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COMMISSION OF THE EUROPEAN COMMUNITIES

<u>C</u>OM(78) 303 final Brussels, 13 July 1978

Proposal for a COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1544/69 on the tariff treatment applicable to goods contained in travellers' personal luggage

(submitted to the Council by the Commission)

COM(78) 303 final

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EXPLANATORY MEMORANDUM

The introduction of the European unit of account in the tariff field from 1 January 1979 means that it is necessary to update the provisions of Council Regulation (EEC) No 1544/69 of 23 July 1969 on the tariff applicable to goods contained in travellers' personal luggage (1).

Article 1 (1) of the Regulation provides that goods contained in travellers' personal luggage shall be exempt from common customs duties if the imported goods have no commercial character and their total value does not exceed twenty-five units of account per person. Article 1 (2) authorizes Member' States to reduce this exemption to ten units of account for travellers under fifteen years old.

Naturally, adjusting these sums should not have the effect of reducing the real value in any of the Member States of the goods hitherto eligible for exemption.

It is also important to take the opportunity offered by this adjustment to take account of certain measures recommended by specialized international bodies, in particular those contained in Annex F 3 of the International Convention on the simplification and harmonization of customs procedures, of the Customs Cooperation Council and to which the European Economic Community and its Member States are parties (i.e. duty-free concessions for travellers on goods up to a total value of US \$ 50).

To achieve these twin aims, the Commission proposes, on the basis of the current definition of the European unit of account, to replace the figure of twenty-five units of account with forty European units of account, and the figure of ten units of account with twenty European units of account,

(1) OJ, No L 191, 5.8.1969, p. 1

Obviously, as is pointed out in the third recital to Regulation (EEC) No 1544/69, relief from common customs duties covers passenger traffic only between third countries and the Community. It is not available to persons travelling between Member States; this traffic is covered by tax exemption measures defined by the Council in Directive 69/169/EEC of 28 May 1969 (1) of 12 June 1972 (2).

In order to prevent any false interpretation of the provisions of Regulation (EEC) No 1544/69, therefore, it is proposed to specify in Article 1 that exemption is available only to travellers coming directly from non-member countries.

This proposal is based on Article 28 of the EEC Treaty, and does not in theory require the opinion of the European Parliament. Given its content, however, the Commission considers it advisable to seek the opinion of the Parliament and the Economic and Social Committee.

(1) OJ NO L 133, 4.6.1969, p. 6
(2) OJ NO L 139, 17.6.1972, p. 28

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Proposal

for a

Council Regulation

amending Regulation (EEC) No 1544/69 on the tariff treatment applicable to goods contained in travellers' personal luggage

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas Article 1 (1) of Council Regulation (EEC) No 1544/69 of 23 July 1969 on the tariff treatment applicable to goods contained in travellers' personal luggage (1) provides that goods contained in travellers' personal luggage shall be exempt from common customs duties if the imported goods have no commercial character;

Whereas the total value of the goods covered by the exemption must not exceed twenty-five units of account per person; whereas Article 1 (2) of Regulation (EEC) No 1544/69 allows Member States to reduce this exemption to ten units of account for travellers under fifteen years old;

Whereas with effect from 1 January 1979 sums expressed in units of account in acts adopted by the institutions of the European Communities on customs matters must be expressed in European units of account;

(1) OJ NO L 191, 5.8.1969, p. 1

Whereas the necessary adaptation should not have the effect of reducing the amount in national currency resulting from the conversion of the amounts currently eligible for exemption;

Whereas the opportunity offered by this adaptation should also be used to take account of the measures for the benefit of travellers recommended by the specialized international organizations, and in particular those contained in Annex F 3 of the International Convention for the simplification and harmonization of customs procedures, concluded under the auspices of the Customs Cooperation Council, to which the European Economic Community and its Member States are Contracting Parties;

Whereas both aims can be achieved by setting the amount of the exemption referred to in Article 1 (1) of Regulation (EEC) No 1544/69 at forty European units of account and the amount referred to in Article 1 (2) at twenty units of account;

Whereas, however, in order to prevent possible false interpretation, it must be expressly stated that relief from common customs duty is available only to travellers coming directly from a third country,

HAS ADOPTED THIS REGULATION :

Article 1

The text of Article 1 (1) of Regulation (EEC) No 1544/69 is hereby amended as follows:

1. Paragraph 1 Shall read:

"Goods contained in the personal luggage of travellers coming directly from third countries shall be exempt from common customs duties if the imported goods have no commercial character and the total value of the goods does not exceed forty European units of account per person".

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2. Paragraph 2 shall read:

"Member States may reduce this exemption to twenty European units of account for travellers under fifteen years old".

3. In paragraph 3, for twenty-five units of account read "forty European units_of account".

Article 2

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

For the Council,

The President

