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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.12.1997 COM(97) 538 final

97/0307 (ACC)

Proposal for a COUNCIL REGULATION (EC)

on certain procedures for applying the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia is now expected to enter into force on 1 January 1998.

This Regulation allows for the Commission to open and provide for the administration of tariff quotas and tariff ceilings and establish a Community statistical surveillance system for imports in the framework of reference quantities, as they are provided for under the Agreement.

It enables the Commission to adopt the necessary amendments and technical adaptations to these tariff quotas, tariff ceilings and reference quantities, which result from amendments to the Combined Nomenclature and Taric codes as well as adaptations arising from the conclusion of agreements, protocols or exchanges of letters between the Community and the former Yugoslav Republic of Macedonia.

It delegates to the Commission the power to replace a reference quantity by an equal tariff ceiling when a reference quantity is exceeded, to suspend a tariff ceiling if, during two consecutive years, imports of a product listed in Annex C to the Agreement have been less than 80% of the ceiling volume and to extend for a period of one year the ceiling or ceilings set for the preceding year if it is considered appropriate to postpone the annual increase by 5% of the ceiling volume.

It also enables the Commission to adopt, as soon as a tariff ceiling is reached, a regulation reintroducing, until the end of the calendar year, customs duties applicable to third countries in respect of imports of the products concerned.

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Proposal for a COUNCIL REGULATION (EC)

on certain procedures for applying the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Council has concluded a Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia¹, hereinafter referred to as "the Agreement";

Whereas it is necessary to lay down the procedures for applying certain provisions of the Agreement;

Whereas the Agreement stipulates that certain products originating in the former Yugoslav Republic of Macedonia may be imported into the Community, within the limits of tariff quotas or tariff ceilings or in the framework of reference quantities, at a reduced or a zero rate of customs duty; whereas the Agreement already specifies the products eligible for those tariff measures, their volumes and annual increase of the volumes, their duties, periods and any eligibility criteria; whereas amendments to the Combined Nomenclature and Taric codes and adaptations arising from the conclusion of agreements, protocols or exchanges of letters between the Community and the former Yugoslav Republic of Macedonia do not involve changes of substance; whereas, in the interest of simplicity, provision should therefore be made for the Commission, assisted by the Customs Code Committee, to adopt the implementing regulations opening and providing for the administration of the tariff quotas and tariff ceilings, to establish the Community statistical surveillance system for imports in the framework of reference quantities as well as to make the necessary amendments and technical adaptations to the annexes of the implementing Regulations;

Whereas the Agreement provides for the Community to have the possibility to replace a reference quantity by an equal tariff ceiling when a reference quantity is exceeded; whereas in these circumstances, provision should be made for the Commission to adopt the necessary measures;

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Whereas, as soon as a tariff ceiling is reached, the Community may reintroduce, until the end of the calendar year, the customs duties applicable to third countries in respect of the product concerned; whereas, with a view to protecting the interests of Community producers, those measures may need to be adopted on a very short timescale; whereas the Agreement provides for the Community to have the possibility to suspend a tariff ceiling if, during two consecutive years, imports of a product listed in Annex C thereto have been less than 80% of the ceiling volume; whereas the Agreement also provides for the Community to have the possibility to extend for a period of one year the ceiling or ceilings set for the preceding year if it is considered appropriate to postpone the annual increase by 5% of the ceiling volume; whereas provision should therefore be made for the Commission to adopt those measures rapidly,

HAS ADOPTED THIS REGULATION:

Article 1

Provisions for the application of Article 15(2) of the Agreement, concerning baby-beef, sheep, goats, sheepmeat and goatmeat and sour cherries, shall be adopted in accordance with the procedure provided for in Article 27 of Council Regulation (EEC) No $805/68^2$ or in the corresponding provisions of other regulations establishing a common organisation of the agricultural markets.

Article 2

- 1. Without prejudice to Article 1, provisions for the application of tariff quotas, tariff ceilings and reference quantities provided for in Annexes C and D to the Agreement and in Annex I to the Protocol to the Agreement on additional trade arrangements for certain iron and steel products, including the replacement of reference quantities by tariff ceilings as provided for by Article 15(5) of the Agreement, as well as amendments and technical adaptations made necessary by amendments to the Combined Nomenclature and Taric codes or arising from the conclusion of agreements, protocols or exchanges of letters between the Community and the former Yugoslav Republic of Macedonia, shall be adopted by the Commission, assisted by the Customs Code Committee, in accordance with the procedure set out in paragraph 2 of this Article.
- 2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

² OJ L 148, 28.6.1968, p. 24.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event:

- the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication;
- the Council, acting by qualified majority, may take a different decision within the period referred to in the first indent.
- 3. The Committee may examine any question concerning the application of tariff quotas, tariff ceilings and reference quantities, which is raised by its chairman either at the latter's initiative or at the request of a Member State.

Article 3

- 1. As soon as a tariff ceiling is reached, the Commission may adopt a regulation re-establishing, until the end of the calendar year, the customs duties applicable to third countries in respect of imports of the products concerned.
- 2. If, during two consecutive years, imports of a product listed in Annex C to the Agreement have been less than 80% of the amount laid down, the Commission may adopt a regulation suspending the tariff ceiling in question.
- 3. The Commission may adopt a regulation extending for a period of one year the tariff ceiling or ceilings set for the preceding year if it is considered appropriate to postpone the annual increase by 5% of the tariff ceiling volume.

Article 4

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Communities.

It shall apply from the date of entry into force of the Agreement. That date will be published in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council The President

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FINANCIAL STATEMENT

- 1. Budget heading involved: Chapter 12, Article 120
- 2. Legal Basis: Article 113 of the Treaty
- 3. <u>Title of the measure</u>: Proposal for a Council Regulation (EC) on certain procedures for applying the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia.
- 4. <u>Objective</u>: to provide for the necessary procedures for applying the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia.
- 5. <u>Financial repercussions</u>: This Regulation does not entail any financial losses or gains, other than those foreseen in the financial statement made on the occasion of the Decision adopting the Agreement.
- 6. <u>Fight against fraud</u>: Provisions on the management of tariff quotas and tariff ceilings include the measures necessary for preventing and protecting against fraud and irregularities.

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ISSN 0254-1475

COM(97) 538 final

DOCUMENTS

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Catalogue number : CB-CO-97-582-EN-C

ISBN 92-78-26758-9

Office for Official Publications of the European Communities

L-2985 Luxembourg

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