

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 528 final

Brussels, 23 October 1978

Draft

DECISION OF THE JOINT COMMITTEE

replacing the Unit of Account by the European Unit of Account in Article 8 of Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation

Draft

JOINT COMMITTEE DECLARATION

on the definition of the European Unit of Account and future revision of the levels expressed in European Units of Account

Proposal for a

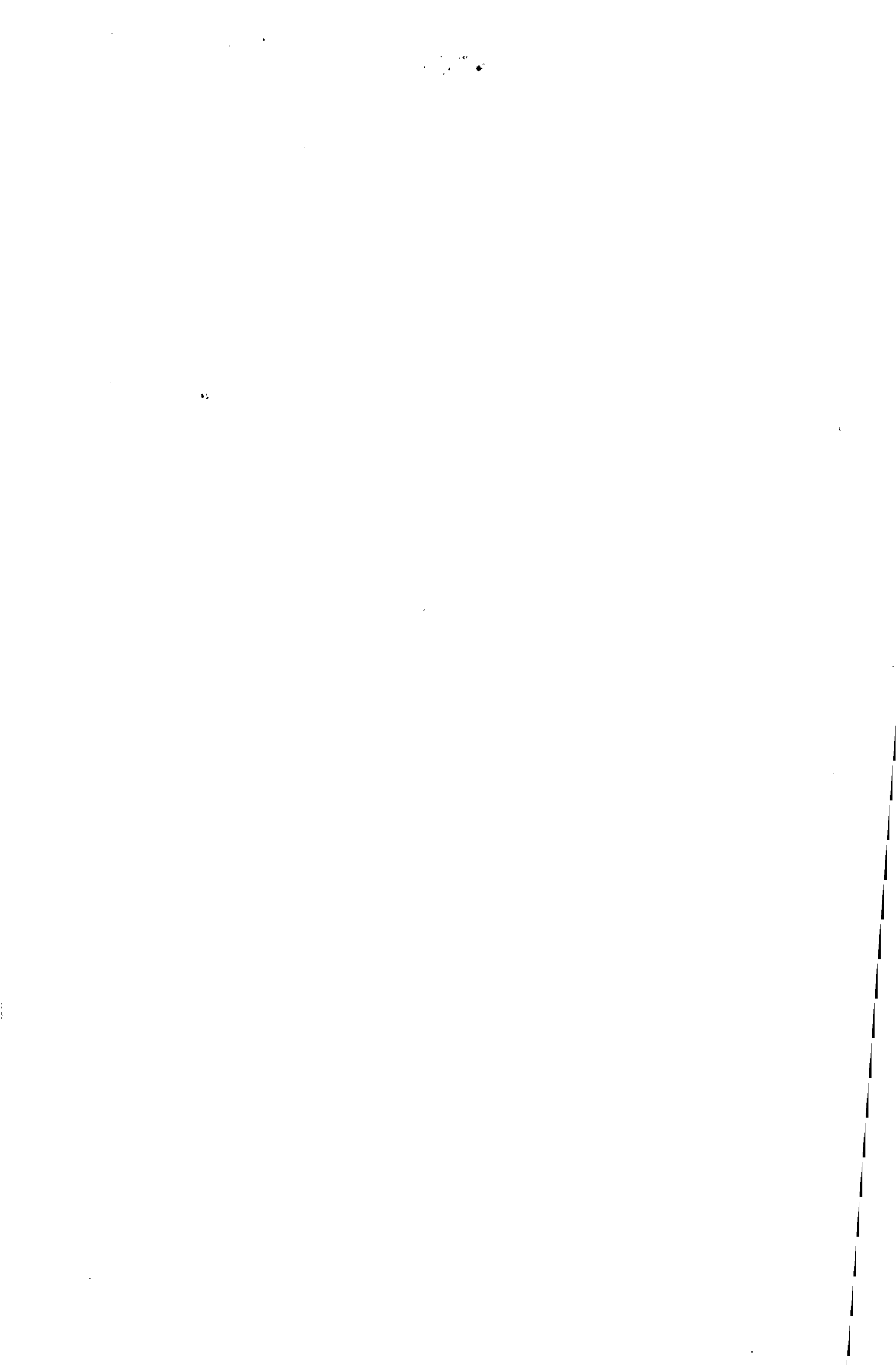
COUNCIL REGULATION (EEC)

on the application Joint Committee EEC-Decision (1) replacing the Unit of Account by the European Unit of Account in Article 8 of Protocol No 3 concerning the definition of the concept of originating products and methods of administrative co-operation

(submitted by the Commission to the Council)

COM(78) 528 final

(1) Austria, Finland, Iceland, Norway, Portugal, Sweden, Switzerland



EXPLANATORY NOTE

1. The Commission has proposed to the Council that the Unit of Account (UA) shall be replaced with the European Unit of Account (EUA) generally by 1 January 1979. This proposal is entitled "the procedure for applying the European Unit of Account to the legal acts adopted by the Institutions of the European Communities".

Article 14 (4) of the proposal states that the application of the EUA will for certain customs purposes (which includes origin) be the subject of separate regulations.

2. The references to UA in the context of the rules of origin applicable to the EFTA countries are contained in Article 8 of the Protocol No 3. (which form integral parts of the Agreements negotiated with these countries). These Articles can be altered by a Decision of the respective Joint Committees.

3. The annexed proposals contain :

a) a proposed model Joint Committee Decision to be adopted as the common negotiating position of the Community,

b) a model Declaration to be adopted by the Joint Committee concerning the definition of the EUA, and stating the equivalent of the EUA in currency terms to be used until 30 April 1981 and certain elements concerning the method of future revisions,

c) for reasons of clarity of presentation and administrative simplicity a model Council Regulation to apply the various Joint Committee Decisions.

4. UA is at present used in the origin Protocol No 3 for the purpose of quoting limits below which movement certificates EUR 1 are not obligatory. For shipments exceeding 1500 UA a movement certificate EUR 1 issued by the customs authorities has to be used as proof of originating status. For shipments below this figure a form EUR 2, which is completed by the exporter, may be used.

For small postal packages for personal use no form need be used for values below 100 UA and for travellers baggage no form need be used for values below 300 UA.

5. The proposed Decisions replace references to the UA with references to the EUA with consequential changes to the figures quoted so as to preserve the currency equivalents at present in use in the strong currency countries.

The proposed new amounts in EUA are respectively 2400 EUA (use of EUR 2), 165 EUA (small consignments) and 480 (travellers baggage).

6. It has been necessary, exceptionally, for reasons of administrative simplicity and to avoid the cumbersome procedure of changing Protocol No 3 every year, to allow for the use of amounts defined in terms of EUA's fixed at a certain base date for period of two years. From 1.1.79 to 30.4.81 the base date will be 30.6.78, for all subsequent periods the base date will be the first working day of October in the preceding year, thus for 1.5.81 to 1.5.83 the base date will be the first working day in October 1980.
7. Each automatic change of base date will imply that the amounts expressed in EUA will need to be examined to see, as said in the proposed joint Declaration :

- a) that no amount expressed in national currencies is reduced,
- b) whether an increase is necessary to preserve the real value of these amounts expressed in currency terms, as the use of forms EUR 2 or other simplified procedures instead of EUR 1 should not be reduced by the effect of inflation.

This is because these simplified procedures represent important administrative simplification for traders and the general public as well as for customs authorities, but have no economic effect as the goods concerned must in any case originate.

AGREEMENT EEC-(1)

THE JOINT COMMITTEE

Draft

DECISION OF THE JOINT COMMITTEE

replacing the Unit of Account by the European Unit of Account in Article 8 of Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic Community and the (2), signed in Brussels on (3),

Having regard to Protocol No 3 on the definition of the concept of "originating products" and methods of administrative co-operation, hereinafter referred to as "Protocol No 3", and in particular Article 28 thereof;

Whereas the unit of account is no longer appropriate to the current international monetary situation it is necessary to find an alternative so as to continue to have a common value basis for determining when forms EUR 2 may be used instead of movement certificates EUR 1 and when no documentary evidence of origin is required.

Whereas the European Communities propose to replace the unit of account with the European Unit of Account as from 1 January 1979.

Whereas it is convenient to use the European Unit of Account to serve as a common value basis.

- (1) Austria/Finland/Iceland/Norway/Portugal/Sweden/Switzerland
- (2) the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Portugese Republic, the Kingdom of Sweden, the Swiss Confederation.
- (3) Austria, Iceland, Portugal, Sweden, Switzerland : July 22 ,1972
Norway : 14 May 1973, Finland : 5 October 1973.

Whereas for administrative and commercial reasons the common value basis must remain fixed for periods of at least two years, and whereas, therefore, the European Unit of Account to be used must exceptionally be fixed at a base date to be updated every two years;

Whereas it is desirable to avoid a diminution in currency terms of the common value basis in relation to the values in force,

HAS DECIDED AS FOLLOWS :

Article 1

1. The text of Article 8 (1),(2) and (3) of Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative cooperation shall be replaced by the following:

- "1. Originating products within the meaning of this Protocol shall, on importation into the Community or into (1), benefit from the Agreement upon submission of one of the following documents :
 - a) an EUR 1 movement certificate, hereafter referred to as "an EUR 1 certificate", a specimen of which is given in Annex V to this Protocol, or
 - b) a form EUR 2, a specimen of which is given in Annex VI to this Protocol, for consignments consisting only of originating products and provided the value does not exceed 2400 European Units of Account per consignment.
2. The following originating products within the meaning of this Protocol shall, on importation into the Community or into (1), benefit from the Agreement without it being necessary to produce either of the documents referred to in paragraph 1 :
 - a) products sent as small packages to private persons, provided that the value of the goods does not exceed 165 European Units of Account,

.../...

(1) Austria / Finland / Iceland / Norway / Portugal / Sweden / Switzerland.

- b) products forming part of travellers' personal luggage, provided that the value does not exceed 480 European Units of Account.

These provisions shall be applied only when such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of the Agreement, and where there is no doubt as to the veracity of such declaration.

Importations which are occasional and consist solely of goods for the personal use of the recipients or travellers or their families shall not be considered as importations by way of trade if it is evident from the nature and quantity of the goods that no commercial purpose is in view.

3. Amounts in the national currency of the exporting State equivalent to the amounts expressed in European Units of Account shall be fixed by the exporting State and communicated to the other parties to the agreement. When the amounts are more than the corresponding amounts fixed by the importing State, the importing State shall accept them if the goods are invoiced in the currency of the exporting State.

If the goods are invoiced in the currency of another Community Member State or another State mentioned in Article 2 of Protocol No 3, the importing State shall recognize the amount notified by the country concerned.

4. Up to and including 30 April 1981 the European Unit of Account to be used in any given national currency shall be the equivalent in that national currency of the European Unit of Account as at 30 June 1978. For each succeeding period of two years thereafter it shall be the equivalent in that national currency of the European Unit of Account as at the first working day in October in the year immediately preceding that two year period."
2. Paragraphs 4 and 5 of Article 8 Protocol No 3 shall be renumbered 5 and 6 respectively.

Article 2

This Decision shall enter into force on 1 January 1979.

Done at Brussels,

For the Joint Committee

The President

Draft

JOINT COMMITTEE DECLARATION ON THE DEFINITION OF THE EUROPEAN UNIT
OF ACCOUNT AND FUTURE REVISION OF THE LEVELS EXPRESSED IN EUROPEAN
UNITS OF ACCOUNT

1. For the purposes of Article 8 of Protocol No 3 the European Unit of Account shall be the sum of the following amounts in the currencies of the Member States of the Community :

German mark	0.828
Pound Sterling	0.0885
French franc	1.15
Italian Lira	109
Dutch guilder	0.286
Belgian franc	3.66
Luxembourg franc	0.14
Danish Krone	0.217
Irish pound	0.00759

2. The equivalents of 1 EUA in the respective currencies as at 30 June 1978 are as follows :

German mark	2.58101
Pound Sterling	0.668451
French franc	5.60057
Italian lira	1062.79
Dutch guilder	2.77740
Belgian franc	40.6953
Luxembourg franc	40.6953
Danish Krone	7.01962
Irish pound	0.666451

(1)

(1) Add for each country as appropriate

Austrian schillings

Norwegian crowns

Swedish crowns

Finnish marks

Portugese escudos

Swiss francs

Iceland crowns

to be inserted after being
communicated by the country
concerned.

3. The sums expressed in European Units of Account in that article shall be reviewed whenever the base date changes having regard, among other things, to the principle that there should be no decline in the actual amounts expressed in any national currency and to the effects of inflation since the last change of base date . However the first review, in 1980, shall take into account inflation since 1972.

Proposal for a Council Regulation (EEC) on the application
Joint Committee EEC-Decision (1) replacing the Unit of
Account by the European Unit of Account in Article 8 of Protocol No 3
concerning the definition of the concept of originating products and
methods of administrative co-operation

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 of the Commission,

Whereas an Agreement between the European Economic Community and
(2) (3) was signed on (4)
and entered into force on (5);

Whereas by virtue of Article 28 of Protocol No 3 concerning the
definition of the concept of originating products and methods of
administrative co-operation, which forms an integral part of the above
Agreement, the Joint Committee has adopted Decision No /78
replacing the Unit of Account by the European Unit of Account in Article 8
of that Protocol;

Whereas it is necessary to apply this Decision in the Community,

.../...

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- (1) Austria, Finland, Iceland, Norway, Portugal, Sweden, Switzerland
 - (2) The Republic of Austria, the Republic of Finland, the Republic
of Iceland, the Kingdom of Norway, the Portugese Republic, the
Kingdom of Sweden, the Swiss Confederation
 - (3) Austria, Sweden, Switzerland : OJ No L 300 of 31.12.72
Finland : OJ No L 328 of 28.11.73
Norway : OJ No L 171 of 27.6.73
Iceland, Portugal : OJ No L 301 of 31.12.72
 - (4) Austria, Iceland, Portugal, Sweden, Switzerland : 22 July 1972
Norway : 14 May 1973
Finland : 5 October 1973
 - (5) Austria, Portugal, Sweden, Switzerland : 1 January 1973
Iceland : 1 April 1973
Norway : 1 July 1973
Finland : 1 January 1974

HAS ADOPTED THIS REGULATION:

Article 1

For the application of the Agreement between the European Economic Community and (1), Joint Committee Decision. No /78 shall be applied in the Community.

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

(1) The Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Portuguese Republic, the Kingdom of Sweden, the Swiss Confederation.

