

# COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a  
REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for certain textile fibres falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus

( 1976)

Proposal for a  
REGULATION (EEC) OF THE COUNCIL

opening, allocating and providing for the administration of a Community tariff quota for men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus

(1976)

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(submitted by the Commission to the Council)



EXPLANATORY MEMORANDUM

1. The Agreement establishing an Association between the European Economic Community and the Republic of Cyprus (Article 3 and Article 2 of Annex I), together with the Protocol laying down certain provisions relating to that Agreement consequent on the accession of new Member States to the European Economic Community (Article 2), provides for the opening of the following Community tariff quotas for products originating in Cyprus:

Common Customs Tariff heading	Description of goods	Annual quota
56.04	Man-made fibres (discontinuous or waste) carded, combed or otherwise prepared for spinning	100 metric tons
61.01	Men's and boys' outer garments	500 metric tons

A joint declaration on Article 2 of the abovementioned Protocol also provides for these quotas to be allocated as follows between the Member States:

	<u>56.04</u>	<u>61.01</u>
(a) to the Community as originally constituted	70 metric tons	100 metric tons
(b) to the new Member States	30 metric tons	400 metric tons

The duties to be applied are fixed by the Agreement at 30% of the Common Customs Tariff duties for the products concerned. However, Articles 3 to 7 of the abovementioned Protocol also contain special provisions concerning the duties to be applied by the new Member States. Similarly, certain provisions of the Act concerning the Conditions of Accession and the Adjustments to the Treaties must be complied with when fixing these duties.

2. In order to fulfil the Community's obligation to Cyprus in 1976, regulations should be adopted opening, allocating and providing for the administration of these Community tariff quotas.

This is the purpose of the proposals annexed hereto.

3. The following remarks are necessary concerning the quotas assigned to the Member States of the Community as originally constituted:

- (a) The regulations provide, as is the rule, for each of the quotas to be divided into two instalments, the first of which is allocated among the Member States concerned while the second constitutes the reserve.
- (b) The allocation of the first instalment is usually based on the statistics for the previous three years and the forecasts for the quota period concerned. However, this principle cannot be applied to products falling within tariff headings 56.04 and 61.01, for there were no imports of these products during the years 1972-74 and forecasts for 1976 cannot be drawn up in either case. In these circumstances and so that the quotas assigned to the Community as originally constituted can nevertheless be equitably allocated among Member States, it appears desirable to provide for a significant share of the quota volume for each of the original Member State. Obviously, this formula will have to be adapted subsequently in the light of actual trade movements.

Comments concerning the amounts provided for the new Member States :

- (a) Exactly the same problem arises in connection with allocating the quota for products falling within tariff heading 56.04. Consequently, the solution set out in paragraph 3 is proposed in this case also.
- (b) Concerning products in tariff position 61.01, it is also proposed to divide the quota amount into two tranches, as for the old Member States.

- Allocation of the first tranche :

- (b) Only the United Kingdom has had imports from Cyprus. This being so, the usual formula, which consists in making an allocation on the basis of previous statistics and forecasts, does not seem applicable.

However, in order to achieve, nevertheless, a fair and weighted allocation of the quota amount, the Commission is working on the assumption that, in all but quite exceptional cases, each Member State must be able to play at the outset a significant part in the application of a Community measure such as the tariff quotas. Such an allocation must be aimed at evening out as far as possible among the Member States the advantages and responsibilities resulting from this measure.

Obviously, this formula will have to be adapted subsequently in the light of any trade movements.

5. The Member States' experts who participated in the consultative meeting of the "Economic Tariff Problems" Group (14/18 April 1975) expressed agreement in principle to the scheme for allocation of shares proposed by the Commission in the framework of the regulations annexed.

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Annexes :

2 proposals of regulation of the Council



Proposal for a  
REGULATION (EEC) No .../75 OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for certain textile fibres falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus  
( 1976)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Whereas, as regards the Community as originally constituted:

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

— it is necessary to ensure to all importers equal and uninterrupted access to the quota and uninterrupted application of the rates laid down for this quota to all imports of the products concerned until the quota has been used up;

Having regard to the proposal from the Commission;

Whereas the Agreement <sup>(1)</sup> establishing an association between the European Economic Community and the Republic of Cyprus, hereinafter called the 'Agreement', and the Protocol <sup>(2)</sup> laying down certain provisions concerning that Agreement as a result of the accession of new Member States to the European Economic Community, hereinafter called the 'Protocol', provide for the opening of an annual Community tariff quota of 100 metric tons of man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning, falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus; whereas, pursuant to the joint declaration in Article 2 of the Protocol, the tariff quota should be allocated among the Member States as follows: 70 metric tons for the Community as originally constituted and 30 metric tons for the new Member States; whereas Annex 1 to the Agreement provides that the duties applicable to the quota shall be equal to 30% of the Common Customs Tariff duties; whereas as regards the duties applicable to goods within the limits of the quota by the new Member States, the special provisions of the Protocol and of the Act of Accession <sup>(3)</sup> should be observed; whereas to comply with the special provisions of the Protocol, separate arrangements should be made for the Member States of the Community as originally constituted on the one hand and for the new Member States on the other hand;

— in the light of the principles elicited above, the Community nature of the quota may be best preserved by an arrangement allocating it among the Member States; whereas in order to reflect more accurately the actual development of the market in the product concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference to both statistics of each State's imports of the said imports of the said products originating in Cyprus over a representative reference period and the economic outlook for the quota period concerned;

— however, as during the last three years no such products originating in Cyprus have been imported and as no forecast can be made for 1976, a significative and balanced participation by each of these States on this quota would ensure fair distribution among them;

— in order to take into account import trends for the products concerned in the different Member States, the quota amount should be divided into two tranches, the first tranche being allocated among the Member States and the second forming a reserve intended ultimately to cover the requirements of those Member States which have used up their initial shares; whereas, in order to ensure a certain degree of security to importers in each Member State, the first tranche of the quota should be determined at a level which, under present circumstances, may be approximately 75%;

<sup>(1)</sup> OJ No L 133, 21. 5. 1973, p. 1.

<sup>(2)</sup> OJ No L 133, 21. 5. 1973, p. 88.

<sup>(3)</sup> OJ No L 73, 27. 3. 1972, p. 14.

ANNEX A

— the initial share of the Member States may be used up more or less quickly; whereas, in order to take this fact into account and to avoid any break in continuity, it is important that any Member State having almost used up its initial share should draw an additional share from the reserve; whereas this must be done by each Member State as and when each of its additional shares is almost entirely used up, and repeated as many times as the reserve allows; whereas the initial and additional shares of the quota must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amount is used and inform Member States thereof;

— if, at a specified date in the quota period, a considerable balance remains in one or other Member State, it is essential that that Member State pays a large amount of it back into the reserve in order to prevent a part of the Community quota from remaining unused in one Member State when it could be used in others;

— since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and jointly represented by the Benelux Economic Union, all transactions concerning the administration of shares granted to the abovementioned Economic Union may be carried out by any one of its members;

Whereas as regards the new Member States:

— pursuant to the Protocol, a gross amount of 30 metric tons is allocated to the new Member States; whereas, for the purposes of the allocation of this amount among them, both the past and the prospective future situations are the same as those which faced the original Member States; whereas, therefore, the quota should be allocated

equally among the new Member States in the same way;

— the quota duties are to be calculated by the new Member States in accordance with Articles 3, 4, 5, 6 and 7 of the Protocol;

— it is necessary to ensure to all importers equal and uninterrupted access to the quota and uninterrupted application of the rates laid down for this quota to all imports of the products concerned until the quota has been used up,

HAS ADOPTED THIS REGULATION:

*Article 1*

From 1 January to 31 December 1976 a tariff quota of 100 metric tons shall be opened within the Community in respect of man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning, falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus. This quota shall be allocated and administered in accordance with the following provisions.

SECTION I

Provisions applicable to the Community as originally constituted

*Article 2*

The Common Customs Tariff duties shall be partially suspended at the rates indicated below in respect of 70 metric tons of the quota referred to in Article 1:

CCT heading No	Description	Rate of duty %
56.04	Man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning:	
	A. Synthetic textile fibres	2.5
	B. Regenerated textile fibres	3.0

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*Article 3*

1. A first tranche of 52 metric tons of the amount specified in Article 2 shall be allocated among the Member States; the shares which, subject to Article 6, are valid until 31 December 1976 shall be as follows:

Germany	14 metric tons
Benelux	10 metric tons
France	15 metric tons
Italy	13 metric tons

2. The second tranche of 18 metric tons shall constitute the reserve.

*Article 4*

1. If 90% or more of the initial share of a Member State laid down in Article 3 (1), or 90% of that share less the amount returned into the reserve where the provisions of Article 6 have been applied, has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share, equal to 15% of its initial share, rounded up to the next unit.

2. If, after its initial share has been exhausted, 90% or more of the second share drawn up by a Member State has been used, that Member State shall proceed, in accordance with the conditions laid down in paragraph 1, to draw a third share, equal to 7.5% of its initial share, rounded up to the next unit where appropriate, to the extent that the reserve is sufficient.

3. If, after its second share has been exhausted, 90% or more of the third share drawn by a Member State has been used, that Member State shall proceed, in the same way, to draw a fourth share equal to the third.

This process shall be applied until the reserve exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, the Member States may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that they might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

*Article 5*

Each of the additional shares drawn pursuant to Article 4 shall be valid until 31 December 1976.

*Article 6*

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20% of the initial amount. They shall return a larger quantity if there is reason to believe that such quantity might not be used.

The Member States shall, not later than 1 October 1976, notify the Commission of the total imports of the said goods effected up to and including 15 September 1976 and charged against the Community quota and, where appropriate, the proportion of their initial share that is being returned to the reserve.

*Article 7*

The Commission shall keep account of the shares opened by Member States in accordance with Articles 3 and 4 and shall inform each State of the extent to which the reserve has been used up as soon as it receives the notifications.

The Commission shall, not later than 5 October 1976, notify the Member States of the amount in reserve after the return of shares pursuant to Article 6.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and for this purpose shall specify the amount thereof to the Member State which makes the last drawing.

*Article 8*

The Member States shall take all appropriate measures to ensure that when additional shares are drawn pursuant to Article 4 it is possible for charges to be made, without interruption, against their accumulated shares of the Community quota.

## SECTION II

Provisions applicable to the new Member States

*Article 9*

Within the limits of the tariff quota referred to in Article 1, the new Member States shall apply the duties laid down in the relevant provisions of the Act of Accession, the Agreement and the Protocol.

*Article 10*

Within the quota, 30 metric tons shall be allocated to the new Member States as follows:

Denmark	10 metric tons
Ireland	8 metric tons
United Kingdom	12 metric tons

SECTION III

General provisions

*Article 11*

1. Member States shall ensure that importers of the said goods established in their territory have free access to the share allocated to them.
2. Member States shall charge imports of the said goods against their shares as and when the goods are entered for home use.

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

Done at Brussels,

3. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 2.

*Article 12*

Member States shall inform the Commission at regular intervals of imports of the said products actually charged against their shares.

*Article 13*

Member States and the Commission shall cooperate closely in order to ensure that this Regulation is observed.

*Article 14*

This Regulation shall enter into force on 1 January 1976.

*For the Council*

*The President*

Proposal for a  
REGULATION (EEC) No .../75 OF THE COUNCIL

opening, allocating and providing for the administration of a Community tariff quota for men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus

(1976)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty, establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas the Agreement <sup>(1)</sup> establishing an association between the European Economic Community and the Republic of Cyprus, hereinafter called the 'Agreement', and the Protocol <sup>(2)</sup> laying down certain provisions concerning that Agreement as a result of the accession of new Member States to the European Economic Community, hereinafter called the 'Protocol', provide for the opening of an annual Community tariff quota of 500 metric tons of men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus; whereas pursuant to the joint declaration on Article 2 of the Protocol the tariff quota should be allocated among the Member States as follows: 100 metric tons for the Community as originally constituted and 400 metric tons for the new Member States; whereas Article 1 of Annex I to the Agreement provides that the duties applicable to the quota shall be equal to 30% of the Common Customs Tariff duties; whereas, as regards the duties applicable to goods within the limits of the quota by the new Member States, the special provisions of the Protocol and of the Act of Accession <sup>(3)</sup> should be observed; whereas, to comply with the special provisions of the Protocol, separate arrangements should be made for the Member States of the Community as originally constituted on the one hand and for the new Member States on the other hand;

Whereas it is in particular necessary to ensure to all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rate laid down for that quota to

all imports of the product concerned into all Member States until the quota has been used up; whereas, having regard to the principles mentioned above, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect more accurately the actual development of the market in the product concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference to both the statistics of each State's imports of the said goods from Cyprus over a representative period and the economic outlooks for the quota period concerned;

However, as during the past three years no such products originating in Cyprus have been imported into the Community as originally constituted and whereas a minimal amount has been imported into only one of the new Member States; whereas no forecast can be made for 1976; whereas, to ensure fair distribution of the two quota amounts between the Member States concerned, each Member State should make a significant contribution to the relevant quota amount; whereas such contributions may approximately correspond to the following percentages:

Benelux	28
Germany	19
France	28
Italy	25
Denmark	45
Ireland	5
United Kingdom	50

Whereas, in order to take into account import trends for the products concerned in the different Member States, each of these amounts should be divided into two tranches, the first tranche being allocated among the Member States and the second forming reserves intended ultimately to cover the requirements of the Member States which have used up their initial quota shares; whereas, in order to ensure a certain degree of security to importers in each Member State, the first tranche of the Community quota should be

<sup>(1)</sup> OJ No L 133, 21. 5. 1973, p. 1.  
<sup>(2)</sup> OJ No L 133, 21. 5. 1973, p. 88.  
<sup>(3)</sup> OJ No L 73, 27. 3. 1972, p. 14.

determined at a level which, under present circumstances, may be approximately 75% and 50% of the quota amount respectively;

Whereas the initial shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member State having used up almost the whole of its initial share should draw an additional share from the relevant reserve; whereas, this must be done by each Member State as and when each of its additional shares is almost entirely used up, and repeated as many times as the reserves allow; whereas the initial and additional shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amounts are used and inform Member States thereof;

Whereas if, at a specified date in the quota period, a considerable balance remains in one or other Member State, it is essential that that Member State pays a large amount of it back into the reserve, in order to prevent a part of the tariff quota from remaining unused in one Member State when it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of shares granted to the abovementioned Economic Union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

From 1 January to 31 December 1976 a tariff quota of 500 metric tons shall be opened within the Community in respect of men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus. This quota shall be allocated and administered in accordance with the provisions set out below.

*Article 2*

1. The Common Customs Tariff duty shall be partially suspended at the rate of 5.1% in respect of 100 metric tons of the quota referred to in Article 1.

2. Within the limits of 400 metric tons of the tariff quota referred to in Article 1, the new Member States shall apply the duties laid down in the relevant provisions of the Act of Accession, the Agreement and the Protocol.

*Article 3*

1. A first tranche of 72 metric tons of the amount specified in Article 2 (1) shall be allocated among the Member States of the Community as originally constituted; the shares which, subject to Article 6, are valid until 31 December 1976 shall be as follows:

Germany	20 metric tons
Benelux	14 metric tons
France	20 metric tons
Italy	18 metric tons

The second tranche of 28 metric tons shall constitute the relevant reserve.

2. A first tranche of 200 metric tons of the amount mentioned in Article 2 (2) shall be distributed between the new Member States; the shares, which subject to Article 6 are valid until 31 December 1976, shall be as follows:

Denmark	90 metric tons
Ireland	5 metric tons
United Kingdom	105 metric tons

The second tranche of 200 metric tons shall constitute the relevant reserve.

*Article 4*

1. If 90% or more of the initial share of a Member State laid down in Article 3, or 90% of that share less the amount returned into the relevant reserve where the provisions of Article 6 have been applied, has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share, equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the relevant reserve is sufficient.

2. If, after its initial share has been exhausted, 90% or more of the second share drawn by a Member State has been used, that Member State shall proceed, in accordance with the conditions laid down in paragraph 1, to draw a third share, equal to 7.5% of its initial share, rounded up to the next unit.

3. If, after its second share has been exhausted, 90% or more of the third share drawn by a Member State has been used, that Member State shall proceed, in

the same way, to draw a fourth share equal to the third.

This process shall be applied until the relevant reserve is exhausted.

4. Notwithstanding paragraphs 1, 2 and 3 a Member State may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that they might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

#### Article 5

Each of the additional shares drawn pursuant to Article 4 shall be valid until 31 December 1976.

#### Article 6

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which on 15 September 1976, is in excess of 20 % of the initial amount. They shall return a larger quantity if there is reason to believe that such quantity might not be used.

The Member States shall, not later than 1 October 1976, notify the Commission of the total imports of the said goods effected up to and including 15 September 1976 and charged against the Community quota and, where appropriate, the proportion of their initial share that is being returned to the relevant reserve.

#### Article 7

The Commission shall keep an account of the shares opened by the Member States in accordance with Articles 3 and 4 and shall inform each State of the extent to which the reserves have been used up as soon as it receives the notifications.

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

Done at Brussels,

The Commission shall, not later than 5 October 1976, notify the Member States of the amounts in the reserves after the return of shares pursuant to Article 6.

The Commission shall ensure that any drawing which uses up one or the other reserve is limited to the balance available and for this purpose shall specify the amount thereof to the Member State which makes the last drawing.

#### Article 8

1. The Member States shall take all appropriate measures to ensure that when additional shares are drawn pursuant to Article 4 it is possible for changes to be made without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the said goods established in their territory have free access to the share allocated to them.

3. The Member States shall charge imports of the said goods against their share as and when the goods are entered for home use.

4. The extent to which a Member State used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

#### Article 9

Member States shall inform the Commission at regular intervals of imports of the said products actually charged against their shares.

#### Article 10

The Member States and the Commission shall cooperate closely in order to ensure that this Regulation is observed.

#### Article 11

This Regulation shall enter into force on 1 January 1976.

For the Council  
The President

