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Proposal for a

COUNCIL DECISION

on the position to be taken by the European Union in the EEA Joint Committee concerning the amendment of Protocol 4 (Rules of origin) to the EEA Agreement

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The draft Joint Committee decision aims to amend Protocol 4 to the European Economic Area (EEA) Agreement, in particular to (i) extend the system of cumulation to any country which is a participant in the European Union's Stabilisation and Association Process, (ii) include "mixing of sugars and with any other material" to the list of operations mentioned in Article 6 of Protocol 4 which are to be considered as insufficient working or processing to confer the status of originating products and (iii) to correct certain errors.

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

Article 1(3) of Council Regulation (EC) No 2894/94 concerning arrangements for implementing the EEA Agreement provides that the Council establishes the position to be adopted on the Union's behalf on such Decisions, on a proposal from the Commission.

The Commission submits the Draft Decision of the EEA Joint Committee for adoption by the Council as the Union's position. The Commission would hope to be able to present it in the EEA Joint Committee at the earliest possible opportunity.

Proposal for a

COUNCIL DECISION

on the position to be taken by the European Union in the EEA Joint Committee concerning the amendment of Protocol 4 (Rules of origin) to the EEA Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 207(4) and 218(9) thereof,

Having regard to Council Regulation (EC) No 2894/94 of 28 November 1994 concerning arrangements for implementing the Agreement on the European Economic Area¹, and in particular Article 1(3) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Protocol 4 to the Agreement provides for the cumulation of origin between the European Union and Iceland, Norway, Switzerland (including Liechtenstein), the Faeroe Islands, Turkey and any country which is a participant in the Euro-Mediterranean partnership², based on the Barcelona Declaration adopted at the Euro-Mediterranean Conference held on 27 and 28 November 1995.
- (2) In order to develop trade and promote regional integration, it is desirable to extend the system of cumulation to any country which is a participant in the European Union's Stabilisation and Association Process³.
- (3) It is convenient to include "mixing of sugars and with any other material" into the list of operations mentioned in Article 6 of Protocol 4 which are to be considered as insufficient working or processing to confer the status of originating products,

¹ OJ L 305, 30.11.1994, p. 6.

² Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, West Bank and Gaza Strip.

³ Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, as well as Kosovo under UNSC Resolution 1244/99.

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken by the Union in the EEA Joint Committee concerning the amendment of Protocol 4 (Rules of origin) to the EEA Agreement shall be based on the draft Decision of the EEA Joint Committee attached to this Decision.

Article 2

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

Done at Brussels,

*For the Council
The President*

ANNEX

Draft

DECISION OF THE EEA JOINT COMMITTEE amending Protocol 4 (Rules of origin) to the EEA Agreement

THE EEA JOINT COMMITTEE,

Having regard to the Agreement on the European Economic Area, as amended by the Protocol adjusting the Agreement on the European Economic Area, hereinafter referred to as 'the Agreement', and in particular Article 98 thereof,

Whereas:

- (1) Protocol 4 to the Agreement was amended by Decision of the EEA Joint Committee No ... of ...⁴.
- (2) Protocol 4 to the Agreement provides for the cumulation of origin between the European Union and Iceland, Norway, Switzerland (including Liechtenstein), the Faeroe Islands, Turkey and any country which is a participant in the Euro-Mediterranean partnership⁵, based on the Barcelona Declaration adopted at the Euro-Mediterranean Conference held on 27 and 28 November 1995.
- (3) In order to develop trade and promote regional integration, it is desirable to extend the system of cumulation to any country which is a participant in the European Union's Stabilisation and Association Process⁶.
- (4) The Pan-Euro-Mediterranean system of cumulation of origin is based on the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin, to which Protocol 4 to the Agreement is aligned.
- (5) The Regional Convention of Pan-Euro-Mediterranean Preferential Rules of Origin shall not lead overall to any less favourable situation than in the previous relation between the free trade partners which apply the Pan-Euro or Pan-Euro-Mediterranean cumulation of origin.
- (6) Some amendments are required in order to correct errors in the existing text of Protocol 4 to the Agreement,

HAS ADOPTED THIS DECISION:

Article 1

Protocol 4 to the Agreement shall be amended as follows:

⁴ OJ L ...

⁵ Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, West Bank and Gaza Strip.

⁶ Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, as well as Kosovo under UNSC Resolution 1244/99.

1. In the reference to Article 32 in the Table of Contents, the words ‘Mutual assistance’ shall be replaced by ‘Administrative co-operation’.
2. Under the heading Joint Declarations in the Table of Contents, the word ‘Community’ shall be replaced by ‘European Union’.
3. In paragraph 1 of Article 3 the word ‘Community’ shall be replaced by ‘European Union’.
4. The text of paragraph 2 of Article 3 shall be replaced by the following:

‘Without prejudice to the provisions of Article 2, products shall be considered as originating in the EEA if they are obtained there, incorporating materials originating in the Faroe Islands or in any country which is a participant in the Euro-Mediterranean partnership, based on the Barcelona Declaration adopted at the Euro Mediterranean Conference held on 27 and 28 November 1995, other than Turkey⁷ or in any country which is a participant in the European Union’s Stabilisation and Association Process⁸, provided that the working or processing carried out in the EEA goes beyond the operations referred to in Article 6. It shall not be necessary for such materials to have undergone sufficient working or processing.’
5. In sub-paragraph 3 of paragraph 5 of Article 3 the word ‘Community’ shall be replaced by ‘European Union’ and the words ‘Commission of the European Communities’ shall be replaced by ‘European Commission’.
6. In paragraph 2 of Article 4 the word ‘Community’ shall be replaced by ‘European Union’.
7. In paragraph 2 of Article 5 the words ‘shall not be used’ shall be replaced by ‘should not be used’.
8. In paragraph 1 of Article 6 the following shall be inserted after letter (m):

‘(n) mixing of sugar with any materials;’

The current letters (n) to (p) shall be renumbered letters (o) to (q).
9. In paragraph 1 of Article 31 the word ‘Community’ shall be replaced by ‘European Union’.
10. In paragraph 3 of Article 31 the words ‘Commission of the European Communities’ shall be replaced by ‘European Commission’.
11. The title of Article 32 shall be replaced by:

‘Administrative co-operation’

⁷ Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, West Bank and Gaza Strip.

⁸ Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, as well as Kosovo under UNSC Resolution 1244/99.

12. In paragraph 1 of Article 32 the words ‘Commission of the European Communities’ shall be replaced by ‘European Commission’
13. In Note 1 to Annex I the words ‘Article 6’ shall be replaced by ‘Article 5’.
14. In Note 3.1 to Annex I the word ‘Community’ shall be replaced by ‘European Union’.
15. In footnote 3 to Annex VI the word ‘Community’ shall be replaced by ‘European Union’.
16. In the title of and in the first sub-paragraph of the Joint Declaration concerning the acceptance of proofs of origin issued within the framework of the agreements referred to in Article 3 of Protocol 4 for products originating in the Community, Iceland or Norway, the word ‘Community’ shall be replaced by ‘European Union’.
17. In the first sub-paragraph of the Joint Declaration concerning the Principality of Andorra the word ‘Community’ shall be replaced by ‘European Union’.
18. In the first sub-paragraph of the Joint Declaration concerning the Republic of San Marino the word ‘Community’ shall be replaced by ‘European Union’.

Article 2

This Decision shall enter into force on , provided that all the notifications under Article 103(1) of the Agreement have been made to the EEA Joint Committee* .

Article 3

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the *Official Journal of the European Union*.

Done at Brussels, [...].

*For the EEA Joint Committee
The President
[...]*

*The Secretaries
to the EEA Joint Committee
[...]*

* [No constitutional requirements indicated.] [Constitutional requirements indicated.]