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2013/0383 (NLE)

Proposal for a

COUNCIL REGULATION

opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products and repealing Regulation (EU) No 7/2010

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Autonomous tariff quotas of the Union are needed for products where production in the Union is insufficient to meet the needs of the user industry in the Union for the current quota period. In response to requests from several Member States, the Commission, together with the government experts concerned, considered whether to open autonomous tariff quotas for certain agricultural and industrial products.

On 22 December 2009 the Council adopted Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products so that Union demand for the products in question could be met under the most favourable conditions. In view of the numerous amendments made to this Regulation and the transparency policy of the Commission the Regulation should be replaced by this proposal.

Tariff quotas of the Union should be opened at zero or reduced rates of the autonomous Common Customs Tariff duty for appropriate volumes, without disturbing the markets for such products. Discussions at meetings of the Economic Tariff Questions Group showed that the Member States were ready to open quotas for the products covered by the proposal for a Regulation, without disturbing the markets for such products

The proposal is in line with agricultural, trade, enterprise, development and external relations policies. Especially this proposal is not at the expense of countries enjoying a preferential trading agreement with the EU (e.g. GSP, ACP regime, candidate countries and potential candidates).

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The Economic Tariff Questions Group representing the industries of each Member State was consulted. All listed quotas reflect the agreement reached by the Group.

There was no mention of potentially serious risks with irreversible consequences.

This proposal will follow an inter service consultation procedure and will be published after its adoption by the Council.

3. LEGAL ELEMENTS OF THE PROPOSAL

A Council Regulation opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products on the legal basis of Article 31 of the Treaty on the Functioning of the European Union. By virtue of that Article autonomous tariff quotas are fixed by the Council acting on a qualified majority on the basis of a Commission proposal.

The proposal falls under the exclusive competence of the Union. The subsidiary principle therefore does not apply.

This set of measures is in line with the principles for simplifying the procedures for the operators engaged in foreign trade and with the Commission communication of 2011 concerning autonomous tariff suspensions and quotas (C 363, 13.12.2011, p.6).

4. BUDGETARY IMPLICATION

Uncollected customs duties with a total amount of €-64 900 000.

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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 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Production in the Union of certain agricultural and industrial products is insufficient to meet the specific requirements of the user industries in the Union. Consequently Union supplies of those products depend to a considerable extent on imports from third countries. The most urgent Union requirements for the products in question should be met immediately on the most favorable terms. Union tariff quotas at preferential duty rates should therefore be opened within the limits of appropriate volumes taking account of the need not to disturb the markets for such products or impede the establishment or development of Union production.
- (2) It is necessary, to ensure for all Union importers equal and uninterrupted access to those quotas and to ensure the uninterrupted application of the rates laid down for the quotas to all imports of the products concerned into all Member States until the quotas have been exhausted.
- (3) Commission Regulation (EEC) No 2454/93¹ provides for a system of tariff quota management which ensures equal and uninterrupted access to the quotas and uninterrupted application of the rates and follows the chronological order of dates of acceptance of declarations of release for free circulation. The tariff quotas opened by this Regulation should therefore be managed by the Commission and the Member States in accordance with that system.
- (4) The quota volumes are mostly expressed in tonnes. For certain products for which an autonomous tariff quota is opened the quota volume is set out in another measurement unit. Where for those products no supplementary measurement unit is specified in the Combined Nomenclature laid down in Annex I to Council Regulation (EEC) No 2658/87² there can be uncertainty in respect of the measurement unit used. For the sake of clarity and in the interest of a better quota management it is therefore necessary to provide that, in order to benefit from those autonomous tariff quotas, the exact quantity of the products imported be entered in the declaration for release for

¹ Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (OJ L 253, 11.10.1993, p.1).

² 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).

free circulation using the measurement unit of the quota volume set out for those products in the Annex to this Regulation.

- (5) Council Regulation (EU) No 7/2010³ has been amended many times. In the interest of transparency and in order to facilitate economic operators to follow the goods subject to autonomous tariff quotas, it is considered appropriate to replace Regulation (EU) No 7/2010 in its entirety.
- (6) In accordance with the principle of proportionality, it is necessary and appropriate for the achievement of the basic objective of promoting trade between Member States and third countries to lay down rules in order to balance the commercial interest of economic operators in the Union without changing the Union's World Trade Organisation (WTO) schedule. This Regulation does not go beyond what is necessary in order to achieve the objectives pursued in accordance with Article 5(4) of the Treaty on European Union.
- (7) Since the tariff quotas have to take effect from 1 January 2014, this Regulation should apply from the same date and enter into force immediately,

HAS ADOPTED THIS REGULATION:

Article 1

For the products listed in the Annex autonomous tariff quotas of the Union shall be opened within which the autonomous Common Customs Tariff duties shall be suspended for the periods, at the duty rates, and up to the volumes indicated therein.

Article 2

The tariff quotas referred to in Article 1 shall be managed by the Commission in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93.

Article 3

Where a declaration for release for free circulation is presented for a product mentioned in this Regulation, for which the quota volume is expressed in a measurement unit other than the weight in tonnes or kilogram and than the value, for products for which no supplementary unit is set out in the Combined Nomenclature laid down in Annex I to Regulation (EEC) No 2658/87, the exact quantity of the products imported shall be entered in "Box 41: Supplementary units" of that declaration using the measurement unit of the quota volume for those products as set out in the Annex to this Regulation.

³ Council Regulation (EU) No 7/2010 of 22 December 2009 opening and providing for the management of autonomous Community tariff quotas for certain agricultural and industrial products (OJ L 3, 7.1.2010, p. 1).

Article 4

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

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

Done at Brussels,

*For the Council
The President*

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

1. NAME OF THE PROPOSAL:

Council Regulation opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products and repealing Regulation (EU) No 7/2010.

2. BUDGET LINES

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year 2014: **18.086.400.000 €(DB 2014)**

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:

(€million to one decimal place)

Budget line	Revenue ⁴	12 month period, starting dd/mm/aaaa	[Year: 2014]
Article 120	<i>Impact on own resources</i>	01/1/2014	- 64,9

(€million to one decimal place)

The total amount of uncollected duties in 2014 due to the autonomous tariff quotas of this regulation proposal is estimated at the amount of €86,5 MEUR.

On the basis of the above, the impact on the loss of revenue resulting from this Regulation is estimated at 86,5 MEUR (gross amount, including collection costs) x 0,75 = 64,9 MEUR/year for the period 01.01.2014 onwards.

4. ANTI-FRAUD MEASURES

Checks on the end-use of some of the products covered by this Council Regulation will be carried out in accordance with Articles 291 to 300 of Commission Regulation (EEC) No 2454/93.

⁴ 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