COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 309 final

Brussels, 5th June 1980

RECOMMENDATION FOR A COUNCIL DECISION

ON THE NEGOTIATION OF AGREEMENTS ON THREE DRAFT ANNEXES TO
THE INTERNATIONAL CONVENTION ON THE SIMPLIFICATION AND
HARMONISATION OF CUSTOMS PROCEDURES CONCERNING RESPECTIVELY
THE CUSTOMS TREATMENT OF STORES, CUSTOMS
OFFENCES AND COASTWISE CARRIAGE OF GOODS

(presented by the Commission to the Council)

EXPLANATORY MEMORANDUM

1. The International Convention on the simplification and harmonisation of customs procedures was signed in Kyoto on 18 May 1973 (Kyoto Convention). The Convention, drawn up under the auspices of the Customs Cooperation Counicl (CCC), entered into force on 25 September 1974. In the preamble, the Contracting Parties, having noted that "divergences between national customs procedures can hamper international trade and other international exchanges", considered that "it is in the interests of all countries to promote such trade and exchanges and to foster international cooperation" and that "simplification and harmonisation of their customs procedures can effectively contribute to the development of international trade and of other international exchanges". They stated their conviction that "an international instrument proposing provisions which countries undertake to apply as soon as they are able to do so would lead progressively to a high degree of simplification and harmonisation of customs procedures, which is one of the essential aims of the Customs Cooperation Council".

The Convention's objectives are to be attained by the conclusion of annexes to the Convention. Each Contracting Party undertakes to comply with the standards and recommended practices contained in an annex unless it notifies the General Secratariat of the CCC, either when it accepts the annex or at a later date, of the standard(s) and recommended practice(s) in respect of which it enters reservations, stating the differences existing between the provisions of its national legislation and those of the standard(s) and recommended practice(s) concerned.

The annexes to the Kyoto Convention on various customs procedures are drawn up in the working party of the CCC's Permanent Technical Committee and are then submitted by that Committee to the Customs Cooperation Council for approval. The Council approves them and submits them to Contracting Parties to the Convention for acceptance.

Each annex is to be regarded as a separate international agreement in the general framework of the Kyoto Convention.

- 2. In accordance with certain decisions of the Council of Ministers of the EEC, the Community has negotiated the Kyoto Convention and the annexes already adopted by the CCC. It has become a Contracting Party to the Convention together with the Member States and many other countries. There are currently 31 Contracting Parties. When it acceded to the Convention, the Community accepted one annex; since then, it has accepted nine others.
- 3. At its 107/108th sessions held from 12 to 16 May 1980, the Permanent Technical Committee decided to submit the four following annexes to the CCC Council for examination and approval:
 - a) Customs treatment of stores (A.4)
 - b) Customs offences (H.2)
 - c) Coastwise carriage of goods (F.7)
 - d) Processing of goods for home use (F.2)

With regard to the annex on processing of goods for home use (F.2), the Commission was authorised to conduct negotiations by the Council's decision of 13 January 1975.

- 4. The annex on the customs treatment of stores provides for the importation and supply of such goods free of duties and taxes. It concerns vessels, aircraft and trains arriving in the customs territory and vessels and aircraft leaving for a final destination abroad.
- 5. The annex on customs offences (H.2) deals with the conditions under which the customs authorities inquire into and take note of customs offences.

 Action against such offences, by the imposition of appropriate penalties, is also covered, but only in so far as it falls within the powers of the customs authorities. The annex deals neither with procedures to be followed nor with the various measures which the customs authorities could take for the recovery of fines or the execution of judgments or penalties pronounced by the courts.

- 6. The annex on coastwise carriage of goods (F.7) lays down provisions for goods loaded on to a vessel at one place in the customs territory and transported on board that vessel to another place in the same customs territory whether or not they leave the territory. According to the CCC's definitions, the provisions apply to goods in free circulation or goods coming from abroad for which a customs declaration has not been entered.
- 7. The decision authorising the Commission to negotiate the three annexes in question is to be adopted very shortly by virtue of the commencement date of the negotiation session. Accordingly, the Commission, concerned to ensure operational efficiency and guided by previous Council practice on negotiations for annexes to the Kyoto Convention already approved by the CCC, recommends that the Council adopt the decision for the new annexes on the generic basis of the Treaty, without prejudice to the legal basis of any future Community acceptance of these annexes.

Consequently, the Commission recommends that the Council authorise it to negotiate three draft annexes to the Kyoto Convention concerning respectively the customs treatment of stores (annex A.4), customs offences (annex H.2) and coastwise carriage of goods (annex F.7). To this end, a draft decision is appended hereto.

RECOMMENDATION FOR A COUNCIL DECISION

on the negotiation of agreements on three draft annexes to the International Convention on the simplification and harmonisation of customs procedures concerning respectively the customs treatment of stores, customs offences and coastwise carriage of goods

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the recommendation from the Commission,

Whereas the conclusion of agreements on the draft annexes to the International Convention on the simplification and harmonisation of customs procedures concerning respectively the customs treatment of stores, customs offences and coastwise carriage of goods is likely to contribute effectively to the development of international trade,

Whereas the said agreements have a direct bearing on the collection on a uniform basis of common customs tariff duties, agricultural levies and other charges in the context of the common agricultural policy; whereas they must take account of the specific requirements of the customs union; whereas the Community should therefore take part in the negotiation of these agreements;

HAS DECIDED AS FOLLOWS :

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Sole Article

The Commission is hereby authorised to conduct the negociation in the Customs Cooperation Council of agreements on three annexes to the International Convention for the simplification and harmonisation of customs procedures concerning respectively the customs treatment of stores, customs offences and coastwise carriage of goods. These negotiations shall be conducted in accordance with the procedure laid down in the Annex to this Decision.

Done at Brussels, For the Council The President

Ad hoc procedure for the negotiations

Without prejudice to their respective legal positions, the Commission and the Member States have agreed on the following procedure:

- 1. Problems arising at the negotiation of customs conventions will be examined at coordination meetings chaired by a representative of the Member State holding the presidency of the Council (assisted by representatives of the General Secretariat and bringing together representatives from the Member States and from the Commission These meetings will deal with any matter relating to customs conventions, with the exception of questions of competence. They will aim at reaching a common position in line with the objectives and policies of the Community. Any major disagreement should be notified to the Permanent Representatives Committee and, if necessary, to the Council.
- 2. The common position will be stated by a single spokesman, who will normally be the Commission's representative, except where the nature of the matters dealt with is such that the Commission's representatives and the representatives of the Member States would arrive at different conclusions. The designation of a single spokesman does not prevent the Member States' representatives from making individual statements, provided that they pay due regard to the common line adopted on substantive and procedural questions.
- 3. If a vote is taken, the Member States' representatives will vote in accordance with the overall package of common guidelines adopted.