



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.02.1998  
COM(1998) 77 final

98/0061 (ACC)

Proposal for a

COUNCIL DECISION

**on the position to be taken by the Community within the Association Council established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995, with regard to the adoption of the modifications to Protocol 3 of the Europe Agreement included in Joint Committee Decision N° 1/97 of 20 March 1997 under the Agreement on Free Trade and Trade Related Matters between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 18 July 1994**

(presented by the Commission)



## **EXPLANATORY MEMORANDUM**

1. The Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, has been signed on 12 June 1995. Following completion of all ratification procedures, the Europe Agreement with Latvia will enter into force on 1 February 1998.

The Association Council, established by Article 110 of the Europe Agreement, shall adopt at its first meeting, as provided for in Article 131 of the Europe Agreement, all the modifications to this Agreement - in particular to the protocols and annexes- necessary to align it with changes to the Agreement on Free Trade and Trade Related Matters decided by the Joint Committee, between the signature and the entry into force of the Europe Agreement.

It is proposed that Decision N° 1/97 of the Joint Committee of 20 March 1997 (entered into force on 1 April 1997), amending Protocol 3 on rules of origin (mainly the definition of the concept of "originating products" and methods of administrative cooperation) of the Agreement on Free Trade between the European Communities and Latvia be adopted at the first meeting of the Association Council, so as to align the Europe Agreement with the changes made to the Free Trade Agreement between the signature and entry into force of the Europe Agreement.

2. It is therefore proposed that the Council approves the attached proposal for a Council decision.

## **Proposal for a Council Decision**

**on the position to be taken by the Community within the Association Council established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995, with regard to the adoption of the modifications to Protocol 3 of the Europe Agreement included in Joint Committee Decision N° 1/97 of 20 March 1997 under the Agreement on Free Trade and Trade Related Matters between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 18 July 1994**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 in connection with Article 228 (2), first sentence,

Having regard to the Commission proposal,

Having regard to the Council and Commission Decision of 22 December 1997 on the conclusion of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, and in particular Article 2(1) thereof,

Whereas Article 110 of the Europe Agreement establishes an Association Council,

Whereas Article 131 of the said Agreement provides that the Association Council shall adopt at its first meeting all the modifications to this Agreement- in particular to the protocols and annexes- necessary to align it with changes to the Agreement on Free Trade and Trade Related Matters decided by the Joint Committee between the signature and entry into force of the said Agreement,

**HAS DECIDED AS FOLLOWS:**

The position to be adopted by the Community within the Association Council established by Article 110 of the Europe Agreement, signed on 12 June 1995, establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, with regard to the adoption of the modifications to Protocol 3 of the Europe Agreement included in Joint Committee Decision N° 1/97 of 20 March 1997 under the Agreement on Free Trade and Trade Related Matters between the European Communities and Latvia, shall be based on the Association Council draft decision, annexed to the present Decision.

Done at Brussels on,

For the Council,  
The President

DRAFT DECISION No 2/98 OF THE ASSOCIATION COUNCIL

between the European Communities and their Member States, of the one part,  
and the Republic of Latvia, of the other part

of 1998

adopting modifications to Protocol 3 of the Europe Agreement, signed on 12 June 1995,  
included in Joint Committee Decision N° 1/97 of 20 March 1997<sup>1</sup> under the Agreement on  
Free Trade and Trade Related Matters between the European Communities and their Member  
States, of the one part, and the Republic of Latvia, of the other part,

THE ASSOCIATION COUNCIL,

Having regard to the Europe Agreement establishing an Association between the European  
Communities and their Member States, of the one part, and the Republic of Latvia, of the  
other part, signed on 12 June 1995, and in particular Articles 110 and 131 thereof,

Whereas pursuant to Article 131 of the Europe Agreement, the Association Council shall  
adopt at its first meeting all the modifications to this Agreement- in particular to the  
protocols and annexes- necessary to align it with changes to the Agreement on Free Trade  
and Trade Related Matters decided by the Joint Committee between the signature and entry  
into force of the said Agreement,

HAS DECIDED AS FOLLOWS:

*Article 1*

The Association Council decides to modify Protocol 3 on Rules of Origin annexed to the  
Europe Agreement, signed on 12 June 1995, establishing an association between the  
European Communities and their Member States, of the one part, and the Republic of Latvia,  
of the other part, in accordance with the Joint Committee Decision N° 1/97 of the Joint  
Committee of 20 March 1997 (together with relevant joint declarations) under the Free Trade  
Agreement and Trade Related Matters between the European Communities and their  
Member States, of the one part, and the Republic of Latvia, of the other part.

*Article 2*

The Decision shall be published in the Official Journal of the European Communities and  
Latvijas Vestnesis (Latvian Official Journal)

*Article 3*

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

*Done at Brussels on,*

*For the Association Council  
The President(s)*

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<sup>1</sup> OJ N° L111 of 28 April 1997

**DECISION No 1/97 OF THE JOINT COMMITTEE, BETWEEN THE EUROPEAN COMMUNITIES, OF THE ONE PART, AND THE REPUBLIC OF LATVIA, OF THE OTHER PART**

**of 20 March 1997**

**amending Protocol 3 to the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community, of the one part, and the Republic of Latvia, of the other part**

**(97/268/ECSC, EC, Euratom)**

**THE JOINT COMMITTEE,**

Having regard to the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community, of the one part, and the Republic of Latvia, of the other part, signed in Brussels on 18 July 1994, and in particular Article 36 of Protocol 3 thereof,

Whereas an extended system of cumulation is desirable making possible the use of materials originating in the European Community, Poland, Hungary, the Czech Republic, the Slovak Republic, Bulgaria, Romania, Lithuania, Slovenia, Estonia, Latvia, the European Economic Area, Iceland, Norway or Switzerland, in order to facilitate trade and improve the effectiveness of the Agreement; whereas modifications to the definition of the concept of originating products are required;

Whereas, in order for the Agreement to apply to goods originating in Andorra or San Marino, it is necessary to provide for such a possibility by way of a Joint Declaration on Protocol 3;

Whereas for the purposes of implementing the extended system of cumulation and in order to avoid circumvention of customs duties, it is necessary to introduce new provisions into Protocol 3 concerning the prohibition of drawback of, or exemption from, customs duties;

Whereas in order to further facilitate trade and to simplify administrative burdens, it is necessary to amend the processing requirements laid down in the Protocol for non-originating materials to obtain originating status and the provisions concerning proof of origin;

Whereas, certain processing requirements for non-originating materials to obtain originating status need to be amended to take account of the evolution of processing techniques; whereas, in the light of experience, the presentation of the list of processing rules could be improved by extending it to cover all headings of the Harmonized System (HS); whereas, technical modifications of these processing rules are required to take account of modifications to the HS which take effect from 1 January 1996;

Whereas, it is therefore appropriate for the proper functioning of the Agreement to incorporate in a single text all the provisions in question with a view to facilitating the work of users and customs administrations,

HAS DECIDED AS FOLLOWS:

*Article 1*

Protocol 3 shall be replaced by the text attached hereto, together with the relevant Joint Declarations.

*Article 2*

This Decision shall enter into force on 1 April 1997.

Done at Brussels, 20 March 1997.

For the Joint Committee  
The Chairmen

For the Community

S. BROUWER

For Latvia

A. KIRSTEINS

ISSN 0254-1475

COM(98) 77 final

# DOCUMENTS

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Catalogue number : CB-CO-98-079-EN-C

ISBN 92-78-31020-4

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Office for Official Publications of the European Communities

L-2985 Luxembourg