



EUROPEAN
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Proposal for a

COUNCIL DECISION

on the position to be adopted by the European Union within the Joint Committee established by the Agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra as regards the replacement of the Appendix to the Agreement concerning the definition of the concept of ‘originating products’ and methods of administrative cooperation

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Appendix to the Agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra¹, concerning the definition of the concept of ‘originating products’ and methods of administrative cooperation, lays down provisions on the origin of goods of Chapters 1 to 24 of the Harmonised System traded between the European Union and the Principality of Andorra. Such goods are not covered by the customs union between the European Union and Andorra.

To improve legal certainty for traders and ensure uniform application by both parties, the current Appendix should be amended to take account of the changes in the rules of origin in the pan-Euro-Mediterranean region brought about by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin² (hereinafter ‘the Convention’).

Alignment with the Convention is also necessary to ensure consistent application of the preferences granted to products of Chapters 25 to 97 of the Harmonised System by contracting parties to the Convention which have concluded a free-trade agreement with the European Union. A declaration is included in each free-trade agreement specifying that products in these chapters originating in Andorra shall be accepted by the contracting parties to the Convention as products originating in the Union in accordance with the rules of the Convention.

2. RESULTS OF CONSULTATIONS WITH INTERESTED PARTIES AND IMPACT ASSESSMENTS

The draft decision was submitted to Member States at the meetings of the Customs Code Committee (Origin Section) that took place on 21 October and 11 December 2014.

The draft decision was submitted to the Principality of Andorra at the meeting between the Commission and representatives of the Principality on 22 September 2014.

It has not been necessary to call in outside expertise. Nor has it been necessary to conduct an impact assessment, since the proposed amendments are technical in nature.

3. LEGAL ELEMENTS OF THE PROPOSAL

The legal basis for the Council Decision is the first subparagraph of Article 207(4) in conjunction with Article 218(9) of the Treaty on the Functioning of the European Union.

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

Proposed instrument: Council decision.

¹ OJ L 374, 31.12.1990, p. 16.

² OJ L 54, 26.2.2013, p. 4.

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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 207 in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Appendix to the Agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra¹ (hereinafter ‘the Agreement’) concerns the definition of the concept of ‘originating products’ and methods of administrative cooperation (hereinafter ‘the Appendix’).
- (2) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin² (hereinafter ‘the Convention’) lays down provisions on the origin of goods traded under relevant agreements concluded between the contracting parties.
- (3) To improve legal certainty for traders and ensure uniform application by both parties, the Appendix should be amended to take account of the changes in the rules of origin in the pan-Euro-Mediterranean region brought about by the Convention.
- (4) The Joint Committee established by the Agreement must adopt a decision accordingly on the replacement of the Appendix by a new Appendix aligned on the provisions of the Convention, where necessary.
- (5) The European Union should therefore adopt the position set out in the attached draft Decision, within the Joint Committee,

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted by the European Union within the Joint Committee established by the Agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra, as regards the replacement of the Appendix to that Agreement, concerning the definition of the concept of ‘originating products’ and methods of administrative cooperation, by a new Appendix aligned where necessary on the

¹ OJ L 374, 31.12.1990, p. 16.

² OJ L 54, 26.2.2013, p. 4.

Regional Convention on pan-Euro-Mediterranean preferential rules of origin, is set out in the attached draft Decision of the Joint Committee.

Minor changes to the draft Decision may be agreed to by the representatives of the Union in the Joint Committee without further decision of the Council.

Article 2

The Decision of the Joint Committee shall be published in the *Official Journal of the European Union*.

Article 3

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

Done at Brussels,

For the Council
The President