



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.11.1999
COM(1999) 559 final

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 2111/1999 prohibiting the sale and supply of
petroleum and certain petroleum products to certain parts of the Federal
Republic of Yugoslavia (FRY)**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Council has decided, in order to foster democratisation in the Federal Republic of Yugoslavia, to support all forces which demonstrate their full commitment to democratic values. Within the framework of the "Energy for Democracy" initiative, the Council has agreed, in principle, to allow certain petroleum products to be supplied to certain Serbian municipalities.

Since the intended supplies and related activities would otherwise be prohibited under Council Regulation (EC) No 2111/1999, an amendment to that Regulation is called for in order to exempt the intended supplies from this prohibition. However, this exemption should not lead to an undermining of the continued embargo of the FRY (other than the Province of Kosovo and the Republic of Montenegro) and, therefore, an authorisation mechanism must be established. Authorisations should be granted only under specific conditions which would ensure that the FRY or Serbian authorities would not derive benefit from the exemption. If there is any evidence that the FRY or Serbian authorities would either confiscate the intended supplies or benefit therefrom in an unacceptable way, an authorisation should be suspended or terminated immediately.

In view of the fact that the Commission will play a major role in the implementation of the initiative, and will receive most rapidly and directly all relevant information on the final destination or end-use of the supplies and of all relevant circumstances, the granting of the authorisations should be entrusted to the Commission. The authorisation mechanism would complement and strengthen the (financial) control mechanisms which the Commission will set up for the financing of the supplies and related activities.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 301 thereof,

Having regard to Council Common Position 1999/.../CFSP of .. October 1999 on support for democratic forces in the Federal Republic of Yugoslavia (FRY)¹,

Having regard to the proposal from the Commission,

Whereas:

- (1) Within the framework of the "Energy for Democracy" initiative, certain municipalities within the Republic of Serbia should be supplied with products falling under the scope of Regulation (EC) No 2111/1999² and, therefore, said Regulation should be amended to allow such supplies;
- (2) Any allowance should be conditional upon the fulfilment of the objectives and modalities agreed upon by the European Union in respect of the said initiative;
- (3) To guarantee the fulfilment of these objectives and modalities and in order to avoid the programme to affect otherwise the provisions of said Regulation, an authorisation system should be established,

HAS ADOPTED THIS REGULATION:

Article 1

The following Article shall be inserted into Regulation (EC) No 2111/1999:

"Article 2a

Notwithstanding the provisions of Article 1, the European Commission may, within the framework of the "Energy for Democracy" initiative, authorise, on a case-by-case basis, the sale, supply, export or shipment of products listed in Annex I.

¹ OJ L

² OJ L 258, 5.10.1999, p. 12

The Commission may suspend, terminate or attach conditions to the granting of authorisations in order to prevent activities authorised under this Article undermining the other provisions of this Regulation.

Any request for and granting of an authorisation should be made in accordance with the model set out in Annex II."

Article 2

This Regulation shall enter into force on the day of its publication 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