

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 25 November 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

amending Regulation (EEC) No 960/68 on the
Common Customs Tariff as regards the exchange
rate to be applied in respect of the tariff
classification of certain cheeses

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

Pursuant to General Rule C 3 in Part I, Section I, of the Common Customs Tariff, the par value communicated to the International Monetary Fund is applied in respect of that Tariff for the purpose of calculating customs duties expressed in units of account and of defining the scope of certain headings or subheadings.

As a result of current fluctuations in exchange rates, appreciable differences arise by reason of that provision in the application of the Common Customs Tariff in the various Member States which may cause deflection of trade.

Therefore, in order to remedy this situation, the Commission started work on a proposal for an amendment to the above-mentioned rule, which it hopes to place before the Council as soon as possible.

The situation requires, however, an ^{urgent solution} as regards the importation of cheeses into certain Member States, since the price of such cheese on importation from third countries is considerably lower than the price of like products manufactured within the Community. The tariff classification of these products, and hence the rate of the levy, is closely linked to a minimum price which is no longer capable of having the intended effects.

Therefore, in view of the urgency of the situation, the Commission, pending its submission of a proposal for an overall solution, proposes that the Council settle the problem raised by these products. The proposed solution is to apply to them, for CCT purposes, the representative rate which applies in respect of such operations by virtue of instruments implementing the common agricultural policy.

Since it is based on Article 43 of the EEC Treaty, the European Parliament must be consulted on this proposal for a Regulation.

This proposal has no financial consequences as regards the Community budget.

PROPOSAL FOR A
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amending Regulation (EEC) No 960/68 on the
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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas General Rule C 3 in Part I, Section I, of the Annex to Council
Regulation (EEC) No 950/68⁽¹⁾ of 28 June 1968 on the Common Customs Tariff,
as last amended by Regulation (EEC) No ⁽²⁾, provides that the unit
of account (UA) by reference to which certain specific customs duties are
expressed or the scope of certain headings or subheadings is defined has a
value of 0.88867088 g of fine gold;

(3)

Whereas, under Council Regulation No 129 on the value of the unit of account
and the exchange rates to be applied for the purposes of the common agricul-
tural policy, as last amended by Regulation (EEC) No 2543/73⁽⁴⁾, derogations
may be made from the principle of using par values to convert one currency
into another;

Whereas, if the exchange rate used to convert one ~~currency into another~~ is not
kept as close as possible to the actual rate, this could give rise to dis-
tortions of trade and cause products to be classified differently in the
various Member States;

(1) OJ No L 172, 22. 7.1968, p. 1
(2) OJ No
(3) OJ No 106, 30. 10.1962, p. 2553/62
(4) OJ No L 263, 19. 9.1973, p. 1

Whereas the situation is particularly serious in the case of imports of certain cheeses falling within heading No 04.04 of the Common Customs Tariff; whereas in respect of these products the exchange rate to be applied should therefore be that fixed pursuant to Council Regulation No 129 ;

HAS ADOPTED THIS REGULATION :

Article 1

The Annex to Regulation (EEC) No 950/68 on the Common Customs Tariff is amended as follows :

- in respect of heading No 04.04:
 - after the description "cheese and curd" there is inserted a footnote reference "(a)";
 - in column 4, giving the conventional rate of duty, the footnote reference "(a)" is replaced by "(c)".
- at the bottom of the page on which heading No 04.04 appears :
 - the following footnote is inserted:

"(a) The exchange rate to be applied in converting into national currencies the unit of account referred to in the subdivisions of this heading shall be the representative rate if any fixed pursuant to Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy;
- the present footnote (a) becomes note (c).

Article 2

This Regulation shall enter into force on 1 January 1975.

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

Done at Brussels,

For the Council