes and to avoid disproportionate administrative costs for the Union, Regulation (EU) 2018/196 should be amended by including a de minimis threshold below which *the Commission should not be required to adjust the level of suspension and the application of the additional import duty should be suspended*.
- (7) The de minimis threshold should be set at USD 30 000 of disbursements under the CDSOA relating to anti-dumping and countervailing duties paid on imports from the Union for the most recent year for which data are available at that time, as published by the United States' authorities (U.S. Customs and Border Protection). Below that threshold, the additional import duty, as resulting from the formula mandated by the WTO authorisation, would have no trade impact and would thus be economically negligible. It would also cause disproportionate administrative costs for the Union.
- (8) Article 3(3) of Regulation (EU) 2018/196, which empowers the Commission to adopt delegated acts, should be amended in order to align it with the standard clauses contained in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴.

⁴ OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj.

- (9) *In order to avoid disproportionate administrative effort and to allow for the prompt application of the de minimis threshold, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.*
- (10) *In view of the need to ensure that this Regulation enters into force before disproportionate administrative effort is expended, it is considered to be 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 Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.*
- (11) Regulation (EU) 2018/196 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

In Regulation (EU) 2018/196, Article 3 is amended as follows:

- (1) in paragraph 3, the first subparagraph is replaced by the following:

‘The Commission shall adopt delegated acts in accordance with Article 4 to make the adjustments and amendments referred to in paragraphs 1 and 2 of this Article.’;

- (2) the following paragraph is added:

‘4. ***By way of derogation from*** paragraph 1 of this Article, ***where*** the amount of disbursements under the CDSOA relating to anti-dumping and countervailing duties paid on imports from the Union for the most recent year for which data are available at that time, as published by the United States' authorities, is USD 30 000 or less, ***the Commission shall not adjust the level of suspension and the application of the additional import duty referred to in Article 2 shall be suspended. The Commission shall publish a notice in the Official Journal of the European Union to that effect.***’.

Article 2

This Regulation shall enter into force on the 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 ...,

For the European Parliament

For the Council

The President

The President
