

**I/222-EN-02-04**



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 09.12.1999

COM(1999)555 final

1999/0227 (ACC)

Proposal for a

**COUNCIL REGULATION**

**on administering the double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from Kazakhstan to the European Union**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

The Community's Partnership and Cooperation Agreement with Kazakhstan provides for agreements on quantitative arrangements concerning exchanges of ECSC steel products.

On 19 July 1999, Kazakh and Commission negotiators concluded lengthy negotiations on the attached proposal. The new ECSC agreement is intended to establish a structured framework for, on the one hand, progressive liberalisation of trade in steel products and, on the other hand, progressive adaptation of Kazakhstan's steel sector to normal competitive conditions, particularly in the areas of competition policy, state aid and environmental protection.

The new ECSC agreement covers the period 2000-2001. It contains provisions for reviewing Kazakhstan's progress towards fulfilling the conditions for complete liberalisation. There is also a review clause in the event that Kazakhstan joins the WTO during the period covered by the agreement.

During the negotiations on the new ECSC steel Agreement, the Parties agreed to establish a double-checking system without quantitative limitations in order to monitor the trade in certain EC and ECSC Treaty steel products which fall outside the scope of the ECSC Agreement. The aim of the double-checking system is to improve transparency and to avoid possible diversions of trade. It is without prejudice to the application of the relevant provisions of the agreements on trade and trade-related matters, in particular those relating to anti-dumping and safeguard measures.

The double-checking system should enter into force at the same time as the new ECSC steel agreement. It would apply for the period 2000-2001. It will be established by means of an Agreement in the form of an Exchange of Letters.

Proposal for a

## COUNCIL REGULATION

**on administering the double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from Kazakhstan to the European Union**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

- (1) Whereas the Partnership and Cooperation Agreement between the Parties signed on 23 January 1995 has entered into force on 1 July 1999,
- (2) Whereas the situation relating to imports of certain steel products from the Republic of Kazakhstan into the Community has been the subject of thorough examination and whereas on the basis of relevant information supplied to them, the Parties have concluded an Agreement in the form of an Exchange of Letters<sup>1</sup> which establishes a double-checking system without quantitative limits for the period between the date of entry into force of this Regulation and 31 December 2001, unless both Parties agree to terminate the system earlier,
- (3) Since the measures necessary for the implementation of this Regulation are management measures within the meaning of Article 2 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>2</sup>, they should be adopted by use of the management procedure provided for in Article 4 of that Decision.

HAS ADOPTED THIS REGULATION:

### *Article 1*

1. For the period running from the date on which this Regulation enters into force to 31 December 2001, in accordance with the provisions of the above-mentioned Agreement in the form of an Exchange of Letters, imports into the

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<sup>1</sup> See page ... of this Official Journal.

<sup>2</sup> OJ L 184, 17.7.1999, p. 23.

Community of certain iron and steel products covered by the EC and ECSC Treaties originating in the Republic of Kazakhstan, as listed in Appendix I, shall be subject to the presentation of a surveillance document conforming to the model shown at Appendix II issued by the authorities in the Community.

2. For the period running from the date on which this Regulation enters into force to 31 December 2001, imports into the Community of the iron and steel products originating in the Republic of Kazakhstan and listed in Appendix I shall, in addition, be subject to the issue of an export document issued by the competent Kazakh authorities. The export document shall conform to the model shown in Appendix III. It shall be valid for exports throughout the customs territory of the Community. Presentation by the importer of the original of the export document must be effected not later than 31 March of the year following that in which the goods covered by the document were shipped.
3. An export document will not be required for goods originating in the Republic of Kazakhstan already shipped before the date on which this Regulation enters into force, provided that the destination of such products is not changed from a non-Community destination and that those products which, under the prior surveillance regime applicable in 1997, could be imported only on presentation of a surveillance document are in fact accompanied by such a document.
4. Shipment is considered to have taken place on the date of loading on to the exporting means of transport.
5. The classification of the products covered by this Regulation is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'combined nomenclature', or in abbreviated form 'CN'). The origin of the products covered by this Regulation shall be determined in accordance with the rules in force in the Community.
6. The competent authorities of the Community undertake to inform the Republic of Kazakhstan of any changes in the Combined Nomenclature (CN) in respect of products covered by this Agreement before their date of entry into force in the Community.

## *Article 2*

1. The surveillance document referred to in Article 1 shall be issued automatically by the competent authority in the Member States, without charge for any quantities requested, within five working days of presentation of an application by any Community importer, wherever established in the Community. This application shall be deemed to have been received by the competent national authority no later than three working days after submission, unless it is proven otherwise.
2. A surveillance document issued by one of the competent national authorities listed in Appendix IV shall be valid throughout the Community.

3. The importer's application for a surveillance document shall include the following elements:
- (a) the name and full address of the applicant (including telephone and telefax numbers, and possible identification number used by the competent national authorities) and VAT registration number, if subject to VAT;
  - (b) if applicable, the name and full address of the declarant or representative of the applicant (including telephone and fax numbers);
  - (c) the full name and address of the exporter;
  - (d) the exact description of the goods, including their trade name,
    - the combined nomenclature (CN) code(s),
    - the country of origin,
    - the country of consignment;
  - (e) the net weight, expressed in kg and also quantity in the unit prescribed where other than net weight, by combined nomenclature heading;
  - (f) the c.i.f. value of the goods in EUR at the Community frontier by combined nomenclature heading;
  - (g) whether the products concerned are seconds or of substandard quality<sup>3</sup>;
  - (h) the proposed period and place of customs clearance;
  - (i) whether the application is a repeat of a previous application concerning the same contract;
  - (j) the following declaration, dated and signed by the applicant with the transcription of his name in capital letters:

'I, the undersigned, certify that the information provided in this application is true and given in good faith, and that I am established in the Community.' The importer shall also submit a copy of the contract of sale or purchase, the pro forma invoice and/or, in cases where the goods are not directly purchased in the country of production, a certificate of production issued by the producing steel mill.

4. Surveillance documents may be used only for such time as arrangements for liberalisation of imports remain in force in respect of the transactions concerned. Without prejudice to possible changes in the import regulations in

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<sup>3</sup> Under the criteria given in Commission communication concerning identification criteria of non-prime steel products from third countries applied by customs services of Member States (OJ C 180, 11.7.91, p. 4.).

force or decisions taken in the framework of an agreement or the management of a quota:

- the period of validity of the surveillance document is hereby fixed at four months,
  - unused or partly used surveillance documents may be renewed for an equal period.
5. The importer shall return surveillance documents to the issuing authority at the end of their period of validity.

### *Article 3*

1. A finding that the unit price at which the transaction is effected exceeds that indicated in the import document by less than 5 % or that the total value or quantity of the products presented for import exceeds the value or quantity given in the import document by less than 5 % shall not preclude the release for free circulation of the products in question.
2. Applications for import documents and the documents themselves shall be confidential. They shall be restricted to the competent authorities and the applicant.

### *Article 4*

1. Within the first 10 days of each month, the Member States shall communicate to the Commission:
  - (a) details of the quantities and values (calculated in €) for which import documents were issued during the preceding month;
  - (b) details of imports during the month preceding the month referred to in subparagraph (a).

The information provided by Member States shall be broken down by product, CN code and by country.

2. The Member States shall give notification of any anomalies or cases of fraud which they discover and, where relevant, the basis on which they have refused to grant an import document.

### *Article 5*

Any notices to be given hereunder shall be given to the Commission of the European Communities and shall be communicated electronically within the integrated network set up for this purpose, unless for imperative technical reasons it is necessary to use other means of communication temporarily.

## *Article 6*

### Committee

1. The Commission shall be assisted by the committee instituted by Article 6 of Council Regulation n° 1997/1526/EC of 28 June 1997<sup>4</sup>.
2. Where reference is made to this paragraph, the management procedure laid down in Article 4 of Decision 1999/468/EC shall apply, in compliance with Article 7 (3) thereof.
3. The period provided for in Article 4 (3) of Decision 1999/468/EC shall be three months.

## *Article 7*

### Final provisions

Amendments to the Appendices which may be necessary to take into account modifications to the Annex or appendices attached to the Agreement in the Form of an Exchange of Letters between the European Community and the Republic of Kazakhstan, or amendments made to Community rules on statistics, customs arrangements, common rules for imports or import surveillance, shall be adopted in accordance with the procedure laid down in Article 6 (2).

This Regulation shall enter into force on the day following 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*

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<sup>4</sup> OJ L 210, 04.08.1997, p.1



## **APPENDIX I**

List of products subject to double-checking without quantitative limits

Kazakhstan

*Cold-rolled narrow strip of a width not exceeding 500mm*

7211 23 99

7211 29 50

7211 29 90

7211 90 90

*Grain non-oriented electrical sheet*

7211 23 91

7225 19 10

7225 19 90

7226 19 10

7226 19 30

7226 19 90

*Grain-oriented electrical sheet*

7226 11 90

**APPENDIX II**

**EUROPEAN COMMUNITY**

**SURVEILLANCE DOCUMENT**

<b>Holder's copy</b>	<b>1</b>	<b>1. Consignee</b> (name, full address, country, VAT number)	<b>2. Issue number</b>
			<b>3. Proposed place and date of import</b>
			<b>4. Authority responsible for issue</b> (name, address and telephone No)
		<b>5. Declarant/representative as applicable</b> (name and full address)	<b>6. Country of origin</b> (and geonomenclature code)
			<b>7. Country of consignment</b> (and geonomenclature code)
<b>1</b>			<b>8. Last day of validity</b>
<b>9. Description of goods</b>		<b>10. CN code and category</b>	
		<b>11. Quantity in kilograms (net mass) or in additional units</b>	
		<b>12. Value in euros, cif at Community frontier</b>	
<b>13. Additional remarks</b>			
<b>14. Competent authority's endorsement</b>			
Date :			
Signature:		Stamp:	

**15. ATTRIBUTIONS**

Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof

16. Net quantity (net mass or other unit of measure stating the unit)		19. Customs document (form and number) or extract No and date of attribution	20. Name, Member State, stamp and signature of the attributing authority
17. In figures	18. In words for the quantity attributed		
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			

Extension pages to be attached hereto

**EUROPEAN COMMUNITY**

**SURVEILLANCE DOCUMENT**

<b>Copy for the issuing authority</b>	<b>2</b>	<b>1. Consignee</b> (name, full address, country, VAT number)	<b>2. Issue number</b>
			<b>3. Proposed place and date of import</b>
			<b>4. Authority responsible for issue</b> (name, address and telephone No)
		<b>5. Declarant/representative as applicable</b> (name and full address)	<b>6. Country of origin</b> (and geonomenclature code)
			<b>7. Country of consignment</b> (and geonomenclature code)
<b>2</b>			<b>8. Last day of validity</b>
		<b>9. Description of goods</b>	<b>10. CN code and category</b>
			<b>11. Quantity in kilograms (net mass) or in additional units</b>
			<b>12. Value in euros, cif at Community frontier</b>
<b>13. Additional remarks</b>			
<b>14. Competent authority's endorsement</b>			
Date :			
Signature:		Stamp:	

**15. ATTRIBUTIONS**

Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof

16. Net quantity (net mass or other unit of measure stating the unit)		19. Customs document (form and number) or extract No and date of attribution	20. Name, Member State, stamp and signature of the attributing authority
17. In figures	18. In words for the quantity attributed		
1.			
2.			
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2.			

Extension pages to be attached hereto

**APPENDIX III**

1 Exporter (name, full address, country)	<b>ORIGINAL</b>		2	<b>No</b>
	3 Year	4 Product group		
5 Consignee (name, full address, country)	<b>EXPORT DOCUMENT</b> (ECSC and EC steel products)			
	6 Country of origin	7 Country of destination		
8 Place and date of shipment – means of transport	9 Supplementary details			
10 Description of goods - manufacturer	11 CN code	12 Quantity <sup>(1)</sup>	13 Fob value <sup>(2)</sup>	
14 CERTIFICATION BY THE COMPETENT AUTHORITY				
15 Competent authority (name, full address, country)	At ..... on .....			
	(Signature)	(Stamp)		

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.  
(2) In the currency of the sale contract.

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.  
 (2) In the currency of the sale contract.

1 Exporter (name, full address, country)	<b>COPY</b>		2 <b>No</b>	
	3 Year		4 Product group	
5 Consignee (name, full address, country)	<b>EXPORT DOCUMENT</b> (ECSC and EC steel products)			
	6 Country of origin		7 Country of destination	
8 Place and date of shipment – means of transport	9 Supplementary details			
10 Description of goods - manufacturer	11 CN code	12 Quantity <sup>(1)</sup>	13 Fob value <sup>(2)</sup>	
14 CERTIFICATION BY THE COMPETENT AUTHORITY				
15 Competent authority (name, full address, country)	At ..... on .....			
	(Signature)		(Stamp)	

## APPENDIX IV

**LISTE OVER KOMPETENTE NATIONALE MYNDIGHEDER  
LISTE DER ZUSTÄNDIGEN BEHÖRDEN DER MITGLIEDSTAATEN  
ΔΙΕΥΘΥΝΣΕΙΣ ΤΩΝ ΑΡΧΩΝ ΕΚΔΟΣΗΣ ΑΔΕΙΩΝ ΤΩΝ ΚΡΑΤΩΝ ΜΕΛΩΝ  
LISTA DE LAS AUTORIDADES NACIONALES COMPETENTES  
LISTE DES AUTORITES NATIONALES COMPETENTES  
ELENCO DELLE COMPETENTI AUTORITA NAZIONALI  
LIJST VAN BEVOEGDE NATIONALE INSTANTIES  
LISTA DAS AUTORIDADES NACIONAIS COMPETENTES  
LUETTELO TOIMIVALTAISISTA KANSALLISISTA VIRANOMAISISTA  
LISTA ÖVER KOMPETENTA NATIONELLA MYNDIGHETER  
LIST OF THE COMPETENT NATIONAL AUTHORITIES**

### **BELGIQUE/BELGIË**

Ministère des Affaires Economiques  
Administration des Relations Economiques  
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Rue Général Leman 60  
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Ministerie van Economische Zaken  
Bestuur van de Economische Betrekkingen  
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### **ΕΛΛΑΣ**

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### **ITALIA**

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### **ÖSTERREICH**

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Aussenwirtschaftsadministration  
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Import Licensing Branch  
Queensway House - West Precinct  
Billingham, Cleveland  
UK-TS23 2NF  
Fax : 44-1642-533 557

## FINANCIAL STATEMENT

1. Budget heading involved:

Chapter 12

2. Legal Basis:

Article 95 ECSC

3. Title of measure:

Agreement between the European Coal and Steel Community and Kazakhstan on trade in certain steel products. (The double-checking system without quantitative limitations has no financial implications for the Community budget).

4. Purpose:

To conclude a new steel agreement with Kazakhstan establishing quantitative limits on the amount of certain ECSC steel products which can be imported into the Community in the period 2000-2001.

5. Method of calculation:

The average duty in respect of the products in question is, for the two years covered by the agreements: 1.5% and 1.0% (in line with Uruguay Round commitments).

Applying the average duty to the quantities foreseen in the agreements at present average values of 260€/tonne gives the following theoretical net gain to the Community's resources:

Kazakhstan: € 305 312 in 2000 and € 208 629 in 2001.