



COMMISSION OF THE EUROPEAN COMMUNITIES

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1999/0261 (ACC)

Proposal for a

COUNCIL REGULATION

amending Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and the Common Customs Tariff

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The purpose of the present proposal is to modify Council Regulation (EEC) No 2658/87, mainly with a view to modernising and to simplifying the Combined Nomenclature (CN) as envisaged in the context of the SLIM initiative (Simpler Legislation for the Internal Market).
2. In order to facilitate the access to the CN and tariff-related data, it is proposed to amend the Regulation so that the Commission, whenever possible, shall disseminate such data by electronic means, in particular on the Internet and on carrier media like CD-ROM.
3. With a view to modernising and simplifying the presentation of the EU tariff schedule, it is proposed to delete the reference to autonomous duties in the regulation, having as a consequence the elimination of the current column 3 ("autonomous rate of duty"). In those cases where the relevant autonomous duty rate applies because it is lower than the conventional rate of duty, provision will be made to retain these rates, most likely as footnotes in the tariff schedule.
4. In order to limit the creation of new lines at the 8-digit CN code level, it is proposed to provide the legal basis for collecting external trade data at TARIC level for specific requirements.
5. It is proposed to adjust the definition of the TARIC code, its structure and its use for external trade measures. It is also important to clarify that the TARIC is held in a database and that TARIC data is transmitted and disseminated by electronic means.
6. In addition, the proposal includes various technical adjustments to the Regulation.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, in particular Articles 26, 37 and 133 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff¹, as last amended by Regulation (EC) No .../99 of 1999², provides the legal basis for the establishment and management of the Combined Nomenclature, the Common Customs Tariff and the Integrated Tariff of the Communities (TARIC).
- (2) It is appropriate to modernise and to simplify the presentation and the management of Regulation (EEC) No 2658/87 as envisaged by the SLIM initiative (Simpler Legislation for the Internal Market).
- (3) The data contained in Regulation (EEC) No 2658/87 and other data published by virtue of that regulation, and in particular its Articles 6 and 9, should, whenever possible, be made available to the public additionally in electronic format.
- (4) The schedule of customs duties in Annex I Part II of Regulation (EEC) No 2658/87 includes in columns 3 and 4 respectively the autonomous and the conventional duty rates. With a view to rationalising and simplifying the use of the tariff schedule, only one of these columns should be maintained and this column should reflect the conventional duty rates. Any exception from the application of a conventional rate of duty by autonomous measures should nevertheless be indicated.
- (5) Statistical requirements are normally covered at the level of the combined nomenclature. In order to limit the number of CN subheadings and to avoid parallel data collection systems it would, in certain cases, be more appropriate

¹ OJ L 256 of 7.9.1987, p. 1.

² OJ L of1999, p.1.

to satisfy such requirements, by creating TARIC subdivisions or TARIC additional codes for statistical purposes.

- (6) The current definition of the TARIC, the coverage of its measures, the composition of its codes and the description of its management, data transmission and publication should be revised in order to take account of recent developments.
- (7) The collaboration of Member States' customs laboratories should be encouraged in order to ensure a uniform application of the Common Customs Tariff and the TARIC.
- (8) The Customs Tariff of the European Communities has been defined by Article 20 (3) of Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code³, as last amended by Regulation (EC) No 955/1999 of 13 April 1999⁴. It is consequently no longer necessary to provide a definition of the Common Customs Tariff in this Regulation. The use of the Combined Nomenclature for external trade statistics has already been set out in Article 1 of this Regulation and in Article 8 of Council Regulation (EC) No 1172/95 of 22 May 1995 on the statistics relating to the trading of goods by the Community and its Member States with non-member countries⁵, as last amended by Regulation (EC) No 374/98 of 12 February 1998⁶. Article 4 can therefore be deleted.
- (9) Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code⁷, as last amended by Regulation (EC) No 502/1999 of 12 February 1999⁸, sets out the rules for the codes to be entered in customs declarations at Community and Member State level.
- (10) The committee procedure set out in Article 10 of Regulation (EEC) No. 2658/87 must reflect Council Decision 1999/468/EC laying down the procedures for the exercise of implementing powers conferred on the Commission⁹.

HAS ADOPTED THIS REGULATION:

³ OJ L 302 of 19.10.1992, p. 1.
⁴ OJ L 119 of 7.5.1999, p. 1.
⁵ OJ L 118 of 25.5.1995, p. 10.
⁶ OJ L 48 of 19.2.1998, p. 1.
⁷ OJ L 253 of 11.10.1993, p. 1.
⁸ OJ L 65 of 12.3.1999, p. 1.
⁹ OJ L 184 of 17.7.1999, p. 23.

Article 1

Council Regulation (EEC) No 2658/87 shall be amended as follows:

1. Article 1 (1) is replaced by the following:

“A goods nomenclature, hereinafter called the "Combined Nomenclature", or in abbreviated form "CN", is hereby established to meet, at one and the same time, the requirements of the Common Customs Tariff, the external trade statistics of the Community and other Community policies concerning the importation or exportation of goods.”

2. Article 1 (3) is replaced by the following:

“The Combined Nomenclature is reproduced in Annex I. The rates of duty of the Common Customs Tariff and, where applicable, the supplementary statistical units as well as other necessary information, are laid down in the said Annex.

The Annex comprises the conventional rates of duty.

However, whenever autonomous rates of duty are lower than the conventional rates of duty or where conventional rates of duty do not apply, the autonomous rates are also shown in the said Annex.”

3. Article 2 is replaced by the following:

“An Integrated Tariff of the Communities, hereinafter referred to as the ‘TARIC’, is hereby established to meet the requirements of the Common Customs Tariff, external trade statistics, the commercial, agricultural and other Community policies concerning the importation or exportation of goods.

It shall be based on the Combined Nomenclature and include:

- a) the measures contained in this Regulation;
- b) the additional Community subdivisions, referred to as "TARIC subheadings", which are needed for the implementation of specific Community measures listed in Annex II;
- c) any other information necessary for the implementation or management of the TARIC codes and additional codes as defined in Article 3 (2) and (3);
- d) the rates of customs duty and other import and export charges, including duty exemptions and preferential tariff rates applicable to specific goods on importation or exportation;
- e) measures shown in Annex II applicable on the importation and exportation of specific goods.”

4. Article 4 shall be deleted.
5. Article 5 is replaced by the following:
 - "1. The TARIC shall be used by the Commission and the Member States for the application of Community measures concerning importation into and exportation from the Community.
 2. TARIC codes and TARIC additional codes shall be applied to the importation and, where applicable, to the exportation of goods covered by the corresponding subheadings.
 3. Member States may add subdivisions or additional codes for national purposes. Identifying codes shall be assigned to such subdivisions or additional codes in accordance with Regulation (EEC) No 2454/93."
6. Article 6 is replaced by the following:

"The Commission shall be responsible for the management of the TARIC and its dissemination by using, wherever possible, computerised means. It shall, in particular, take the necessary steps to:

 - a) integrate all measures contained in this Regulation or shown in Annex II into the TARIC,
 - b) attribute TARIC codes and TARIC additional codes,
 - c) update the TARIC immediately,
 - d) disseminate in electronic format changes to the TARIC immediately."
7. In Article 9 (1), subparagraphs (a) and (g) are replaced by the following:

"(a) application of the combined nomenclature and the Taric concerning in particular:

 - the classification of goods in the nomenclatures referred to in Article 8,
 - explanatory notes;
 - the creation of TARIC subheadings or additional codes for statistical purposes;"

"(g) questions relating to the application, functioning and management of the harmonised system to be discussed within the Customs Co-operation Council, as well as their implementation by the Community."

8. Article 9 (2) is replaced by the following:
 - “2. The provisions adopted under paragraph 1 shall not amend:
 - the rates of customs duties,
 - agricultural duties, refunds or other amounts applicable within the framework of the common agricultural policy or within that of specific schemes applicable to certain goods resulting from the processing of agricultural products,
 - quantitative restrictions laid down under Community provisions,
 - nomenclatures adopted within the framework of the common agricultural policy.”
9. In Article 10 (2), third sentence, the word “shall” is replaced by “may”.
10. Article 12 is replaced by the following:
 - “1. The Commission shall adopt each year, by means of a regulation, a complete version of the Combined Nomenclature, together with the rates of duty in accordance with Article 1, as resulting from measures adopted by the Council or the Commission. The said Regulation shall be published not later than 31 October in the *Official Journal of the European Communities* and it shall apply from 1 January of the following year.
 2. Measures and information concerning the Common Customs Tariff or TARIC shall, whenever possible, be disseminated in electronic format by using computerised means.
 3. In order to ensure the uniform application of the Common Customs Tariff and the TARIC, the Commission shall take the necessary steps to harmonise the practices of Member States’ customs laboratories, using wherever possible, computerised means.”
11. Article 13 shall be deleted.

Article 2

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

This Regulation shall apply from 1 January 2000.

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

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

1. Title of operation: Proposal for a Council Regulation amending Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and the Common Customs Tariff.
2. Budget heading involved: Chap. 12 Art. 120.
3. Legal basis: Art. 26, 37 and 133 of the Treaty.
4. Description of operation: Modification of the Regulation (EEC) No 2658/87 with a view to modernising and simplifying the combined nomenclature (CN), in order to provide a legal basis for the dissemination of CN/TARIC related data by electronic means and to clarify the TARIC coding, integration and dissemination procedures.
5. Fraud prevention measures: not applicable.
6. Financial impact: No financial impact expected.