



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 05.06.1997
COM(97) 274 final

97/0164 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

**on the implementing methods for Decision No of the EC-Cyprus Association Council .
derogating from the provisions concerning the definition of the concept of originating products laid
down in the Agreement establishing an association between the European Economic Community
and the Republic of Cyprus**

(presented by the Commission)

SUMMARY

In a joint declaration annexed to the Protocol fixing the terms for the transition to the second stage of the EEC-Cyprus Agreement, the Community and Cyprus agreed to examine requests for derogations made by Cyprus after the entry into force of the said Protocol.

The requests were intended to permit Cyprus to use fabric of third country origin for the manufacture of garments which are intended for export to the Community within the framework of a preferential regime provided for in the Agreement.

A draft decision of the EC-Cyprus Association Council granting Cyprus a prolongation of an existing derogation for fixed quantities during a limited period has been submitted to the Commission for approval by means of written procedure, on condition that Cyprus collects the duties applicable to the materials used initially and regularly furnishes certain statistics to the Community.

This draft regulation fixes the implementing methods for this decision.

EXPLANATORY MEMORANDUM

According to the current rules of origin of the EEC-Cyprus Agreement, garments manufactured in Cyprus may only benefit from preferential treatment on import into the Community if they are made up from fabric woven in Cyprus or in the Community.

As practically no weaving takes place on the Island, Cyprus has been granted since the entry into force of the Association Agreement in 1973 a derogation for men's garments, allowing the use of imported fabric.

An equivalent derogation for women's garments and for men's shirts was granted in 1989 for a period of two years by Decision No. 1/89 of the EEC-Cyprus Association Council of 28 July 1989⁽¹⁾ prolonged for three further periods of two years by Decision No. 1/91 of 19 December 1991⁽²⁾, Decision No. 1/94 of 14 February 1994⁽³⁾ and Decision No. 1/95 of 22 December 1995⁽⁴⁾.

Cyprus has requested a further prolongation of this derogation and a draft decision of the EC-Cyprus Association Council granting Cyprus a prolongation of the said derogation has been submitted to the Commission for approval.

The Commission is charged with the management of the quantitative limits fixed in the decision in question.

To this end it is proposed that the Council adopts a draft regulation on the implementing methods for the said decision.

⁽¹⁾ OJ No L 230 of 8.8.1989, p. 3.

⁽²⁾ OJ No. L 372 of 31.12.1991, p. 37.

⁽³⁾ OJ No. L 53 of 24.02.1994, p. 19.

⁽⁴⁾ OJ No. L 326 of 31.12.1995, p. 63.

COUNCIL REGULATION (EC)

on the implementing methods for Decision No ... of the EC-Cyprus Association Council derogating from the provisions concerning the definition of the concept of originating products laid down in the Agreement establishing an association between the European Economic Community and the Republic of Cyprus

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 Agreement establishing an Association between the European Economic Community and the Republic of Cyprus ⁽¹⁾ was signed on 19 December 1972; whereas it entered into force on 1 June 1973;

Whereas the Additional Protocol ⁽²⁾ to the said Agreement was signed at Brussels on 15 September 1977; whereas it entered into force on 1 June 1978;

Whereas, pursuant to Article 25 of the Protocol concerning the definition of the concept of originating products and methods or administrative cooperation annexed to the Additional Protocol, as extended by Article 2 of the Protocol laying down the conditions and procedures for the implementation of the second stage of the Agreement establishing an association between the European Economic Community and the Republic of Cyprus and adapting certain provisions of the Agreement ⁽³⁾, which was signed at Luxembourg on 19 October 1987, entered into force on 1 January 1988 and forms an integral part of the Agreement, the EC-Cyprus Association Council adopted Decision No ⁽⁴⁾ derogating from the rules of origin applicable to certain textile products;

Whereas the implementing methods for this Decision should be fixed,

HAS ADOPTED THIS REGULATION:

Article 1

1. The quantities listed in Annex I to Decision No shall be administered by the Commission.

If an importer enters, for circulation in a Member State, a product covered by a certificate EUR. I bearing the endorsement referred to in Article 4 of Decision No and that entry is accepted by the customs authorities, the Member State concerned shall, by notifying the Commission draw an amount corresponding to its requirements.

2. Requests for drawing, endorsed with the date of acceptance of the said entry, must be forwarded to the Commission forthwith.

⁽¹⁾ OJ No L 133, 21. 5. 1973, p. 2.

⁽²⁾ OJ No L 339, 28. 12. 1977, p. 2.

⁽³⁾ OJ No L 393, 31. 12. 1987, p. 2.

⁽⁴⁾ See page ... of this Official Journal

3. Drawings shall be granted by the Commission in chronological order of the date of acceptance by the customs authorities of the Member State concerned of the entry for free circulation, to the extent that the available balance of the said amount so permits.

4. Should a Member State fail to use the quantities it has drawn, it shall return them as soon as possible.

5. If the quantities requested are greater than the available balance of the amount, they shall be granted pro rata, pursuant to paragraph 3. The Commission shall inform the Member States of the drawings made.

Member States shall be informed forthwith when the quantity has been used up.

Article 2

This Regulation shall apply for a period of two years starting on 28 July 1997.

Article 3

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

For the Council
The President

**IMPACT STATEMENT
IMPACT ON COMPETITION AND EMPLOYMENT IN THE COMMUNITY**

The proposal will not have any effect on competition and employment in the Community.

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DOCUMENTS

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